



CEO/ALS/PROB-023-021
Probation
1700 E. Saint Andrew Pl.
Santa Ana, CA, 92705

LEASE

THIS IS A LEASE AGREEMENT (hereinafter referred to as “**Lease**”) made _____, 2023, (“**Effective Date**”), by and between DRAWBRIDGE SAINT ANDREW, LLC, a 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 1700 East Saint Andrew Place, Santa Ana, CA, 92705 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.

“**Probation or Probation Department**” means the Probation Department, 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.

“**Probation/Facilities Services Manager**” means the Manager, Probation/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 Probation.

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 this reference made a part hereof, of approximately 70,462 rentable square feet (“RSF”) in the building located at 1700 East Saint Andrew Place, Santa Ana, California (collectively, the “Premises” and/or “Initial 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 for 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 SA)

Throughout the Term of the Lease and including any Extension Term pursuant to Clause 7 (OPTION TO EXTEND TERM), County shall have the exclusive right, without additional charge, to use a pro-rata share of parking on or about the Property (as defined below), consisting of approximately six hundred fifty-six (656) parking spaces in total; therefore, County shall have access to approximately two-hundred and sixty-eight (268) parking stalls in connection with the Initial Premises. County shall be permitted to fence a portion of said two-hundred and sixty-eight (268) parking stalls as shown on Exhibit B (the “Fenced Parking Area”). 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. Should County occupy the Expansion Premises, as defined below and consistent with the terms below, County shall have the exclusive right to all parking on or about the Property.

Included within 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 eighty (180) months (“Term”), commencing the first day of the first full calendar month following the completion by Lessor of the work set out in Clause 13 (CONSTRUCTION) below, which is estimated to be June 1, 2024 (“Commencement Date”).

Parties agree that the Commencement Date of this Lease will be confirmed in writing by either Party upon demand by the other (“Commencement Letter”).

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), and provided that at the time of the exercise of the Option or upon commencement of the Extension Term, County shall have expanded to lease the entire Building, the 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 behalf of the County, and Lessor. 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 twelve (12) 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.

A. 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.

B. 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 (except for the Lessor’s Building Work in accordance with Clause 13 (CONSTRUCTION)); (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.

C. 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 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.

D. 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 SA)

Provided there is no current County Default under this Lease (as further defined in Clause 28 DEFAULTS AND REMEDIES), County shall have the one-time option to terminate this Lease at the one hundred and twenty-sixth (126th) month of the Lease Term, upon giving Lessor written notice at least twelve (12) months prior to said termination date along with a termination fee equal to unamortized Allowances and Commission calculated at eight percent (8%) and consistent with the termination fee chart attached hereto and made apart hereof as Exhibit F (“**Termination Fee**”).

9. RENT (1.8 SA)

County agrees to pay to Lessor as rent for the Premises the sum of \$3.35 per RSF, per month, as a modified gross lease (net of utilities, janitorial, and security) commencing on the Commencement Date and adjusted three percent (3%) annually pursuant to the Rent Adjustment schedule in Clause 10 (RENT ADJUSTMENT) below. Lessor shall provide County with six (6) months of free rent, which County, at County’s sole discretion, shall have the ability to convert to cash to be used towards FF&E, cabling, and any other move-related expense (“**Abated Rent**”).

To obtain rent payments and payment of any amounts hereunder Lessor (or Lessor’s designee) shall submit to County’s Probation Department, in a form acceptable to said Probation/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 Probation/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 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 utility, janitorial and security charges under Clause 20 (UTILITIES) of this Lease, Additional Services costs, and any other amounts due from County to Lessor.

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 1-6	\$0.00	\$0.00
Months 7-12	\$3.35	\$236,047.70
Months 13-24	\$3.45	\$243,129.13
Months 25-36	\$3.55	\$250,423.00
Months 37-48	\$3.66	\$257,935.70
Months 49-60	\$3.77	\$265,673.77
Months 61-72	\$3.88	\$273,643.98
Months 73-84	\$4.00	\$281,853.30
Months 85-96	\$4.12	\$290,308.90
Months 97-108	\$4.24	\$299,018.16
Months 109-120	\$4.37	\$307,988.71
Months 121-132	\$4.50	\$317,228.37
Months 133-144	\$4.64	\$326,745.22
Months 145-156	\$4.78	\$336,547.58
Months 157-168	\$4.92	\$346,644.01
Months 169-180	\$5.07	\$357,043.33

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.

The monthly Rent above is subject to change if and to the extent the County draws from the Pre-Lease Commencement Additional Allowance in accordance with Clause 13A (CONSTRUCTION) of the Lease. The Parties agree to enter into an amendment reflecting the amortized Pre-Lease Commencement Additional Allowance, with the Chief Real Estate Officer having the authority to execute said amendment on behalf of the County.

11. ADJUSTMENT FOR COST OF LESSOR SERVICES (2.0 SA) - *Intentionally Omitted***12. RIGHT TO EXPAND AND RIGHT OF FIRST REFUSAL (N)**

The Parties agree that within the first twenty-four (24) months from the Effective Date, County shall have the exclusive right to expand (“**Right to Expand**”) into the remaining 99,589 RSF (the “**Expansion Premises**”) for a total of 170,051 RSF of the Building (the “**Property**”). The terms of the Expansion Premises shall be coterminous with and at the then applicable Rent as the Initial Premises. Lessor shall provide equivalent Abated Rent and Allowances to the Expansion Premises as were provided for the Initial Premises, adjusted for Expansion Premises RSF and reduced pro rata for the amount of Lease Term remaining calculated from the Commencement Date. In no event shall the Term for the Expansion Premises commence sooner than nine (9) months after the execution of the Expansion Premises lease amendment. In addition to County’s rights and remedies contained herein this Lease, in the event that Lessor leases the Expansion Premises or any part thereof to a third party tenant, Lessor must immediately remove said tenant and terminate their lease.

If County does not elect to exercise its Right to Expand, County shall retain an on-going right of first refusal during the Term and Extension Term(s), (the “**ROFR**”) on the remaining available space within the Property (the “**ROFR Space**”). Lessor shall notify County when Lessor receives a bona fide offer from a third party for the ROFR Space. Upon receipt of said notice, County has ten (10) business days to respond as to whether they shall exercise their ROFR. The Parties agree that the terms of the ROFR shall be reflected in an executed amendment to the Lease and shall be coterminous with and at the then Rent as the Initial Premises. Lessor shall provide equivalent Abated Rent and Allowances to the ROFR Space as were provided for the Initial Premises, adjusted for ROFR Space RSF and reduced pro rata for the amount of Lease term remaining. In no event shall the lease term for the ROFR Space commence sooner than nine (9) months after the execution of the ROFR lease amendment.

13. CONSTRUCTION (2.2 N)

A. **Allowances.** Lessor agrees to complete the Work, as defined below in Subclause B, not to exceed one hundred dollars (\$100.00) per RSF (for a total of \$7,046,200.00) (“**Improvement Allowance**”). This Improvement Allowance shall be used for the hard and soft construction costs including construction management fees.

Additionally, Lessor shall provide County with a moving allowance equal to twenty-five dollars (\$25.00) per RSF (for a total of \$1,761,550.00) to be used at County’s sole discretion toward FF&E, relocation costs, cabling and telecommunications (“**FF&E Allowance**”).

Prior to the Commencement Date, Lessor shall provide County the ability to amortize up to an additional twenty-five dollars (\$25.00) per RSF (for a total of \$1,761,550.00) to be amortized over the Term at an interest rate of eight percent (8%) (the “**Pre-Lease Commencement Additional Allowance**”).

The Improvement Allowance, FF&E Allowance, and the Pre-Lease Commencement Additional Allowance shall be collectively referred to herein as the “**Allowances.**”

B. **Completion Schedule.** Lessor hereby agrees to complete, at Lessor’s expense, the alterations, repairs, and other work, including the Premises Work and Lessor’s Building Work (collectively, the “**Work**”) as defined and in accordance with the plans and specifications attached hereto and made a part hereof as Exhibit C. Lessor agrees to use best efforts to have the Premises substantially completed within one hundred twenty (120) days after the date that the City of Santa Ana and any other applicable government entities issues building permits to Lessor (the “**Scheduled Delivery Date**”). Lessor shall pursue the issuance of said permits from the City of Santa Ana and any other applicable government entities with commercially reasonable due diligence and good faith efforts. 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, such that the Premises may be fully occupied and ready for operation by County for the intended purposes, 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 D. 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. 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 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 sole and reasonable discretion.

Lessor shall notify County of any delays anticipated in achieving Substantial Completion or the Final Completion Date for any cause that is outside of the Lessor's reasonable control, including Force Majeure, which shall result in a corresponding day-for-day delay in the Scheduled Delivery Date and Final Completion Date, as applicable.

C. **County Remedies.** If Substantial Completion (as defined in Clause 13(B)) 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 one thousand dollars (\$1,000.00) per day for the period from the Scheduled Delivery Date through the day prior to the Final Completion Date as liquidated damages. 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 the Probation/Facilities Services Manager and deducted from the Improvement Allowance. 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 Probation/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 Probation/Facilities Services Manager approval and acceptance of such Work, which approval will not be unreasonably withheld or delayed. Said approval shall be manifested by letter from the Probation/Facilities Services Manager (the Work Acceptance Letter) and may be subject to completion of items on a "punch 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 complete all punch list items within twenty-one (21) days following receipt of the Work Acceptance Letter. Should the items on the punch list not be completed within twenty-one (21) 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 receipt of the Work Acceptance Letter through the Final Completion Date or County shall have the option to complete the Work and deduct the cost thereof, including labor, materials, and overhead from any Rent payable.

F. **Project Management Oversight.** County may, at County's option, select a project manager or construction manager, at County's sole discretion, cost and expense, to assist in County's oversight of the Work (the "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(D) above. Lessor may deduct a construction management fee from the Improvement Allowance equal to three percent (3%) of the total hard cost of the Work and that such construction management fee is in addition to any fees charged by the Project Manager selected by County, if applicable.

G. **County Alterations to Work.** Although the Premises will be delivered to County on a "turnkey" basis, the Parties agree that should County make alterations or revisions to the Work, ("**County Alterations**") and

such County Alterations cause the cost of the Work to decrease, County will be entitled to a credit toward additional tenant improvements either concurrently with the Work, or as a credit toward future work which County may request of Lessor throughout the Lease Term. County will reimburse Lessor for the cost of any County Alterations that cause the cost of the Work to increase in accordance with Clause 17 (COUNTY-REQUESTED ALTERATIONS). Lessor shall notify County of any delays caused by County Alterations, which shall result in a corresponding day-for-day delay in the Scheduled Delivery Date.

H. **Performance of Work.** Lessor agrees that any improvement being constructed by, or under the direction of, Lessor shall be constructed in substantial compliance with Approved Working Drawings (as defined in Exhibit C) 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.

I. **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.

J. **Security Fences.** County shall have the right, at its sole discretion and as part of the Work described above, to install security fences and access control points around the Property at a pro-rata basis on the Initial Premises. If County elects to expand into the Expansion Premises, County shall have the right to install security fences and access control points to secure the entirety of the Property. The exact location and design of the fence, in both circumstances described herein, shall be mutually agreed upon by the Parties.

14. PAINTING BY LESSOR (2.3 SA) – *Intentionally Omitted*

15. CARPETING BY LESSOR (2.4 SA) – *Intentionally Omitted*

16. ALTERATIONS AND SURRENDER (2.5 N)

County shall not make any improvements or changes to the Property ("**Alterations**"), without Lessor's prior written consent; provided, however, that Lessor's consent shall not be required for alterations that do not affect, modify or incorporate any portion of the building structure or systems of the Premises ("**Permitted Alterations**"). Additionally, 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 repair any damage caused thereby. County agrees that the Premises shall be left in as good condition as when received, reasonable wear and tear exempted. County shall pay promptly when due all charges for labor and materials in connection with any County commissioned work. County shall pay Lessor a construction

management fee equal to three percent (3%) of the total hard costs of any Alteration in order to compensate Lessor's management and approval of the same. County shall pay within thirty (30) days after demand to Lessor for any reasonable expense incurred by Lessor to remediate faulty work done by County or its contractors, damage to the Property caused by County or its contractors, or by reason of inadequate cleanup by County or its contractors. County shall remove within twenty (20) days after notice, all liens placed against Lessor's interest or the Property resulting from any County Alteration under this clause ("**Liens**").

17. COUNTY-REQUESTED ALTERATIONS OR ADDITIONAL SERVICES (2.6 N)

County through the Probation/Facilities Service 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 Probation/Facilities Service Manager.

Furthermore, County through the Probation/Facilities Service 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 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 shall pay Lessor a construction management fee equal to three percent (3%) of the hard cost of any County-Requested Alterations and any Additional Services in order to compensate Lessor's management and approval of the same.

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. Such acceptance by County will not be unreasonably withheld or delayed and if a written disapproval of any claim by Lessor is not received within thirty (30) working days after submission, Lessor will send a second notice, and if no County response is received by Lessor within fifteen (15) days after the second notice, such claim shall be deemed accepted. 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 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 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. 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 SA)

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 AND SURRENDER), shall be applicable to such work. It shall be County's responsibility to obtain all governmental permits and/or approvals required for such installation; however, Lessor shall reasonably cooperate with County as necessary or appropriate, to obtain said permits and/or approvals. Additionally, 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 AND MAINTENANCE 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"). Upon request, Lessor shall provide County with a complete copy of the janitorial and any other contracts for Services of an ongoing nature. 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.

Notwithstanding the foregoing, County shall reimburse Lessor within thirty (30) days after demand with supporting documentation, for the costs to repair, maintain and/or replace any damages to the Premises or Building if the need for any repair, maintenance, restoration or replacement arises out of the misuse or intentional act or omission of the County or its agents, representatives, employees or invitees which are in excess of normal wear and tear for the permitted use. "Normal wear and tear" is intended to mean full-time use of the Premises and Building systems.

- B. **County Remedies.** If Lessor fails to provide the Services, the Probation/Facilities Services Manager may provide written notice thereof to Lessor specifying any such default and Lessor shall have fifteen (15) days 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 ("Cure Period"). If Lessor fails to cure the and recommence the Services within the Cure Period, then, without limiting any available remedy to County (including, but not limited to, County Remedies as defined in Clause 28 (DEFAULTS AND

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. In the event that Lessor fails to provide required Services to the Premises within sixty (60) days after the expiration of the Cure Period, subject to extension for acts of Force Majeure and County delays, to Lessor, Lessor shall be obligated to pay a penalty to County of one thousand dollars (\$1,000.00) per day until such Services are provided by Lessor.

- C. **Warranties.** Lessor shall initiate at purchase, and keep in force, all manufacturers' warranties including 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 immediately authorize said Vendor to perform any and all recommended maintenance to the equipment and roof upon receipt of any inspection report. 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 6:00 a.m. to 6:00 p.m. Monday through Friday and Saturday from 7:00 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.

- 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 two (2) business days (i.e., excluding weekends and holidays) as the same cure period may be extended for Force Majeure, and provided that such failure is not caused by any negligent act or omission of County (agents, representatives, employees or invitees), then Rent shall abate until Lessor provides such Services or Emergency Services as required under this Section 19.

20. UTILITIES (2.9 N)

County shall be responsible for and pay, prior to the delinquency date, as Additional Rent, all charges for utilities, janitorial and security expenses supplied to the Initial Premises, Expansion Premises, and/or ROFR Space. County shall not be responsible for any other operating expense pass-throughs during the Term or any Extension Term(s) contemplated herein.

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 fifty dollars (\$50.00) 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 as Additional Rent.

21. INSURANCE (3.0 SA)

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 ISO form CP 00 10 10 12, or a substitute form providing coverage at least as broad, with all risk or special form coverage, covering the loss or damage to the Premises to the full insurable value of the improvements located on the Premises (including the full value of all improvements and fixtures owned by Lessor) at least in the amount of the full replacement cost thereof, and in no event less than the total amount required by any lender holding a security interest.

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. Lessor shall deposit the Certificate of Insurance with CEO Real Estate, consistent with the Notice clause, through electronic correspondence on or before the Effective Date of this Lease and annually throughout the Term, as necessary to: insurance.ceore@ocgov.com.

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 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. Shall provide a limit of One Million Dollars (\$1,000,000) per occurrence with a Two Million Dollars (\$2,000,000) aggregate; and
- C. 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**). It is preferred, but not mandatory, that the insurer be licensed to do business in the state of California (California Admitted Carrier).

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.

County acknowledges that Lessor may meet the foregoing requirements, or their reasonable equivalents, through a portfolio-based insurance product.

COUNTY INSURANCE

County shall provide 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, Professional Liability with a minimum limit of \$1,000,000 per occurrence and a \$3,000,000 aggregate, Workers Compensation with statutory limit and Employers' Liability with a \$1,000,000 limit. Evidence of the County's self-insurance shall be provided upon request, with Lessor named as Indemnified Parties on the County's program of self-insurance.

22. INDEMNIFICATION (3.1 SA)

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, except for liability arising out of the negligence 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 members, managers, partners, lenders and their managers, directors, officers, agents, and employees (collectively, "**Lessor Parties**"), against any and all claims, loss, demands, damages, cost, expenses or liability arising out of the County's use of the Premises, except for liability arising out of the negligence of Lessor, its officers, agents, or employees, including the cost of defense of any lawsuit arising therefrom.

23. TOXIC MATERIALS (3.2 SA)

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, and Lessor Parties harmless from and against all claims, costs and liabilities, including attorneys' fees and costs arising out of or in connection with the storage, use, and disposal of Toxic Materials on the Premises by County. If the storage, use, and disposal of Toxic Materials on the Premises by County results in contamination or deterioration of water or soil resulting in a level of contamination greater than maximum allowable levels established by any governmental agency having jurisdiction over such contamination, County shall promptly take any and all action necessary to clean up such contamination.

Likewise, Lessor hereby warrants and represents that Lessor has in the past and will hereafter comply with all laws and regulations relating to the storage, use and disposal of 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. Notwithstanding the foregoing, Lessor shall not be responsible, and County shall be responsible for any compliance work (A) caused or triggered by Alterations made by County, or County-Requested Alterations after the Work is completed, or (B) caused or triggered by County's specific use of the Premises after the Work is completed.

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 (the “**Lessor Failure**”), Lessor shall have five (5) days from County’s written notice to commence to cure said Lessor Failure (as the same will be extended day-for-day for Force Majeure or County delay). If Lessor does not commence to cure said Lessor Failure within five (5) days County may, notwithstanding any other termination provisions contained herein:

- A. Thirty (30) days after notice of Lessor Failure, (as the same will be extended day-for-day for Force Majeure or County delay), County may, terminate this Lease with written notice to the Lessor; or
- B. At County’s sole option, County may, 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 actual 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 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.
- 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, and such assignee or subtenant is a governmental entity or a contractor of County, Lessor shall not be entitled to any of such excess which shall be held by County. For any other assignments or subleases, Lessor shall elect by written notice to County to either: (1) consent to the proposed transfer; or (2) in the event of a sublease, to modify the Lease to recapture the proposed sublease space.

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

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. County's possession of the Premises shall not be disturbed by the Lessor, or its successors in interest, and this Lease shall remain in full force and effect. Said attornment shall be effective and self-operative immediately upon succession of the current title holder, or its successors in interest, to the interest of Lessor under this Lease.

Notwithstanding the above, Lessor shall obtain and deliver to County a *Subordination, Attornment and Non-Disturbance Agreement* from Lessor's Lender (consistent with the form attached hereto in Exhibit E), within thirty (30) days of the date of full execution of this Lease. The inability or failure of Lessor to obtain such *Subordination, Attornment and Non-Disturbance Agreement* shall not constitute a default by Lessor hereunder but shall entitle County to cancel this Lease. Lessor shall 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 of County's standard form *Subordination, Attornment and Non-Disturbance Agreement* or in a form approved by the Probation/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 in writing and substantially in the form of County's standard form *Subordination, Attornment and Non-Disturbance Agreement* 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 Probation/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 E) 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 SA)

A. 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**").

B. 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**").

C. County Remedies:

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.

D. 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, in addition to any delinquent rent from prior budget years. However, in no event shall Lessor be entitled to a remedy of acceleration of any other 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, 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 of the Term of this Lease or any such future improvements or modifications performed by Lessor at the request of County shall be governed by, and performed in accordance with, the provisions of Article 2 of Chapter 1, Part 7, Division 2 of the Labor Code of the State of California (Sections 1770, et seq.), 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 Probation/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)

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 require and 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 require and verify that all its contractors or other persons servicing the Premises on behalf of the Lessor also pay their employees no less than the greater of the Federal or California Minimum Wage.

Lessor shall comply and verify that its contractors comply with all other Federal and State of California laws for minimum wage, overtime pay, record keeping, and child labor standards pursuant to the servicing of the 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. In this regard, in the event that this Lease is terminated due to an uncured default of the County to pay rent due to the failure to have funds which are appropriated or allocated by the County's Board of Supervisors, Lessor may declare all rent payments to the end of County's current fiscal year to be due, in addition to 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 N)

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 gross negligence or willful misconduct and not otherwise waived pursuant to Clause 21 (INSURANCE) above and Clause 33 (LESSOR'S RIGHT OF ENTRY) below. Lessor hereby waives any and all lien rights, whether statutory or common law or established pursuant to this Lease, that Lessor may have 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.

33. LESSOR'S RIGHT OF ENTRY (4.2 N)

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 N)

County, at County's sole cost, shall have the exclusive right to one (1) building top and one (1) monument signage, in the locations permitted by applicable laws and restrictions and subject to Lessor's approval as to location and form. Should County occupy the entire Building, County shall have the right to install maximum-allowable signage and/or displays in compliance 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, all of whom (assuming there are more than one heir, successor, executor, administrator or assignee) shall be jointly and severally liable hereunder.

In the event Lessor transfers its interest in the Premises or the Building, Lessor shall be released from liability and obligations hereunder which accrues after such transfer so long as the transferee assumes all of Lessor's rights and obligations hereunder.

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 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 SA)

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.

42. EARTHQUAKE SAFETY (5.1 SA)

Lessor hereby confirms that to the best of Lessor's knowledge, 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 SA)

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. Said compensation amount shall be determined by multiplying the hourly rate of the Probation/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, provided such costs shall not exceed fifteen hundred dollars (\$1500.00) per instance. Should Lessor fail to compensate County within said thirty (30) days, County has the option to deduct the amount from Rent payable, up to the afore-mentioned limitation.

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 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 SA)

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 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.

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.

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 a reasonable time, but not to exceed two hundred seventy (270) 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 two hundred seventy (270) days, or longer time frame as may be authorized by County, County may, at County's sole option, terminate the Lease.

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 at the option of Lessor be terminated effective upon written notice to County, but not later than ninety (90) days after the occurrence of such Total Destruction or unfitness of the Premises. All rent payable by County shall be abated from the date of Total Destruction until substantial completion of the restoration of the Premises.

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 and Lessor Parties 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 SA)

County's obligations and responsibilities under this Lease are contingent upon the Lessor paying to County's broker, Jones Lang LaSalle, a "**Commission**" as a result of this lease transaction. Said Commission shall be paid to Jones Lang LaSalle consistent with a separate agreement between Lessor and Jones Lang LaSalle.

Should Jones Lang LaSalle not receive the above amount within the specified time period, County may terminate this Lease without further obligation to Lessor or County may deduct any unpaid amount from future Rent.

58. RIGHT TO PURCHASE (N)

County shall have the right to purchase the Property for four hundred and fifty dollars (\$450.00) per RSF (totaling \$76,522,950.00) ("**Purchase Price**") through May 31, 2025 ("**Right to Purchase**"). On June 1, 2025, the Purchase Price shall increase annually by three percent (3%) over the next four years as reflected in Exhibit G. If the County does not purchase said Property during that time, County shall have the ongoing Right of First Offer per Clause 59 below. Furthermore, County shall have the right to apply any unused Allowances towards the Purchase Price of the Property. The County shall not have the Right to Purchase at any time that County is in a material monetary default. County will exercise the Right to Purchase, if any, by executing and delivering the Purchase and Sale Agreement to Lessor, in substantially the same form attached hereto as Exhibit H.

59. RIGHT OF FIRST OFFER TO PURCHASE THE BUILDING (N)

Provided there is no current County Default under this Lease (as further defined in Clause 28 DEFAULTS AND REMEDIES), County shall have an ongoing right of first offer (“**ROFO**”) to purchase the Property. The ROFO shall be structured as follows: (i) Lessor shall inform County that it intends to market the Property for sale and County shall have fifteen (15) business days to submit a purchase offer to Lessor for the entirety of the Property that Lessor intends to sell (“**Purchase Offer**”). Lessor may accept the offer or advance to a sale process in which Lessor may transact with a third party. If the third party’s purchase price terms are more than five percent (5%) more favorable to buyer than County’s offer terms, County shall have a ‘second look’ and provide notice within ten (10) business days of its intent to purchase the Property. If County does not timely notice Lessor, Lessor may sell the Property to a third party. If the third party offer terms are not more than five percent (5%) more favorable than County’s original offer, then Lessor shall sell to County at its Purchase Offer.

60. 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

DRAWBRIDGE SAINT ANDREW, LLC
Three Embarcadero Center, Suite 2310
San Francisco, CA 94111
Attention: Mike Embree
Facsimile: (415) 391-4430
Email: membree@drawbridgerealty.com

with a copy to:

The Opus Law Firm
514 Via De La Valle, Suite 203
Solana Beach, CA 92075
Attention: Justin White, Esq.
Email: justin@opus.attorney

with additional copies to:

Forethought Life Insurance Company
30 Hudson Yards, Suite 7500
New York, New York 10001
Attn: Real Estate General Counsel

To: County

County of Orange
Probation Department
1055 N. Main St., 5th Floor
Santa Ana, CA 92701
Attn: Director, Administrative Services

With a copy to:

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

In regards to insurance, Lessor shall ensure that any and all insurance related mail includes the Lease number and project name and Lessor shall mail all insurance certificates and insurance related correspondence to: insurance.ceore@ocgov.com.

61. ATTACHMENTS (6.8 S)

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

I. EXHIBITS

Exhibit A - Description of Initial Premises

Exhibit B - Depiction of Initial Premises, Expansion Premises and Fenced
Parking Area

Exhibit C - The Work, County Improvements and Performance Specifications

Exhibit D - Work Acceptance Letter

Exhibit E - Form of Subordination, Attornment and Non-Disturbance Agreement and Estoppel
Certificate

Exhibit F - Termination Fee Schedule

Exhibit G - Purchase Price Schedule

Exhibit H - Form of Purchase and Sale Agreement

62. 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.

63. RESERVATION OF RIGHTS (N)

Lessor reserves the right to make modifications, make temporary closures, perform repairs, direct or restrict traffic, grant easements, and grant access rights for current or future tenants within the Building for use of the common area, areas outside the of the Building (including parking areas) provided the same does not materially affect County's rights and use under this Lease.

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

APPROVED AS TO FORM:

OFFICE OF COUNTY COUNSEL
ORANGE COUNTY, CALIFORNIA

By: Lauren Kramer
Deputy

LESSOR

DRAWBRIDGE SAINT ANDREW, LLC,
a Delaware limited liability company

By: Charles Michelson
Name: Charles Michelson
Title: COO

RECOMMENDED FOR APPROVAL:

By: Daniel Hernandez
Director of Administration

COUNTY EXECUTIVE OFFICE

By: Stevn K Miller
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

EXHIBIT A

DESCRIPTION OF INITIAL PREMISES

PROJECT NO: CEO/ALS/PROB-023-021

PROJECT: 1700 E. Saint Andrew Place, Santa Ana

DATE: October 26, 2023

VERIFIED BY: Casey Czapski

All the Premises shown highlighted on a plot plan marked Exhibit B, attached hereto and made a part hereof, being a portion of the first and second floors of that certain building at 1700 E. Saint Andrew Place, in the city of Santa Ana, County of Orange, State of California, comprising of approximately 70,462 square feet.

NOT TO BE RECORDED

EXHIBIT B

DEPICTION OF INITIAL PREMISES, EXPANSION PREMISES, AND FENCED PARKING AREA



EXHIBIT B (CONT'D)
DEPICTION OF INITIAL PREMISES, EXPANSION PREMISES, AND FENCED
PARKING AREA

1ST FLOOR PLANS



FIRST FLOOR PLAN

2ND FLOOR PLANS



SECOND FLOOR PLAN

EXHIBIT B (CONT'D)
DEPICTION OF INITIAL PREMISES, EXPANSION PREMISES, AND FENCED
PARKING AREA

3RD FLOOR PLANS

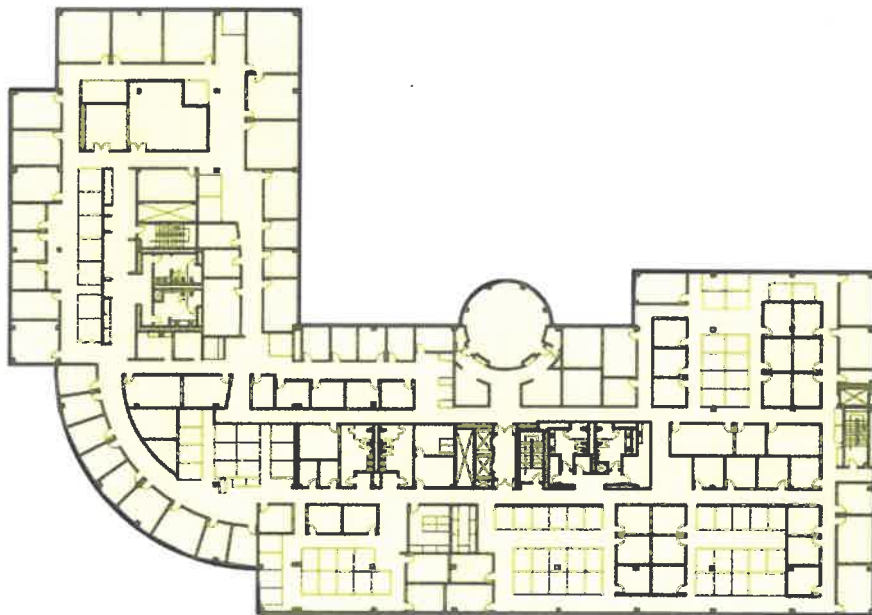


EXHIBIT B (CONT'D)
DEPICTION OF INITIAL PREMISES, EXPANSION PREMISES, AND FENCED
PARKING AREA



EXHIBIT C

**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 Initial Premises and/or Expansion 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 62 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 7 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 PREMISES WORK

Space Plan. Lessor and its architect shall prepare the final space plan (collectively, the “**Final Space Plan**”) for construction of the certain improvements within the Premises (“**Premises Work**”), and shall deliver the Final Space Plan to County for County’s approval, such approval not to be unreasonably withheld, conditioned or delayed. County shall have five (5) business days to review and approve such Final Space Plan. If County does not approve the Final Space Plan in accordance with this Section, County shall provide reasons for said disapproval and allow Lessor ten (10) business days to provide the revised Final Space Plan taking into account County’s reasons for disapproval. Failure of County to reasonably disapprove any draft of the Final Space Plan within said five (5) business day period shall be deemed to constitute County’s approval thereof. This process shall be repeated until the Final Space Plan has 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 Space Plan) shall be limited to (a) the revisions made to the previous submission of the Final Space Plan 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 Space Plan previously submitted to County.

Final Working Drawings. Lessor and its architect and engineers shall complete the architectural and engineering drawings for the Premises Work. The final architectural working drawings shall be in a form which is complete to allow subcontractors to bid on the Premises 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 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 Premises Work.

Bidding. Lessor shall construct the Work in accordance with the plans prepared by County's architect and approved by Lessor in accordance with the Design Problem criteria (anything that adversely affects the structural, mechanical, electrical or fire life-safety systems of the Building). Lessor's contractor shall be the contractor selected pursuant to a procedure whereby the final plans and a construction contract approved by County are submitted to three (3) contractors mutually agreed to by Lessor and County (all of which must have a reputation for quality work, timely performance and integrity). Each of the three (3) contractors shall submit to Lessor a fixed price contract bid to construct the Work. Lessor and County, after adjustments for the inconsistent assumptions to reflect an "apples to apples" comparison, shall select the lowest price bidder and such contractor with the lowest priced bid shall enter into a construction contract with Lessor consistent with the terms of the bid to construct the Work.

SECTION 2. – LESSOR'S BUILDING WORK

Lessor shall, at Lessor's sole cost and expense (irrespective of the allowances defined above), be responsible for all the Building systems being in good working order and shall return the Building to a warm shell condition, County-identified existing improvements removed and demised, and to complete certain lobby, corridor, and common area restrooms with building standard as further set forth in the schedule attached hereto as Schedule 2 ("**Lessor's Building Work**"). The above defined "**Lessor's Building Work**" shall be completed concurrently with the Premises Work and is anticipated to be completed on or before the County's estimated Commencement Date of June 1, 2024.

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.

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, Final Working Drawings (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. In addition, if the cost of the Premises Work exceeds one hundred dollars (\$100.00) per RSF, County shall pay the excess amount to Lessor within sixty (60) days following receipt of Lessor's written request therefor.

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 Premises 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 Premises Work. Lessor shall independently retain Contractor, on behalf of County, to construct the Premises Work in accordance with the Approved Working Drawings and Lessor shall supervise the construction by Contractor.

SECTION 6. - COUNTY'S COVENANTS

County hereby indemnifies, defends and holds harmless Lessor and Lessor Parties 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 Premises Work.

SECTION 7. - 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 Stephanie Garcia, Business Services Analyst – Facilities Services Manager, whom as of the Effective Date is undetermined, but to be named imminently 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 Mike Embree or Jaden Rosselli, as its sole representatives with respect to the matters set forth in this Work Letter, who, until further notice to County, each 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 Premises 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 Premises 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.

SCHEDULE 1 TO WORK LETTER

Estimated Schedule

Mutual Lease Execution	December 5, 2023
Design and Construction Drawings	January 16, 2024 (6 weeks)
Plan Check/Permit Approval	February 27, 2024 (6 weeks)
Construction Commencement: Premises and Building Work	February 28, 2024
Substantial Completion Date	May 22, 2024 (12 weeks)

SCHEDULE 2 TO WORK LETTER

Lessor's Building Work

Lessor shall be responsible for all the Building Systems being in good working order and return the Premises to warm shell condition, County-identified existing improvements removed and/or demised, the scope of which to be mutually agreed between Lessor and County.

EXHIBIT D

WORK ACCEPTANCE LETTER

RE: Premises Located at 1700 E Saint Andrew Place, Santa Ana, CA 92705.

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:

<input type="checkbox"/>	<p>LESSOR WORK IS COMPLETE, COUNTY ACCEPTS POSSESSION OF THE PREMISES (WITH NO PUNCH LIST ITEMS):</p> <p>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 <u>Exhibit C</u> and Clause 13 (CONSTRUCTION) of the Lease.</p>
<input type="checkbox"/>	<p>LESSOR WORK IS COMPLETE WITH PUNCH LIST ITEMS OUTSTANDING, COUNTY ACCEPTS POSSESSION OF THE PREMISES:</p> <p>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).</p> <p>Lessor has twenty-one (21) days following receipt of this Work Acceptance Letter to complete all punch list items.</p> <p>Punch List Items Remaining of The Work: (Attach additional pages if necessary)</p> <hr/> <hr/>

Attachment A - Lease Agreement

	<p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>Anticipated Punch List Completion Date: _____</p>
<p><input type="checkbox"/></p>	<p>LESSOR WORK IS <u>NOT</u> COMPLETE, COUNTY REJECTS POSSESSION OF THE PREMISES:</p> <p>Lessor has not completed the Work per the requirements defined in the Lease specifically in Clause 13 (CONSTRUCTION) and <u>Exhibit C</u>.</p>

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.

<p>Lessor:</p> <p>_____</p> <p>Print Name: _____</p> <p>Title: _____</p> <p>Date: _____</p>	<p>Probation/Facilities Service Manager:</p> <p>_____</p> <p>Print Name: _____</p> <p>Title: _____</p> <p>Date: _____</p>
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EXHIBIT E
SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT
[SEE ATTACHED HERETO]

SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT

THIS SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT (the “**Agreement**”) is made as of _____, 2023 by and among FORETHOUGHT LIFE INSURANCE COMPANY, an Indiana life insurance company, having an address at 30 Hudson Yards, Suite 7500, New York, New York 10001, in its role as lead lender on behalf of itself and any of lenders party to the Loan Documents (defined below) (together with its affiliates, participants, successors, and/or assigns, “**Lender**”), the COUNTY OF ORANGE, a political subdivision of the State of California, having an address at 1700 E. Saint Andrews Place, Santa Ana, CA (“**Tenant**”), and DRAWBRIDGE SAINT ANDREW, LLC, a Delaware limited liability company, having an address at Three Embarcadero Center, Suite 2300, San Francisco, California 94111 (“**Landlord**”).

RECITALS:

A. Lender has made a loan to Landlord, and certain affiliates of Landlord, which such loan will be secured by a Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing (the “**Security Instrument**”), given by Landlord to Lender which encumbers the fee simple absolute estate of Landlord in certain premises described in Exhibit A attached hereto (the “**Property**”) and which, among other security instruments, secures the payment of the loan evidenced by a certain promissory note, given by Landlord and certain affiliates of Landlord to Lender (the “**Note**”; the Security Instrument, the Note and each of the other documents executed and/or delivered by Landlord and certain affiliates of Landlord to Lender in connection with the loan, the “**Loan Documents**”);

B. Tenant is the holder of a leasehold estate in a portion of the Property under and pursuant to the provisions of a certain lease dated _____, 2023 between Landlord, as landlord and Tenant, as tenant (as may have been amended the “**Lease**”); and

C. Tenant has agreed to subordinate the Lease to the Security Instrument and to the lien thereof and Lender has agreed to grant non-disturbance to Tenant under the Lease on the terms and conditions hereinafter set forth.

AGREEMENT:

For good and valuable consideration, Tenant, Lender and Landlord agree as follows:

1. Subordination. The Lease and all of the terms, covenants and provisions thereof and all rights, remedies and options of Tenant thereunder are and shall at all times continue to be subject and subordinate in all respects to the terms, covenants and provisions of the Security Instrument, as of the date hereof, and to the lien thereof, including without limitation, all renewals, increases, modifications, spreaders, consolidations, replacements and extensions thereof and to all sums secured thereby and advances made thereunder with the same force and effect as if the Security Instrument had been executed, delivered and recorded prior to the execution and delivery of the Lease.

2. Non-Disturbance. If any action or proceeding is commenced by Lender for the foreclosure of the Security Instrument or the sale of the Property, Tenant shall not be named as a party therein unless such joinder shall be required by law, provided, however, such joinder

shall not result in the termination of the Lease or disturb the Tenant's possession or use of the premises demised thereunder, and the sale of the Property in any such action or proceeding and the exercise by Lender of any of its other rights under the Note, the Security Instrument or the other Loan Documents shall be made subject to all rights of Tenant under the Lease, provided that at the time of the commencement of any such action or proceeding or at the time of any such sale or exercise of any such other remedy by Lender (a) the term of the Lease shall have commenced pursuant to the provisions thereof, (b) Tenant shall be in possession of the premises demised under the Lease, (c) the Lease shall be in full force and effect and (d) Tenant shall not be in default under any terms, covenants or conditions of the Lease or of this Agreement on Tenant's part to be observed or performed.

3. Attornment. If Lender or any other subsequent purchaser of the Property shall become the owner of the Property by reason of the foreclosure of the Security Instrument or the acceptance of a deed or assignment in lieu of foreclosure or by reason of any other enforcement of the Security Instrument (Lender or such other purchaser being hereinafter referred as "**Purchaser**"), and the conditions set forth in Section 2 above have been met at the time Purchaser becomes owner of the Property, the Lease shall not be terminated or affected thereby but shall continue in full force and effect as a direct lease between Purchaser and Tenant upon all of the terms, covenants and conditions set forth in the Lease and in that event, Tenant agrees to attorn to Purchaser and Purchaser by virtue of such acquisition of the Property shall be deemed to have agreed to accept such attornment, provided, however, that Purchaser shall not be:

- (a) liable for the failure of any prior landlord (any such prior landlord, including Landlord and any successor landlord, being hereinafter referred to as a "**Prior Landlord**") to perform any of its obligations under the Lease which have accrued prior to the date on which Purchaser shall become the owner of the Property, provided that the foregoing shall not limit Purchaser's obligations under the Lease to correct any conditions of a continuing nature that (i) existed as of the date Purchaser shall become the owner of the Property and (ii) violate Purchaser's obligations as Landlord under the Lease; provided further, however, that Purchaser shall have received written notice of such omissions, conditions or violations and Purchaser has had a reasonable opportunity to cure the same, all pursuant to the terms and conditions of the Lease;
- (b) subject to any offsets, defenses, abatement or counterclaims which shall have accrued in favor of Tenant against any Prior Landlord prior to the date upon which Purchaser shall become the owner of the Property, provided that Purchaser shall have received written notice of such offsets, defenses, abatement or counterclaims, and to the extent any are subject to cure, Purchaser has had a reasonable opportunity to cure the same;
- (c) bound by any payment of rents, additional rents or other sums which Tenant may have paid more than one (1) month in advance to any Prior Landlord unless (i) such sums are actually received by Purchaser, or (ii) such prepayment shall have been expressly approved of by Purchaser;
- (d) bound by any agreement terminating (except any termination by Tenant for cause pursuant to the express terms of the Lease, subject to Lender and Purchaser's rights hereunder to cure) or amending or modifying the rent, term, commencement date or other

material term of the Lease, or any voluntary surrender of the premises demised under the Lease, made without Lender's prior written consent; or

(e) bound by any assignment of the Lease or sublease of the Property, or any portion thereof, made prior to the time Purchaser succeeded to Landlord's interest other than if pursuant to the provisions of the Lease.

Alternatively, upon the written request of Lender or its successors or assigns, Tenant shall enter into a new lease of the Premises with Lender or such successor or assign, at Lender's or such successor or assign's cost and expense, for the then remaining term of the Lease, upon the same terms and conditions as contained in the Lease, except as otherwise specifically provided in this Agreement.

4. Notice to Tenant. After notice is given to Tenant by Lender that the Landlord is in default under the Note, the Security Instrument and the other Loan Documents and that the rentals under the Lease should be paid to Lender pursuant to the terms of the assignment of leases and rents executed and delivered by Landlord to Lender in connection therewith, Tenant shall (but subject at all times to compliance with applicable law) thereafter pay to Lender or as directed by the Lender, all rentals and all other monies due or to become due to Landlord under the Lease and Landlord hereby expressly authorizes Tenant to make such payments to Lender and hereby releases and discharges Tenant from any liability to Landlord on account of any such payments.

5. Lender's Consent. Tenant shall not, without obtaining the prior written consent of Lender, (a) enter into any agreement amending, modifying or terminating the Lease, (b) prepay any of the rents, additional rents or other sums due under the Lease for more than one (1) month in advance of the due dates thereof, (c) voluntarily surrender the premises demised under the Lease or terminate the Lease without cause or shorten the term thereof other than pursuant to the provisions of the Lease, or (d) assign the Lease or sublet the premises demised under the Lease or any part thereof other than pursuant to the provisions of the Lease; and any such amendment, modification, termination, prepayment, voluntarily surrender, assignment or subletting, without Lender's prior consent, shall not be binding upon Lender.

6. Notice to Lender and Right to Cure. From time to time, Lender may seek (or Tenant may otherwise provide pursuant to the Lease) confirmation from Tenant as to whether any default exists by Landlord under the Lease. In the case of any such default that can be cured by the payment of money, Lender may cure within thirty (30) days after such notice. In the case of any other such default, Lender may cure within a reasonable period following the giving of such notice and following the time when Lender shall have become entitled under the Security Instrument to remedy the same, including such time as may be necessary to acquire possession of the Property if possession is necessary to effect such cure, provided Lender, with reasonable diligence, shall (a) commence such cure within the period set forth in the Lease, (b) pursue such remedies as are available to it under the Security Instrument so as to be able to remedy the default, and (c) thereafter shall have commenced and continued to remedy such default or cause the same to be remedied. Notwithstanding the foregoing, Lender shall have no obligation to cure any such default. Tenant agrees to accept performance by Lender of any terms of the Lease required to be performed by Landlord with the same force and effect as though performed by Landlord.

7. Notices. All notices or other written communications hereunder shall be deemed to have been properly given (i) upon delivery, if delivered in person or by facsimile transmission with receipt electronically confirmed, (ii) one (1) Business Day (hereinafter defined) after having been deposited for overnight delivery with any reputable overnight courier service, or (iii) three (3) Business Days after having been deposited in any post office or mail depository regularly maintained by the U.S. Postal Service and sent registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

If to Tenant:

County of Orange
Probation Department
1055 N. Main St., 5th Floor
Santa Ana, CA 92701
Attn: Director, Administrative Services

With a copy to:

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

If to Lender:

Forethought Life Insurance Company
c/o KKR Real Estate Manager LLC
30 Hudson Yards, Suite 7500
New York, New York 10001
Attention: Jason Kelley

or addressed as such party may from time to time designate by written notice to the other parties. For purposes of this Section 7, the term “**Business Day**” shall mean a day on which commercial banks are not authorized or required by law to close in the state or commonwealth where the Property is located. Either party by notice to the other may designate additional or different addresses for subsequent notices or communications.

8. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of Lender, Tenant and Purchaser and their respective successors and assigns.

9. Governing Law. This Agreement shall be deemed to be a contract entered into pursuant to the laws of the State where the Property is located and shall in all respects be governed, construed, applied and enforced in accordance with the laws of the State where the Property is located.

10. Miscellaneous. This Agreement may not be modified in any manner or terminated except by an instrument in writing executed by the parties hereto. If any term, covenant or condition of this Agreement is held to be invalid, illegal or unenforceable in any respect, this Agreement shall be construed without such provision. This Agreement may be executed in any number of duplicate originals and each duplicate original shall be deemed to be an original. This Agreement may be executed in several counterparts, each of which counterparts shall be deemed an original instrument and all of which together shall constitute a single Agreement. The failure of any party hereto to execute this Agreement, or any counterpart hereof, shall not relieve the other signatories from their obligations hereunder. Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural and vice versa.

11. Joint and Several Liability. If Tenant consists of more than one person, the obligations and liabilities of each such person hereunder shall be joint and several.

12. Definitions. The term "Lender" as used herein shall include the successors and assigns of Lender and any person, party or entity which shall become the owner of the Property by reason of a foreclosure of the Security Instrument or the acceptance of a deed or assignment in lieu of foreclosure or otherwise. The term "Landlord" as used herein shall mean and include the present landlord under the Lease and such landlord's predecessors and successors in interest under the Lease, but shall not mean or include Lender unless and until Lender has succeeded to the interest of Landlord under the Lease. The term "Property" as used herein shall mean the Property, the improvements now or hereafter located thereon and the estates therein encumbered by the Security Instrument.

13. Further Acts. Tenant will reasonably cooperate with Lender in connection with carrying out the intention or facilitating the performance of the terms of this Agreement and for complying with all applicable laws.

14. Limitations on Purchaser's Liability. In no event shall the Purchaser, nor any heir, legal representative, successor, or assignee of the Purchaser have any personal liability for the obligations of Landlord under the Lease and should the Purchaser succeed to the interests of the Landlord under the Lease, Tenant shall look only to the estate and property of any such Purchaser in the Property for the satisfaction of Tenant's remedies for the collection of a judgment (or other judicial process) requiring the payment of money in the event of any default by any Purchaser as landlord under the Lease, and no other property or assets of any Purchaser shall be subject to levy, execution or other enforcement procedure for the satisfaction of Tenant's remedies under or with respect to the Lease; provided, however, that the Tenant may exercise any other right or remedy provided thereby or by law in the event of any failure by Landlord to perform any such obligation. Lender shall not, either by virtue of the Security Instrument, this Agreement or any of the other Loan Documents, be or become a mortgagee in possession or be or become subject to any liability or obligation under the Lease or otherwise until Lender shall have acquired the Landlord's interest in the Property, by foreclosure or otherwise. Notwithstanding anything contained in this Agreement or the Lease to the contrary, upon Lender's transfer or assignment of Lender's interests in the Loan, the Lease (or any new lease executed pursuant to this Agreement), or the Property, Lender shall be deemed released and relieved of any obligations under this

Agreement, the Lease (or any new lease executed pursuant to this Agreement), and with respect to the Property.

15. Estoppel Certificate. Tenant, shall, from time to time, within thirty (30) days after request by Lender, execute, acknowledge and deliver to Lender an estoppel certificate by Tenant, in form and substance substantially similar to the estoppel certificate contemplated under the Lease, it being intended that any such statement delivered pursuant hereto shall be deemed a representation and warranty to be relied upon by Lender and by others with whom Lender may be dealing, regardless of independent investigation. Tenant also shall include in any such statement such other information concerning the Lease as Lender may reasonably request.

16. Tenant's Purchase Option. Notwithstanding anything to the contrary in the Lease or this Agreement: (a) Tenant shall deliver to Lender at least thirty (30) days' prior written notice of Tenant's intent to exercise Tenant's purchase option under Section 58 of the Lease ("Purchase Option"); (b) if Tenant exercises the Purchase Option, title to the Property shall not be conveyed to Tenant until such time as all obligations secured by the Security Instrument have been fully satisfied or, if the Loan Documents so provide, the Loan has been fully defeased; and (c) nothing contained in this Agreement shall be construed to waive or modify the restrictions on prepayment specified in the Loan Documents and Tenant acknowledges that Tenant is aware of such restrictions.

17. Scope of Preferential Right To Purchase. Tenant acknowledges and agrees that, notwithstanding anything to the contrary in the Lease, any of the Loan Documents, or this Agreement, none of the following events ("Remedial Actions") shall be deemed to constitute an offer to purchase the Property or any portion thereof for purposes of Section 59 of the Lease and Tenant shall have no preferential right to purchase or other rights under Section 59 of the Lease as a result of any such events: (a) the judicial or nonjudicial foreclosure of the Security Instrument; (b) the delivery of a deed in lieu of judicial or nonjudicial foreclosure of the Security Instrument; (c) any offer, notice, pleading, agreement, transaction or other event or condition of any kind arising out of or relating to any of the events referred to in foregoing clauses (a) or (b); or (c) the first subsequent transfer following any of the events referred to in foregoing clause (a) or (b). In addition, Tenant acknowledges and agrees that, notwithstanding anything to the contrary in the Lease, nothing contained therein shall be deemed to restrict Lender's pursuit of any of the Remedial Actions.

[NO FURTHER TEXT ON THIS PAGE]

EXHIBIT A

Legal Description of Property

[See attached]

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 60 (NOTICES) 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.

Attachment A - Lease Agreement

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: _____

EXHIBIT F
TERMINATION FEE SCHEDULE

Termination Calculation		
Surrender Option		Month 126
Lease Term		180.0 months
Rentable Area		70,462
Tenant Improvement Allowance	\$125.00 /rsf	\$8,807,750
Unamortized Amount at 8%		\$3,747,729
Total Leasing Commission		\$1,798,784
Unamortized Amount at 8%		\$765,389
Total Termination Penalty		\$4,513,117

** The termination fee calculation above is subject to change if and to the extent the County draws the Pre-Lease Commencement Additional Allowance in accordance with Section 13 CONSTRUCTION(2.2SA) of the Lease, the Parties agree to execute an amendment reflecting the same; provided, however, if the Parties fail to execute an amendment, the Termination Fee shall nevertheless be increased to reflect the unamortized Pre-Lease Commencement Additional Allowance.

EXHIBIT G
PURCHASE PRICE SCHEDULE

Purchase Date	Price PSF	Purchase Price
Prior to 5/31/2025	\$450.00	\$76,522,950.00
6/1/2025 - 5/31/2026	\$463.50	\$78,818,638.50
6/1/2026 - 5/31/2027	\$477.41	\$81,183,197.66
6/1/2027 - 5/31/2028	\$491.73	\$83,618,693.58
6/1/2028 - 5/31/2029	\$506.48	\$86,127,254.39

EXHIBIT H

PURCHASE AND SALE AGREEMENT

**PURCHASE AND SALE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS**

This Purchase and Sale Agreement and Joint Escrow Instructions (this “**Agreement**”) between DRAWBRIDGE SAINT ANDREW, LLC, a Delaware limited liability company (“**SELLER**”), and the COUNTY OF ORANGE, a political subdivision of the State of California (“**COUNTY**”), is entered into as of _____, 20__ (the “**Effective Date**”). This Agreement shall also constitute the joint escrow instructions of COUNTY and SELLER to [TITLE COMPANY] (the “**Escrow Agent**” and/or “**Title Company**”). COUNTY and SELLER are sometimes hereinafter referred to individually as a “**Party**” and collectively as the “**Parties**.”

RECITALS

A. SELLER is the owner of that certain real property consisting of a fee simple interest in the Assessor’s Parcel Numbers 403-071-28 (Affects Portion of Land) and APN 403-071-29 located at 1700 East Saint Andrew Place, Santa Ana, County of Orange, State of California described in the legal description in **Exhibit A**, which is the exhibit attached hereto and incorporated herein by this reference (“**PROPERTY**”).

B. The Parties desire to enter into this Agreement to document the purchase and sale of the **PROPERTY** between SELLER and COUNTY on all of the terms and conditions set forth in this Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, SELLER and COUNTY hereby agree as follows:

Section 1. Purchase and Sale.

SELLER hereby agrees to sell to COUNTY, and COUNTY hereby agrees to purchase from SELLER, the **PROPERTY** together with any and all of SELLER’S rights, title and interest in any and all easements, rights-of-way, privileges, rights and appurtenances, improvements, personal property benefiting, appertaining or belonging to the **PROPERTY**, including, without limitation, any and all of SELLER’s rights to contiguous streets and roads (whether opened or proposed) on or abutting the **PROPERTY**, riparian rights, water or water rights, and/or oil, gas or other minerals laying under the **PROPERTY**.

Section 2. Purchase Price.

The purchase price for the **PROPERTY** shall be _____ (the “**Purchase Price**”) subject to the terms and conditions of this Agreement. The Purchase Price shall be payable upon the Close of Escrow, as defined below.

Section 3. Escrow.

By this Agreement, SELLER and COUNTY establish an escrow (“**Escrow**”) with Escrow Agent. Escrow shall close (“Close of Escrow” or “Closing”, as defined below) no later than _____, which shall be designated as the “**Closing Date**”. The Close of Escrow may be further extended (“**Extended Escrow Period**”) by COUNTY, in its discretion, by an additional five (5) days beyond the Closing Date by providing SELLER and Escrow Agent with a written notice not later than three (3) days prior to the Closing Date.

Section 4. Due Diligence Period.

(a) Commencing on the Effective Date and terminating [_____ (thirty (30) days prior to Closing Date)], COUNTY may undertake an investigation of the PROPERTY (the “**Due Diligence Period**”). COUNTY is granted a one-time option to extend the Due Diligence Period (“**Extended Due Diligence Period**”) for five (5) days by providing SELLER with a written notice not later than three (3) days prior to the expiration of the Due Diligence Period. COUNTY, at its sole and absolute discretion, may terminate this Agreement prior to the expiration of the Due Diligence Period, or Extended Due Diligence Period, as applicable. COUNTY’s Due Diligence may include, but not be limited to:

i. A review, inspection and examination of the physical, geological and environmental condition of the PROPERTY, including, but not limited to, the receipt of one or more environmental site assessment reports (collectively, the “**Environmental Report**”); provided, however, COUNTY shall not conduct any geotechnical soil borings, test pits and other invasive environmental tests of the PROPERTY without SELLER’s prior written consent;

ii. A review and investigation of the effect of any zoning, maps, permits, reports, engineering data, regulations, ordinances, and laws affecting the PROPERTY;

iii. A structural engineering report on the structures existing on the PROPERTY;

iv. An appraisal of the Property (the “**Appraisal**”);

v. A review of the economic feasibility of COUNTY’s proposed use of the PROPERTY; and

vi. A site plan and title and survey investigation.

(b) During the Due Diligence Period, and the Extended Due Diligence Period, as applicable, and through the Close of Escrow upon no less than twenty-four (24) hours prior written notice to SELLER, COUNTY may enter upon the PROPERTY for any and all purposes related to its Due Diligence at no cost to the COUNTY. COUNTY shall indemnify, defend and hold SELLER and the PROPERTY free and harmless of all claims, liabilities, attorneys’ fees and costs or charges arising out of the entry upon the PROPERTY by COUNTY and COUNTY’s agents, unless said claims and/or liabilities arise as a result of SELLER’s gross negligence or willful misconduct. This Section 4(b) shall survive any termination of this Agreement.

(c) COUNTY at COUNTY’s sole cost, shall repair all damage caused by COUNTY or COUNTY’s agents in connection with any such inspection or entry for the purposes of inspection and shall return the PROPERTY to the condition existing prior to such inspections. This Section 4(c) shall survive any termination of this Agreement.

(d) Within five (5) calendar days following the Effective Date, SELLER shall deliver to COUNTY copies of all the documents, materials or information relating to the PROPERTY that are owned by or in SELLER’s possession including, but not limited to, leases, licenses, permits, rental agreements, any third party reports initiated by Seller (without any representation or warranty as to the accuracy of the information

contained therein), written notices of complaints to or responses from regulatory agencies during Seller's period of ownership, lis pendens, Seller's current policy of title insurance, written notices of any new or special assessments or taxes, site plans, service contracts, warranties, guaranties, engineering plans and studies, architectural and civil plans and specifications, land title surveys and any soils reports prepared for SELLER (the "**Due Diligence Materials**"). SELLER acknowledges that the Due Diligence Materials provided or to be provided to COUNTY represent all of the material Due Diligence Materials in SELLER's possession with respect to the PROPERTY and at the time that all Due Diligence Materials that contain written notice of violations or third-party reports that may contain information about materially adverse matters affecting the PROPERTY that are in SELLER's possession are provided to COUNTY. In the event that any additional documents are discovered by SELLER or come into SELLER's possession after the Effective Date that contain information that could have a material and adverse effect on the PROPERTY, SELLER shall promptly deliver copies of said document(s) to COUNTY. In the event COUNTY terminates this Agreement prior to Close of Escrow, COUNTY shall promptly return to SELLER all Due Diligence Materials provided by SELLER.

(e) If COUNTY, in its sole and absolute discretion, disapproves of the results of any inspection, investigation, reports or Due Diligence Materials, COUNTY may elect, on or prior to the last day of the Due Diligence Period, or the Extended Due Diligence Period, as applicable, to terminate this Agreement by giving SELLER written notification of its election. In the event COUNTY fails to deliver written notice to SELLER of its disapproval of the PROPERTY prior to the expiration of the Due Diligence Period, or the Extended Due Diligence Period, as applicable, COUNTY shall be deemed to have approved of the PROPERTY.

Section 5. Conditions Precedent.

(a) Conditions to COUNTY's Performance. COUNTY's obligations under this Agreement are subject to the satisfaction of the following conditions, each of which is for the sole benefit of COUNTY and may be waived by COUNTY's Chief Real Estate Officer, or designee ("**Chief Real Estate Officer**") in writing:

i. Subject to COUNTY's rights and SELLER's obligations under Section 7(e) below, COUNTY has approved the PROPERTY pursuant to the terms set forth in Section 4 and Section 7 prior to the expiration of the Due Diligence Period;

ii. Each representation and warranty made in this Agreement by SELLER shall be true and correct in all material respects at the time as of which the same is made and as of the Close of Escrow, subject to any qualifications hereafter made to any of SELLER's representations as provided for in Section 12 hereof;

iii. SELLER shall not be in default of any provisions under this Agreement or the COUNTY Lease and shall have duly performed each and every covenant, undertaking and agreement under this Agreement prior to the Close of Escrow hereunder;

iv. Escrow Agent being prepared to issue the Title Policy (as hereinafter defined) on the Close of Escrow, subject only to the Approved Exceptions (as hereinafter defined); and

v. To the extent there is work that SELLER is required to complete under the COUNTY Lease which was not completed prior to the Close of Escrow, then the SELLER and COUNTY shall enter into an agreement setting forth such work and SELLER's obligation to complete the same after the Close of Escrow, (the "**Post-Closing Agreement**"), which such Post-Closing Agreement shall contain a schedule, at Closing, of the remaining amounts to be paid to any contractors for the completion of any such remaining SELLER work.

(b) Conditions to SELLER's Performance. SELLER's obligations hereunder, including, but not

limited to, its obligation to consummate the purchase transaction provided for herein are subject to the satisfaction of each of the following conditions, each of which is for the sole benefit of SELLER and may be waived by SELLER in writing:

- i. COUNTY's performance of all obligations under this Agreement prior to the Close of Escrow hereunder and delivery to Escrow Agent of the items required to be delivered by COUNTY;
- ii. COUNTY shall not be in material monetary default under the COUNTY Lease;
- iii. Each representation and warranty made in this Agreement by COUNTY shall be true and correct in all material respects at the time as of which the same is made and as of the Close of Escrow.

Section 6. Closing Deliveries.

(a) SELLER's Closing Deliveries. Not less than one (1) business day prior to the Close of Escrow, SELLER shall deliver or cause to be delivered to Escrow Agent the following items:

- i. A grant deed fully executed and acknowledged by SELLER conveying the PROPERTY in the form attached hereto as **Exhibit B** (the "**Grant Deed**") with all documentary transfer tax information disclosed;
- ii. An assignment or termination of the COUNTY Lease, in form and substance to be finalized in good faith by SELLER and COUNTY prior to the Close of Escrow;
- iii. A Certificate of Non-Foreign Status duly executed by SELLER certifying that SELLER is not a "foreign person" within the meaning of Section 1445(f)(3) of the Internal Revenue Code of 1986, as amended, together with the equivalent California form (Form 593) executed by SELLER (collectively, the "**Non-Foreign Affidavits**"); and
- iv. Any other document, instrument, affidavit, certificate or agreement necessary to consummate the transactions contemplated herein reasonably requested by Escrow Agent, including the Post-Closing Agreement if applicable.

(b) COUNTY's Closing Deliveries. Not less than one (1) business day prior to the Close of Escrow, COUNTY shall deliver or cause to be delivered to Escrow Agent the following items:

- i. The Purchase Price;
- ii. Certificate of Acceptance to be attached to the Grant Deed;
- iii. An assignment or termination of the COUNTY Lease, in form and substance to be finalized in good faith by SELLER and COUNTY prior to the Close of Escrow; and
- iv. Any other documents, instruments or agreements necessary to consummate the transactions contemplated herein reasonably requested by Escrow Agent, including the Post-Closing Agreement if applicable.

Section 7. Title and Survey.

(a) Within three (3) calendar days following the Effective Date, SELLER shall instruct Escrow Agent to issue to COUNTY a current preliminary title report pertaining to the PROPERTY together with complete and legible copies of all documents relating to the title exceptions and other matters referred to in such preliminary title report (the "**Preliminary Title Report**"). SELLER shall pay all costs associated with acquiring the Preliminary Title Report from the Escrow Agent and delivery to COUNTY.

(b) Within the Due Diligence Period, or Extended Due Diligence Period, as applicable, COUNTY may, at COUNTY's sole cost and expense, cause a land survey ("**Survey**") of the PROPERTY to be prepared.

(c) On or before the date that is ten (10) days prior to the expiration of the Due Diligence Period, or Extended Due Diligence Period, as applicable, COUNTY shall notify SELLER in writing, which may include e-mail per Section 16 (Notices), in COUNTY's sole and absolute discretion, of COUNTY's approval or disapproval of each exception or other matter that adversely affects COUNTY's intended use of the PROPERTY shown on the Preliminary Title Report or Survey. The Exceptions approved by or deemed approved by COUNTY hereunder shall be referred to as the "**Approved Exceptions**." For purposes of this Agreement, "**Approved Exceptions**" shall mean and include (i) any lien to secure payment of real estate taxes, including special assessments, not delinquent, (ii) all matters which could be revealed or disclosed by a physical inspection or a survey of the real PROPERTY and matters affecting the real PROPERTY which are created by or with the written consent of COUNTY, (iii) the rights of the COUNTY under the COUNTY Lease, (iv) all exceptions disclosed by the Preliminary Title Report (and any updates or supplements thereto) relating to the real PROPERTY and which are approved or deemed approved by COUNTY in accordance with this Section 7, (v) any exception for liens (and/or potential liens) for services, labor or materials heretofore or hereafter furnished to the Property for which COUNTY is expressly responsible for payment under the terms of the COUNTY Lease, and/or which arises from any services, labor or materials contracted for by COUNTY at the PROPERTY, and (vi) all applicable laws, ordinances, rules and governmental regulations (including, without limitation, those relating to building, zoning and land use) affecting the development, use, occupancy or enjoyment of the real PROPERTY.

(d) If any Exception is disapproved in writing by COUNTY pursuant to Section 7(c) above (each a "**Disapproved Exception**"), SELLER shall, within seven (7) calendar days of SELLER's receipt of COUNTY's written notice thereof, which must be delivered prior to expiration of the Due Diligence Period, or Extended Due Diligence Period, as applicable, notify COUNTY in writing of SELLER's agreement to remove, alter, modify or otherwise mitigate to the satisfaction of COUNTY any Disapproved Exception, at SELLER's sole cost and expense. SELLER shall also notify COUNTY in writing if SELLER is not willing to remove, alter, modify or otherwise mitigate any Disapproved Exception. In the event that SELLER is not willing to remove, alter, modify or otherwise mitigate to the satisfaction of COUNTY any Disapproved Exception, COUNTY shall provide SELLER with written notice that COUNTY elects to either (i) waive its disapproval of such exception in writing, in which case such exception shall then be deemed to be an Approved Exception, or (ii) terminate its obligation to purchase the PROPERTY, which must be delivered prior to expiration of the Due Diligence Period, or Extended Due Diligence Period, as applicable. COUNTY's failure to give such notice of items (i) or (ii) above shall be deemed an election to proceed as set forth in item (i) above. In the event COUNTY elects or is deemed to have elected, to terminate its obligation to purchase the PROPERTY in accordance with this Section 7(d), COUNTY's obligation to purchase, and SELLER's obligation to sell, the PROPERTY shall terminate, and neither Party shall have any further obligation to the other except as otherwise provided in this Agreement.

(e) In the event of any supplement to or update of the Preliminary Title Report that discloses a new exception that is not an Approved Exception after the expiration of the Due Diligence Period or Extended

Due Diligence Period, as applicable, COUNTY shall have a five (5) calendar day period following COUNTY's receipt of such supplement or update to approve or disapprove such item in its sole and absolute discretion and any time period herein shall be extended by a corresponding five (5) calendar days. Any disapproval will be subject to the notice/response provisions as set forth in Section 7(d) above, except COUNTY shall have five (5) calendar days to elect items (i) or (ii).

(f) As a condition precedent to the Close of Escrow, the Title Company shall have issued and delivered to COUNTY, or shall have committed to issue and deliver to COUNTY, with respect to the real PROPERTY, a Standard Owner's Policy of Title Insurance (2006 Form) (the "Title Policy") with liability equal to the Purchase Price insuring COUNTY as owner of good, marketable and indefeasible fee simple title to the PROPERTY, subject only to the Approved Exceptions.

Section 8. SELLER Covenants.

(a) Commencing at the Effective Date and until the Close of Escrow, SELLER shall not permit any liens, encumbrances, or easements to be placed on the PROPERTY, other than the Approved Exceptions, nor shall SELLER enter into any new obligations or modify any agreement regarding the sale, rental, management, repair, improvement, or any other matter affecting the PROPERTY that would in any way burden, encumber or be binding on COUNTY or the PROPERTY after the Close of Escrow without the prior written consent of COUNTY, which COUNTY may grant or withhold at its sole discretion.

(b) During the pendency of this Agreement, but subject to the limitations set forth below, SELLER shall carry on its businesses and activities relating to the PROPERTY substantially in the same manner as it did before the date of this Agreement, and SELLER shall not commit any actual, physical waste of the real PROPERTY. SELLER shall remove personal property, furniture, fixtures and equipment from the PROPERTY that SELLER and COUNTY reasonably agree should be removed prior to the Close of Escrow.

(c) It is understood that COUNTY assumes no liability of ownership until title vests in COUNTY. SELLER covenants and agrees to remove (or cause to be removed) from the PROPERTY (which obligation shall be deemed satisfied if the same is insured over and the amount secured by any of the instruments referenced in clauses (i), (ii) and (iii) below have been paid and the holders of the same are obligated to cause the same to be released from the PROPERTY) concurrently with the Close of Escrow: (i) all deeds of trust, mortgages and/or other debt instruments to the extent executed by SELLER or expressly assumed by SELLER in writing, (ii) any liens which arise from SELLER's failure to pay amounts owing under any contract to which SELLER is a party, and (iii) any other monetary liens (other than mechanic's liens that are considered Approved Exceptions) which are of an ascertainable amount, and do not exceed \$25,000 in the aggregate and are capable of being removed upon the payment of no more than \$25,000 in the aggregate. In addition, SELLER covenants and agrees not to voluntarily execute any other deeds of trusts, mortgages and/or other debt instruments encumbering the PROPERTY that will not be removed from the PROPERTY at or prior to the Close of Escrow.

(d) After the Effective Date, SELLER shall promptly advise COUNTY in writing of any facts known to SELLER indicating any material inaccuracy of any of the representations and warranties contained in Section 12 of this Agreement and shall promptly give to COUNTY copies of any written notices of violations which SELLER receives concerning the PROPERTY or any written notices received by SELLER concerning the representations and warranties contained in Section 12 of this Agreement.

(e) It is understood and agreed by and among the Parties hereto that payment of the Purchase Price does not include the purchase of any personal property. It shall be the responsibility of the SELLER to determine the ownership of any personal property located on the PROPERTY and arrange for the removal

thereof. COUNTY assumes no liability for the enforcement of any agreement between SELLER and any third parties pertaining to any matter of personal property disposition. Should SELLER fail to remove any items of personal property upon vacation of the PROPERTY, the right to remove said items shall terminate and said items shall be considered as abandoned by SELLER, and COUNTY may dispose of such items as it sees fit without any liability to SELLER.

(f) Possession of the Property shall be delivered to COUNTY at the Close of Escrow free of tenants or parties in possession other than the COUNTY under that certain lease between SELLER and the COUNTY dated _____ (the "COUNTY Lease"), or any of its permitted assignees or sublessees. If SELLER fails to deliver possession of the Property at the Close of Escrow free of tenants or parties in possession other than the COUNTY under the COUNTY Lease or any of its permitted assignees or sublessees, SELLER shall indemnify COUNTY for any and all reasonable costs it may incur in securing possession of the Property free of third party possession or occupation of the Property. Such costs include but are not limited to reasonably third-party attorneys' fees

Section 9. Escrow Instructions and Requirements for Close of Escrow.

(a) Title. Simultaneously with the Close of Escrow, Escrow Agent shall be irrevocably committed to issue the Title Policy pursuant to Section 7(f), above, provided that Escrow Agent's failure to do so (or Escrow Agent's failure to perform any of its obligations under this Agreement) shall not, in it of itself, by a default by SELLER under this Agreement.

(b) Escrow Instructions. This fully executed Agreement or counterparts hereof shall when delivered to Escrow Agent, constitute Escrow Agent's escrow instructions. Any standard form escrow instructions submitted by Escrow Agent or any other clarification or addition to the instructions contained herein shall, when executed by COUNTY and SELLER, constitute additional escrow instructions. In the event of any conflict between such additional instructions and this Agreement, the terms of this Agreement shall prevail.

(c) Closing Date. The "Close of Escrow" or "Closing" means the date on which the Grant Deed conveying title to the PROPERTY to COUNTY is recorded. The Close of Escrow shall occur in accordance with the dates prescribed in Section 3, above.

(d) Close of Escrow. Provided that Escrow Agent shall not have received written notice in a timely manner from COUNTY or SELLER of the failure of any condition to the Close of Escrow or of the termination of the Escrow subject to the rights afforded herein, and if and when COUNTY and SELLER have deposited into Escrow the funds and documents required by this Agreement, and Title Company is committed to issue the Title Policy concurrently with the Close of Escrow, Escrow Agent shall:

i. Record Documents. Cause the Grant Deed to be recorded in the Official Records in the Office of the County Recorder, Orange County, California;

ii. Delivery to COUNTY. Immediately upon the recording of the Grant Deed or as soon as available thereafter deliver to COUNTY: (i) a conformed copy of the Grant Deed and any other documents (or copies thereof) deposited by SELLER with the Escrow Agent; (ii) Original Grand Deed shall be returned to COUNTY after recordation; (iii) the Non-Foreign Affidavits; (iv) any funds deposited by COUNTY, and any interest earned thereon, in excess of the amount required to be paid by COUNTY hereunder; and (v) the Title Policy issued by Title Company;

iii. Delivery to SELLER. Immediately upon the recording of the Grant Deed deliver to

SELLER the Purchase Price, after satisfying the closing costs, prorations and any adjustments to be paid by SELLER pursuant to this Agreement.

(e) Closing Costs. COUNTY shall pay (i) one-half (1/2) of Escrow Agent's escrow fee; and (ii) any charges for extended title coverage and any additional title endorsements requested by COUNTY. SELLER shall pay (i) one-half (1/2) of Escrow Agent's escrow fee; (ii) Title Company's charges for the ALTA standard coverage Title Policy; and (iii) the cost of recording the Grant Deed. All other closing costs and charges shall be paid by the respective Parties in accordance with the customary practice in the County of Orange. The foregoing provisions of this Section notwithstanding, should the obligations of COUNTY to purchase, and SELLER to sell, the PROPERTY be terminated in accordance with this Agreement, COUNTY and SELLER shall each pay one-half (1/2) of the cost of the escrow cancellation fees and other amounts due Escrow Agent and the Title Company; provided, however, that should this Escrow be terminated as a result of the default by one of the Parties hereto, the defaulting Party shall pay the entire amount of the cancellation fees and other amounts due Escrow Agent and the Title Company, and the non-defaulting Party shall have no liability therefor. COUNTY and SELLER shall each pay their own attorneys' fees in connection with the preparation and negotiation of this Agreement and in connection with the consummation of the transactions contemplated hereby.

(f) Prorations. All current and delinquent property taxes shall be paid by SELLER through the end of the tax year in which the Closing Date occurs. SELLER may request a refund of property taxes directly from the Treasurer Tax Collector for that portion of the property taxes paid from the Closing Date until the end of the current tax year. COUNTY will assist SELLER in obtaining a refund as necessary.¹

Section 10. Damage and Destruction.

(a) Casualty during Escrow. If there is material damage to the PROPERTY or if the PROPERTY is destroyed or materially damaged by earthquake, flood, landslide, or any other casualty prior to the Close of Escrow, then COUNTY shall have the right, by written notice delivered to SELLER and Escrow Agent to terminate this Agreement and cancel Escrow. SELLER is obligated to inform COUNTY of any such material damage to the Property. If COUNTY does not elect to terminate this Agreement and cancel Escrow by written notice delivered to SELLER and Escrow Agent within (20) calendar days of when COUNTY learns of any such material damage then this Agreement shall remain in full force and effect, and all insurance proceeds payable to SELLER with respect to such damage or destruction, if any, shall be assigned and delivered by SELLER to COUNTY at the Close of Escrow hereunder (or promptly at such later date as when actually received by SELLER) with no reduction in Purchase Price.) If this Agreement and the Escrow are terminated by COUNTY by written notice delivered to SELLER and Escrow Agent pursuant to this Section 10, then, notwithstanding the provisions of Section 9(e) above, COUNTY and SELLER shall each pay one half (1/2) of the Escrow cancellation charges.

(b) Condemnation. If before the Close of Escrow, all or any portion of the PROPERTY is subject to an actual or threatened taking by a governmental or quasi-governmental entity or public authority, by the power of eminent domain or otherwise, COUNTY shall have the right, exercisable by giving written notice to SELLER within ten (10) calendar days after COUNTY's receipt of written notice from SELLER of such taking to either (a) to terminate its obligation to purchase the PROPERTY, in which case COUNTY's obligation to purchase, and SELLER's obligation to sell, the PROPERTY shall terminate, and neither Party shall have any further obligation to the other except as otherwise provided in this Agreement, or (b) to accept the applicable portion of the PROPERTY in its then existing condition, in which case, all condemnation awards shall be paid

¹ COUNTY to provide SELLER with information regarding process for obtaining refund for property taxes, and Parties to discuss requirements for the payment of real estate taxes at Closing with Title Company.

or assigned to COUNTY with no reduction in Purchase Price. COUNTY's failure to deliver such notice within the time period specified shall be deemed to constitute COUNTY's election to accept the applicable portion of the PROPERTY in its then existing condition.

(c) As used herein the terms "material" or "materially" shall be deemed to refer to an insured or uninsured casualty to the PROPERTY having an estimated cost of repair that exceeds five percent (5%) of the Purchase Price, as determined by a licensed general contractor selected by SELLER and reasonably acceptable to COUNTY. As used herein the term a "taking" shall mean where such government or quasi-governmental action affects the PROPERTY if the estimated value of the portion of the PROPERTY taken exceeds five percent (5%) of the Purchase Price. The term "estimated value" shall mean an estimate obtained from a M.A.I. appraiser, who has at least five (5) years' experience evaluating PROPERTY located in the County of Orange, similar in nature and function to that of the PROPERTY, selected by SELLER and reasonably acceptable to COUNTY. The cost of the general contractor and/or the appraiser shall be borne by COUNTY if the cost to repair and/or estimated value is equal to or less than the 5% threshold referenced herein otherwise the costs shall be borne by the SELLER.

Section 11. COUNTY's Representations and Warranties.

COUNTY hereby makes the representations and warranties set forth in this section for the benefit of SELLER and its successors and assigns, which representations are true in all respects as of the Effective Date. COUNTY shall notify SELLER in writing promptly if COUNTY becomes aware that any representation or warranty has become untrue or misleading in light of information obtained by COUNTY after the Effective Date.

(a) Authority. COUNTY is a political subdivision of the State of California duly organized, validly existing and in good standing under the laws of the State of California. COUNTY has all requisite power and authority to enter into this Agreement and to perform its obligations hereunder. The execution of delivery of this Agreement by COUNTY has been duly authorized.

(b) No Conflict. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereunder on the part of COUNTY do not and will not violate any applicable law, ordinance, statute, rule, regulation, order, decree or judgment, conflict with or result in the breach of any terms or provisions of, or constitute a default under, or result in the creation or imposition of any lien, charge, or encumbrance upon any of the PROPERTY or assets of COUNTY by reason of the terms of any contract, mortgage, lien, lease, agreement, indenture, instrument or judgment to which COUNTY is a part or which is or purports to be binding upon COUNTY or which otherwise affects COUNTY, which will not be discharged, assumed or released at the Close of Escrow.

(c) Litigation. There are no claims, actions, suits or proceeding continuing, pending or to COUNTY's actual knowledge, threatened, which would materially adversely affect COUNTY or this transaction.

Section 12. SELLER's Representations and Warranties.

SELLER hereby makes the representations and warranties set forth in this section for the benefit of COUNTY, which representations are true in all material respects as of the Effective Date and as of the Closing Date. SELLER shall notify COUNTY in writing, which may include e-mail, promptly if SELLER becomes aware that any representation or warranty has become materially untrue or misleading or of any material inaccuracy of any of the representations and warranties in light of information obtained by SELLER after the Effective Date and prior to the Close of Escrow.

Attachment A - Lease Agreement

(a) Authority of SELLER. SELLER is a limited liability company, duly formed under the laws of the State of Delaware, is in good standing and authorized to do business in the State of California. The execution, delivery and performance of this Agreement by SELLER have been duly authorized by the requisite action on the part of SELLER, and no other authorization or consent is required therefor.

(b) Violation of Law. To SELLER'S Actual Knowledge, SELLER has not received any written notice in the PROPERTY or the current use and operation thereof violates any health, safety, fire, environmental, sewage, building, or other federal, state, or local law, code, ordinance, or regulation.

(c) Environmental Violations. To SELLER'S Actual Knowledge: (i) Seller has not received written notice from any governmental agency of any environmental violations that affect the PROPERTY, (ii) SELLER is not aware of any buried or partially buried storage tanks located on the PROPERTY, and (iii) SELLER has not received written notice regarding there being a monitoring program required by the Environmental Protection Agency or any similar state agency concerning the PROPERTY.

i.

(d) Leases. Except for the COUNTY Lease, there are no leases affecting the PROPERTY, and except as related to the Work or otherwise referenced in the Due Diligence Materials or the Preliminary Title Report, no licenses or other agreements allowing any third party rights to use the PROPERTY are or will be in force.

(e) Litigation. To SELLER's Actual Knowledge, there is no litigation that has been filed and is continuing against SELLER that would materially affect the PROPERTY or the use thereof (whether prior to or from and after the Closing) or SELLER'S ability to transfer the PROPERTY to COUNTY.

(f) No Conflict. To SELLER'S Actual Knowledge, the execution and delivery of this Agreement and the consummation of the transactions contemplated hereunder on the part of SELLER do not and will not violate any applicable law, ordinance, statute, rule, regulation, order, decree or judgment, conflict with or result in the breach of any terms or provisions of, or constitute a default under the terms of any contract, mortgage, lien, lease, agreement, indenture, instrument or judgment to which SELLER is a part or which is or purports to be binding upon SELLER or which otherwise affects the PROPERTY, which will not be discharged, assumed or released at the Close of Escrow.

(g) Agreements. On the Close of Escrow, except any contracts required to enable SELLER to comply with the terms of the COUNTY Lease or required to address any health, safety or zoning conditions at the PROPERTY, there will be no service contracts in effect and affecting the PROPERTY with parties with whom SELLER has contracted or under which COUNTY will be obligated to pay any sums from and after the Close of Escrow.

ii. For purposes of this Section 12, the phrase "**To SELLER'S Actual Knowledge**" shall mean the actual (and not implied, imputed, or constructive) knowledge of Steve Benos (whom the SELLER represents is the asset manager for the PROPERTY and the most knowledgeable person on behalf of SELLER to make such representations), without any inquiry or investigation of any other parties (other than by inquiry to Jonathan Hastanan at SteelWave, LLC by Steve Benos), including, without limitation, the tenants and the property manager of the PROPERTY.

iii.

iv. SELLER agrees to indemnify COUNTY and agrees to defend and hold COUNTY harmless from all loss, cost, liability, expense, damage, or other injury, including without limitation, reasonable attorney fees and expenses, resulting from the breach of any warranties and representations in this Section 12; provided, however, the

representations and warranties made by SELLER in this Agreement shall survive the recordation of the Grant Deed for a period of nine (9) months and any action for a breach of SELLER'S representations or warranties must be made and filed within said nine (9) month period. Notwithstanding anything stated to the contrary in this Agreement, in no event shall SELLER's liability, if any, with respect to any post-closing liability (including any breach of SELLER'S representations and warranties under this Agreement discovered by COUNTY post-closing) exceed two percent (2%) of the Purchase Price in the aggregate.

v.

vi. To the extent that SELLER obtains actual knowledge of the same on or prior to the Close of Escrow, SELLER shall notify COUNTY of any facts that would cause any of the representations contained in this Agreement to be untrue in any material respects as of the Close of Escrow. The obligations of COUNTY to consummate the transactions contemplated are conditioned upon the delivery by SELLER of the Closing Certificate. If COUNTY reasonably concludes that a fact set forth in the Closing Certificate that COUNTY did not have any knowledge of prior to the Expiration of the Due Diligence Period or the Extended Due Diligence Period, if applicable, materially and adversely affects the PROPERTY, COUNTY shall have the option to terminate this Agreement by delivering written notice to SELLER and Escrow Agent, or waive such termination right, accept such qualification or change and proceed with the closing without any rights to recovery for breach of the unqualified representation and warranty. Other than as set forth in the immediately preceding sentence, if COUNTY proceeds with the Close of Escrow, COUNTY shall be deemed to have expressly waived any and all remedies for the breach of any representation or warranty discovered by COUNTY prior to the Close of Escrow. If COUNTY terminates this Agreement pursuant to this Section, Escrow Agent shall, within three (3) calendar days following receipt of COUNTY's notice to terminate, cancel the Escrow.

Section 13. Default and Remedies.

(a) COUNTY Default: SELLER Remedy. IF THE SALE OF THE PROPERTY IS NOT CONSUMMATED DUE TO COUNTY'S DEFAULT UNDER THIS AGREEMENT, THEN SELLER'S SOLE AND EXCLUSIVE REMEDY FOR SUCH DEFAULT SHALL BE TO TERMINATE THIS AGREEMENT BY GIVING NOTICE OF SUCH TERMINATION TO COUNTY (WITH A COPY TO ESCROW AGENT) WHEREUPON, SELLER SHALL BE ENTITLED TO RECEIVE REIMBURSEMENT FOR ALL OF SELLER'S ACTUAL OUT-OF-POCKET COSTS, EXPENSES AND FEES INCURRED IN CONNECTION WITH THE NEGOTIATION OF THIS AGREEMENT AND THE COUNTY'S EXERCISE OF THE PURCHASE OPTION UNDER THE COUNTY LEASE AND THIS AGREEMENT, IN THE MAXIMUM AMOUNT NOT TO EXCEED \$100,000.00, WHICH AMOUNT MUST BE REQUESTED IN WRITING WITHIN NINETY (90) DAYS AFTER THE THEN SCHEDULED CLOSING DATE. SUCH REIMBURSEMENT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER PURSUANT TO SECTIONS 1671, 1676 AND 1677 OF THE CALIFORNIA CIVIL CODE, AND SHALL NOT BE DEEMED TO CONSTITUTE A FORFEITURE OR PENALTY WITHIN THE MEANING OF SECTION 3275 OR SECTION 3369 OF THE CALIFORNIA CIVIL CODE, OR ANY SIMILAR PROVISION. NEITHER PARTY SHALL HAVE ANY FURTHER RIGHTS, DUTIES OR OBLIGATIONS HEREUNDER EXCEPT THOSE OBLIGATIONS THAT EXPRESSLY SURVIVE TERMINATION OF THIS AGREEMENT. SELLER AND COUNTY HEREBY AGREE THAT THIS SECTION IS INTENDED TO AND DOES LIMIT THE AMOUNT OF DAMAGES DUE SELLER AND THE REMEDIES AVAILABLE TO SELLER, AND SHALL BE SELLER'S EXCLUSIVE REMEDY AGAINST COUNTY,

BOTH AT LAW AND IN EQUITY ARISING FROM OR RELATED TO A MATERIAL BREACH OR DEFAULT BY COUNTY. SELLER SHALL NOT HAVE ANY OTHER RIGHTS OR REMEDIES AS A RESULT OF ANY DEFAULT BY COUNTY, AND SELLER HEREBY WAIVES ANY OTHER SUCH REMEDY AS A RESULT OF A DEFAULT BY COUNTY. WITHOUT LIMITING THE OTHER PROVISIONS OF THIS AGREEMENT, SELLER ACKNOWLEDGES THAT THE PROVISIONS OF THIS SECTION ARE A MATERIAL PART OF THE CONSIDERATION BEING GIVEN TO COUNTY FOR ENTERING INTO THIS AGREEMENT AND THAT COUNTY WOULD BE UNWILLING TO ENTER INTO THIS AGREEMENT IN THE ABSENCE OF THE PROVISIONS OF THIS SECTION. THE PROVISIONS OF THIS SECTION SHALL SURVIVE ANY TERMINATION OF THIS AGREEMENT.

NOTWITHSTANDING THE FOREGOING, THIS PROVISION SHALL NOT LIMIT NOR WAIVE OR AFFECT COUNTY’S INDEMNITY RIGHTS (AND SELLER’S OBLIGATIONS WITH RESPECT THERETO) UNDER THIS AGREEMENT.

SELLER’S Initials

COUNTY’S Initials

(b) SELLER Default; COUNTY Remedy. IF THE SALE OF THE PROPERTY IS NOT CONSUMMATED DUE TO SELLER’S DEFAULT UNDER THIS AGREEMENT, THEN COUNTY’S REMEDY HEREUNDER SHALL BE LIMITED TO COUNTY’S ELECTION TO EITHER: (I) TERMINATE THIS AGREEMENT IN WHICH EVENT NEITHER PARTY SHALL HAVE ANY FURTHER RIGHTS OR OBLIGATIONS HEREUNDER EXCEPT THAT THE COUNTY SHALL BE ENTITLED TO REIMBURSEMENT FROM THE SELLER OF THE ACTUAL OUT-OF-POCKET COSTS, INCLUDING REASONABLE ATTORNEYS’ FEES, INCURRED BY THE COUNTY SOLELY IN CONNECTION WITH THIS AGREEMENT IN THE MAXIMUM AMOUNT NOT TO EXCEED \$100,000.00, WHICH AMOUNT MUST BE REQUESTED IN WRITING WITHIN NINETY (90) DAYS AFTER THE THEN SCHEDULED CLOSING DATE; OR (II) PURSUE THE REMEDY OF SPECIFIC PERFORMANCE OF SELLER’S OBLIGATION TO PERFORM ITS OBLIGATIONS UNDER THIS AGREEMENT WHICH ACTION MUST BE FILED, IF AT ALL, WITHIN FORTY-FIVE (45) DAYS AFTER THE DATE OF SELLER’S DEFAULT. COUNTY SHALL NOT HAVE ANY OTHER RIGHTS OR REMEDIES AS A RESULT OF ANY DEFAULT BY SELLER, AND COUNTY HEREBY WAIVES ANY OTHER SUCH REMEDY AS A RESULT OF A DEFAULT BY SELLER. THE PROVISIONS OF THIS SECTION SHALL SURVIVE ANY TERMINATION OF THIS AGREEMENT.

SELLER’S Initials

COUNTY’S Initials

(c) Notice and Cure. Notwithstanding anything contained in this Agreement to the contrary, if a Party is in breach under this Agreement (“**Defaulting Party**”) the other Party shall have no right to terminate this Agreement or pursue any other remedy for such default unless such default remains uncured by 5:00 p.m. California time on the date that is five (5) business days after the Defaulting Party’s receipt of written notice of such breach or default from such other Party; provided, however, neither Party shall have the foregoing cure right for the failure to make any of its respective closing deliveries under Section 6 of this Agreement.

Section 14. Brokers.

SELLER and COUNTY each represent to the other that each has had no dealings with any broker, finder, or other party concerning SELLER’s sale or COUNTY’s purchase of the PROPERTY, except for JLL, who shall be compensated by SELLER pursuant to a separate agreement. Each Party agrees to defend, indemnify, and hold harmless the other Party from any claims, expenses, costs, or liabilities arising in

connection with a breach of that Party's representations under this Section. There are no brokers who are third-party beneficiaries to this Agreement and shall have no right to enforce its terms, which are strictly for the convenience of COUNTY and SELLER.

Section 15. Assignment; Successors.

Except with respect to assignment of rights and/or pledges related to COUNTY's public financing of the purchase price, COUNTY shall not assign, transfer or convey its rights or obligations under this Agreement or with respect to the Property without the prior written consent of SELLER, which consent SELLER may withhold in its sole, absolute and subjective discretion. Any attempted assignment without the prior written consent of SELLER shall be void and COUNTY shall be deemed in default hereunder. Any permitted assignments shall not relieve the assigning party from its liability under this Agreement. Subject to the provisions of this Section, this Agreement shall inure to the benefit of and be binding upon the Parties hereto and their respective successors and assigns.

Section 16. Notices.

Any notice, request, demand, instruction or other document (each of which is herein called a "Notice") to be given hereunder to any Party shall be in writing and shall be delivered to the person at the appropriate address set forth below by personal service (including express or courier service), by electronic communication, whether by facsimile or electronic mail, or by certified mail, postage prepaid, return receipt requested, as follows:

If to SELLER: DRAWBRIDGE SAINT ANDREW, LLC
Three Embarcadero Center, Suite 2310
San Francisco, CA 94111
Attention: Mike Embree
Facsimile: (415) 391-4430
Email: membree@drawbridgerealty.com

with a copy to:

The Opus Law Firm
514 Via De La Valle, Suite 203
Solana Beach, CA 92075
Attention: Justin White, Esq.
Email: justin@opus.attorney

Attachment A - Lease Agreement

If to COUNTY: CEO/Real Estate
County of Orange
333 W. Santa Ana Blvd., 3rd Floor
Santa Ana, California 92701
Attention: Chief Real Estate Officer
Telephone: (714) 834-6019
E-Mail: thomas.miller@ocgov.com

With a copy to: Office of the County Counsel
County of Orange
333 W. Santa Ana Blvd., 4th Floor
Santa Ana, California 92701
Attention: Michael Haubert
Telephone: (714) 834-2890
E-Mail: michael.haubert@coco.ocgov.com

If to Title Company and Escrow Agent: **[CONFIRM]**
First American Title Insurance Company
30 North LaSalle Street, Suite 2700
Chicago, Illinois 60602
Attention: Steven I. Zellinger
Telephone: (312) 917-7257
E-Mail: szellinger@firstam.com

and

First American Title Insurance Company
30 North LaSalle Street, Suite 2700
Chicago, Illinois 60602
Attention: Rogelio Pineda
Telephone: (312) 917-7227
E-Mail: RoPineda@firstam.com

A copy of any Notice given by COUNTY or SELLER to the other prior to the Close of Escrow shall also be given to Escrow Agent as above provided. Notices so submitted shall be deemed to have been given (i) on the date personally served, if by personal service, (ii) on the date of confirmed dispatch, if by electronic communication, or (iii) forty-eight (48) hours after the deposit of same in any United States Post Office mailbox in the state to which the Notice is addressed, or seventy-two (72) hours after deposit in any such post office box other than in the state to which the notice is addressed, postage prepaid, addressed as set forth above. The addresses and addressees, for the purpose of this Section, may be changed by giving written notice of such change in the manner herein provided for giving Notice. Unless and until such written Notice of change is received, the last address and addressee stated by written Notice, or provided herein if no such written Notice of change has been received, shall be deemed to continue in effect for all purposes hereunder. COUNTY and SELLER hereby agree that Notices may be given hereunder by the Parties' respective counsel and that, if any communication is to be given hereunder by COUNTY's or SELLER's counsel, such counsel may communicate directly with all principals as required to comply with the provisions of this Section.

Section 17. Entire Agreement/Counterparts.

The Parties intend this paragraph to be a conclusive recital of fact pursuant to Section 622 of the

California Evidence Code. This Agreement and the Exhibits attached hereto supersede any prior agreement, oral or written, and contain the entire agreement between the Parties on the subject matter hereof. This Agreement (including the Exhibits attached hereto) is intended to be a final expression of the agreement of the Parties and is an integrated agreement within the meaning of Section 1856 of the California Code of Civil Procedure. No subsequent agreement, representation or promise made by either Party hereto, or by or to any employee, officer, agent or representative of either Party shall be of any effect unless it is in writing and executed by the Party to be bound thereby. There are no contemporaneous separate written or oral agreements between the Parties in any way related to the subject matter of this Agreement. This Agreement and any modifications, amendments or supplements thereto may be executed in several counterparts, and all so executed shall constitute one agreement binding on all Parties hereto, notwithstanding that all parties are not signatories to the original or the same counterpart. The Parties may also deliver executed copies of this Agreement to each other by electronic mail, which electronic mail signatures shall be binding. Any electronic mail delivery of signatures shall be followed by the delivery of executed originals.

Section 18. Severability.

If any term or provision of this Agreement shall, to any extent, be held invalid or unenforceable, the remainder of this Agreement shall not be affected.

Section 19. Waivers.

A waiver or breach of covenant or provision in this Agreement shall not be deemed a waiver of any other covenant or provision in this Agreement, and no waiver shall be valid unless in writing and executed by the waiving Party. An extension of time for performance of any obligation or act shall not be deemed an extension of the time for performance of any other obligation or act. The exercise of any remedy provided by law and the provisions of this Agreement for any remedy shall not exclude other consistent remedies unless they are expressly excluded.

Section 20. Construction.

As used in this Agreement, the masculine, feminine or neuter gender and the singular or plural numbers shall each be deemed to include the other whenever the context indicates. This Agreement shall be construed as a whole and in accordance with its fair meaning, the captions being for convenience only and not intended to fully describe or define the provisions in the portions of the Agreement to which they pertain. Each Party hereto, and counsel for each Party hereto, has reviewed and revised this Agreement, and the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting Party shall not be employed in the interpretation or construction of this Agreement. This document shall, in all respects, be governed by the laws of the State of California applicable to agreements executed and to be wholly performed within the State of California. Nothing contained herein shall be construed so as to require the commission of any act contrary to law, and wherever there is any conflict between any provision contained herein and any present or future statute, law, ordinance or regulation contrary to which the Parties have no legal right to contract, the latter shall prevail but the provision of this document that is affected shall be curtailed and limited only to the extent necessary to bring it within the requirements of the law.

Section 21. Exclusive Dealings.

COUNTY and SELLER agree that in consideration of COUNTY'S projected efforts in undertaking and completing its due diligence as specified herein, effective upon the execution of this Agreement by the SELLER, neither SELLER nor any of its shareholders, officers, directors, agents or representatives shall accept any written offers, of any level, with any other person or entity regarding the sale, assignment, joint venture or other transfer or conveyance of the PROPERTY (which shall not preclude any financing of the PROPERTY by SELLER that involves the execution by SELLER of any deeds of trusts, mortgages and/or other debt instruments encumbering the PROPERTY that shall be removed from the PROPERTY by SELLER at or prior to the Close of Escrow).

Section 22. Time.

All periods of time referred to in this Agreement shall include all Saturdays, Sundays and State or National holidays, unless the period of time specifies "**business days**", in which case such period of time shall exclude Saturdays, Sundays and State and National holidays; provided that if the date or last date to perform any act or give any notice with respect to this Agreement shall fall on a Saturday, Sunday or State or National holiday, such act or notice may be timely performed or given on the next succeeding day that is not a Saturday, Sunday or State or National holiday. For purposes of this Agreement, the phrase "**State and National holiday**" shall refer to any day in which the Escrow Agent, Title Company and/or the Office of the County Recorder for the County of Orange is/are closed for business.

Section 23. Governing Law and Venue.

This Agreement shall be governed by and construed in accordance with California law. 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.

Section 24. Authorization and Delegation.

COUNTY AND SELLER ACKNOWLEDGE THAT ONLY A MUTUALLY EXECUTED DEFINITIVE AGREEMENT APPROVED BY SELLER AND THE ORANGE COUNTY BOARD OF SUPERVISORS SHALL CONSTITUTE THE BINDING MUTUAL AGREEMENT FOR THE PURCHASE OF THE PROPERTY PURSUANT TO THIS AGREEMENT. The Chief Real Estate Officer of the County of Orange is authorized to sign or amend escrow instructions, escrow extensions and/or other written documents as may be required by Escrow Agent, and may take any actions and provide any notices required by COUNTY under this Agreement, including waiving any contingencies or conditions.

Section 25. Confidentiality.

SELLER and COUNTY further agree not to disclose to any unrelated third party, COUNTY's and SELLER's employees, agents, consultants, attorneys and accountants excluded, any of the facts concerning the execution and delivery of this Agreement or the consummation of the purchase and sale contemplated hereby, including the Purchase Price payable hereunder, without the written consent of the non-disclosing Party, except as otherwise required by law. Notwithstanding the preceding, the rights and obligations of COUNTY under this Agreement are subject to Section 25350 of the Government Code of the State of California, which requires COUNTY to publicly advertise its intent to purchase real PROPERTY. SELLER

acknowledges that the Orange County Board of Supervisors will publish a Notice of Intention to Purchase the PROPERTY and agrees that if, upon public hearing held pursuant to said notice, the Board determines it is not in the public interest to purchase the PROPERTY, this Agreement may become null and void and the Parties hereto shall be relieved of all obligations under this Agreement.

Section 26. No Obligation to Third Parties.

Except as expressly set forth in this Agreement, the execution and delivery of this Agreement shall not be deemed to confer any rights upon, nor obligate either of the Parties hereto, to any person or entity other than each other.

Section 27. Independent Counsel.

EACH PARTY TO THIS AGREEMENT ADMITS, ACKNOWLEDGES AND REPRESENTS THAT IT HAS HAD THE OPPORTUNITY TO CONSULT WITH AND BE REPRESENTED BY INDEPENDENT COUNSEL OF SUCH PARTIES' CHOICE IN CONNECTION WITH THE NEGOTIATION, EXECUTION AND AMENDMENT OF THIS AGREEMENT. EACH PARTY FURTHER ADMITS, ACKNOWLEDGES AND REPRESENTS THAT IT HAS NOT RELIED ON ANY REPRESENTATION OR STATEMENT MADE BY ANY OF THE ATTORNEYS AND REPRESENTATIVES OF THE OTHER PARTY WITH REGARD TO THE SUBJECT MATTER, BASIS, OR EFFECT OF THIS AGREEMENT.

Section 28. Legal Fees.

In the event of a dispute between the Parties as to any matter relating to or arising out of this Agreement, each Party shall be responsible for its own costs and expenses, including actual attorneys' fees and expert witness fees.

Section 29. AS-IS.

As of the expiration of the Due Diligence Period, COUNTY will have or will have had the opportunity to:

- a) review the Due Diligence Materials and all instruments, records and documents which COUNTY deems appropriate or advisable to review in connection with this transaction, including, but not by way of limitation, any and all architectural drawings, plans, specifications, surveys, building and occupancy permits, and any licenses, leases, contracts, warranties and guarantees relating to the PROPERTY or the business conducted thereon, and COUNTY, by proceeding with this transaction following the expiration of the Due Diligence Period, shall be deemed to have determined that the same and the information and data contained therein and evidenced thereby are satisfactory to COUNTY;
- b) review all applicable laws, ordinances, rules and governmental regulations (including, but not limited to, those relating to building, zoning and land use) affecting the development, use, occupancy or enjoyment of the PROPERTY, and COUNTY, by proceeding with this transaction following the expiration of the Due Diligence Period, shall be deemed to have determined that the same are satisfactory to COUNTY; and
- c) at its own cost and expense, made its own independent investigation respecting the PROPERTY and all other aspects of this transaction, and shall have relied thereon and on the advice of its consultants in entering into this Agreement, and COUNTY, by proceeding with this transaction

following the expiration of the Due Diligence Period, shall be deemed to have determined that the same are satisfactory to COUNTY.

TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, AND EXCEPT FOR SELLER'S REPRESENTATIONS AND WARRANTIES IN SECTION 12 OF THIS AGREEMENT AND ANY WARRANTIES OF TITLE CONTAINED IN THE GRANT DEED DELIVERED AT THE CLOSE OF ESCROW ("SELLER'S WARRANTIES"), THIS SALE IS MADE AND WILL BE MADE WITHOUT REPRESENTATION, COVENANT, OR WARRANTY OF ANY KIND (WHETHER EXPRESS, IMPLIED, OR, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, STATUTORY) BY SELLER. AS A MATERIAL PART OF THE CONSIDERATION FOR THIS AGREEMENT, COUNTY AGREES TO ACCEPT THE PROPERTY ON AN "AS IS" AND "WHERE IS" BASIS, WITH ALL FAULTS, AND WITHOUT ANY REPRESENTATION OR WARRANTY, ALL OF WHICH SELLER HEREBY DISCLAIMS, EXCEPT FOR SELLER'S WARRANTIES. EXCEPT FOR SELLER'S WARRANTIES, NO WARRANTY OR REPRESENTATION IS MADE BY SELLER AS TO FITNESS FOR ANY PARTICULAR PURPOSE, MERCHANTABILITY, DESIGN, QUALITY, CONDITION, OPERATION OR INCOME, COMPLIANCE WITH DRAWINGS OR SPECIFICATIONS, ABSENCE OF DEFECTS, ABSENCE OF HAZARDOUS OR TOXIC SUBSTANCES, ABSENCE OF FAULTS, FLOODING, OR COMPLIANCE WITH LAWS AND REGULATIONS INCLUDING, WITHOUT LIMITATION, THOSE RELATING TO HEALTH, SAFETY, AND THE ENVIRONMENT (INCLUDING, WITHOUT LIMITATION, THE ADA). COUNTY ACKNOWLEDGES THAT COUNTY HAS ENTERED INTO THIS AGREEMENT WITH THE INTENTION OF MAKING AND RELYING UPON ITS OWN INVESTIGATION OF THE PHYSICAL, ENVIRONMENTAL, ECONOMIC USE, COMPLIANCE, AND LEGAL CONDITION OF THE PROPERTY AND THAT COUNTY IS NOT NOW RELYING, AND WILL NOT LATER RELY, UPON ANY REPRESENTATIONS AND WARRANTIES MADE BY SELLER OR ANYONE ACTING OR CLAIMING TO ACT, BY, THROUGH OR UNDER OR ON SELLER'S BEHALF CONCERNING THE PROPERTY. ADDITIONALLY, COUNTY AND SELLER HEREBY AGREE THAT (A) EXCEPT FOR SELLER'S WARRANTIES, COUNTY IS TAKING THE PROPERTY "AS IS" WITH ALL LATENT AND PATENT DEFECTS AND THAT EXCEPT FOR SELLER'S WARRANTIES, THERE IS NO WARRANTY BY SELLER THAT THE PROPERTY IS FIT FOR A PARTICULAR PURPOSE, (B) EXCEPT FOR SELLER'S WARRANTIES, COUNTY IS SOLELY RELYING UPON ITS EXAMINATION OF THE PROPERTY, AND (C) COUNTY TAKES THE PROPERTY UNDER THIS AGREEMENT UNDER THE EXPRESS UNDERSTANDING THAT THERE ARE NO EXPRESS OR IMPLIED WARRANTIES (EXCEPT FOR THE LIMITED WARRANTIES OF TITLE SET FORTH IN THE GRANT DEED AND SELLER'S WARRANTIES).

WITH RESPECT TO THE FOLLOWING, COUNTY FURTHER ACKNOWLEDGES AND AGREES THAT SELLER SHALL NOT HAVE ANY LIABILITY, OBLIGATION OR RESPONSIBILITY OF ANY KIND AND THAT SELLER HAS MADE NO REPRESENTATIONS OR WARRANTIES OF ANY KIND:

1. THE CONTENT OR ACCURACY OF ANY REPORT, STUDY, OPINION OR CONCLUSION OF ANY SOILS, TOXIC, ENVIRONMENTAL OR OTHER ENGINEER OR OTHER PERSON OR ENTITY WHO HAS EXAMINED THE PROPERTY OR ANY ASPECT THEREOF;
2. THE CONTENT OR ACCURACY OF ANY OF THE ITEMS (INCLUDING, WITHOUT LIMITATION, THE DUE DILIGENCE MATERIALS) DELIVERED TO COUNTY PURSUANT TO COUNTY'S REVIEW OF THE CONDITION OF THE PROPERTY; OR
3. THE CONTENT OR ACCURACY OF ANY PROJECTION, FINANCIAL OR MARKETING ANALYSIS OR OTHER INFORMATION GIVEN TO COUNTY BY SELLER OR REVIEWED BY COUNTY WITH RESPECT TO THE PROPERTY.

COUNTY ALSO ACKNOWLEDGES THAT THE PROPERTY MAY OR MAY NOT CONTAIN ASBESTOS AND, IF THE PROPERTY CONTAINS ASBESTOS, THAT COUNTY MAY OR MAY NOT BE REQUIRED TO REMEDIATE ANY ASBESTOS CONDITION IN ACCORDANCE WITH APPLICABLE LAW.

COUNTY IS, OR WILL BE AS OF THE CLOSE OF ESCROW, FAMILIAR WITH THE PROPERTY AND ITS SUITABILITY FOR COUNTY'S INTENDED USE. THE PROVISIONS OF THIS SECTION 29 SHALL SURVIVE INDEFINITELY ANY CLOSING OR TERMINATION OF THIS AGREEMENT AND SHALL NOT BE MERGED INTO THE DOCUMENTS EXECUTED AT CLOSE OF ESCROW.

COUNTY'S INITIALS

Section 30. Release.

By proceeding with this transaction following the expiration of the Due Diligence Period, COUNTY shall be deemed to have made its own independent investigation of the Property, the Due Diligence Materials and the presence of Hazardous Materials on the PROPERTY as COUNTY deems appropriate. Accordingly, subject to the representations and warranties of SELLER expressly set forth in Section 12 hereof, COUNTY, on behalf of itself and all of its officers, directors, shareholders, employees, representatives and affiliated entities (collectively, the "**Releasors**") hereby expressly waives and relinquishes any and all rights and remedies Releasors may now or hereafter have against Seller, its successors and assigns, lenders, partners, members, managers, shareholders, officers and/or directors (the "**SELLER Parties**"), whether known or unknown, which may arise from or be related to (a) the physical condition, quality, quantity and state of repair of the PROPERTY and the prior management and operation of the PROPERTY, (b) the Due Diligence Materials, (c) the PROPERTY'S compliance or lack of compliance with any federal, state or local laws or regulations, and (d) any past, present or future presence or existence of Hazardous Materials on, under or about the PROPERTY or with respect to any past, present or future violation of any rules, regulations or laws, now or hereafter enacted, regulating or governing the use, handling, storage or disposal of Hazardous Materials, including, without limitation, (i) any and all rights and remedies Releasors may now or hereafter have under the Comprehensive Environmental Response Compensation and Liability Act of 1980 ("**CERCLA**"), the Superfund Amendments and Reauthorization Act of 1986, the Resource Conservation and Recovery Act, and the Toxic Substance Control Act, all as amended, and any similar state, local or federal environmental law, rule or regulation, and (ii) any and all claims, whether known or unknown, now or hereafter existing, with respect to the PROPERTY under Section 107 of CERCLA (42 U.S.C.A. §9607). As used herein, the term "**Hazardous Material(s)**" includes, without limitation, any hazardous or toxic materials, substances or wastes, such as (1) any materials, substances or wastes which are toxic, ignitable, corrosive or reactive and which are regulated by any local governmental authority, or any agency of the United States government, (2) any other material, substance, or waste which is defined or regulated as a hazardous material, extremely hazardous material, hazardous waste or toxic substance pursuant to any laws, rules, regulations or orders of the United States government, or any local governmental body, (3) asbestos, (4) petroleum and petroleum based products, (5) formaldehyde, (6) polychlorinated biphenyls (PCBs), and (7) freon and other chlorofluorocarbons.

COUNTY, ON BEHALF OF ITSELF AND THE OTHER RELEASORS, HEREBY ACKNOWLEDGES THAT IT HAS READ AND IS FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542 ("**SECTION 1542**"), WHICH IS SET FORTH BELOW:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE

MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.”

BY INITIALING BELOW, COUNTY, ON BEHALF OF ITSELF AND THE OTHER RELEASORS, HEREBY WAIVES THE PROVISIONS OF SECTION 1542 SOLELY IN CONNECTION WITH THE MATTERS WHICH ARE THE SUBJECT OF THE FOREGOING WAIVERS AND RELEASES.

COUNTY's Initials: _____

THE FOREGOING WAIVERS, RELEASES AND AGREEMENTS BY COUNTY, ON BEHALF OF ITSELF AND THE RELEASORS, SHALL SURVIVE THE CLOSE OF ESCROW AND THE RECORDATION OF THE GRANT DEED AND SHALL NOT BE DEEMED MERGED INTO THE GRANT DEED UPON ITS RECORDATION.

Section 31. Natural Hazard Disclosure.

COUNTY acknowledges that Seller has commissioned the Title Company or its affiliate to prepare a natural hazard disclosure statement for the PROPERTY (the “**Natural Hazard Disclosure**”), including the matters required by Article 1.7 of the California Civil Code (currently Section 1103 through 1103.14). COUNTY acknowledges that this transaction is not subject to such Article 1.7, but that, nevertheless, the Natural Hazard Disclosure shall serve to satisfy any and all disclosure requirements relating to the matters referenced in the Natural Hazard Disclosure. SELLER does not warrant or represent either the accuracy or completeness of the information in the Natural Hazard Disclosure, and COUNTY shall use same merely as a part in its overall investigation of the COUNTY.

Section 32. Environmental Disclosure.

COUNTY acknowledges and agrees that SELLER has indicated that the sole inquiry and investigation that Seller has conducted in connection with the environmental condition of the PROPERTY is to obtain the environmental report(s) made available to COUNTY as part of the Due Diligence Materials, and that, for all purposes, including California Health and Safety Code Section 25359.7, SELLER has acted reasonably in solely relying upon said inquiry and investigation. COUNTY further acknowledges and agrees that SELLER'S making available to COUNTY any environmental report(s) as part of the Due Diligence Materials shall constitute notice to COUNTY of any environmental condition disclosed therein, which shall be deemed to satisfy the notice requirements under California Health and Safety Code Section 25359.7.

Section 33. Noncompliant Plumbing Fixtures Disclosure.

In accordance with the requirements of California Civil Code Section 1101.5(e), SELLER hereby discloses the following: (1) California Civil Code Section 1101.5(a) provides as follows: “(a) On or before January 1, 2019, all noncompliant plumbing fixtures in any multifamily residential real property and in any commercial real property shall be replaced with water-conserving plumbing fixtures”; and (2) SELLER has no knowledge as to whether the PROPERTY does or does not have such noncompliant plumbing fixtures and COUNTY shall have the right to inspect the same.

Section 34. Waiver of CC Section 1662.

SELLER and COUNTY each expressly waive the provisions of California Civil Code Section 1662 and hereby agree that the provisions of Section 10 hereof shall govern their obligations in the event of damage or destruction to the PROPERTY or condemnation of all or part of the PROPERTY.

Section 35. No Third Party Beneficiaries.

This Agreement is for the sole and exclusive benefit of the Parties hereto and their respective permitted successors and assigns, and no third party is intended to, or shall have, any rights hereunder.

Section 36. No Personal Liability.

Notwithstanding anything stated to the contrary herein, SELLER'S liability under this Agreement shall be limited to SELLER'S interest in the PROPERTY and neither SELLER, SELLER'S constituent partners and/or members, managers, lenders, SELLER'S asset manager, nor SELLER'S directors, managers, members, employees or agents shall have any personal liability hereunder.

Section 37. Attorneys' Fees

Notwithstanding Section 28, above, if any legal action or any arbitration or other proceeding is brought by COUNTY against SELLER because of any alleged dispute, breach, default or misrepresentation in connection with any of the provisions of this Agreement, the prevailing party shall be entitled to recover from the other reimbursement for the reasonable fees of attorneys and other costs (including court costs and witness fees) incurred by it, in addition to any other relief to which it may be entitled pursuant to the terms of this Agreement. The term "**prevailing party**" means the party obtaining substantially the relief sought, whether by compromise, settlement or judgment.

[Signatures follow on next page]

Attachment A - Lease Agreement

In Witness Whereof, the Parties have executed this Agreement the day and year first above written.

SELLER

DRAWBRIDGE SAINT ANDREW, LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

COUNTY

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

Approved as to Form
Office of the County Counsel
Orange County, California

By: _____
Deputy County Counsel

Date: _____

By: _____
Chief Real Estate Officer
County of Orange, California

ACKNOWLEDGMENT OF ESCROW AGENT

The undersigned, as the Escrow Agent under the foregoing Agreement, hereby acknowledges receipt of fully-executed originals or counterpart copies thereof, and hereby agrees to act in accordance with the instructions set forth therein. The Escrow Agent shall acknowledge this form after the Agreement has been approved by the County of Orange Board of Supervisors.

[CONFIRM] FIRST AMERICAN TITLE INSURANCE COMPANY

By: _____

Its: _____

Date: _____

SCHEDULE OF EXHIBITS

<u>Exhibit A</u>	Legal Description
<u>Exhibit B</u>	Grant Deed
<u>Exhibit C</u>	Copy of Lease

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

The Land referred to herein below is situated in the City of Santa Ana, County of Orange, State of California, and is described as follows:

PARCEL A:

PARCEL 1 OF PARCEL MAP NO. 97-143, AS SHOWN ON A MAP RECORDED IN [BOOK 307, PAGES 40 THROUGH 46](#) INCLUSIVE, OF PARCEL MAPS, RECORDS OF ORANGE COUNTY.

EXCEPTING THEREFROM ALL RIGHT, TITLE AND INTEREST IN AND TO ALL COAL, OIL, GAS AND OTHER HYDROCARBONS, GEOTHERMAL RESOURCES, PRECIOUS METALS ORES, BASE METALS ORES, INDUSTRIAL GRADE SILICATES AND CARBONATES, FISSIONABLE MINERALS OF EVERY KIND AND CHARACTER, METALLIC OR OTHERWISE, WHETHER OR NOT PRESENTLY KNOWN TO SCIENCE OR INDUSTRY, NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED UPON WITHIN OR UNDERLYING THE SURFACE OF SAID LAND REGARDLESS OF THE DEPTH BELOW THE SURFACE AT WHICH ANY SUCH SUBSTANCES MAY BE FOUND, HOWEVER, WITHOUT THE RIGHT FOR ANY PURPOSE WHATSOEVER TO ENTER UPON, INTO OR THROUGH THE SURFACE OF THE FIRST 500 FEET OF THE SUBSURFACE OF THE PROPERTY, AS RESERVED BY CATELLUS DEVELOPMENT CORPORATION, A DELAWARE CORPORATION, IN THE DEED RECORDED JULY 26, 1994 AS INSTRUMENT NO. [94-0472182](#), OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM MINERAL OIL AND GAS RIGHTS, AS RESERVED BY SANTA FE LAND IMPROVEMENT CO., AS INSTRUMENT NO'S. [85-353684](#) AND [85-353685](#), BOTH OF OFFICIAL RECORDS.

PARCEL B:

A PERPETUAL NON-EXCLUSIVE EASEMENT FOR VEHICULAR AND PEDESTRIAN INGRESS AND EGRESS, AND PARKING, AS SAID EASEMENT IS SET FORTH IN THAT CERTAIN RECIPROCAL EASEMENT AGREEMENT RECORDED DECEMBER 30, 1998 AS INSTRUMENT NO. [19980905268](#) OF OFFICIAL RECORDS OF ORANGE COUNTY, CALIFORNIA, OVER THAT PORTION OF LOT 1 INCLUDED WITHIN THE CROSSHATCHED AREA SHOWN ON EXHIBIT "C" ATTACHED THERETO.

PARCEL C:

A NON-EXCLUSIVE EASEMENT, APPURTENANT TO PARCEL A ABOVE, AS SET FORTH IN THAT CERTAIN DECLARATION OF EASEMENTS, COVENANTS AND RESTRICTIONS RECORDED OCTOBER 22, 1997 AS INSTRUMENT NO. [19970528496](#) OF OFFICIAL RECORDS.

For conveyancing purposes only: APN 403-071-28 (Affects Portion of Land) and APN 403-071-29 (Affects Portion of Land)

EXHIBIT B

GRANT DEED

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

[Space above for recorder]

APN No.: _____

The undersigned Grantor declares: Documentary Transfer Tax is \$ _____.

- computed on full value of property conveyed
- computed on full value less value of liens and encumbrances remaining at time of sale
- Unincorporated area
- City of _____

GRANT DEED

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, DRAWBRIDGE SAINT ANDREW, LLC, a Delaware limited liability company ("**Grantor**") does hereby grant to _____ ("**Grantee**"), the real property in the County of Orange, State of California, described on Exhibit "A" attached hereto and made a part hereof (the "**Property**").

TO HAVE AND TO HOLD the Property with all the rights, privileges and appurtenances thereto belonging, or in any way appertaining, unto the said Grantee and Grantee's successors and assigns.

SUBJECT TO the following:

- (a) all liens, easements, covenants, conditions, restrictions and other matters of record or apparent; and
- (b) a lien not yet delinquent for taxes for real property and personal property, and any general or special assessments against the Property.

IN WITNESS WHEREOF, Grantor has executed this Grant Deed as of _____, 20__.

GRANTOR:

DRAWBRIDGE SAINT ANDREW, LLC,
a Delaware limited liability company

By: _____

Name: _____

Title: _____

[INSERT NOTARY ACKNOWLEDGMENT FROM STATE OF EXECUTION]

EXHIBIT "A"

LEGAL DESCRIPTION

EXHIBIT C

LEASE