

STANDARD SUBLEASE FORM

35620

SUBLEASE COVERING PREMISES LOCATED AT

4811 Airport Plaza Drive, Suite 110 & 120  
Long Beach, CA 90807

SUBLESSOR'S FED. TAX. I.D., NO. OR SOCIAL SECURITY NO.

[REDACTED]

Lease File No.: 6871-001  
Project No.: 139326

SUBTENANT AGENCY

Employment Development Department

**Preamble**

This Agreement, made and entered into this 1st day of May, 2020, is a Sublease of that certain Lease Agreement (the "Master Lease") dated February 1, 2016, as amended September 13, 2019, between 4811 Airport Plaza, LLC as Lessor (the "Master Lessor") and City of Long Beach as Lessee. This sublease agreement is between

**CITY OF LONG BEACH,  
A MUNICIPAL CORPORATION**

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

**WITNESSETH**

WHEREAS, under the Master Lease, Sublessor hires from Master Lessor certain premises located at 4811 Airport Plaza Drive, Long Beach, California as more particularly described in the Master Lease, and

WHEREAS, a copy of the Master Lease is attached hereto, incorporated herein as Exhibit "D" dated August 8, 2019 and made a part of this sublease by this reference; and

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

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

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

**Description**

1. The Sublessor hereby subleases unto the State and the State hereby hires from the Sublessor those certain premises with appurtenances situated in the City of Long Beach, County of Los Angeles, State of California, and more particularly described as follows:

Approximately 7,095 net usable square feet of office space on the first floor consisting of 6,131 net usable square feet of shared space as outlined in green, and 339 net usable square feet of exclusive space as outlined in red, and 626 square feet of common area share on the attached Exhibit "A" plan, together with Outline Specifications marked Exhibit "B" and Administrative Requirements marked Exhibit "C", said Exhibits "A" and "B" and "C", Project No. 139326 dated August 8, 2019, hereby being incorporated into this sublease, and including forty-seven (47)



nonexclusive unobstructed parking spaces contiguous to the subject building, and unlimited use of the building's common facilities.

Notwithstanding anything to the contrary contained herein, this sublease is expressly subordinate to the Master Lease in all respects, and to the extent that any of the terms of this sublease directly conflict with a term of the Master Lease or purport to grant State a right that the Sublessor is not entitled to under the Master Lease, such term hereof shall be of no force or effect.

**Term**

2. The term of this sublease shall commence on August 1, 2019, and shall end on July 31, 2023, with such rights of termination as may be hereinafter expressly set forth.

**Early  
Termination**

3. The State may terminate this sublease at any time effective on or after August 1, 2019, by giving written notice to the Sublessor at least thirty (30) days prior to the date when such termination shall become effective. If the State fails to complete its move out within the notice period and remains in the premises, additional rent shall be paid and prorated on a thirty (30) day month, based on the actual number of days the State occupies the premises following the effective date of termination.

**Remainder of Page Intentionally Left Blank**

**Rent**

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

SEVENTEEN THOUSAND NINE HUNDRED FIFTY AND 35/100 DOLLARS  
(\$17,950.35) from August 1, 2019, through July 31, 2020; then

EIGHTEEN THOUSAND FOUR HUNDRED FORTY-SEVEN AND 00/100 DOLLARS  
(\$18,447.00) from August 1, 2020, through July 31, 2021; then

NINETEEN THOUSAND FOURTEEN AND 60/100 DOLLARS  
(\$19,014.60) from August 1, 2021, through July 31, 2022; then

NINETEEN THOUSAND FIVE HUNDRED ELEVEN AND 25/100 DOLLARS  
(\$19,511.25) from August 1, 2022, through July 31, 2023; and thereafter.

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

**Remainder of Page Intentionally Left Blank**



**Notices**

5. All notices and correspondence herein provided to be given, or which may be given by either party to the other, shall be deemed to have been fully given when made in writing and either: 1) deposited in the United States Mail, certified and postage prepaid; or 2) sent via an alternate commercial overnight delivery service (i.e. FedEx or similar) with receiver's signature required; and addressed as follows:

**To the Sublessor:** City of Long Beach, City Manager  
411 W. Ocean Boulevard, 10<sup>th</sup> Floor  
Long Beach, CA 90802  
**Phone No.:** (562) 570-5091  
**Email:** citymanager@longbeach.gov

**To the State:**  
**DEPARTMENT OF GENERAL SERVICES, Phone No. (916) 375-4172**  
**REAL ESTATE SERVICES DIVISION FAX No. (916) 375-4029**  
**LEASE MANAGEMENT D 6871-001 Email: leasemanagement@dgs.ca.gov**  
**707 THIRD STREET, SUITE 5-305**  
**WEST SACRAMENTO, CA 95605**

ALL NOTICES AND CORRESPONDENCE MUST REFERENCE  
TENANT AGENCY AND PREMISES ADDRESS

Rental warrants shall be made payable to: Pacific-Gateway, City of Long Beach  
and mailed to: 4811 Airport Plaza Drive, Suite 200  
Long Beach, CA 90815

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

**Completion and Compliance with Plans and Specifications**

6. Sublessor agrees that, prior to August 1, 2019, and at Sublessor's sole cost and expense, all required construction, improvements and/or alterations, if any, shall be completed and the subleased premises made ready for State's occupancy in full compliance with Exhibit "A", consisting of one (1) sheet(s) titled, "Office Quarters, Project No. 139326" dated August 8, 2019, and in accordance with Exhibit "B", consisting of twenty-six (26) pages, titled, "Outline Specifications, Project No. 139326" dated August 8, 2019, and Exhibit "C" consisting of ten (10) pages titled, "Administrative Requirements Project No. 139326" dated August 8, 2019, which Exhibits "A" and "B" and "C" are by this reference incorporated herein, and all such improvements shall be subject to the approval of Master Landlord.

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

7. Sublessor shall notify the State in writing by certified mail of the date the subleased premises will be completed and ready for occupancy at least thirty (30) days prior thereto. Such notice shall be a condition precedent to the accrual of rental hereunder, except however, that if the State occupies the premises prior to the receipt of such notice or prior to the expiration of the notice period of such notice, rental shall commence to accrue as of the date of occupancy.

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

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

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

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

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

Delays caused by the Sublessor:

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

Delays caused by the State:

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

Compensation will be in one day increments.

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

**Early  
Occupancy**

8. Sublessor agrees that if the subleased premises are ready for occupancy prior to the completion date specified above in Paragraph 6, State may elect to occupy the premises on the earliest date practical after its receipt of the herein required completion notice. The rent payable for any such early occupancy by the State shall be at the rate of \$17,950.35 per month, and shall be prorated on a daily basis for any partial month.

**Time limit and  
Prior Tenancy**

9. No rental shall accrue under this sublease, nor shall the State have any obligation to perform the covenants or observe the conditions herein contained until the subleased premises have been made ready for occupancy in accordance with the provisions hereof. It is specifically agreed that in the event the subleased premises are not completed and ready for occupancy by the State on or before August 1, 2019, then and in that event the State may, at its option and in addition to any other remedies it may have, terminate this sublease and be relieved of any further obligations hereunder, providing that a fair and reasonable allowance for the following delays shall be added to said time for completion:

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

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



**Conformity to Exhibits**

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

**Asbestos**

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

**Parking**

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

**Services, Utilities, and Supplies**

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

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

**Daily:**

- (1) Empty and clean all trash containers, and dispose of all trash and rubbish.
- (2) Clean and maintain in a sanitary and odor-free condition all floors, wash mirrors, basins, toilet bowls, and urinals.
- (3) Furnish and replenish all toilet room supplies (including soap, towels, seat covers, toilet tissue, and sanitary napkins). Furnish and replenish paper towel supply in all areas of the subleased space.
- (4) Sweep or dust mop all hard surface floors, and carpet sweep all carpeted areas, including stairways and halls. Offices with hard surface floors in the public lobby area shall be damp-mopped daily.
- (5) Remove finger marks and smudges from all glass entrance doors.
- (6) Specifically check, and if action is needed, then:
  - a. Dust the tops of all furniture, counters, cabinets, and window sills, (which are free of interfering objects).

- b. Remove spots and/or spills from the carpets, floors, and stairways.

As needed, but not less frequently than:

**Twice Weekly:** Vacuum all carpets.

**Weekly:**

- (1) Damp mop all hard surface floors.
- (2) Dust all window blinds.
- (3) Treat stainless steel fountains and sinks to eliminate stains and mineral deposits.
- (4) Spot clean the walls.

**Quarterly:**

- (1) Strip all hard surface floors and apply a new coat of floor finish; buff as necessary to produce a uniformly shining appearance.
- (2) Treat carpets for static electricity control (if not integrated in the fabric).

**Semi-annually:** Wash all windows, window blinds, light fixtures, walls, and painted surfaces.

**Annually:**

- (1) Steam clean carpets to remove all stains and spots.
- (2) Clean window coverings.

In the event of failure by the Sublessor to furnish any of the above services or supplies in a satisfactory manner, the State may furnish the same at its own cost; and, in addition to any other remedy the State may have, may deduct the amount thereof, including State's Administrative costs, from the rent that may then be, or thereafter become due hereunder.

## **Repair and Maintenance**

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

- (1) Generally maintaining the subleased premises in good, vermin-free, operating condition and appearance.
- (2) Furnishing prompt, good quality repair of the building, equipment, and appurtenances.
- (3) Furnishing preventative maintenance, including, but not limited to, manufacturer's recommended servicing of equipment such as elevator (if any), heating, ventilating and air conditioning equipment, and fixtures.
- (4) Furnishing and promptly replacing any inoperative light bulbs, fluorescent tubes, ballast, starters, and filters for the heating, ventilating and air conditioning equipment as required.
- (5) Furnishing remedial painting as necessary to maintain the premises in a neat, clean and orderly condition.
- (6) Annual testing and maintenance of all fire extinguishers in or adjacent to the subleased premises.
- (7) Repairing and replacing as necessary intra-building network cable and inside wire cable used for voice and data transmission.
- (8) Repairing and replacing parking lot bumpers and paving as necessary. Repaint directional arrows, striping, etc., as necessary.

- (9) On a weekly basis, sweeping parking areas and sidewalks, maintaining landscaped areas, including sprinklers, drainage, etc., in a growing, litter-free, weed free, and neatly mowed and/or trimmed condition.
  - (10) Repairing and replacing floor covering as necessary. Sublessor, at Sublessor's sole cost, shall arrange for moving of furniture and equipment prior and subsequent to the repairing or replacement of floor covering.
  - (11) Keeping all walkways, parking lots, entrances, and auxiliary areas free of snow, water, oil spills, debris, or other materials which may be hazardous to users of the building.
- B. Sublessor shall provide prompt repair or correction for any damage except damage arising from a willful or negligent act of the State's agents, employees or invitees.
  - C. Except in emergency situations, the Sublessor shall give not less than 24 hours prior notice to State tenants, when any pest control, remodeling, renovation, or repair work affecting the State occupied space may result in employee health concerns in the work environment.
  - D. In case Sublessor, after notice in writing from the State requiring the Sublessor to comply with the requirements of this paragraph in regard to a specified condition, shall fail, refuse or neglect to comply with such notice, or in the event of an emergency constituting a hazard to the health or safety of the State's employees, property, or invitees, the State may terminate this sublease without further obligation or at its option, perform such maintenance or make such repair at its own cost and, in addition to any other remedy the State may have, may withhold rent due and deduct the amount thereof, including necessary costs incurred by the State required for the administration of such maintenance and repairs, from the rent that may then be or thereafter become due hereunder.
  - E. Sublessor understands and agrees that State shall not assume any of Sublessor's obligations under the Master Lease.

**Painting**

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

**Change Orders and Alterations**

16. The State shall have the right during the existence of this sublease to make change orders and alterations; attach fixtures; and erect additions, structures, or signs in or upon the subleased premises. Such fixtures, additions, structures, or signs so placed in or upon or attached to the premises under this sublease or any extension hereof shall be and remain the property of the State and may be removed therefrom by the State prior to the termination or expiration of this sublease or any renewal or extension hereof, or within a reasonable time thereafter.

In the event alterations, fixtures, additions, structures, or signs in or upon the subleased premises are desired by State and State elects not to perform the work, any such work, when authorized in writing by the State shall be performed by the Sublessor in accordance with plans and specifications provided by State. Sublessor agrees to obtain competitive bids from at least three licensed contractors and to contract with the lowest bidder. Sublessor further agrees that the overhead and profit for the work shall not exceed fifteen percent (15%) total for Sublessor and any general contractor combined. Within forty-five (45) days after receiving Sublessor's notice of completion of the requested work and an invoice requesting payment therefor, together with a



complete detailed accounting of all costs for each trade, State agrees to reimburse Sublessor by a single total payment for the cost of such work.

**Assignment  
and  
Subletting**

17. The State shall not assign this sublease without prior written consent of the Sublessor, which shall not be unreasonably withheld, but shall in any event have the right to sublet the subleased premises.

**Quiet  
Possession**

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

**Inspection**

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

**Destruction**

20. If the subleased premises are totally destroyed by fire or other casualty, this sublease shall terminate. If such casualty shall render ten percent (10%) or less of the floor space of the subleased premises unusable for the purpose intended, Sublessor shall effect restoration of the premises as quickly as is reasonably possible, but in any event within thirty (30) days.

In the event such casualty shall render more than ten percent (10%) of such floor space unusable but not constitute total destruction, Sublessor shall forthwith give notice to State of the specific number of days required to repair the same. If Sublessor under such circumstances shall not give such notice within fifteen (15) calendar days after such destruction, or if such notice shall specify that such repairs will require more than ninety (90) days to complete from date such notice is given, State, in either such event, at its option may terminate this sublease or, upon notice to Sublessor, may maintain occupancy and elect to undertake the repairs itself, deducting the cost thereof from the rental due or to become due under this sublease and any other sublease between Sublessor and State.

In the event of any such destruction other than total, where the State has not terminated the sublease as herein provided, or pursuant to the terms hereof has not elected to make the repairs itself, Sublessor shall diligently prosecute the repair of said premises and, in any event, if said repairs are not completed within the period of thirty (30) days for destruction aggregating ten percent (10%) or less of the floor space, or within the period specified in Sublessor's notice in connection with partial destruction aggregating more than ten percent (10%), the State shall have the option to terminate this sublease or complete the repairs itself, deducting the cost thereof from the rental due or to become due under this sublease and any other sublease between Sublessor and State.

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

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

**Subrogation  
Waived**

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

**Prevailing  
Wage  
Provision**

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

- A. Sublessor/contractor shall comply with prevailing wage requirements and be subject to restrictions and penalties in accordance with §1770 et seq. of the Labor Code which requires prevailing wages be paid to appropriate work classifications in all bid specifications and subcontracts.
- B. The Sublessor/contractor shall furnish all subcontractors/employees a copy of the Department of Industrial Relations prevailing wage rates which Sublessor will post at the job site. All prevailing wage rates shall be obtained by the Sublessor/contractor from:
  - Department of Industrial Relations
  - Division of Labor Statistics and Research
  - 455 Golden Gate Avenue, 8th Floor
  - San Francisco, California 94102
  - Phone: (415) 703-4774
  - Fax: (415) 703-4771

For further information on prevailing wage: [http://www.dir.ca.gov/dlsr/statistics\\_research.html](http://www.dir.ca.gov/dlsr/statistics_research.html)

- C. Sublessor/contractor shall comply with the payroll record keeping and availability requirement of §1776 of the Labor Code.
- D. Sublessor/contractor shall make travel and subsistence payments to workers needed for performance of work in accordance with the Labor Code.
- E. Prior to commencement of work, Sublessor/contractor shall contact the Division of Apprenticeship Standards and comply with §1777.5, §1777.6, and §1777.7 of the Labor Code and Applicable Regulations

**Fair  
Employment  
Practices**

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

Sublessor shall comply with the provisions of the Fair Employment and Housing Act (Government Code, Section 12900 et seq.), the regulations promulgated thereunder (California Code of Regulations, Title 2, Section 11000 et seq.), the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (Government Code, Sections 11135-11139.8), and the regulations or standards adopted by the awarding State agency to implement such article.

**DVBE  
Participation**

24. The State of California supports the use of Disabled Veteran Business Enterprise (DVBE) and we encourage the Sublessor to utilize DVBEs when contracting for tenant improvements and services. Sublessor shall complete the DVBE Program Certification Sheet (Form F) attached in Exhibit "C" herein prior to acceptance and occupancy of this sublease. Sublessor may refer to the following internet link for DVBE guidelines and instructions.

[Disabled Veteran Business Enterprise \(DVBE\) Program Guidelines](#)

**Service  
Companies**

25. Within fifteen (15) days after occupancy of the subleased premises by the State, Sublessor shall provide the State with the name, address, and telephone number of an agency or person convenient to the State as a local source of service regarding the Sublessor's

responsibilities under this sublease as to repairs, maintenance, and servicing of the premises and any or all related equipment, fixtures, and appurtenances.

**Service Credit**

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

**Holding Over**

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

**Surrender of Possession**

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

**Time of Essence, Binding upon Successors**

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

**No Oral Agreements**

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

**Construction-Related Accessibility Standard Compliancy Act**

31. Pursuant to California Civil Code §1938, the Sublessor states that the subleased premises:

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

**Remainder of Page Intentionally Left Blank**

IN WITNESS WHEREOF, this sublease has been executed by the parties hereto as of the dates written below

STATE OF CALIFORNIA

SUBLESSOR

Approval Recommended

DEPARTMENT OF GENERAL SERVICES  
REAL ESTATE SERVICES DIVISION  
ASSET MANAGEMENT BRANCH

CITY OF LONG BEACH,  
A MUNICIPAL CORPORATION

By *Clyde Stormont*  
CLYDE STORMONT, Real Estate Officer  
Real Estate Leasing and Planning Section

By *Rebecca G. Garner*  
THOMAS B. MODICA

Date *July 3, 2020*

EXECUTED PURSUANT  
TO SECTION 301 OF  
THE CITY CHARTER

Its: City Manager

Approved

Date *6/19/2020*

DIRECTOR OF THE DEPARTMENT  
OF GENERAL SERVICES

By *Brian Hensley*  
BRIAN HENSLEY, Leasing Manager  
Real Estate Leasing and Planning Section

Date *Jul 10, 2020*

APPROVED AS TO FORM

*6-15-2020*  
CHARLES PARKIN, City Attorney

By *[Signature]*  
RICHARD ANTHONY  
DEPUTY CITY ATTORNEY



State of California  
**DGS**  
 Department of General Services  
 Real Estate Services Division  
 Asset Management Branch  
**Real Estate Leasing & Planning Section**  
 West Street, Suite 5305  
 Main Phone: 916-569-3800  
 www.dgs.ca.gov

PROJECT CONTACT: CARIE GORDON  
 PHONE: (916) 375-1169  
 carie.gordon@dgs.ca.gov

**DISCLAIMER**  
 THIS DRAWING IS THE PROPERTY OF THE ARCHITECT AND IS TO BE USED ONLY FOR THE PROJECT AND PURPOSES SPECIFICALLY LISTED IN THE CONTRACT. IT IS NOT TO BE REPRODUCED OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, INCLUDING PHOTOCOPYING, RECORDING, OR BY ANY INFORMATION STORAGE AND RETRIEVAL SYSTEM, WITHOUT THE EXPRESS WRITTEN PERMISSION OF THE ARCHITECT. THE ARCHITECT'S RESPONSIBILITY IS LIMITED TO THE PREPARATION OF THE DRAWING AND THE ACCURACY OF THE INFORMATION PROVIDED TO THE ARCHITECT. THE ARCHITECT DOES NOT GUARANTEE THE ACCURACY OF THE INFORMATION PROVIDED TO THE ARCHITECT. THE ARCHITECT IS NOT TO BE HELD LIABLE FOR ANY ERRORS OR OMISSIONS IN THIS DRAWING. THE ARCHITECT'S LIABILITY IS LIMITED TO THE CONTRACT PRICE.

**NOTE TO ARCHITECTS:**  
 THE REFS MAKES NO CLAIMS TO THE ACCURACY OF THE ARCHITECTURAL DRAWINGS. THE ARCHITECT'S DRAWINGS ARE INTENDED AS PART OF THE STATE'S LEASE EXHIBITS ONLY AND ARE NOT TO BE USED FOR ANY OTHER PURPOSE. THE USER OF THIS DATA SHALL TAKE FULL RESPONSIBILITY FOR THE ACCURACY OF ALL INFORMATION AND MEASUREMENTS AND BE RESPONSIBLE FOR ANY ERRORS AND OMISSIONS.

Approval of this (schematic) plan does not authorize or approve any omission or deviation from the plan or any other part of the drawing. It is subject to Working Drawing submission and field inspections. One set of approved Working Drawings shall be on file on the project site at all times.

Reviewed By: \_\_\_\_\_  
 Date: \_\_\_\_\_

California State Fire Marshal  
 Professional Approval  
 The State Fire Marshal's approval of this Exhibit is for the preliminary review only. All construction documents must be submitted by the lessor or contractor to the fire marshal for final review and approval.

DATE	DATE
DATE	DATE
DATE	DATE
DATE	DATE
DATE	DATE
DATE	DATE
DATE	DATE

DATE	DATE
DATE	DATE
DATE	DATE
DATE	DATE
DATE	DATE
DATE	DATE
DATE	DATE
DATE	DATE
DATE	DATE

PARKING STALLS: NON-EXCLUSIVE 47  
 AGENCY APPROVAL ON FILE 4.10.2020  
 PENDING REVISIONS  
 PLANNER: J. COPPAGE  
 PROJECT NUMBER: 68690  
 REVISION NUMBER: 6871-001

PROJECT: OFFICE QUARTERS  
 ASSESSOR: EMPLOYMENT DEVELOPMENT DEPARTMENT  
 LOCATION: 1400 RIZZO DRIVE SUITE 110 & 120 LONG BEACH, CA 90815

PROJECT NO. \_\_\_\_\_  
 SHEET NO. **A 1**  
 OF \_\_\_\_\_ SHEETS

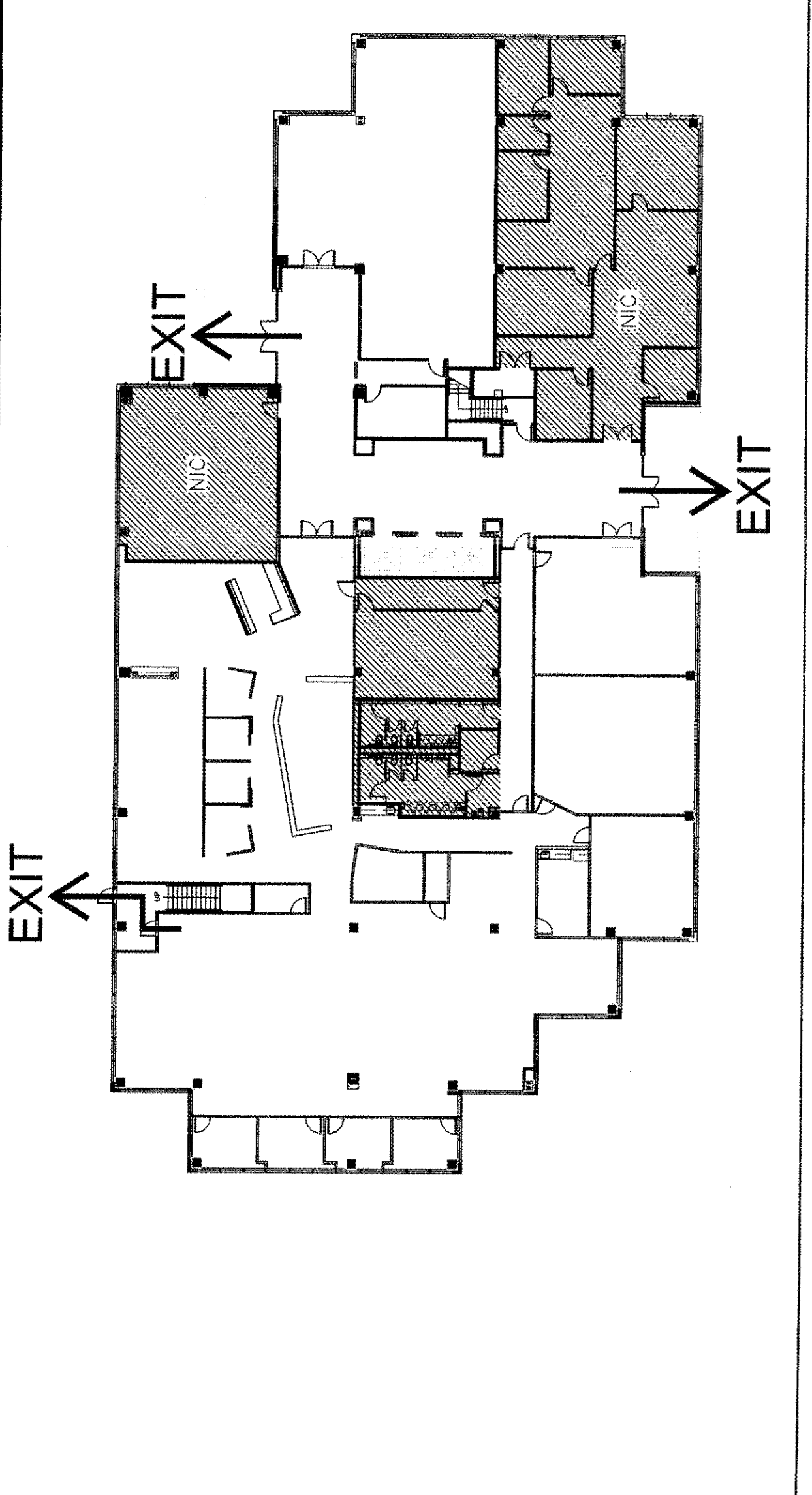
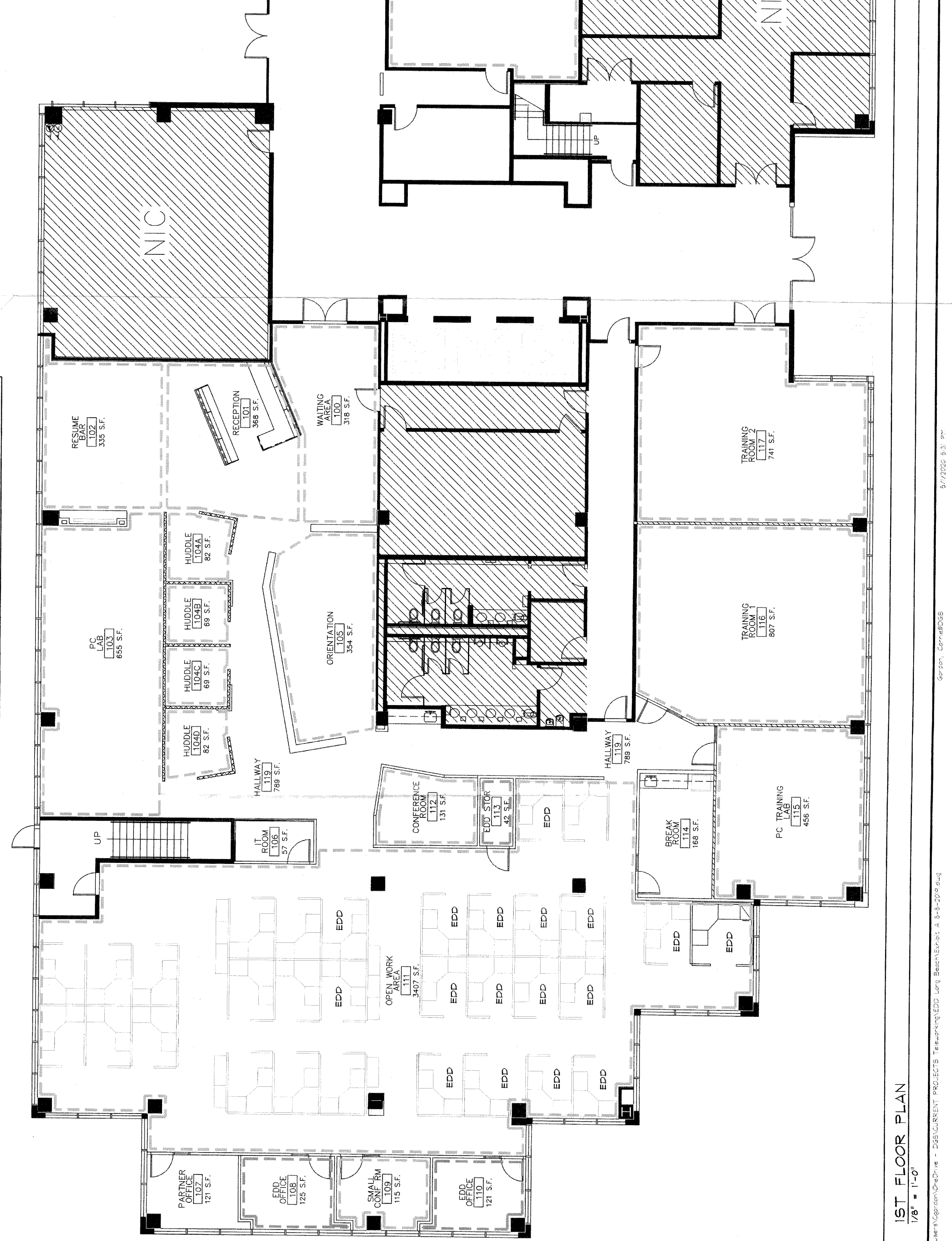
### E.D.D. LEASED AREA CALCULATIONS

DATE: 5/1/2018  
 GROSS BUILDING FLOOR AREA: 13,535 SF  
 GROSS AREA MULTIPLIER: 1.18

ROOM #	ROOM NAME	AREA (S.F. - NET)	AREA (S.F. - GROSS)	COMMON	TARE	% E.D.D. OCCUPIED (common area excluded)	E.D.D. AREA (S.F.) (common area excluded)
100	WAITING AREA	318 S.F.	374 S.F.				
101	RECEPTION	368 S.F.	433 S.F.			65%	167 S.F.
102	RECEPTION BAR	335 S.F.	394 S.F.			50%	167 S.F.
103	PC LAB	655 S.F.	771 S.F.			50%	385 S.F.
104A	HUDBLE	82 S.F.	97 S.F.			50%	48 S.F.
104B	HUDBLE	82 S.F.	97 S.F.			50%	41 S.F.
104C	HUDBLE	82 S.F.	97 S.F.			50%	41 S.F.
105	ORIENTATION	354 S.F.	417 S.F.			50%	205 S.F.
109	SMALL CONF ROOM	115 S.F.	135 S.F.			50%	68 S.F.
111	OPEN WORK AREA	3407 S.F.	4010 S.F.			55%	2202 S.F.
112	CONFERENCE ROOM	154 S.F.	181 S.F.			50%	92 S.F.
113	TRAINING LAB	455 S.F.	537 S.F.			50%	268 S.F.
114	TRAINING LAB	507 S.F.	599 S.F.			50%	299 S.F.
117	TRAINING ROOM 1	472 S.F.	559 S.F.			50%	279 S.F.
118	LARGE TRAINING ROOM	2359 S.F.	2799 S.F.			50%	1399 S.F.
<b>EDD EXCLUSIVE</b>							
108	EDD OFFICE	125 S.F.	147 S.F.			100%	147 S.F.
110	EDD OFFICE	121 S.F.	142 S.F.			100%	142 S.F.
113	EDD STOR	42 S.F.	49 S.F.			100%	49 S.F.
<b>PARTNER EXCLUSIVE</b>							
107	PARTNER OFFICE	121 S.F.	142 S.F.			0%	0 S.F.
<b>COMMON AREA</b>							
106	IT ROOM	57 S.F.	67 S.F.	X		0%	0 S.F.
114	BREAK ROOM	168 S.F.	198 S.F.	X		0%	0 S.F.
119	HALLWAY	799 S.F.	938 S.F.	X		0%	0 S.F.
<b>SUBTOTAL</b>		<b>11507 S.F.</b>	<b>13535 S.F.</b>	<b>1193 S.F.</b>			<b>7095 S.F.</b>
<b>EXCLUSIVE E.D.D. AREA:</b>		<b>338 S.F.</b>	<b>639 S.F.</b>				
<b>SHARED E.D.D. AREA:</b>		<b>639 S.F.</b>	<b>639 S.F.</b>				
<b>E.D.D. COMMON AREA SHARE:</b>		<b>639 S.F.</b>	<b>639 S.F.</b>			52.42%	
<b>TOTAL E.D.D. LEASED AREA:</b>		<b>7095 S.F.</b>					
<b>TARE:</b>		<b>0 S.F.</b>					

**NOTE:**  
 NO MODIFICATIONS OR ALTERATIONS ARE BEING MADE TO THIS BUILDING PLAN REFLECTS AN "AS-BUILT" CONDITION. REVIEWS TO PROVIDE FOR A STATE EMPLOYEE OCCUPIED SPACE WHERE INDICATED.

**ATTENTION:**  
 NO CHANGES, MODIFICATIONS OR SUBSTITUTIONS SHALL BE MADE TO THE PREMISES AS SHOWN EXCEPT WITH THE PRIOR WRITTEN APPROVAL OF BUSINESS OPERATIONS PLANNING AND SUPPORT DIVISION, ADMINISTRATION BRANCH, EMPLOYMENT DEVELOPMENT DEPARTMENT

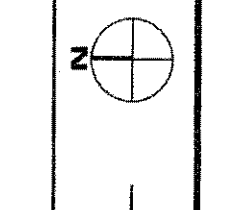


1ST FLOOR EXITING PLAN  
 1/8" = 1'-0"

1ST FLOOR PLAN  
 1/8" = 1'-0"

**BUILDING DATA**

CONSTRUCTION TYPE: 1	STORIES: 6
OCCUPANCY GROUP: B	AUTOMATIC SPRINKLERS: YES
FLOOR PLATE (SF): 105,989	FIRE ALARM: YES
YEAR BUILT: 1996	



# EXHIBIT B – OUTLINE SPECIFICATIONS

## DIVISION 1

### DIVISION 1 – GENERAL REQUIREMENTS

#### 1.1 SUMMARY

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

#### 1.2 RELATED DOCUMENTS

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

#### 1.3 GENERAL PROVISIONS

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

## EXHIBIT B – OUTLINE SPECIFICATIONS DIVISION 1

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



## EXHIBIT B – OUTLINE SPECIFICATIONS DIVISION 1

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

## EXHIBIT B – OUTLINE SPECIFICATIONS DIVISION 1

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

### 1.4 CONSTRUCTION AND CODE CRITERIA

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

## EXHIBIT B – OUTLINE SPECIFICATIONS DIVISION 1

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

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

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

## **EXHIBIT B – OUTLINE SPECIFICATIONS DIVISION 1**

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

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

## **EXHIBIT B – OUTLINE SPECIFICATIONS DIVISION 1**

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

### **1.5 SUBSTANTIAL COMPLETION AND PROJECT COMPLETION**

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

### **1.6 INDOOR AIR QUALITY**

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

## EXHIBIT B – OUTLINE SPECIFICATIONS DIVISION 1

- D. Lessors shall, when feasible, use filters with a minimum efficiency reporting value (MERV) rating of no less than 11. Existing HVAC systems incapable of accommodating an 11 MERV rating shall use the highest MERV rating that their fan(s) can accommodate.
- E. All HVAC systems above 2,000 cubic feet per minute (cfm) shall be equipped with outdoor airflow measuring stations and be connected to a building energy management system, which shall be programmed to provide audible and visible alarms. For additional HVAC requirements see Division 2.

### 1.7 HAZARDOUS MATERIALS

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

## **EXHIBIT B – OUTLINE SPECIFICATIONS DIVISION 1**

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

**END OF DIVISION 1**

# EXHIBIT B – OUTLINE SPECIFICATIONS

## DIVISION 2

### DIVISION 2 – DESIGN REQUIREMENTS

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

#### 2.1 FLOOR CONSTRUCTION AND FINISHES

##### A. Concrete floor:

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

##### B. Carpet flooring – General:

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



## **EXHIBIT B – OUTLINE SPECIFICATIONS DIVISION 2**

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

## **EXHIBIT B – OUTLINE SPECIFICATIONS DIVISION 2**

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

### **2.2 EXTERIOR WALLS**

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

### **2.3 INTERIOR WALLS, PARTITIONS AND VESTIBULES**

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

### **2.4 ROOF AND INSULATION**

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

### **2.5 CEILINGS**

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

## **EXHIBIT B – OUTLINE SPECIFICATIONS DIVISION 2**

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

### **2.6 DOORS**

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

### **2.7 DOOR HARDWARE**

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

### **2.8 MILLWORK**

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

## EXHIBIT B – OUTLINE SPECIFICATIONS DIVISION 2

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

### 2.9 GYPSUM BOARD FINISH/PAINTING/WALL COVERING/SEALANTS

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

## **EXHIBIT B – OUTLINE SPECIFICATIONS DIVISION 2**

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

### **2.10 BUILDING SPECIALTIES**

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

## EXHIBIT B – OUTLINE SPECIFICATIONS DIVISION 2

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

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

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

## **EXHIBIT B – OUTLINE SPECIFICATIONS DIVISION 2**

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

## EXHIBIT B – OUTLINE SPECIFICATIONS DIVISION 2

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

### 2.11 LANDSCAPING

Where State is the sole tenant of the building:

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

### 2.12 PLUMBING

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



**EXHIBIT B – OUTLINE SPECIFICATIONS  
DIVISION 2**

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

**2.13 HEATING, VENTILATING AND AIR CONDITIONING**

- A. Lessor shall provide a climate control system consisting of a fully automatic heating, ventilating, and air conditioning system capable of providing conditioned air continuously during occupied hours to the premises.

- 1. The HVAC system shall be designed and capable of maintaining the following temperatures in all occupied areas:

<u>Design Criteria</u>	<u>Operating Criteria</u>
Winter: 76° F	Winter: 68° F
Summer: 72° F	Summer: 78° F

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

## EXHIBIT B – OUTLINE SPECIFICATIONS DIVISION 2

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

### 2.14 ENERGY AND ELECTRICAL

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

**EXHIBIT B – OUTLINE SPECIFICATIONS  
DIVISION 2**

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

<u>AREA:</u>	<u>FOOTCANDLES:</u>
Work surfaces (includes task lighting)	40
Work area ambient lighting	40
Telecommunications rooms and closets	30
Special purpose area(s)	30
Repair garage	50
Hallways, aisles, corridors	25
Conference/meeting rooms	40
Incandescent lighting	10 – 30
Drafting areas	40
High density filing areas	40
Document processing area/room	30
Circulation space around work areas	30
Building entries	25
Restrooms	40
Waiting and lounge areas	15
Coffee counters	30
Lunch rooms/break rooms	30
Warehouse	10

- 4. Minimum requirements for new or replacement linear fluorescent lighting systems:
  - a) Minimum Color Rendering Index (CRI) of 70
  - b) Option of common Color Temperature lamps (CCT) (3000° K through 4100° K)
  - c) Minimum power factor of 90 percent
  - d) Minimum system efficacy of 90 lumens per watt
  - e) High frequency electronic ballast
  - f) Maximum Total Harmonic Distortion (THD) of 20 percent
  - g) Minimum lamp life of 20,000 hours
- 5. Minimum requirements for compact fluorescent lighting systems:

## EXHIBIT B – OUTLINE SPECIFICATIONS DIVISION 2

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

**EXHIBIT B – OUTLINE SPECIFICATIONS  
DIVISION 2**

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

**2.15 PARKING AND PAVING**

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

***END OF DIVISION 2***

**EXHIBIT B – OUTLINE SPECIFICATIONS  
DIVISION 3**

**DIVISION 3 – SPECIAL PROVISIONS**

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

*There are NO SPECIAL PROVISIONS for this Project.*

**END OF DIVISION 3**



**EXHIBIT B – OUTLINE SPECIFICATIONS  
DIVISION 4**

**DIVISION 4 – TECHNICAL REQUIREMENTS**

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

*There are NO TECHNICAL REQUIREMENTS for this Project.*

***END OF DIVISION 4***

## EXHIBIT C – ADMINISTRATIVE REQUIREMENTS

PROJECT: EDD Long Beach 139326 PROJECT NO.: 139326  
 AGENCY: Employment Development Department LEASE NO.: 6871-001  
 LOCATION: 4811 Airport Plaza Drive DATE: August 8, 2019  
 Long Beach, CA 90807

### Table of Contents

<b>DIVISION 1 – AUTHORITY AND POLICY REQUIREMENTS .....</b>	<b>2</b>
1.1 GENERAL .....	2
1.2 FIRE MARSHAL OR AUTHORITY HAVING JURISDICTION .....	2
1.3 ACCESS COMPLIANCE AUTHORITY .....	2
<b>DIVISION 2 – PERMITTING AND CONSTRUCTION PROCEDURE .....</b>	<b>4</b>
2.1 RESD LEASE EXHIBIT 'A' .....	4
2.2 CONSTRUCTION DRAWINGS.....	4
2.3 PLAN REVIEW AND APPROVAL .....	4
<b>DIVISION 3 – CBC/ADA ACCESS COMPLIANCE PROCEDURE .....</b>	<b>5</b>
3.1 GENERAL .....	5
3.2 FEE REQUIREMENT .....	5
3.3 DETERMINATION OF FACILITY GROUP .....	5
GROUP I:.....	5
GROUP II:.....	5
3.4 GROUP I FACILITY PROCEDURE.....	6
3.5 GROUP II FACILITY PROCEDURE.....	7
<b>DIVISION 4 – REFERENCE FORMS .....</b>	<b>8</b>
ACCESS COMPLIANCE FEE CALCULATION – FORM E .....	8
DVBE PROGRAM CERTIFICATION SHEET – FORM F .....	9
STATE LEASED BUILDINGS AND FACILITIES VERIFIED REPORT – FORM G .....	10

PLANNER: Carrie Gordon PHONE: 916.375.4169  
 EMAIL: carrie.gordon@dgs.ca.gov

**Confirmation Statement**

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

Initials RGG



# **EXHIBIT C – ADMINISTRATIVE REQUIREMENTS**

## **DIVISION 1 – AUTHORITY AND POLICY REQUIREMENTS**

### **1.1 GENERAL**

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

### **1.2 FIRE MARSHAL OR AUTHORITY HAVING JURISDICTION**

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

### **1.3 ACCESS COMPLIANCE AUTHORITY**

- A. California law incorporates the Americans with Disabilities Act requirements. California Government Code provides that buildings shall be made accessible to, and usable by, persons with disabilities, whether they are leased, rented, contracted, sublet, or hired by any municipal, county, or State divisions of government, or special district. California Building Standards Code defines that all State facilities shall meet the federal Architectural Barriers Acts.
- B. These statutes, in addition to the California Building Code, Title 24, generate the need for a standard process to ensure access compliance with respect to State leased facilities.
- C. The Division of the State Architect (DSA) is charged with the responsibility of ensuring compliance with the above standards.

- D. If at any time during the Design, Construction Document Review, or Construction Inspection processes, a conflict arises between the State and local authorities, the Lessor/architect will compile all pertinent information and present the situation to the RESD Space Planner.
- E. The DSA has delegated a component of the access compliance responsibility to RESD for leased facilities. Conforming to DSA delegation, RESD is requiring the Lessor to ensure compliance by utilizing one of the two procedures defined in this document. Refer to Division 3 (below) for specific requirements and procedures.
- F. Public right- of- way access is required for all State leased facilities. If the existing conditions do not meet the required codes and regulations, the design professional (Lessor's architect) must demonstrate and document a diligent effort to request that the authority (having control) over the public right- of- way, makes the necessary modifications to secure right-of-way access. All correspondence shall be documented and provided to the RESD Space Planner for the project file.

***End of Division 1***

## **EXHIBIT C – ADMINISTRATIVE REQUIREMENTS**

### **DIVISION 2 – PERMITTING AND CONSTRUCTION PROCEDURE**

#### **2.1 RESD LEASE EXHIBIT 'A'**

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

#### **2.2 CONSTRUCTION DRAWINGS**

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

#### **2.3 PLAN REVIEW AND APPROVAL**

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

*End of Division 2*

# EXHIBIT C – ADMINISTRATIVE REQUIREMENTS

## DIVISION 3 – CBC/ADA ACCESS COMPLIANCE PROCEDURE

### 3.1 GENERAL

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

### 3.2 FEE REQUIREMENT

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

### 3.3 DETERMINATION OF FACILITY GROUP

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

#### GROUP I:

##### Building Type:

Existing Office Buildings  
Existing Warehouse Buildings  
Any Building to be Constructed

##### Net Usable Square Footage:

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

#### GROUP II:

##### Building Type:

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

##### Net Usable Square Footage:

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

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

### 3.4 GROUP I FACILITY PROCEDURE

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

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

***End of Group I Procedure***

### 3.5 GROUP II FACILITY PROCEDURE

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

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

**Note:** See Section 3.3.A. (Group I Facility Procedure) for parameters of survey.

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

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

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

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

***End of Group II Procedure***

***End of Division 3***

# EXHIBIT C – ADMINISTRATIVE REQUIREMENTS

## DIVISION 4 – REFERENCE FORMS

### ACCESS COMPLIANCE FEE CALCULATION – FORM E

RELPS Planner: Carrie Gordon Date: \_\_\_\_\_

Agency: Employment Development Department

Address: 4811 Airport Plaza Drive, Long Beach, CA 90807

Project Number: 139326 Project Name: EDD Long Beach 139326

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

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

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

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

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

**Total Lessor Fee Obligation: \$ -**

**DIVISION 4 – REFERENCE FORMS**  
**DVBE PROGRAM CERTIFICATION SHEET – FORM F**  
CALIFORNIA DISABLED VETERAN BUSINESS ENTERPRISE  
PROGRAM CERTIFICATION SHEET

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

**LEASE AMOUNT/DVBE CERTIFICATION**

Project No.: 139326

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

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

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

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

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

Lessor's Signature: \_\_\_\_\_ Printed Name: \_\_\_\_\_

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



## DIVISION 4 – REFERENCE FORMS

### STATE LEASED BUILDINGS AND FACILITIES VERIFIED REPORT – FORM G

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

RESD Project Info:	Agency: Employment Development Department	RESD Project # 139326
	Project Type (Scope of Work):	Date:
	RESD Planner: Carrie Gordon	Phone: 916.375.4169

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

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

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

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

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

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

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

Submit completed forms to the location indicated below:

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

# EXHIBIT D

File No.: 6871-001

Project 139326

August 8, 2019

4811 Airport Plaza Drive, Suite 110 & 120  
Long Beach, CA 90815

CONSENT TO SUBLEASE AGREEMENT dated

AMENDMENT 1 dated September 13, 2019

SUITE ACCEPTANCE AGREEMENT dated June 20, 2019

MASTER LEASE dated February 1, 2016

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

Initials RGG



## Consent to Sublease Agreement

This Consent to Sublease Agreement (this "Agreement") is made as of May 4, 2020, by and among, 4811 Airport Plaza, LLC, a Delaware limited liability company ("Master Landlord"), and City of Long Beach, a municipal corporation ("Sublandlord").

### RECITALS

This Agreement is made with regard to the following facts:

A. Master Landlord and Sublandlord, as Tenant, entered into that certain Office Lease dated as of February 1, 2016 (the "Master Lease"), for Suites 110 and 120 on the first (1st) floor and Suite 200 on the second (2nd) floor (collectively, the "Premises") in the office building located at 4811 Airport Plaza Drive, Long Beach, California, 90815 and commonly known as 4811 Airport Plaza (the "Building").

B. Under the terms of Article XIV of the Master Lease, Sublandlord has requested Master Landlord's consent to that certain Standard Sublease Form, Lease File No. 6871-001, Project No. 139326, between the State of California, acting by and through the Department of General Services, Real Estate Services Division ("Subtenant") and Sublandlord (the "Sublease"), which would sublease to Subtenant a portion of the Premises, as more particularly described in the Sublease (the "Subleased Premises"). An unexecuted copy of the Standard Sublease Form is attached to this Agreement and incorporated herein as Exhibit A ("Sublease Form").

C. Master Landlord is willing to consent to the Sublease on the terms and conditions contained in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained in this Agreement, and for valuable consideration the receipt and sufficiency of which are acknowledged by the parties, the parties agree as follows.

#### 1. Consent

1.1 **Master Landlord's Consent.** Subject to the contingency in Section 5.12 below, Master Landlord consents to the Sublease. This consent is granted only on the terms and conditions stated in this Agreement. Master Landlord is not bound by any of the terms, covenants, or conditions of the Sublease. The Sublease is subject and subordinate to the Master Lease. If there is a conflict between this Agreement and the Sublease, the terms, conditions, and obligations of this Agreement shall control.

#### 2. Limits of Consent.

2.1 **Non-release of Sublandlord; Further Transfers; Recapture Rights.** Neither the Sublease nor this Agreement will:

(a) release Sublandlord from any liability, whether past, present or future, under the Master Lease;

(b) alter the primary liability of Sublandlord to pay the Rent and perform all of Tenants obligations under the Master Lease (including the payment of all bills rendered by Master Landlord for charges incurred by Subtenant for services and materials supplied to the Subleased Premises);

requirements on Master Landlord or its vendors or contractors.

- (m) **Section 27** – Any holdover in the Premises by Sublandlord or Subtenant after expiration or earlier termination of the Master Lease shall be subject to the terms of Section 23.01 of the Master Lease. Master Landlord does not consent to Sublandlord or Subtenant remaining in the Premises subsequent to the expiration or earlier termination of the Master Lease. In the event Subtenant remains in the Premises beyond the expiration or earlier termination of the Master Lease, Sublandlord acknowledges and agrees that it shall, at its sole cost and expense, diligently pursue any and all remedies available to Sublandlord at law or in equity in order to recover possession of the Premises from Subtenant. During any such holdover by Subtenant, Sublandlord shall pay holdover rent to Master Landlord in accordance with Section 23.01 of the Master Lease, regardless of any rental amount being paid by Subtenant to Sublandlord.
- (n) **Section 28** – Sublandlord and Subtenant shall surrender the Premises to Landlord in the same condition as existed on the date Sublandlord first occupied the Premises, reasonable wear and tear excepted, pursuant to Section 9.04 of the Master Lease; Sublandlord and Subtenant shall remove any Alterations designated for removal by Master Landlord in accordance with Section 9.04 of the Master Lease.
- (o) **Section 29** – Master Landlord shall not be liable for any obligations of Sublandlord or Subtenant under the Sublease.

Those provisions will not be binding on Master Landlord in the event of an attornment between Master Landlord and Subtenant. Sublandlord acknowledges and agrees that it shall inform Subtenant of Master Landlord's specific denial of consent to the provisions of the Sublease set forth in this Section 2.2 and ensure that Subtenant complies with all of the terms and conditions of the Master Lease during the term of the Sublease in accordance with Section 3.1 below.

### **3. Relationship with Master Landlord**

**3.1 Subtenant Compliance with Master Lease.** Sublandlord shall be solely responsible for ensuring that Subtenant complies with all of the terms and conditions of the Master Lease during the term of the Sublease, including without limitation those terms of the Master Lease which conflict with and control over the terms of the Sublease, as set forth in Section 2.2 above. Sublandlord acknowledges and agrees that any failure by Subtenant to comply with the terms and conditions of the Master Lease shall be considered a default by Sublandlord under Article XV of the Master Lease, allowing Master Landlord to exercise all remedies available therein or herein.

**3.2 Indemnification and Insurance.** Sublandlord's duties to protect, defend, hold harmless and indemnify those individuals and entities as set forth in Article X of the Master Lease shall apply equally to actions and omissions of Subtenant's agents, employees, contractors, clients, invitees or subtenants as if they were Sublandlord's own agents, employees, contractors, clients, invitees or subtenants. Sublandlord acknowledges and agrees that it will require Subtenant to carry the same insurance that Sublandlord is required to carry under Article X. Should Subtenant fail to carry any of the insurance required by Article X of the Master Lease, Sublandlord agrees that Subtenant shall be named an additional insured under its policies and that all of the insurance requirements will apply, including the waiver of subrogation. None of Landlord, Landlord's agents, employees, contractors, officers, directors, owners nor insurance carriers shall be liable for anything which should be covered by Subtenant's insurance, regardless of subtenant's failure to obtain such insurance.

**3.3 Limitation of Master Landlord's Liability.** The parties acknowledge that there are

various provisions of the Master Lease which limit Master Landlord's liability to Sublandlord and that such provisions shall apply equally to Subtenant (for example purposes only: Section 7.02, Section 8.01, Article X, Section 26.04, etc.). Master Landlord and Sublandlord hereby agree that in no event shall Master Landlord's liability to Subtenant exceed the limits of Master Landlord's liability to Sublandlord under the Master Lease. Accordingly, to the extent Subtenant seeks relief from Master Landlord which exceeds the relief to which Sublandlord is entitled under the Master Lease, Sublandlord shall protect, defend, indemnify, and hold harmless Master Landlord, its mortgagee, and each of their respective partners, directors, officers, agents and employees, successors and assigns.

3.4 **Assignment of Sublandlord's Interest to Master Landlord.** Sublandlord assigns and transfers to Master Landlord Sublandlord's interest in the Sublease and all rentals and income arising from the Sublease, subject to the terms of this Section 3. Master Landlord, by consenting to the Sublease, agrees that, until Sublandlord defaults in performing its obligations under the Master Lease, Sublandlord may receive, collect, and enjoy the rents accruing under the Sublease.

3.5 **Effect of Sublandlord Default Under Master Lease.** If Sublandlord defaults in the performance of its obligations to Master Landlord, under Article XV of the Master Lease (whether or not Master Landlord terminates the Master Lease), Master Landlord may, in connection with Article XV and any other applicable provision of the Master Lease, at its option by notice to Sublandlord, do either of the following:

- (a) Terminate the Sublease; or
- (b) Elect to receive and collect, directly from Subtenant, all rent and any other sums owing and to be owed under the Sublease, as further set forth in section 3.6 below.

3.6 **Master Landlord's Election to Receive Rents.** Master Landlord will not, as a result of the Sublease, or as a result of the collection of rents or any other sums from Subtenant under Section 3.5(b) above, be liable to Subtenant for any failure of Sublandlord to perform any obligation of Sublandlord under the Sublease.

Sublandlord irrevocably authorizes and directs Subtenant, on receipt of any written notice from Master Landlord stating that a default exists in the performance of Sublandlord's obligations under the Master Lease, to pay to Master Landlord the rents and any other sums due and to become due under the Sublease. Sublandlord agrees that Subtenant has the right to rely on any such statement from Master Landlord, and that Subtenant will pay those rents and other sums to Master Landlord without any obligation or right to inquire as to whether a default exists and despite any notice or claim from Sublandlord to the contrary. Sublandlord will not have any right or claim against Subtenant for those rents or other sums paid by Subtenant to Master Landlord. Master Landlord will credit Sublandlord with any rent received by Master Landlord under this assignment, but the acceptance of any payment on account of rent from Subtenant as the result of a default by Sublandlord will not: (i) be an attornment by Master Landlord to Subtenant or by Subtenant to Master Landlord; (ii) be a waiver by Master Landlord of any provision of the Master Lease; or (iii) release Sublandlord from any liability under the terms, agreements, or conditions of the Master Lease. No payment of rent by Subtenant directly to Master Landlord, regardless of the circumstances or reasons for that payment, will be deemed an attornment by Subtenant to Master Landlord in the absence of a specific written agreement signed by Master Landlord to that effect.

3.7 **Master Landlord's Election of Subtenant's Attornment.** In the event the Master Lease is terminated prior to the expiration of the term of the Sublease, the Sublease will be contemporaneously terminated.

4. **Consideration for Sublease.** Sublandlord represents and warrants that there are no additional payments of rent or any other consideration of any type which has been paid or is payable by Subtenant to Sublandlord in connection with the Sublease, other than as disclosed in the Sublease.

5. **General Provisions**

5.1 **Brokerage Commission.** Sublandlord agrees that Master Landlord will not be liable for any brokerage commission or finder's fee in connection with the consummation of the Sublease or this Agreement. Sublandlord will protect, defend, indemnify, and hold Master Landlord, and its mortgagee, and each of their respective partners, directors, officers, agents and employees, successors and assigns harmless from any brokerage commission or finder's fee in connection with the consummation of the Sublease or this Agreement, and from any cost or expense (including attorney fees) incurred by Master Landlord in resisting any claim for any such brokerage commission or finder's fee. The provisions of this Section 5.1 shall survive the expiration or earlier termination of the Sublease and this Agreement.

5.2 **Notice.** Any notice that may or must be given by any party under this Agreement will be in writing and be delivered (i) personally, (ii) by certified mail, return receipt requested, or (iii) by a nationally recognized overnight courier, addressed to the party to whom it is intended. Any notice given to Master Landlord or Sublandlord shall be sent to the respective address set forth below, or to such other address as that party may designate for service of notice by a notice given in accordance with the provisions of this Section 5.2. A notice sent pursuant to the terms of this Section 5.2 shall be deemed delivered (a) when delivery is attempted, if delivered personally, (b) three (3) business days after deposit into the United States mail, or (c) the day following deposit with a nationally recognized overnight courier.

Master Landlord's Address for Notices: 4811 Airport Plaza, LLC  
5000 E. Spring St., Suite 320  
Long Beach, CA 90815  
Attn: Property Manager  
Fax: (562) 429-4714  
Phone: (562) 429-4672

With a copy to: Jamison Services, Inc.  
3470 Wilshire Blvd., Suite 700  
Los Angeles, CA 90010  
Attn: Legal Department  
Fax: (213) 387-5496  
Phone: (213) 365-5000

Sublandlord's Address for Notices: City of Long Beach  
411 W. Ocean Blvd., 10th Floor  
Long Beach, CA 90802  
Attn: City Manager

With a copy to:  
Pacific Gateway Workforce Innovation Network  
4811 Airport Plaza Dr., Suite 200  
Long Beach, CA 90815  
Attn: Executive Director

5.3 **Controlling Law.** The terms and provisions of this Agreement will be construed in accordance with, and will be governed by, the laws of the State of California.

5.4 **Access Specialist.** As of the date of this Agreement, the Building has not been inspected by a Certified Access Specialist pursuant to California Civil Code Section 55.53. 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. This Section 5.4 does not modify Section 6.02 of the Master Lease.

5.5 **Entire Agreement; Waiver.** This Agreement (i) constitutes the final, complete and exclusive statement between the parties to this Agreement pertaining to the terms of Master Landlord's consent to the Sublease; (ii) supersedes all prior and contemporaneous understandings or agreements of the parties; and (iii) is binding on and inures to the benefit of their respective heirs, representatives, successors and assigns. No party has been induced to enter into this Agreement by, nor is any party relying on, any representation or warranty outside those expressly set forth in this Agreement. Any agreement made after the date of this Agreement is ineffective to modify, waive, or terminate this Agreement, in whole or in part, unless that agreement is in writing, is signed by the parties to this Agreement, and specifically states that agreement modifies this Agreement.

5.6 **Word Usage.** Unless the context clearly requires otherwise, (i) the plural and singular numbers will each be deemed to include the other; (ii) the masculine, feminine, and neuter genders will each be deemed to include the others; (iii) "shall," "will," "must," "agrees," and "covenants" are each mandatory; (iv) "may" is permissive; (v) "or" is not exclusive; and (vi) "includes" and "including" are not limiting.

5.7 **Captions.** Captions to the sections in this Agreement are included for convenience only and do not modify any of the terms of this Agreement.

5.8 **Capitalized Terms.** All terms spelled with initial capital letters in this Agreement that are not expressly defined in this Agreement will have the respective meanings given such terms in the Master Lease.

5.9 **Partial Invalidity.** If any term, covenant, or condition in this Agreement is, to any extent, held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement, or the application of that term, covenant, or condition to persons or circumstances other than those as to which it is held to be invalid or unenforceable, will not be affected by that invalidity or unenforceability, and all other terms, covenants, and conditions of this Agreement will be valid and enforceable to the fullest extent permitted by law.

5.10 **Waiver of Jury Trial; Attorney Fees.** If any party commences litigation against any other party for the specific performance of this Agreement, for damages for the breach hereof or otherwise for enforcement of any remedy hereunder, the parties waive any right to a trial by jury and, in the event of any commencement of litigation, the prevailing party shall be entitled to recover from the applicable party such costs and reasonable attorney fees as may have been incurred.

5.11 **Liability for Master Landlord's Attorney and Administrative Fees.** Sublandlord shall be liable for the payment of Master Landlord's actual attorney fees incurred in reviewing, preparing, and

negotiating the Sublease and this Agreement whether or not Master Landlord provides its consent to the proposed Sublease. Additionally, Sublandlord shall be liable for the payment of Master Landlord's administrative fee, not to exceed One Thousand Five Hundred Dollars (\$1,500.00) for Master Landlord to review and consent to this Sublease and this Agreement. The attorney fees and administrative fee called for pursuant to this paragraph shall be paid in advance of Master Landlord's consent to the Sublease, and immediately on demand by Master Landlord.

5.12 **Contingency.** This Agreement is hereby made expressly contingent upon Sublandlord and Subtenant mutually executing the Sublease with the same terms and in the same form as the Sublease Form attached hereto as Exhibit A. In the event the terms of the mutually executed Sublease differ in any way from the terms of the Sublease Form attached hereto as Exhibit A, this Agreement shall be null and void and of no force or effect. This Agreement shall be deemed effective upon (i) Master Landlord's receipt of (a) a copy of the mutually executed Sublease which complies with the contingency set forth herein, and (b) a copy of this Agreement, executed by Sublandlord, and (ii) Master Landlord's final review and execution of this Agreement.

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

**MASTER LANDLORD:**

4811 Airport Plaza, LLC,  
a Delaware limited liability company,

By: Jamison Services, Inc.,  
a California corporation  
Its: Authorized Agent

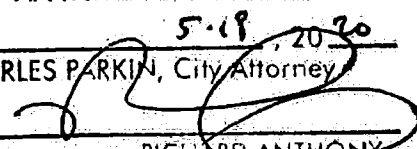
By: 

Phillip Lee  
Chief Executive Officer

**SUBLANDLORD:**

City of Long Beach,  
a municipal corporation

APPROVED AS TO FORM

5-19, 2020  
CHARLES PARKIN, City Attorney  
By:   
RICHARD ANTHONY  
DEPUTY CITY ATTORNEY

By: 

Name: Rebecca G. Garner

Its: \_\_\_\_\_

EXECUTED PURSUANT  
TO SECTION 301 OF  
THE CITY CHARTER



**EXHIBIT A  
SUBLEASE AGREEMENT**

STATE OF CALIFORNIA

DEPARTMENT OF GENERAL SERVICES  
REAL ESTATE SERVICES DIVISION

**STANDARD SUBLEASE FORM**

<b>SUBLEASE COVERING PREMISES LOCATED AT</b> 4811 Airport Plaza Drive Long Beach, CA 90802
<b>SUBLESSOR'S FEY, TAX I.D. NO. OR SOCIAL SECURITY NO.</b>
<b>SUBLESANT AGENCY</b> Employment Development Department

Lease File No.: 6871-001  
Project No.: 150526

Preamble

This Agreement, made and entered into this day of, 20, is a Sublease of that certain Lease Agreement (the "Master Lease") dated between as Lessor (the "Master Lessor") and as Lessee. This Sublease agreement is between

**CITY OF LONG BEACH,  
A MUNICIPAL CORPORATION**

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

**WITNESSETH**

WHEREAS, under the Master Lease, Sublessor hires from Master Lessor certain premises located at 4811 Airport Plaza Drive, Long Beach, California as more particularly described in the Master Lease, and

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

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

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

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

Description

1. The Sublessor hereby subleases unto the State and the State hereby hires from the Sublessor those certain premises with appurtenances situated in the City of Long Beach, County of Los Angeles, State of California, and more particularly described as follows:

Approximately 7,095 net usable square feet of office space on the 1st floor (consisting of 6130.6 net usable square feet of shared space as outlined in green and 338.9 net usable square feet of exclusive space as outlined in red on the attached Exhibit "A" plan, together with Outline Specifications marked Exhibit "B" and Administrative Requirements marked Exhibit "C", said Exhibits "A" and "B" and "C", Project No. 150526 dated August 8, 2019, hereby being incorporated into this sublease, and including 47 nonexclusive unobstructed parking spaces contiguous to the subject building, and unlimited use of the building's common facilities.

Term

2. The term of this sublease shall commence on August 1, 2018, and shall end on July 31, 2023, with such rights of termination as may be hereinafter expressly set forth.

Early Termination

3. The State may terminate this sublease at any time effective on or after, by giving written notice to the Sublessor at least thirty (30) days prior to the date when such termination shall become effective. If the State fails to complete its move out within the notice period and remains in the premises, additional rent shall be paid and prorated

on a thirty (30) day month, based on the actual number of days the State occupies the premises following the effective date of termination.

Rent

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

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

Notice

5. All notices and correspondence herein provided to be given, or which may be given by either party to the other, shall be deemed to have been fully given when made in writing and either: 1) deposited in the United States Mail, certified and postage prepaid; or 2) sent via an adequate commercial overnight delivery service (i.e. FedEx or similar) with receiver's signature required; and addressed as follows:

To the Sublessor: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Phone No. ( ) \_\_\_\_\_  
FAX No. ( ) \_\_\_\_\_  
Email: \_\_\_\_\_

To the State: DEPARTMENT OF GENERAL SERVICES, Phone No. (916) 375-4172  
REAL ESTATE SERVICES DIVISION FAX No. (916) 375-4069  
LEASE MANAGEMENT ID 6871-091 Email: leasemanagement@dgs.ca.gov  
707 THIRD STREET, SUITE 5-305  
WEST SACRAMENTO, CA 95685

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

Rental warrants shall be made payable to: \_\_\_\_\_  
and mailed to: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

Completion and  
Compliance with  
Plans and  
Specifications

6. Sublessor agrees that, prior to August 1, 2018, and at Sublessor's sole cost and expense, all required construction, improvements and/or alterations, if any, shall be completed and the subleased premises made ready for State's occupancy in full compliance with Exhibit "A", consisting of # of pages sheets titled, "Office Quarters, Project No. 139326" dated August 8, 2019, and in accordance with Exhibit "B", consisting of # of pages pages, titled, "Outline Specifications,

Project No. 139326" dated August 8, 2019, and Exhibit "C" consisting of eleven (11) pages titled, "Administrative Requirements Project No. 139326" dated August 8, 2019, which Exhibits "A" and "B" and "C" are by this reference incorporated herein.

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

7. Sublessor shall notify the State in writing by certified mail of the date the subleased premises will be completed and ready for occupancy at least thirty (30) days prior thereto. Such notice shall be a condition precedent to the accrual of rental hereunder, except however, that if the State occupies the premises prior to the receipt of such notice or prior to the expiration of the notice period of such notice, rental shall commence to accrue as of the date of occupancy.

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

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

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

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

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

Delays caused by the Sublessor:

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

Delays caused by the State:

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

Compensation will be in one-day increments.

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

**Early Occupancy**

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

**Time Limit and  
Prior Termination**

9. No rental shall accrue under this sublease, nor shall the State have any obligation to perform the covenants or observe the conditions herein contained until the subleased premises have been made ready for occupancy in accordance with the provisions hereof. It is specifically agreed that in the event the subleased premises are not completed and ready for occupancy by the State on or before October 1, 2018, then and in that event the State may, at its option and in addition to any other remedies it may have, terminate this sublease and be relieved of any further obligations hereunder, providing that a fair and reasonable allowance for the following delays shall be added to said time for completion:

- A. Acts of the State, its agents or employees, or those claiming under agreement with or grant from the State; or by
- B. The acts of God which Sublessor could not reasonably have foreseen or guarded against; or by
- C. Any strikes, boycotts or like obstructive actions by employees or labor organizations and which are beyond control of Sublessor, and which cannot be reasonably overcome; or by

**D. Restrictive regulations by the Federal Government which are enforced in connection with a National Emergency.**

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

**Conformity to Exhibits**

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

**Asbestos**

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

**Parking**

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

**Services, Utilities, and Supplies**

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

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

**Daily:**

- (1) Empty and clean all trash containers, and dispose of all trash and rubbish.
- (2) Clean and maintain in a sanitary and odor-free condition all floors, wash rooms, basins, toilet bowls, and urinals.
- (3) Furnish and replenish all toilet room supplies (including soap, towels, seat covers, toilet tissue, and sanitary napkins). Furnish and replenish paper towel supply in all areas of the subleased space.
- (4) Sweep or dust mop all hard surface floors, and carpet sweep all carpeted areas, including stairways and halls. Offices with hard surface floors in the public lobby area shall be damp-mopped daily.
- (5) Remove finger marks and smudges from all glass entrance doors.
- (6) Specifically check, and if action is needed, clean:
  - a. Dust the tops of all furniture, counters, cabinets, and window sills, (which are free of interfering objects).
  - b. Remove spots and/or spills from the carpets, floors, and stairways.

As needed, but not less frequently than:

Twice Weekly: Vacuum all carpets.

*Weekly:*

- (1) Damp mop all hard surface floors.
- (2) Dust all window blinds.
- (3) Treat stainless steel fountains and sinks to eliminate stains and mineral deposits.
- (4) Spot clean the walls.

*Quarterly:*

- (1) Strip all hard surface floors and apply a new coat of floor finish, buff as necessary to produce a uniform shiny appearance.
- (2) Treat carpets for static electricity control (if not integrated in the fabric).

*Semi-annually:* Wash all windows, window blinds, light fixtures, walls, and painted surfaces.

*Annually:*

- (1) Steam clean carpets to remove all stains and spots.
- (2) Clean window coverings.

In the event of failure by the Sublessor to furnish any of the above services or supplies in a satisfactory manner, the State may furnish the same at its own cost, and, in addition to any other remedy the State may have, may deduct the amount thereof, including State's Administrative costs, from the rent that may then be, or thereafter become due hereunder.

**Repair and  
Maintenance**

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

- (1) Generally maintaining the subleased premises in good, vermin-free, operating condition and appearance.
- (2) Furnishing prompt, good quality repair of the building, equipment, and appliances.
- (3) Furnishing preventative maintenance, including, but not limited to, manufacturer's recommended servicing of equipment such as elevator (if any), heating, ventilating and air conditioning equipment, and fixtures.
- (4) Furnishing and promptly replacing any incandescent light bulbs, fluorescent tubes, ballast, starters, and filters for the heating, ventilating and air conditioning equipment as required.
- (5) Furnishing remedial painting as necessary to maintain the premises in a neat, clean and orderly condition.
- (6) Annual testing and maintenance of all fire extinguishers in or adjacent to the subleased premises.
- (7) Repairing and replacing as necessary intra-building network cable and inside wire cable used for voice and data transmission.
- (8) Repairing and replacing parking lot bumpers and paving as necessary. Repaint directional arrows, striping, etc., as necessary.
- (9) On a weekly basis, sweeping parking areas and sidewalks, maintaining landscaped areas, including sprinklers, drainage, etc., in a growing, litter-free, weed free, and neatly mowed and/or trimmed condition.
- (10) Repairing and replacing floor covering as necessary. Sublessor, at Sublessor's sole cost, shall arrange for moving of furniture and equipment prior and subsequent to the repairing or replacement of floor covering.
- (11) Keeping all walkways, parking lots, entrances, and auxiliary areas free of snow, water, oil spills, debris, or other materials which may be hazardous to users of the building.

B. Sublessor shall provide prompt repair or correction for any damage except damage arising from a willful or negligent act of the State's agents, employees or invitees.

C. Except in emergency situations, the Sublessor shall give not less than 24 hour prior notice to State tenants when any pest control, remodeling, renovation, or repair work affecting the State occupied space may result in employee health concerns in the work environment.

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

**Painting**

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

**Change Orders and Alterations**

16. The State shall have the right during the existence of this sublease to make change orders and alterations, attach fixtures, and erect additions, structures, or signs in or upon the subleased premises. Such fixtures, additions, structures, or signs so placed in or upon or attached to the premises under this sublease or any extension hereof shall be and remain the property of the State as if may be removed therefrom by the State prior to the termination or expiration of this sublease or any renewal or extension hereof, or within a reasonable time thereafter.

In the event alterations, fixtures, additions, structures, or signs in or upon the subleased premises are desired by State and State elects not to perform the work, any such work, when authorized in writing by the State shall be performed at Sublessor in accordance with plans and specifications provided by State. Sublessor agrees to obtain competitive bids from at least three licensed contractors and to contract with the lowest bidder. Sublessor further agrees that the overhead and profit for the work shall not exceed fifteen percent (15%) total for Sublessor and any general contractor combined. Within forty-five (45) days after receiving Sublessor's notice of completion of the requested work and an invoice requesting payment therefor, together with a complete detailed accounting of all costs for each trade, State agrees to reimburse Sublessor by a single total payment for the cost of such work.

**Assignment and Subletting**

17. The State shall not assign this sublease without prior written consent of the Sublessor, which shall not be unreasonably withheld, but shall in any event have the right to sublet the subleased premises.

**Quiet Possession**

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

**Inspection**

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

**Destruction**

20. If the subleased premises are totally destroyed by fire or other casualty, this sublease shall terminate. If such casualty shall render ten percent (10%) or less of the floor space of the subleased premises unusable for the purpose intended, Sublessor shall effect restoration of the premises as quickly as is reasonably possible, but in any event within thirty (30) days.

In the event such casualty shall render more than 10 percent (10%) of such floor space unusable but not constitute total destruction, Sublessor shall forthwith give notice by State of the specific number of days required to repair the same. If Sublessor under such circumstances shall not give such notice within fifteen (15) calendar days after such destruction, or if such notice shall specify that such repairs will require more than ninety (90) days to complete from date such notice is given, State, in either such event, at its option may terminate this sublease or, upon notice to Sublessor, may maintain

occupancy and elect to undertake the repairs itself, deducting the cost thereof from the rental due or to become due under this sublease and any other sublease between Sublessor and State.

In the event of any such destruction other than total, where the State has not terminated this sublease as herein provided, or pursuant to the terms hereof has not elected to make the repairs itself, Sublessor shall diligently prosecute the repair of said premises and, in any event, if said repairs are not completed within the period of thirty (30) days for destruction aggregating ten percent (10%) or less of the floor space, or within the period specified in Sublessor's notice in connection with partial destruction aggregating more than ten percent (10%), the State shall have the option to terminate this sublease or complete the repairs itself, deducting the cost thereof from the rental due or to become due under this sublease and any other sublease between Sublessor and State.

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

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

**Subrogation  
Waived**

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

**Prevailing Wage  
Provision**

22. For those projects defined as "public works" pursuant to Labor Code §1720.2, the following shall apply:
- A. Sublessor/contractor shall comply with prevailing wage requirements and be subject to restrictions and penalties in accordance with §1770 et seq. of the Labor Code which requires prevailing wages be paid to appropriate work classifications in all bid specifications and subcontracts.
  - B. The Sublessor/contractor shall furnish all subcontractors/employees a copy of the Department of Industrial Relations prevailing wage rates which Sublessor will post at the job site. All prevailing wage rates shall be obtained by the Sublessor/contractor from:  
Department of Industrial Relations  
Division of Labor Statistics and Research  
455 Golden Gate Avenue, 8th Floor  
San Francisco, California 94102  
Phone: (415) 763-4774  
Fax: (415) 763-4771

For further information on prevailing wage: [http://www.dir.ca.gov/dls/statistics\\_research.html](http://www.dir.ca.gov/dls/statistics_research.html)

- C. Sublessor/contractor shall comply with the payroll record keeping and availability requirements of §1776 of the Labor Code.
- D. Sublessor/contractor shall make travel and subsistence payments to workers needed for performance of work in accordance with the Labor Code.
- E. Prior to commencement of work, Sublessor/contractor shall contact the Division of Apprenticeship Standards and comply with §1779.5, §1777.6, and §1777.7 of the Labor Code and Applicable Regulations.

**Fair Employment  
Practices**

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

Sublessor shall comply with the provisions of the Fair Employment and Housing Act (Government Code, Section 12900 et seq.), the regulations promulgated thereunder (California Code of Regulations, Title 2, Section 11000)

et seq.), the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 1 of the Government Code (Government Code, Sections 11135-11139.8), and the regulations or standards adopted by the awarding State agency to implement such article.

**DVBE  
Participation**

24. The State of California supports the use of Disabled Veteran Business Enterprise (DVBE) and we encourage the Sublessor to utilize DVBEs when contracting for tenant improvements and services. Sublessor shall complete the DVBE Program Certification Sheet (Form F) attached in Exhibit "C" herein prior to acceptance and occupancy of this sublease. Sublessor may refer to the following internet link for DVBE guidelines and instructions: <https://www.dps.ca.gov/media/Divisions/ES&SD/Publications/AMB/Lease-Requirements/DVBEGuidelines.shtml?h=pr&hsk=26A65A42FBD1EEBF95E60C2165A66E126496006FA>

**Service  
Companies**

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

**Service Credit**

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

**Holding Over**

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

**Surrender of  
Possession**

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

**Time of Essence,  
Binding upon  
Successors**

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

**No Oral  
Agreements**

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



Construction-  
Related  
Accessibility  
Standard  
Compliance Act

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

Remainder of Page Intentionally Left Blank

IN WITNESS WHEREOF, this sublease has been executed by the parties hereto as of the dates written below

STATE OF CALIFORNIA  
Approval Recommended

DEPARTMENT OF GENERAL SERVICES  
REAL ESTATE SERVICES DIVISION  
ASSET MANAGEMENT BRANCH

By \_\_\_\_\_  
CLYDE STORMONT, Real Estate Officer  
Real Estate Leasing and Planning Section

Date \_\_\_\_\_

Approved

DIRECTOR OF THE DEPARTMENT  
OF GENERAL SERVICES

By \_\_\_\_\_  
BRIAN HENSLEY, Leasing Manager  
Real Estate Leasing and Planning Section

Date \_\_\_\_\_

SUBLESSOR

CITY OF LONG BEACH,  
A MUNICIPAL CORPORATION

By \_\_\_\_\_

Date \_\_\_\_\_

By \_\_\_\_\_

Date \_\_\_\_\_

By \_\_\_\_\_

Date \_\_\_\_\_

# FIRST AMENDMENT TO LEASE -ADDITIONAL JANITORIAL SERVICES-

This FIRST AMENDMENT TO LEASE ("First Amendment") is made and entered into as of September 12, 2019, by and between 4811 Airport Plaza, LLC, a Delaware limited liability company ("Landlord"), and City of Long Beach, a municipal corporation ("Tenant").

## RECITALS:

A. Landlord and Tenant entered into that certain Office Lease dated as of February 1, 2016 ("Lease"), whereby Landlord leased to Tenant and Tenant leased from Landlord certain office space located in that certain building located at 4811 Airport Plaza Drive, Long Beach, CA 90815 (the "Building").

B. By this First Amendment, Landlord and Tenant desire to provide for (i) additional janitorial services and (ii) otherwise modify the Lease as provided herein.

C. Unless otherwise defined herein, capitalized terms as used herein shall have the same meanings as given thereto in the Lease.

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

## AGREEMENT:

1. **The Existing Premises.** Landlord and Tenant hereby acknowledge that pursuant to the Lease, Tenant currently leases from Landlord that certain office space in the Building containing a total of approximately 22,511 rentable square feet located on the first (1<sup>st</sup>) and second (2<sup>nd</sup>) floors of the Building and commonly known as Suites 110, 120 and 200 ("Premises"), as further described in the Lease. The term "rentable square feet" shall mean rentable area calculated pursuant to Standard Method for Measuring Floor Area in Office Buildings, ANSI/BOMA Z65.1-1996.

2. **Additional Janitorial Services.** Tenant has requested additional janitorial services beyond those customarily provided by Landlord and has selected Mauricio's Janitorial Services or its affiliate or successors ("MSJ") to provide such additional janitorial services ("Additional Janitorial Services"), at Tenant's sole cost, as shown on the Janitorial Service Proposal attached hereto as Exhibit "A". Tenant agrees to accept such services performed by MSJ without any agreements, representations, understandings or obligations on the part of Landlord to perform, warrant or guarantee any such services (or to provide any allowance for same). Tenant shall pay and reimburse Landlord, as Additional Rent, the actual cost of the Additional Janitorial Services, which is subject to change, plus an administrative fee of twelve percent (12%), in advance on the first (1<sup>st</sup>) day of each calendar month (provided, however, any sum payable for special tasks that fall outside the scope of the monthly work shall be paid within ten (10) days of receiving an invoice or statement from Landlord). Tenant agrees that Landlord shall not be responsible for any loss or damage to any person or property arising from the Additional Janitorial Services or actions or inactions of MSJ. Tenant hereby agrees to indemnify, defend, protect and hold harmless Landlord and its principles, employees, and agents from and against any and all loss, cost, damage, liability or expense (including but not limited to reasonable attorneys' fees and legal costs), whether based on tort, contract, or equitable principles and whether known or unknown, arising out of or related to any claim, suit or judgment brought by or in favor of any person or persons for damage, loss or expense due to, but not limited to, bodily injury, including death, or property damage sustained by such

person or persons which arises out of, is occasioned by or is in any way attributable to the Additional Janitorial Services or actions or inactions of MSJ. Such loss or damage shall include, but not be limited to, any injury or damage to, or death of, Landlord's principles, employees or agents or damage to the Premises or any portion of the Building. Tenant agrees that Landlord shall have no obligation or responsibility with respect to the Additional Janitorial Services or actions or inactions of MSJ, and Tenant hereby waives and releases any and all claims it may have or may hereafter acquire against Landlord with respect to the Additional Janitorial Services or actions or inactions of MSJ, including, without limitation, with respect to any injury, damage or liability to person or property arising therefrom.

3. **Landlord's Address For Notices.** The term "Landlord's Address for Notices" shall mean 5000 E. Spring Street, Suite 320, Long Beach, CA 90815, Attn: Property Manager, with a copy to 3470 Wilshire Boulevard, Suite 700, Los Angeles, CA 90010, Attn: Legal Department.

4. **Tenant's Address For Notices.** The term "Tenant's Address for Notices" shall mean City of Long Beach at 411 W. Ocean Boulevard, 10<sup>th</sup> Floor, Long Beach, CA 90802, Attn: City Manager, with a copy to Pacific Gateway Workforce Investment Network at 4811 Airport Plaza Drive, Suite 120, Long Beach, CA 90815, Attn: Executive Director.

5. **Indemnity.** The following sentence is added to the end of Section 10.01(A)(i) of the Lease: "This indemnity provision is intended to include any such injuries or damages which occur due to any employee or visitor of Tenant coming into the common areas, elevators, or parking garage to visit or come to the Premises of Tenant."

6. **Brokers.** Each party represents and warrants to the other that no broker, agent or finder negotiated or was instrumental in negotiating or consummating this First Amendment, other than Jamison Realty, Inc. for Landlord ("**Broker**"). Each party further agrees to defend, indemnify and hold harmless the other party from and against any claim for commission or finder's fee by any entity, other than Broker, who claims or alleges that it was retained or engaged by the first party or at the request of such party in connection with this First Amendment.

7. **Access Inspection.** As of the date of this First Amendment, the Building has not been inspected by a Certified Access Specialist pursuant to California Civil Code Section 55.53. 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. This section does not modify Section 6.02 of the Lease.

8. **Defaults.** Tenant hereby represents and warrants to Landlord that, as of the date of this First Amendment, Landlord is in full compliance with all terms, covenants and conditions of the Lease and that there are no breaches or defaults under the Lease by Landlord, and that Tenant knows of no events or circumstances which, given the passage of time, would constitute a default under the Lease by Landlord.

9. **No Further Modification.** Except as set forth in this First Amendment, all of the terms and provisions of the Lease shall apply to the Premises and shall remain unmodified and in full force and effect. Effective as of the date hereof, all references to the "Lease" shall refer to the Lease as amended by this First Amendment.

34170

**EXHIBIT E**  
**SUITE ACCEPTANCE AGREEMENT**

Landlord: 4811 Airport Plaza LLC Tenant: City of Long Beach  
Building Address: 4811 Airport Plaza Drive, Long Beach, CA 90815  
Premises Suite(s) #: 110/120/200 Tenant Phone: \_\_\_\_\_

Gentlemen:

As a representative of the above referenced tenant, I/we have physically inspected the suite noted above and its improvements with Veronica Guerrero a representative of 4811 Airport Plaza, LLC. I/we accept the suite improvements as to compliance with all the requirements indicated in our lease, also including the following verified information below:

Lease Commencement Date: 8/1/18 Occupancy Date: 8/1/18  
Rent Start Date\*: 8/1/18 Actual Rent Start Date\*: 8/1/18  
Lease Expiration Date: 7/31/23 Actual Expiration Date: 7/31/23  
Date Keys Delivered: 7/18/19 (to Melu Habacon)

\*If these dates are not the same, attach documentation.

Items requiring attention: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

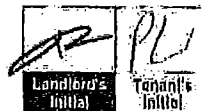
NOTE: This inspection is to be made prior to tenant move-in.

Very truly yours,

TENANT:

City of Long Beach,  
a municipal corporation

By: PK West  
Name: Patrick West  
Its: City Manager  
Date: 6/20/19



**34170**

**OFFICE LEASE**  
between

**4811 Airport Plaza, LLC,**  
**a Delaware limited liability company**

(Landlord)

and

**City of Long Beach,**  
**a municipal corporation**

(Tenant)

**OFFICE LEASE**

**TABLE OF CONTENTS**

ARTICLE I - DEFINITIONS .....2

ARTICLE II - PREMISES .....3

ARTICLE III - TERM .....4

ARTICLE IV - RENTAL .....4

ARTICLE V - SECURITY DEPOSIT .....8

ARTICLE VI - USE OF PREMISES .....8

ARTICLE VII - UTILITIES AND SERVICES .....10

ARTICLE VIII - MAINTENANCE AND REPAIRS .....11

ARTICLE IX - ALTERATIONS, ADDITIONS AND IMPROVEMENTS .....12

ARTICLE X - INDEMNIFICATION AND INSURANCE .....13

ARTICLE XI - DAMAGE OR DESTRUCTION .....16

ARTICLE XII - CONDEMNATION .....16

ARTICLE XIII - RELOCATION .....17

ARTICLE XIV - ASSIGNMENT AND SUBLETTING .....17

ARTICLE XV - DEFAULT AND REMEDIES .....19

ARTICLE XVI - ATTORNEYS' FEES: COSTS OF SUIT .....22

ARTICLE XVII - SUBORDINATION AND ATTORNMEN .....22

ARTICLE XVIII - QUIET ENJOYMENT .....23

ARTICLE XIX - RULES AND REGULATIONS .....23

ARTICLE XX - ESTOPPEL CERTIFICATES .....23

ARTICLE XXI - ENTRY BY LANDLORD .....24

ARTICLE XXII - LANDLORD'S LEASE UNDERTAKINGS-EXCULPATION FROM PERSONAL  
LIABILITY;TRANSFER OF LANDLORD'S INTEREST .....24

ARTICLE XXIII - HOLDOVER TENANCY .....25

ARTICLE XXIV - NOTICES .....25

ARTICLE XXV - BROKERS .....25

ARTICLE XXVI - ELECTRONIC SERVICES.....25

ARTICLE XXVII - PARKING .....28

ARTICLE XXVIII - MISCELLANEOUS .....28

**EXHIBITS**

Exhibit A Floor Plan

Exhibit B Work Letter


Exhibit C Rules and Regulations

Exhibit D Intentionally Omitted

Exhibit E Suite Acceptance Agreement

Exhibit F Right of Entry Agreement

Addendum

	
Landlord's Initial	Tenant's Initial



**OFFICE LEASE**

THIS OFFICE LEASE ("Lease"), dated February 1, 2016, is made and entered into by and between 4811 Airport Plaza, LLC, a Delaware limited liability company, c/o Jamison Services, Inc., a California corporation ("Landlord") and City of Long Beach, a municipal corporation ("Tenant") upon the following terms and conditions:

**ARTICLE I - DEFINITIONS**

Unless the context otherwise specifies or requires, the following terms shall have the meanings specified herein;

1.01 **Building.** The term "Building" shall mean that certain office building located at 4811 Airport Plaza Drive, Long Beach, California 90815 commonly known as 4811 Airport Plaza consisting of approximately 126,271 rentable square feet together with any related land, improvements, parking facilities, common areas, driveways, sidewalks and landscaping.

1.02 **Premises.** The term "Premises" shall mean Suite(s) 110 (consisting of approximately 2,423 rentable square feet), Suite 120 (consisting of approximately 11,112 rentable square feet) and Suite 200 (consisting of approximately 8,976 rentable square feet) in the Building, as more particularly outlined on the drawing attached hereto as Exhibit "A" and incorporated herein by reference. As used herein, "Premises" shall not include any storage area in the Building, which shall be leased or rented pursuant to separate agreement.

1.03 **Rentable Area of the Premises.** The term "Rentable Area of the Premises" shall mean approximately 22,511 rentable square feet (comprised of Suite 110, Suite 120 and Suite 200), which Landlord and Tenant have stipulated as the Rentable Areas of the Premises. Tenant acknowledges that the Rentable Areas of the Premises includes the usable area, without deduction for columns or projections, multiplied by a load factor to reflect a share of certain areas, which may include lobbies, corridors, mechanical, utility, janitorial, boiler and service rooms and closets, restrooms and other public, common and service areas of the Building.



1.04 **Lease Term.** The term "Lease Term" shall mean the period between the Commencement Date and the Expiration Date (as such terms are hereinafter defined), unless sooner terminated as otherwise provided in this Lease.

1.05 **Commencement Date.** Subject to adjustment as provided in Article 3, the term "Commencement Date" shall mean the date Landlord delivers the Premises to Tenant with the Work in Substantially Complete condition in accordance with the Work Letter Agreement attached hereto as Exhibit "B", which date is estimated to be July 1, 2016. The terms "Work" and "Substantially Complete" shall have the meanings ascribed to such terms in the Work Letter Agreement. Tenant's obligation to pay Base Rent shall commence five (5) days following the day the Work is Substantially Complete.

1.06 **Expiration Date.** Subject to adjustment as provided in Article 3, the term "Expiration Date" shall mean the date that is sixty (60) months after the Commencement Date.

1.07 **Base Rent.** Subject to adjustment as provided in Article 4, the term "Base Rent" for the Premises shall mean \$2.00 per rentable square foot per month for the first twelve (12) months of the Lease Term, with an annual increase of three percent (3%) thereafter as approximated in the following table:

Year of Lease Term	Monthly Installment of Base Rent	Monthly Rental Rate per Rentable Square Foot of the Premises
1	\$45,022.00	\$2.00
2	\$46,372.66	\$2.06
3	\$47,763.84	\$2.12
4	\$49,196.75	\$2.19
5	\$50,672.66	\$2.25

	
Landlord's Initial	Tenant's Initial

1.08 **Tenant's Percentage Share.** The term "Tenant's Percentage Share" shall mean seventeen and eight hundred twenty four thousandths percent (17.824%) with respect to increases in Property Taxes and Operating Expenses (as such terms are hereinafter defined). Landlord may reasonably re-determine Tenant's Percentage Share from time to time to reflect reconfigurations, additions or modifications to the Building. Tenant shall not be responsible for any increases in operating expenses for the initial twelve (12) months of the Lease Term.

1.09 **Security Deposit.** None.

1.10 **Tenant's Permitted Use.** The term "Tenant's Permitted Use" shall mean a General Office and no other use.

1.11 **Business Hours.** The term "Business Hours" shall mean the hours of 6:00 A.M. to 6:00 P.M., Monday through Friday and 6:00 AM to 1:00 PM on Saturday (federal and state holidays excepted). Holidays are defined as the following: New Years Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day, and to the extent of utilities or services provided by union members engaged at the Building, such other holidays observed by such unions.

1.12 **Landlord's Address For Notices.** The term "Landlord's Address for Notices" shall mean 5000 E. Spring Street, Suite 320, Long Beach, CA 90815, Attn: Property Manager, with a copy to 3470 Wilshire Boulevard, Suite 700, Los Angeles, CA 90010, Attn: Jason Cha, Esq.

1.13 **Tenant's Address for Notices.** The term "Tenant's Address for Notices" shall mean City of Long Beach at 333 W. Ocean Boulevard, 13th floor, Long Beach, CA 90802, Attn: City Manager, with a copy to Pacific Gateway Workforce Investment Network at 4811 Airport Plaza Drive, Suite 120, Long Beach, CA 90815, Attn: Executive Director.

1.14 **Broker.** The term "Broker" shall mean Lee & Associates for Landlord and Cushman & Wakefield of California, Inc. for the Tenant.

1.15 **Guarantor.** None.

1.16 **Tenant's Parking Stalls.** The term "Tenant's Parking Stalls" shall mean four (4) parking spaces for each one thousand rentable square feet of Tenant's Premises, at no charge to Tenant or its visitors, during the initial Lease Term and Option Term (if Tenant properly exercises the Extension Option, pursuant to Section 6 of the Addendum of Lease attached hereto).

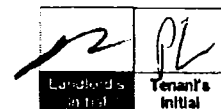
1.17 **Signage.** Tenant shall be entitled, at Landlord's sole cost and expense, to identification signage outside of the Premises on the floor on which the Premises are located. The location, quality, design, style, lighting and size of such signage shall be consistent with the Landlord's Building standard signage program. In addition, Tenant, at Landlord's sole cost and expense, shall have identification in the Building's lobby directory to display Tenant's name and location in the Building. Landlord grants to Tenant the additional signage rights described in Section 7 of the Addendum to Lease attached hereto.

1.18 **Abatement Provisions.** Subject to the terms and conditions in Section 15.10, Landlord grants to Tenant a total credit against the monthly installment of Base Rent for the following months of the Lease Term: Months Two (2), Thirteen (13) and Thirty-seven (37).

1.19 **Pre-Paid Rent.** Approximately three (3) weeks following the full execution of the Lease, Tenant shall submit the first month of rent to Landlord.

## ARTICLE II - PREMISES

2.01 **Lease of Premises.** Landlord hereby leases the Premises to Tenant, and Tenant hereby leases the Premises from Landlord, upon all of the terms, covenants and conditions contained in this Lease. On the



Commencement Date described herein, Landlord shall deliver the Premises to Tenant in substantial conformance with the Work Letter Agreement attached hereto as Exhibit "B".

2.02 **Acceptance of Premises.** Tenant acknowledges that Landlord has not made any representation or warranty with respect to the condition of the Premises or the Building or with respect to the suitability or fitness of either for the conduct of Tenant's Permitted Use or for any other purpose. Prior to Tenant's taking possession of the Premises, Landlord or its designee and Tenant will walk the Premises for the purpose of reviewing the condition of the Premises (and the condition of completion and workmanship of any tenant improvements which Landlord is required to construct in the Premises pursuant to this Lease); after such review, Tenant shall execute a Suite Acceptance Letter, in the form of Exhibit "E" attached hereto, accepting the Premises. Except as is expressly set forth in this Section 2.02 or the Work Letter Agreement attached hereto, if any, or as may be expressly set forth in Suite Acceptance Letter, Tenant agrees to accept the Premises in its "as is" said physical condition without any agreements, representations, understandings or obligations on the part of Landlord to perform any alterations, repairs or improvements (or to provide any allowance for same). Notwithstanding the above, Landlord represents to Tenant that Landlord is unaware of any defects or repairs required to the Premises which would materially impact Tenant's use or quiet enjoyment of the Premises.

### ARTICLE III - TERM



3.01 Except as otherwise provided in this Lease, the Lease Term shall be for the period described in Section 1.04 of this Lease, commencing on the Commencement Date described in Section 1.05 of this Lease and ending on the Expiration Date described in Section 1.06 of this Lease; provided, however, that, if, for any reason, Landlord is unable to deliver possession of the Premises on the date described in Section 1.05 of this Lease, Landlord shall not be liable for any damage caused thereby, nor shall the Lease be void or voidable, but, rather, the Lease Term shall commence upon, and the Commencement Date shall be the date that possession of the Premises is so tendered to Tenant (except for Tenant-caused delays which shall not be deemed to delay commencement of the Lease Term), and, unless Landlord elects otherwise, the Expiration Date described in Section 1.06 of this Lease shall be extended by an equal number of days.

### ARTICLE IV - RENTAL

4.01 **Definitions.** As used herein,

(A) "Base Year" shall mean calendar year 2016.

(B) "Property Taxes" shall mean the aggregate amount of all real estate taxes, assessments (whether they be general or special), sewer rents and charges, transit taxes, taxes based upon the receipt of rent and any other federal, state or local governmental charge, general, special, ordinary or extraordinary (but not including income or franchise taxes, capital stock, inheritance, estate, gift, or any other taxes imposed upon or measured by Landlord's gross income or profits, unless the same shall be imposed in lieu of real estate taxes or other ad valorem taxes), which Landlord shall pay or become obligated to pay in connection with the Building, or any part thereof. Property Taxes shall also include all fees and costs, including attorneys' fees, appraisals and consultants' fees, incurred by Landlord in seeking to obtain a reassessment, reduction of, or a limit on the increase in, any Property Taxes, regardless of whether any reduction or limitation is obtained. Property Taxes for any calendar year shall be Property Taxes which are due for payment or paid in such year, rather than Property Taxes which are assessed or become a lien during such year. Property Taxes shall include any tax, assessment, levy, imposition or charge imposed upon Landlord and measured by or based in whole or in part upon the Building or the rents or other income from the Building, to the extent that such items would be payable if the Building was the only property of Landlord subject to same and the income received by Landlord from the Building was the only income of Landlord. Property Taxes shall also include any personal property taxes imposed upon the furniture, fixtures, machinery, equipment, apparatus, systems and appurtenances of Landlord used in connection with the Building.

	
Landlord's Initial	Tenant's Initial

(C) "Operating Expenses" shall mean all costs, fees, disbursements and expenses paid or incurred by or on behalf of Landlord in the operation, ownership, maintenance, insurance, management, replacement and repair of the Building (excluding Property Taxes) including without limitation:

(i) Premiums for property, earthquake, casualty, liability, rent interruption or other types of insurance carried by Landlord.

(ii) Salaries, wages and other amounts paid or payable for personnel including the Building manager, superintendent, operation and maintenance staff, and other employees of Landlord involved in the maintenance and operation of the Building, including contributions and premiums towards fringe benefits, unemployment, disability and worker's compensation insurance, pension plan contributions and similar premiums and contributions and the total charges of any independent contractors or property managers engaged in the operation, repair, care, maintenance and cleaning of any portion of the Building.

(iii) Cleaning expenses, including without limitation janitorial services, window cleaning, and garbage and refuse removal.

(iv) Landscaping expenses, including without limitation irrigating, trimming, mowing, fertilizing, seeding, and replacing plants.

(v) Heating, ventilating, air conditioning and steam/utilities expenses, including fuel, gas, electricity, water, sewer, telephone, and other services.

(vi) Subject to the provisions of Section 4.01(C)(xii) below, the cost of maintaining, operating, repairing and replacing components of equipment or machinery, including without limitation heating, refrigeration, ventilation, electrical, plumbing, mechanical, elevator, escalator, sprinklers, fire/life safety, security and energy management systems, including service contracts, maintenance contracts, supplies and parts.

(vii) Other items of repair or maintenance of elements of the Building.

(viii) The costs of policing, security and supervision of the Building.

(ix) Fair market rental and other costs with respect to the management office for the Building.

(x) The cost of the rental of any machinery or equipment and the cost of supplies used in the maintenance and operation of the Building.

(xi) Audit fees and the cost of accounting services incurred in the preparation of statements referred to in this Lease and financial statements, and in the computation of the rents and charges payable by tenants of the Building.

(xii) Capital expenditures (a) made primarily to reduce Operating Expenses, or to comply with any laws or other governmental requirements, or (b) for replacements (as opposed to additions or new improvements) of non-structural items located in the common areas of the property, required to keep such areas in good condition; provided, all such permitted capital expenditures (together with reasonable financing charges) shall be amortized for purposes of this Lease over the shorter of (i) their useful lives, or (ii) the period during which the reasonably estimated savings in Operating Expenses equals the expenditures.

(xiii) Legal fees and expenses.

(xiv) Payments under any easement, operating agreement, declaration, restrictive covenant, or instrument pertaining to the sharing of costs in any planned development.

(xv) A fee for the administration and management of the Building as reasonably determined by Landlord from time to time.

	
Landlord's and	Tenant's Initial

Operating Expenses shall not include costs of alteration of the premises of tenants of the Building, depreciation charges, interest and principal payments on mortgages, ground rental payments, real estate brokerage and leasing commissions, expenses incurred in enforcing obligations of tenants of the Building, corporate overhead that is not associated with the management of the Building, salaries and other compensation of executive officers of the managing agent of the Building senior to the Building manager, costs of marketing or advertising the Building, and fees for penalties, reserves, costs of any special service provided to any one tenant of the Building but not to tenants of the Building generally.

(D) If the Building does not have one hundred percent (100%) occupancy during an entire calendar year, including the Base Year, then the variable cost component of "Property Taxes" and "Operating Expenses" shall be equitably adjusted so that the total amount of Property Taxes and Operating Expenses equals the total amount which would have been paid or incurred by Landlord had the Building been ninety-five percent (95%) occupied for the entire calendar year. In no event shall Landlord be entitled to receive from Tenant and any other tenants in the Building an aggregate amount in excess of actual Property Taxes and Operating Expenses as a result of the foregoing provision. In no event shall the controllable operating expenses increase by more than five percent (5%) annually, on a compounded basis, over the prior year's capped amount. Controllable operating expenses shall be all expenses except for real estate taxes, insurance, utilities and union labor.

#### 4.02 Base Rent.

(A) During the Lease Term, Tenant shall pay to Landlord as rental for the Premises the Base Rent described in Section 1.07 above, subject to the following annual adjustments (herein called the "Rent Adjustments"):



(B) Annual Adjustments of Base Rent. (see Section 1.07)

(a) Tax and Operating Expense Adjustment. During each calendar year, the Base Rent payable by Tenant to Landlord, shall be increased by (collectively, the "Tax and Operating Expense Adjustment"): (i) Tenant's Percentage Share of the dollar increase, if any, in Property Taxes for such year over Property Taxes for the Base Year; and (ii) Tenant's Percentage Share of the dollar increase, if any, in any category of Operating Expenses paid or incurred by Landlord during such year over the respective category of Operating Expenses paid or incurred by Landlord during the Base Year. A decrease in Property Taxes or any category of Operating Expenses below the Base Year amounts shall not decrease the amount of the Base Rent due hereunder or give rise to a credit in favor of Tenant.

4.03 Tax and Operating Expense Adjustment Procedure; Estimates. The Tax and Operating Expense Adjustment specified in Section 4.02(B)(a) shall be determined and paid as follows:

(A) During each calendar year subsequent to the Base Year, Landlord shall give Tenant written notice of its estimate of any increased amounts payable under Section 4.02(B)(a) for that calendar year. On or before the first day of each calendar month during the calendar year, Tenant shall pay to Landlord one-twelfth (1/12th) of such estimated amounts; provided, however, that, not more often than quarterly, Landlord may, by written notice to Tenant, revise its estimate for such year, and subsequent payments by Tenant for such year shall be based upon such revised estimate.

(B) Within one hundred twenty (120) days after the close of each calendar year or as soon thereafter as is practicable, Landlord shall deliver to Tenant a statement of that year's Property Taxes and Operating Expenses, and the actual Tax and Operating Expense Adjustment to be made pursuant to Section 4.02(B)(a) for such calendar year, as determined by Landlord (the "Landlord's Statement") and such Landlord's Statement shall be binding upon Tenant, except as provided in Section 4.04 below. If the amount of the actual Tax and Operating Expense Adjustment is more than the estimated payments for such calendar year made by Tenant, Tenant shall pay the deficiency to Landlord upon receipt of Landlord's Statement. If the amount of the actual Tax and Operating Expense Adjustment is less than the estimated payments for such calendar year made by Tenant, any excess shall be credited against Rent (as hereinafter defined) next payable by Tenant under this Lease or, if the Lease Term has

 Landlord's initial	 Tenant's initial
--	--

expired, any excess shall be paid to Tenant. No delay in providing the statement described in this subparagraph (B) shall act as a waiver of Landlord's right to payment under Section 4.02(B)(a) above.

(C) If this Lease shall terminate on a day other than the end of a calendar year, the amount of the Tax and Operating Expense Adjustment to be paid pursuant to Section 4.02(B)(a) that is applicable to the calendar year in which such termination occurs shall be prorated on the basis of the number of days from January 1 of the calendar year to the termination date bears to 365. The termination of this Lease shall not affect the obligations of Landlord and Tenant pursuant to Section 4.03(B) to be performed after such termination.

**4.04 Review of Landlord's Statement.** Provided that Tenant is not then in default beyond any applicable cure period of its obligations to pay Base Rent, additional rent described in Section 4.02(B), or any other payments required to be made by it under this Lease and provided further that Tenant strictly complies with the provisions of this Section 4.04, Tenant shall have the right, once each calendar year, to reasonably review supporting data for any portion of a Landlord's Statement (provided, however, Tenant may not have an audit right to all documentation relating to Building operations as this would far exceed the relevant information necessary to properly document a pass-through billing statement, but real estate tax statements, and information on utilities, repairs, maintenance and insurance will be available), in accordance with the following procedure:

(A) Tenant shall, within ten (10) business days after any such Landlord's Statement is delivered, deliver a written notice to Landlord specifying the portions of the Landlord's Statement that are claimed to be incorrect, and Tenant shall simultaneously pay to Landlord all amounts due from Tenant to Landlord as specified in the Landlord's Statement. Except as expressly set forth in subsection (C) below, in no event shall Tenant be entitled to withhold, deduct, or offset any monetary obligation of Tenant to Landlord under the Lease (including, without limitation, Tenant's obligation to make all payments of Base Rent and all payments of Tenant's Tax and Operating Expense Adjustment) pending the completion of and regardless of the results of any review of records under this Section 4.04. The right of Tenant under this Section 4.04 may only be exercised once for any Landlord's Statement, and if Tenant fails to meet any of the above conditions as a prerequisite to the exercise of such right, the right of Tenant under this Section 4.04 for a particular Landlord's Statement shall be deemed waived.

(B) Tenant acknowledges that Landlord maintains its records for the Building at Landlord's manager's corporate offices presently located at the address set forth in Section 1.12 and Tenant agrees that any review of records under this Section 4.04 shall be at the sole expense of Tenant and shall be conducted by an independent firm of certified public accountants of national standing that is not being compensated on a contingency fee basis and such firm may be hired by the City Auditor of the City of Long Beach. Tenant acknowledges and agrees that any records reviewed under this Section 4.04 constitute confidential information of Landlord, which shall not be disclosed to anyone other than the accountants performing the review and the principals of Tenant who receive the results of the review. If requested by Landlord, Tenant shall require its employees or agents inspecting Landlord's books and records to sign Landlord's confidentiality agreement as a condition of Landlord making Landlord's relevant accounting records available to them. The disclosure of such information to any other person, whether or not caused by the conduct of Tenant, shall constitute a material breach of this Lease.

(C) Any errors disclosed by the review shall be promptly corrected by Landlord, provided, however, that if Landlord disagrees with any such claimed errors, Landlord shall have the right to cause another review to be made by an independent firm of certified public accountants of national standing. In the event of a disagreement between the two accounting firms, the review that discloses the least amount of deviation from the Landlord's Statement shall be deemed to be correct. In the event that the results of the review of records (taking into account, if applicable, the results of any additional review caused by Landlord) reveal that Tenant has overpaid obligations for a preceding period, the amount of such overpayment shall be credited against Tenant's subsequent installment obligations to pay Base Rent or the estimated Tax and Operating Expense Adjustment, upon Landlord's notification to Tenant of its entitlement to such credit for overpayment. In the event that such results show that Tenant has underpaid its obligations for a preceding period, Tenant shall be liable for Landlord's actual accounting fees, and the amount of such underpayment shall be paid by Tenant to Landlord with the next succeeding installment obligation of Base Rent or the estimated Tax and Operating Expense Adjustment, upon Landlord's notification to Tenant of the accounting fees (if any) and underpayment.

4.05 **Payment.** Tenant shall pay Landlord Base Rent for the first calendar month of the Lease Term as provided in Section 1.19. Thereafter the Base Rent described in Section 1.07, as adjusted in accordance with Section 4.02, shall be payable in advance on the **First (1<sup>st</sup>) Day of each calendar month**. If the Commencement Date is other than the first day of a calendar month, the prepaid Base Rent for such partial month shall be prorated in the proportion that the number of days this Lease is in effect during such partial month bears to the total number of days in the calendar month. All Rent, and all other amounts payable to Landlord by Tenant pursuant to the provisions of this Lease, shall be paid to Landlord, without notice, demand, abatement, deduction or offset, in lawful money of the United States at Landlord's office in the Building or to such other person or at such other place as Landlord may designate from time to time by written notice given to Tenant. No payment by Tenant or receipt by Landlord of a lesser amount than the correct Rent due hereunder shall be deemed to be other than a payment on account; nor shall any endorsement or statement on any check or any letter accompanying any check or payment be deemed to effect or evidence an accord and satisfaction; and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance or pursue any other remedy in this Lease or at law or in equity provided.

4.06 **Late Charge; Interest.** Tenant acknowledges that the late payment of Base Rent or any other amounts payable by Tenant to Landlord hereunder (all of which shall constitute additional rental to the same extent as Base Rent) will cause Landlord to incur administrative costs and other damages, the exact amount of which would be impracticable or extremely difficult to ascertain. Landlord and Tenant agree that if Landlord does not receive any such payment on or before five (5) days after the date the payment is due, Tenant shall pay to Landlord, as additional rent, (a) a late charge equal to **five percent (5%)** of the overdue amount to cover such additional administrative costs; and (b) interest on the delinquent amounts at the lesser of the maximum rate permitted by law if any or **twelve percent (12%)** per annum from the date due to the date paid.

4.07 **Additional Rent.** For purposes of this Lease, all amounts payable by Tenant to Landlord pursuant to this Lease, whether or not denominated as such, shall constitute Base Rent. Any amounts due Landlord shall sometimes be referred to in this Lease as "**Rent**" or "**Additional Rent**."

4.08 **Additional Taxes.** Notwithstanding anything in Section 4.01(B) to the contrary, Tenant shall reimburse Landlord upon demand for any and all taxes payable by or imposed upon Landlord upon or with respect to: any fixtures or personal property located in the Premises; any leasehold improvements made in or to the Premises by or for Tenant; the Rent payable hereunder, including, without limitation, any gross receipts tax, license fee or excise tax levied by any governmental authority; the possession, leasing, operation, management, maintenance, alteration, repair, use or occupancy of any portion of the Premises (including without limitation any applicable possessory interest taxes); or this transaction or any document to which Tenant is a party creating or transferring an interest or an estate in the Premises.

#### ARTICLE V - SECURITY DEPOSIT



5.01 Not Applicable.

#### ARTICLE VI - USE OF PREMISES

6.01 **Tenants Permitted Use.** Tenant shall use the Premises only for Tenant's Permitted Use as set forth in Section 1.10 above and shall not use or permit the Premises to be used for any other purpose. Tenant shall, at its sole cost and expense, obtain all governmental licenses and permits required to allow Tenant to conduct Tenant's Permitted Use. Landlord disclaims any warranty that the Premises are suitable for Tenant's use and Tenant acknowledges that it has had a full opportunity to make its own determination in this regard.

6.02 **Compliance With Laws and Other Requirements.**

(A) Tenant shall cause the Premises to comply in all material respects with all laws, ordinances, regulations and directives of any governmental authority having jurisdiction including, without limitation, any

	
Landlord's initial	Tenant's initial

certificate of occupancy and any law, ordinance, regulation, covenant, condition or restriction affecting the Building or the Premises which in the future may become applicable to the Premises (collectively "Applicable Laws").

(B) Tenant shall not use the Premises, or permit the Premises to be used, in any manner which: (a) violates any Applicable Law; (b) causes or is reasonably likely to cause damage to the Building or the Premises; (c) violates a requirement or condition of any fire and extended insurance policy covering the Building and/or the Premises, or increases the cost of such policy; (d) constitutes or is reasonably likely to constitute a nuisance, annoyance or inconvenience to other tenants or occupants of the Building or its equipment, facilities or systems; (e) interferes with, or is reasonably likely to interfere with, the transmission or reception of microwave, television, radio, telephone or other communication signals by antennae or other facilities located in the Building; or (f) violates the Rules and Regulations described in Article XIX.

6.03 Hazardous Materials.

(A) No Hazardous Materials, as defined herein, shall be Handled, as also defined herein, upon, about, above or beneath the Premises or any portion of the Building by or on behalf of Tenant, its subtenants or its assignees, or their respective contractors, clients, officers, directors, employees, agents, or invitees. Any such Hazardous Materials so Handled shall be known as Tenant's Hazardous Materials. Notwithstanding the foregoing, normal quantities of Tenant's Hazardous Materials customarily used in the conduct of general administrative and executive office activities (e.g., copier fluids and cleaning supplies) may be Handled at the Premises without Landlord's prior written consent. Tenant's Hazardous Materials shall be Handled at all times in compliance with the manufacturer's instructions therefor and all applicable Environmental Laws, as defined herein.

(B) Notwithstanding the obligation of Tenant to indemnify Landlord pursuant to this Lease, Tenant shall, at its sole cost and expense, promptly take all actions required by any Regulatory Authority, as defined herein, or necessary for Landlord to make full economic use of the Premises or any portion of the Building, which requirements or necessity arises from the Handling of Tenant's Hazardous Materials upon, about, above or beneath the Premises or any portion of the Building. Such actions shall include, but not be limited to, the investigation of the environmental condition of the Premises or any portion of the Building, the preparation of any feasibility studies or reports and the performance of any cleanup, remedial, removal or restoration work. Tenant shall take all actions necessary to restore the Premises or any portion of the Building to the condition existing prior to the introduction of Tenant's Hazardous Materials, notwithstanding any less stringent standards or remediation allowable under applicable Environmental Laws. Tenant shall nevertheless obtain Landlord's written approval prior to undertaking any actions required by this Section, which approval shall not be unreasonably withheld so long as such actions would not potentially have a material adverse long-term or short-term effect on the Premises or any portion of the Building.

(C) Tenant agrees to execute affidavits, representations, and the like from time to time at Landlord's request stating Tenant's best knowledge and belief regarding the presence of Hazardous Materials on the Premises.

(D) "Environmental Laws" means and includes all now and hereafter existing statutes, laws, ordinances, codes, regulations, rules, rulings, orders, decrees, directives, policies and requirements by any Regulatory Authority regulating, relating to, or imposing liability or standards of conduct concerning public health and safety or the environment.

(E) "Hazardous Materials" means: (a) any material or substance: (i) which is defined or becomes defined as a "hazardous substance," "hazardous waste," "infectious waste," "chemical mixture or substance," or "air pollutant" under Environmental Laws; (ii) containing petroleum, crude oil or any fraction thereof; (iii) containing polychlorinated biphenyls (PCB's); (iv) containing asbestos; (v) which is radioactive; (vi) which is infectious; or (b) any other material or substance displaying toxic, reactive, ignitable or corrosive characteristics, as all such terms are used in their broadest sense, and are defined, or become defined by Environmental Laws; or (c) materials which cause a nuisance upon or waste to the Premises or any portion of the Building.

	
Landlord's Initial	Tenant's Initial



(F) "Handle," "handle," "Handled," "handled," "Handling," or "handling" shall mean any installation, handling, generation, storage, treatment, use, disposal, discharge, release, manufacture, refinement, presence, migration, emission, abatement, removal, transportation, or any other activity of any type in connection with or involving Hazardous Materials.

(G) "Regulatory Authority" shall mean any federal, state or local governmental agency, commission, board or political subdivision.

Notwithstanding the above, Landlord, at Landlord's sole cost and expense, shall remove all asbestos and all other known hazardous materials (unless introduced by Tenant or its employees or agents) discovered within the Premises and common areas of the First and Second floors of the Building, if any, prior to occupancy by Tenant. In the event any such materials are detected prior to Tenant's occupancy, such materials shall be removed promptly, effectively, and safely at the sole cost of Landlord. In the event Landlord determines that it is cost prohibitive to remove such materials, Landlord shall have the option of not completing such work and Tenant shall have the option of terminating the Lease without any further obligation to Landlord.

#### ARTICLE VII - UTILITIES AND SERVICES

7.01 **Building Services.** As long as Tenant is not in monetary default under this Lease, Landlord agrees to furnish or cause to be furnished to the Premises the following utilities and services, subject to the conditions and standards set forth herein:



(A) Non-attended automatic elevator service (if the Building has such equipment serving the Premises), in common with Landlord and other tenants and occupants and their agents and invitees.

(B) During Business Hours, as defined in Section 1.11 of this Lease, such air conditioning, heating and ventilation as, in Landlord's reasonable judgment, are required for the comfortable use and occupancy of the Premises. Landlord may make available to Tenant heating, ventilation or air conditioning in excess of that which Landlord shall be required to provide hereunder. If Tenant needs HVAC during non-Business Hours, Tenant shall provide no less than forty-eight (48) hours' prior notice to Landlord and pay as additional rent the cost of after-hour HVAC at the Building's prevailing rates, which are currently Seventy-five 00/100 dollars (\$75.00) per hour, with a two hour minimum, subject to change. Said Landlord's fee for any such additional HVAC provided to Tenant, will be separate from and in addition to the Tax and Operating Expenses Adjustment provided in Article IV.

(C) City tap water for rest room and typical office break room purposes.

(D) Reasonable janitorial and cleaning services, provided that the Premises are used exclusively for office purposes and are kept reasonably in order by Tenant. If the Premises are not used exclusively as offices, Landlord, at Landlord's sole discretion, may require that the Premises be kept clean and in order by Tenant, at Tenant's expense, to the satisfaction of Landlord and by persons approved by Landlord; and, in all events, Tenant shall pay to Landlord the cost of removal of Tenant's refuse and rubbish, to the extent that the same exceeds the refuse and rubbish attendant to normal office usage.

(E) At all reasonable times, electric current of not less than 5 watts per square foot for building standard lighting and fractional horsepower office machines; provided, however, that (i) without Landlord's consent, Tenant shall not install, or permit the installation, in the Premises of any computers, word processors, electronic data processing equipment or other type of equipment or machines which will increase Tenant's use of electric current in excess of that which Landlord is obligated to provide hereunder (provided, however, that the foregoing shall not preclude the use of personal computers or similar office equipment); (ii) if Tenant shall require electric current which may disrupt the provision of electrical service to other tenants, Landlord may refuse to grant its consent or may condition its consent upon Tenant's payment of the cost of installing and providing any additional facilities required to furnish such excess power to the Premises and upon the installation in the Premises of electric current meters to measure the amount of electric current consumed, in which latter event Tenant shall pay for the cost of such meter(s) and the cost of installation, maintenance and repair thereof, as well as for all excess electric current consumed at the rates charged by the applicable local public utility, plus a reasonable amount to cover the additional

	
Landlord's Initial	Tenant's Initial

expenses incurred by Landlord in keeping account of the electric current so consumed; and (iii) if Tenant's increased electrical requirements will materially affect the temperature level in the Premises or the Building, Landlord's consent may be conditioned upon Tenant's requirement to pay such amounts as will be incurred by Landlord to install and operate any machinery or equipment necessary to restore the temperature level to that otherwise required to be provided by Landlord, including but not limited to the cost of modifications to the air conditioning system. Landlord shall not, in any way, be liable or responsible to Tenant for any loss or damage or expense which Tenant may incur or sustain if, for any reasons beyond Landlord's reasonable control, either the quantity or character of electric service is changed or is no longer available or suitable for Tenant's requirements. Tenant covenants that at all times its use of electric current shall never exceed the capacity of the feeders, risers or electrical installations of the Building. If submetering of electricity in the Building will not be permitted under future laws or regulations, the Rent will then be equitably and periodically adjusted to include an additional payment to Landlord reflecting the cost to Landlord for furnishing electricity to Tenant in the Premises.



Any amounts which Tenant is required to pay to Landlord pursuant to this Section 7.01 shall be payable upon demand by Landlord and shall constitute additional rent.

7.02 **Interruption of Services.** Landlord shall not be liable for any failure to furnish, stoppage of, or interruption in furnishing any of the services or utilities described in Section 7.01, when such failure is caused by accident, breakage, repairs, strikes, lockouts, labor disputes, labor disturbances, governmental regulation, civil disturbances, acts of war, moratorium or other governmental action, or any other cause beyond Landlord's reasonable control, and, in such event, Tenant shall not be entitled to any damages nor shall any failure or interruption abate or suspend Tenant's obligation to pay Base Rent and additional rent required under this Lease or constitute or be construed as a constructive or other eviction of Tenant. Further, in the event any governmental authority or public utility promulgates or revises any law, ordinance, rule or regulation, or issues mandatory controls or voluntary controls relating to the use or conservation of energy, water, gas, light or electricity, the reduction of automobile or other emissions, or the provision of any other utility or service, Landlord may take any reasonably appropriate action to comply with such law, ordinance, rule, regulation, mandatory control or voluntary guideline and Tenant's obligations hereunder shall not be affected by any such action of Landlord. The parties acknowledge that safety and security devices, services and programs provided by Landlord, if any, while intended to deter crime and ensure safety, may not in given instances prevent theft or other criminal acts, or ensure safety of persons or property. The risk that any safety or security device, service or program may not be effective, or may malfunction, or be circumvented by a criminal, is assumed by Tenant with respect to Tenant's property and interests, and Tenant shall obtain insurance coverage to the extent Tenant desires protection against such criminal acts and other losses, as further described in this Lease. Tenant agrees to cooperate in any reasonable safety or security program developed by Landlord or required by Law. See Addendum to Lease, Section 13.

## ARTICLE VIII - MAINTENANCE AND REPAIRS

8.01 **Landlord's Obligations.** Except as provided in Sections 8.02 and 8.03 below, Landlord shall maintain the Building in reasonable order and repair throughout the Lease Term; provided, however, that Landlord shall not be liable for any failure to make any repairs or to perform any maintenance unless such failure shall persist for an unreasonable time after written notice of the need for such repairs or maintenance is given to Landlord by Tenant. Except as provided in Article XI and Addendum To Lease, Section 13, there shall be no abatement of Rent, nor shall there be any liability of Landlord, by reason of any injury or inconvenience to, or interference with, Tenant's business or operations arising from the making of, or failure to make, any maintenance or repairs in or to any portion of the Building. As of the date of this Lease, the Building has not been inspected by a Certified Access Specialist pursuant to California Civil Code Section 55.53.

8.02 **Tenant's Obligations.** During the Lease Term, Tenant shall, at its sole cost and expense, maintain the Premises in good order and repair (including, without limitation, the carpet, wall-covering, doors, plumbing and other fixtures, equipment, alterations and improvements, whether installed by Landlord or Tenant). Further, Tenant shall be responsible for, and upon demand by Landlord shall promptly reimburse Landlord for, any damage to any portion of the Building or the Premises caused by (a) Tenant's activities in the Building or the Premises; (b) the performance or existence of any alterations, additions or improvements made by Tenant in or to

	
Landlord's Initial	Tenant's Initial

the Premises; (c) the installation, use, operation or movement of Tenant's property in or about the Building or the Premises; or (d) any act or omission by Tenant or its officers, partners, employees, agents, contractors or invitees.

8.03 **Landlord's Rights.** Landlord and its contractors shall have the right, at all reasonable times and upon prior oral or telephonic notice to Tenant at the Premises, other than in the case of any emergency in which case no notice shall be required, to enter upon the Premises to make any repairs to the Premises or the Building reasonably required or deemed reasonably necessary by Landlord and to erect such equipment, including scaffolding, as is reasonably necessary to effect such repairs.

## ARTICLE IX - ALTERATIONS, ADDITIONS AND IMPROVEMENTS

9.01 **Landlord's Consent; Conditions.** Tenant shall not make or permit to be made any alterations, additions, or improvements in or to the Premises ("Alterations") without the prior written consent of Landlord, which consent, with respect to non-structural alterations, shall not be unreasonably withheld. Landlord may impose as a condition to making any Alterations such requirements as Landlord in its sole discretion deems necessary or desirable including without limitation: Tenant's submission to Landlord, for Landlord's prior written approval, of all plans and specifications relating to the Alterations; Landlord's prior written approval of the time or times when the Alterations are to be performed; Landlord's prior written approval of the contractors and subcontractors performing work in connection with the Alterations; Tenant's receipt of all necessary permits and approvals from all governmental authorities having jurisdiction over the Premises prior to the construction of the Alterations; Tenant's delivery to Landlord of such bonds and insurance as Landlord shall reasonably require; and Tenant's payment to Landlord of all costs and expenses incurred by Landlord because of Tenant's Alterations, including but not limited to costs incurred in reviewing the plans and specifications for, and the progress of, the Alterations. Tenant is required to provide Landlord written notice of whether the Alterations include the Handling of any Hazardous Materials and whether these materials are of a customary and typical nature for industry practices. Upon completion of the Alterations, Tenant shall provide Landlord with copies of as-built plans. Neither the approval by Landlord of plans and specifications relating to any Alterations nor Landlord's supervision or monitoring of any Alterations shall constitute any warranty by Landlord to Tenant of the adequacy of the design for Tenant's intended use or the proper performance of the Alterations.

9.02 **Performance of Alterations Work.** All work relating to the Alterations shall be performed in compliance with the plans and specifications approved by Landlord, all applicable laws, ordinances, rules, regulations and directives of all governmental authorities having jurisdiction (including without limitation Title 24 of the California Administrative Code) and the requirements of all carriers of insurance on the Premises and the Building, the Board of Underwriters, Fire Rating Bureau, or similar organization. All work shall be performed in a diligent, first class manner and so as not to unreasonably interfere with any other tenants or occupants of the Building. All reasonable costs incurred by Landlord relating to the Alterations shall be payable to Landlord by Tenant as additional rent upon demand. No asbestos-containing materials shall be used or incorporated in the Alterations. No lead-containing surfacing material, solder, or other construction materials or fixtures where the presence of lead might create a condition of exposure not in compliance with Environmental Laws shall be incorporated in the Alterations.

9.03 **Liens.** Tenant shall pay when due all costs for work performed and materials supplied to the Premises. Tenant shall keep Landlord, the Premises and the Building free from all liens, stop notices and violation notices relating to the Alterations or any other work performed for, materials furnished to or obligations incurred by or for Tenant and Tenant shall protect, indemnify, hold harmless and defend Landlord, the Premises and the Building of and from any and all loss, cost, damage, liability and expense, including attorneys' fees, arising out of or related to any such liens or notices. Further, Tenant shall give Landlord not less than seven (7) business days prior written notice before commencing any Alterations in or about the Premises to permit Landlord to post appropriate notices of non-responsibility. Tenant shall also secure, prior to commencing any Alterations, at Tenant's sole expense, a completion and lien indemnity bond satisfactory to Landlord for such work. During the progress of such work, Tenant shall, upon Landlord's request, furnish Landlord with sworn contractor's statements and lien waivers covering all work theretofore performed. Tenant shall satisfy or otherwise discharge all liens, stop notices or other claims or encumbrances within ten (10) days after Landlord notifies Tenant in writing that any such lien, stop notice, claim or encumbrance has been filed. If Tenant fails to pay and remove such lien, claim or encumbrance within

	
Landlord's initial	Tenant's initial

such ten (10) days, Landlord, at its election, may pay and satisfy the same and in such event the sums so paid by Landlord, with interest from the date of payment at the rate set forth in Section 4.06 hereof for amounts owed Landlord by Tenant shall be deemed to be additional rent due and payable by Tenant at once without notice or demand.

9.04 **Lease Termination.** Except as provided in this Section 9.04, upon expiration or earlier termination of this Lease, Tenant shall surrender the Premises to Landlord in the same condition as existed on the date Tenant first occupied the Premises, (whether pursuant to this Lease or an earlier lease), subject to reasonable wear and tear. All Alterations shall become a part of the Premises and shall become the property of Landlord upon the expiration or earlier termination of this Lease, unless Landlord shall, by written notice given to Tenant, require Tenant to remove some or all of Tenant's Alterations, in which event Tenant shall promptly remove the designated Alterations and shall promptly repair any resulting damage, all at Tenant's sole expense. All business and trade fixtures, machinery and equipment, furniture, movable partitions and items of personal property owned by Tenant or installed by Tenant at its expense in the Premises shall be and remain the property of Tenant; upon the expiration or earlier termination of this Lease, Tenant shall, at its sole expense, remove all such items and repair any damage to the Premises or the Building caused by such removal. If Tenant fails to remove any such items ("Abandoned Items") or repair such damage promptly after the expiration or earlier termination of the Lease, Landlord may, but need not, do so with no liability to Tenant, and Tenant shall pay Landlord the cost thereof upon demand. Tenant agrees to indemnify Landlord for any and all loss, cost, damage, liability or expense as incurred (including but not limited to reasonable attorneys' fees and legal costs) arising out of or related to any claim, suit or judgment brought by or in favor of any person or persons for damage, loss or expense which arises out of, is occasioned by or is in any way attributable to the Abandoned Items. Notwithstanding the foregoing to the contrary, in the event that Landlord gives its consent, pursuant to the provisions of Section 9.01 of this Lease, to allow Tenant to make an Alteration in the Premises, Landlord agrees, upon Tenant's written request, to notify Tenant in writing at the time of the giving of such consent whether Landlord will require Tenant, at Tenant's cost, to remove such Alteration at the end of the Lease Term. Notwithstanding the above, Tenant shall not be required to remove any Alterations which are to be provided under Exhibit B (Work Letter Agreement) of the Lease.

## ARTICLE X - INDEMNIFICATION AND INSURANCE

### 10.01 Indemnification.

(A) Tenant agrees to protect, indemnify, hold harmless and defend Landlord and any Mortgagee (except outside of Tenant's Premises), as defined herein, and each of their respective partners, directors, officers, agents and employees, successors and assigns, (except to the extent of the losses described below are caused by the gross negligence of Landlord, its agents and employees), from and against:

(i) any and all loss, cost, damage, liability or expense as incurred (including but not limited to reasonable attorneys' fees and legal costs) arising out of or related to any claim, suit or judgment brought by or in favor of any person or persons for damage, loss or expense due to, but not limited to, bodily injury, including death, or property damage sustained by such person or persons which arises out of, is occasioned by or is in any way attributable to the use or occupancy of the Premises or any portion of the Building by Tenant or the acts or omission of Tenant or its agents, employees, contractors, clients, invitees or subtenants except to the extent caused by the sole active negligence or willful misconduct of Landlord or its agents or employees. Such loss or damage shall include, but not be limited to, any injury or damage to, or death of, Landlord's employees or agents or damage to the Premises or any portion of the Building.

(ii) any and all environmental damages which arise from: (i) the Handling of any Tenant's Hazardous Materials, as defined in Section 6.03 or (ii) the breach of any of the provisions of this Lease. For the purpose of this Lease, "environmental damages" shall mean (a) all claims, judgments, damages, penalties, fines, costs, liabilities, and losses (including without limitation, diminution in the value of the Premises or any portion of the Building, damages for the loss of or restriction on use of rentable or usable space or of any amenity of the Premises or any portion of the Building, and from any adverse impact on Landlord's marketing of space); (b) all reasonable

	
Landlord's Initial	Tenant's Initial

sums paid for settlement of claims, attorneys' fees, consultants' fees and experts' fees; and (c) all costs incurred by Landlord in connection with investigation or remediation relating to the Handling of Tenant's Hazardous Materials, whether or not required by Environmental Laws, necessary for Landlord to make full economic use of the Premises or any portion of the Building, or otherwise required under this Lease. To the extent that Landlord is held strictly liable by a court or other governmental agency of competent jurisdiction under any Environmental Laws, Tenant's obligation to Landlord and the other indemnities under the foregoing indemnification shall likewise be without regard to fault on Tenant's part with respect to the violation of any Environmental Law which results in liability to the indemnitee. Tenant's obligations and liabilities pursuant to this Section 10.01 shall survive the expiration or earlier termination of this Lease.

(B) Landlord agrees to protect, indemnify, hold harmless and defend Tenant from and against any and all loss, cost, damage, liability or expense, including reasonable attorneys' fees, with respect to any claim of damage or injury to persons or property at the Premises, caused by the gross negligence of Landlord or its authorized agents or employees, including without limitation the failure to comply with the California Labor Code in connection with the performance of the Work.

(C) Notwithstanding anything to the contrary contained herein, nothing shall be interpreted or used to in any way affect, limit, reduce or abrogate any insurance coverage provided by any insurers to either Tenant or Landlord.



(D) Notwithstanding anything to the contrary contained in this Lease, nothing herein shall be construed to infer or imply that Tenant is a partner, joint venturer, agent, employee, or otherwise acting by or at the direction of Landlord.

#### 10.02 Property Insurance.

(A) At all times during the Lease Term, Tenant shall procure and maintain, at its sole expense, special perils property insurance, for damage or other loss caused by fire or other casualty or cause including, but not limited to, vandalism and malicious mischief, theft, water damage of any type, including sprinkler leakage, bursting of pipes, explosion, in an amount not less than one hundred percent (100%) of the replacement cost covering (a) all Alterations made by or for Tenant in the Premises; and (b) Tenant's trade fixtures, equipment and other personal property situated on the Premises. The proceeds of such insurance shall be used for the repair or replacement of the property so insured, except that if not so applied or if this Lease is terminated following a casualty, the proceeds applicable to the leasehold improvements shall be paid to Landlord and the proceeds applicable to Tenant's personal property shall be paid to Tenant.

(B) At all times during the Lease Term, Tenant shall procure and maintain business interruption insurance in such amount as will reimburse Tenant for direct or indirect loss of earnings attributable to all perils insured against in Section 10.02(A) ("Business Interruption Insurance"). Notwithstanding the foregoing, Tenant shall have the option of procuring and maintaining business interruption insurance in an amount equivalent to the lesser of the sum of monthly rental payments due Landlord for the remainder of the Lease Term or of the sum of the maximum, monthly rental payments due Landlord for any twelve month period on the same perils basis insured against as in Section 10.02(A) ("Alternative Business Interruption Insurance"). In the event Tenant procures and maintains the Alternative Business Interruption Insurance, Landlord shall not be liable for any injury, loss, or business interruption that could have been covered by insurance had Tenant procured and maintained the Business Interruption Insurance. The waiver provided in Section 10.06 shall not be limited by Tenant's decision to obtain the Alternative Business Interruption Insurance and shall be applicable to the extent coverage would have been provided had Tenant obtained the Business Interruption Insurance.

(C) Landlord shall, at all times during the Lease Term, procure and maintain "all-risk" property insurance in the amount not less than ninety percent (90%) of the total insurable value covering the Building in which the Premises are located and such other insurance as may be required by a Mortgagee or otherwise desired by Landlord.

	
Landlord's Initial	Tenant's Initial

10.03 **Liability Insurance.**

(A) At all times during the Lease Term, Tenant shall procure and maintain, at its sole expense, commercial general liability insurance applying to the use and occupancy of the Premises and the business operated by Tenant. Such insurance shall have a minimum limit of liability of at least One Million Dollars (\$1,000,000) per occurrence and a general aggregate limit of at least One Million Dollars (\$1,000,000). All such policies shall be written to apply to all bodily injury, death, property damage, and personal injury losses and shall be endorsed to include Landlord and its agents, beneficiaries, partners, employees, and any deed of trust holder or mortgagee of Landlord or any ground lessor as additional insureds. Such liability insurance shall be written as primary policies, not excess or contributing with or secondary to any other insurance as may be available to the additional insureds. Tenant may satisfy this requirement through its formal program of self-insurance equivalent in coverage scope to the most recent version of ISO's commercial general liability occurrence coverage form. The right to self-insure hereunder shall inure only to the benefit of the originally named Tenant and its departments and employees (and not any assignee, sublessee, or other transferee of Tenant's interest in this Lease).

(B) Prior to the sale, storage, use or giving away of alcoholic beverages on or from the Premises by Tenant or another person, Tenant, at its own expense, shall obtain a policy or policies of insurance issued by a responsible insurance company and in a form acceptable to Landlord saving harmless and protecting Landlord and the Premises against any and all damages, claims, liens, judgments, expenses and costs, including actual attorneys' fees, arising under any present or future law, statute, or ordinance of the State of California or other governmental authority having jurisdiction of the Premises, by reason of any storage, sale, use or giving away of alcoholic beverages on or from the Premises. Such policy or policies of insurance shall have a minimum combined single limit of One Million (\$1,000,000) per occurrence and shall apply to bodily injury, fatal or nonfatal; injury to means of support; and injury to property of any person. Such policy or policies of insurance shall name Landlord and its agents, beneficiaries, partners, employees and any mortgagee of Landlord or any ground lessor of Landlord as additional insureds. Tenant may satisfy this requirement through its formal program of self-insurance equivalent in coverage scope to the most recent version of ISO's commercial general liability occurrence coverage form. The right to self-insure hereunder shall inure only to the benefit of the originally named Tenant and its departments and employees (and not any assignee, sublessee, or other transferee of Tenant's interest in this Lease).

(C) Landlord shall, at all times during the Lease Term, procure and maintain commercial general liability insurance for the Building in which the Premises are located. Such insurance shall have minimum limit of liability of at least Two Million Dollars (\$2,000,000) per occurrence, and a general aggregate limit of at least Two Million Dollars (\$2,000,000).

10.04 **Workers' Compensation Insurance.** At all times during the Lease Term, Tenant shall procure and maintain Workers' Compensation Insurance in accordance with the laws of the State of California, and Employer's Liability insurance with a limit not less than One Million Dollars (\$1,000,000) Bodily Injury Each Accident; One Million Dollars (\$1,000,000) Bodily Injury By Disease - Each Person; and One Million Dollars (\$1,000,000) Bodily Injury to Disease - Policy Limit. Tenant may satisfy this requirement through its formal program of self-insurance.

10.05 **Policy Requirements.** All insurance required to be maintained by Tenant shall be issued by insurance companies authorized to do insurance business in the State of California and rated not less than A-VIII in Best's Insurance Guide. A certificate of insurance (or, at Landlord's option, copies of the applicable policies) or self insurance evidencing the insurance or self insurance required under this Article X shall be delivered to Landlord not less than thirty (30) days prior to the Commencement Date. No such policy shall be subject to cancellation or modification without thirty (30) days prior written notice to Landlord and to any deed of trust holder, mortgagee or ground lessor designated by Landlord to Tenant. Tenant shall furnish Landlord with a replacement certificate with respect to any insurance or self insurance not less than thirty (30) days prior to the expiration of the current policy. Tenant shall have the right to provide the insurance required by this Article X pursuant to blanket policies, but only if such blanket policies expressly provide coverage to the Premises and Landlord as required by this Lease.

10.06 **Waiver of Subrogation.** Each party hereby waives any right of recovery against the other for injury or loss due to hazards covered by insurance or required to be covered, to the extent of the injury or loss

	
Landlord's initial	Tenant's initial

covered thereby. Any policy of insurance to be provided by Tenant or Landlord pursuant to this Article X shall contain a clause denying the applicable insurer any right of subrogation against the other party.

10.07 **Failure to Insure.** If Tenant fails to maintain any insurance which Tenant is required to maintain pursuant to this Article X, Tenant shall be liable to Landlord for any loss or cost resulting from such failure to maintain. Any assignee, sublessee, or other transferee of the originally named Tenant's interest in this Lease may not self-insure against any risks required to be covered by insurance without Landlord's prior written consent.

#### ARTICLE XI - DAMAGE OR DESTRUCTION

11.01 **Total Destruction.** Except as provided in Section 11.03 below, this Lease shall automatically terminate if the Building is totally destroyed.

11.02 **Partial Destruction of Premises.** If the Premises are damaged by any casualty and, in Landlord's opinion, the Premises (exclusive of any Alterations made to the Premises by Tenant) can be restored to its pre-existing condition within two hundred seventy (270) days after the date of the damage or destruction, Landlord shall, upon written notice from Tenant to Landlord of such damage, except as provided in Section 11.03, promptly and with due diligence repair any damage to the Premises (exclusive of any Alterations to the Premises made by Tenant, which shall be promptly repaired by Tenant at its sole expense) and, until such repairs are completed, the Rent shall be abated from the date of damage or destruction in the same proportion that the rentable area of the portion of the Premises which is unusable by Tenant in the conduct of its business bears to the total rentable area of the Premises. If such repairs cannot, in Landlord's opinion, be made within said two hundred seventy (270) day period, then Landlord may, at its option, exercisable by written notice given to Tenant within thirty (30) days after the date of the damage or destruction, elect to make the repairs within a reasonable time after the damage or destruction, in which event this Lease shall remain in full force and effect but the Rent shall be abated as provided in the preceding sentence; if Landlord does not so elect to make the repairs, then either Landlord or Tenant shall have the right, by written notice given to the other within sixty (60) days after the date of the damage or destruction, to terminate this Lease as of the date of the damage or destruction.

11.03 **Exceptions to Landlord's Obligations.** Notwithstanding anything to the contrary contained in this Article XI, Landlord shall have no obligation to repair the Premises if either: (a) the Building in which the Premises are located is so damaged as to require repairs to the Building exceeding twenty percent (20%) of the full insurable value of the Building; or (b) Landlord elects to demolish the Building in which the Premises are located; or (c) the damage or destruction occurs less than two (2) years prior to the Termination Date, exclusive of option periods; or (d) the damage or destruction is caused by an uninsured event. Further, Tenant's Rent shall not be abated if either (i) the damage or destruction is repaired within five (5) business days after Landlord receives written notice from Tenant of the casualty, or (ii) Tenant, or any officers, partners, employees, agents or invitees of Tenant, or any assignee or subtenant of Tenant, is, in whole or in part, responsible for the damage or destruction.

11.04 **Waiver.** The provisions contained in this Lease shall supersede any contrary laws (whether statutory, common law or otherwise) now or hereafter in effect relating to damage, destruction, self-help or termination, including California Civil Code Sections 1932 and 1933.

#### ARTICLE XII - CONDEMNATION

12.01 **Taking.** If the entire Premises or so much of the Premises as to render the balance unusable by Tenant shall be taken by condemnation, sale in lieu of condemnation or in any other manner for any public or quasi-public purpose (collectively "Condemnation"), and if Landlord, at its option, is unable or unwilling to provide substitute premises containing at least as much rentable area as described in Section 1.02 above, then this Lease shall terminate on the date that title or possession to the Premises is taken by the condemning authority, whichever is earlier.

12.02 **Award.** In the event of any Condemnation, the entire award for such taking shall belong to Landlord. Tenant shall have no claim against Landlord or the award for the value of any unexpired term of this

	
Landlord's Signature	Tenant's Initial

Lease or otherwise. Tenant shall be entitled to independently pursue a separate award in a separate proceeding for Tenant's relocation costs directly associated with the taking, provided such separate award does not diminish Landlord's award.

12.03 Temporary Taking. No temporary taking of the Premises shall terminate this Lease or entitle Tenant to any abatement of the Rent payable to Landlord under this Lease; provided, further, that any award for such temporary taking shall belong to Tenant to the extent that the award applies to any time period during the Lease Term and to Landlord to the extent that the award applies to any time period outside the Lease Term.

### ARTICLE XIII - RELOCATION

13.01 Relocation. Intentionally omitted.

### ARTICLE XIV - ASSIGNMENT AND SUBLETTING

14.01 Restriction. Without the prior written consent of Landlord, which shall not be unreasonably withheld, Tenant shall not, either voluntarily or by operation of law, assign, encumber, or otherwise transfer this Lease or any interest herein, or sublet the Premises or any part thereof, or permit the Premises to be occupied by anyone other than Tenant or Tenant's employees (any such assignment, encumbrance, subletting, occupation or transfer is hereinafter referred to as a "Transfer"). For purposes of this Lease, the term "Transfer" shall also include (a) if Tenant is a partnership, the withdrawal or change, voluntary, involuntary or by operation of law, of a majority of the partners, or a transfer of a majority of partnership interests, within a twelve month period, or the dissolution of the partnership, (b) if Tenant is a closely held corporation (i.e. whose stock is not publicly held and not traded through an exchange or over the counter) or a limited liability company, the dissolution, merger, consolidation, division, liquidation or other reorganization of Tenant, or within a twelve month period: (i) the sale or other transfer of more than an aggregate of 50% of the voting securities of Tenant (other than to immediate family members by reason of gift or death) or (ii) the sale, mortgage, hypothecation or pledge of more than an aggregate of 50% of Tenant's net assets, and (c) any change by Tenant in the form of its legal organization under applicable state law (such as, for example, a change from a general partnership to a limited partnership or from a corporation to a limited liability company). An assignment, subletting or other action in violation of the foregoing shall be void and, at Landlord's option, shall constitute a material breach of this Lease. Notwithstanding anything contained in this Article XIV to the contrary, Tenant shall have the right to assign the Lease or sublease the Premises, or any part thereof, to an "Affiliate" without the prior written consent of Landlord, but upon at least twenty (20) days' prior written notice to Landlord, provided that said Affiliate is not in default under any other lease for space in a property that is managed by Landlord or its managing agent. For purposes of this provision, the term "Affiliate" shall mean any corporation or other entity controlling, controlled by, or under common control with (directly or indirectly) Tenant, including, without limitation, any parent corporation controlling Tenant or any subsidiary that Tenant controls. The term "control," as used herein, shall mean the power to direct or cause the direction of the management and policies of the controlled entity through the ownership of more than fifty percent (50%) of the voting securities in such controlled entity. Notwithstanding anything contained in this Article XIV to the contrary, Tenant expressly covenants and agrees not to enter into any lease, sublease, license, concession or other agreement for use, occupancy or utilization of the Premises which provides for rental or other payment for such use, occupancy or utilization based in whole or in part on the net income or profits derived by any person from the property leased, used, occupied or utilized (other than an amount based on a fixed percentage or percentages of receipts or sales), and that any such purported lease, sublease, license, concession or other agreement shall be absolutely void and ineffective as a conveyance of any right or interest in the possession, use, occupancy or utilization of any part of the Premises.

14.02 Notice to Landlord. If Tenant desires to assign this Lease or any interest herein, or to sublet all or any part of the Premises, then at least thirty (30) days but not more than one hundred eighty (180) days prior to the effective date of the proposed assignment or subletting, Tenant shall submit to Landlord in connection with Tenant's request for Landlord's consent:

	
Landlord's Signature	Tenant's Initial



(A) A statement containing (i) the name and address of the proposed assignee or subtenant; (ii) such financial information with respect to the proposed assignee or subtenant as Landlord shall reasonably require; (iii) the type of use proposed for the Premises; and (iv) all of the principal terms of the proposed assignment or subletting; and

(B) Four (4) originals of the assignment or sublease on a form approved by Landlord and four (4) originals of the Landlord's Consent to Sublease or Assignment and Assumption of Lease and Consent.

14.03 **Landlord's Recapture Rights.** At any time within twenty (20) business days after Landlord's receipt of all (but not less than all) of the information and documents described in Section 14.02 above, Landlord may, at its option by written notice to Tenant, elect to: (a) sublease the Premises or the portion thereof proposed to be sublet by Tenant upon the same terms as those offered to the proposed subtenant; (b) take an assignment of the Lease upon the same terms as those offered to the proposed assignee; or (c) terminate the Lease in its entirety or as to the portion of the Premises proposed to be assigned or sublet, with a proportionate adjustment in the Rent payable hereunder if the Lease is terminated as to less than all of the Premises. If Landlord does not exercise any of the options described in the preceding sentence, then, during the above-described twenty (20) business day period, Landlord shall either consent or deny its consent to the proposed assignment or subletting. Notwithstanding the foregoing, this Section 14.03 shall not apply to assignment or subleasing requests made by the originally named Tenant.

14.04 **Landlord's Consent; Standards.** Landlord's consent to a proposed assignment or subletting shall not be unreasonably withheld; but, in addition to any other grounds for denial, Landlord's consent shall be deemed reasonably withheld if, in Landlord's good faith judgment: (i) the proposed assignee or subtenant does not have the financial strength to perform its obligations under this Lease or any proposed sublease; (ii) the business and operations of the proposed assignee or subtenant are not of comparable quality to the business and operations being conducted by other tenants in the Building; (iii) the proposed assignee or subtenant intends to use any part of the Premises for a purpose not permitted under this Lease; (iv) either the proposed assignee or subtenant, or any person which directly or indirectly controls, is controlled by, or is under common control with the proposed assignee or subtenant, occupies space in the Building, or is negotiating with Landlord to lease space in the Building; (v) the proposed assignee or subtenant is disreputable; (vi) the use of the Premises or the Building by the proposed assignee or subtenant would, in Landlord's reasonable judgment, impact the Building in a negative manner including but not limited to significantly increasing the pedestrian traffic in and out of the Building or requiring any alterations to the Building to comply with applicable laws; (vii) the subject space is not regular in shape with appropriate means of ingress and egress suitable for normal renting purposes; (viii) the transferee is a government (or agency or instrumentality thereof); or (ix) Tenant has failed to cure a default at the time Tenant requests consent to the proposed Transfer. Notwithstanding the foregoing, subsection (viii) of this Section 14.04 shall not apply to assignment or subleasing requests made by the originally named Tenant.

14.05 **Additional Rent.** If Landlord consents to any such assignment or subletting, Tenant shall be entitled to all of the amount by which all sums or other economic consideration received by Tenant in connection with such assignment or subletting, whether denominated as rental or otherwise, exceeds, in the aggregate, the total sum which Tenant is obligated to pay Landlord under this Lease (prorated to reflect obligations allocable to less than all of the Premises under a sublease).

14.06 **Landlord's Costs.** If Tenant shall Transfer this Lease or all or any part of the Premises or shall request the consent of Landlord to any Transfer, Tenant shall pay to Landlord as additional rent Landlord's costs related thereto, including Landlord's reasonable attorneys' fees and a minimum fee to Landlord of Five Hundred Dollars (\$500.00). Notwithstanding the foregoing, the fee provided herein shall be limited to Three Hundred Dollars (\$300.00) for any Transfer of this Lease or all or any part of the Premises or request for Landlord's consent to a Transfer made by the originally named Tenant during the initial Lease Term.

14.07 **Continuing Liability of Tenant.** Notwithstanding any Transfer, including an assignment or sublease to an Affiliate, Tenant shall remain as fully and primarily liable for the payment of Rent and for the performance of all other obligations of Tenant contained in this Lease to the same extent as if the Transfer had not occurred; provided, however, that any act or omission of any transferee, other than Landlord, that violates the terms of this Lease shall be deemed a violation of this Lease by Tenant.

	
Landlord's Signature	Tenant's Initial

14.08 **Non-Waiver.** The consent by Landlord to any Transfer shall not relieve Tenant, or any person claiming through or by Tenant, of the obligation to obtain the consent of Landlord, pursuant to this Article XIV, to any further Transfer. In the event of an assignment or subletting, Landlord may collect rent from the assignee or the subtenant without waiving any rights hereunder and collection of the rent from a person other than Tenant shall not be deemed a waiver of any of Landlord's rights under this Article XIV, an acceptance of assignee or subtenant as Tenant, or a release of Tenant from the performance of Tenant's obligations under this Lease. If Tenant shall default under this Lease and fail to cure within the time permitted, Landlord is irrevocably authorized, as Tenant's agent and attorney-in-fact, to direct any transferee to make all payments under or in connection with the Transfer directly to Landlord (which Landlord shall apply towards Tenant's obligations under this Lease) until such default is cured.

#### ARTICLE XV - DEFAULT AND REMEDIES

15.01 **Events of Default By Tenant.** The occurrence of any of the following shall constitute a material default and breach of this Lease by Tenant:

(A) The failure by Tenant to pay Base Rent or make any other payment required to be made by Tenant hereunder as and when due.

(B) The abandonment of the Premises by Tenant or the vacation of the Premises by Tenant for fourteen (14) consecutive days (without the payment of Rent).

(C) The making by Tenant of any assignment of this Lease or any sublease of all or part of the Premises, except as expressly permitted under Article XIV of this Lease.



(D) The failure by Tenant to observe or perform any other provision of this Lease to be observed or performed by Tenant, other than those described in Sections 15.01(A), 15.01(B) or 15.01 (C) above, if such failure continues for fifteen (15) days after written notice thereof by Landlord to Tenant; provided, however, that if the nature of the default is such that it cannot be cured within the fifteen (15) day period, no default shall exist if Tenant commences the curing of the default within the fifteen (15) day period and thereafter diligently prosecutes the same to completion.

(E) The making by Tenant or its Guarantor of any general assignment for the benefit of creditors, the filing by or against Tenant or its Guarantor of a petition under any federal or state bankruptcy or insolvency laws (unless, in the case of a petition filed against Tenant or its Guarantor the same is dismissed within thirty (30) days after filing); the appointment of a trustee or receiver to take possession of substantially all of Tenant's assets at the Premises or Tenant's interest in this Lease or the Premises, when possession is not restored to Tenant within thirty (30) days; or the attachment, execution or other seizure of substantially all of Tenant's assets located at the Premises or Tenant's interest in this Lease or the Premises, if such seizure is not discharged within thirty (30) days.

(F) Any material misrepresentation herein, or material misrepresentation or omission in any financial statements or other materials provided by Tenant or any Guarantor in connection with negotiating or entering into this Lease or in connection with any Transfer under Section 14.01.

15.02 **Landlord's Right to Terminate Upon Tenant Default.** In the event of any default by Tenant as provided in Section 15.01 above, Landlord shall have the right to terminate this Lease and recover possession of the Premises by giving written notice to Tenant of Landlord's election to terminate this Lease, in which event Landlord shall be entitled to receive from Tenant:

(A) The worth at the time of award of any unpaid Rent which had been earned at the time of such termination; plus

	
Landlord's Initial	Tenant's Initial

(B) The worth at the time of award of the amount by which the unpaid Rent which would have been earned after termination until the time of award exceeds the amount of such rental loss Tenant proves could have been reasonably avoided; plus

(C) The worth at the time of award of the amount by which the unpaid Rent for the balance of the term after the time of award exceeds the amount of such rental loss that Tenant proves could be reasonably avoided; plus



(D) Any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom; and

(E) At Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable law.

As used in subparagraphs (A) and (B) above, "worth at the time of award" shall be computed by allowing interest on such amounts at the then highest lawful rate of interest, but in no event to exceed one percent (1%) per annum plus the rate established by the Federal Reserve Bank of San Francisco on advances made to member banks under Sections of the Federal Reserve Act ("discount rate") prevailing at the time of the award. As used in paragraph (C) above, "worth at the time of award" shall be computed by discounting such amount by (i) the discount rate of the Federal Reserve Bank of San Francisco prevailing at the time of award plus (ii) one percent (1%).

**15.03 Mitigation of Damages.** If Landlord terminates this Lease or Tenant's right to possession of the Premises, Landlord shall have no obligation to mitigate Landlord's damages except to the extent required by applicable law. If Landlord has not terminated this Lease or Tenant's right to possession of the Premises, Landlord shall have no obligation to mitigate under any circumstances and may permit the Premises to remain vacant or abandoned. If Landlord is required to mitigate damages as provided herein: (i) Landlord shall be required only to use reasonable efforts to mitigate, which shall not exceed such efforts as Landlord generally uses to lease other space in the Building, (ii) Landlord will not be deemed to have failed to mitigate if Landlord or its affiliates lease any other portions of the Building or other projects owned by Landlord or its affiliates in the same geographic area, before reletting all or any portion of the Premises, and (iii) any failure to mitigate as described herein with respect to any period of time shall only reduce the Rent and other amounts to which Landlord is entitled hereunder by the reasonable rental value of the Premises during such period. In recognition that the value of the Building depends on the rental rates and terms of leases therein, Landlord's rejection of a prospective replacement tenant based on an offer of rentals below Landlord's published rates for new leases of comparable space at the Building at the time in question, or at Landlord's option, below the rates provided in this Lease, or containing terms less favorable than those contained herein, shall not give rise to a claim by Tenant that Landlord failed to mitigate Landlord's damages.

**15.04 Landlord's Right To Continue Lease Upon Tenant Default.** In the event of a default of this Lease and abandonment of the Premises by Tenant, if Landlord does not elect to terminate this Lease as provided in Section 15.02 above, Landlord may from time to time, without terminating this Lease, enforce all of its rights and remedies under this Lease. Without limiting the foregoing, Landlord has the remedy described in California Civil Code Section 1951.4 (Landlord may continue this Lease in effect after Tenant's default and abandonment and recover Rent as it becomes due, if Tenant has the right to Transfer, subject to reasonable limitations). In the event Landlord re-lets the Premises, to the fullest extent permitted by law, the proceeds of any reletting shall be applied first to pay to Landlord all costs and expenses of such reletting (including without limitation, costs and expenses of retaking or repossessing the Premises, removing persons and property therefrom, securing new tenants, including expenses for redecoration, alterations and other costs in connection with preparing the Premises for the new tenant, and if Landlord shall maintain and operate the Premises, the costs thereof) and receivers' fees incurred in connection with the appointment of and performance by a receiver to protect the Premises and Landlord's interest under this Lease and any necessary or reasonable alterations; second, to the payment of any indebtedness of Tenant to Landlord other than Rent due and unpaid hereunder; third, to the payment of Rent due and unpaid hereunder; and the residue, if any, shall be held by Landlord and applied in payment of other or future obligations of Tenant to Landlord as the same may become due and payable, and Tenant shall not be entitled to receive any portion of such revenue.

	
Landlord's initial	Tenant's initial

15.05 **Right of Landlord to Perform.** All covenants and agreements to be performed by Tenant under this Lease shall be performed by Tenant at Tenant's sole cost and expense. If Tenant shall fail to pay any sum of money, other than Rent, required to be paid by it hereunder or shall fail to perform any other act on its part to be performed hereunder, Landlord may, but shall not be obligated to, make any payment or perform any such other act on Tenant's part to be made or performed, without waiving or releasing Tenant of its obligations under this Lease. Any sums so paid by Landlord and all necessary incidental costs, together with interest thereon at the lesser of the maximum rate permitted by law if any or twelve percent (12%) per annum from the date of such payment, shall be payable to Landlord as additional rent on demand and Landlord shall have the same rights and remedies in the event of nonpayment as in the case of default by Tenant in the payment of Rent.



15.06 **Default Under Other Leases.** If the term of any lease, other than this Lease, heretofore or hereafter made by Tenant for any office space in the Building shall be terminated or terminable after the making of this Lease because of any default by Tenant under such other lease, such fact shall empower Landlord, at Landlord's sole option, to terminate this Lease by notice to Tenant or to exercise any of the rights or remedies set forth in Section 15.02.

15.07 **Non-Waiver.** Nothing in this Article shall be deemed to affect Landlord's rights to indemnification for liability or liabilities arising prior to termination of this Lease or Tenant's right to possession of the Premises for personal injury or property damages under the indemnification clause or clauses contained in this Lease. No acceptance by Landlord of a lesser sum than the Rent then due shall be deemed to be other than on account of the earliest installment of such rent due, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such installment or pursue any other remedy in the Lease provided. The delivery of keys to any employee of Landlord or to Landlord's agent or any employee thereof shall not operate as a termination of this Lease or a surrender of the Premises.

15.08 **Cumulative Remedies.** The specific remedies to which Landlord may resort under the terms of the Lease are cumulative and are not intended to be exclusive of any other remedies or means of redress to which it may be lawfully entitled in case of any breach or threatened breach by Tenant of any provisions of the Lease. In addition to the other remedies provided in the Lease, Landlord shall be entitled to a restraint by injunction of the violation or attempted or threatened violation of any of the covenants, conditions or provisions of the Lease or to a decree compelling specific performance of any such covenants, conditions or provisions.

15.09 **Default by Landlord.** Landlord's failure to perform or observe any of its obligations under this Lease shall constitute a default by Landlord under this Lease only if such failure shall continue for a period of thirty (30) days (or the additional time, if any, that is reasonably necessary to promptly and diligently cure the failure) after Landlord receives written notice from Tenant specifying the default. The notice shall give in reasonable detail the nature and extent of the failure and shall identify the Lease provision(s) containing the obligation(s). If Landlord shall default in the performance of any of its obligations under this Lease (after notice and opportunity to cure as provided herein), Tenant may pursue any remedies available to it under the law and this Lease, except that, in no event, shall Landlord be liable for punitive damages, lost profits, business interruption, speculative, consequential or other such damages. In recognition that Landlord must receive timely payments of Rent and operate the Building, Tenant shall have no right of self-help to perform repairs or any other obligation of Landlord, and shall have no right to withhold, set-off, or abate Rent, except as provided for in Addendum To Lease, Section 13.

15.10 **Abatement Recapture.** Any agreement for free or abated rent, free parking, TI Allowance or other charges, or for the giving or paying by Landlord to or for Tenant of any cash or other bonus, inducement or consideration for Tenant's entering into this Lease, all of which concessions are hereinafter referred to as "Abatement Provisions", shall be deemed conditioned upon Tenant's full and faithful performance of all of the terms, covenants and conditions of this Lease. Upon the occurrence of a breach of this Lease by Tenant, any such Abatement Provision shall automatically be deemed deleted from this Lease and of no further force or effect, and any rent, other charge, bonus, inducement or consideration theretofore abated, given or paid by Landlord under such an Abatement Provision shall be immediately due and payable by Tenant to Landlord, notwithstanding any subsequent cure of said breach by Tenant. The acceptance by Landlord of rent or the cure of the breach which

	
Landlord's Initial	Tenant's Initial

initiated the operation of this paragraph shall not be deemed a waiver by Landlord of the provisions of this paragraph unless specifically so stated in writing by Landlord at the time of such acceptance.

#### ARTICLE XVI - ATTORNEYS' FEES: COSTS OF SUIT

16.01 **Attorneys Fees.** If either Landlord or Tenant shall commence any action or other proceeding against the other arising out of, or relating to, this Lease or the Premises, the prevailing party shall be entitled to recover from the losing party, in addition to any other relief, its actual attorneys' fees irrespective of whether or not the action or other proceeding is prosecuted to judgment and irrespective of any court schedule of reasonable attorneys' fees. In addition, Tenant shall reimburse Landlord, upon demand, for all reasonable attorneys' fees incurred in collecting Rent, resolving any actual default by Tenant, securing indemnification as provided in Article X and paragraphs, 16.02, 23.01 and 25.01 herein or otherwise seeking enforcement against Tenant, its sublessees and assigns, of Tenant's obligations under this Lease.

16.02 **Indemnification.** Should Landlord be made a party to any litigation instituted by Tenant against a party other than Landlord, or by a third party against Tenant, Tenant shall indemnify, hold harmless and defend Landlord from any and all loss, cost, liability, damage or expense incurred by Landlord, including attorneys' fees, in connection with the litigation.

#### ARTICLE XVII - SUBORDINATION AND ATTORNMENT

17.01 **Subordination.** This Lease, and the rights of Tenant hereunder, are and shall be subject and subordinate to the interest of (i) all present and future ground leases and master leases of all or any part of the Building; (ii) present and future mortgages and deeds of trust encumbering all or any part of the Building; (iii) all past and future advances made under any such mortgages or deeds of trust; and (iv) all renewals, modifications, replacements and extensions of any such ground leases, master leases, mortgages and deeds of trust; provided, however, that any lessor under any such ground lease or master lease or any mortgagee or beneficiary under any such mortgage or deed of trust (any such lessor, mortgagee or beneficiary is hereinafter referred to as a "Mortgagee") shall have the right to elect, by written notice given to Tenant, to have this Lease made superior in whole or in part to any such ground lease, master lease, mortgage or deed of trust (or subject and subordinate to such ground lease, master lease, mortgage or deed of trust but superior to any junior mortgage or junior deed of trust). Upon demand, Tenant shall execute, acknowledge and deliver any instruments reasonably requested by Landlord or any such Mortgagee to effect the purposes of this Section 17.01. Such instruments may contain, among other things, provisions to the effect that such Mortgagee (hereafter, for the purposes of this Section 17.01, a "Successor Landlord") shall (i) not be liable for any act or omission of Landlord or its predecessors, if any, prior to the date of such Successor Landlord's succession to Landlord's interest under this Lease; (ii) not be subject to any offsets or defenses which Tenant might have been able to assert against Landlord or its predecessors, if any, prior to the date of such Successor Landlord's succession to Landlord's interest under this Lease; (iii) not be liable for the return of any security deposit under the Lease unless the same shall have actually been deposited with such Successor Landlord; (iv) be entitled to receive notice of any Landlord default under this Lease plus a reasonable opportunity to cure such default prior to Tenant having any right or ability to terminate this Lease as a result of such Landlord default; (v) not be bound by any rent or additional rent which Tenant might have paid for more than the current month to Landlord; (vi) not be bound by any amendment or modification of the Lease or any cancellation or surrender of the same made without Successor Landlord's prior written consent; (vii) not be bound by any obligation to make any payment to Tenant which was required to be made prior to the time such Successor Landlord succeeded to Landlord's interest and (viii) not be bound by any obligation under the Lease to perform any work or to make any improvements to the demised Premises. Any obligations of any Successor Landlord under its respective lease shall be non-recourse as to any assets of such Successor Landlord other than its interest in the Premises and improvements.

17.02 **Attornment.** If the interests of Landlord under the Lease shall be transferred to any superior Mortgagee or other purchaser or person taking title to the Building by reason of the termination of any superior lease or the foreclosure of any superior mortgage or deed of trust, Tenant shall be bound to such Successor Landlord under all of the terms, covenants and conditions of the Lease for the balance of the term thereof remaining and any

	
Landlord's Signature	Tenant's Initial

extensions or renewals thereof which may be effected in accordance with any option therefor in the Lease, with the same force and effect as if Successor Landlord were the landlord under the Lease, and Tenant shall attorn to and recognize as Tenant's landlord under this Lease such Successor Landlord, as its landlord, said attornment to be effective and self-operative without the execution of any further instruments upon Successor Landlord's succeeding to the interest of Landlord under the Lease. Tenant shall, upon demand, execute any documents reasonably requested by any such person to evidence the attornment described in this Section 17.02. Concurrently, upon written request from Tenant, and provided Tenant is not in default under this Lease, Landlord agrees to use diligent, commercially reasonable efforts to obtain a Non-Disturbance Agreement from the current Mortgagee or Successor Landlord. Such Non-Disturbance Agreement may be embodied in the Mortgagee's customary form of Subordination and Non-Disturbance Agreement. If, after exerting diligent, commercially reasonable efforts, Landlord is unable to obtain a Non-Disturbance Agreement from any such Mortgagee, Landlord shall have no further obligation to Tenant with respect thereto.

17.03 **Mortgagee Protection.** Tenant agrees to give any Mortgagee, by registered or certified mail, a copy of any notice of default served upon Landlord by Tenant, provided that prior to such notice Tenant has been notified in writing (by way of service on Tenant of a copy of Assignment of Rents and Leases, or otherwise) of the address of such Mortgagee (hereafter the "Notified Party"). Tenant further agrees that if Landlord shall have failed to cure such default within twenty (20) days after such notice to Landlord (or if such default cannot be cured or corrected within that time, then such additional time as may be necessary if Landlord has commenced within such twenty (20) days and is diligently pursuing the remedies or steps necessary to cure or correct such default), then the Notified Party shall have an additional thirty (30) days within which to cure or correct such default (or if such default cannot be cured or corrected within that time, then such additional time as may be necessary if the Notified Party has commenced within such thirty (30) days and is diligently pursuing the remedies or steps necessary to cure or correct such default). Until the time allowed, as aforesaid, for the Notified Party to cure such default has expired without cure, Tenant shall have no right to, and shall not, terminate this Lease on account of Landlord's default.

#### ARTICLE XVIII - QUIET ENJOYMENT

18.01 Provided that Tenant performs all of its obligations hereunder, Tenant shall have and peaceably enjoy the Premises during the Lease Term free of claims by or through Landlord, subject to all of the terms and conditions contained in this Lease.

#### ARTICLE XIX - RULES AND REGULATIONS

19.01 The Rules and Regulations attached hereto as Exhibit "C" are hereby incorporated by reference herein and made a part hereof. Tenant shall abide by, and faithfully observe and comply with the Rules and Regulations and any reasonable and non-discriminatory amendments, modifications and/or additions thereto as may hereafter be adopted and published by written notice to tenants by Landlord for the safety, care, security, good order and/or cleanliness of the Premises and/or the Building. Landlord shall not be liable to Tenant for any violation of such rules and regulations by any other tenant or occupant of the Building.

#### ARTICLE XX - ESTOPPEL CERTIFICATES

20.01 Tenant agrees at any time and from time to time upon not less than ten (10) business days' prior written notice from Landlord to execute, acknowledge and deliver to Landlord a statement in writing addressed and certifying to Landlord, to any current or prospective Mortgagee or any assignee thereof, to any prospective purchaser of the land, improvements or both comprising the Building, and to any other party designated by Landlord, that this Lease is unmodified and in full force and effect (of if there have been modifications, that the same is in full force and effect as modified and stating the modifications); that Tenant has accepted possession of the Premises, which are acceptable in all respects, and that any improvements required by the terms of this Lease to be made by Landlord have been completed to the satisfaction of Tenant; that Tenant is in full occupancy of the Premises; that no rent has been paid more than thirty (30) days in advance; that the first month's Base Rent has been paid; that Tenant is entitled to no free rent or other concessions except as stated in this Lease; that Tenant has not

	
Landlord's initial	Tenant's initial

been notified of any previous assignment of Landlord's or any predecessor landlord's interest under this Lease; the dates to which Base Rent, additional rental and other charges have been paid; that Tenant, as of the date of such certificate, has no charge, lien or claim of setoff under this Lease or otherwise against Base Rent, additional rental or other charges due or to become due under this Lease; that Landlord is not in default in performance of any covenant, agreement or condition contained in this Lease; or any other matter relating to this Lease or the Premises or, if so, specifying each such default. If there is a Guaranty under this Lease, said Guarantor shall confirm the validity of the Guaranty by joining in the execution of the Estoppel Certificate or other documents so requested by Landlord or Mortgagee. In addition, in the event that such certificate is being given to any Mortgagee, such statement may contain any other provisions customarily required by such Mortgagee including, without limitation, an agreement on the part of Tenant to furnish to such Mortgagee, written notice of any Landlord default and a reasonable opportunity for such Mortgagee to cure such default prior to Tenant being able to terminate this Lease. Any such statement delivered pursuant to this Section may be relied upon by Landlord or any Mortgagee, or prospective purchaser to whom it is addressed and such statement, if required by its addressee, may so specifically state. If Tenant does not execute, acknowledge and deliver to Landlord the statement as and when required herein, Landlord is hereby granted an irrevocable power-of-attorney, coupled with an interest, to execute such statement on Tenant's behalf, which statement shall be binding on Tenant to the same extent as if executed by Tenant.



#### ARTICLE XXI - ENTRY BY LANDLORD

21.01 Landlord may enter the Premises at all reasonable times to: inspect the same; exhibit the same to prospective purchasers, Mortgagees or tenants (provided such entry to show prospective tenants is with reasonable prior notice); determine whether Tenant is complying with all of its obligations under this Lease; supply janitorial and other services to be provided by Landlord to Tenant under this Lease; post notices of non-responsibility; and make repairs or improvements in or to the Building or the Premises; provided, however, that all such work shall be done as promptly as reasonably possible and so as to cause as little interference to Tenant as reasonably possible. Tenant hereby waives any claim for damages for any injury or inconvenience to, or interference with, Tenant's business, any loss of occupancy or quiet enjoyment of the Premises or any other loss occasioned by such entry. Landlord shall at all times have and retain a key with which to unlock all of the doors in, on or about the Premises (excluding Tenant's vaults, safes and similar areas designated by Tenant in writing in advance), and Landlord shall have the right to use any and all means by which Landlord may deem proper to open such doors to obtain entry to the Premises, and any entry to the Premises obtained by Landlord by any such means, or otherwise, shall not under any circumstances be deemed or construed to be a forcible or unlawful entry into or a detainer of the Premises of an eviction, actual or constructive, of Tenant from any part of the Premises. Such entry by Landlord shall not act as a termination of Tenant's duties under this Lease. If Landlord shall be required to obtain entry by means other than a key provided by Tenant, the cost of such entry shall be payable by Tenant to Landlord as additional rent.

#### ARTICLE XXII - LANDLORD'S LEASE UNDERTAKINGS-EXCULPATION FROM PERSONAL LIABILITY; TRANSFER OF LANDLORD'S INTEREST

22.01 Landlord's Lease Undertakings. Notwithstanding anything to the contrary contained in this Lease or in any exhibits, Riders or addenda hereto attached (collectively the "Lease Documents"), it is expressly understood and agreed by and between the parties hereto that: (a) the recourse of Tenant or its successors or assigns against Landlord with respect to the alleged breach by or on the part of Landlord of any representation, warranty, covenant, undertaking or agreement contained in any of the Lease Documents or otherwise arising out of Tenant's use of the Premises or the Building (collectively, "Landlord's Lease Undertakings") shall extend only to Landlord's interest in the real estate of which the Premises demised under the Lease Documents are a part ("Landlord's Real Estate") and not to any other assets of Landlord or its officers, directors or shareholders; and (b) except to the extent of Landlord's interest in Landlord's Real Estate, no personal liability or personal responsibility of any sort with respect to any of Landlord's Lease Undertakings or any alleged breach thereof is assumed by, or shall at any time be asserted or enforceable against, Landlord, Jamison Services, Inc., or against any of their respective directors, officers, employees, agents, constituent partners, beneficiaries, trustees or representatives.

22.02 Transfer of Landlord's Interest. In the event of any transfer of Landlord's interest in the Building, Landlord shall be automatically freed and relieved from all applicable liability with respect to performance

	
Landlord's Initial	Tenant's Initial

of any covenant or obligation on the part of Landlord, provided any deposits or advance rents held by Landlord are turned over to the grantee and said grantee expressly assumes, subject to the limitations of this Section 22, all the terms, covenants and conditions of this Lease to be performed on the part of Landlord, it being intended hereby that the covenants and obligations contained in this Lease on the part of Landlord shall, subject to all the provisions of this Section 22, be binding on Landlord, its successors and assigns, only during their respective periods of ownership.

#### ARTICLE XXIII - HOLDOVER TENANCY

23.01 If Tenant holds possession of the Premises after the expiration or termination of the Lease Term, by lapse of time or otherwise, Tenant shall become a tenant at sufferance upon all of the terms contained herein, except as to Lease Term and Rent. During such holdover period, Tenant shall pay to Landlord a monthly rental equivalent to one hundred fifty percent (150%) of the Rent Payable by Tenant to Landlord with respect to the last month of the Lease Term. The monthly rent payable for such holdover period shall in no event be construed as a penalty or as liquidated damages for such retention of possession. All options, rights of first refusal, concessions and discounts, if any, granted under this Lease shall be deemed terminated and of no force or effect during such month-to-month tenancy. Without limiting the foregoing, Tenant hereby agrees to indemnify, defend and hold harmless Landlord, its beneficiary, and their respective agents, contractors and employees, from and against any and all claims, liabilities, actions, losses, damages (including without limitation, direct, indirect, incidental and consequential) and expenses (including, without limitation, court costs and reasonable attorneys' fees) asserted against or sustained by any such party and arising from or by reason of such retention of possession, which obligations shall survive the expiration or termination of the Lease Term.

#### ARTICLE XXIV - NOTICES

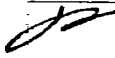

24.01 All notices which Landlord or Tenant may be required, or may desire, to serve on the other may be served, as an alternative to personal service, by mailing the same by registered or certified mail, postage prepaid, addressed to Landlord at the address for Landlord set forth in Section 1.12 above and to Tenant at the address for Tenant set forth in Section 1.13 above, or, from and after the Commencement Date, to Tenant at the Premises whether or not Tenant has departed from, abandoned or vacated the Premises, or addressed to such other address or addresses as either Landlord or Tenant may from time to time designate to the other in writing. Any notice shall be deemed to have been served at the time the same was posted.

#### ARTICLE XXV - BROKERS

25.01 The parties recognize as the broker(s) who procured this Lease the firm(s) specified in Section 1.14 and agree that Landlord shall be solely responsible for the payment of any brokerage commissions to said broker(s), and that Tenant shall have no responsibility therefor unless written provision to the contrary has been made a part of this Lease. If Tenant has dealt with any other person or real estate broker in respect to leasing, subleasing or renting space in the Building, Tenant shall be solely responsible for the payment of any fee due said person or firm and Tenant shall protect, indemnify, hold harmless and defend Landlord from any liability in respect thereto.

#### ARTICLE XXVI - ELECTRONIC SERVICES

26.01 **Tenant's Lines.** Tenant may, in a manner consistent with the provisions and requirements of this Lease, install, maintain, replace, remove or use any communications or computer or other electronic service wires, cables and related devices (collectively the "Lines") at the Building in or serving the Premises, provided: (a) Tenant shall obtain Landlord's prior written consent, which consent may be conditioned as required by Landlord, (b) if Tenant at any time uses any equipment that may create an electromagnetic field exceeding the normal insulation ratings of ordinary twisted pair riser cable or cause radiation higher than normal background radiation, the Lines therefor (including riser cables) shall be appropriately insulated to prevent such excessive electromagnetic fields or

	
Landlord's initial	Tenant's initial



radiation, and (c) Tenant shall pay all costs in connection therewith. Landlord reserves the right to require that Tenant remove any Lines which are installed in violation of these provisions. Tenant shall not, without the prior written consent of Landlord in each instance, grant to any third party a security interest or lien in or on the Lines, and any such security interest or lien granted without Landlord's written consent shall be null and void. Landlord shall provide reasonable access to the Building riser conduits to enable Tenant to connect its telephone and communication equipment.



26.02 **Definition of Electronic Services.** As used herein "Electronic Services Provider" means a business which provides telephone, telegraph, telex, video, other telecommunications or other services which permit Tenant to receive or transmit information by the use of electronics and which require the use of wires, cables, antennas or similar devices in or on the Building. The services of Electronic Services Providers are sometimes referred to herein as "Electronic Services."

26.03 **No Right to Specific Services.** Landlord shall have no obligation (i) to install any Electronic Services equipment or facilities, (ii) to make available to Tenant the services of any particular Electronic Services Provider, (iii) to allow any particular Electronic Services Provider access to the Building, (iv) to continue to grant access to an Electronic Services Provider once such provider has been given access to the Building. Landlord may (but shall not have the obligation to): (x) install new Lines at the property, (y) create additional space for Lines at the property, and (z) adopt reasonable and uniform rules and regulations with respect to Lines.

26.04 **Limitation of Landlord's Responsibility.** Tenant acknowledges and agrees that all Electronic Services desired by Tenant shall be ordered and utilized at the sole expense of Tenant. Unless Landlord otherwise requests or consents in writing, all of Tenant's Electronic Services equipment shall be and remain solely in the Tenant's premises and the telephone closet(s) on the floor(s) on which the Tenant's premises is located, in accordance with rules and regulations adopted by Landlord from time to time. Unless otherwise specifically agreed to in writing, Landlord shall have no responsibility for the maintenance of Tenant's Electronic Services equipment, including Lines; nor for any Lines or other infrastructure to which Tenant's Electronic Services equipment may be connected. Tenant agrees that, to the extent any Electronic Services are interrupted, curtailed or discontinued, Landlord shall have no obligation or liability with respect thereto and it shall be the sole obligation of Tenant at its own expense to obtain substitute service. Except to the extent arising from the intentional or grossly negligent acts of Landlord or Landlord's agents or employees, Landlord shall have no liability for damages arising from, and Landlord does not warrant that Tenant's use of any Lines will be free from the following (collectively called "Line Problems"): (x) any eavesdropping or wire-tapping by unauthorized parties, (y) any failure of any Lines to satisfy Tenant's requirements, or (z) any shortages, failures, variations, interruptions, disconnection's, loss or damage caused by the installation, maintenance, replacement, use or removal of Lines by or for other tenants or occupants at the property. Under no circumstances shall any Line Problems be deemed an actual or constructive eviction of Tenant, render Landlord liable to Tenant for abatement of Rent, or relieve Tenant from performance of Tenant's obligations under this Lease. Landlord in no event shall be liable for damages by reason of loss of profits, business interruption or other consequential damage arising from any Line Problems.

26.05 **Necessary Service Interruptions.** Landlord shall have the right, upon reasonable prior notice to Tenant, to interrupt or turn off Electronic Services facilities in the event of emergency or as necessary in connection with maintenance, repairs or construction at the Building or installation of Electronic Services equipment for other Tenants of the Building or on account of violation by the Electronic Services Provider or owner of the Electronic Services equipment of any obligation to Landlord or in the event that Tenant's use of the Electronic Services infrastructure of the Building materially interferes with the Electronic Services of other tenants of the Building.

26.06 **Removal of Equipment, Wiring and Other Facilities.** Any and all Electronic Services equipment installed in the Tenant's Premises or elsewhere in the Building by or on behalf of Tenant, including Lines, or other facilities for Electronic Services reception or transmittal, shall be removed prior to the expiration or earlier termination of the Lease term, by Tenant at its sole cost or, at Landlord's election, by Landlord at Tenant's sole cost, with the cost thereof to be paid as additional rent. Landlord shall have the right, however, upon written notice to Tenant given no later than thirty (30) days prior to the expiration or earlier termination of the Lease term (except that the notice period shall extend to thirty (30) days beyond the date of termination of the Lease if it is terminated by either party due to a default by the other), to require Tenant to abandon and leave in place, without

	
Landlord's Initial	Tenant's Initial



additional payment to Tenant or credit against rent, any and all Electronic Services Lines and related infrastructure, or selected components thereof, whether located in the Tenant's premises or elsewhere in the Building.

**26.07 New Provider Installations.** In the event that Tenant wishes at any time to utilize the services of an Electronic Services Provider whose equipment is not then servicing the Building, no such Electronic Services Provider shall be permitted to install its Lines or other equipment within the Building without first securing the prior written approval of the Landlord. Landlord's approval shall not be deemed any kind of warranty or representation by Landlord, including, without limitation, any warranty or representation as to the suitability, competence, or financial strength of the Electronic Services Provider. Without limitation of the foregoing standard, unless all of the following conditions are satisfied to Landlord's satisfaction, it shall be reasonable for Landlord to refuse to give its approval: (i) Landlord shall incur no current expense or risk or future expense whatsoever with respect to any aspect of the Electronic Services Provider's provision of its Electronic Services, including without limitation, the costs of installation, materials and services; (ii) prior to commencement of any work in or about the Building by the Electronic Services Provider, the Electronic Services Provider shall supply Landlord with such written indemnities, insurance, financial statements, and such other items as Landlord reasonably determines to be necessary to protect its financial interests and the interests of the Building relating to the proposed activities of the Electronic Services Provider; (iii) the Electronic Services Provider agrees to abide by such rules and regulations, Building and other codes, job site rules and such other requirements as are reasonably determined by Landlord to be necessary to protect the interests of the Building, the Tenants in the Building and Landlord, in the same or similar manner as Landlord has the right to protect itself and the Building with respect to proposed alterations as described in Article IX of this Lease; (iv) Landlord reasonably determines that, considering other potential uses for space in the Building, there is sufficient space in the Building for the placement of all of the provider's equipment, conduit, Lines and other materials; (v) the Electronic Services Provider agrees to abide by Landlord's requirements, if any, that provider use existing Building conduits and pipes or use Building contractors (or other contractors approved by Landlord); (vi) Landlord receives from the Electronic Services Provider such compensation as is reasonably determined by Landlord to compensate it for space used in the Building for the storage and maintenance of the Electronic Services Provider's equipment, for the fair market value of a Electronic Services Provider's access to the Building, for the use of common or core space within the Building and the costs which may reasonably be expected to be incurred by Landlord; (vii) the provider agrees to deliver to Landlord detailed "as built" plans immediately after the installation of the provider's equipment is complete; and (viii) all of the foregoing matters are documented in a written license agreement between Landlord and the provider, the form and content of which is reasonably satisfactory to Landlord."

**26.08 Limit of Default or Breach.** Notwithstanding any provision of the proceeding paragraphs to the contrary, the refusal of Landlord to grant its approval to any prospective Electronic Services Provider shall not be deemed a default or breach by Landlord of its obligation under this Lease unless and until Landlord is adjudicated to have acted recklessly or maliciously with respect to Tenant's request for approval, and in that event, Tenant shall still have no right to terminate the Lease or claim an entitlement to rent abatement, but may as Tenant's sole and exclusive recourse seek a judicial order of specific performance compelling Landlord to grant its approval as to the prospective provider in question. The provisions of this paragraph may be enforced solely by Tenant and Landlord, are not for the benefit of any other party, and specifically but without limitation, no telephone or other Electronic Services Provider shall be deemed a third party beneficiary of this Lease.

**26.09 Installation and Use of Wireless Technologies.** Tenant shall not utilize any wireless Electronic Services equipment (other than usual and customary cellular telephones), including antennae and satellite receiver dishes, within the Tenant's premises, within the Building or attached to the outside walls or roof of the Building, without Landlord's prior written consent. Such consent may be conditioned in such a manner so as to protect Landlord's financial interests and the interests of the Building, and the other tenants therein, in a manner similar to the arrangements described in the immediately preceding paragraphs.

**26.10 Limitation of Liability For Equipment Interference.** In the event that Electronic Services equipment, Lines and facilities or satellite and antennae equipment of any type installed by or at the request of Tenant within the Tenant's premises, on the roof, or elsewhere within or on the Building causes interference to equipment used by another party, Tenant shall cease using such equipment, Lines and facilities or satellite and antennae equipment until the source of the interference is identified and eliminated and Tenant shall assume all liability related to such interference. Tenant shall cooperate with Landlord and other parties, to eliminate such

	
Landlord's Initial	Tenant's Initial

interference promptly. In the event that Tenant is unable to do so, Tenant will substitute alternative equipment which remedies the situation. If such interference persists, Tenant shall, at Landlord's sole discretion, remove such equipment.

#### ARTICLE XXVII - PARKING

27.01 **Parking.** During the term of this Lease, Tenant shall be entitled to use the number of Tenant's Parking Stalls, if any, described in Section 1.16 of this Lease in the parking facilities located within the Building. Such parking shall be on a non-assigned basis. Tenant's visitors shall have the right to use the parking facilities, subject to availability and to the rates, rules and regulations governing visitor parking from time to time adopted by Landlord (or, at Landlord's option, the operator or master lessee of the parking facilities).

27.02 **Development Project.** A "Development Project" shall include any new construction, expansion, demolition, conversion, or adaptive reuse of the Building (or a portion thereof), including but not limited to the building, related land, improvements, parking facilities, common areas, driveways, sidewalks and landscaping of the Building. Landlord and Tenant hereby acknowledge the following: (a) Landlord, at Landlord's sole discretion, may engage in any Development Projects at the Building (or a portion thereof) while Tenant leases the Premises; and (b) Landlord shall have the right to temporarily close such parking facilities and relocate Tenant's parking spaces as Landlord, in Landlord's reasonable discretion, deems necessary for the duration of any such Development Project.

27.03 **Construction Period.** Landlord shall provide Tenant with thirty (30) days prior written notice ("Construction Notice") when construction for the Development Project requires Landlord to temporarily close any parking facilities in the Building. The Construction Notice shall specify the estimated Construction Commencement Date and estimated Construction Completion Date (as defined hereafter), however, under no circumstances shall Landlord be obligated to actually commence or complete construction by those dates. The "Construction Period" shall mean the period from the date that Tenant is actually restricted from parking in the Building's parking facility ("Construction Commencement Date") to the date that Tenant is permitted to park in a parking facility within the existing Building or within the Development Project ("Construction Completion Date"). Notwithstanding anything contained in the Lease to the contrary, Landlord shall not be required to provide a Construction Notice or other parking arrangements provided for herein for the following types of construction permitted under the Lease: (i) any tenant improvements for existing or new tenants within the Building, (ii) any maintenance or repairs for the Building, (iii) any capital improvements for the Building, (iv) any construction that does not restrict Tenant's access to the Building's parking facilities, and/or (v) any rights reserved by Landlord under Section 28.19 of the Lease.



27.04 **Construction Period Parking.** In the event Landlord temporarily closes the parking facilities in the Building and relocates Tenant's parking spaces as a result of a Development Project, Landlord shall provide Tenant with alternative parking arrangements near the Building to Tenant during the Construction Period at the same rate contained in the Lease and in no event farther than one thousand five hundred (1,500) feet from the Building.

#### ARTICLE XXVIII - MISCELLANEOUS

28.01 **Entire Agreement.** This Lease contains all of the agreements and understandings relating to the leasing of the Premises and the obligations of Landlord and Tenant in connection with such leasing. Landlord has not made, and Tenant is not relying upon, any warranties, or representations, promises or statements made by Landlord or any agent of Landlord, except as expressly set forth herein. This Lease supersedes any and all prior agreements and understandings between Landlord and Tenant and alone expresses the agreement of the parties.

28.02 **Amendments.** This Lease shall not be amended, changed or modified in any way unless in writing executed by Landlord and Tenant. Landlord shall not have waived or released any of its rights hereunder unless in writing and executed by Landlord.

28.03 **Successors.** Except as expressly provided herein, this Lease and the obligations of Landlord and Tenant contained herein shall bind and benefit the successors and assigns of the parties hereto.

	
Landlord's initial	Tenant's initial

28.04 **Force Majeure.** Landlord shall incur no liability to Tenant with respect to, and shall not be responsible for any failure to perform, any of Landlord's obligations hereunder if such failure is caused by any reason beyond the control of Landlord including, but not limited to, strike, labor trouble, governmental rule, regulations, ordinance, statute or interpretation, or by fire, earthquake, civil commotion, or failure or disruption of utility services. The amount of time for Landlord to perform any of Landlord's obligations shall be extended by the amount of time Landlord is delayed in performing such obligation by reason of any force majeure occurrence whether similar to or different from the foregoing types of occurrences.

28.05 **Survival of Obligations.** Any obligations of Tenant accruing prior to the expiration of the Lease shall survive the expiration or earlier termination of the Lease, and Tenant shall promptly perform all such obligations whether or not this Lease has expired or been terminated.

28.06 **Light and Air.** No diminution or shutting off of any light, air or view by any structure now or hereafter erected shall in any manner affect this Lease or the obligations of Tenant hereunder, or increase any of the obligations of Landlord hereunder.

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

28.08 **Severability.** In the event any provision of this Lease is found to be unenforceable, the remainder of this Lease shall not be affected, and any provision found to be invalid shall be enforceable to the extent permitted by law. The parties agree that in the event two different interpretations may be given to any provision hereunder, one of which will render the provision unenforceable, and one of which will render the provision enforceable, the interpretation rendering the provision enforceable shall be adopted.

28.09 **Captions.** All captions, headings, titles, numerical references and computer highlighting are for convenience only and shall have no effect on the interpretation of this Lease.

28.10 **Interpretation.** Tenant acknowledges that it has read and reviewed this Lease and that it has had the opportunity to confer with counsel in the negotiation of this Lease. Accordingly, this Lease shall be construed neither for nor against Landlord or Tenant, but shall be given a fair and reasonable interpretation in accordance with the meaning of its terms and the intent of the parties.

28.11 **Independent Covenants.** Each covenant, agreement, obligation or other provision of this Lease to be performed by Tenant are separate and independent covenants of Tenant, and not dependent on any other provision of the Lease.

28.12 **Number and Gender.** All terms and words used in this Lease, regardless of the number or gender in which they are used, shall be deemed to include the appropriate number and gender, as the context may require.

28.13 **Time is of the Essence.** Time is of the essence of this Lease and the performance of all obligations hereunder.

28.14 **Joint and Several Liability.** If Tenant comprises more than one person or entity, or if this Lease is guaranteed by any party, all such persons shall be jointly and severally liable for payment of rents and the performance of Tenant's obligations hereunder. If Tenant comprises more than one person or entity and fewer than all of the persons or entities comprising Tenant abandon the Premises, Landlord, at its sole option, may treat the abandonment by such person or entities as an event of default and exercise with respect to such persons the rights and remedies provided in Article XV without affecting the right or obligations of the persons or entities comprising Tenant which have not abandoned the property.

28.15 **Exhibits.** Exhibits A (Outline of Premises), B (Work Letter Agreement), C (Rules and Regulations), D (Guaranty), E (Suite Acceptance Letter), and F (Right of Entry Agreement) and the Addendum are incorporated into this Lease by reference and made a part hereof.

	
Landlord's Initial	Tenant's Initial

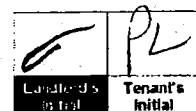
28.16 **Offer to Lease.** The submission of this Lease to Tenant or its broker or other agent, does not constitute an offer to Tenant to lease the Premises. This Lease shall have no force and effect until (a) it is executed and delivered by Tenant to Landlord and (b) it is fully reviewed and executed by Landlord; provided, however, that, upon execution of this Lease by Tenant and delivery to Landlord, such execution and delivery by Tenant, shall, in consideration of the time and expense incurred by Landlord in reviewing the Lease and Tenant's credit, constitute an offer by Tenant to lease the Premises upon the terms and conditions set forth herein.

28.17 **No Counterclaim; Choice of Laws.** It is mutually agreed that in the event Landlord commences any summary proceeding for non-payment of Rent, Tenant will not interpose any counterclaim of whatever nature or description in any such proceeding. In addition, Tenant hereby submits to local jurisdiction in the State of California and agrees that any action by Tenant against Landlord shall be instituted in the State of California and that Landlord shall have personal jurisdiction over Tenant for any action brought by Landlord against Tenant in the State of California.

28.18 **Electrical Service to the Premises.** Anything set forth in Section 7.01 or elsewhere in this Lease to the contrary notwithstanding, electricity to the Premises shall not be furnished by Landlord, but shall be furnished by the approved electric utility company serving the Building. Landlord shall permit Tenant to receive such service directly from such utility company at Tenant's cost (except as otherwise provided herein) and shall permit Landlord's wire and conduits, to the extent available, suitable and safely capable, to be used for such purposes.

28.19 **Rights Reserved by Landlord.** Landlord reserves the following rights exercisable without notice (except as otherwise expressly provided to the contrary in this Lease) and without being deemed an eviction or disturbance of Tenant's use or possession of the Premises or giving rise to any claim for set-off or abatement of Rent: (i) to change the name or street address of the Building; (ii) to install, affix and maintain all signs on the exterior and/or interior of the Building; (iii) to designate and/or approve prior to installation, all types of signs, window shades, blinds, drapes, awnings or other similar items, and all internal lighting that may be visible from the exterior of the Premises and, notwithstanding the provisions of Article IX, the design, arrangement, style, color and general appearance of the portion of the Premises visible from the exterior, and contents thereof, including, without limitation, furniture, fixtures, signs, art work, wall coverings, carpet and decorations, and all changes, additions and removals thereto, shall, at all times have the appearance of premises having the same type of exposure and used for substantially the same purposes that are generally prevailing in comparable office buildings in the area; (iv) to change the arrangement of entrances, doors, corridors, elevators and/or stairs in the Building, provided no such change shall materially adversely affect access to the Premises; (v) to grant any party the exclusive right to conduct any business or render any service in the Building, provided such exclusive right shall not operate to prohibit Tenant from using the Premises for the purposes permitted under this Lease; (vi) to prohibit the placement of vending or dispensing machines of any kind in or about the Premises other than for use by Tenant's employees; (vii) to prohibit the placement of video or other electronic games in the Premises; (viii) to have access for Landlord and other tenants of the Building to any mail chutes and boxes located in or on the Premises according to the rules of the United States Post Office and to discontinue any mail chute business in the Building; (ix) to close the Building after normal business hours, except that Tenant and its employees and invitees shall be entitled to admission at all times under such rules and regulations as Landlord prescribes for security purposes; (x) to install, operate and maintain security systems which monitor, by close circuit television or otherwise, all persons entering or leaving the Building; (xi) to install and maintain pipes, ducts, conduits, wires and structural elements located in the Premises which serve other parts or other tenants of the Building; and (xii) to retain at all times master keys or pass keys to the Premises; (xiii) to establish and, from time to time, to change, alter and amend, and to enforce, against Tenant and the other users of the common areas, including automobile parking areas and structures, the parking spaces therein, driveways, entrances and exits and the sidewalks and pedestrian passageways, such reasonable rules and regulations as may be deemed necessary or advisable by Landlord for the proper and efficient operation and maintenance of the common areas.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK;  
SIGNATURE PAGE IMMEDIATELY FOLLOWS]

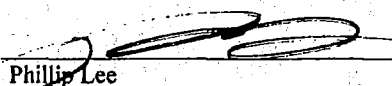


IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the date first above written.

**LANDLORD:**

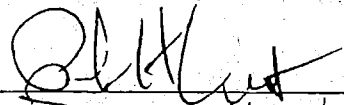
4811 Airport Plaza, LLC,  
a Delaware limited liability company,

By: Jamison Services, Inc.,  
a California corporation  
Its: Authorized Agent

By:   
Phillip Lee  
Chief Executive Officer

**TENANT:**

City of Long Beach,  
a municipal corporation

By:   
Name: Patrick H. West  
Its: City Manager

APPROVED AS TO FORM

2-3 2016  
CHARLES PARKIN, City Attorney

By:   
RICHARD ANTHONY  
DEPUTY CITY ATTORNEY

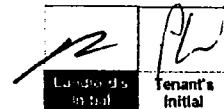
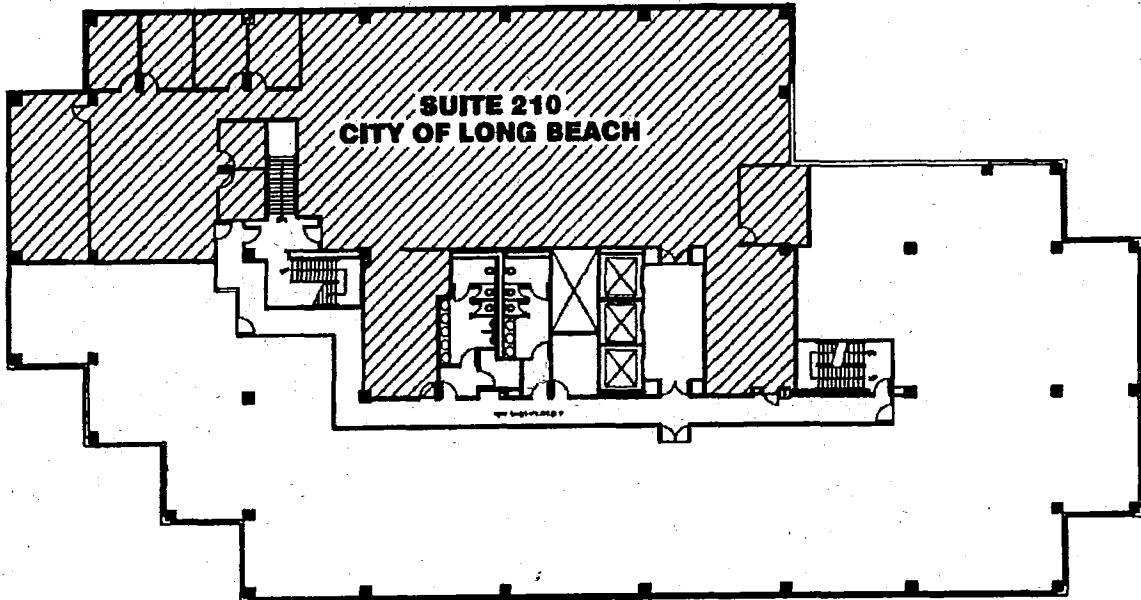
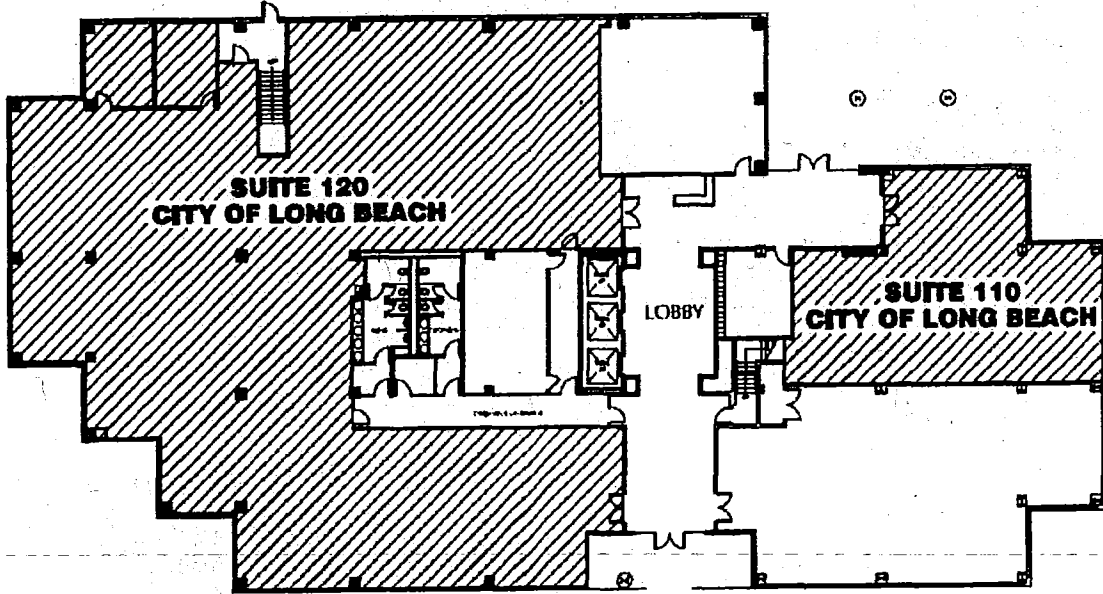


EXHIBIT A

Floor Plan



*PLW*

**EXHIBIT B**  
**WORK LETTER AGREEMENT**

**(Landlord Performs Work)**

THIS WORK LETTER AGREEMENT ("Work Letter") made as of February 1, 2016, between 4811 Airport Plaza, LLC, a Delaware limited liability company ("Landlord"), and City of Long Beach, a municipal corporation ("Tenant").



Reference is made to the Lease dated February 1, 2016 (the "Lease") for premises known as Suite(s) 110, 120 and 200 (the "Premises"), located in that certain office building located at 4811 Airport Plaza Drive, Long Beach, California 90815, commonly known as 4811 Airport Plaza, together with any related land, improvements, parking facilities, common areas, driveways, sidewalks and landscaping (the "Building").

Landlord, at its sole cost, shall provide the following tenant improvement work, using building standard materials, quantities, and procedures then in use by Landlord (the "Work"):

1. Landlord to provide Tenant with Space Planning Allowance of \$0.15 per rentable square foot leased for a test fit of the space.
2. Landlord to provide Tenant with a Tenant Improvement Allowance of \$30.00 per rentable square foot leased.
3. Tenant shall select firm for architectural services and construction management services. Fees shall be deducted from Tenant Improvement Allowance.
4. Premises shall be remodeled per set of plans which Landlord shall have the right to review and reasonably approve.
5. Tenant may use a portion of the Tenant Improvement Allowance toward cost of installing new voice and data cabling and modular furniture.
6. Space Plan shall be bid for by three (3) licensed general contractors. Landlord to include one (1) general contractor and Tenant to include two (2) general contractors in the bidding process. Tenant shall have the exclusive right to select the bid of its choice.
7. Landlord shall enter into the contract to secure the general contractor.
8. Landlord to provide Tenant with an additional allowance in the amount not to exceed \$25.00 per rentable square foot leased ("Additional Allowance"). The Additional Allowance to be reimbursed by Tenant to Landlord as Additional Rent. The Additional Allowance shall be amortized over the initial term of the Lease at an interest rate of seven percent (7%) per year. Tenant shall have the right to prepay the remaining balance of the Additional Allowance at any time without a prepayment penalty.
9. Landlord shall comply with the California Labor Code Section 1720 regarding the payment of prevailing wages for the Work described herein.
10. NOTE: Landlord at Landlord's cost shall be responsible for demising cost and constructing a common corridor on 2<sup>nd</sup> floor with finishes mutually agreed upon, subject to building standard materials.

No other Work shall be provided by Landlord.

In addition to the tenant improvement work provided herein, if applicable or otherwise to comply with the building code requirements of the City of Long Beach, as such requirements are set at the time of the execution of the Lease, Landlord shall, at Landlord's sole cost and expense, complete improvements to the Building related to (i) fire alarms, emergency lighting, HVAC, electrical and plumbing, as they relate or are connected to the tenant improvement work at the Premises; and (ii) ADA compliant handicapped restrooms for the common areas of the first and second floors of the Building. The bidding process provided under Paragraph 6 above shall not be required for the building improvement work provided under this paragraph. Landlord has no obligation to provide any building improvement work other than the work expressly provided in this paragraph.

	
Landlord's Initial	Tenant's Initial



Landlord will use commercially reasonable efforts to "Substantially Complete" (as defined below) the Work by the Commencement Date under the Lease or within 60 days thereafter, subject to Force Majeure Delays and Tenant Delays. For purposes of this Lease, "Substantial Completion" of the Premises shall occur when (1) Landlord has sufficiently completed all the work required to be performed by Landlord in accordance with this Work with the exception of any punch list items which do not interfere with use of the Premises and any tenant fixtures, work-stations, built-in furniture or equipment to be installed by Tenant, (2) Landlord obtains a Certificate of Occupancy for the Premises, (3) all Building fire alarms, smoke detectors, exit lights, life safety equipment and other Building code requirements are installed and operational on the Premises, (4) the Building HVAC, utilities, plumbing service and doors and hardware for the Premises are sufficiently completed so as to enable Tenant to move in and install its furniture, fixtures, machinery and equipment in the Premises and conduct normal business operations in the Premises. Possession of the Premises shall be tendered to Tenant upon Substantial Completion of the Premises.



The term "Force Majeure Delay" as used in the Lease or this Agreement shall mean any delay in the completion of the Tenant Improvements which is attributable to any: (1) actual delay or failure to perform attributable to any strike, lockout or other labor or industrial disturbance (whether or not on the part of the employees of either party hereto), civil disturbance, future order claiming jurisdiction, act of a public enemy, war, riot, sabotage, blockade, embargo, inability to secure customary materials, supplies or labor through ordinary sources by reason of regulation or order of any government or regulatory body; (2) delay attributable to the failure of Landlord and/or Tenant to secure building permits and approvals within the same time period that normally prevailed for obtaining such permits at the time this Lease was negotiated; (3) delay in completing the final plans and/or the construction of the tenant improvements because of changes in any applicable laws (including, without limitation, the ADA), or the interpretation thereof; or (4) delay attributable to lightening, earthquake, fire, storm, hurricane, tornado, flood, washout, explosion, or any other similar industry-wide or Building-wide cause beyond the reasonable control of the party from whom performance is required, or any of its contractors or other representatives. Any prevention, delay or stoppage due to any Force Majeure Delay shall excuse the performance of the party affected for a period of time equal to any such prevention, delay or stoppage (except the obligations of either party to pay money, including rental and other charges, pursuant to the Lease).

The term "Tenant Delay" shall mean any delay that Landlord may encounter in the performance of Landlord's obligations under this Work Letter because of any act or omission of any nature by Tenant or its agents or contractors, including any: (1) delay attributable to changes in or additions to the space plan or to the tenant improvements requested by Tenant; (2) delay attributable to the postponement of any tenant improvements at the request of Tenant; (3) delay by Tenant in the submission of information or the giving of authorizations or approvals within the time limits set forth in this Work Letter; and (4) delay attributable to the failure of Tenant to pay, when due, any amounts required to be paid by Tenant pursuant to this Work Letter.

If there shall be a delay in the Substantial Completion of the Premises as a result of Tenant Delays or Force Majeure Delays, then, notwithstanding anything to the contrary set forth in the Lease and regardless of the actual date of Substantial Completion, the Commencement Date shall be deemed to be the date the Commencement Date would have occurred if no Tenant Delays or Force Majeure Delays, as set forth above, had occurred. Tenant acknowledges that the Work may occur during normal business hours while Tenant is in occupancy of the Premises and that no interference to Tenant's business operations in, or use of, the Premises shall entitle Tenant to any abatement of rent or any other concession, or give rise to any claim against, or liability of, Landlord.

Time is of the essence for both Landlord and Tenant with this Work Letter Agreement.

Notwithstanding anything to the contrary contained in this Work Letter, it is expressly understood and agreed by and between the parties hereto that: (a) The recourse of Tenant or its successors or assigns against Landlord with respect to the alleged breach by or on the part of Landlord of any representation, warranty, covenant, undertaking or agreement contained in this Work Letter (collectively, "Landlord's Work Letter Undertakings") shall extend only to Landlord's interest in the real estate of which the Premises demised under the Lease are a part (hereinafter, "Landlord's Real Estate") and not to any other assets of Landlord or its beneficiaries; and (b) Except to the extent of Landlord's interest in Landlord's Real Estate, no personal liability or personal responsibility of any sort with respect to any of Landlord's Work Letter Undertakings or any alleged breach thereof is assumed by, or

	
Landlord's initial	Tenant's initial

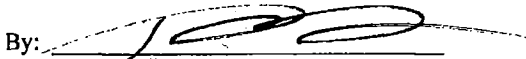
shall at any time be asserted or enforceable against, Landlord, or against any of their respective directors, officers, shareholders, employees, agents, constituent partners, beneficiaries, trustees or representatives.

IN WITNESS WHEREOF, the parties hereto have executed this Work Letter Agreement as of the date first above written.

**LANDLORD:**

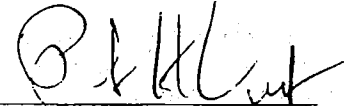
4811 Airport Plaza LLC,  
a Delaware limited liability company,

By: Jamison Services, Inc.,  
a California corporation  
Its: Authorized Agent


By:   
Phillip Lee  
Chief Executive Officer

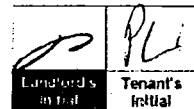
**TENANT:**

City of Long Beach,  
a municipal corporation

By:   
Name: Patrick H. West  
Its: City Manager

APPROVED AS TO FORM

2-3 2016  
CHARLES PARKIN City Attorney  
By:   
RICHARD ANTHONY  
DEPUTY CITY ATTORNEY



**EXHIBIT C**  
**RULES AND REGULATIONS**

1. The sidewalks, entrances, passages, courts, elevators, vestibules, stairways, corridors or halls shall not be obstructed or used for any purpose other than ingress and egress. The halls, passages, entrances, elevators, stairways, balconies and roof are not for the use of the general public, and Landlord shall in all cases retain the right to control or prevent access thereto by all persons whose presence in the judgment of Landlord shall be prejudicial to the safety, character, reputation or interests of Landlord and its tenants, provided that nothing herein contained shall be construed to prevent such access by persons with whom the tenant normally deals in the ordinary course of its business unless such persons are engaged in illegal activities. No tenant and no employees of any tenant shall go upon the roof of the Building without the written consent of Landlord.

2. No awnings or other projections shall be attached to the outside walls or surfaces of the Building nor shall the interior or exterior of any windows be coated without the prior written consent of Landlord. Except as otherwise specifically approved by Landlord, all electrical ceiling fixtures hung in offices or spaces along the perimeter of the Building must be fluorescent and of a quality, type, design and bulb color approved by Landlord. Tenant shall not place anything or allow anything to be placed near the glass of any window, door, partition or wall which may appear unsightly from outside the Premises.

3. No sign, picture, plaque, advertisement, notice or other material shall be exhibited, painted, inscribed or affixed by any tenant on any part of, or so as to be seen from the outside of, the Premises or the Building without the prior written consent of Landlord. In the event of the violation of the foregoing by any tenant, Landlord may remove the same without any liability, and may charge the expense incurred in such removal to the tenant violating this rule. Interior signs on doors and the directory tablet shall be inscribed, painted or affixed for each tenant by Landlord at the expense of such tenant, and shall be of a size, color and style acceptable to Landlord.

4. The toilets and wash basins and other plumbing fixtures shall not be used for any purpose other than those for which they were constructed, and no sweepings, rubbish, rags or other substances shall be thrown therein. All damage resulting from any misuse of the fixtures shall be borne by tenant who, or whose servants, employees, agents, visitors or licensees, shall have caused the same.



5. No tenant or its officers, agents, employees or invitees shall mark, paint, drill into, or in any way deface any part of the Premises or the Building. No boring, cutting or stringing of wires or laying of linoleum or other similar floor coverings shall be permitted except with the prior written consent of Landlord and as Landlord may direct.

6. No bicycles, vehicles or animals of any kind shall be brought into or kept in or about the Premises and no cooking shall be done or permitted by any tenant on the Premises except that microwave cooking in a UL-approved microwave oven and the preparation of coffee, tea, hot chocolate and similar items for the tenant and its employees and business visitors shall be permitted. Tenant shall not cause or permit any unusual or objectionable odors to escape from the Premises.

7. The Premises shall not be used for manufacturing or for the storage of merchandise except as such storage may be incidental to the use of the Premises for general office purposes. No tenant shall engage or pay any employees on the Premises except those actually working for such tenant on the Premises nor advertise for laborers giving an address at the Premises. The Premises shall not be used for lodging or sleeping or for any immoral or illegal purposes.

8. No tenant or its officers, agents, employees or invitees shall make, or permit to be made any unseemly or disturbing noises, sounds or vibrations or disturb or interfere with occupants of this or neighboring buildings or Premises or those having business with them whether by the use of any musical instrument, radio, phonograph, unusual noise, or in any other way.

9. No tenant or its officers, agents, employees or invitees shall throw anything out of doors, balconies or down the passageways.

	
Landlord's Initial	Tenant's Initial

10. Tenant shall not maintain armed security in or about the Premises nor possess any weapons, explosives, combustibles or other hazardous devices in or about the Building and/or Premises.

11. No tenant or its officers, agents, employees or invitees shall at any time use, bring or keep upon the Premises any flammable, combustible, explosive, foul or noxious fluid, chemical or substance, or do or permit anything to be done in the leased Premises, or bring or keep anything therein, which shall in any way increase the rate of fire insurance on the Building, or on the property kept therein, or obstruct or interfere with the rights of other tenants, or in any way injure or annoy them, or conflict with the regulations of the Fire Department or the fire laws, or with any insurance policy upon the Building, or any part thereof, or with any rules and ordinances established by the Board of Health or other governmental authority.

12. No additional locks or bolts of any kind shall be placed upon any of the doors or windows by any tenant, nor shall any changes be made in existing locks or the mechanism thereof. Each tenant must, upon the termination of this tenancy, restore to Landlord all keys of stores, offices, and toilet rooms, either furnished to, or otherwise procured by, such tenant, and in the event of the loss of any keys so furnished, such tenant shall pay to Landlord the cost of replacing the same or of changing the lock or locks opened by such lost key if Landlord shall deem it necessary to make such change.



13. All removals, or the carrying in or out of any safes, freight, furniture, or bulky matter of any description must take place during the hours which Landlord may determine from time to time. The moving of safes or other fixtures or bulky matter of any kind must be made upon previous notice to the manager of the Building and under his or her supervision, and the persons employed by any tenant for such work must be acceptable to Landlord. Landlord reserves the right to inspect all safes, freight or other bulky articles to be brought into the Building and to exclude from the Building all safes, freight or other bulky articles which violate any of these Rules and Regulations or the Lease of which these Rules and Regulations are a part. Landlord reserves the right to prohibit or impose conditions upon the installation in the Premises of heavy objects which might overload the building floors. Landlord will not be responsible for loss of or damage to any safes, freight, bulky articles or other property from any cause, and all damage done to the Building by moving or maintaining any such safe or other property shall be repaired at the expense of the tenant.

14. No tenant shall purchase or otherwise obtain for use in the Premises water, ice, towel, vending machine, janitorial, maintenance or other like services, or accept barbering or bootblacking services, except from persons authorized by Landlord, and at hours and under regulations fixed by Landlord.

15. Landlord shall have the right to prohibit any advertising by any tenant which, in Landlord's opinion, tends to impair the reputation of the Building or its desirability as an office building and upon written notice from Landlord any tenant shall refrain from or discontinue such advertising. No tenant shall use any graphic image of the Building or any part of the Building for advertising or public relations without Landlord's written permission.

16. Landlord reserves the right to exclude from the Building between the hours of 10:00 p.m. and 7:00 a.m. and at all hours of Saturdays, Sundays and legal holidays all persons who do not present a pass signed by Landlord. Landlord shall furnish passes to persons for whom any tenant requests the same in writing. Each tenant shall be responsible for all persons for whom he requests passes and shall be liable to Landlord for all acts of such persons. Landlord shall in no case be liable for damages for any error with regard to the admission to or exclusion from the Building of any person. In the case of invasion, mob, riot, public excitement or other commotion, Landlord reserves the right to prevent access to the Building during the continuance of the same, by closing of the gates and doors or otherwise, for the safety of the tenants and others and the protection of the Building and the property therein.

17. Any outside contractor employed by any tenant, shall, while in the Building, be subject to the prior written approval of Landlord and subject to the Rules and Regulations of the Building. Tenant shall be responsible for all acts of such persons and Landlord shall not be responsible for any loss or damage to property in the Premises, however occurring.

	
Landlord's Initial	Tenant's Initial

18. All doors opening onto public corridors shall be kept closed, except when in use for ingress and egress, and left locked when not in use.

19. The requirements of tenants will be attended to only upon application to the Office of the Building.

20. Canvassing, soliciting and peddling in the Building are prohibited and each tenant shall cooperate to prevent the same.

21. All office equipment of any electrical or mechanical nature shall be placed by tenants in the Premises in setting approved by Landlord, to absorb or prevent any vibration, noise or annoyance.

22. No air conditioning unit or other similar apparatus shall be installed or used by any tenant without the written consent of Landlord.

23. There shall not be used in any space, or in the public halls of the Building either by any tenant or others, any hand trucks except those equipped with rubber tires and side guards.

24. Landlord will direct electricians as to where and how telephone and telegraph wires are to be introduced. No boring or cutting for wires or stringing of wires will be allowed without written consent of Landlord. The location of telephones, call boxes and other office equipment affixed to the Premises shall be subject to the approval of Landlord. All such work shall be effected pursuant to permits issued by all applicable governmental authorities having jurisdiction.



25. No vendor with the intent of selling such goods shall be allowed to transport or carry beverages, food, food containers, etc., on any passenger elevators. The transportation of such items shall be via the service elevators in such manner as prescribed by Landlord.

26. Tenants shall cooperate with Landlord in the conservation of energy used in or about the Building, including without limitation, cooperating with Landlord in obtaining maximum effectiveness of the cooling system by closing drapes or other window coverings when the sun's rays fall directly on windows of the Premises, and closing windows and doors to prevent heat loss. Tenant shall not obstruct, alter or in any way impair the efficient operation of Landlord's heating, lighting, ventilating and air conditioning system and shall not place bottles, machines, parcels or any other articles on the induction unit enclosure so as to interfere with air flow. Tenant shall not tamper with or change the setting of any thermostats or temperature control valves, and shall in general use heat, gas, electricity, air conditioning equipment and heating equipment in a manner compatible with sound energy conservation practices and standards.

27. All parking ramps and areas, pedestrian walkways, plazas, and other public areas forming a part of the Building shall be under the sole and absolute control of Landlord with the exclusive right to regulate and control these areas. Tenant agrees to conform to the rules and regulations that may be established by Landlord for these areas from time to time.

28. Landlord reserves the right to exclude or expel from the Building any person who, in the judgment of Landlord, is intoxicated or under the influence of liquor or drugs, or who shall in any manner do any act in violation of any of the rules and regulations of the Building.

29. Tenant and its employees, agents, subtenants, contractors and invitees shall comply with all applicable "no-smoking" ordinances and, irrespective of such ordinances, shall not smoke or permit smoking of cigarettes, cigars or pipes outside of Tenant's Premises (including plaza areas) in any portions of the Building except areas specifically designated as smoking areas by Landlord. If required by applicable ordinance, Tenant shall provide smoking areas within Tenant's Premises.

	
Landlord's initial	Tenant's initial

**EXHIBIT D**  
**(INTENTIONALLY OMITTED)**



**EXHIBIT E**  
**SUITE ACCEPTANCE AGREEMENT**

**Landlord:** 4811 Airport Plaza LLC      **Tenant:** City of Long Beach  
**Building Address:** 4811 Airport Plaza Drive, Long Beach, CA 90815  
**Premises Suite(s) #:** 110/120/200      **Tenant Phone:** \_\_\_\_\_

Gentlemen:

As a representative of the above referenced tenant, I/we have physically inspected the suite noted above and its improvements with \_\_\_\_\_, a representative of 4811 Airport Plaza, LLC. I/we accept the suite improvements as to compliance with all the requirements indicated in our lease, also including the following verified information below:

**Lease Commencement Date:** \_\_\_\_\_      **Occupancy Date:** \_\_\_\_\_  
**Rent Start Date\*:** \_\_\_\_\_      **Actual Rent Start Date\*:** \_\_\_\_\_  
**Lease Expiration Date:** \_\_\_\_\_      **Actual Expiration Date:** \_\_\_\_\_  
**Date Keys Delivered:** \_\_\_\_\_  
\*If these dates are not the same, attach documentation.

**Items requiring attention:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

NOTE: This inspection is to be made prior to tenant move-in.

Very truly yours,

**TENANT:**



City of Long Beach,  
a municipal corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

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

	
Landlord's Initial	Tenant's Initial

**EXHIBIT F**  
**RIGHT OF ENTRY AGREEMENT**

This RIGHT OF ENTRY AGREEMENT (this "Agreement") is made and entered into as of \_\_\_\_\_, 2016, by and between 4811 Airport Plaza, LLC, a Delaware limited liability company, c/o Jamison Services, Inc., a California corporation ("Owner"), for that certain property located at 4811 Airport Plaza Drive, Long Beach, California 90815 (the "Building"), and \_\_\_\_\_, a California corporation ("Operator").

1. **Right of Entry:** Owner hereby grants to Operator a right of entry (the "ROE") to the Building for the purpose of installing, operating, maintaining and repairing telecommunications equipment (collectively "Equipment") in order to sell, market and provide Operator's telecommunications services ("Services") to the occupants of the Building (collectively "Occupants"), in accordance with the terms and conditions of this Agreement.

2. **Scope of Work:** Operator will provide Owner with a Scope of Work ("SOW") prior to installing the Equipment and shall obtain Owner's prior consent. The SOW will detail the Equipment to be used and how and where it will be installed. Notwithstanding the foregoing, the SOW shall not interfere with or impair Owner's or the Occupants' use of the Building. Operator's plans and all design and construction of the Equipment shall comply with all applicable statutes, ordinances, regulations, laws, codes and industry standards, including, but not limited to, requirements of Owner's fire insurance underwriters.



3. **Installation:** Once the SOW has been approved by Owner, Operator shall submit for advanced approval the construction schedule (containing the major components of the Equipment installation work and the time required for each, including the scheduled commencement date of construction, milestone dates and the estimated date of completion of construction) and contact information for the installations team, and such approval shall not be unreasonably withheld, conditioned, or delayed by Owner. Operator shall coordinate with Owner regarding the appropriate date to begin construction and/or installation of the Equipment in the Building. Except for emergency repair work, Operator will provide at least 24 hours prior notice to Owner's on-site management of any maintenance or other work to be conducted at the Building's roof.

4. **Term and Termination:** The term of this Agreement commences on \_\_\_\_\_ (the "Commencement Date") and shall remain in full force and effect until the later of: (a) the date that is 5 years after the Commencement Date; or (b) the date that is 6 months after the date that Operator ceases to provide Services to Occupant(s) at the Building (the "Term"). In consideration for of the mutual benefits and obligations set forth herein, Operator shall pay Owner \_\_\_\_\_ and 00/100 Dollars (\$ \_\_\_\_\_) per month throughout the Term. Notwithstanding the foregoing, if the Operator is only providing services exclusively to the City of Long Beach as a Tenant in the subject Building, then the monthly fee shall be waived.

5. **Exclusivity and Ownership:** The ROE granted herein is not exclusive and Owner reserves the right to grant, renew, or extend an ROE to other parties. Nothing contained herein shall be construed as granting to Operator any real property or ownership rights at the Building, or to create a partnership or joint venture between Owner and Operator. The ROE does not grant or convey any permanent easement, lease, fee or other interest in the Building to Operator. The ROE is subordinate to all existing rights and obligations of Owner, except that Owner shall grant no rights inconsistent with the rights provided to Operator under the ROE. Operator shall install, operate and maintain the System on the Property at its own expense and in accordance with all applicable laws.

6. Occupants, if they desire to receive Services, shall be charged and billed individually for such Services by Operator. Operator shall be responsible for any and all material damages directly caused to the Property by Operator's installation, operation, maintenance and removal of the System.

7. **Liens:** Operator shall not permit to be placed against the Building, or any part thereof, any liens (design professionals', mechanics', materialmen's, contractor's or subcontractors') with regard to the installation of its Equipment. Operator agrees to protect, indemnify and hold Owner and its partners, directors, agents and employees harmless from and against any and all loss, cost, liability or expense, including reasonable attorneys' fees

	
Landlord's Initial	Tenant's Initial



and costs, arising from any such liens which might be filed against the Building as a result of the installation of Equipment.

8. **Compliance with Laws/Permits:** Operator shall comply and cause its contractors, agents, and employees to comply with all federal, state, and local laws, statutes, orders, ordinances, rules, regulations, plans, policies and decrees and to perform any work in connection with the Equipment in accordance with generally accepted industry standards. Without limiting the generality of the foregoing, Operator, at its sole cost and expense, shall obtain any and all permits which may be required by any law, regulation or ordinance for any activities Operator desires to conduct or has conducted pursuant to the ROE, including the installation and operation of Equipment.

9. **Inspection:** Owner and its representatives, employees, agents or independent contractors may inspect Operator's Equipment at reasonable times of the day to verify Operator's compliance with the terms and conditions of the ROE. In the event of any claimed non-compliance by Owner, Owner will immediately advise Operator and allow for Operator's joint inspection with Owner's representatives, employees, agents or independent contractor's before undertaking any action with respect thereto.

10. **Removal of Equipment After Installation:** Operator shall remove the Equipment within thirty (30) days after expiration or earlier termination of the Lease and/or this Agreement and repair any damages to the Building caused by such removal. In the event Operator fails to remove any equipment or property as required herein, Owner may, at Operator's sole cost and expense, remove the same and Operator shall reimburse Owner for all reasonable out-of-pocket and documented costs by Owner in performing such removal. Any property not so removed within sixty (60) days after expiration or earlier termination of this Agreement shall be deemed abandoned and shall become the property of Owner, free and clear of all liens and encumbrances, without any further action required by either party.

11. **Certificate of Insurance:** Operator will provide Owner with certified copies of certificates of insurance for Operator and all of Operator's contractors and subcontractors evidencing the following insurance coverage prior to the commencement of any construction in the Building and will maintain such insurance coverage during the term of this Agreement:

- (a) Commercial General Liability Insurance with a per occurrence policy limit of \$1,000,000 and a general aggregate of \$2,000,000.
- (b) Worker's Compensation insurance:
  - Part I: Workers' Compensation insurance in accordance with applicable state law.
  - Part II: Employer's Liability in the amount of \$1,000,000 for each accident, for disease-each employee and for disease-policy limit.
- (c) Commercial Automobile Liability Insurance: Coverage to include owned, non-owned, leased and hired vehicles and coverage for Property Damage and Bodily Injury. Combined Single Limit: \$1,000,000.
- (d) Umbrella Liability Insurance providing \$10,000,000 per occurrence and aggregate coverage limits excess of 11(a), 11(b) Employer's Liability and 11(c) above.
- (e) **Property Coverage:** Property insurance on an all-risk, replacement cost basis for Operator's personal property and Equipment.

**Jamison Services, Inc. & Owner shall be named as Additional Insureds with Hold Harmless and Waiver of Subrogation**

12. **Indemnification:** Operator hereby agrees to indemnify, defend, assume all liability for and hold harmless Owner, Jamison Services, Inc., and their officers, employees, agents and representatives from all actions,

	
Landlord's Initial	Tenant's Initial

claims, suits, penalties, obligations, liabilities, damages to property, environmental claims or injuries to persons (collectively, "Actions or Damages"), which may be caused by Operator's activities pursuant to this Agreement or arising out of such activities, and whether such activities or performance thereof is by Operator or anyone directly or indirectly employed or under contract with Operator, and whether such damage or claim shall accrue or be discovered before or after the termination of this ROE. Such indemnification shall not apply if it is determined that the Actions or Damages were caused due to the negligence of Owner, including its officers, employees, agents or representatives.

13. **Interference:** Owner reserves the right to grant other easements on or rights of access to the Building. Operator's Equipment will not adversely affect or interfere with the Operators or operating systems of the Building. Operator agrees that the Equipment shall not unreasonably interfere with (a) other providers or utilities and/or services to the Building at the time of installation; and/or (b) any operating systems of the Building. If such interference shall occur and Owner has reasonably determined that it is attributable to the Equipment under this Agreement, Owner shall give Operator written notice thereof and Operator shall correct the same within seventy-two (72) business hours of receipt of such notice. If any such interference is not eliminated or reasonably demonstrated by Operator to not be caused by the Equipment within such seventy-two (72) hour period, then Operator shall suspend its operations until such time as the interference has been eliminated or reasonably demonstrated by Operator to not be caused by the Equipment, except for intermittent testing after performing such repair, modification, replacement or other action for the purpose of correcting the interference. If Operator is unable to rectify the interference within thirty (30) days of suspending its operations, then Owner shall have the right to terminate this Agreement.

14. **Attorneys' Fees:** In the event of a dispute between the parties with respect to the terms or conditions of this ROE, the prevailing party shall be entitled to collect from the other party its reasonable attorneys' fees as determined by the judge or arbitrator presiding over such dispute.

15. **Consent:** This Agreement can only be changed in writing, and must be signed by authorized representatives of both parties.

16. **Successors:** This Agreement shall be binding upon parties, their heirs, assigns, and successors in interest.

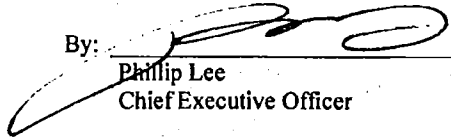
17. **Counterparts:** This Agreement may be executed in counterparts and such counterparts together shall constitute the entire Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first provided herein.

**OWNER:**

4811 Airport Plaza, LLC,  
a Delaware limited liability company,

By: Jamison Services, Inc.,  
a California corporation  
Its: Authorized Agent

By:   
Phillip Lee  
Chief Executive Officer

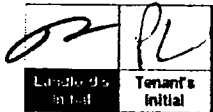
**OPERATOR:**

\_\_\_\_\_  
a \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_



## ADDENDUM TO LEASE

This ADDENDUM TO LEASE ("Addendum") is made and entered into as of February 1, 2016 (the "Effective Date") by and between 4811 Airport Plaza, LLC, a Delaware limited liability company, c/o Jamison Services, Inc. a California corporation, ("Landlord") and City of Long Beach, a municipal corporation ("Tenant").

In the event of any conflict between this Addendum and the Lease, the provisions of this Addendum shall prevail.

1. **Fire and Life Safety Program.** Tenant shall cooperate with Landlord in the Fire and Life Safety Program designed for the Building. This includes making available one employee for Floor Warden training and cooperating in fire drills and other procedures necessary to the Fire Safety and Emergency Evacuation Program.
2. **Telephone and Communications.** All private telephone and communications systems must be installed within Tenant's Premises. Special equipment shall not be maintained in the Building's main telephone terminal rooms.
3. **Riser Cable.** Landlord will maintain the telephone cable it has installed inside the Building. Landlord, however, shall not be responsible for interruption of service transmission, installation, and/or quality of intra-building network of cable.
4. **Kitchen and Plumbing Repairs.** Landlord shall not be responsible for repair and maintenance of any non-restroom sink or kitchen facilities in the Premises, including the ventilation system installed in the Premises. Tenant shall be responsible for cleaning, drain work that may be necessary, repair of garbage disposal, and any other related costs to the extent such costs are not covered by manufacturer or contractor warranties. Any costs incurred by Landlord for these items shall be reimbursed by Tenant to Landlord.
5. **Plate Glass.** Intentionally omitted.
6. **Option to Extend Lease Term.** Provided Tenant is not in default under any term or provision contained in this Lease beyond any applicable notice and cure period, and is in possession of the Premises at the time Tenant exercises its option, Tenant shall have one (1) option to extend the Lease Term ("Extension Option") for a period of five (5) years ("Option Term") for all of the space then under the Lease under the same terms and conditions except for the monthly installment of Base Rent ("Rental Adjustment Date"). If Tenant wishes to exercise the Extension Option, Tenant shall deliver written notice to Landlord no less than nine (9) months prior to the expiration of the then existing Lease Term ("Exercise Notice"). If Tenant fails to timely deliver the Exercise Notice, Tenant shall be considered to have elected not to exercise the Extension Option.
  - a. The monthly installment of Base Rent payable during the Option Term shall be at a fair market rental rate taking into consideration typical market concessions and an improvement allowance. The Base Year shall adjust to the calendar year when the Option Term commences. Landlord and Tenant shall have until the date that is thirty (30) days following the date that Landlord receives Tenant's Exercise Notice to mutually agree upon the new rental rate for the Option Term. Except for Base Rent, all of the terms and conditions of the Lease shall remain the same and shall remain in full force and effect throughout the Option Term; provided, however, that any free rent, improvement allowances, moving allowances, lease assumption payments, plan design allowances (or payments), expansion options, opportunity rights or other similar concessions provided for in the Lease shall not apply during any Option Term. The final rental rate for the Option Term as determined hereunder shall be subject to the approval of Tenant's City Council.
  - b. The rights contained in this Section 6 shall be personal to the originally named Tenant and may be exercised only by the originally named Tenant (and not any assignee, sublessee, or other transferee of Tenant's interest in this Lease) and only if the originally named Tenant occupies the entire Premises as of the date it exercises the Extension Option in accordance with the terms of this section.

	
Landlord's Initial	Tenant's Initial

c. **Arbitration Process:** Within ten (10) days of Tenant's delivery to Landlord of the Exercise Notice, each party shall deliver to the other a proposal containing the Fair Market Value of the Premises and escalations that the submitting party believes to be correct (each, an "Extension Proposal"). If, on or before the date which is thirty (30) days after delivery of the Extension Proposal, Landlord and Tenant, after negotiating in good faith, are unable to agree on the Fair Market Value and escalations for the Option Term, then Tenant shall elect to either (i) withdraw its Exercise Notice or (ii) arbitrate Fair Market Value as follows:

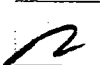

i. Within ten (10) days of Tenant's notice to Landlord of its election to arbitrate the Fair Market Value of the Premises and escalations for the Option Term, Landlord and Tenant shall meet and make a good faith attempt to mutually appoint a single Arbitrator (defined below) to determine the Fair Market Value and escalations. If Landlord and Tenant are unable to agree upon a single Arbitrator, then each shall, by written notice delivered to the other within ten (10) days after the meeting, select an Arbitrator. The two Arbitrators so appointed shall select either Landlord's or Tenant's Extension Proposal, or, if the two proposals are within five percent (5%) of each other, the two proposals shall be averaged and the resultant amount shall be the Fair Market Value. If the two proposals are not within five percent (5%) of each other and the Arbitrators cannot agree on the selection of one proposal, the two Arbitrators shall, within five (5) days, appoint a third Arbitrator. If the two Arbitrators so selected cannot agree on the selection of the third Arbitrator within the time above specified, then either party, on behalf of both parties, may request such appointment of such third Arbitrator by application to any state court of general jurisdiction in the jurisdiction in which the Premises are located, upon five (5) days prior written notice to the other party of such intent. The decision of the Arbitrator(s) shall be made within thirty (30) days after the appointment of a single Arbitrator, the two Arbitrators or the third Arbitrator, as applicable, which decision shall to be select either Landlord's or Tenant's Extension Proposal.

ii. Each party shall pay the fees and expenses of the Arbitrator appointed by or on behalf of such party and the fees and expenses of the third Arbitrator shall be borne equally by both parties. If the Fair Market Value and escalations are not determined by the first day of the Option Term, then Tenant shall pay Landlord Base Rent in an amount equal to the Base Rent in effect immediately prior to the Option Term until such determination is made. After the determination of the Fair Market Value and escalations, the parties shall make any necessary adjustments to such payments made by Tenant. Landlord and Tenant shall then execute an amendment recognizing the Fair Market Value and escalations for the Option Term.

iii. An "Arbitrator" shall be any person appointed by or on behalf of either party or appointed pursuant to the provisions hereof and: (i) shall be (A) a member of the American Institute of Real Estate Appraisers with not less than ten (10) years of experience in the appraisal of improved office space in the greater Los Angeles area, or (B) a licensed commercial real estate broker with not less than fifteen (15) years experience representing landlords and/or tenants in the leasing of office space in the greater Los Angeles area, (ii) devoting substantially all of their time to professional appraisal or brokerage work, as applicable, at the time of appointment and (iii) be in all respects impartial and disinterested.

7. **Identity:** Landlord, at Tenant's sole cost and expense, shall provide an eyebrow exterior sign and a monument sign, subject to the approval of the Building Owners Association, to the City of Long Beach requirements, and to any existing signage rights of other tenants in the Building. Tenant at Tenant's sole cost and expense shall maintain and repair exterior signage.

8. **Expansion Option.** Provided Tenant is not in default under any term or provision contained in the Lease beyond any applicable notice and cure period, Tenant shall have a right of first refusal ("ROFR"), subordinate to any existing first rights, to lease any adjacent contiguous space ("ROFR Space") on the floors leased

	
Landlord's Signature	Tenant's Initial

by the Tenant (1<sup>st</sup> and 2<sup>nd</sup> Floors) that becomes available in the Building during the Lease Term. If, at any time during the Lease Term, Landlord shall receive a bona fide offer ("Offer") from a prospective tenant to lease all or any part of the ROFR Space, which offer Landlord shall desire to accept, Landlord shall give Tenant written notice of such fact, setting forth in such notice all of the material terms and conditions of such Offer. After Landlord notifies Tenant in writing of such an Offer, Tenant shall have ten (10) business days to exercise the ROFR by written notice to Landlord. If Tenant exercises the ROFR with respect to the ROFR Space, Tenant shall be required to lease all of the ROFR Space that is the subject of the Offer. If Tenant fails to notify Landlord of its election within the aforesaid ten (10) business day period, time being of the essence, Tenant shall be deemed to have waived the ROFR with respect to such ROFR Space and Landlord shall be free to lease the space on such terms as Landlord may determine and without any restrictions by reason of this provision.

9. **Early Access.** Landlord shall provide Tenant with thirty (30) days of early access to the Premises with no obligation to pay rent for the purpose of installing its furniture, fixtures and equipment.

10. **Moving Allowance.** Landlord shall provide a moving allowance of three dollars (\$3.00) per rentable square foot leased for a moving allowance and other relocation fees. Landlord may, at its sole discretion, provide the moving allowance in the form of credit against the Base Rent.



11. **Roof Top Communications Equipment.** Tenant shall have the right to use a portion of the roof of the Building for the installation and use of a microwave dish, antenna, or other telecommunication equipment. Tenant shall have no obligation to pay rent for such right, but Tenant shall maintain any roof installation in good condition and said approvals will not be conditioned, delayed or unreasonably withheld. At the end of the term Tenant shall remove the roof top equipment from its location and repair any damage caused by such removal. Any operator used or hired to install, operate, maintain or repair microwave dish, antenna, or other telecommunication equipment shall enter into a Right of Entry Agreement, attached to the Lease as Exhibit "F".

12. **Right to Cancel:** Landlord shall grant Tenant the ongoing right to cancel the Lease after the thirty-six (36<sup>th</sup>) month of the initial Lease term subject to the following: (1) Tenant shall provide Landlord with 180 days prior written notice, and (2) within 90 days thereafter Tenant shall deliver to Landlord the unamortized cost of (i) the Tenant Improvement Allowance and Additional Allowance, plus (ii) the commissions paid. The amortized period shall be over the initial lease term and the interest rate shall be six percent (6%) per annum. The right to cancel shall also apply to the Option to Renew period described herein.

13. **Maintenance, Repairs, Alternations and Common Area Services:** In the event Landlord does not properly maintain or repair the Building, Tenant shall have recourse to offset rent per the following:

(a) **General Action.** If Tenant provides notice ("Repair Notice") to Landlord of an event or circumstance which pursuant to the terms of this Lease requires Landlord to repair, alter, improve and/or maintain the Premises ("Required Action") and Landlord fails to provide the Required Action within the time period required by this Lease, or a reasonable period of time if no specific time period is specified in this Lease, after the date of Landlord's receipt of the Repair Notice ("Notice Date"), or, in any event, does not commence the Required Action within twenty (20) days after the Notice Date and complete the Required Action within thirty (30) days after the Notice Date, then Tenant may proceed to take the Required Action, pursuant to the terms of this Lease, and shall deliver a second notice to Landlord at least three (3) business days prior to commencement of the Required Action specifying that Tenant is taking the Required Action ("Second Notice") for the account of Landlord. If the nature of the Required Action is such that the same cannot reasonably be completed within the time period required by this Lease or thirty (30) days, if no specific time period is provided in the Lease, Landlord's time period for completion shall not be deemed to have expired if Landlord diligently commences such cure within such period and thereafter diligently proceeds to rectify and complete the Required Action.

(b) **Emergency Action.** Notwithstanding the foregoing, if there exists an emergency such that the Premises are rendered untenable and Tenant's personnel are forced to vacate the Premises and if Tenant gives written notice to Landlord ("Emergency Notice") of Tenant's intent to take action with respect thereto ("Necessary Action") and the Necessary Action is also a Required Action, and the emergency could be cured by such Necessary Action, Tenant may take the Necessary Action made for

	
Landlord's Initial	Tenant's Initial

the account of Landlord if Landlord does not commence the Necessary Action within three (3) business days after receipt of the Emergency Notice ("Emergency Cure Period") and thereafter use its commercially reasonable best efforts and due diligence to complete the Necessary Action as soon as possible.

(c) **Restrictions on Action.** If any Necessary Action will affect the systems and equipment located within the Building ("Building Systems"), the structural integrity of the Building, or the exterior appearance of the Building, Tenant shall use only those contractors used by Landlord in the Building for work on the Building Systems or its structure, and Landlord shall provide Tenant (when available and upon Tenant's request) with notice identifying such contractors and any changes to the list of such contractors, unless such contractors are unwilling or unable to perform such work, in which event Tenant may utilize the services of any other qualified contractors who normally and regularly perform similar work in comparable buildings, after receiving prior written approval from Landlord, which approval shall not be unreasonably withheld and shall be given within ten (10) business days of Landlord's receipt of a Repair Notice or three (3) business days of Landlord's receipt of an Emergency Notice.

(d) **Reimbursement For Action.** If any Required Action or Necessary Action is taken by Tenant pursuant to the terms of this Paragraph, then Landlord shall reimburse Tenant for its reasonable and documented costs and expenses in taking the Required Action or Necessary Action within thirty (30) days after receipt by Landlord of an invoice from Tenant which sets forth a reasonably particularized breakdown of its costs and expenses in connection with taking the Required Action or Necessary Action on behalf of Landlord ("Repair Invoice"). In the event Landlord does not reimburse Tenant for the Repair Invoice within thirty (30) days of receipt, then Tenant may deduct from the next rent payable by Tenant under this Lease, the amount set forth in the Repair Invoice ("Offset Right"). Notwithstanding the foregoing, if Landlord delivers to Tenant within thirty (30) days after receipt of the Repair Invoice, a written objection to the payments of such invoice, setting forth with reasonable particularity Landlord's reason for its claim that the Required Action or Necessary Action did not have to be taken by Landlord pursuant to the terms of the Lease or that Tenant breached the terms of this Paragraph or any other term of the Lease, or that the charges are excessive (in which case Landlord shall pay the amount it contends would not have been excessive), then Tenant shall not be entitled to deduct such amount from rent until and unless a court of competent jurisdiction determines that Tenant's offset against rent is in compliance with this Paragraph.

14. **Consent.** In all cases where consent or approval shall be required of either Landlord or Tenant pursuant to the Lease, the giving of such consent shall not be unreasonably withheld or delayed by the party from whom such consent is required, unless the Lease allows the party from whom such consent is required to use its sole discretion.

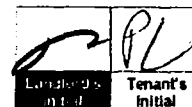
15. **Non-Discrimination Clause.** Landlord agrees, subject to applicable laws, rules and regulations that no person shall be subject to discrimination in the performance of this Lease on the basis of race, color, religion, national origin, sex, sexual orientation, gender identity, AIDS, HIV status, age, disability, handicap, or Vietnam Era veteran status. Landlord shall take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to any of these bases, including but not limited to employment, upgrading, demotion, transfer, recruitment, recruitment advertising, layoff, termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

16. **Access.** Tenant shall have access to the Building 24 hours a day, 7 days a week.

17. **Notice.** All notices required or permitted to be given under this Addendum shall adhere to Section 24.01 of the Lease.

Except as amended herein, all other provisions of the Lease remain in full force and effect. This Addendum shall control in the event of any inconsistency with the original Lease.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK;  
SIGNATURE PAGE IMMEDIATELY FOLLOWS]

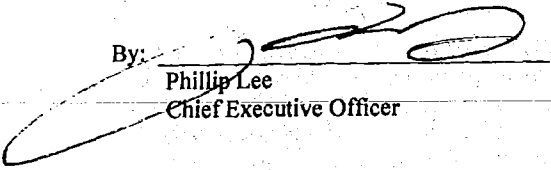


IN WITNESS WHEREOF, the parties hereto have executed this Addendum as of the date first above written.

**LANDLORD:**

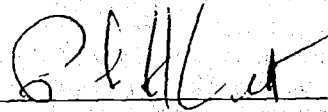
4811 Airport Plaza, LLC,  
a Delaware limited liability company,

By: Jamison Services, Inc.,  
a California corporation  
Its: Authorized Agent

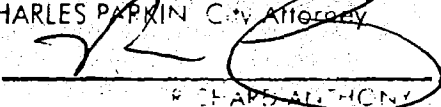
By:   
Phillip Lee  
Chief Executive Officer

**TENANT:**

City of Long Beach,  
a municipal corporation

By:   
Name: Patrick H. West  
Its: City Manager

APPROVED AS TO FORM

2-3 2016  
CHARLES PARKIN City Attorney  
By:   
DEPUTY CITY ATTORNEY

	
Landlord's Initial	Tenant's Initial