

517



**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

**FROM:** Department of Facilities Management

**SUBMITTAL DATE:**  
March 25, 2009

**SUBJECT:** Ground Sublease – Cajalco Fire Station, Communications Tower, and Community Room, Riverside

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Approve the attached Ground Sublease including the Project Costs and authorize the Chairman of the Board to execute the same on behalf of the County; and
2. Authorize the Auditor Controller to adjust the Department of Facilities Management's budget as set out on Schedule "A".

**BACKGROUND:** The Riverside County Fire Department currently operates a fire station located at 17650 Cajalco Road in the unincorporated area east of Lake Mathews. The station has been deemed to be located in a portion of the Cajalco Road realignment area and does not provide a safe exit for fire department emergency vehicles.

(Continued on Page 2)

*[Signature]*  
John R. Hawkins  
County Fire Chief

*[Signature]*  
Robert Field,  
Assistant County Executive Officer/EDA/FM

<b>FINANCIAL DATA</b>	<b>Current F.Y. Total Cost:</b>	\$ 1,500	<b>In Current Year Budget:</b>	Partially
	<b>Current F.Y. Net County Cost:</b>	\$1,056,900	<b>Budget Adjustment:</b>	Yes
	<b>Annual Net County Cost:</b>	\$ 1,500	<b>For Fiscal Year:</b>	08/09

<b>SOURCE OF FUNDS:</b> Lease costs: PSEC Budget 1.5%; Project Costs: CORAL Bond Financing 98.5%	<b>Positions To Be Deleted Per A-30</b>	<input type="checkbox"/>
	<b>Requires 4/5 Vote</b>	<input checked="" type="checkbox"/>

**C.E.O. RECOMMENDATION:**

APPROVE

*[Signature]*  
BY: Jennifer L. Sargent

**County Executive Office Signature**

FORM APPROVED COUNTY COUNSEL  
BY: *[Signature]* GAZTEL 4.8.09  
SYNTHIA M. GUNZEL DATE  
Departmental Concurrence

Policy  
 Consent  
 Policy  
 Consent

Dept's Recomm.:  
Per Exec. Ofc.:

(Continued)

**BACKGROUND:**

In addition, due to its age, parts of the facility are functionally obsolete. Consequently, the Fire Department has requested the relocation and construction of a replacement station.

The Department of Facilities Management (DOFM) entered into discussions with the Western Municipal Water District (WMWD) to sublease a portion of their land located at 15453 El Sobrante Road, just west of the current location, as a location for the replacement station. The parties agreed to execute a Sublease for approximately 1.82 acres of land. Metropolitan Water District is the owner of the land holding a master lease on the land with WMWD, and must consent to the Sublease between WMWD and the County.

DOFM procured an architectural firm to provide schematic design and construction documents for the project. A schematic design was completed which includes a new fire station of approximately 9,405 square feet and a new community room of approximately 1,300 square feet.

In addition, the Public Safety Enterprise Communications (PSEC) project requires land in the area to provide for a communications tower. The need for the tower is documented in the Notice of Intention to Purchase, PSEC Project Sites as approved by the Board of Supervisors. It was decided that the subleased land between the County and WMWD was also suitable for a communications tower and that the land rent economics negotiated by DOFM were favorable and well within the PSEC budget. Consequently a site for the PSEC communications tower is located within the project as well. WMWD and the County agree to share the cost of the project planning, California Environmental Quality Act (CEQA), infrastructure, utility, a traffic signal and other related costs as set forth in Exhibit C to the Sublease Agreement. The parameters of the Sublease are as follows:

Location:	15453 El Sobrante Road, unincorporated area east of Lake Mathews
Sublessor:	Western Municipal Water District (WMWD)
Sublessee:	County
Owner:	Metropolitan Water District
Size:	Approximately 1.82 acres, as shown in exhibit B-1.
Term:	Commencement upon the date that Ground Sublease is fully executed and expires on August 31, 2061 (Coincides with Master Lease)

Department of Facilities Management  
Ground Sublease – Cajalco Fire Station, Communications Tower, and Community  
Room, Riverside  
March 25, 2009  
Page 3

Rent: \$1,500 per year

Rent Adjustments: Rent to be increased annually based on the percentage change in  
the Consumer Price Index.

Project Costs: The total cost for the project is \$2,658,900 to be shared between  
the County and Western Municipal Water District. The County's  
portion is \$1,055,400.

The attached Ground Sublease to Lease has been reviewed and approved by County  
Counsel as to legal form.

**FINANCIAL DATA:**

All sublease rental costs for this Ground Sublease to Lease will be funded through the  
PSEC budget. PSEC has budgeted for these costs in FY2008/09; however DOFM  
requires a budget adjustment to its FY2008/09 budget to cover related transactional  
costs with the property owner. While DOFM will front the costs for this sublease  
agreement with the property owner, PSEC will reimburse DOFM for all associated lease  
costs. The project costs will be funded by Executive Office bond financing.

Department of Facilities Management  
Ground Sublease – Cajalco Fire Station, Communications Tower, and Community  
Room, Riverside  
March 25, 2009  
Page 4

## Schedule A

Increase Appropriations:

10000-7200400000-526700 - Rent/Lease Buildings	\$1,500.00
10000-7200400000-572500- Intra – Leases	(\$1,500.00)

# Exhibit A

## PSEC/Fire Lease and Project Cost Analysis for FY 2008/09 15453 El Sobrante Road, Unincorporated Area

### Current Square Feet Occupied:

Land: 1.82 ACRES or 79,279 SQ FT  
Cost per Square Foot: \$ 0.02

Lease Cost per Month (April 1, 2009 - June 30, 2009) \$ 375  
**Total Estimated Lease Cost for FY 2008/09** \$ 375

### Estimated Utility Costs:

Utility Cost per Square Foot -  
Estimated Utility Costs (June 1, 2009 - June 30, 2009) -  
**Total Estimated Utility Cost for FY 2008/09** \$ -

**Improvement Costs:** \$ -

**RCIT Improvements:** -

**FM Lease Management Fee (Based @ 4.21%)** \$ 16

**Total Estimated Lease Cost FY 2008/09:** \$ 391

**Current County Cost at 85%:**

## Exhibit B

### PSEC/Fire Lease and Project Cost Analysis for FY 2008/09 15453 El Sobrante Road, Unincorporated Area

#### Current Square Feet Occupied:

Office: 1.82 ACRES or 79,279 SQ FT

Cost per Square Foot: \$ 0.02

Estimated Lease Cost Per Month (July 1, 2009 - June 30, 2010)	\$	18,000	
Annual Increase at 3% (June 1, 2010 - June 30, 2010)	\$	45	
<b>Estimated Lease Cost (July 1, 2009 - June 30, 2010)</b>			<b>\$ 18,045</b>

#### Estimated Utility Costs:

Utility Cost per Square Foot \$ 0.12

**Improvements** \$ 1,055,400

**Estimated Utility Costs (July 1, 2009 - June 30, 2010)** \$15,415.00

**FM Lease Management Fee (Based @ 3.79%)** \$ 684

**Total Estimated Lease Cost FY 2009/10:** \$ 1,071,499

EXHIBIT "C"

Principles of Reimbursement Agreement and Percentage Allocations

Joint use Items for Identified Property	Percent Allocation		Estimated Amounts <sup>1</sup>	
	WMWD	County	WMWD	County
1. Legal & Plat for Fire Station	100%	0%	\$1,600	\$0
2a. CEQA Documents <sup>2</sup>	50%	50%	\$19,825.54	\$19,825.54
2b. CEQA Documents – WMWD Special Report <sup>2</sup>	100%	0%	\$14,650.00	\$0
2c. CEQA Documents - Addendum (as required by MWD)	100%	0%	\$19,900.00	\$0
2d. CEQA Mitigation Measures <sup>3</sup>	100%	100%	TBD	TBD
3. Plan Check	100%	0%	\$100,000	\$0
4. Offsite improvements	51%	49%	\$234,400	\$224,200
5. Right-of-Way to Ultimate	51%	49%	TBD	TBD
6. Traffic Signal	0%	100%	\$0	\$185,000
7. Driveway	50%	50%	\$56,900	\$56,900
8. Site Grading	77%	23%	\$514,300	\$150,100
9. Rock	100%	100%	TBD	TBD
10. Sewer System	73%	27%	\$365,200	\$134,800
11. Sewer Connection and Service	0%	100%	\$0	\$50,000
12. Water System (Fire Station)	0%	100%	\$0	\$50,000
13. Water Service (Fire Station)	0%	100%	\$0	TBD
14. Natural Gas Connection	70%	30%	TBD	TBD
15. Electrical Connection	100%	100%	TBD	TBD
Anticipated Soft Costs and Contingencies <sup>4</sup>			\$276,700	\$184,600
Total			\$1,603,500	\$1,055,400

Note: 1. Amounts shown above are estimates only unless otherwise indicated. Actual amounts may vary. Project costs will be billed based on final construction expenses and fees.

2. Amounts shown for Items 2a, 2b, and 2c - CEQA Documents are actual costs.

3. Percent allocation and estimated amounts for Item 2d will be based on area covered by required measures.

4. Related soft costs will be billed in conjunction with the actual dollar amounts for each line item.

**Descriptions**

**1. Legal & Plat for Fire Station.** Western will be solely responsible for the cost and preparation of Legal and Plat documentation of the fire station to be used as Exhibit B of this sublease. Legal and Plat will include a written description and graphical layout of overall site.

**2. CEQA Documents.** The County (Sublessee) shall coordinate, prepare, and acquire the necessary CEQA Documentation for the joint projects and both parties to this Sublease agree to share the costs of the joint environmental studies based on a 50/50 split. Any specialized studies related to specific aspects of either Western's Operations site or the County's fire station will be paid for by the responsible party.

**3. Plan Check.** Plan check for Western's Operations center and Maintenance building will be conducted by County Facilities. Western agrees to pay 100% of all applicable fees to the County for appropriate plan check expenses.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

**GROUND SUBLEASE**

Western Municipal Water District  
APN 285-120-030  
Riverside County, California

The **WESTERN MUNICIPAL WATER DISTRICT**, a public agency, hereinafter referred to as "Sublessor", subleases to the **COUNTY OF RIVERSIDE**, hereinafter referred to as "County" or "Sublessee", the property described below upon the following terms and conditions:

**1. Recitals.**

(a) Sublessor holds a leasehold interest, as Lessee, under that certain Master Lease, as more particularly shown on Exhibit "A", attached hereto and incorporated herein by reference, between the Metropolitan Water District of Southern California and Western Municipal Water District, dated September 5, 2006, pertaining to the property described in item 3 below.

(b) Both parties to the Sublease are public agencies. Joint use of the identified property is beneficial for the following: (i) greater community safety garnered from a 24-hour onsite presence, a County communications facility and fire station, as well as enhanced water and wastewater facilities, and (ii) overall site improvements including water, sewer, roadway, signage, and traffic signal. All facilities and improvements as set forth in this paragraph 1(b) are herein defined as the "Project."

(c) Financial responsibilities for the joint use of the identified property outside of the rental rate as set forth in paragraph 7 of this Sublease document shall be shared based on the type of cost, and percentage allocations, as set in the "Principles of Reimbursement Agreement and Percentage Allocations" as set forth in Exhibit "C". Amounts shown in Exhibit "C" are estimates only. Actual amounts may vary. Project costs will be billed based on final construction expenses and fees.

(d) The County of Riverside and Western Municipal Water District acknowledge the desirability of a longer lease term and expect to negotiate terms of an extension in the future. Any decisions from said negotiations will be captured and incorporated in the documents as amendments.

(e) Pursuant to Section 11 of the Master Lease, in the event of a termination between Metropolitan Water District (Lessor), and Western Municipal Water District (Lessee) let it be known that Lessor, and Lessee recognize, and acknowledge County's leasehold interest, and that County's Ground Sublease shall remain in full force and effect throughout the Sublease term as set forth in paragraph 5 of this Sublease. In the event the Sublease term as set forth in paragraph 5 is extended, Metropolitan Water District shall allow County's Ground Sublease to remain in full force and effect throughout the extended sublease term.

**2. Master Lease.** Sublessee acknowledges that its rights are subject to those provided in the Master Lease, and agrees to abide by all the terms and

1 conditions of the Master Lease. In the event of any inconsistencies between this  
2 Sublease and the Master Lease, the Master Lease shall prevail.

3 **3. Description.** The property, herein referred to as Premises, hereby  
4 consists of a portion of that certain parcel located on El Sobrante Road in Rancho El  
5 Sobrante De San Jacinto, County of Riverside, State of California, also identified as  
6 Assessor Parcel Number 285-120-030, as more particularly described in the legal  
7 description, attached hereto, as Exhibit "B".

8 **4. Use.**

9 (a) The Premises is hereby subleased to County to provide County  
10 with real property upon which to construct, or cause to be constructed, a community  
11 room, and a new County Fire Station to replace the existing Cajalco Fire Station. In  
12 addition, the County may use the Premises for fire department training, meetings, and  
13 the installation of a communications facility. In the event a fire station is not  
14 constructed on a timely basis, County may proceed and install the communication  
15 facility as planned. The community room shall not be used for commercial purposes  
16 and the maximum occupant load shall be 75 persons. Metropolitan Water District's  
17 consent to this Sublease is acknowledgement that County's use is acceptable under  
18 the terms of the Master Lease.

19 (b) Sublessor shall acquire the necessary environmental studies for  
20 the joint projects and both parties to this Sublease agree to share the costs of the joint  
21 environmental studies and of a common driveway. Metropolitan shall receive copies  
22 of all relevant CEQA documents and all relevant analysis or studies done in support of  
23 such documents. As a responsible agency, Metropolitan shall be included in the  
24 County's CEQA process.

25 (c) Sublessor and Sublessee shall share the financial responsibilities  
for joint use of the identified property based on agreed upon allocations as determined  
in the "Principles of Reimbursement Agreement and Percentage Allocations" as set  
forth in Exhibit "C." Both parties agree to negotiate in good faith any joint use items  
that may arise that are not specifically captured in Exhibit "C." Amounts shown in  
Exhibit "C" are estimates only. Actual amounts may vary. Project costs will be billed  
based on final construction expenses and fees.

**5. Term.** The Term of this Sublease shall commence upon the date that it  
is fully executed and shall expire at the same time as the Master Lease, which date is  
August 31, 2061. In addition, this Sublease is subject to termination or expiration in  
accordance with the same provisions for termination and expiration as set forth in the  
Master Lease, subject to the provisions of paragraph 1(e) of this Sublease.

**6. Options to Extend.** Sublessor hereby grants to County the option to  
extend the term of the Sublease in accordance with the provisions for options to  
extend and renew as set forth in Master Lease.

1           **7. Rent.** County shall pay the annual sum of \$1,500.00 to Sublessor as  
2 rent for the Premises, payable, in advance. Rent shall be due on September 1 of each  
3 year of this Sublease, including any option year. Rent for this first year of this  
4 Sublease shall be due on the commencement date of this Sublease and shall be  
5 prorated for said year. Any increases in rents incurred by Sublessor from Metropolitan  
6 Water District pursuant to the terms of the Master Lease shall be shared on a prorata  
7 basis between the Parties based on area leased. For example:

$$\text{Adjusted Rent} = \text{Then Current Rent} + \text{MWD Lease Adjustment} \left( \frac{\text{County Lease Area}}{\text{Total Sublessor Area}} \right)$$

8           **8. The Planning and Construction of the Project.**

9           (a) The parties agree to cooperate jointly to construct the Project as set  
10 forth in paragraph 1(b). The specifications for the Project are set  
11 forth in Exhibit "C" and in the working drawings for the project, soon  
12 to be completed and incorporated therein by reference to Exhibit "C."  
13 Any improvements including those set forth in Exhibit "C" shall be  
14 subject to prior written approval of the Parties. The parties shall work  
15 in good faith to complete the project based on the project schedule in  
16 Exhibit "D."

17           (b) The Parties agree to pay the Project Costs for the planning and  
18 construction of the Project. The Project Costs herein (the "Project  
19 Costs"), are defined as all planning, entitlement, fees and related  
20 expenses, and all construction costs and expenses, including the cost  
21 of the installation and materials for a traffic signal. The Project Cost  
22 allocations are set forth in Exhibit "C" entitled the "Principles of  
23 Reimbursement Agreement and Percentage Allocations." Sublessor  
24 and County shall contract for the respective services as set forth in  
25 Exhibit "C" and the parties shall reimburse each other for the  
applicable shares as set forth in Exhibit "C" no later than thirty (30)  
days from receipt of invoice from the applicable Party. Amounts  
shown in Exhibit "C" are estimates only. Actual amounts may vary.  
Project Costs will be billed based on final construction expenses and  
fees.

26           **9. Repairs and Maintenance.**

27           County shall be responsible for repairs and maintenance and associated  
28 expenses for County's improvements and parking areas within the subleased  
29 premises throughout the term of this Sublease. Sublessor shall have the responsibility  
30 to maintain the common area driveway to the subleased premises as further described  
31 in Exhibit "B" and County shall reimburse Sublessor for fifty (50%) percent of the  
32 expense pursuant to the allocations set forth in Exhibit "C" and the process set forth in  
33 Section 8.

1           **10. Improvements by County.**

2           (a) Any alterations, improvements or installation of fixtures to be  
3 undertaken by County on the Premises shall be subject to the prior written consent of  
4 Sublessor after County has submitted plans for any such proposed alterations,  
5 improvements or fixtures to Sublessor in writing. Such consent shall not be  
unreasonably withheld by Sublessor. In addition, any such alterations, improvements,  
or fixtures shall be subject to the prior written consent of the Metropolitan Water  
District as required under the Master Lease.

6           (b) All alterations and improvements made, and fixtures installed, by  
7 County shall remain County property and may be removed by County at or prior to the  
8 expiration of this Sublease; provided, however, that such removal does not cause  
9 injury or damage to the Premises. In addition, the obligation for removal, and the right  
to leave, such alterations, improvements or fixtures on the Premises shall be subject to  
applicable terms and conditions of the Master Lease pertaining to said removal and  
vacation of the Premises.

10           **11. County's Insurance.** County maintains funded programs of Self-  
11 Insurance. County shall provide to Sublessor a Certificate of Self-Insurance  
12 evidencing the County's Self-Insurance, if so requested by Sublessor. The County  
13 must also comply with the insurance provisions in the Master Lease, including the  
requirement to provide Metropolitan with a certificate naming it as an additional  
insured.

14           **12.. Notices.** Any notices required or desired to be served by either party  
15 upon the other shall be addressed to the respective parties as set forth below:

16                   County:

17                   County of Riverside  
18                   Real Estate Division  
19                   3133 Mission Inn Avenue  
20                   Riverside, California 92507

Sublessor:

                  Western Municipal Water District  
                  450 E. Alessandro Boulevard  
                  Riverside, California 92508

21 or to such other addresses as from time to time shall be designated by the respective  
22 parties.

23           **13. Quiet Enjoyment.** Sublessor covenants that County shall at all times  
24 during the term of this Sublease peaceable and quietly have, hold and enjoy the use of  
25 the Premises so long as County shall fully and faithfully perform the terms and  
conditions that it is required to do under this Sublease.

**14. Binding on Successors.** The terms and conditions herein contained  
shall apply to and bind the heirs, successors in interest, executors, administrators,  
representatives and assigns of all the parties hereto.

1           **15. Severability.** The invalidity of any provision in the Sublease as  
2 determined by court of competent jurisdiction shall in no way affect the validity of any  
3 other provision hereof or the Master Lease.

4           **16. Venue.** Any action at law or in equity brought by either of the parties  
5 hereto for the purpose of enforcing a right or rights provided for by this Sublease shall  
6 be tried in a court of competent jurisdiction in the County of Riverside, State of  
7 California, and the parties hereto waive all provisions of law providing for a change of  
8 venue in such proceedings to any other county.

9           **17. Attorneys' Fees.** In the event of any litigation or arbitration between  
10 Sublessor and County to enforce any of the provisions of this Sublease or any right of  
11 either party hereto, the unsuccessful party to such litigation or arbitration agrees to pay  
12 to the successful party all costs and expenses, including reasonable attorneys' fees,  
13 incurred therein by the successful party, all of which shall be included in and as a part  
14 of the judgment rendered in such litigation or arbitration.

15           **18. County's Representative.** County hereby appoints the Director of the  
16 Department of Facilities Management as its authorized representative to administer  
17 this Sublease.

18           **19. Sublessor's Representative.** Sublessor hereby appoints its Assistant  
19 General Manager as its authorized representative to administer this Sublease.

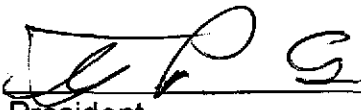
20           **20. Entire Sublease.** With the exception of the Master Lease, this Sublease  
21 is intended by the parties hereto as a final expression of their understanding with  
22 respect to the subject matter hereof and as a complete and exclusive statement of the  
23 terms and conditions thereof and supersedes any and all prior and contemporaneous  
24 leases, agreements and understandings, oral or written, in connection therewith. This  
25 Sublease may be changed or modified only upon the written consent of the parties  
hereto, or as necessary to comply with the Master Lease.

**21. Interpretation.** The parties hereto have negotiated this Sublease at  
arms length with advice of their respective attorneys, and no provision contained  
herein shall be construed against County solely because it prepared this Sublease in  
its executed form.

1           **21.** This Sublease shall not be binding or consummated until its approval by  
2 the County and the Sublessor.

3 Dated: \_\_\_\_\_

**WESTERN MUNICIPAL WATER DISTRICT,**  
a public agency

5 By:   
6 President  
7 Board of Directors

8 Dated: \_\_\_\_\_

**COUNTY OF RIVERSIDE**

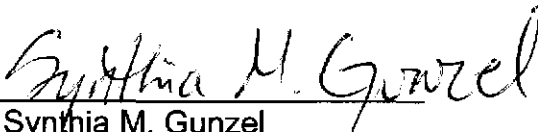
10 By: \_\_\_\_\_  
11 Jeff Stone, Chairman  
12 Board of Supervisors

12 Attest:  
13 Nancy Romero  
14 Clerk of the Board

14 By: \_\_\_\_\_  
15 Deputy

16 Approved as to Form:

17 Pamela J. Walls  
18 County Counsel

19 By:   
20 Synthia M. Gunzel  
21 Deputy County Counsel

22 **CONSENT TO SUBLEASE:**

23 Metropolitan Water District

24 By: \_\_\_\_\_  
25

CC:pa  
3/6/09  
CR021  
11.996

EXHIBIT "A"

Master Lease Agreement

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

LEASE

R. L. 2348  
Lake Mathews  
MWD Parcel Nos. 140-6A-  
7A, 9, 25 (Portions)  
APN 285-120-019 (Portion)

This Lease is made by and between THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, a public corporation, hereinafter referred to as "Lessor," and, WESTERN MUNICIPAL WATER DISTRICT, a public agency, hereinafter referred to as "Lessee."

1. DESCRIPTION OF PROPERTY. Lessor hereby leases to Lessee, on the terms hereinafter set forth, that certain property hereinafter referred to as "Property." Said Property is described in Exhibit "A" and shown on Exhibit "B" attached hereto and incorporated herein by reference.
2. TERM. The term of this Lease shall be for 55 years, beginning on September 1, 2006 and ending on August 31, 2061. This Lease may be terminated in accordance with the provisions of Paragraph 11 hereinbelow.
3. OPTION TO RENEW. Lessor hereby grants to Lessee the option to extend the term of this Lease for an additional ten (10) year period and a subsequent five (5) year period commencing when the prior consecutive term or option expires upon each and all of the following terms and conditions:
  - a. Lessee gives to Lessor, and Lessor actually receives on a date which is prior to the date that the option period would commence (if exercised) by at least 180 calendar days, a written notice of the exercise of the applicable option to extend this Lease for said additional term(s), time being of the essence. If said notification of exercise of said option is not so given and received, the applicable option shall automatically expire.
  - b. All of the terms and conditions of this Lease except where specifically modified by the applicable option shall apply and remain in full force with the exception that the Lessor reserves the right to reevaluate the rent as specified in Paragraphs 6 and 7.
  - c. Lessee may only exercise each option if, at the time of Lessee's exercise of the applicable option, there are no uncured Lessee defaults under this Lease, Lessee is not indebted to Lessor as a result of this Lease, Lessee has currently met all of its obligations under this Lease, Lessee is continuing to conduct its operations on or about the Property in the manner referred to in this Lease, and Lessee has kept the Property free and clear of any encumbrances (except for any such encumbrances which may be approved by Lessor and such approval shall not be unreasonably withheld.)

d. Lessee may not have any option to extend the term of this Lease beyond the expiration of the second option period.

4. USE. Property shall be used for water operations purposes and in connection with the services and authority of Lessee under the Municipal Water District Law set forth in the Water Code. Lessee's use of Property shall comply with all applicable laws, ordinances and regulations. This Lease is subject to Lessor's paramount right to use the Property for necessary water conveyance purposes. Lessor shall not exercise its paramount right unreasonably.

Lessor reserves the right to install and operate a commercial telecommunications tower, building, and related facilities on the Property provided:

- a. It does not unreasonably interfere with Lessee's ability to use the Premises;
- b. It complies with all applicable governmental rules regulations, CC&R's and equitable servitudes, if any;
- c. It is not, by the standards of a reasonable person, unsightly;
- d. Lessor indemnifies and holds Lessee and its subtenants harmless from any costs and damages that they may suffer by reason of the construction and maintenance of the same;
- e. Lessor pays all taxes, assessments and costs of maintenance attributable to the same; and
- f. The location, design and size of such facilities are subject to the prior approval of Lessee which approval shall not be unreasonably withheld.

5. RENT. The rent shall be \$11,407 per year commencing September 1, 2006, payable in advance. Rent shall be due and owing on September 1 of each year during the term of this Lease including any option period. Notwithstanding the foregoing, rent for the first year of the term of this Lease shall be due and owing on the commencement date of this Lease and shall be prorated for said first year.

6. DETERMINATION OF FUTURE RENT. The annual rent for each succeeding two-year period during the term of this Lease shall be determined by multiplying the basic annual rent of \$11,407 by a factor which shall be the ratio of the Annual Average of the United States Consumer Price Index- All Urban Consumers, for the last year of the concluding rental period to the Annual Average of the Consumer Price Index- All Urban Consumers, which is reported as 193.2 for the year 2004, as reported by the United States Department of Labor, Bureau of Labor Statistics, and published in its monthly publication "Survey of Current Business," (CPI-U for Los Angeles, Riverside, and Orange counties, California), provided,

Lease R.L. 2348

however, that the minimum annual rent shall be not less than \$11,407, nothing above to the contrary withstanding.

Computation of the above ratio shall be carried to four decimal places and rounded to the nearest 1/100<sup>th</sup> with the computation of the rent resulting from the application of this ratio rounded to the nearest dollar.

The calculation to arrive at the new rent is as follows:

$$\frac{\text{New Index Prior Year}}{\text{Base Index Prior Year}} = \text{Factor} \times \text{Base Rent} = \text{New Rent}$$

In the event that the U.S. Department of Labor, Bureau of Labor Statistics, shall cease to report, or change its method of compiling and/or reporting the Wholesale Commodity Price Index used in the above ratio, such other index as may be substituted in place thereof by the appropriate governmental agency of the United States then having responsibility for such compilation and reports of wholesale commodity price indices, subject to any necessary adjustment of such index appropriate to its continued use in determining the ratio set forth above, shall be used.

In the event that such substitute index is not provided, or proves unsuitable for determining the above ratio, then such other index appropriate to such use, as mutually agreed upon by the parties hereto, shall be used.

Notwithstanding the above, Lessor reserves the right to re-evaluate and redetermine the rental rate during the fifth year of this Lease, and during every tenth year thereafter, as provided for in Paragraph 7 herein.

#### 7. APPRAISAL.

a. On or before March 1, 2010, Lessor shall give written notice to Lessee consisting of the names and addresses of three independent appraisers who are State of California Certified General Real Estate Appraisers qualified to provide an appraisal of the fair rental value of the Property. Within twenty (20) days of receipt of Lessor's notice, Lessee shall by written notice to Lessor respond by choosing one appraiser from the list to be appointed as the sole appraiser. Lessor will confirm the appointment within 15 days of receipt of Lessee's letter. The appraisal of the fair rental value of the Property shall be provided by such appraiser and will be final and binding on both parties. The cost of said appraisal will be shared by both parties in such a manner that the fees will be equally born (50% each) by both Lessor and Lessee.

b. In the event Lessee does not approve any of the candidates suggested by Lessor, upon written notice to Lessor, Lessee may, within 10 days of rejecting Lessor's

candidates, request for an appointment of a sole appraiser by the American Arbitration Association (or any organization successor thereto). In the alternative, Lessee may apply for such appointment to a court of competent jurisdiction in the state of California. The cost of such process including administrative costs of the association or court whose assistance is sought in this regard and the appraiser's fees will be born exclusively by Lessee. Lessee hereby waives any and all claims for cost sharing or cost shifting, irrespective of the outcome of the appraisal, in the event it decides to request arbitration or court assistance for the appointment of an appraiser under this subparagraph (b). Such appraisal shall be completed at least 15 days prior to the date that the new rate is scheduled to take effect under this Lease.

c. The new rental amount determined pursuant to the procedures set forth in this Paragraph 7 shall become effective as of June 1, 2010 and shall replace the amount set forth in Paragraph 6. The new rental amount shall then become subject to the calculations and determinations set forth in Paragraph 6.

d. The procedures set forth in subparagraph (a) and (b) shall be again implemented on or before March 1 of 2020 and March 1 of each subsequent tenth year thereafter during the term of this Lease. The new rental amounts determined pursuant to the procedures set forth in this Paragraph 7 shall become effective as of June 1 of the applicable tenth year and shall replace the amount set forth in Paragraph 6 at that time. That new rental amount shall then become subject to the calculations and determinations set forth in Paragraph 6.

8. RENTAL PAYMENTS. All rental payments shall be made payable to The Metropolitan Water District of Southern California and mailed to Post Office Box 54153, Los Angeles, CA 90054-0153, with the Lease R.L. number noted on the check and on the face of the envelope.

9. LATE PAYMENT CHARGES. Lessee hereby acknowledges that late payment by Lessee to Lessor of rent and other sums due hereunder will cause Lessor to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges. Accordingly, if any installment of rent or any other sum due from Lessee shall not be received by Lessor within 20 days after such amount shall be due, Lessee shall pay to Lessor a late charge equal to ten percent of such overdue amount. In no event shall the late charge exceed the maximum allowable by law. The parties hereby agree that such late charge will incur by reason of late payment by Lessee. Acceptance of such late charge by Lessor shall in no event constitute a waiver of Lessee's default with respect to such overdue amount, nor prevent Lessor from exercising any of the other rights and remedies granted hereunder.

10. RETURNED CHECK CHARGE. Lessee shall pay to Lessor a fee of \$100 for any checks returned, plus, Lessee must pay to Lessor any and all other fees incurred with such

return. If Lessee has two returned checks within any 12-month period, Lessor shall not accept personal checks for any current or future payments due under this Lease. In this event, acceptable payment shall be in the form of cashier's check, money order, or cash delivered in person to Lessor's Accounts Receivable Section located at 700 North Alameda Street, Los Angeles, CA 90012-2944.

11. TERMINATION.

a. For Cause. Violation of any term, covenant, condition or provision contained herein shall be cause for termination of the Lease by either party, unless corrected within ten days of the date of a written notice of default from the non-defaulting party to the defaulting party

b. Property No Longer Needed For Operations/Improvements. Upon one (1) year prior notice to Lessor, Lessee may elect to terminate this Lease in the event Lessee determines that the Property is no longer needed for water operations and/or improvements. In the event of such termination, Lessee shall be required to pay a prorated amount of rent up to the effective date of said termination. The parties hereby acknowledge and agree that any such termination shall only be in connection with this Lease and the Property subject to this Lease and shall have no effect whatsoever on other real and personal property ownership interests or other contractual arrangements between Lessor and Lessee.

12. This paragraph intentionally left blank.

13. IMPROVEMENTS. No structures or improvements shall be constructed or maintained on the Property without Lessor's written consent, which consent shall not be unreasonably withheld.

14. REMOVAL OF IMPROVEMENTS. All improvements placed on Property by Lessee shall be the personal property of Lessee and shall be removed by Lessee from Property by the last day of the Lease; provided, further, Lessor may keep, or dispose of at Lessee's expense, any real or personal property not so removed.

15. VACATING THE PROPERTY. At the expiration of the term, or at any sooner termination of this Lease, Lessee shall quit and surrender possession of Property and its appurtenances to Lessor in as good order and condition as Property was delivered to Lessee, reasonable wear and tear and damage by the elements excepted.

16. MAINTENANCE. Lessee shall, at its sole cost and expense, keep Property free of noxious weeds and trash, and shall comply with all applicable laws and regulations concerning the use of Property.

17. **HAZARDOUS SUBSTANCES.** For purposes of this Lease, the term "Hazardous Substances" means: (a) any substance, product, waste, or other material of any nature whatsoever which is or becomes listed, regulated, or addressed pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), 42 United States Code Section 9601 et seq.; the Resources Conservation and Recovery Act, 42 United States Code Section 6901 et seq.; the Hazardous Materials Transportation Conservation and Recovery Act, 42 United States Code Section 1801 et seq.; the Resources Conservation and Recovery Act, 42 United States Code Section 6901 et seq.; the Clean Water Act, 33 United States Code Section 1251 et seq.; the Toxic Substances Control Act, 15 United States Code Section 2601 et seq.; the California Hazardous Waste Control Act, Health and Safety Code Section 25100 et seq.; the California Hazardous Substance Account Act, Health and Safety Code Section 25330 et seq.; the California Safe Drinking Water and Toxic Enforcement Act, Health and Safety Code Section 25249.5 et seq.; California Health and Safety Code Section 25280 et seq. (Underground Storage of Hazardous Substances); the California Hazardous Waste Management Act, Health and Safety Code Section 25170.1 et seq.; California Health and Safety Code Section 25501 et seq. (Hazardous Materials Release Response Plans and Inventory); or the California Porter-Cologne Water Quality Control Act, Water Code Section 13000 et seq., all as amended (the above-cited California state statutes are hereinafter collectively referred to as "the State Toxic Substances Laws"); or any other federal, state, or local statute, law, ordinance, resolution, code, rule, regulation, order or decree regulating, relating to, or imposing liability or standards of conduct concerning any Hazardous Substance, now or at any time hereafter in effect; (b) any substance, product, waste or other material of any nature whatsoever which may give rise to liability under any of the above statutes or under any statutory or common law theory based on negligence, trespass, intentional tort, nuisance or strict liability or under any reported decisions of a state or federal court; (c) petroleum or crude oil, other than petroleum and petroleum products which are contained within regularly operated motor vehicles; and (d) asbestos.

a. Lessor warrants and represents that as of the date hereof there are no Hazardous Substances in or about Property and that Property and improvements thereon do not violate any applicable Federal, State or local statutes, ordinances, regulations, rules or other requirements, and that there is not presently pending any proceeding before any Federal, State or local tribunal or agency, the outcome of which would diminish or preclude Lessee's use of Property as permitted under the terms of this Lease. Except as so provided, Lessor makes no warranty or representation whatsoever concerning Property, including without limitation, the condition, fitness or utility for any purpose thereof, any improvements thereto or personal property located thereon, or compliance thereof with applicable laws, ordinances or governmental regulations; and the Lessee's right to use Property is strictly on an "as is," basis with all faults; and Lessor hereby disclaims all other warranties whatsoever, express or implied, the condition of the soil (or water), geology, and any warranty of merchantability or habitability or fitness for a particular purpose.

b. Except as otherwise specifically permitted under the terms of this Lease, Lessee shall not use, create, store or allow any Hazardous Substances on Property. Fuel and other Hazardous Substances stored in a motor vehicle for the exclusive operation of such vehicle and storage batteries used for emergency power are excepted.

c. In no case shall Lessee cause or allow the deposit or disposal of any such Hazardous Substances on Property.

d. No underground storage tanks shall be installed on Property.

e. Lessor or its officers, employees, contractors, or agents shall at all times have the right to go upon and inspect Property and the operations conducted thereon to assure compliance with the requirements herein stated. This inspection may include taking samples for chemical analysis of substances and materials present and/or testing soils on Property and taking photographs.

f. Lessee shall, within a reasonable time, either prior to the release by Lessee or following the discovery by Lessee of the presence of, or believed presence of, a Hazardous Substance as defined herein, give written notice to Lessor in the event that Lessee knows or has reasonable cause to believe that any release of a Hazardous Substance has come or will come to be located on or beneath the subject Property. The failure to disclose in a timely manner the release of either a material amount of Hazardous Substance or an amount which is required to be reported to a state or local agency pursuant to law (e.g., California's Hazardous Materials Storage and Emergency Response Act, Health and Safety Code Section 25550 et seq.) may subject Lessee to a default under this Lease in addition to actual damages and other remedies provided by law. Lessee shall immediately clean up and completely remove all Hazardous Substances placed by Lessee on Property, in a manner that is in all respects safe and in accordance with all applicable laws, rules and regulations.

g. Lessee shall disclose to Lessor the specific information regarding Lessee's disposal of any Hazardous Substances placed on Property by Lessee and provide written documentation of its safe and legal disposal.

h. Breach of any of these covenants, terms, and conditions shall give Lessor the authority to immediately terminate this Lease and/or to shut down Lessee's operations thereon, pending rectification of the breach, in which case, Lessee will continue to be liable under this Lease to remove, and mitigate all Hazardous Substances placed by Lessee on Property. Lessee shall be responsible for, and bear the entire cost of removal and disposal of all Hazardous Substances introduced to the Property by Lessee during Lessee's period of use and possession of Property. Lessor may pass through to Lessee any and all costs of removal and mitigation of Hazardous Substances incurred by Lessor as a result of Lessee's activities on Property. Notwithstanding the foregoing, Lessee shall



21. TAXES. The possessory property interest created by this Lease may be subject to property taxation, and Lessee may be subject to the payment of property taxes levied on such interest by the County. Lessee is required to pay any such tax directly to the County.

22. MECHANICS' LIENS. Lessee shall keep Property free from any liens arising out of any work performed, material furnished, or obligations incurred by Lessee, or any tenant or subtenant thereof.

23. WAIVER. The waiver by Lessor or Lessee of any breach of any term, covenant, condition or provision, hereinafter referred to as Terms, contained herein, shall not be deemed to be a waiver of such Terms of any subsequent breach of the same or any other Terms contained herein. The subsequent acceptance of rent by Lessor shall not be deemed to be a waiver of any preceding breach by Lessee of any Terms of this Lease, other than the failure of Lessee to pay the particular rental so accepted, regardless of Lessor's knowledge of such preceding breach at the time of acceptance of such rent.

24. ATTORNEYS' FEES. The prevailing party in any action brought by either party hereto, based on any claim arising under this Lease, shall be entitled to reasonable attorneys' and/or consultants' fees.

25. INSURANCE. During the term of this Lease, Lessee will maintain the following insurance:

- a. Commercial General Liability Insurance in an amount not less than \$3,000,000. Such insurance shall name METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA as Additional Insured.
- b. Workers' Compensation with statutory limits, in accordance with the laws of the State of California and Employer's Liability with limits not less than \$1,000,000, with an endorsement containing a WAIVER OF SUBROGATION as respects the Additional Insured, except for any liability resulting from the willful and gross negligent acts of the Lessor.
- c. Auto Liability in an amount not less than \$1 million per accident for bodily injury and property damage.

The above insurance shall remain in effect throughout the term of this Lease and any renewals thereof.

A review of the insurance coverage will be made every two years in order to adjust the coverage to be commensurate with the appropriate insurance coverage existing for similar type leaseholds at the time of review. Failure to maintain a current Certificate of Insurance on file with Lessor evidencing such insurance shall be cause for termination. Insurers

shall be California Admitted with an AM Best Rating of not less than A:VIII. A "Non admitted carrier" may be used with prior approval from Lessor with a minimum rating of A:X. An exception may be made for the State Compensation Insurance Fund when not specifically rated. Lessor requires copies of all endorsements, and may require copies of insurance policies.

Lessor shall have no liability to Lessee or to any insurer, by way of subrogation or otherwise, on account of any loss or damage to Lessee's respective property, or the Project, regardless of whether such loss or damage is caused by the negligence of Lessor or Lessee, arising out of any of the perils or casualties insured against by the property and/or liability insurance policies carried. The insurance policies obtained by Lessee pursuant to this Lease shall permit waivers of subrogation that the insurer may otherwise have against the non-insuring party. In the event the policy or policies do not allow waiver of subrogation prior to loss, Lessee shall, at the request of Lessor, deliver to Lessor a waiver of subrogation endorsement in such form acceptable to Lessor. If such an endorsement is not available and the Lessee's insurer pursues separate legal action against the Lessor, the Lessee shall be responsible for all legal fees and payment of any funds Lessor is legally held obligated to pay.

26. ASSUMPTION OF RISK AND INDEMNITY. Lessee assumes all risk of loss to itself, which in any manner may arise out of the use of Property under this Lease, except for any such loss arising from acts or omissions of Lessor. Further, Lessee hereby agrees to indemnify and defend Lessor and its directors, officers, and employees against any liability and expense, including the reasonable expense of legal representation whether by special counsel or by Lessor's staff attorneys, resulting from injury to or death of any person, any legal challenge to the operations center development or CEQA determination or damage to any property, including property of Lessor, or damage to any other interest of Lessor, including, but not limited to, suit alleging noncompliance with any statute or regulation which in any manner may arise out of the issuing of this Lease, or use by Lessee of Property, or any adjoining land used with Property. The indemnification obligations set forth herein shall not apply in the event of any liability or expense arising from acts or omission of Lessor.

27. AMENDMENTS. The provisions of this Lease may be amended by mutual written consent of the parties hereto.

28. SECURITY DEPOSIT. Lessee shall deposit with Lessor \$11,407 as a guarantee for faithful performance of the conditions of this Lease. Lessor may use such amounts as are reasonably necessary to remedy Lessee's default; in the payment of rent, to repair damages caused by Lessee, or to remove trash from the Property upon termination of the Lease. No later than two weeks after Lessee has vacated the premises, Lessor shall furnish Lessee with an itemized written statement of the basis for, and the amount of, any security received and the disposition of the security and shall return any remaining portion of the security to Lessee.

29. NO RELOCATION ASSISTANCE. Lessee acknowledges that Lessee is not entitled to relocation assistance or any other benefits under the Uniform Relocation Assistance Act or any other applicable provision of law upon termination of this Lease.

31. TIME. Time is of the essence of this Lease.

32. NOTICES. All notices, certification of insurance, and or demands required or permitted to be given to Lessor hereunder shall conspicuously bear the legend "NOTICE UNDER LAKE MATHEWS LEASE R.L. No. 2348" on the envelope containing the notice, shall, until contrary instructions are given to Lessee in writing, be effectively given to Lessor when delivered simultaneously by hand or mailed by registered or certified mail, return receipt requested, to Lessor, Attention: Asset Management, The Metropolitan Water District of Southern California, P.O. Box 54153, Los Angeles, California 90054-0153.

33. GOVERNING LAW. This Lease, and all matters relating to this Lease, shall be governed by the laws of the State of California in force at the time any need for interpretation of this Lease or any decision or holding concerning this Lease arises.

34. COUNTERPARTS. This Lease may be executed in several counterparts, each of which shall be deemed an original, and such counterparts shall constitute but one and the same instrument.

35. SURRENDER OF PREMISES. Lessee shall, on or before the last day of the term hereof or on the sooner termination hereof, peaceably and quietly leave, surrender, and yield up unto Lessor the Premises, together with all alterations, additional, improvements, equipment, and fixtures which may on that day be in or on the Premises, in good order and repair, ordinary wear and tear, obsolescence and acts of God, excepted. All such equipment, moveable machinery and other personal property shall be removed on the last day of the Term hereof, and all such equipment not so removed by Lessee shall be deemed abandoned by Lessee and conveyed to Lessor without further notice.

36. COMPLIANCE WITH LAWS. Lessee shall comply with any and all local, state and federal environmental laws and regulations, including the provisions of the California Environmental Quality Act (CEQA). In the event Lessee violates any such laws, Lessor may terminate this lease. Lessee shall remain liable for any such violation and for any other costs, fines, or penalties based upon such violation. Lessee shall keep Lessor and Lessor's property free from any environmental claims, lawsuits, fines, penalties, excise taxes, or extraordinary mitigations required beyond those specified in the original land use approvals and permits obtained for use of Lessor's property. Lessee agrees to inform Lessor of any actions requiring the review of environmental documentation by Lessor as a Responsible Agency under the California Environmental Quality Act (CEQA).

37. ENVIRONMENTAL NOTIFICATION TO LESSOR. Lessee shall submit to Lessor all environmental surveys that are conducted or needed and shall not release said surveys to any third party without Lessor's permission. Lessor's personnel shall accompany Lessee or its designee for all environmental field inspections of Property.

38. CONDITIONS SUBSEQUENT. This Lease is conditioned upon Lessee, obtaining all governmental permits and approvals, preparing all environmental documentation, and completing all requirements necessary for Lessee's compliance with the California Environmental Quality Act prior to construction of facilities on the Premises.

39. RECORDING OF LEASE. Neither party, Lessor or Lessee, shall record this Lease without the written consent of the other. However, Lessor and Lessee shall, at the request of either at any time during the term of this Lease, execute a memorandum of this Lease for purposes of, and in a form suitable for, recordation. The memorandum of this Lease shall describe the parties, set forth a description of the leased premises, specify the term of this Lease, incorporate this Lease by reference, and include any other provisions required by Lender(s).

40. NO WAIVER. Any failure by Lessor to exercise any rights under this Lease shall not constitute a waiver of Lessor's rights.

41. SUBORDINATION. In no event shall Lessor be required to subordinate its fee simple interest in the Property to the lien of any encumbrance placed on the Property in connection with Lessee's financing of construction, demolition, addition, alteration, or restoration.

42. ESTOPPEL CERTIFICATE. Lessor or Lessee may, at any time and from time to time upon not less than ten business days prior written notice from Lessee, or Lessor execute, acknowledge and deliver to Lessee or Lessor a statement in writing: (a) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease as so modified, is in full force and effect) and the date to which the Rent is paid in advance, and (b) acknowledging that there are not, to Lessor's or Lessee's knowledge, any uncured defaults hereunder on the part of Lessee or Lessor or specifying such defaults if any are claimed. Any such statement may be relied upon by any prospective purchaser or any party intending to place an encumbrance upon all or any portion of the Premises.

43. QUIET ENJOYMENT. Lessor covenants that Lessee, upon paying rent and performing the covenants by it herein made, shall and may peacefully and quietly have, hold, and enjoy the leased Premises under the terms and conditions specified in the Agreement.

Both parties have carefully read and reviewed this Lease and each term and provision contained herein and, by execution of this Lease, demonstrate their informed and voluntary consent thereto. The parties hereby agree that at the time that this Lease is executed,

the terms of this Lease are commercially reasonable and effectuate the intent and purpose of Lessor and Lessee with respect to the Premises.

44. CONDEMNATION.

a. Total Condemnation: If, during the term of this Lease, fee title to all of the Property or to all of the Improvements, or the entire Leasehold estate of the Lessee is taken under the power of eminent domain by any public or quasi-public agency or entity (a "Total Taking"), this Lease shall terminate as of 12:01 A.M. on whichever of the following first occurs: the date legal title becomes vested in the agency or entity exercising the power of eminent domain, or the date actual physical possession is taken by the agency or entity exercising the power of eminent domain. Thereafter, both Lessor and Lessee shall be rid from all obligations under this Lease, except those specified in Sections 15, 17, and 35. Lessor's paramount right to use Property shall not be deemed under any circumstance a taking or condemnation.

b. Partial Taking: If, at any time during the term of this Lease, a taking occurs that is less than a Total Taking, all compensation and damages payable for that taking shall be made available to and used, to the extent reasonably needed, by Lessee to repair any portion of the remaining areas damaged by the taking and to replace the areas taken with other areas on the portion of the Property not taken, provided that replacement is then permitted by existing law. Notwithstanding anything to the contrary in this Section, if the portion of the areas taken by eminent domain results in a net loss of 10% or more of the area of the Premises that can, after considering any replacement areas that can be lawfully constructed on the remaining portion of the Premises by reasonable methods, be devoted to similar areas as compared with the areas existing immediately prior to the taking, Lessee may terminate this Lease in the manner prescribed by Section 46 of this Lease.

45. TERMINATION FOR PARTIAL TAKING. Lessee may terminate this Lease for the reasons stated in either Section 44(b) or Section 48 of this Lease, or both, by serving written notice of termination on Lessor within 180 days after Lessee has received from Lessor or from the condemning authority written notice of an intended taking that sets forth the extent and scope of the intended taking. If Lessee elects to terminate this Lease, the effective date of termination shall be the earlier of the date of termination specified in the Lessee's notice to Lessor or the date the condemning authority takes physical possession of the portion of the Property taken by eminent domain. On termination of this Lease pursuant to this Section, both Lessor and Lessee shall be rid from all obligations to the other under this Lease.

46. CONDEMNATION AWARD. Any compensation or damages awarded or payable because of the taking of all or any portion of the Property by eminent domain shall be allocated between Lessor and Lessee as follows:

- (i) All compensation or damages awarded or payable for the taking by

eminent domain of any land that is part of the Property shall be paid to and be the sole property of Lessor, free and clear of any claim of Lessee or any person claiming rights to the Property through or under Lessee. For purposes of this allocation the land shall be valued as if it were vacant, unimproved, unoccupied and not subject to this Lease, and in the physical and legal condition as of the day before this Lease was executed.

(ii) All compensation or damages awarded or payable because of any Improvements constructed or located on the portion of the Premises taken by eminent domain when only a portion of the Premises is taken by eminent domain and Lessee is not entitled to or does not terminate this Lease, shall be applied in the manner specified in Section 44(b) toward the replacement of those Improvements with equivalent new Improvements on the remaining portions of the Premises.

47. RENT ABATEMENT FOR PARTIAL TAKING. If title and possession of only a portion of the Premises is taken under the power of eminent domain by any public or quasi-public agency or entity during the term of this Lease and Lessee does not or cannot under Section 44 or Section 45 terminate this Lease, then this Lease shall terminate as to the portion of the Premises taken under eminent domain as of 12:01 A.M. on whichever of the following first occurs: the date title is taken, or the date actual physical possession of the portion taken by eminent domain is taken, by the agency or entity exercising the eminent domain power. Furthermore, the rent payable under this Lease shall, as of that time, be reduced in the same proportion that the value of the portion of the Premises taken by eminent domain bears to the full value of the Premises at that time; provided, however, that Lessee shall, subject to the provisions of Section 44(b) and of this Lease, replace any Improvements or facilities with equivalent new facilities on the remaining portion of the Property and do all other acts at Lessee's own cost and expense required by the eminent domain taking to make the remaining portion of the Premises fit for the uses specified in this Lease.

48. VOLUNTARY CONVEYANCE IN LIEU OF EMINENT DOMAIN. A voluntary conveyance by Lessor of title to all or a portion of the Premises to a public or quasi-public agency or entity in lieu of and under threat by that agency or entity to take it by eminent domain proceedings shall be considered a taking of title to all or any portion of the Premises under the power of eminent domain subject to the provisions of Sections 44 through 47 of this Lease, provided Lessee has consented in writing thereto, which consent should not be unreasonably withheld. In the event the Lessee unreasonably withholds its consent, the Lessee will be responsible for additional expenses occasioned by the withholding.

49. FORCE MAJEURE. Except as otherwise expressly provided in this Lease, if the performance of any act required by this Lease to be performed by either Lessor or Lessee is prevented or delayed by reason of any act of God, strike, lockout, labor trouble, documented market inability to secure materials, restrictive governmental laws or regulations, or any other cause (except

financial inability) not the fault of the party required to perform the act, the time for performance of the act will be extended for a period equivalent to the period of delay and performance of the act during the period of delay will be excused. Notice of any delay consisting of 30 consecutive days or more, shall be sent to Lessor within 60 days of the commencement of the delay. However, nothing contained in this section shall excuse the prompt payment of rent by Lessee as required by this Lease or the performance of any act rendered difficult or impossible solely because of the financial condition of the party required to perform the act.

50. BINDING ON HEIRS AND SUCCESSORS. This Lease shall be binding on and shall inure to the benefit of the successors hereto, but nothing in this section shall be construed as a consent by Lessor to any assignment of this Lease or any interest in the Lease by Lessee except as provided in Section 20 of this Lease.

51. NO THIRD PARTY BENEFICIARIES. Nothing contained in this Lease shall confer any rights upon anyone who has not executed this Lease except for (a) those who are in privity with and successors in interest to the parties hereto, and (b) the rights expressly granted herein pursuant to Section 20.

52. PARTIAL INVALIDITY. If any provision of this Lease is held by a court of competent jurisdiction to be either invalid, void, or unenforceable, the remaining provisions of this Lease shall remain in full force and effect unimpaired by the holding.

53. SOLE AND ONLY AGREEMENT. This instrument constitutes the sole and only agreement between Lessor and Lessee respecting the Property, the leasing of the Property to Lessee, and the lease terms set forth in this Lease, and correctly sets forth the obligations of Lessor and Lessee to each other as of its date. Any agreements or representations respecting the Property, their leasing to Lessee by Lessor, or any other matter discussed in this Lease not expressly set forth in this instrument are null and void. In the event there is any existing lease

Lease R.L. 2348

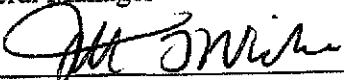
between Lessee and Lessor (or its predecessor-in-interest) covering Property, it is agreed and understood that this Lease shall cancel, supersede and terminate said prior lease as of the effective date of this Lease.

Date Executed: 9/5/06

Lessor's Mailing Address:  
Post Office Box 54153  
Los Angeles, CA 90054-0153  
Attention: Asset Management  
Telephone: (213) 217-7750

THE METROPOLITAN WATER DISTRICT  
OF SOUTHERN CALIFORNIA

Jeffrey Kightlinger  
General Manager

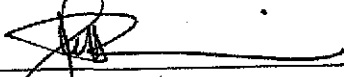
By:   
Jill T. Wicke  
Manager, Real Property Development and  
Management Group

Lessor

Date Executed: 8/23/06

Lessee's Mailing Address:  
P.O. Box 5286  
Riverside, CA 92517-5286

WESTERN MUNICIPAL WATER DISTRICT

By:   
John V. Rossi  
General Manger

Lessee

EXHIBIT A

140-6A-7A, 9, 25 (Portions)  
Revenue Lease RL 2348  
MWD to WMWD

All that portion of Section 11, in Township 4 South, Range 5 West, of the sectionalized survey of Rancho El Sobrante de San Jacinto, per map recorded in Book 7, Page 10 of Maps, Records of San Bernardino County, in the County of Riverside, State of California, described as follows:

Commencing at the north quarter corner of said Section 11, as shown on Record of Survey filed in Book 95, Pages 37 through 57, inclusive, of Records of Survey, Records of said County of Riverside; thence S 00° 51' 43" W 1112.28 feet along the west line of the northeast quarter of said Section 11 to the centerline of El Sobrante Road, 80 feet in width, as shown on said Record of Survey; thence along said centerline S 53° 48' 45" E 361.34 feet; thence leaving said centerline, S 34° 57' 42" W 40.01 feet to the southwesterly right of way line of said El Sobrante Road and the POINT OF BEGINNING; thence along said southwesterly right of way line N 53° 48' 45" W 477.32 to the beginning of a tangent curve of radius 2040.00 feet; thence along said tangent curve 249.80 feet; thence leaving said southwesterly right of way line, on a bearing non-radial to said curve, S 36° 11' 15" W 382.21; thence S 17° 45' 37" W 655.98 to a point hereinafter referred to as Point A; thence continuing S 17° 45' 37" W 546.02 feet; thence S 72° 15' 23" E 240.00 feet; thence S 17° 44' 37" W 147.27 feet; thence S 72° 15' 23" E 99.58 feet; thence S 17° 45' 37" W 22.33 feet to the most northwesterly corner of Parcel C of that easement recorded April 10, 1964 as Instrument No. 44582, Official Records of Riverside County; thence S 72° 14' 23" E 20.00 feet to the most northeasterly corner of said Parcel C; thence N 17° 45' 37" E 22.34 feet; thence S 72° 15' 23" E 49.50 feet; thence S 17° 45' 37" W 22.35 feet to the most northwesterly corner of Parcel B of said easement recorded April 10, 1964; thence along the northeasterly line of said Parcel B, S 72° 14' 23" E 5.00 feet to the most



PREPARED UNDER MY SUPERVISION

*Paul M. Ogilvie*  
Paul M. Ogilvie, F.L.S. 6439

Date: 3-23-2005

J:\projects\mathews\wanwd2.doc 1:17 PM-2/11/2005

**EXHIBIT A**

140-6A-7A,-9,-25

Revenue Lease RL 2348

MWD to WMWD

northwesterly corner of that easement recorded February 20, 1962 as Instrument No. 16108, Official Records; thence along the northeasterly line of said easement recorded February 20, 1962, S 72° 14' 23" E 20.00 feet to the most northwesterly corner of Parcel A of said easement recorded April 10, 1964; thence along the northeasterly line of said Parcel A, S 72° 14' 23" E 5.00 feet to the most northwesterly corner of that easement recorded July 16, 1965 as Instrument No. 82406, Official Records; thence along the northeasterly line of said easement recorded July 16, 1965, S 72° 14' 23" E 20.00 feet to the most northeasterly corner of said easement recorded July 16, 1965; thence N 17° 45' 37" E 22.36 feet; thence S 72° 15' 23" E 40.92 feet; thence N 17° 44' 37" E 144.40 feet to a point hereinafter referred to as Point B; thence S 72° 15' 23" E 255.52 feet; thence N 36° 11' 15" E 1270.89 feet to said southwesterly right of way line of El Sobrante Road, thence along said southwesterly right of way line N 53° 48' 45" W 371.41 feet to the Point of Beginning.

**EXCEPTING THEREFROM** that portion lying within that parcel of land described in that unrecorded lease from Metropolitan Water District of Southern California to Western Municipal Water District, executed January 23, 1987, as follows:

Commencing at the north quarter corner of said Section 11, as shown on Record of Survey filed in Book 95, Pages 37 through 57, inclusive, of Records of Survey, Records of said County of Riverside; thence S 00° 51' 43" W 1112.28 feet along the west line of the northeast quarter of said Section 11 to the centerline of El Sobrante Road, 80 feet in width, as shown on said Record of Survey; thence along said centerline S 53° 48' 45" E 361.34 feet to the **TRUE POINT OF BEGINNING** of this exception; thence leaving said centerline, S 34° 57' 42" W 288.87 feet; thence N 55° 02' 18" W 160.00; thence S 34° 57' 42" W 90.00; thence



PREPARED UNDER MY SUPERVISION

*Paul M. Ogilvie*  
Paul M. Ogilvie, P.L.S. 6439

Date: 3-23-2005

l:\projects\mathews\wmwd2.doc 1:17 PM-2/11/2005

**EXHIBIT A**

140-6A-7A,-9,-25  
Revenue Lease RL 2348  
MWD to WMWD

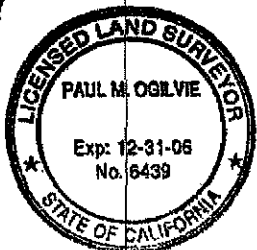
N 55° 02' 18" W 255.00; thence S 34° 57' 42" W 320.00 feet; thence N 55° 02' 18" W 125.00 feet; thence S 34° 57' 42" W 319.03 feet to said Point A; thence S 17° 44' 37" W 546.02 feet; thence S 72° 15' 23" E 240.00 feet; thence S 17° 44' 37" W 147.27 feet; thence S 72° 15' 23" E 260.00 feet; thence N 17° 44' 37" E 144.40 feet to said Point B; thence continuing N 17° 44' 37" E 553.87 feet; thence S 84° 15' 38" E 153.34 feet; thence N 17° 44' 37" E 101.20 feet; thence N 34° 57' 42" E 692.76 feet to said centerline of El Sobrante Road; thence along said centerline N 53° 48' 45" W 40.00 feet to the point of beginning.

**EXCEPTING THEREFROM** that portion lying within that lease area described in that unrecorded lease from Metropolitan Water District of Southern California to Western Municipal Water District, executed January 23, 1987, described as follows:

Containing 17.823 acres, more or less.

All as shown on EXHIBIT "B" attached hereto and made a part hereof.

**END OF DESCRIPTION**



PREPARED UNDER MY SUPERVISION

*Paul M. Ogilvie*  
Paul M. Ogilvie, P.L.S. 6439

Date: 3-23-2005

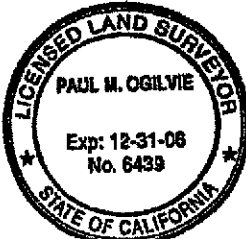
J:/projects/mathews/wmwd2.doc 1:17 PM-2/11/2005

# EXHIBIT B

**SECTION 11, T4S, R5W, RANCHO EL SOBRANTE DE SAN JACINTO,  
M.B. 7110 (SAN BERNARDINO CO.),  
RIVERSIDE COUNTY, STATE OF CALIFORNIA**

**THIS EXHIBIT IS  
TO BE ATTACHED  
TO THE LEGAL  
DESCRIPTION**

Basis of Bearings:  
West line of northeast quarter  
of Section 11, T4S, R5W,  
Rancho El Sobrante de  
San Jacinto as  $500^{\circ}51'43''W$   
as shown on RS 95/37-57

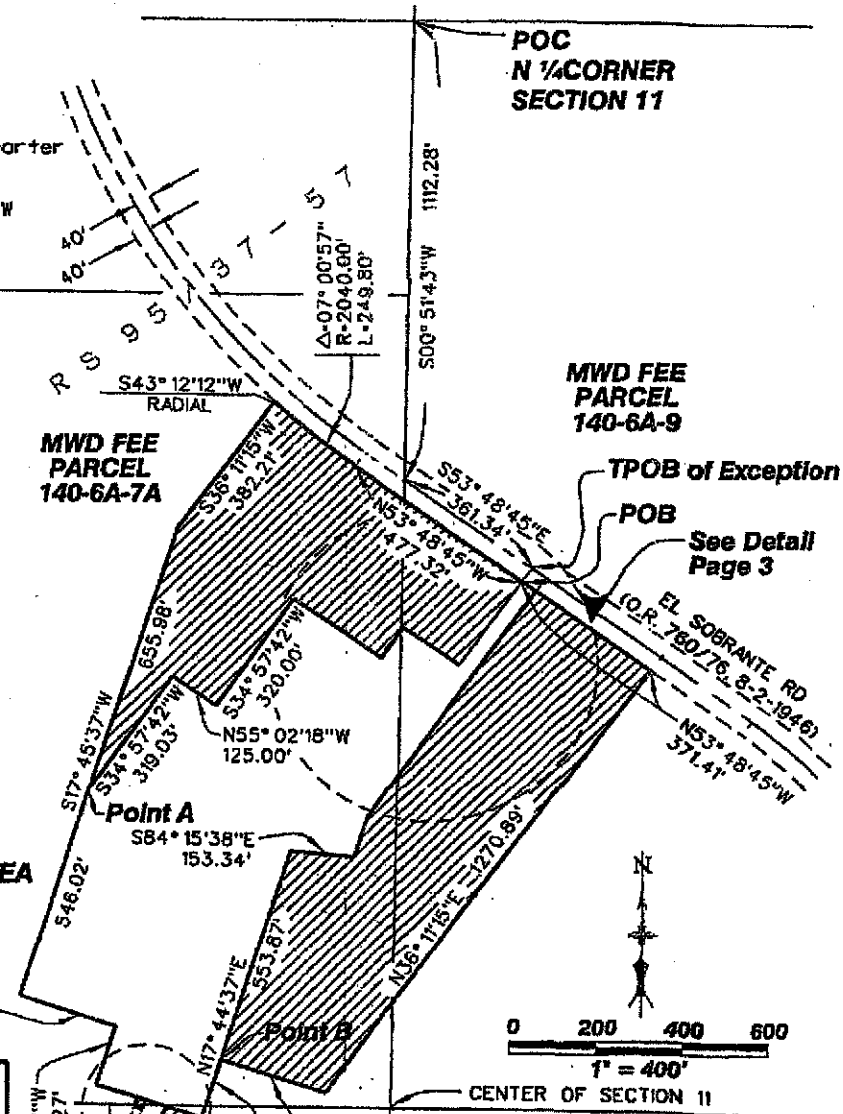
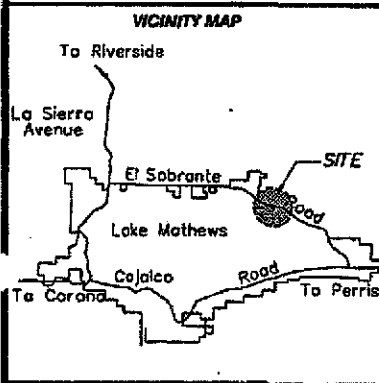


**PREPARED UNDER  
MY SUPERVISION**

*Paul M. Ogilvie*  
PAUL M. OGILVIE  
PLS 6439

3-23-2005  
DATE

= RL 2348  
EXPANSION AREA  
17.823 ACRES  
TOTAL



**THE METROPOLITAN WATER DISTRICT  
OF SOUTHERN CALIFORNIA**

**LAKE MATHEWS  
REVENUE LEASE 2348**

**MWD  
TO  
WESTERN MUNICIPAL WATER DISTRICT**

**140-6A-7A, 9, 25 (PORTIONS)**



**EXHIBIT B**

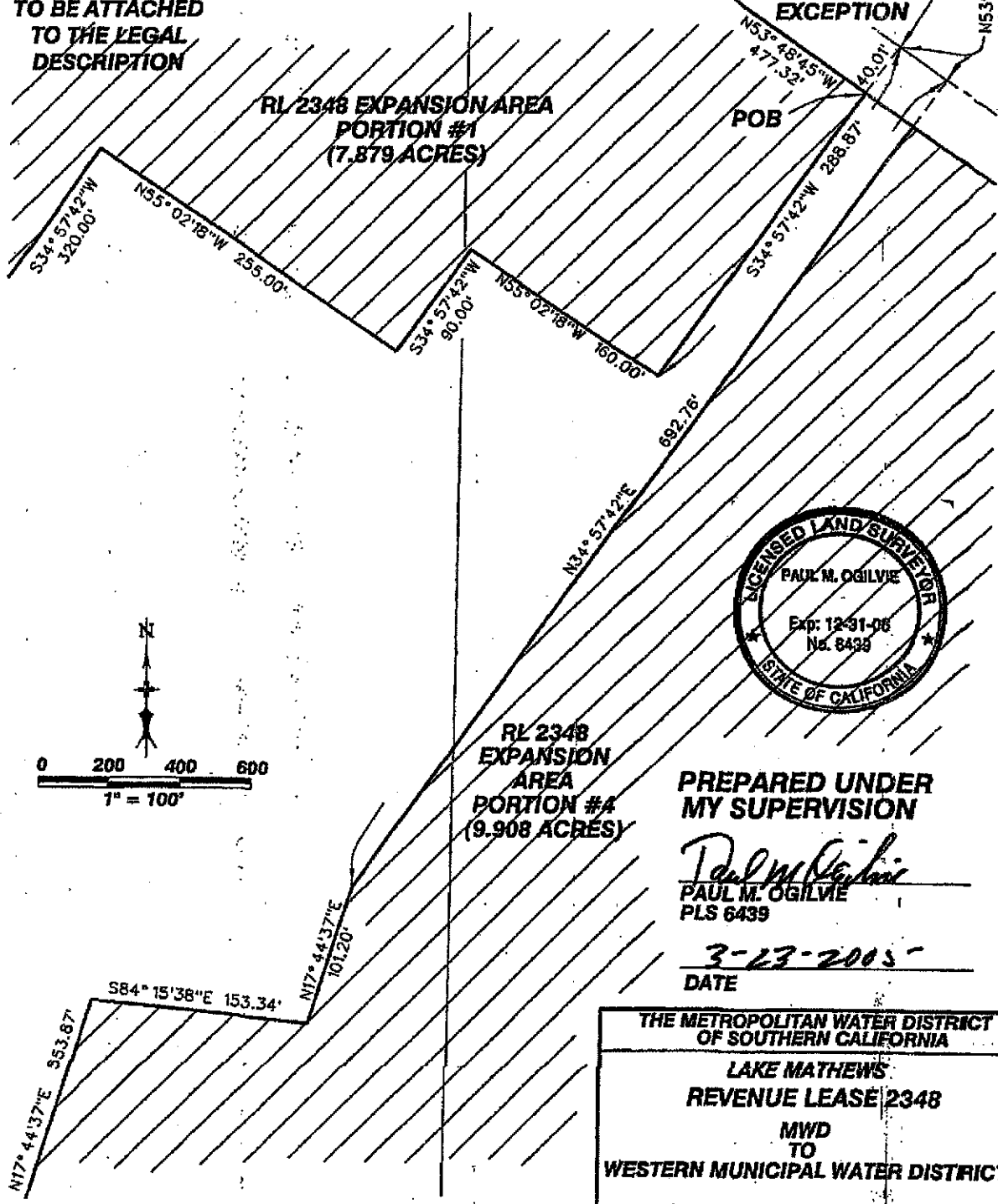
SECTION 11, T4S, R5W, RANCHO EL SOBRANTE DE SAN JACINTO,  
M.B. 7/10 (SAN BERNARDINO CO.)  
RIVERSIDE COUNTY, STATE OF CALIFORNIA

THIS EXHIBIT IS  
TO BE ATTACHED  
TO THE LEGAL  
DESCRIPTION

TPOB OF  
EXCEPTION

RL 2348 EXPANSION AREA  
PORTION #1  
(7.879 ACRES)

POB



RL 2348  
EXPANSION  
AREA  
PORTION #4  
(9.908 ACRES)

PREPARED UNDER  
MY SUPERVISION

*Paul M. Ogilvie*  
PAUL M. OGILVIE  
PLS 6439

3-23-2005  
DATE

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
LAKE MATHEWS REVENUE LEASE 2348
MWD TO WESTERN MUNICIPAL WATER DISTRICT
140-6A-7A, 9, 25 (PORTIONS)

**Association of California Water Agencies / Joint Powers Insurance Authority  
5620 Birdcage Street, Suite 200, Citrus Heights, CA 95610**

**CERTIFICATE OF COVERAGE**

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER OTHER THAN THOSE PROVIDED IN THE COVERAGE DOCUMENT. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE COVERAGE DOCUMENTS LISTED HEREIN.

**MEMBER**

Western Municipal Water District  
P.O. Box 5286  
Riverside, CA 92517-5286

<b>COVERAGE INFORMATION</b>				
This is to certify that coverage documents listed herein have been issued to the Member Agency herein for the Coverage period indicated. Notwithstanding any requirement, term or condition of any contract or other document with respect to which the certificate may be issued or may pertain, the coverage afforded by the coverage documents listed herein is subject to all the terms, conditions and exclusions of such coverage documents.				
Type of Coverage	Certificate #	Effective Date	Expiration Date	Limits
<b>General Liability</b> Commercial General Liability Contractual Liability Products/Completed Operations Occurrence				
<b>Auto Liability</b> Owned Autos Hired Autos Non-Owned Autos				
<b>Auto Physical Damage</b> Scheduled Autos Hired Autos				
<b>Property</b> Special Form Mobile Equipment Boiler and Machinery Crime				
<b>Workers' Compensation</b> <input checked="" type="checkbox"/> Coverage A - Workers' Comp. <input checked="" type="checkbox"/> Coverage B - Employer's Liability	MOWC&EL-070106	7/1/2006	7/1/2007	Per Accident      Statutory Limits Per Accident      \$2,000,000
<b>DESCRIPTION</b>				
Lease R.L. 2348, Lake Mathews MWD Parcel Nos. 140-6A-7A, 9, 25 (Portions), APN 285-120-019 (Portion).				

**CERTIFICATE HOLDER**

Metropolitan Water District of Southern California  
Attn: Asset Management  
P.O. Box 54153  
Los Angeles, CA 90054-0153

**CANCELLATION**

Should any of the coverage documents herein be cancelled before the expiration date thereof, ACWA/JPIA will endeavor to provide 30 days written notice to the certificate holder named herein.

**AUTHORIZED REPRESENTATIVE      DATE**

*[Handwritten Signature]*

8/23/2006

**ADDENDUM**  
to the  
**Memorandum of Workers' Compensation &  
Employer's Liability Coverage**  
for the  
**ASSOCIATION OF CALIFORNIA WATER AGENCIES  
JOINT POWERS INSURANCE AUTHORITY**

**MEMBER:** Western Municipal Water District

**COVERAGE PERIOD:** 7/1/2006 - 7/1/2007

**ADDENDUM DATE:** 8/23/2006

**ADDENDUM NUMBER: 3**

Anything in this Memorandum of Workers' Compensation & Employer's Liability Coverage to the contrary notwithstanding. It is understood and agreed that the Association of California Water Agencies Joint Powers Insurance Authority and its carriers waive any right of subrogation against:

**The Metropolitan Water District of Southern California**

which might arise by reason of payment under this Memorandum of Coverage in connection with Lease R.L. 2348, Lake Mathews MWD Parcel Nos. 140-6A-7A, 9, 25 (Portions), APN 285-120-019 (Portion).

Signed By:

  
\_\_\_\_\_  
(Authorized Representative)

Date: 8/23/2006

**Association of California Water Agencies / Joint Powers Insurance Authority  
5620 Birdcage Street, Suite 200, Citrus Heights, CA 95610**

**CERTIFICATE OF COVERAGE**

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER OTHER THAN THOSE PROVIDED IN THE COVERAGE DOCUMENT. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE COVERAGE DOCUMENTS LISTED HEREIN.

**MEMBER**

Western Municipal Water District  
P.O. Box 5286  
Riverside, CA 92517-5286

<b>COVERAGE INFORMATION</b>					
This is to certify that coverage documents listed herein have been issued to the Member Agency herein for the Coverage period indicated. Notwithstanding any requirement, term or condition of any contract or other document with respect to which the certificate may be issued or may pertain, the coverage afforded by the coverage documents listed herein is subject to all the terms, conditions and exclusions of such coverage documents.					
Type of Coverage	Certificate #	Effective Date	Expiration Date	Limits	
<b>General Liability</b> <input checked="" type="checkbox"/> Commercial General Liability <input checked="" type="checkbox"/> Contractual Liability <input checked="" type="checkbox"/> Products/Completed Operations <input checked="" type="checkbox"/> Occurrence	MOLC-100105	10/1/2005	10/1/2006	Aggregate	\$3,000,000
				Per Occurrence	\$3,000,000
<b>Auto Liability</b> <input checked="" type="checkbox"/> Owned Autos <input checked="" type="checkbox"/> Hired Autos <input checked="" type="checkbox"/> Non-Owned Autos	MOLC-100105	10/1/2005	10/1/2006	Per Occurrence	\$3,000,000
<b>Auto Physical Damage</b> Scheduled Autos Hired Autos					
<b>Property</b> Special Form Mobile Equipment Boiler and Machinery Crime					
<b>Workers' Compensation</b> Coverage A - Workers' Comp. Coverage B - Employer's Liability					
<b>DESCRIPTION</b> The Certificate Holder has been added as an <i>Additional Covered Party to the Liability Program</i> , but solely with respect to those causes of action arising directly out of the Lease R.L. 2348, Lake Mathews MWD Parcel Nos. 140-6A-7A, 9, 25 (Portions), APN 285-120-019 (Portion).					

**CERTIFICATE HOLDER**

Metropolitan Water District of Southern California  
Attn: Asset Management  
P.O. Box 54153  
Los Angeles, CA 90054-0153

**CANCELLATION**

Should any of the coverage documents herein be cancelled before the expiration date thereof, ACWA/JPIA will endeavor to provide 30 days written notice to the certificate holder named herein.

**AUTHORIZED REPRESENTATIVE      DATE**

*John W. [Signature]*

8/23/2006

**ADDENDUM**  
to the  
**Memorandum of Liability Coverage**

for the

**ASSOCIATION OF CALIFORNIA WATER AGENCIES  
JOINT POWERS INSURANCE AUTHORITY**

**MEMBER:** Western Municipal Water District

**COVERAGE PERIOD:** 10/1/2005 - 10/1/2006

**ADDENDUM DATE:** 8/23/2006

**ADDENDUM NUMBER: 5**

Change In WHO IS COVERED

The following entity has been added as an Additional Covered Party:

Metropolitan Water District of Southern California, but solely with respect to those causes of action arising directly out of the Lease R.L. 2348, Lake Mathews MWD Parcel Nos. 140-6A-7A, 9, 25 (Portions), APN 285-120-019 (Portion), and subject to a \$3,000,000 per occurrence and annual aggregate limit of liability.

Signed By:

  
\_\_\_\_\_  
(Authorized Representative)

Date: 8/23/2006

EXIHIBIT "B"

Legal Description

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25

EXHIBIT "B"

That portion of Section 11, Township 4 South, Range 5 West, San Bernardino Meridian as shown on Plat of the Rancho El Sobrante de San Jacinto on file in Book 7 of Maps at Page 10 thereof. Records of San Bernardino County, in the County of Riverside, State of California, described as follows:

**COMMENCING** at the north quarter corner of said Section 11, as shown on Record of Survey on file in Book 95 of Records of Survey at Pages 37 through 57, inclusive thereof, Records of Riverside County, California;

Thence South  $00^{\circ}51'43''$  West along the west line of the northeast quarter of said Section 11, a distance of 1611.31 feet to a point on the southwesterly right of way line of El Sobrante Road (80.00 feet in full width), as shown on said Record of Survey;

Thence South  $53^{\circ}48'45''$  East along said right of way line, a distance of 399.66 feet;

Thence South  $36^{\circ}11'15''$  West, at a right angle, a distance of 27.00 feet to the **TRUE POINT OF BEGINNING**, said point being on a line parallel with and distant southwesterly 67.00 feet, measured at a right angle, from the centerline of said El Sobrante Road;

Thence South  $53^{\circ}48'45''$  East along said parallel line, a distance of 305.26 feet;

Thence South  $36^{\circ}11'15''$  West, at a right angle, a distance of 260.00 feet;

Thence North  $53^{\circ}48'45''$  West, at a right angle, a distance of 305.26 feet;

Thence North  $36^{\circ}11'15''$  East, at a right angle, a distance of 260.00 feet to the **TRUE POINT OF BEGINNING**.

Containing 1.82 acres, more or less.

SEE PLAT ATTACHED HERETO AS EXHIBIT "B1" AND MADE A PART HEREOF.

PREPARED UNDER MY SUPERVISION

Matthew E. Webb  
Matthew E. Webb, L.S. 5529

10/13/08  
Date

Prepared by: Matthew E. Webb  
Checked by: Matthew E. Webb

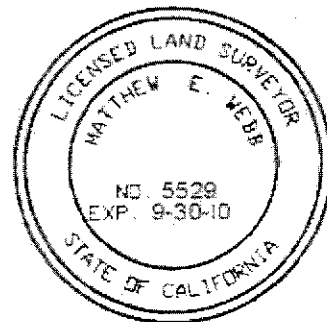




EXHIBIT "C"

Principles of Reimbursement Agreement and Percentage Allocations

Joint use Items for Identified Property	Percent Allocation		Estimated Amounts <sup>1</sup>	
	WMWD	County	WMWD	County
1. Legal & Plat for Fire Station	100%	0%	\$1,600	\$0
2a. CEQA Documents <sup>2</sup>	50%	50%	\$19,825.54	\$19,825.54
2b. CEQA Documents – WMWD Special Report <sup>2</sup>	100%	0%	\$14,650.00	\$0
2c. CEQA Documents - Addendum (as required by MWD)	100%	0%	\$19,900.00	\$0
2d. CEQA Mitigation Measures <sup>3</sup>	100%	100%	TBD	TBD
3. Plan Check	100%	0%	\$100,000	\$0
4. Offsite improvements	51%	49%	\$234,400	\$224,200
5. Right-of-Way to Ultimate	51%	49%	TBD	TBD
6. Traffic Signal	0%	100%	\$0	\$185,000
7. Driveway	50%	50%	\$56,900	\$56,900
8. Site Grading	77%	23%	\$514,300	\$150,100
9. Rock	100%	100%	TBD	TBD
10. Sewer System	73%	27%	\$365,200	\$134,800
11. Sewer Connection and Service	0%	100%	\$0	\$50,000
12. Water System (Fire Station)	0%	100%	\$0	\$50,000
13. Water Service (Fire Station)	0%	100%	\$0	TBD
14. Natural Gas Connection	70%	30%	TBD	TBD
15. Electrical Connection	100%	100%	TBD	TBD
Anticipated Soft Costs and Contingencies <sup>4</sup>			\$276,700	\$184,600
<b>Total</b>			<b>\$1,603,500</b>	<b>\$1,055,400</b>

Note: 1. Amounts shown above are estimates only unless otherwise indicated. Actual amounts may vary. Project costs will be billed based on final construction expenses and fees.  
 2. Amounts shown for Items 2a, 2b, and 2c - CEQA Documents are actual costs.  
 3. Percent allocation and estimated amounts for Item 2d will be based on area covered by required measures.  
 4. Related soft costs will be billed in conjunction with the actual dollar amounts for each line item.

**Descriptions**

**1. Legal & Plat for Fire Station.** Western will be solely responsible for the cost and preparation of Legal and Plat documentation of the fire station to be used as Exhibit B of this sublease. Legal and Plat will include a written description and graphical layout of overall site.

**2. CEQA Documents.** The County (Sublessee) shall coordinate, prepare, and acquire the necessary CEQA Documentation for the joint projects and both parties to this Sublease agree to share the costs of the joint environmental studies based on a 50/50 split. Any specialized studies related to specific aspects of either Western's Operations site or the County's fire station will be paid for by the responsible party.

**3. Plan Check.** Plan check for Western's Operations center and Maintenance building will be conducted by County Facilities. Western agrees to pay 100% of all applicable fees to the County for appropriate plan check expenses.

1           **4. Offsite Improvements.** Offsite Improvements shall be understood to  
2 include but not be limited to: street paving, sawcut pavement, remove existing  
3 paving, stripping, signage, sidewalks, curb and gutter, street lights, power poles, and  
4 landscaping. Expenses for Offsite Improvements will be shared based on frontage  
5 square feet.

6           **5. Right of Way to Ultimate.** The County's ultimate projected use for El  
7 Sobrante Rd. is a six lane arterial highway. Accordingly, The County and Western  
8 have agreed to a proposed right-of-way that includes designated turn lanes in each  
9 direction, plus one through lane in each direction. Costs for the right-of-way  
10 expansion will be shared based on frontage square feet.

11           **6. Traffic Signal.** Traffic Signal shall include but not be limited to...Costs  
12 for the traffic signal will be paid upfront by Western, *However*, are fully reimbursable  
13 by the County.

14           **7. Driveway.** A three lane driveway entering the site will be constructed.  
15 One incoming lane, one outgoing lane and a designated fire lane. County and  
16 Western will split the costs associated with the Driveway construction 50/50.

17           **8. Site Grading.** Site grading shall be understood to include but not be  
18 limited to: site clearance, SWPP implementation, mobilization, clear and grub,  
19 disposal, grading prewater, construction water, over excavation, excavation, place fill,  
20 rough grade, fine grade, backfill, drainage facilities, storm water detention basin, and  
21 soils. Western agrees to have all site grading completed. Western also agrees to pay  
22 all upfront costs for site grading. These costs will be allocated between Western and  
23 the County based on acreage. The County's portion will be fully reimbursable to  
24 Western.

25           **9. Rock.** Each party shall be responsible for the removal or appropriate  
demolition of any impeding rock located on the respective sites. Any expenses related  
to the removal or demolition of such rock will be separate from the above mentioned  
site grading.

**10. Sewer System.** The County will be responsible for a portion of the  
costs related to the sewer system based on an allocation of full-time equivalent  
employees (FTEs).

**11. Sewer Connection and Service.** The County will be responsible for  
standard sewer lateral costs and monthly sewage rates.

**12. Water System.** The County will be responsible for any necessary  
plumbing to connect to the District's water system.

**13. Water Connection and Service.** The County will be responsible for  
standard connection fees and regular water service rates in accordance with the  
District's prevailing rate ordinance.

**14. Natural Gas Connection.** The Gas Company will install a 4" service  
line and 3 meters at the driveway to El Sobrante Rd. The first meter will be for the  
County's fire station, the second meter will be for the Operations Center buildings, and  
the third meter will be for the future Operations Center CNG fueling station. Based on  
the distribution of meters, the County will be responsible for 1/3rd of the project  
charges from the Gas Company. The County will also be responsible for any costs  
associated with the connection line from the meter to the fire station.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

**15. Electrical Connection.** The County and the District will share the project costs equally to have the appropriate electrical meters and conduit installed. Each party will then be responsible for their own meter and energy rates.

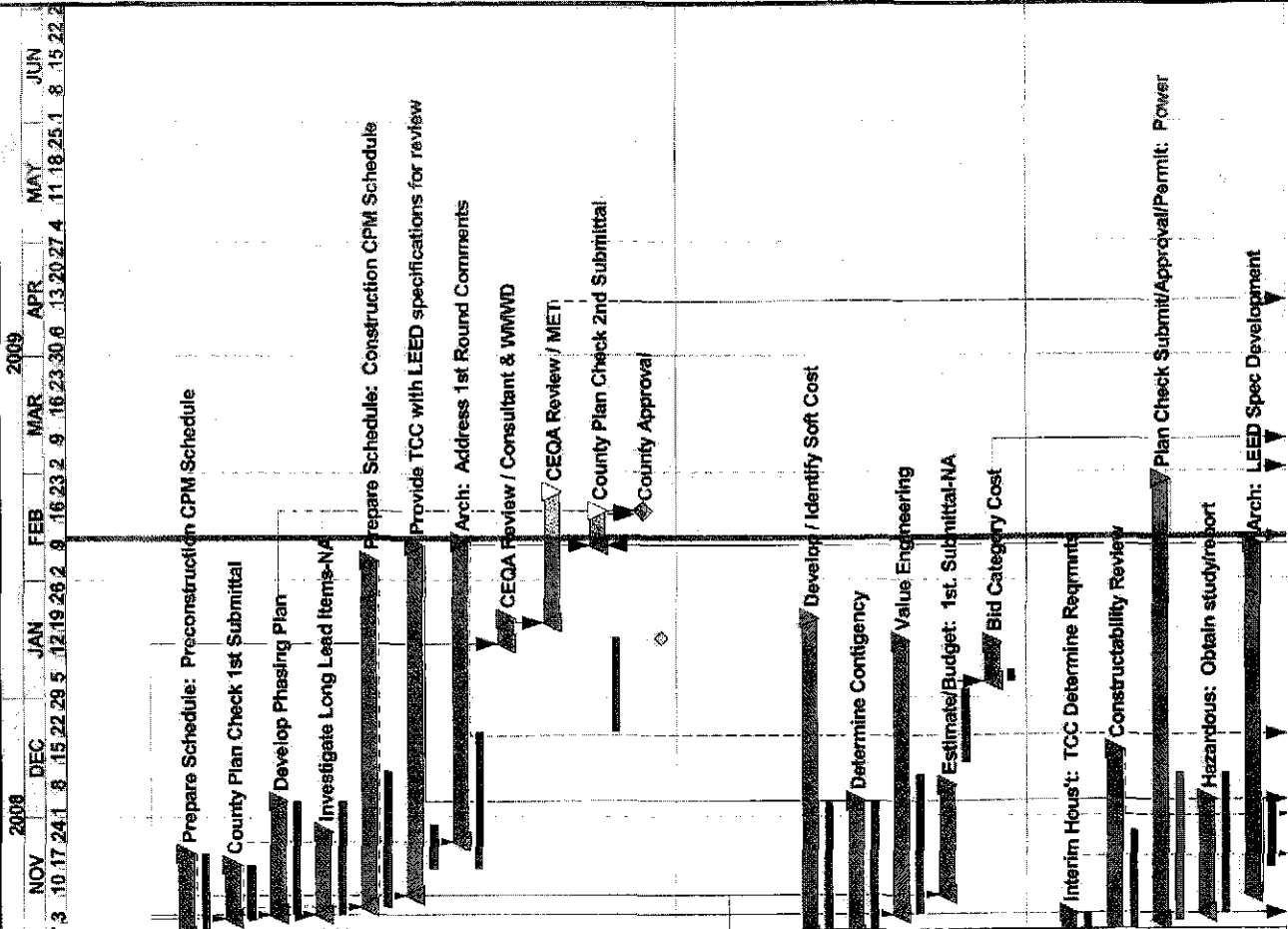
**Terms of Payment**

Both parties agree to pay above referenced Project Costs in a timely manner consistent with their respective accounting practices.

EXHIBIT "D"  
Project Schedules

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25





Activity ID	Activity Description	Orig Dur	Rem Dur	Early Start	Early Finish	Actual Start	Actual Finish
PL00	Start of Planning Process	0	0	20OCT08A		20OCT08	
PL05	Prepare Schedule: Preconstruction CPM Schedule	10	0	30OCT08A	20NOV08A	30OCT08	20NOV08
PL25	County Plan Check 1st Submittal	25	0	04NOV08A	17NOV08A	04NOV08	17NOV08
PL15	Develop Phasing Plan	15	0	05NOV08A	04DEC08A	05NOV08	04DEC08
PL20	Investigate Long Lead Items-NA	15	0	05NOV08A	26NOV08A	05NOV08	26NOV08
PL10	Prepare Schedule: Construction CPM Schedule	21	0	07NOV08A	06FEB09A	07NOV08	05FEB09
PL27	Provide TCC with LEED specifications for review	10	0	10NOV08A	09FEB09A	10NOV08	09FEB09
PL25.1	Arch: Address 1st Round Comments	26	0	24NOV08A	10FEB09A	24NOV08	10FEB09
PL40	CEQA Review / Consultant & WMWD	6	0	15JAN09A	21JAN09A	15JAN09	21JAN09
PL45	CEQA Review / MET	22	8	21JAN09A	23FEB09	21JAN09	21JAN09
PL30	County Plan Check 2nd Submittal	15	5	10FEB09A	18FEB09	10FEB09	10FEB09
PL35	County Approval	0	0		18FEB09		
BU00	Start of Budget Process	0	0	20OCT08A		20OCT08	
BU45	Develop General Condition Budget	5	0	23OCT08A	23OCT08A	23OCT08	23OCT08
BU50	Develop / Identify Soft Cost	15	0	30OCT08A	21JAN09A	30OCT08	21JAN09
BU60	Determine Contingency	15	0	30OCT08A	04DEC08A	30OCT08	04DEC08
BU30	Value Engineering	20	0	05NOV08A	15JAN09A	05NOV08	15JAN09
BU20	Estimate/Budget: 1st Submittal-NA	15	0	10NOV08A	08DEC08A	10NOV08	08DEC08
BU40	Bid Category Cost	3	0	05JAN09A	14JAN09A	05JAN09	14JAN09
CO05	Interim Hours: TCC Determine Reqrmts	33	0	02OCT08A	04NOV08A	02OCT08	04NOV08
CO06	Constructability Review	30	0	06OCT08A	17DEC08A	06OCT08	17DEC08
CO50	Plan Check Submittal/Approval/Permit: Power	35	11	03NOV08A	26FEB09	03NOV08	04DEC08
CO15	Hazardous: Obtain study/report	20	0	05NOV08A	04DEC08A	05NOV08	04DEC08
CO44	Arch: LEED Spec Development	13	0	10NOV08A	09FEB09A	10NOV08	09FEB09

Sheet 1 of 4

Start Date: 13MAY08  
 Finish Date: 07MAY09  
 Data Date: 12FEB09  
 Run Date: 12FEB09 09:24

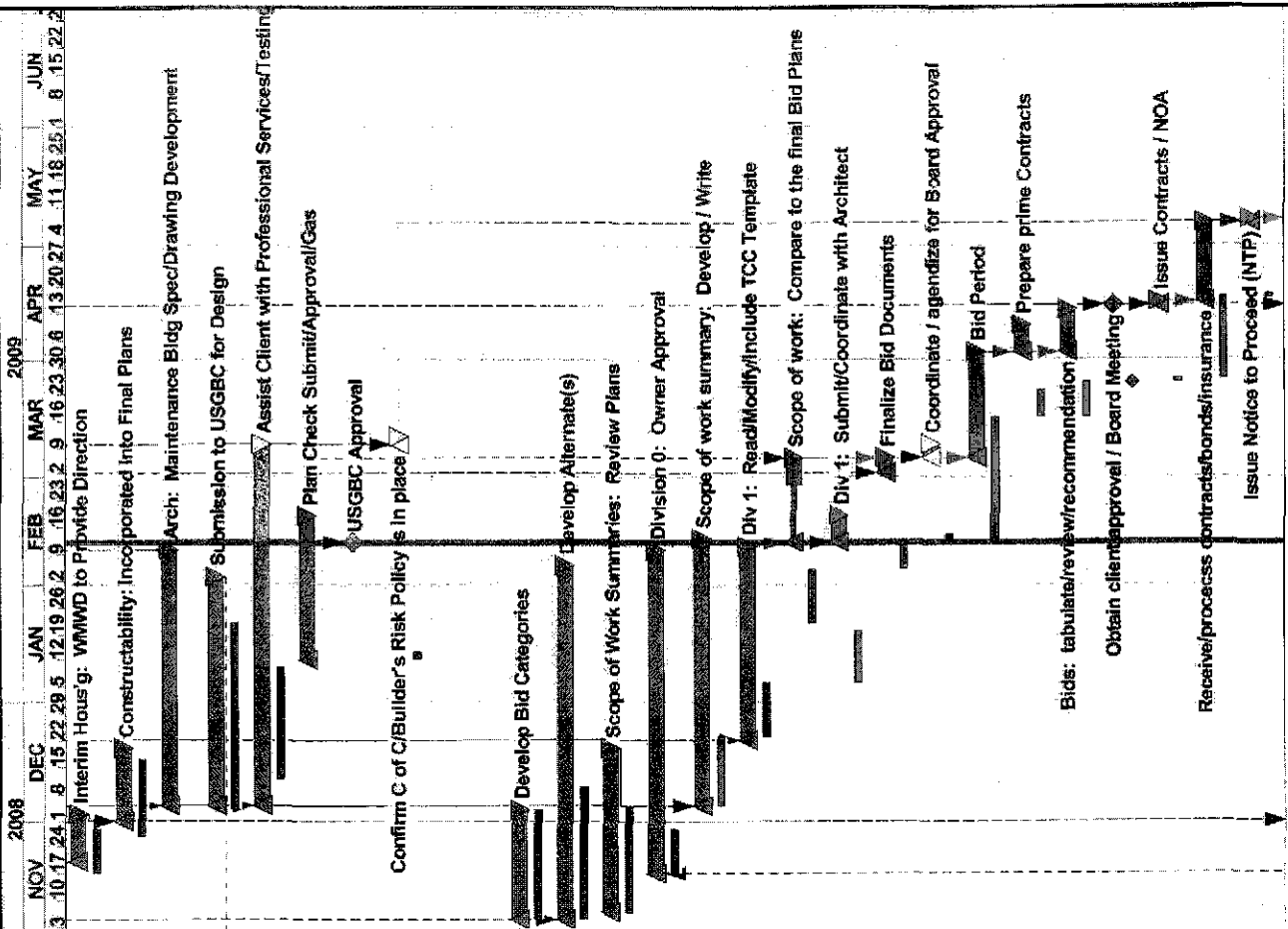
RC04

Legend:  
 Early Bar  
 Target Bar  
 Progress Bar  
 Critical Activity

Tilden-Coil Constructors, Inc.  
 Recovery Sch. WMWD  
 Classic Schedule Layout

© Primavera Systems, Inc.

Date	Revision	Checked	Approved
15JAN09			



Activity ID	Activity Description	Orig Dur	Rem Dur	Early Start	Early Finish	Actual Start	Actual Finish
CO96	Interim Hous'g: WMWD to Provide Direction	10	0	20NOV08A	02DEC08A	20NOV08	02DEC08
CO10	Constructability: Incorporated into Final Plans	14	0	01DEC08A	19DEC08A	01DEC08	19DEC08
CO44.1	Arch: Maintenance Bldg Spec/Drawing Development	35	0	05DEC08A	09FEB09A	05DEC08	09FEB09
CO45	Submission to USGBC for Design	35	0	05DEC08A	02FEB09A	05DEC08	02FEB09
CO70	Assist Client with Professional Services/Testing	21	18	05DEC08A	09MAR09	05DEC08	09FEB09
CO51	Plan Check Submit/Approval/Gas	14	5	12JAN09A	18FEB09	12JAN09	18FEB09
CO46	USGBC Approval	0	0	11FEB09	11FEB09	11FEB09	11FEB09
CO75	Confirm C of C/Builder's Risk Policy is in place	2	2	10MAR09	11MAR09	11MAR09	11MAR09
<b>BID PROCESS BUILDINGS</b>							
BP00	Start of Bid Process Buildings	0	0	20OCT08A	20OCT08	20OCT08	20OCT08
BP05	Develop Bid Categories	14	0	05NOV08A	03DEC08A	05NOV08	03DEC08
BP90	Develop Alternate(s)	18	0	05NOV08A	05FEB09A	05NOV08	05FEB09
BP10	Scope of Work Summaries: Review Plans	15	0	07NOV08A	19DEC08A	07NOV08	19DEC08
BP25.1	Division 0: Owner Approval	10	0	17NOV08A	09FEB09A	17NOV08	09FEB09
BP15	Scope of work summary: Develop / Write	12	1	05DEC08A	12FEB09	05DEC08	12FEB09
BP26	Div 1: Read/Modify/Include TCC Template	10	0	22DEC08A	10FEB09A	22DEC08	10FEB09
BP20	Scope of work: Compare to the final Bid Plans	7	5	12FEB09A	05MAR09	12FEB09	12FEB09
BP26.1	Div 1: Submit/Coordinate with Architect	5	5	12FEB09A	18FEB09	12FEB09	18FEB09
BP49	Finalize Bid Documents	4	4	02MAR09	05MAR09	05MAR09	05MAR09
BP100	Coordinate / agendaize for Board Approval	2	2	06MAR09	09MAR09	09MAR09	09MAR09
BP51	Bid Period	20	20	06MAR09	02APR09	02APR09	02APR09
BP125	Prepare prime Contracts	5	5	03APR09	09APR09	09APR09	09APR09
BP95	Bids: tabulate/review/recommendation	7	7	03APR09	13APR09	13APR09	13APR09
BP105	Obtain client approval / Board Meeting	0	0	15APR09*	15APR09	15APR09	15APR09
BP110	Issue Contracts / NOA	1	1	15APR09	15APR09	15APR09	15APR09
BP115	Receive/process contracts/bonds/insurance	15	15	16APR09	05MAY09	05MAY09	05MAY09
BP130	Issue Notice to Proceed (NTP)	1	1	07MAY08	07MAY09	07MAY09	07MAY09

Sheet 2 of 4

Primavera Systems, Inc.

Tilden-Coil Constructors, Inc.

Recovery Sch. WMWD

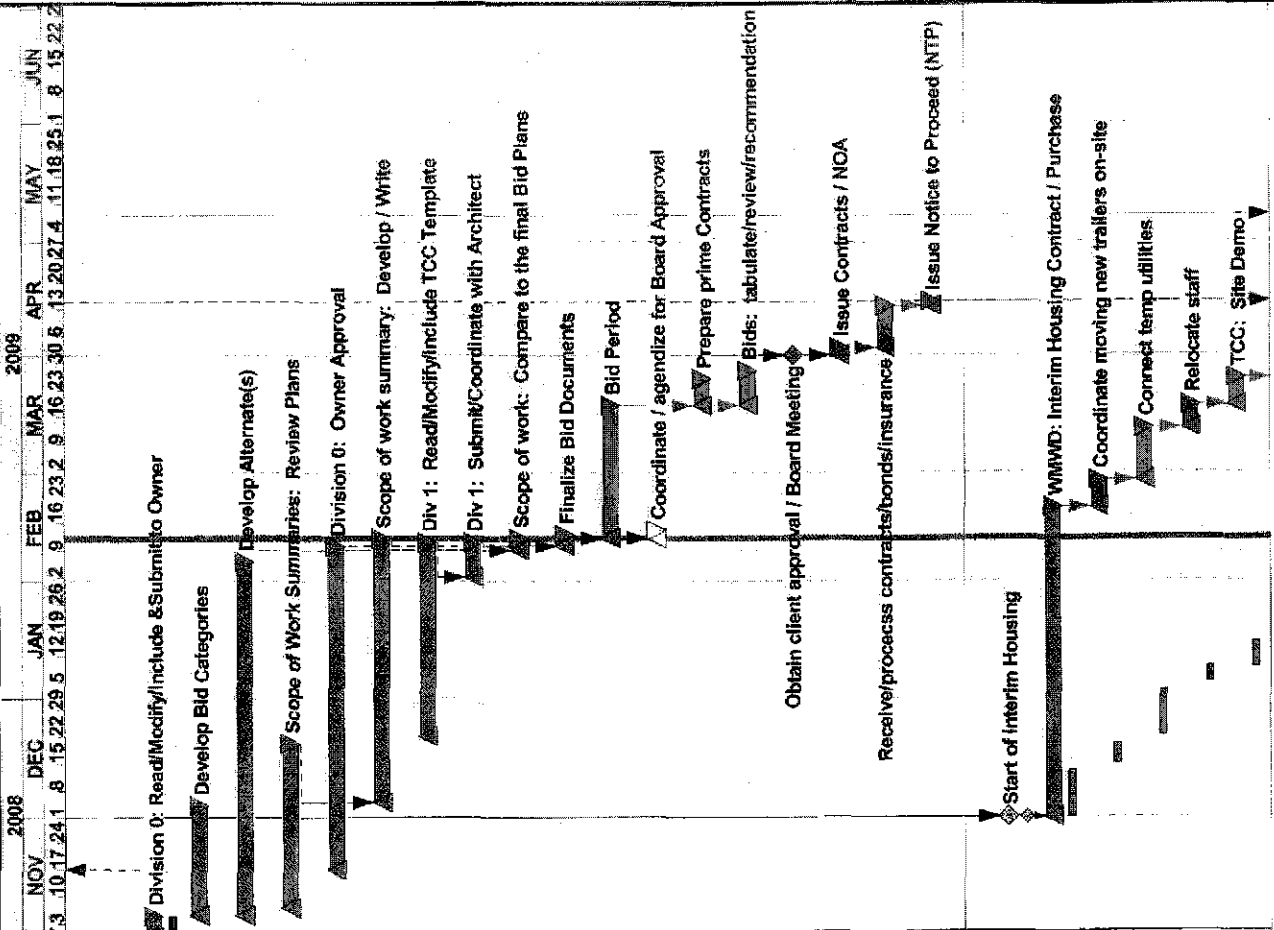
Classic Schedule Layout

RC04

Start Date: 13MAY08  
 Finish Date: 07MAY09  
 Data Date: 12FEB09  
 Run Date: 12FEB09 08:04

Legend:  
 Early Bar  
 Target Bar  
 Progress Bar  
 Critical Activity

Date: 15JAN09  
 Recovery Schedule  
 Revision  
 Checked  
 Approved



Activity ID	Activity Description	Orig Dur	Rem Dur	Early Start	Early Finish	Actual Start	Actual Finish
BB101	Start of Bid Process Grading	0	0	20OCT08A	20OCT08		
BP25	Division 0: Read/Modify/Include & Submit to Owner	21	0	30OCT08A	04NOV08A	30OCT08	04NOV08
BB05	Develop Bid Categories	14	0	05NOV08A	03DEC08A	05NOV08	03DEC08
BB90	Develop Alternate(s)	18	0	05NOV08A	05FEB09A	06NOV08	05FEB09
BB10	Scope of Work Summaries: Review Plans	15	0	07NOV08A	19DEC08A	07NOV08	19DEC08
BB25.1	Division 0: Owner Approval	10	0	17NOV08A	09FEB09A	17NOV08	09FEB09
BB15	Scope of work summary: Develop / Write	12	0	05DEC08A	11FEB09A	05DEC08	11FEB09
BB26	Div 1: Read/Modify/Include TCC Template	10	0	22DEC08A	10FEB09A	22DEC08	10FEB09
BB26.1	Div 1: Submit/Coordinate with Architect	5	0	02FEB09A	10FEB09A	02FEB09	10FEB09
BB20	Scope of work: Compare to the final Bid Plans	5	0	09FEB09A	11FEB09A	09FEB09	11FEB09
BB49	Finalize Bid Documents	4	0	10FEB09A	12FEB09A	10FEB09	12FEB09
BB51	Bid Period	25	25	12FEB09A	18MAR09	12FEB09	12FEB09
BB102	Coordinate / agendize for Board Approval	2	2	12FEB09	13FEB09	13FEB09	13FEB09
BB125	Prepare prime Contracts	5	5	19MAR09	25MAR09	25MAR09	25MAR09
BB95	Bids: tabulate/review/recommendation	7	7	19MAR09	27MAR09	27MAR09	27MAR09
BB105	Obtain client approval / Board Meeting	0	0	01APR09*			
BB110	Issue Contracts / NOA	2	2	01APR09	02APR09	02APR09	02APR09
BB115	Receive/process contracts/bonds/insurance	7	7	03APR09	13APR09	13APR09	13APR09
BB130	Issue Notice to Proceed (NTP)	1	1	14APR09	14APR09	14APR09	14APR09
<b>CONSTRUCTION</b>							
P001	Start of Interim Housing	0	0	01DEC08A	01DEC08	01DEC08	01DEC08
P005	WMWD: Interim Housing Contract / Purchase	25	6	01DEC08A	19FEB09	01DEC08	01DEC08
P008	Coordinate moving new trailers on-site	5	5	20FEB09	26FEB09	26FEB09	26FEB09
P006	Connect temp utilities	10	10	27FEB09	12MAR09	12MAR09	12MAR09
P006.1	Relocate staff	4	4	13MAR09	18MAR09	18MAR09	18MAR09
P007	TCC: Site Demo	5	5	19MAR09	25MAR09	25MAR09	25MAR09

2008 NOV 23 10 17 24 1 8 15 22 29 5 12 19 26 2 9 16 23 2 9 16 23 30 5 13 20 27 4 11 18 25 1 8 15 22 2 2009 JAN 12 19 26 2 9 16 23 30 5 13 20 27 4 11 18 25 1 8 15 22 2

Sheet 3 of 4

Start Date: 13MAY08  
 Finish Date: 07MAY08  
 Data Date: 12FEB09  
 Run Date: 12FEB09 08:04

RC04

Tilden-Coil Constructors, Inc.  
 Recovery Sch. WMWD  
 Classic Schedule Layout

Legend:  
 Early Bar  
 Target Bar  
 Progress Bar  
 Critical Activity

Date: 15JAN09  
 Recovery Schedule  
 Revision  
 Checked  
 Approved

© Primavera Systems, Inc.

