#### SUBMITTAL TO THE BOARD OF DIRECTORS OF THE REDEVELOPMENT AGENCY **COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



FROM: Redevelopment Agency

October 20, 2011

SUBJECT: Public Hearing - Adopt RDA Resolution No. 2011-039 Approval of the Lease Agreement Between Redevelopment Agency for the County of Riverside and the Boys & Girls Club of the Coachella Valley - 4th District

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

- 1. Make findings that the proposed Lease Agreement between Redevelopment Agency for the County of Riverside and the Boys & Girls Club of the Coachella Valley is an enforceable obligation of the Agency;
- 2. Conduct a joint public hearing with the Board of Supervisors pursuant to Health and Safety Code 33431 and 33433;
- 3. Adopt RDA Resolution No. 2011-039 Authorization to Lease Real Property known as 91-391 Avenue 66, Mecca, from the Agency to the Boys & Girls Club of the Coachella Valley ("BGCCV");

(Continued)

tmental Concurrence

NTY COUNSEL

Policy

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Dep't Recomm.:

Policy

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Consent

Exec. Ofc.:

Per

Executive Director				
	\$ O	In Current Year Budget:	Yes	
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Current F.Y. Total Cost: **FINANCIAL Current F.Y. Net County Cost: Budget Adjustment:** \$0 No DATA **Annual Net County Cost:** For Fiscal Year: \$0 2011/12 **COMPANION ITEM ON BOARD OF SUPERVISORS AGENDA: Yes** 

**Positions To Be** SOURCE OF FUNDS: N/A **Deleted Per A-30** 

Requires 4/5 Vote C.E.O. RECOMMENDATION: APPROVE

Sarge Jennifer. **County Executive Office Signature** 

**Prev. Agn. Ref.:** 4.6 of 12/5/06; 4.1 of 8/3/09; 4.2 of 2/23/10

District: 4

Agenda Numbe

RDA-001a-F11 Form 11 (Rev 06/2003)

(Rev 08/2010)

ATTACHMENTS FILED WITH THE CLERK OF THE BOARD Public Hearing - Adopt RDA Resolution No. 2011-039 Approval of the Lease Agreement Between Redevelopment Agency for the County of Riverside and the Boys & Girls Club of the Coachella Valley - 4th District October 20, 2011 Page 2

#### **RECOMMENDED MOTION: (Continued)**

- 4. Approve the Lease Agreement between the Redevelopment Agency for the County of Riverside (Agency) and the Boys & Girls Club of the Coachella Valley (BGCCV) and authorize the Chairman to execute said Lease Agreement;
- 5. Find that the Project is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15301 Existing Facilities, Class 1 and General Rule Exemption Section 15061;
- 6. Direct the Clerk of the Board to file the Notice of Exemption with the County Clerk; and,
- Authorize the Executive Director of the Redevelopment Agency or designee to take all necessary steps to administer the Lease including signing subsequent annual renewal agreements and related documents to complete this transaction.

#### **BACKGROUND:**

The Agency constructed and owns the Mecca Boys and Girls Club building consisting of approximately 30,636 square feet located at 91-391 Avenue 66, Mecca, Riverside County, identified by Assessor's Parcel Number 727-272-031, as depicted on Exhibit "A" attached hereto and incorporated herein by reference.

The BGCCV desires to lease the facility from RDA to operate the club by bringing educational services, recreation and training programs for the youth of the community.

The term of the lease shall be for a twenty five year period commencing upon the date of execution and expiring October 31, 2036. The term of the lease may be extended by mutual agreement of the Executive Director of the Agency and the BGCCV and shall be incorporated by a written amendment executed by both parties. The BGCCV shall pay \$1.00 per year to the Agency for the term of the lease which shall constitute rent under this lease.

Pursuant to California Environmental Quality Act (CEQA) guidelines section 15301, Existing Facilities Class 1 and General Rule Exemption Section 15061, the proposed project, the Lease, is the letting of property involving existing facilities, no expansion of existing use will occur and with certainty, there is no possibility that the proposed project may have a significant effect on the environment.

This lease agreement is considered an enforceable obligation and may be executed because the architectural services agreement with Holt Architects for the Mecca Boys and Girls Club Project was approved by the Board of Directors on December 5, 2006, the construction contract was awarded to Park West Construction on February 23, 2010. Both of these approvals were executed on dates prior to the enactment of ABx1 26 and ABx1 27, the Assembly bills regarding redevelopment that were signed by Governor Brown on June 29, 2011.

(Continued)

Public Hearing - Adopt RDA Resolution No. 2011-039 Approval of the Lease Agreement Between Redevelopment Agency for the County of Riverside and the Boys & Girls Club of the Coachella Valley - 4th District October 20, 2011 Page 3

#### **BACKGROUND:** (Continued)

The Boys and Girls Club of Coachella Valley was an instrumental partner in the planning of the Mecca Boys and Girls Club facility. A crucial component, and the intent of the Agency in constructing the facility was that it would be leased to and operated by the Boys and Girls Club of Coachella Valley.

The Agency obligated itself to the Boys and Girls Club of the Coachella Valley to enter into a lease agreement to operate the facility for the benefit of the youth in the community. The Boys and Girls Club of the Coachella Valley has moved forward with plans to operate the center in reliance that the Agency will perform its obligation. Therefore, the proposed Lease Agreement between Redevelopment Agency for the County of Riverside and the Boys & Girls Club of the Coachella Valley is required and is an enforceable obligation of the Agency.

The resolution has been reviewed and approved by County Counsel as to legal form.

Staff recommends approval of County Resolution 2011-039 to approve the lease agreement.

#### FINANCIAL DATA:

There are no costs associated with this transaction.

#### **BOARD OF DIRECTORS**

#### REDEVELOPMENT AGENCY

# RESOLUTION NO. 2011-039 APPROVAL OF THE LEASE AGREEMENT BETWEEN THE REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE AND THE BOYS & GIRLS CLUB OF COACHELLA VALLEY

#### (Fourth District)

WHEREAS, the Redevelopment Agency for the County of Riverside (the "Agency") is a redevelopment agency duly created, established and authorized to transact business and exercise its powers, all under and pursuant to the provisions of the Community Redevelopment Law which is Part 1 of Division 24 of the California Health and Safety Code (commencing with Section 33000 et seq.);

WHEREAS, the Riverside County Board of Supervisors adopted redevelopment plans for Redevelopment Project Area Nos. 1-1986, Jurupa Valley, Mid-County, Desert Communities and the I-215 Corridor, as amended, (the "Project Areas");

WHEREAS, pursuant to Section 33670 of the Health and Safety Code, the Agency began receiving tax increment from the Project Areas in January 1988, and continues to receive annual tax increment revenue;

WHEREAS, pursuant to Section 33430 of the Health and Safety Code, the Agency may within the survey area or for purposes of redevelopment sell, lease, exchange, subdivide, transfer, assign, pledge or otherwise dispose of any real or personal property or any interest in property;

WHEREAS, the Agency owns real property located at 91-391 Avenue 66, Mecca, California, in an unincorporated area of the County of Riverside in the community of Mecca within the Desert Communities Project Area, which was improved with the construction of the Mecca Boys and Girls Club ("Property");

**WHEREAS**, the Agency wishes to lease the Property to the Boys & Girls Club of the Coachella Valley ("BGCCV");

**WHEREAS**, the consideration is not less than the fair reuse value of \$1.00 per year at its proposed use, when considered with covenants, conditions, and restrictions imposed on the Property;

WHEREAS, the leasing of the Property will assist in the elimination of blight and is consistent with the implementation plan adopted pursuant to Health and Safety Code Section 33490 by providing much needed community facilities and programs to the Project Area and surrounding communities within the County of Riverside;

WHEREAS, A Mitigated Negative Declaration Mitigation Monitoring and Reporting Program No. RDA 2009-02 for environmental assessment was adopted by the Board of Directors on September 15, 2009, which concluded that the construction of the building would not have a significant effect on the environment; and

WHEREAS, the leasing of the Property to the Boys and Girls Club of the Coachella Valley is exempt from the California Environmental Quality Act (CEQA), pursuant to CEQA guidelines, section 15301, Existing Facilities Class 1 and General rule Exemption Section 15061 because the proposed project, the Lease, is the letting of property involving existing facilities, no expansion of existing use will occur.

NOW THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED by the Board of Directors of the Redevelopment Agency for the County of Riverside, State of California, in regular session assembled on November 1, 2011, as follows:

- 1. That the Board of Directors hereby finds and declares that the above recitals are true and correct.
- 2. That the Redevelopment Agency for the County of Riverside is authorized to lease real property located at 91-391 Avenue 66, Mecca, located in the unincorporated area of Riverside County to the BGCCV.
  - 3. The lease price of the subject property is one dollar (\$1.00) per year.
- 4. The fair reuse value of the property has been determined to be one dollar (\$1.00) per year after conditions, convenants, and criteria have been imposed.

#### LEASE

#### BY AND BETWEEN

## THE REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE AND THE

#### THE BOYS & GIRLS CLUB OF THE COACHELLA VALLEY

THIS LEASE is made and entered into on this \_\_\_\_\_\_day of November, 2011, by and between the Redevelopment Agency for the County of Riverside, a public body corporate and politic (Agency), and the Boys & Girls Club of the Coachella Valley (Lessee), a California nonprofit corporation, for the property described below upon the following terms and conditions:

#### WITNESETH

WHEREAS, the Agency is a redevelopment agency duly created, established and authorized to transact business and exercise its powers, all under and pursuant to the provisions of the Community Redevelopment Law, which is Part 1 of Division 24 of the California Health and Safety Code (commencing with Section 33000 et seq);

WHEREAS, the Lessee is a non-profit corporation duly created as of October 1964 and is in good standing with the State of California;

WHEREAS, pursuant to Health and Safety Code Section 33430, the Agency may, within the survey area or for purposes of redevelopment, sell, lease, for a period not to exceed 99 years, exchange, subdivide, transfer, assign, pledge, encumber by mortgage, deed of trust, or otherwise, dispose of any real or personal property or any interest in property;

WHEREAS, on January 27, 2009, the Board of Supervisors for the County of Riverside adopted Ordinance No. 886, a redevelopment plan (Plan) for the Mecca Sub-Area of the Desert Communities Project Area (Project Area);

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WHEREAS, the Plan was adopted in order to eliminate blight and revitalize the substandard physical and economic conditions that exist within the Project Area;

WHEREAS, the Agency is the owner of real property located within the Project Area at 91-391 Avenue 66, Mecca, Riverside County, State of California (the Property);

WHEREAS, the Lessee desires to lease the Property from the Agency and Agency desires to lease the Property to Lessee to conduct programs which provide supportive services for local youth residing in the unincorporated community of Mecca which will help reduce economic blight in the community; and

**WHEREAS**, the use of the Property is consistent with and furthers the purpose of the Project Area's Plan.

NOW, THEREFORE, in consideration of the preceding recitals and the mutual covenants and agreements hereinafter contained, the parties hereto do hereby agree as follows:

SECTION 1. PROPERTY DESCRIPTION. The Property, known as the Mecca Boys & Girls Club, consists of one multi-purpose building of approximately 30,636 square feet located at 91-391 Avenue 66, Mecca, Riverside County, California, known as Assessor's Parcel Number 727-272-031, as depicted on Exhibit "A", attached hereto and incorporated herein by reference.

#### SECTION 2. USE.

- A. The Property is leased hereby for the exclusive purpose of maintaining and operating the Project, which shall consist of an approximate thirty thousand, six hundred, thirty-six (30,636) square foot building and ancillary improvements (collectively, "Facilities") for use by Lessee as a Boys and Girls Club consistent with the nonprofit mission of the Lessee (all herein defined as the "Project").
- (b) The Property shall not be used for any other purpose without first obtaining the written consent of the Agency, which consent shall be at the absolute discretion of County as determined by its Board of Directors. Failure to comply with the terms of this section shall be considered a material default of the lease. Failure to

timely cure such default may result in early termination as set forth in section 11 herein and/or modification of the rent set forth in section 5 herein, to the current existing fair market rate rent as determined by an appraisal conducted by an MAI appraiser.

SECTION 3. <u>ACCEPTANCE OF PREMISES</u>. Upon execution of this Lease, Lessee accepts the Property in its present condition, subject to all applicable restrictions of record, zoning and other laws regulating the use of the Property. Lessee acknowledges that the Agency has made no representation or warranty as to the suitability of the Property for the conduct of Lessee's business, except as otherwise expressly agreed to in writing.

#### SECTION 4. TERM.

- A. The term of this Lease shall be for a twenty five year period commencing on November 1, 2011 and expiring October 31, 2036.
- **B.** Notwithstanding Subsection C below, any holding over by Lessee at the expiration of said term shall be deemed a month-to-month tenancy upon the same terms and conditions of this Lease.
- C. At the sole discretion of the Agency, the term of this Lease may be extended upon written request of Lessee. Any extension of the term approved by Agency shall be incorporated by an amendment to the Lease executed by both the Agency and the Lessee.
- **SECTION 5.** RENT. Lessee shall pay \$1.00 per year to Agency for the term of this Lease which shall constitute "Rent" under this Lease. Such rent shall be paid by November 1<sup>st</sup> annually for the term of the lease and sent to Agency's address set forth in Section 12 herein.
- SECTION 6. PROPERTY TAXES. Lessee understands that, pursuant to California Health & Safety Code § 33673, the Property shall be assessed in the same manner as if privately owned. Lessee is obligated pursuant to this Lease to pay all Property taxes based upon the assessed value of the entire Property, which shall

minimum:

include land and improvements, rather than the assessed value of the leasehold interest.

#### SECTION 7. LESSEE OBLIGATIONS.

#### A. OPERATIONS

- 1. Provide programs and services to the community and resident youth. Including but not limited to:
  - a. Character and Leadership Development
  - b. Education and Career Development
  - c. Health and Life Skills
  - d. The Arts
  - e. Sports. Fitness and Recreation
  - 2. As permitted by law, the Property shall be open at a
    - a. During the school year (opens afterschool dismissal until 7:00 pm, Monday – Friday), with special programs offered on occasional weekends.
    - b. During the summer school break (7:30 am 5:30 pm, Monday - Friday), with special programs offered on occasional weekends.
- B. <u>UTILITIES</u>. Lessee shall pay for all utility services used in connection with the operation of the Property throughout the term of this Lease including, but not limited to: water, sewer, gas, refuse removal, electrical, telephone services, security, cable, and fire protection, as may be required for the maintenance and use of the Property.
- **C.** MAINTENANCE. Lessee shall pay all costs to maintain the Property including, but not limited to air-conditioning equipment, heating equipment, plumbing, electrical wiring and fixtures, windows and structural parts in good working condition and repair, and in compliance with federal, state, and local laws, ordinances, rules and

regulations relating to fire, health and safety, and Lessee shall pay all costs to fully maintain the exterior and the interior of the Property using choice of custodial services. Lessee shall pay all costs to maintain the security film on windows should they be vandalized or damaged in any way. Lessee shall pay all costs to maintain the Property's landscaping and irrigation in good clean healthy condition. Any dead or dying plants, turf or trees shall be replaced in a timely fashion. The Property including the buildings and all exterior areas shall be maintained and cleaned a minimum of once per week.

D. <u>ENVIRONMENTAL COMPLIANCE</u>. Lessee acknowledges that receipt of the applicable Best Management Practices (BMP), on-site Water Quality Management Plan (WQMP) and/or Standard Storm Water Mitigation Plan (SUSMP) as applicable to the respective Santa Ana, Santa Margarita and/or Whitewater River Watershed Municipal Separate Storm Sewer System Permits (MS4 Permits).

Lessee shall at all times during the term of the lease operate and maintain all Best Management Practice (BMP) features constructed onsite in accordance with the associated on-site WQMP or SUSMP as applicable to the respective Santa Ana, Santa Margarita and/or Whitewater River Watershed Municipal Separate Storm Sewer System Permits (MS4 Permits). In addition, Lessee is responsible for providing to the EDA Environmental Compliance Division copies of completed semi-annual inspection and maintenance reports as found in the WQMP or SUSMP BMP Maintenance Handbook. Original inspection and maintenance reports shall be kept onsite with the WQMP or SUSMP. Failure to properly maintain onsite BMPs and provide the required semi-annual inspection reports shall be considered a material breach of this Lease agreement.

Lessor reserves the right to inspect onsite BMPs at any time during the term of the lease and make recommendations for improvement. Any BMP revisions as a result of Lessor recommendations shall be deemed reasonably necessary to maintain

compliance with applicable rules and regulations and all costs associated with compliance with such recommendations shall be borne exclusively by the Lessee.

The local Regional Water Quality Control Board may inspect BMPs and the associated WQMP or SUSMP for MS4 Permit compliance. In the event any such inspection results in findings and/or deficiencies as a result of Lessee negligence, which lead to a Notice of Violation (NOV) and/or subsequent Administrative Civil Liability (ACL) to Lessor, Lessee shall reimburse Lessor for any and all costs associated with such MS4 permit violation. Reimbursement shall include, but is not limited to, legal fees, staff time, any monetary penalty, remediation costs, and other related out of pocket expenses associated with Lessee's negligence.

E. <u>IMPROVEMENTS</u>. Lessee agrees that it is the expert regarding any necessary improvements for utilizing the Property for the purpose and use set forth in this Lease. Lessee, at its own expense, shall prepare the Property for useful occupancy as necessary to perform the functions required under this Lease. It is Lessee's sole responsibility to install, maintain and use the improvements necessary for its performance pursuant to the terms of this Lease.

Lessee shall submit any construction and capital improvement plans for the Property to Agency for review and approval prior to any installation or construction of improvements. Lessee understands and agrees that such improvements, alterations and installation of fixtures are subject to County of Riverside Ordinances No. 348 and 457, as well as other applicable County of Riverside ordinances. All alterations and improvements to the Property, including any fixtures installed or caused to be installed, by Lessee shall become the property of Agency with the exception of trade fixtures as such term is defined in Section 1019 of the California Civil Code.

At or prior to the expiration of this Lease, Lessee may remove such trade fixtures, provided, however, that such removal does not cause injury or damage to the Property, or in the event it does, Lessee shall restore the Property to its original shape and condition. In the event such trade fixtures are not removed, Agency may at its own

discretion either: 1) remove and store such fixtures and restore the Property for the account of Lessee, and in such event, Lessee shall within thirty (30) days after billing and accounting reimburse Agency for the costs so incurred, or 2) take and hold such fixtures as its sole property.

SECTION 8. OVERSIGHT BY AGENCY. The Agency may visit the Property for the purpose of reviewing the uses being conducted at the Property by Lessee. The Agency shall provide at least 24 hour notice to Lessee prior to visit which shall be done during normal business hours. Additionally, Agency may require the submission of periodic reports on the services being provided by Lessee pursuant to the terms of this Lease.

SECTION 9. <u>NONDISCRIMINATION</u>. Lessee herein covenants by and for Lessee and Lessee's successors and assigns all persons claiming under or through Lessee, this Lease is made and accepted upon and subject to the following conditions:

That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and Section (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, use, occupancy, tenure, or enjoyment of the Premises, nor shall Lessee, or any person claiming under or through Lessee, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, or tenants, lessees, sublessees, subtenant(s), or vendees in the Premises herein leased.

#### SECTION 10. DEFAULT.

- A. This Lease shall be in default if Lessee.
  - 1. uses the Property for any purpose other than that authorized in the Lease,
  - 2. fails to maintain the Property or the improvements in the manner provided for in the Lease,

- 3. fails to pay any installment of rent or other sum when due as provided for in the Lease,
- 4. fails to comply with or perform any other covenant, condition, provision or restriction provided for in the Lease,
- 5. abandons the Property,
- 6. allows the Property to be attached, levied upon, or seized under legal process,
- 7. files or commits an act of bankruptcy,
- 8. has a receiver or liquidator appointed to take possession of the Property, or
- 9. commits or permits waste on the Property.

Lessee shall be deemed in default under the terms of the Lease if any of the foregoing occurs.

B. Agency shall provide Lessee with a thirty (30) day written notice to cure any and all defaults. Upon the failure of Lessee to cure or begin to cure any default within 30 days of notice thereof, Agency shall have the right to terminate this Lease and retake possession of the Property together with all additions, alterations, and improvements thereto. Agency shall also retain all rights to seek any and all remedies at law or in equity available in the event of Lessee's default.

#### **SECTION 11. TERMINATION.**

A. Lessee and/or Agency shall have the option to terminate this Lease if the Property is destroyed or damaged except for reasonable wear and tear to the extent that it cannot be repaired within sixty (60) days, or if more than twenty-five percent (25%) of the Property is destroyed. Any damage or deterioration of the Premises shall not be deemed ordinary wear and tear if the same could have been prevented by good maintenance practices by Lessee. If Lessee elects not to terminate this Lease despite partial damage or destruction of the Property, then Lessee shall at its sole expense, make any repairs needed to the Property as the result of said

damage or destruction. Lessee reserves the right to determine what, if any, portions of the Property are usable.

- В. Agency shall have the option to terminate this Lease if the Property is destroyed or damaged to the extent that it cannot be repaired within sixty (60) days, or if more than twenty-five percent (25%) of the premises are destroyed.
- C. Agency may terminate this Lease in the event of a material default and breach of this Lease, by giving thirty (30) days written notice of such breach and Lessee has failed to either cure the default or commence such cure in a timely manner.

**SECTION 12. NOTICES.** Any notices required or desired to be served by either party upon the other shall be deemed delivered if sent by certified mail, return receipt requested to the following, or to such other addresses as from time to time shall be designated by the respective parties:

#### **AGENCY**

Robert Field

Executive Director

Redevelopment Agency for the County of Riverside

3403 10<sup>th</sup> Street, Suite 500

Riverside, CA 92507

(951) 955-8916

(951) 955-6686 fax

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#### LESSEE

Jim Ducatte Chief Executive Officer Boys & Girls Club 42600 Cook St., Suite 120 Palm Desert, CA 92211 (760) 836-1160 X 102 (760) 776-9111 fax

SECTION 13. ASSIGNMENT & SUBLEASES. Lessee shall not assign this Lease, or sublease the Property without the written consent of Agency, which approval or denial shall be in Agency's sole discretion.

**SECTION 14. INDEMNIFICATION**. Lessee shall indemnify and hold harmless the Agency, the County of Riverside, its Agencies Districts, Special Districts and Departments, their respective directors, officers, Board of Supervisors, Board of Directors, elected and appointed officials, employees, agents and representatives from any liability whatsoever, based or asserted upon any services of Lessee, its officers,

employees, sub lessees, agents or representatives arising out of or in any way relating to this Agreement, including but not limited to property damage, bodily injury, or death or any other element of any kind or nature whatsoever arising from the performance of Lessee, its officers, agents, employees, sub lessees, agents or representatives from this Agreement. Lessee shall defend, at its sole expense, all costs and fees including, but not limited, to attorney fees, cost of investigation, defense and settlements or awards, the Agency, County of Riverside, its Agencies Districts, Special Districts and Departments, their respective directors, officers, Board of Supervisors, Board of Directors, elected and appointed officials, employees, agents and representatives in any claim or action based upon such alleged acts or omissions.

With respect to any action or claim subject to indemnification herein by Lessee, Lessee shall, at their sole cost, have the right to use counsel of their own choice and shall have the right to adjust, settle, or compromise any such action or claim without the prior consent of Agency; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes Lessee's indemnification to Agency as set forth herein.

Lessee's obligation hereunder shall be satisfied when Lessee has provided to the Agency the appropriate form of dismissal relieving Agency from any liability for the action or claim involved.

The specified insurance limits required in this Agreement shall in no way limit or circumscribe Lessee's obligations to indemnify and hold harmless the Agency herein from third party claims.

**SECTION 15.** <u>INSURANCE</u>. Without limiting or diminishing the Lessee's obligation to indemnify or hold the Agency harmless, Lessee shall procure and maintain or cause to be maintained, at its sole cost and expense, the following insurance coverage's during the term of this Lease.

A. <u>Workers' Compensation:</u> If the Lessee has employees as defined by the State of California, the Lessee shall maintain statutory Workers'

Compensation Insurance (Coverage A) as prescribed by the laws of the State of California. Policy shall include Employers' Liability (Coverage B) including Occupational Disease with limits not less than \$1,000,000 per person per accident. The policy shall be endorsed to waive subrogation in favor of The Agency, and, if applicable, to provide a Borrowed Servant/Alternate Employer Endorsement.

- B. <u>Commercial General Liability:</u> Commercial General Liability insurance coverage, including but not limited to, premises liability, contractual liability, products and completed operations liability, personal and advertising injury, and cross liability coverage, covering claims which may arise from or out of Lessee's performance of its obligations hereunder. Policy shall name the Agency, the County of Riverside, its Agencies, Districts, Special Districts, and Departments, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives as Additional Insured. Policy's limit of liability shall not be less than \$1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this agreement or be no less than two (2) times the occurrence limit.
- C. <u>Vehicle Liability:</u> If vehicles or mobile equipment are used in the performance of the obligations under this Agreement, then Lessee shall maintain liability insurance for all owned, non-owned or hired vehicles so used in an amount not less than \$1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this agreement or be no less than two (2) times the occurrence limit. Policy shall name the Agency, the County of Riverside, its Agencies, Districts, Special Districts, and Departments, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives as Additional Insured.

#### D. <u>General Insurance Provisions - All lines:</u>

1) Any insurance carrier providing insurance coverage hereunder shall be admitted to the State of California and have an A M BEST rating of

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not less than A: VIII (A:8) unless such requirements are waived, in writing, by the Agency's Risk Manager. If the Agency's Risk Manager waives a requirement for a particular insurer such waiver is only valid for that specific insurer and only for one policy term.

- The Lessee's insurance carrier(s) must declare its 2) insurance self-insured retentions. If such self-insured retentions exceed \$500,000 per occurrence such retentions shall have the prior written consent of the Agency Risk Manager before the commencement of operations under this Agreement. Upon notification of self insured retention unacceptable to the Agency, and at the election of the Agency's Risk Manager, Lessee's carriers shall either; 1) reduce or eliminate such self-insured retention as respects this Agreement with the Agency, or 2) procure a bond which guarantees payment of losses and related investigations, claims administration, and defense costs and expenses.
- Lessee shall cause Lessee's insurance carrier(s) to furnish 3) the Agency with either 1) a properly executed original Certificate(s) of Insurance and certified original copies of Endorsements effecting coverage as required herein, and 2) if requested to do so orally or in writing by the Agency's Risk Manager, provide original Certified copies of policies including all Endorsements and all attachments thereto, showing such insurance is in full force and effect. Further, said Certificate(s) and policies of insurance shall contain the covenant of the insurance carrier(s) that thirty (30) days written notice shall be given to the Agency prior to any material modification, cancellation, expiration or reduction in coverage of such insurance. In the event of a material modification, cancellation, expiration, or reduction in coverage, this Agreement shall terminate forthwith, unless the Agency receives, prior to such effective date, another properly executed original Certificate of Insurance and original copies of endorsements or certified original policies, including all endorsements and attachments thereto evidencing coverage's set forth herein and the insurance required herein is in full force and effect. Lessee shall not commence operations until the Agency has been

furnished original Certificate (s) of Insurance and certified original copies of endorsements and if requested, certified original policies of insurance including all endorsements and any and all other attachments as required in this Section. An individual authorized by the insurance carrier to do so on its behalf shall sign the

original endorsements for each policy and the Certificate of Insurance.

- 4) It is understood and agreed to by the parties hereto that the Lessee's insurance shall be construed as primary insurance, and the Agency's insurance and/or deductibles and/or self-insured retention's or self-insured programs shall not be construed as contributory.
- 5) If, during the term of this Agreement or any extension thereof, there is a material change in the permitted use, the Agency reserves the right to adjust the types of insurance required under this Agreement and the monetary limits of liability for the insurance coverage's currently required herein, if; in the Agency Risk Manager's reasonable judgment, the amount or type of insurance carried by the Lessee has become inadequate.
- 6) Lessee shall pass down the insurance obligations contained herein to all tiers of sub lessees working under this Agreement.
- 7) The insurance requirements contained in this Agreement may be met with a program(s) of self-insurance acceptable to the Agency.
- 8) Lessee shall notify Agency of any claim by a third party or any incident or event that may give rise to a claim arising from the performance of this Agreement.
- **SECTION 16.** <u>TOXIC MATERIALS</u>. During the term of the Lease and any extensions thereof, Lessèe shall not violate any federal, state or local law, ordinance or regulation, relating to industrial hygiene or to the environmental condition on, under or about the leased premises, including, but not limited to, soil and groundwater conditions. Further, Lessee, its successors, assigns and sublessees, shall not use, generate, manufacture, produce, store or dispose of on, under or about the leased

premises or transport to or from the leased premises any flammable explosives, asbestos, radioactive materials, hazardous wastes, toxic substances or related injurious materials, whether injurious by themselves or in combination with other materials (collectively, "hazardous substances", "hazardous materials" or "toxic substances") in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq; the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq; the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq; and those substances defined as "Hazardous Wastes" in Section 25117 of the California Health and Safety Code or as "Hazardous Substances" in Section 25316 of the California Health and Safety Code; and in the regulations adopted in publications promulgated pursuant to said laws.

**SECTION 17.** <u>BINDING ON SUCCESSORS</u>. 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.

SECTION 18. <u>COMPLIANCE WITH LAWS AND REGULATIONS</u>. By executing this Lease, the Lessee hereby certifies that it will adhere to and comply with all federal, state, and local laws, regulations and ordinances.

SECTION 19. PERSONNEL. Lessee represents that is has all the personnel required to perform the maintenance services under this Lease or will subcontract for necessary services. Lessee personnel shall not be employed by, nor have any direct contractual relationship with the Agency. The Lessee, its employees or personnel under direct contract with the Lessee or sub lessees shall perform all services required hereunder. Lessee and its agents, servants, employees and sub lessees shall act at all times in an independent capacity during the term of this Lease and shall not act as, and shall not be, nor shall they in any manner be construed to be agents, officers or employees of the Agency.

**SECTION 20.** <u>AMENDMENTS</u>. This Lease shall not be amended unless such changes are mutually agreed upon by the Agency and the Lessee and shall be incorporated in written executed amendments to this Lease.

**SECTION 21.** <u>MINISTERIAL ACTS</u>. The Executive Director of the Agency or his/her designee is authorized to implement the terms and provisions of this Lease as it may be amended from time to time.

SECTION 22. <u>CONFLICT OF INTEREST</u>. No member, official or employee of the Agency or Lessee shall have any personal interest, direct or indirect, in this Lease nor shall any member, official or employee participate in any decision relating to this Lease which affects his or her personal interests or the interests of any corporation, partnership or association in which he or she is directly or indirectly interested.

SECTION 23. GOVERNING LAW; JURISDICTION. This Agreement shall be governed by and construed in accordance with the laws of the State of California. The Agency and Lessee agree that this Agreement has been entered into at Riverside, California, and that any legal action related to the interpretation or performance of the Agreement shall be filed in the Superior Court for the State of California, in Riverside, California.

section 24. <u>NO THIRD PARTY BENEFICIARIES</u>. This Lease in made and entered into for the sole protection and benefit of the parties hereto. No other person or entity shall have any right of action based upon the provisions of this Lease.

**SECTION 25. SEVERABLITY.** Each section and provision of this Lease is severable from each other provision, and if any provision or part thereof is declared invalid, the remaining provisions shall remain in full force and effect.

SECTION 26. <u>WAIVER</u>. Failure by a party to insist upon the strict performance of any of the provisions of this Lease by the other party, or failure by a party to exercise its rights upon the default of the other party, shall not constitute a waiver of such party's right to insist and demand strict compliance by the other party with the terms of this Lease thereafter.

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**SECTION 27. AUTHORITY TO EXECUTE.** The executing persons this Lease on behalf of the parties to this Lease hereby warrant and represent that they have the authority to execute this Lease and warrant and represent that they have the authority to bind the respective parties to this Lease and to the performance of its obligations hereunder.

SECTION 28. ENTIRE LEASE. This Lease is intended by the Parties hereto as a final expression of their understanding with respect to the subject matter hereof and as a complete and exclusive statement of the terms and conditions thereof and supersedes any and all prior and contemporaneous leases, agreements and understandings, oral or written, in connection therewith. This Lease may be changed or modified only upon the written consent of the Parties hereto.

SECTION 29. BINDING UPON BOARD APPROVAL AND EFFECTIVE DATE. This Lease is not binding until approved by the Agency's Board of Directors. The effective date of this Lease is the date the parties execute the Lease. If the parties sign the Lease on more than one date, then the last date the Lease is executed by a party shall be the effective date.

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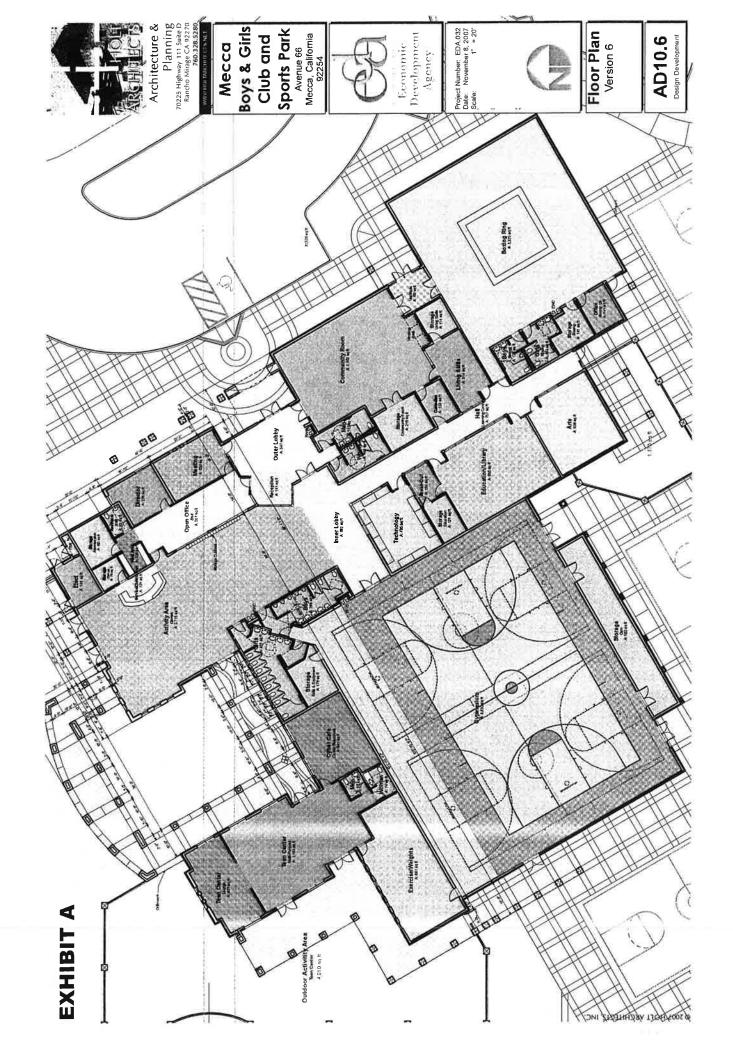
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1	IN WITNESS WHEREOF, the Agency and Lessee have executed this Lease as				
2	of the date first above written.				
3	DEDEVEL ORMENT ACENCY	THE BOVE & CIDLS CLUB OF			
4	REDEVELOPMENT AGENCY FOR THE AGENCY OF RIVERSIDE	THE BOYS & GIRLS CLUB OF COACHELLA VALLEY			
5					
6		New Smalle			
7	BOB BUSTER	JIM DUCATTE,			
8	Chairman, Board of Directors	Chief Executive Officer			
9					
10					
11	APPROVED AS TO FORM: PAMELA J. WALLS, Agency Counsel				
12					
13	(// 1000)				
14	By:Anita C. Willis, Deputy				
15	January 2 Spansy				
16	ATTEST:				
17	KECIA HARPER-IHEM Clerk of the Board				
18					
19					
20	By:				
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### EXHIBIT A CON'T

#### EXHIBIT "A" LEGAL DESCRIPTION **MECCA BOYS & GIRLS CLUB**

That portion of the north half of Section 17, Township 7 South, Range 9 East, San Bernardino Meridian being a portion of Parcel "A" of Lot Line Adjustment No. 4632 recorded August 21, 2003 as Document No. 2003-641808, Official Records of Riverside County, California, being described as follows:

**COMMENCING** at the intersection of the centerline of 66<sup>th</sup> Avenue with the Southern Pacific Railroad easterly right of way line of as shown on Record of Survey on file in Book 9 of Records of Survey at page 26 thereof, Records of Riverside County, said centerline of 66th Avenue being the north line of said Section 17;

Thence South 89°47'00" East along said centerline of 66<sup>th</sup> Avenue, a distance of 876.86 feet to a point thereon;

Thence leaving said centerline South 00°13'27" West, a distance of 39.00 feet to the TRUE POINT OF BEGINNING, said point being on a line parallel with and distant southerly 39.00 feet, measured at a right angle, from said centerline of 66<sup>th</sup> Avenue;

Thence South 89°47'00" East along said parallel line, a distance of 884.00 feet;

Thence leaving said parallel line South 00°13'02" West, a distance of 213.00 feet;

Thence North 89°46'58" West, at a right angle, a distance of 53.18 feet to the beginning of a non-tangent curve, concave to the south, having a radius of 231.65 feet, the radial line to said point bears North 53°15'10" East;

Thence northwesterly, westerly and southwesterly along said curve, to the left, through a central angle of 90°03'08", an arc distance of 364.09 feet to a point of cusp with a curve, concave to the northwest, having a radius of 63.00 feet, the radial line to said point bears North 70°38'42" East;

Thence southerly, southwesterly and westerly along said curve, to the right, through a central angle of 104°58'10", an arc distance of 115.42 feet, the radial line to said point bears South 04°23'07" East;

Thence South 00°13'00" West, a distance of 52.77 feet;

Thence North 89°47'00" West, a distance of 452.00 feet;

Thence North 00°13'27" East, a distance of 304.00 feet to the TRUE POINT OF BEGINNING.

## **EXHIBIT A CON'T**

Containing 4.78 acres more or less.

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

PREPARED UNDER MY SUPERVISION	ON	SUSED LAND STAR
Mohammad A. Faghihi, L.S. 6607	Date	MD. 6607
Prepared by:		CALSTONIA