

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



361

FROM: Economic Development Agency

SUBMITTAL DATE:
August 23, 2016

SUBJECT: Lease Agreement - Community Health Agency - Hemet, 5-year lease, CEQA Exempt, District 3, [\$1,493,581] Permit and Services Fund 100%

RECOMMENDED MOTION: That the Board of Supervisors:

1. Find that the Lease Agreement is exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15301, Class 1 Existing Facilities Exemption and 15061 (b)(3) "Common Sense" Exemption and direct the Clerk of the Board to file the Notice of Exemption;
2. Ratify the attached Lease Agreement and authorize the Chairman of the Board to execute the same on behalf of the County; and
3. Authorize the Assistant County Executive Officer of the Economic Development Agency, or his designee, to execute any other documents and administer all actions necessary to complete or memorialize this transaction.

BACKGROUND: Summary
(Commences on Page 2)

Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 235,431	\$ 289,017	\$ 1,493,581	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	

SOURCE OF FUNDS: Permit and Services Fund 100%
Budget Adjustment: No
For Fiscal Year: 2016/17-21/22

C.E.O. RECOMMENDATION: APPROVE BY CIP APPROVE
BY: BY:
County Executive Office Signature Ivan M. Chand, 14/2016 Rohini Dasika

MINUTES OF THE BOARD OF SUPERVISORS

FORM APPROVED COUNTY COUNSEL
BY: MARSHALA L. VICTOR
DATE: 8/10/16
Departmental Concurrence

DEAN DEIARS
By: Steve Von Stockrum, Director
Department of Environmental Health

- A-30
- 4/5 Vote
- Positions Added
- Change Order

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

Economic Development Agency

FORM 11: New Lease - Community Health Agency - Hemet, 5-year lease, CEQA Exempt, District 3, [\$1,493,581] Permit and Services Fund 100%

DATE: August 23, 2016

PAGE: 2 of 3

BACKGROUND:

Summary

The Department of Environmental Health (DEH) has occupied space at 800 S. Sanderson Avenue, Hemet, California since 2000. Since then, the DEH has expanded their presence at the facility, whereby they currently occupy the entire building consisting of two floors, and approximately 13,482 square feet. The facility continues to be well suited for DEH, however, the facility is in need of certain cosmetic improvements and upgrades.

The Economic Development Agency Real Estate Division (EDA) has negotiated a new 5 year lease to include the required improvements which shall be funded by the Lessor of the facility. The specific improvements include paint, floor coverings including carpet tiles and VCT, restroom improvements, fire sprinkler upgrades and other related improvements. The estimated commencement of the New Lease shall be in September of 2016.

The New Lease Agreement has been reviewed and determined to be categorically exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15061(b) (3) and Section 15301 Class 1, Existing Facility, as it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment. The County's approval of the activity does not create any reasonably foreseeable physical change to the environment for this transaction.

Lessors: HUB Enterprises, a California limited partnership

Premises Location: 800 S. Sanderson Avenue
Hemet, California 92543

Square Footage: 13,482

	<u>Current</u>	<u>New</u>
Term:	Five year term	Five year term
Options to Extend:	one	one consecutive three year term
Rent:	\$1.46 per sq. ft. \$19,726.34 per month \$236,716.08 per year	\$1.55 per sq. ft. \$20,897.10 per month \$250,765.20 per year
Annual Increase:	3%	3%

Utilities: County pays for electricity and phone. Landlord pays for all other services.

Custodial Services: Landlord responsible

Maintenance: Landlord responsible

Improvements: Landlord responsible

RCIT Costs: None

(Continued)

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PAGE: 3 of 3

Impact on Citizens and Businesses

This facility will continue to provide important environmental services for citizens and businesses in the Hemet/
San Jacinto communities.

SUPPLEMENTAL:

Additional Fiscal Information

See attached Exhibits A, B, & C.

All the associated costs for this Lease Agreement will be budgeted in FY 2016/17 through 2021/22 through the
Department of Environmental Health budget. The Department of Environmental Health will reimburse EDA for
all associated lease costs on a monthly basis.

Attachments:

Exhibit A, B & C

Lease Agreement

CEQA Notice of Exemption

Aerial Image

Exhibit A

FY 2016/17

Health Services Agency/Environmental Health
800 S. Sanderson Avenue, Hemet, California 92543

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	13,482	SQFT	
Approximate Cost per SQFT (Sept-June)	\$	1.55	
Lease Cost per Month		\$	20,897.10
Lease Cost per Month			
Total Lease Cost			<u>\$ 208,971.00</u>
Total Estimated Lease Cost for FY 2016/17			<u>\$ 208,971.00</u>

Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month		<u>\$</u>	<u>1,617.84</u>
Total Estimated Utility Cost			\$ 16,178.40
EDA Lease Management Fee - 4.92%			<u>\$ 10,281.37</u>
TOTAL ESTIMATED COST FOR FY 2016/17			<u><u>\$ 235,430.77</u></u>

Exhibit B

FY 2017/18

Health Services Agency/Environmental Health
800 S. Sanderson Avenue, Hemet, California 92543

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office: 13,482 SQFT

Approximate Cost per SQFT (July-Aug) \$ 1.55

Approximate Cost per SQFT (Sept-June) \$ 1.60

Lease Cost per Month (July-Aug) \$ 20,891.10

Lease Cost per Month (Sept-June) \$ 21,517.83

Total Lease Cost (July-Aug) \$ 41,782.20

Total Lease Cost (Sept-June) \$ 215,178.33

Total Estimated Lease Cost for FY 2017/18 **\$ 256,960.53**

Estimated Additional Costs:

Utility Cost per Square Foot \$ 0.12

Estimated Utility Costs per Month \$ 1,617.84

Total Estimated Utility Cost \$ 19,414.08

EDA Lease Management Fee - 4.92% \$ 12,642.46

TOTAL ESTIMATED COST FOR FY 2017/18 **\$ 289,017.07**

Exhibit C

FY 2018/19 to FY 2021/22

**Health Services Agency/Environmental Health
800 S. Sanderson Avenue, Hemet, California 92543**

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:

13,482 SQFT

	FY 2018/19	FY 2019/20	FY2020/21	FY 2021/22
Approximate Cost per SQFT (July-Aug)	\$ 1.60	\$ 1.64	\$ 1.69	\$ 1.74
Approximate Cost per SQFT (Sept-June)	\$ 1.64	\$ 1.69	\$ 1.74	\$ -
Lease Cost per Month (July-Aug)	\$ 21,517.83	\$ 22,163.37	\$ 22,828.27	\$ 23,513.12
Lease Cost per Month (Sept-June)	\$ 22,163.37	\$ 22,828.27	\$ 23,513.12	
Total Lease Cost (July-Aug)	\$ 43,035.67	\$ 44,326.74	\$ 45,656.54	\$ 47,026.23
Total Lease Cost (Sept-June)	\$ 221,633.68	\$ 228,282.69	\$ 235,131.17	
Total Estimated Lease Cost for FY 2018/19 to FY 2021/22	\$ 264,669.35	\$ 272,609.43	\$ 280,787.71	\$ 47,026.23

Estimated Additional Costs:

Utility Cost per Square Foot	\$ 0.12	\$ 0.12	\$ 0.12	\$ 0.12
Estimated Utility Cost per Month	\$ 1,617.84	\$ 1,617.84	\$ 1,617.84	\$ 1,617.84
Total Estimated Utility Cost	\$ 19,414.08	\$ 19,414.08	\$ 19,414.08	\$ 3,235.68
EDA Lease Management Fee - 4.92%	\$ 13,021.73	\$ 13,412.38	\$ 13,814.76	\$ 2,313.69
TOTAL ESTIMATED COST FOR FY 2018/19 to FY 2021/22	\$ 297,105.16	\$ 305,435.89	\$ 314,016.54	\$ 52,575.60

F11: Cost - Total Cost \$ 1,493,581.04

1 3.2 Any holding over by County after the expiration of said term shall
2 be deemed a month-to-month tenancy upon the same terms and conditions of this
3 Lease.

4 3.3 County shall have the right of first refusal as to the renewal of this
5 Lease at the expiration of said term on whatever terms and conditions Lessors may
6 then offer.

7 3.4 Commencement. This Lease shall be effective upon the date of its
8 full execution by the Parties hereto. The Term of this Lease shall be for a period of sixty
9 (60) months ("Original Term") commencing on the earlier of (a) the date County staff
10 occupies the Premises, or (b) the date on which County accepts the Premises for
11 occupancy ("Commencement Date"), which shall occur only after Lessor delivers to
12 County a copy of the Certificate of Occupancy executed by the appropriate governing
13 authority, if applicable, and provided that County, in its sole discretion, is satisfied that
14 all leasehold improvements have been completed in accordance with Exhibit "B" and
15 Exhibit "F," excepting minor punch list items, ("Commencement Date"). The Original
16 Term shall expire at midnight on the last day of the sixtieth (60th) month ("Expiration
Date").

17 3.5 Confirmation of Lease Information. At such time as the
18 Commencement Date of this Lease has been determined, either Party may deliver to
19 the other Party a notice in the form set forth in the attached Exhibit "D," which the
20 receiving Party shall execute, after making any corrections necessary to conform the
21 information to the provisions of this Lease, and return to the forwarding Party within
22 thirty (30) days after receipt. Either Party will use reasonable efforts to deliver the
23 notice to the other Party within thirty (30) days after the Lease Commencement Date.
24 Anything to the contrary notwithstanding, failure to forward or execute said notice shall
not invalidate or nullify the provisions of this Lease.

25 **4. Option to Extend.** County shall have one (1) option to extend the term
26 of this Lease for a period of three (3) years, which options shall be exercised in the
27 following manner:
28

1 4.1 The option shall be exercised by County giving Lessors notice of
2 its election thereof, in writing, no later than sixty (60) days prior to the expiration of the
3 initial term of this Lease.

4 4.2 The Rent during the option period shall not increase more than 3%
5 above the prior year's rental rate.

6 **5. Rent.**

7 5.1 County shall pay the sum of \$20,897.10 per month to Lessors as
8 rent for the leased Premises, payable, in advance, on the first day of the month or as
9 soon thereafter as a warrant can be issued in the normal course of County's business;
10 provided, however, in the event County cannot take useful occupancy of the leased
11 Premises until after the first day of the month, the rent for the first and last months shall
12 be pro-rated on a thirty (30) day calendar basis, payable on the date of occupancy for
13 the first month and on the first day of the last month, or as soon thereafter as a warrant
14 can be issued in the normal course of County's business.

15 5.2 Notwithstanding the provisions of Paragraph 5(a) herein, the
16 monthly rent shall be increased on each anniversary of this Lease by an amount equal
17 to three percent (3%) of such monthly rental.

18 **6. Utilities.** County shall pay for all electric and telephone services used in
19 connection with the leased Premises. Lessors shall provide, or cause to be provided,
20 and pay for all other utility services, including, but not limited to, water, gas, refuse
21 collection and sewer services, as may be required in the maintenance, operation and
22 use of the leased Premises.

23 **7. Improvements by Lessors.**

24 7.1 Lessors, at its sole expense, shall facilitate tenant improvements
25 to the exterior and interior of the building, the scope of work is described on Exhibit "B,"
26 attached hereto and by this reference made a part of this Lease.

27 7.2 Lessor shall require that Contractor shall comply with prevailing
28 wage requirements and be subject to restrictions and penalties in accordance with

1 §1770 et seq. of the Labor Code which requires prevailing wages be paid to
2 appropriate work classifications in all bid specifications and subcontracts.

3 7.3 The Lessor shall require that Contractor shall furnish all
4 subcontractors/employees a copy of the Department of Industrial Relations prevailing
5 wage rates at which Lessor will post at the job site. All prevailing wages shall be
6 obtained by the Lessor/Contractor from:

7 Department of Industrial Relations
8 Division of Labor Statistics and Research
9 455 Golden Gate Avenue, 8th Floor
10 San Francisco, CA 94102

11 7.4 Lessor shall require that Contractor shall comply with the payroll
12 record keeping and availability requirement of §1776 of the Labor Code.

13 7.5 Lessor shall require that Contractor shall make travel and
14 subsistence payments to workers needed for performance of work in accordance with
15 §1773.8 of the Labor Code.

16 7.6 Prior to commencement of work, Lessor shall require that
17 Contractor shall contact the Division of Apprenticeship Standards and comply with
18 §1777.5, §1777.6 and §1777.7 of the Labor Code and applicable regulations.

19 7.7 Lessor shall comply and stay current with all applicable local, state
20 and federal building codes and laws as from time to time amended, including, but not
21 limited to, the Americans with Disabilities Act requirements in providing the County with
22 any requested County improvements.

23 7.8 If any agency, division or department of any governmental entity
24 with appropriate jurisdiction condemns the Premises or any part of the Premises as
25 unsafe or not in conformity with any of the laws or regulations controlling their
26 construction, occupation or use, or orders or requires any alteration, repair or
27 reconstruction of the Premises the responsible party shall be the Lessor who at its sole
28 cost and expense (and without any right of reimbursement from County) immediately

1 effect all necessary alterations and repairs required for the Premises full and exact
2 compliance.

3 7.9 Lessor shall cause all County improvements to be lien free,
4 completed at Lessor's cost in a workmanlike manner and in compliance with all
5 applicable law.

6 7.10 County agrees when requested by Lessor to execute and deliver
7 any applications, consents or other instruments required to permit Lessor to complete
8 such County improvements or to obtain permits for the work.

9 7.11 Post occupancy tenant improvements requested by County and
10 completed by Lessor shall be reimbursed by County at Lessor's cost plus 10%.
11 Lessor's invoices for such improvements shall be itemized according to material, sales
12 tax, labor and Lessor's 10% overhead handling charge.

13 7.12 Due to County fiscal year funding and accounting practices, any
14 costs due to Lessor for reimbursement of tenant improvements during the term must
15 be invoiced and received by the County prior to May 1st of each fiscal year in which
16 services to County were provided to ensure payment.

17 7.13 In the event County requests additional improvements during the
18 term of this lease, any Improvements completed by Lessors shall be constructed
19 pursuant to Exhibit "E."

20 **8. Improvements by County.**

21 8.1 Any alterations, improvements or installation of fixtures to be
22 undertaken by County shall have the prior written consent of Lessors after County has
23 submitted plans for any such proposed alterations, improvements or fixtures to Lessors
24 in writing. Such consent shall not be unreasonably withheld by Lessors.

25 8.2 All alterations and improvements made, and fixtures or equipment
26 installed, by County shall remain County property and may be removed by County at or
27 prior to the expiration of this Lease; provided, however, that such removal does not
28

1 cause injury or damage to the leased Premises, or in the event it does, the Premises
2 shall be restored.

3 **9. Custodial.**

4 9.1 **Custodial Services.** Lessors shall provide, or cause to be
5 provided, and pay for all custodial services in connection with the leased Premises and
6 such services shall be provided as set forth in the attached Exhibit "C." The provider of
7 such custodial services will perform background checks through LiveScan or in the
8 manner specified by County, of qualified permanent and temporary employees to
9 determine their suitability for employment. The provider will be bonded in the sum of
10 \$10,000.00, and proof of such insurance, as supplied by the Lessors, shall be
11 furnished prior to execution of said Lease Agreement. In addition to bonding as
12 required herein, Lessors shall also receive proof of statutory workers' compensation
13 insurance, commercial general liability and vehicle liability insurance from the provider
14 of any custodial functions performed at the Premises location.

15 9.2 **County's Right to Provide Custodial Service and Deduct Cost.**

16 If County provides written notice to Lessors of an event or circumstance that requires
17 the action of Lessors with respect to the custodial services as set forth in Paragraph 6
18 and Exhibit "C," and Lessors fails to provide such action as required by the terms of
19 this Lease within three (3) days of County's notice, County may take the required
20 action to provide custodial services by its staff or those of a custodial contractor if: (1)
21 County delivers to Lessors an additional written notice advising Lessors that County
22 intends to take the required action if Lessors does not begin the required action within
23 forty-eight (48) hours after the written notice; and (2) Lessors fails to begin the required
24 work within this forty-eight (48) hour period. Upon demand by County, Lessors shall
25 promptly reimburse County the actual cost and expenses thereof, provided said costs
26 and expenses are reasonable. Should Lessors fail to promptly pay the cost and
27 expenses, County may deduct and offset that amount from Rent payable under this
28

1 Lease. For purposes of this Section, notice given by fax or e-mail shall be deemed
2 sufficient.

3 **10. Maintenance.**

4 10.1 Lessors warrant that the leased Premises shall be in good and
5 suitable condition for the uses contemplated herein at such time as County can take
6 useful occupancy. Lessors shall keep the leased Premises in such good condition,
7 and in compliance with all federal, state and local laws, ordinances, rules, codes and
8 regulations including but not limited to fire, health and safety. Additionally, Lessors
9 shall maintain the exterior and interior of the leased Premises, including, but not limited
10 to, insect/pest control services, air conditioning equipment, heating equipment,
11 plumbing, electrical wiring and fixtures, windows and structural parts, in good working
12 condition and repair and in compliance with all laws, ordinances, rules and regulations,
13 including, but not limited to, the Americans with Disabilities Act.

14 10.2 In the event Lessors fails, or refuses, to make any repairs to the
15 leased Premises as may be required or necessitated, County reserves the right to
16 undertake such repairs, subject to two (2) weeks' notice to Lessors in writing. The
17 costs and expenses of such repairs shall be deducted from any rents due hereunder.

18 10.3 Notwithstanding the provisions contained in Paragraph 8.2 above,
19 in the event an emergency arises which requires or necessitates repairs to the leased
20 Premises in order to insure the health and safety of persons or property or both, and
21 Lessors fail, or refuse, to make such repairs in an expeditious manner, County may
22 undertake such repairs and notify Lessors thereof in writing promptly thereafter. The
23 costs and expenses of such repairs shall be deducted from any rents due hereunder.

24 **11. Exculpation, Indemnification and Hold Harmless.**

25 11.1 **Exculpation.** To the fullest extent permitted by law, Lessor, on its
26 behalf and on behalf of all Lessor Parties, as hereinafter defined, waives all claims (in
27 law, equity, or otherwise) against County Parties, as hereinafter defined, arising out of,
28 knowingly and voluntarily assumes the risk of, and agrees that County Parties shall not

1 be liable to Lessor Parties for any of the following: (1) injury to or death of any person;
2 or (2) loss of, injury or damage to, or destruction of any tangible or intangible property,
3 including the resulting loss of use, economic losses, and consequential or resulting
4 damage of any kind from any cause. County Parties shall not be liable under this
5 Section regardless of whether the liability results from any active or passive act, error,
6 omission, or negligence of any of County Parties; or is based on claims in which liability
7 without fault or strict liability is imposed or sought to be imposed on any of County
8 Parties. This exculpation Section shall not apply to claims against County Parties to
9 the extent that a final judgment of a court of competent jurisdiction establishes that the
10 injury, loss, damage, or destruction was proximately caused by County Parties' fraud,
willful injury to person or property, or violation of law.

11 **11.1.1 Definition of "County Parties" and "Lessor**
12 **Parties."** For purposes of this Section 11, the term "County Parties" refers singularly
13 and collectively to County, Special Districts, their respective Directors, Officers, Board
14 of Supervisors, agents, employees, and independent contractors as well as to all
15 persons and entities claiming through any of these persons or entities. The term
16 "Lessor Parties" refers singularly and collectively to Lessor and the partners, venturers,
17 trustees, and ancillary trustees of Lessor and the respective officers, directors,
18 shareholders, members, parents, subsidiaries, and any other affiliated entities,
19 personal representatives, executors, heirs, assigns, licensees, invites, beneficiaries,
agents, servants, employees, and independent contractors of these persons or entities.

20 **11.1.2 Survival of Exculpation.** The paragraphs of this
21 Section 11 shall survive the expiration or earlier termination of this Lease until all
22 claims within the scope of this Section 11 are fully, finally, and absolutely barred by the
23 applicable statutes of limitations.

24 **11.1.3 Lessor's Acknowledgment of Fairness.** Lessor
25 acknowledges that this Section 11 was negotiated with County, that the consideration
26 for it is fair and adequate, and that Lessor had a fair opportunity to negotiate, accept,
reject, modify, or alter it.

27 **11.2 Indemnification and Hold Harmless.** Lessors shall indemnify and hold
28 harmless the County of Riverside, its Agencies, Districts, Special Districts and

1 Departments, their respective directors, officers, Board of Supervisors, elected and
2 appointed officials, employees, agents and representatives (individually and collectively
3 hereinafter referred to as Indemnitees) from any liability whatsoever, based or asserted
4 upon any services of Lessors, its officers, employees, subtenants, agents or
5 representatives arising out of or in any way relating to this Agreement, including but not
6 limited to property damage, bodily injury, or death or any other element of any kind or
7 nature whatsoever arising from the performance of Lessors, its officers, employees,
8 subtenants, agents or representatives Indemnitors from this Agreement. Lessors shall
9 defend, at its sole expense, all costs and fees including, but not limited, to attorney
10 fees, cost of investigation, defends and settlements or awards, the Indemnitees in any
claim or action based upon such alleged acts or omissions

11 11.2.1 With respect to any action or claim subject to
12 indemnification herein by Lessors, Lessors shall, at their sole cost, have the right to
13 use counsel of their own choice and shall have the right to adjust, settle, or
14 compromise any such action or claim without the prior consent of County; provided,
15 however, that any such adjustment, settlement or compromise in no manner
16 whatsoever limits or circumscribes County's indemnification to Indemnitees as set forth
17 herein.

18 11.2.2 Lessors obligation hereunder shall be satisfied when
19 Lessors has provided to County the appropriate form of dismissal relieving County from
20 any liability for the action or claim involved.

21 11.2.3 The specified insurance limits required in this
22 Agreement shall in no way limit or circumscribe Lessors obligations to indemnify and
23 hold harmless the Indemnities herein from third party claims.

24 11.2.4 In the event there is conflict between this clause and
25 California Civil Code Section 2782, this clause shall be interpreted to comply with Civil
26 Code 2782. Such Interpretation shall not relieve the County from indemnifying the
27 Indemnitees to the fullest extent allowed by law.

28

1 11.2.5 **Survival of Indemnification.** The paragraphs of this
2 Paragraph 11 shall survive the expiration or earlier termination of this Lease until all
3 claims against County Parties involving any of the indemnified matters are fully, finally,
4 and absolutely barred by the applicable statutes of limitations.

5 **12. Insurance.**

6 12.1 **Lessors' Insurance.** Without limiting or diminishing any
7 indemnification contained within this Lease, Lessors and/or their authorized
8 representatives, including, if any, a property management company, shall procure and
9 maintain or cause to be maintained, at its sole cost and expense, the following
10 insurance coverage during the term of this Lease.

11 12.2 **Workers' Compensation.** Workers' Compensation Insurance
12 (Coverage A) as prescribed by the laws of the State of California. Policy shall include
13 Employers' Liability (Coverage B) including Occupational Disease with limits not less
14 than \$1,000,000 per person per accident. The policy shall be endorsed to waive
15 subrogation in favor of the County of Riverside.

16 12.3 **Commercial General Liability.** Commercial General Liability
17 Insurance coverage, including, but not limited to, premises liability, contractual liability,
18 products/completed operations, personal and advertising injury, cross liability coverage
19 and employment practices liability covering bodily injury, property damage, and
20 personal injury arising out of or relating, directly or indirectly, to the design,
21 construction, maintenance, repair, alteration and ownership of the Premises and all
22 areas appurtenant thereto including claims which may arise from or out of Lessors's
23 operations, use, and management of the Premises, or the performance of its
24 obligations hereunder. Policy shall name the County of Riverside, its Special Districts,
25 Agencies, Districts and Departments, their respective Directors, Officers, Board of
26 Supervisors, elected and appointed officials, employees, agents, independent
27 contractors or representatives as an Additional Insured. Policy limits shall not be less
28 than \$1,000,000 per occurrence. If such insurance contains a general aggregate limit,

1 it shall apply separately to this Lease or be no less than two (2) times the occurrence
2 limit.

3 **12.4 Vehicle Liability.** If vehicles or licensed mobile equipment are
4 used on the Project, Lessors shall maintain auto liability insurance for all owned, non-
5 owned or hired automobiles in an amount not less than \$1,000,000 per occurrence
6 combined single limit. Policy shall name the County of Riverside, its Special Districts,
7 Agencies, Districts, and Departments, their respective Directors, Officers, Board of
8 Supervisors, elected and appointed officials, employees, agents, independent
9 contractors or representatives as Additional Insured Parties.

10 **12.5 Property (Physical Damage).**

11 **12.5.1** All-Risk real property insurance coverage, including
12 earthquake and flood, if applicable, for the full replacement cost value of buildings,
13 structures, fixtures, all improvements therein, and building systems on the Project as
14 the same exists at each early anniversary of the term. Policy shall include Business
15 Interruption, Extra Expense, and Expediting Expense coverage as well as coverage for
16 off-premises power failure. Policy shall name the County as a Loss Payee as their
17 interests may appear.

18 **12.5.2** Boiler and Machinery insurance providing coverage
19 for at least but not limited to, all high voltage electrical and rotating mechanical
20 equipment on a full replacement cost value basis. Policy shall provide Business
21 Interruption, Extra Expense, and Expediting Expense coverage as well as coverage for
22 off-premises power failure. Policy shall name the County as a Loss Payee as their
23 interests may appear.

24 **12.5.3** During such time, prior to the commencement of this
25 Lease while Lessors are preparing the Premises in accordance with Exhibit "B,"
26 Lessors shall keep or require its Contractor to keep in full force and effect, a policy of
27 Course of Construction Insurance covering loss or damage to the Premises for the full
28 replacement value of such work. The Named Insured shall include the Lessors,

1 County and Contractor as their interests appear. Lessors or their Contractor shall be
2 responsible for any deductible payments that result from a loss at the Premises under
3 this coverage. If, at the time of any loss to the property described on Exhibit "B," it is
4 determined that the insurance has not been carried or the insurance does not cover the
5 loss of property being installed, the Lessors shall be responsible to pay the loss without
6 contribution from the County.

7 **12.6 General Insurance Provisions – All Lines.**

8 12.6.1 Any insurance carrier providing Lessor's insurance
9 coverage hereunder shall be admitted to the State of California and have an A.M.
10 BEST rating of not less than an A:VIII (A:8) unless such requirements are waived, in
11 writing, by the County Risk Manager. If the County's Risk Manager waives a
12 requirement for a particular insurer such waiver is only valid for that specific insurer
13 and only for one policy term.

14 12.6.2 The Lessors' insurance carrier(s) must declare its
15 insurance deductibles or self-insured retentions. If such deductibles or self-insured
16 retentions exceed \$500,000.00 per occurrence such deductibles and/or retentions shall
17 have the prior written consent of the County Risk Manager before the commencement
18 of the Lease term. Upon notification of deductibles or self insured retentions which are
19 deemed unacceptable to the County, at the election of the County's Risk Manager,
20 Lessor's carriers shall either: 1) reduce or eliminate such deductibles or self-insured
21 retentions as respects this Agreement with the County, or 2) procure a bond which
22 guarantees payment of losses and related investigations, claims administration,
23 defense costs and expenses.

24 12.6.3 At the inception of this Lease and annually at the
25 Lessor's insurance policy renewal date(s), the Lessors shall cause their insurance
26 carrier(s) to furnish the County of Riverside with 1) a properly executed original
27 Certificate(s) of Insurance and certified original copies of Endorsements effecting
28 coverage as required herein; or, 2) if requested to do so orally or in writing by the

1 County Risk Manager, provide original Certified copies of policies including all
2 Endorsements and all attachments thereto, showing such insurance is in full force and
3 effect. Further, said Certificate(s) and policies of insurance shall contain the covenant
4 of the insurance carrier(s) shall provide no less than thirty (30) days written notice be
5 given to the County of Riverside prior to any material modification or cancellation of
6 such insurance. In the event of a material modification or cancellation of coverage, this
7 Lease shall terminate forthwith, unless the County of Riverside receives, prior to such
8 effective date, another properly executed original Certificate of Insurance and original
9 copies of endorsements or certified original policies, including all endorsements and
10 attachments thereto evidencing coverage and the insurance required herein is in full
11 force and effect. Individual(s) authorized by the insurance carrier to do so on its behalf
12 shall sign the original endorsements for each policy and the Certificate of Insurance.
13 The Lease term shall not commence until the County of Riverside has been furnished
14 original Certificates of Insurance and certified original copies of endorsements or
15 policies of insurance including all endorsements and any and all other attachments as
16 required in this Section.

17 12.6.4 It is understood and agreed by the parties hereto and
18 the Lessor's insurance company(s) that the Certificate(s) of Insurance and policies
19 shall so covenant and shall be construed as primary insurance, and the County's
20 insurance and/or deductibles and/or self-insured retentions or self-insured programs
21 shall not be construed as contributory.

22 **13. Options to Terminate.**

23 13.1 In the event that the tenant improvements are not completed within
24 ninety (90) days following Board of Supervisors approval, then County may, at its
25 election, either (1) deduct from any rents that may become due hereunder the sum of
26 \$697.00 for each day the leased Premises are not prepared for useful occupancy, as
27 liquidated damages for failure to provide useful occupancy in a timely manner as
28 prescribed hereunder. Lessors and County agree that such damages are to be one of

1 the mutually exclusive remedies, as prescribed in this Paragraph 13, for such failure, in
2 that at the time of entering, into this Lease it would be impractical and extremely
3 difficult to fix the actual damages that would flow from Lessor's failure to provide useful
4 occupancy in a timely manner, including, but not limited to, the difference in money
5 between the total sum to be paid by County to another party for rent to lease such
6 party's real property, if the rental hereunder is less than the rental to be paid such other
7 party, or (2) cancel this Lease and Lessors hereby waives any and all rights that it may
8 have against County for any costs, expenses and/or charges that Lessors may have
9 incurred as a result of preparing the leased Premises for occupancy.

10 13.2 County shall have the option to terminate this Lease if the leased
11 Premises are destroyed or damaged to the extent that they cannot be repaired within
12 sixty (60) days. If the damage can be repaired within sixty (60) days, it shall be the
13 duty of the Lessors to make such repairs promptly, and during said period, the rent
14 shall abate pro rata as to any portion of the leased Premises not usable by the County.
15 County reserves the right to determine what, if any portions of the leased Premises are
16 usable.

17 13.3 The Parties hereto recognize and understand that the rental
18 consideration hereunder originates from County, State and/or Federal sources, and
19 therefore County shall have the right to terminate this Lease (a) if such funding is
20 reduced or otherwise becomes unavailable, based on County's annual fiscal budget, or
21 (b) if any law, rule or regulation precludes, prohibits or materially adversely impairs
22 County's ability to use the Premises for the use permitted herein, or (c), if County in its
23 sole discretion determines that the Premises are no longer suitable for its use for any
24 reason or cause.

25 13.4 County shall provide Lessor with written notification of its election
26 to terminate this Lease at least sixty (60) days prior to the date of termination.
27 County's notice shall state the reason for its termination of this Lease. County's
28 obligation to pay Rent shall continue through the termination date.

1 **14. Compliance.**

2 **14.1 Compliance.** Lessor warrants that the Premises and
3 improvements on the Premises shall comply with all applicable State and Federal laws,
4 covenants or restrictions of record, building codes, regulations and ordinances
5 (“Applicable Requirements”) in effect on the Commencement Date of this Lease,
6 regardless of the use to which County will put the Premises. If the Premises do not
7 comply with said warranty, Lessor shall, promptly after receipt of written notice from
8 County or any governmental agency having jurisdiction over such matters setting forth
9 the nature and extent of such non-compliance, rectify the same at Lessor’s expense. If
10 the Applicable Requirements are hereinafter changed so as to require during the term of
11 this Lease, unless same is the result of the use to which County puts the Premises, the
12 construction of an addition to or an alteration of the Premises, the remediation of any
13 Hazardous Substance as hereinafter defined, or the reinforcement or other physical
14 modification of the Premises Lessor shall, promptly after receipt of written notice from
15 County or any governmental agency having jurisdiction over such matters setting forth
16 the nature and extent of such non-compliance, rectify the same at Lessor’s expense.

17 **14.2 Americans With Disabilities.** Lessor warrants and represents the
18 Premises shall be readily accessible to and usable by individuals with disabilities in
19 compliance with Title III of the Americans with Disabilities Act of 1990 and California
20 Title 24, as amended from time to time and regulations issued pursuant thereto and in
21 effect from time to time. Any cost incurred to cause the Premises to comply with said
22 Act shall be borne by Lessor.

23 **14.3 Asbestos and Lead Based Paint.** Lessor warrants and
24 represents the Premises shall be constructed, operated and maintained free of hazard
25 from asbestos and lead based paint, as more fully set forth in the attached Exhibit “H.”

26 **14.4 Hazardous Substance.** It is the intent of the Parties to construe
27 the term “Hazardous Substances” in its broadest sense. Hazardous Substance shall be
28 defined as any product, substance, or waste whose presence, use, manufacture,
disposal, transportation, or release, either by itself or in combination with other
materials, is either: (a) potentially injurious to the public health, safety or welfare, the
environment or the Premises; (b) regulated or monitored by any governmental authority;

1 or (c) a basis for potential liability of County to any governmental agency or third party
2 under any applicable statute or common law theory.

3 Lessor acknowledges that County's use may from time to time require the
4 presence of Hazardous Substances at the Premises. County agrees that all such
5 Hazardous Substances located in, at, or on the Premises shall be used, stored,
6 handled, treated, transported, and disposed of in compliance with all applicable laws.

7 Lessor warrants and represents to County that Lessor has not used, discharged,
8 dumped, spilled or stored any Hazardous Substances on or about the Premises,
9 whether accidentally or intentionally, legally or illegally, and has received no notice of
10 such occurrence and has no knowledge that any such condition exists at the Premises.
11 If any claim is ever made against County relating to Hazardous Substances present at
12 or around the Premises, whether or not such substances are present as of the date
13 hereof, or any such Hazardous Substances are hereafter discovered at the Premises
14 (unless introduced by County, its agents or employees), all costs of removal incurred
15 by, all liability imposed upon, or damages suffered by County because of the same shall
16 be borne by Lessor, and Lessor hereby indemnifies and agrees to be responsible for
17 and defend and hold County harmless from and against all such costs, losses, liabilities
18 and damages, including, without limitation, all third-party claims (including sums paid in
19 settlement thereof, with or without legal proceedings) for personal injury or property
20 damage and other claims, actions, administrative proceedings, judgments,
21 compensatory and punitive damages, lost profits, penalties, fines, costs, losses,
22 attorneys' fees and expenses (through all levels of proceedings), consultants or experts
23 fees and costs incurred in enforcing this indemnity. The representation, warranty and
24 indemnity of Lessor described in this Paragraph shall survive the termination or
25 expiration of this Lease.

26 **14.5 Sick Building Syndrome.** Lessor warrants and represents the
27 Premises shall be constructed, operated and maintained free of certain hazards,
28 including, but not limited to: spores, fungus, molds, bacteria, chemicals or fumes or
other causes of any hazardous micro-environments, sometimes known as "Sick Building
Syndrome," emanating from or within the Premises that may potentially cause
discomfort, bodily injury, sickness or death. Should it be determined that remediation is

1 necessary based on a report by a trained investigator, Lessor will promptly contract with
2 a qualified and experienced company to safely remove the micro-environments using
3 remediation guidelines recommended or required by the appropriate governmental
4 agency. Any cost incurred to cause the Premises to be free of such hazard shall be
borne by Lessor.

5 **14.6 Waste Water.** Lessor shall be responsible for compliance with all
6 Federal, state or local laws, regulations or permits pertaining to storm water pollution,
7 prevention plans ("SWPP") and all National Pollution Discharge Elimination System
8 ("NPDES") laws or regulations adopted or to be adopted by the United States
9 Environmental Protection Agency. Parking lot sweeping shall be done as required by
10 NPDES rules or as needed, at least two times per year, once prior to the rainy season.

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

13 <u>County:</u>	13 <u>Lessors:</u>
14 County of Riverside	14 HUB Enterprises
15 Attn: Deputy Director	15 c/o Amber Realty Company
16 Economic Development Agency	16 Attn: Steve Gibson
17 Real Estate Division	17 29826 Haun Road, Suite 305
18 3403 Tenth Street Suite 400	18 Menifee, California 92586
19 Riverside, California 92501	

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

22 **16. Estoppel Certificates.** Within twenty (20) business days after receipt
23 of a written request by either party, the other party shall execute and deliver to the
24 requesting party an Estoppel Certificate, in the form of the attached Exhibit "F,"
25 indicating in the certificate any exceptions to the statements in the certificate that may
26 exist at that time.

1 **17. Subordination, Non-Disturbance, and Attornment.**

2 **17.1 Subordination, Non-Disturbance, and Attornment Agreement.**

3 To carry out the purposes of Sections 17.2 and 17.3, the Parties agree to execute a
4 Subordination, Non-Disturbance and Attornment Agreement in the form set forth in the
5 attached Exhibit "G."

6 **17.2 Subordination.** County agrees that within forty-five (45) business
7 days after Lessor's written request, it shall execute the agreement referred to in
8 Section 17 that Lessors reasonably considers necessary to evidence or confirm the
9 subordination or inferiority of this Lease to the lien of any mortgage, deed of trust or
10 other encumbrance of the Premises or any renewal, extension, modification,
11 replacement thereof, provided however, that such Subordination Agreement shall be
12 strictly limited to matters contained in the Agreement referred to in Section 17 and no
13 such Subordination Agreement shall materially increase any of County's obligations or
14 materially decrease any of County's rights under this Lease, nor shall the possession
15 of County be disturbed, by reason of any foreclosure, sale or other action under any
16 such trust deed, mortgage or other encumbrance.

17 **17.3 Attornment.** If Lessor's interest in the Premises passes to a
18 successor, and provided County has received the Non-Disturbance agreement referred
19 to in Section 17, County shall, within forty-five (45) business days after Lessor's
20 transferee's request, execute the agreement referred to in Section 17, thereby
21 agreeing to attorn and to recognize the transferee as the Lessors under this Lease;
22 provided the transfer of Lessor's interest in the Premises was by sale, lease,
23 foreclosure, deed in lieu of foreclosure, exercise of any remedy provided in any
24 encumbrance or operation of law.

25 **18. Lessor's Representations and Warranties.** Lessor represents and
26 warrants to County that:

27 **18.1 Title.** County's Leasehold interest in the Premises is free and clear
28 of restrictions which would restrict County's rights under this Lease.

1 **18.2 Certificate of Authority.** Lessor covenants that it is a duly
2 constituted under the laws of the state of its organization, and that the person(s) who is
3 acting as its signatory in this Lease is duly authorized and empowered to act for and on
4 behalf of the Lessor. Lessor shall furnish County prior to the execution hereof with
5 evidence of the authority of the signatory to bind the entity or trust as contemplated
6 herein.

7 **18.3 No Litigation.** There are no judicial, quasi-judicial, administrative
8 or other orders, injunctions, moratoria or pending proceedings against Lessor or the
9 Premises which preclude or interfere with, or would preclude or interfere with, the
10 construction contemplated herein or the occupancy and use of the Premises by County
11 for the purposes herein contemplated.

12 **18.4 Easements.** Lessor shall not (a) subdivide, parcel or otherwise
13 divide the Premises, (b) create, modify or terminate any ingress or egress to or from the
14 premises, or (c) create any easements in the Premises, without County's prior written
15 approval.

16 **19. Quiet Enjoyment.** Lessors covenants that County shall at all times
17 during the term of this Lease peaceable and quietly have, hold and enjoy the use of the
18 leased Premises so long as County shall fully and faithfully perform the terms and
19 conditions that it is required to do under this Lease.

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

23 **21. Severability.** The invalidity of any provision in the Lease as determined
24 by court of competent jurisdiction shall in no way affect the validity of any other
25 provision hereof.

26 **22. Venue.** Any action at law or in equity brought by either of the parties
27 hereto for the purpose of enforcing a right or rights provided for by this Lease shall be
28 tried in a court of competent jurisdiction in the County of Riverside, State of California,

1 and the parties hereto waive all provisions of law providing for a change of venue in
2 such proceedings to any other county.

3 **23. County's Representative.** County hereby appoints the Assistant County
4 Executive Office / EDA as its authorized representative to administer this Lease.

5 **24. Entire Lease.** This Lease is intended by the parties hereto as a final
6 expression of their understanding with respect to the subject matter hereof and as a
7 complete and exclusive statement of the terms and conditions thereof and supersedes
8 any and all prior and contemporaneous leases, agreements and understandings, oral
9 or written, in connection therewith. This Lease may be changed or modified only upon
10 the written consent of the parties hereto.

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

15 **26. Authority.** If Lessor is a corporation, general or limited partnership or
16 individual owner, each individual executing this Lease on behalf of said corporation,
17 partnership, or individual represents and warrants that he or she is duly authorized to
18 execute and deliver this Lease on behalf of said corporation, in accordance with bylaws
19 of said corporation, or as a partner or individual is authorized to execute this Lease and
20 that this Lease is binding upon said corporation and/or partnership or individual.

21 **27. Separate Writing and Exhibits.** Any exhibits or writings referenced
22 herein this Lease shall constitute a part of this Lease Agreement and are incorporated
23 into this Lease by this reference. If any inconsistency exists or arises between a
24 provision of this Lease and a provision of any exhibit, the provisions of this Lease shall
25 control.

26 ///
27 ///
28 ///

1 **28. Approval of Supervisors.** Anything to the contrary notwithstanding, this
2 Lease shall not be binding or effective until its approval and execution by the Chairman
3 of the Riverside County Board of Supervisors.

4
5 Dated: _____

6 **COUNTY:**

7 **COUNTY OF RIVERSIDE**, a
8 political subdivision of the
9 State of California

Lessors:

HUB ENTERPRISES,
a California limited partnership

10
11 By: _____
12 John J. Benoit , Chairman
Board of Supervisors

By: _____
Ronald J. Hartley, General Partner

**TRUSTEES OF THE 1987 HARTLEY
LIVING TRUST**

13
14 Attest:
15 Kecia Ihem-Harper
16 Clerk of the Board

By: _____
Ronald J. Hartley, Trustee

17 By: _____
18 Deputy

By: _____
Jeryl C. Hartley, Trustee

19
20 Approved as to Form:
21 Gregory P. Priamos. County Counsel

22 By: _____
23 R. Todd Frahm
Deputy County Counsel

By: _____
Steven A. Gibson, joint tenant

24 By: _____
25 Lynette A. Gibson, joint tenant

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Exhibit A
Depiction of Premises

Approved by: *[Signature]* Date: 3/1/05
 Return to ISS Facilities Stop# 3320-000

800 So. Sanderson
FIRST FL.

G/M Business Interiors
 2775 West La Granda Drive
 Riverside, CA 92507
 Phone: (909) 856-0183
 (909) 854-0076
 Fax: (909) 894-0617
 www.gmbi.com

CLIENT / PROJECT:
COM H&MET ENVIRONMENTAL HEALTH

Designer: THOMAS WEN	Revisions: <u> </u> of <u> </u>	Sheet No. SHEET
Approved: [Signature]		
Date: 1/20/05		
Scale:		
G.M. Interiors		

1
2 **Exhibit B**

3 **Tenant Improvements**

4
5 **Scope of Work and Payment Responsibility:** All tenant improvements shall be performed by
6 Lessors, at their sole cost and expense. Improvements shall be performed after working hours
7 or over the weekends and all work coordinated with County. Prior to the installation of the new
8 carpet tiles and ceiling tiles, Lessors shall perform their due diligence in determining the source
9 of water leaks throughout the facility including but not limited to: roof leaks, interior sprinkler
10 system, and HVAC condensation. In addition Lessors shall rebalance the HVAC unit and
11 temperature controls to minimize the uncomfortable temperature variances throughout the day.
12 A furniture lift shall be used to lift systems furniture to remove existing carpet and install new
13 carpet tiles. The furniture lift allows systems furniture to be lifted to avoid dismantling of systems
14 furniture and critical phone and data lines.

15 Department employees shall be responsible for removing personal desktop items from work
16 surfaces, decorative items, and bulletin boards from walls. Department shall also be responsible
17 for removing and relocating the file cabinets for the purpose of painting, and installation of
18 carpet tiles.

19 Lessors to complete the following tenant improvements:

20 **Exterior**

- 21
- 22 • Repair any roof leaks or HVAC condensate leaks
 - 23 • Install new signage to the exterior of the building, and shall include a design that is
24 approved by Environmental Health. Department shall submit a Form 5 for new signage,
25 and shall reimburse the Lessors for any costs incurred.
 - 26 • The door handles from the main entrance shall be painted (red paint) and restored into
27 original form.

28 **Second floor employee Patio Area**

- Patio shall be maintained on a regular basis. Trash and tree debris shall be removed
weekly as per Exhibit "C" to be completed by Lessors janitorial company.
- Patio furniture shall be dusted weekly as per Exhibit "C."

Workshop and Storage room downstairs exterior

- Stain and seal concrete floors in workshop and storage room.
- Ceiling light covers need to be replaced with new lights and covers.

Main Entrance Common Space

- The VCT on the stairwell shall be removed and replaced with rubber stair treads.
Stairwell rubber tread sample is noted below for your reference:

- Stairwell handrails shall be repainted or touched up to match existing.

Order Online, by Phone, or by E-Mail
 ~ Add items to your online shopping cart ~
Click the Model No. of the item you wish to purchase.

PRICE FOR 788 DISC-O-TILE

Model No.	Std. Size	Std. Ctn Qty.	Approx. Wt. Ea.	Price Per Tile (ea)
788	24" x 24"	10	5 lbs.	\$82.65

Tile should be installed with arrows on tile all facing in same direction. Must be installed with epoxy adhesive.

Disc-O-Tred® No. 787 DESIGN RUBBER STAIR TREADS



A new design nose - easily adjusts to steps with angle nosings between 90° and 60°; allows fit on stairways designed for safety or aesthetics. Ideal for public buildings where fire-safety is a prime prerequisite; durable for heavy traffic areas. Circular discs (3/4" diameter) are easy to clean, affords safer pedestrian traffic. Meets Federal Specs. RR-T-650E. Install with No. 400 Neoprene Contact Adhesive, back of tread and back of nosing; use No. 110 Epoxy Stair Caulk inside of nose.

See Below for Color Chart, Adhesives, and Installation instructions

SPECIFICATIONS:
 Furnish and instal No. 787 Disc-O-Tred Stair Treads 1/4" thick tapering to back edge; 12-1/2" deep. Treads shall have a Flame Spread Rating of 25 or less using ASTM-E-84 Test; an adjustable square nose (1-7/8" deep); a sanded back to assure proper adhesion; contain no asbestos fiber; made of top quality homogenous rubber compound, color extending throughout thickness; free from objectionable odors or imperfections which might impair serviceability. Select standard length of 36", 42", 48", 54", 60" or 72". Select standard solid color from Color Series III.

- Install Uniform VCT throughout the entire first and second floor of the common space areas. The area on the first floor to receive VCT tile is the portion of the hall from the main ceramic tiled lobby to the common restrooms and office doors at the end of the hall AND the "employee side entrance" from where the existing ceramic tile ends to the suite 100 & 102 suite entrance doors and to the bottom of the stairs. The second floor hard surface floor tile is complete already with the exception of the stairway and landings which will be vinyl stair treads.
- Replace all damaged and missing VCT flooring throughout the suite.

Suite 100

- Install new carpet tiles manufactured by Kraus Flooring, style 7072 Buckingham Color 707232 Blue Pewter with matching baseboards, and fresh paint shall be applied throughout the suite.
- New paint shall be applied over the existing wall paper and paint shall be cut in around systems furniture and large file cabinets if furniture is not removed.
- Carpet tiles shall also be cut in around large heavy file cabinets in suite 100 if not removed.
- Paint specification shall be Sherwin Williams Krypton SW6247 paint color, with an egg shell finish. Sheen shall be used in high traffic areas, i.e. hallways, restrooms, break rooms etc.
- Replace broken and water stained ceiling tiles with new ceiling tiles (repainted ceiling tiles are not acceptable).
- All interior sprinkler heads shall be adjusted to meet Fire Code standards. Many sprinkler heads are placed above ceiling tiles. Per Lessors caps are on order and will be replaced as replacements come in.

- 1 • Install new toilet and mirror in the employee restroom. It has been agreed that toilet will be cleaned thoroughly and hard water deposits removed.
- 2 • New mirror shall be installed.
- 3 • Install new faucet, sink, and counter top in the employee break room/ kitchen. Lessors shall attempt to remove hard water deposits from sink. If hard water is not removed then Lessors to install new sink.
- 4 • New faucets shall be installed and new laminate counter top.
- 5 • Holes under sink are maintenance items and shall be repaired by Lessors.
- 6 • Install weather strips in Jim's office to avoid further condensation build up. To be completed by Lessors.
- 7 • Install new dry wall in corner of Jim's office.
- 8 • New broadloom carpet shall be installed in back stairs leading to second floor.
- 9 • Missing blinds throughout shall be replaced with new and alike to match existing.

10 **Suite 102**

- 11 • Rebalance ceiling tiles in the EPO Conference Room #1.
- 12 • Install new carpet tiles manufactured by Kraus Flooring, style 7072 Buckingham, color 707234 Cavern with matching baseboards, and paint throughout the suite. Carpet tiles and paint shall be cut in around large file cabinets and systems furniture.
- 13 • Paint interior using Sherwin Williams Sand Dollar SW6099 paint color, with an egg shell finish. Sheen color shall be used in high traffic areas i.e. hallways, restrooms, break rooms etc.
- 14 • Lessors shall provide contrasting paint color samples to Management for selection.
- 15 • Replace ceiling tiles that are broken, or stained with new ceiling tiles (repainted ceiling tiles are not acceptable).
- 16 • All interior sprinkler heads shall be adjusted to meet Fire Code standards (many are located above the ceiling tiles).
- 17 • Install new mirrors in Men's restroom.
- 18 • Toilets and urinals shall be cleaned thoroughly and have hard water deposits removed.
- 19 • New Counter tops shall be installed in all restrooms, and new paint shall be applied on walls and stall panels as needed.
- 20 • Install privacy screens in all restroom stall doors. To be completed by Lessors.
- 21 • Acid wash restroom floor tiles and follow up with sealant and buff resilient wax finish to rid floors of calcium buildup.

22 **Second floor Suite**

- 23 • Install new carpet tiles manufactured by Kraus Flooring, style 772 Buckingham, color 707232 blue pewter with matching baseboards, and new paint throughout the suite. Paint interior using Sherwin Williams Sand, Agreeable Grey (7029) paint color, with an egg shell finish. Sheen shall be used in high traffic areas i.e. hallways, restrooms, break rooms, etc.
- 24 • Mismatched light bulbs shall be removed and replaced with new for a uniform and aesthetic look.
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- Replace ceiling tiles that are broken, or stained with new ceiling tiles (repainted ceiling tiles are not acceptable).
- All interior sprinkler heads shall be adjusted to meet Fire Code standards (many are located above the ceiling tiles). Caps have been ordered and will be replaced as they come in.
- Replace all broken or damaged blinds, and slats.
- Install a privacy screen in all restroom stall doors.
- Acid wash restroom floor tiles and follow up with sealant and buff resilient wax finish to rid floors of calcium buildup.
- Install new faucet, sink in the employee break room/ kitchen. The wood cabinets shall be painted, or sanded, and stained/varnished. Install new hardware and laminate counter top. Lessors shall determine if cabinets can be painted or stained and varnished for a fresh new look.
- Install Haws eyewash, faucet mount (Model # 7620) in Barry Hess/ VC Lab. Eyewash mount shall be provided by Lessee.
- Install VCT tile throughout the Data/ Communications room.