

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

981



FROM: Economic Development Agency

SUBMITTAL DATE:

August 19, 2010

SUBJECT: First Amended Master Lease Agreement between the County of Riverside and the Board of Directors of the Van Horn Regional Treatment Facility, a Joint Powers Authority

RECOMMENDED MOTION: That the Board of Supervisors approve the First Amended Master Lease Agreement and authorize the Chairman of the Board to execute the same on behalf of the County.

BACKGROUND: On February 11, 1997, the Board of Supervisors approved a Master Lease Agreement for the Probation and Mental Health Departments of Riverside, San Bernardino, Orange, Los Angeles, and San Diego Counties. The aforementioned Counties applied and received grant funding to build a regional juvenile treatment facility (The Van Horn Regional Treatment Facility).

(Continued)

Robert Field

Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2010/11

COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: No

SOURCE OF FUNDS: N/A

Positions To Be Deleted Per A-30 ☐
Requires 4/5 Vote ☐

C.E.O. RECOMMENDATION: APPROVE

BY: *Jennifer L. Sargent*

County Executive Office Signature *Jennifer L. Sargent*

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Tavaglione, seconded by Supervisor Stone and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Buster, Tavaglione, Stone, Benoit and Ashley
Nays: None
Absent: None
Date: August 31, 2010
xc: EDA, Probation, CIP

Kecia Harper-Ihem
Clerk of the Board

By: *Kecia Harper-Ihem*
Deputy

Prev. Agn. Ref.: 3.7 of 2/11/97

District: 1

Agenda Number:

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

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

BACKGROUND:

The completion of the Regional Facility occurred on June 30, 1995. A Master Lease Agreement was completed and entered into by the parties. In addition, a lease was entered into with the current Lessee, Kids First Foundation, Inc., Pursuant to the provisions in paragraph 18 of the Master Lease Agreement, The Kids First Foundation, Inc., lease is to be subordinate and otherwise junior to the Master Lease Agreement.

The master lease was executed February 11, 1997, lacked certain lease indemnification, and insurance language, and is hereby terminated in its entirety effective on the date the Riverside County Board of Supervisors approves this first amended master lease.

Lessor:	County of Riverside
Lessee:	The Board of Directors of the Van Horn Regional Treatment Facility, A Joint Powers Authority
Premises Location:	10001 County Farm Road, Riverside
Size:	4.42 acres of improved real property
Term:	February 11, 2007 thru February 10, 2027
Rent:	\$0
Utilities:	Paid by Regional Van Horn Treatment Facility
Custodial Services:	Paid by Regional Van Horn Treatment Facility

The attached master lease has been reviewed and approved by County Counsel as to legal form.

FINANCIAL DATA:

There is no financial data associated with this Form 11.

CLERK'S COPY

to El Dorado County Clerk of the Board, Stop 1010

Post Office Box 1147, Riverside, Ca 92502-1147

Thank you

FIRST AMENDED MASTER LEASE

**10001 County Farm Road
Riverside, California**

TABLE OF CONTENTS

1.	Recitals	1
2.	Description	2
3.	Use	2
4.	Term.....	2
5.	Consideration	2
6.	Options to Extend.....	2
7.	Personal Property.....	2
8.	Improvements	2
9.	County's Reserved Rights	3
10.	Maintenance.....	3
11.	Insurance	4
12.	Indemnification	6
13.	Assignment	7
14.	Inspection of Premises	7
15.	Quiet Enjoyment.....	7
16.	Compliance With Government Regulations	7
17.	Eminent Domain.....	7
18.	Free From Liens.....	8
19.	Estoppel Certificates	8
20.	Binding on Successors.....	8
21.	Waiver of Performance.....	8
22.	Severability.....	9
23.	Venue.....	9
24.	Attorney's Fees	9
25.	Notices	9
26.	Permits, Licenses and Taxes	9
27.	Paragraph Headings	9
28.	County's Representative	9
29.	Subordination	9
30.	Agent for Service of Process	10
31.	Notification of Taxability of Possessory Interest.....	10
32.	Toxic Materials	10
33.	Exhibits Incorporated By Reference	11
34.	Entire Master Lease	11
37.	Prior Master Lease.....	11
38.	Execution by County	11
	Property Depiction	Exhibit "A"
	Legal Description for Leased Premises.....	Exhibit "B"
	Personal Property List.....	Exhibit "C"

AUG 31 2010 3.38

2010-10-101582

RECEIVED RIVERSIDE COUNTY
CLERK / BOARD OF SUPERVISORS

2010 OCT 25 PM 2:21

1 **FIRST AMENDED MASTER LEASE**

2 10001 County Farm Road
3 Riverside, California

4 This FIRST AMENDED MASTER LEASE, ("Master Lease") is made as of
5 _____ between the COUNTY OF RIVERSIDE, a political subdivision of the State of
6 California, ("County") and THE BOARD OF DIRECTORS OF THE VAN HORN REGIONAL
TREATMENT FACILITY, a Joint Powers Authority ("Lessee"), for the property described below
upon the following terms:

7 **1. Recitals.**

8 (a) County is the owner of that certain real property ("Property") situated at
9 the end of County Farm Road, in Riverside County, California, more particularly described as
10 Assessor's Parcel Number 145-120-002 and as depicted on Exhibit "A", which a portion of such
11 real property has improvements thereon consisting of a building and grounds. Said building
was designed and constructed as a Regional Facility to provide intensive mental health
treatment and behavioral control for emotionally disturbed minors who have been adjudged
wards of the Juvenile Court pursuant to Section 602 of the Welfare and Institutions Code.

12 (b) County and the Counties of Los Angeles, San Diego, San Bernardino
13 and Orange have entered into a Joint Exercise of Powers Agreement ("Agreement") for the
14 Establishment and Operation of a Regional Facility for Emotionally Disturbed Children.
Pursuant to said Agreement, Lessee was established with authority to obtain grant funds to
15 construction, administer and operate the Regional Facility, and to develop plans in cooperation
with County in connection therewith. Thereafter, grant funds obtained by Lessee were applied
to the designated construction of the Regional Facility undertaken by and completed by
County.

16 (c) The County and Helicon, Inc., herein called Helicon, entered into that
17 certain Lease dated December 27, 1995 whereby Helicon undertook the responsibility of
maintaining and operating the Regional Facility and pursuant to the provisions contained in
18 Paragraph 18 of said Lease with Helicon, in the event County and Lessee enter into a Master
Lease, the Lease with Helicon is to be subordinate, and otherwise junior, to the Master Lease.

19 (d) On February 11, 1997, the County and Lessee entered into the original
20 Master Lease for the portion of the Property for the above described purpose.

21 (e) On June 13, 2003, Helicon, Inc. changed its name to Kids First
Foundation, Inc., ("Kids First"), whereby Lessee and Kids First entered into that certain
22 Sublease dated October 30, 2003 to amend and update the subordinate Lease referenced in
Recital (c) above.

23 (f) In view of the use and application of the grant funds obtained by Lessee
24 for the design and construction of the Regional Facility and in consideration thereof, County
and Lessee deem it appropriate and necessary for County to lease the Regional Facility and
25 grounds to Lessee hereunder.

1 (g) The County of Riverside and the Van Horn Regional Treatment Facility
2 desire to update the Master Lease accordingly and to provide additional provisions for
3 insurance and indemnification by entering into this First Amended Master Lease.

4 Now, therefore, the parties agree to this First Amended Master Lease as follows:

5 2. **Description.** A portion of the Property leased hereby consists of a Regional
6 Facility and grounds, located at 10001 County Farm Road in the Arlington area of the City of
7 Riverside, County of Riverside, California, ("Premises"), consisting of approximately 4.42 acres
8 of improved real property, together with all roads, access, rights of way, easements and
9 appurtenances, whether public or private, reasonably required for the use contemplated by the
10 parties, as depicted on Exhibit "A" and provided in the legal description in Exhibit "B", attached
11 hereto and by this reference made a part of this Lease.

12 3. **Use.** The Premises are leased hereby for the exclusive purpose of operating
13 and maintaining a Regional Facility to provide intensive mental health treatment and behavioral
14 control of emotionally disturbed minors who may be adjudged wards or dependents of the
15 Juvenile Court.

16 4. **Term.** The term of this Master Lease shall commence upon its execution by the
17 parties and shall continue until (1) the Joint Exercise of Powers Agreement referred to in the
18 Recitals, paragraph 1(b) is rescinded or terminated, or (2) February 10, 2027, at which time it
19 will expire.

20 5. **Consideration.** Consideration for the use of the Premises was
21 established by the monetary contributions in the sum of Two Hundred Thousand Dollars
22 (\$200,000) made by each of the Counties of Los Angeles, San Diego, San Bernardino and
23 Orange, and, the grant funds obtained and applied by Lessee for the design and construction
24 of the Regional Facility.

25 6. **Options to Extend.** County grants Lessee one five (5) year option to renew the
Master Lease provided Lessee submits notice in writing to County at least six (6) months prior
to the expiration date of this Master Lease. Rent for the extended five (5) year term shall be
the market rent for similar properties in the area.

7. **Personal Property.**

The parties hereto understand and agree that Lessee is the owner of certain
items of personal property situated within the Regional Facility, which items are set forth in
"Exhibit C," attached hereto and by this reference made a part of this Master Lease. It is further
understood and agreed that such item(s), or any of them, may be removed or replaced from
time to time as may be deemed appropriate by Lessee.

8. **Improvements.**

(a) Any improvements, alterations, and installation of fixtures
("Improvements") to be undertaken by Lessee to the leased Premises shall have the prior
written approval of County after Lessee has submitted to County proposed plans in writing.

1 Such approval by County shall not be unreasonably withheld. All Improvements shall comply
2 with all applicable governmental rules, regulations, codes, ordinances, laws and statutes
3 including but not limited to the Americans with Disabilities Act. Upon such approval, Lessee
4 shall complete such Improvements in strict compliance with such plans.

5 (b) All such Improvements, including trade fixtures as that term is used in
6 Section 1019 of the Civil Code, shall remain the property of the lessee; provided, however, that
7 Lessee removes, at its expense, such Improvements and trade fixtures at or prior to the
8 expiration of this Master Lease and restores the leased Premises to their original shape and
9 condition as nearly as practicable. In the event lessee does not so remove such improvements
10 and trade fixtures, County may at its election either (1) remove and store such improvements
11 and trade fixtures and restore the Premises for the account of Lessee, and in such event,
12 lessee shall within thirty (30) days after billing and accounting therefore reimburse County for
13 the costs so incurred, or (2) take and hold such improvements and trade fixtures as its sole
14 property.

15 **9. County's Reserved Rights.** The Premises is accepted by Lessee subject to
16 those existing easements or other encumbrances or other matters of record except as
17 otherwise noted herein, and County shall have the right to enter upon the Premises and to
18 install, lay, construct, maintain, repair and operate such sanitary sewers, drains, storm water
19 sewers, pipelines, manholes, connections, water, oil and gas pipelines, and telephone and
20 telegraph power lines and such other facilities and appurtenances necessary or convenient to
21 use in connection therewith, over, in, upon, through, across and along the Premises or any part
22 thereof. County also reserves the right to grant franchises, easements, rights of way and
23 permits in, over and upon, along or across any and all portions of said Premises as County
24 may elect; provided, however, that no right of the County provided for in this Paragraph shall
25 be so executed as to interfere unreasonably with Lessee's rights and use hereunder. County
shall cause the surface of the Premises to be restored to its original condition (as they
existed prior to any such entry) upon the completion of any construction by County or its
agents. Any right of County set forth in this Paragraph shall not be exercised unless a prior
written notice of thirty (30) days is given to Lessee; provided, however, in the event such right
must be exercised by reason of emergency, then County shall give Lessee such notice in
writing as is reasonable under the existing circumstances. Notwithstanding anything to the
contrary contained herein, County agrees that all sanitary sewers, storm drains, pipelines,
manholes, water and gas mains, electric power lines, transformers and conduits, cabling,
telephone lines and other communications equipment and facilities utilized in connection with
utility services (collectively "Utility Lines") to be located at or on the Premises shall be placed
underground and in a manner which does not interfere with the Facility or its use. Any
easement, license, right-of-way, permit or other agreement entered into by the County pursuant
to this Paragraph 9, including but not limited to the installation, operation, maintenance, repair
and replacement of Utility Lines, shall require the easement holder to maintain the easement
and equipment located therein at its sole cost. County agrees to use best efforts to minimize
any interference to Lessee's business caused by County's exercise of its rights hereunder.

23 **10. Maintenance.**

24 (a) Lessee shall maintain the Premises, the Facility and the related
25 Improvements constructed or to be constructed on the Premises, including the landscaping and
grounds, in a neat, safe, orderly and attractive condition during the term of this Master Lease,

1 and Lessee shall provide for the sanitary handling and disposal of all refuse accumulated as a
2 result of Lessee's use of the Premises (including any waste and hazardous waste) and the
3 improvements thereon. In addition, the exterior and the interior of the improvements on the
Premises shall be maintained by Lessee in good working condition and repair during the term
of this Master Lease.

4 (b) In the event of damage or destruction of all or any part of the
5 Improvements to be constructed upon the Premises rendering said Premises unusable, for the
6 purposes set forth in Paragraph 3 herein, in whole or in part, Lessee shall repair such damage
or destruction with due diligence in accordance with this Paragraph 10, but only to the extent of
the insurance coverage required by this Master Lease.

7 **11. Insurance.** Without limiting or diminishing any indemnification contained within
8 this Master Lease, Lessee and/or their authorized representatives, including any sublessees,
9 shall procure and maintain or cause to be maintained, at its sole cost and expense, the
following insurance coverage during the term of this Master Lease:

10 (a) **Workers' Compensation.** Workers' Compensation Insurance
11 (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 One
12 Million dollars (\$1,000,000) per person per accident. The policy shall be endorsed to waive
subrogation in favor of the County of Riverside.

13 (b) **Commercial General Liability.** Commercial General Liability
14 Insurance coverage, including but not limited to, premises liability, contractual liability,
products/completed operations, personal and advertising injury, cross liability coverage and
15 employment practices liability covering bodily injury, property damage, and personal injury
arising out of or relating, directly or indirectly, to the design, construction, maintenance, repair,
16 alteration and ownership of the Premises and all areas appurtenant thereto including claims
which may arise from or out of Lessee's operations, use, and management of the Premises, or
the performance of its obligations hereunder. Policy shall name the County of Riverside, its
17 Special Districts, Agencies, Districts and Departments, their respective Directors, Officers,
Board of Supervisors, elected and appointed officials, employees, agents, independent
18 contractors or representatives as an Additional Insured. Policy limits shall not be less than
Three Million Dollars (\$3,000,000) per occurrence. If such insurance contains a general
19 aggregate limit, it shall apply separately to this Master Lease or be no less than two (2) times
the occurrence limit.

20 (c) **Vehicle Liability.** If vehicles or licensed mobile equipment are used on
the Project, Lessee shall maintain auto liability insurance for all owned, non-owned or hired
21 automobiles in an amount not less than One Million Dollars (\$1,000,000) per occurrence
combined single limit. Policy shall name the County of Riverside, its Special Districts,
22 Agencies, Districts, and Departments, their respective Directors, Officers, Board of
Supervisors, elected and appointed officials, employees, agents, independent contractors or
23 representatives as Additional Insured.

24 (d) **Property (Physical Damage).**

25 i. All-Risk real property insurance coverage, including earthquake

1 and flood, if applicable, for the full replacement cost value of buildings, structures, fixtures, all
2 improvements therein, and building systems on the Project as the same exists at each early
3 anniversary of the term. Policy shall include Business Interruption, Extra Expense, and
Expediting Expense coverage as well as coverage for off-premises power failure. Policy shall
name the County as a Loss Payee as their interests may appear.

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

7 iii. In the event improvements are made to the Premises during the
8 term of this Master Lease, Lessee shall keep or require its Contractor to keep in full force and
9 effect, a policy of Course of Construction Insurance covering loss or damage to the Premises
10 for the full replacement value of such work. The Named Insured shall include the Lessee,
11 County and Contractor as their interests appear. Lessee or their Contractor shall be
responsible for any deductible payments that result from a loss at the Premises under this
coverage. If, at the time of any loss to the property, it is determined that the insurance has not
been carried or the insurance does not cover the loss of property being installed, the Lessee
shall be responsible to pay the loss without contribution from the County.

12 (e) **General Insurance Provisions – All Lines.**

13 i. Any insurance carrier providing Lessee's insurance coverage
14 hereunder shall be admitted to the State of California and have an A.M. BEST rating of not less
15 than an A:VIII (A:8) unless such requirements are waived, in writing, by the County Risk
Manager. If the County'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.

16 ii. The Lessee or Lessee's insurance carrier(s) must declare its
17 insurance deductibles or self-insured retentions. If such deductibles or self-insured retentions
18 exceed Five Hundred Thousand Dollars (\$500,000) per occurrence such deductibles and/or
19 retentions shall have the prior written consent of the County Risk Manager before the
20 commencement of the Master Lease term. Upon notification of deductibles or self insured
retentions which are deemed unacceptable to the County, at the election of the County's Risk
Manager, Lessee's carriers shall either: 1) reduce or eliminate such deductibles or self-insured
retentions as respects this Agreement with the County, or 2) procure a bond which guarantees
payment of losses and related investigations, claims administration, defense costs and
expenses.

21 iii. At the inception of this Master Lease and annually at the
22 Lessee's insurance policy renewal date(s), the Lessee shall cause their insurance carrier(s) to
23 furnish the County of Riverside with 1) a properly executed original Certificate(s) of Insurance
24 and certified original copies of Endorsements effecting coverage as required herein; or, 2) if
25 requested to do so orally or in writing by the County 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) shall provide no less than thirty (30) days

1 written notice be given to the County of Riverside prior to any material modification or
2 cancellation of such insurance. In the event of a material modification or cancellation of
3 coverage, this Master Lease shall terminate forthwith, unless the County of Riverside receives,
4 prior to such effective date, another properly executed original Certificate of Insurance and
5 original copies of endorsements or certified original policies, including all endorsements and
6 attachments thereto evidencing coverage and the insurance required herein is in full force and
effect. Individual(s) authorized by the insurance carrier to do so on its behalf shall sign the
original endorsements for each policy and the Certificate of Insurance. The Master Lease term
shall not commence until the County of Riverside has been furnished original Certificate(s) of
Insurance and certified original copies of endorsements or policies of insurance including all
endorsements and any and all other attachments as required in this Section.

7 iv. It is understood and agreed by the parties hereto and the
8 Lessee's insurance company(s) that the Certificate(s) of Insurance and policies shall so
9 covenant and shall be construed as primary insurance, and the County's insurance and/or
deductibles and/or self-insured retentions or self-insured programs shall not be construed as
contributory.

10 (f) **Lessee's Self Insurance.** If Lessee maintains funded programs of Self-
11 Insurance, then Lessee shall provide to County a Certificate of Self-Insurance evidencing the
Lessee's Self-Insurance for the following coverage, if so requested by County:

Workers' Compensation	\$1,000,000 per occurrence
Commercial General Liability	\$3,000,000 per occurrence
Automobile Liability	\$1,000,000 per occurrence

12. **Indemnification.**

15 (a) Except as otherwise provided herein, Lessee represents that it has
16 inspected the Premises, accepts the condition thereof in its "AS-IS" condition and fully
17 assumes any and all risks incidental to the use thereof. County shall not be liable to Lessee,
18 its agents, employees, subcontractors or independent contractors for any personal injury or
property damage suffered by them which may result from hidden, latent or other dangerous
conditions in, on, upon or within the Premises unknown to the County, its officers, agents or
employees.

19 (b) Lessee shall indemnify and hold harmless County, its Agencies,
20 Districts, Special Districts and Departments, their respective directors, officers, Board of
21 Supervisors, elected and appointed officials, agents, employees, representatives, and
22 independent contractors ("County Parties") free and harmless from any liability whatsoever,
23 based or asserted upon any act or omission of Lessee, its officers, agents, employees,
24 subcontractors and independent contractors, for property damage, bodily injury, or death
(Lessee's employee included) or any other element of damage of any kind or nature, relating
to do or in anywise connected with or arising from its use and responsibilities in connection
therewith of the leased Premises or the condition thereof. Lessee shall defend, at its sole
expense for all costs and fees including without limitation, attorney fees, expert fees and
investigation expenses, defense and settlements or awards, the County Parties in any legal
action based upon such alleged acts or omissions.

1 (c) With respect to any action or claim subject to indemnification herein by
2 Lessee, Lessee shall, at their sole cost, have the right to use counsel of their own choice and
3 shall have the right to adjust, settle, or compromise any such action or claim without the prior
4 consent of County; provided, however, that any such adjustment, settlement or compromise in
5 no manner whatsoever limits or circumscribes Lessee's indemnification to County as set forth
6 herein. The obligations to indemnify and hold County free and harmless herein shall survive
7 until any and all claims, actions and causes of action with respect to any and all such alleged
8 acts or omissions are fully and finally barred by the applicable statute of limitations and shall
9 be satisfied when Lessee has provided to County the appropriate form of dismissal relieving
10 County from any liability for the action or claim involved.

11 (d) The specified insurance limits required in Paragraph 11 above shall in no
12 way limit or circumscribe Lessee's obligations to indemnify and hold County free and harmless
13 herein. Lessee shall indemnify and hold County, its officers, agents, employees and
14 independent contractors free and harmless from any liability whatsoever, based or asserted
15 upon any act or omission of Lessee, its officers, agents, employees, subcontractors and
16 independent contractors for property damage, bodily injury, or death (Lessee's employees
17 included) or any other element of damage of any kind or nature, relating to or in any way
18 connected with or arising from its use, occupancy or operation of the Premises, and Lessee
19 shall defend, at its expense, including attorney fees, County, its officers, agents, employees
20 and independent contractors in any legal action based upon such alleged acts or omissions.

21 **13. Assignment.** Upon the termination or earlier expiration of the Sublease,
22 Lessee shall have the right to sublease the leased Premises to any qualified third party or
23 parties for the purpose of the operation and maintenance thereof, provided, however, that (1)
24 the terms and conditions of any sublease do not contravene, and are otherwise compatible with
25 the provisions of this lease and (2) a fully executed copy of such sublease is provided to
County prior to the commencement thereof.

15 **14. Inspection of Premises.** County, through its duly authorized agents, shall
16 have, at any time during normal business hours, the right to enter the Premises for the
17 purpose of inspecting, monitoring and evaluating the obligations of Lessee hereunder and for
18 the purpose of doing any and all things which it is obligated and has a right to do under this
19 Master Lease.

20 **15. Quiet Enjoyment.** Lessee shall have, hold and quietly enjoy the use of the
21 Premises so long as it shall fully and faithfully perform the terms and conditions that it is
22 required to do under this Master Lease.

23 **16. Compliance With Government Regulations.** Lessee shall, at Lessee's sole
24 cost and expense, comply with the requirements of all local, state and federal statutes,
25 regulations, rules, ordinances, codes and orders now in force or which may be hereafter in
force, pertaining to the Premises, including but not limited to the Americans with Disabilities
Act, and those related to fire, health, and safety.

26 **17. Eminent Domain.** If any portion of the Premises shall be taken by eminent
27 domain and a portion thereof remains which is usable by Lessee for any of the purposes set
28 forth in Paragraph 3 herein, this Master Lease shall, as to the part taken, terminate as of the
29 date title shall vest in the condemnor, or that date prejudgment possession is obtained through

1 a court of competent jurisdiction, whichever is earlier, and the rent payable hereunder shall
2 abate pro rata as to the part taken; provided, however, in such event County reserves the right
3 to terminate this Master Lease as of the date when title to the part taken vests in the
4 condemnor or as of such date of prejudgment possession. If all of the Premises is taken by
5 eminent domain or such part be taken so that the remaining Premises or any portion thereof
6 are rendered unusable for the purposes set forth in Paragraph 3 herein, then at the election of
7 Lessee this Master Lease, or that portion of the remaining Premises rendered unusable, shall
8 terminate. If a part or all of the Premises be so taken, the compensation awarded upon such
9 taking shall be paid to the parties hereto in accordance with the values attributable to their
10 respective interests in such eminent domain proceedings.

11
12 **18. Free From Liens.** Lessee shall pay, when due, all sums of money that may
13 become due for any labor, services, material, supplies, or equipment, alleged to have been
14 furnished or to be furnished to Lessee, in, upon, or about the Premises, and which may be
15 secured by a mechanics', materialmen's or other lien against the Premises of County's interest
16 therein, and will cause each such lien to be fully discharged and released at the time the
17 performance of any obligation secured by such lien matures or becomes due; provided,
18 however, that if Lessee desires to contest any such lien, it may do so, but notwithstanding any
19 such contest, if such lien shall be reduced to final judgment, and such judgment or such
20 process as may be issued for the enforcement thereof is not promptly stayed, or if so stayed,
21 and said stay thereafter expires, then and in such event, Lessee shall forthwith pay and
22 discharge said judgment.

23 **19. Estoppel Certificates.**

24 (a) Lessee and County, at any time and from time to time during the term of
25 this Master Lease, and any extension thereof, and within thirty (30) days after request, in
writing, have been given by the other party, shall execute, acknowledge and deliver to the
requesting party a statement in writing certifying that this Master Lease is unmodified and in full
force and effect (or if there have been any modifications, that the same is in full force and effect
as modified and stating the modifications). The statement shall also include the dates to which
the rent and any other charges have been paid in advance, that there are no defaults existing
or that defaults exist and the nature of such defaults. It is intended that such statement as
provided in this Paragraph 19 may be relied upon by any prospective encumbrancer as
assignee of the Premises or improvements thereon or both or all or any portion or portions of
Lessee's interest under this Paragraph 19.

(b) A party's failure to execute, acknowledge and deliver on request of such
statement described in Paragraph 19(a) above within the required time shall constitute
acknowledgment by such party to all persons entitled to rely on such statement that this Master
Lease is unmodified and in full force and effect and that the rent and other charges have been
duly and fully paid to and including the respective due dates immediately preceding the date of
the notice or request and shall constitute a waiver, with respect to all persons entitled to rely on
such statement of any defaults that may exist before the date of such notice.

20. Binding on Successors. The parties hereto, their assigns and successors in
interest, shall be bound by all the terms and conditions contained in this Master Lease, and all
of the parties hereto shall be jointly and severally liable hereunder.

1 **21. Waiver of Performance.** No waiver by County at any time of any of the terms
2 and conditions of this Master Lease shall be deemed or construed as a waiver at any time
3 thereafter of the same or of any other terms or conditions contained herein or of the strict and
4 timely performance of such terms and conditions.

5 **22. Severability.** The invalidity of any provision in this Master Lease as determined
6 by a court of competent jurisdiction shall in no way affect the validity of any other provision
7 hereof.

8 **23. Venue.** Any action at law or in equity brought by either of the parties hereto for
9 the purpose of enforcing a right or rights provided for by this Master Lease shall be tried in a
10 court of competent jurisdiction in the County of Riverside, State of California, and the parties
11 hereby waive all provisions of law providing for a change of venue in such proceedings to any
12 other county.

13 **24. Attorneys' Fees.** In the event of any litigation, mediation or arbitration between
14 Lessee and County, including, without limitation, such an action brought pursuant to Lessee's
15 bankruptcy, to enforce any of the provisions of this Master Lease or any right of either party
16 hereto, the unsuccessful party to such litigation, mediation or arbitration agrees to pay to the
17 successful party all costs and expenses, including reasonable attorneys' fees, incurred therein
18 by the successful party, all of which shall be included in and as a part of the judgment or ruling
19 rendered in such litigation, mediation or arbitration.

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

22 **COUNTY**

23 County of Riverside
24 Economic Development Agency
25 3403 Tenth Street, Suite 500
 Riverside, CA 92501

LESSEE

 The Regional Van Horn Treatment
 Facility, a Joint Powers Authority
 909 N. Main Street Suite 1
 Santa Ana, CA 92701

or to such other addresses as from time to time shall be designated by the respective parties.
Notices must be in writing and will be deemed to have been given when personally delivered,
sent by facsimile with receipt acknowledged, deposited with any nationally recognized
overnight carrier that routinely issues receipts, or deposited in any depository regularly
maintained by the United States Postal Service, postage prepaid, certified mail, return receipt
requested, addressed to the party for whom it is intended at its address set forth above.

26 **26. Permits, Licenses and Taxes.** Lessee shall secure, at its expense, the
27 Permits, and Lessee shall pay prior to delinquency all fees, taxes and penalties levied against
28 the Premises or required by any authorized public entity. Failure to pay such sums in a timely
29 manner shall be a material default hereunder.

30 **27. Paragraph Headings.** The Paragraph headings herein are for the convenience
31 of the parties only, and shall not be deemed to govern, limit, modify or in any manner affect the
32 scope, meaning or intent of the provisions or language of this Master Lease.

1 **28. County's Representative.** County hereby appoints the Assistant County
2 Executive Officer – Economic Development Agency, as its authorized representative to
3 administer this Master Lease.

4 **29. Subordination.** It was understood, and agreed to by the parties hereto
5 that the lease between County and Helicon, Inc., dated December 27, 1995, as amended on
6 December 20, 1996 (hereinafter referred to as the "Helicon Lease"), pertaining to the leased
7 Premises and referred to in Paragraph 1(c) above was subordinate, and otherwise junior, to the
8 Master Lease. Moreover, the Helicon Lease shall be deemed a Sublease for all intents and
9 purposes hereunder and County shall be replaced, and otherwise substituted, by Lessee as
10 the Sublessor therein and Helicon, Inc., shall be the Sublessee therein. Presently, the Parties
11 acknowledge that the Lessee and Helicon's successor in interest, Kids First Foundation have
12 entered into that certain Sublease as referenced herein to update and amend the original
13 Lease between County and Helicon.

14 **30. Agent for Service of Process.** It is expressly understood and agreed that in
15 the event Lessee is not a resident of the State of California or it is an association or partnership
16 without a member or partner resident of the State of California, or it is a foreign corporation,
17 then in any such event, Lessee shall file with County's Economic Development Agency, upon
18 its execution hereof, a designation of a natural person residing in the State of California, giving
19 his or her name, residence and business addresses, as its agent for the purpose of service of
20 process in any court action arising out of or based upon this Master Lease, and the delivery to
21 such agent of a copy of any process in any such action shall constitute valid service upon
22 Lessee. It is further expressly understood and agreed that if for any reason service of such
23 process upon such agent is not feasible, then in such event Lessee may be personally served
24 with such process out of this County and that such service shall constitute valid service upon
25 Lessee. It is further expressly understood and agreed that Lessee is amenable to the process
so served, submits to the jurisdiction of the Court so obtained and waives any and all
objections and protests thereto.

16 **31. Notification of Taxability of Possessory Interest.** The Premises herein
17 granted by County to Lessee may create a possessory interest, subject to property taxation. In
18 the event Lessee's interest in the Premises, including the facility and related improvements,
19 become subject to the payment of property taxes levied on such interest, Lessee (and not
20 County) shall be solely responsible for the payment of such property taxes.

19 **32. Toxic Materials.**

20 (a) The County warrants that to the best of its knowledge there are no
21 hazardous substances located on or within the Premises.

22 (b) Restrictions on Lessee; Hazardous Substances: Lessee shall not cause
23 or permit any Hazardous Substance to be used, stored, generated, or disposed of on or in the
24 Premises by Lessee, Lessee's agents, employees, contractors or invitees, without first
25 obtaining County's written consent, which consent may not be unreasonably withheld.
Materials considered hazardous that are used in the ordinary course of business may be used
as regulated by law. If Hazardous Substances are used, stored, generated, or disposed of on
or in the Premises, or if the Premises becomes contaminated in any manner during the term
hereof, Lessee shall indemnify, defend, and hold harmless the County from any and all claims,

1 damages, fines, judgments, penalties, costs, liabilities, or losses (including, without limitation, a
2 decrease in value of the Premises or the Facility, and any and all sums paid for settlement of
3 claims, attorneys', consultants', and experts' fees) arising during or after the term of this
4 Master Lease and arising as a result of such contamination by Lessee. This indemnification
5 includes, without limitation, any and all costs incurred because of any investigation of the site
6 or any cleanup, removal, or restoration mandated by a federal, state, or local agency or political
subdivision. In addition, if Lessee causes or permits the presence of any Hazardous
Substance on the Premises and this results in contamination, Lessee shall promptly, at its sole
expense, take any and all necessary actions to return the Premises to the condition existing
before the presence of any such Hazardous Substance on the Premises, provided, however,
that Lessee shall first obtain County's approval for any such remedial action.

7 (c) As used herein, "Hazardous Substance" shall include, but not be limited
8 to, substances defined as "hazardous substances," "hazardous materials," or "toxic
9 substances" in the Comprehensive Environmental Response, Compensation and Liability Act
10 of 1980, as amended, 42 U.S.C. Section 9601, et seq.; the Hazardous Materials Transportation
11 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.

12 **33. Exhibits Incorporated By Reference.** All Exhibits attached hereto are
13 incorporated into and made a part of this Master Lease by reference to them herein.

14 **34. Entire Master Lease.** This Master Lease is intended by the parties hereto as a
15 final expression of their understanding with respect to the subject matter hereof and as a
16 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 Master Lease may be changed or modified only upon the written
consent of the parties hereto.

17 **35. Prior Master Lease.** The previous Master Lease dated February 11, 1997, by
18 and between the County of Riverside and the Van Horn Treatment Facility is hereby terminated
19 in its entirety effective on the date the Riverside County Board of Supervisors approves this
Master Lease. The Kids First Sublease dated October 30, 2003, shall continue to be
subordinate to this First Amended Master Lease and shall be in full force and effective based
on its terms.

20 **36. Execution by County.** This Master Lease shall not be binding or
21 consummated until its approval and execution by the County's Board of Supervisors.

22 ///

23 ///

24 ///

CLERK'S COPY

to Riverside County Clerk of the Board, Stop 1010

Post Office Box 1147, Riverside, Ca 92502-1147

Thank you

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized representatives to execute this Master Lease.

Dated: 10/19/2010

THE BOARD OF DIRECTORS OF THE
REGIONAL VAN HORN TREATMENT FACILITY,
a Joint Powers Authority

By: [Signature]

By: _____

COUNTY OF RIVERSIDE

By: [Signature]

Marion Ashley, Chairman
Board of Supervisors

ATTEST:

Kecia Harper-Ihem
Clerk of the Board

By: [Signature]

Deputy

APPROVED AS TO FORM:

Pamela J. Walls
County Counsel

By: [Signature]

Synthia M. Gunzel
Deputy County Counsel

SG:jw
07/14/10
147FM
12.861

[illegible]

IMPORTANT

REPORT PRINTED ON...Wed Jul 14 08:58:59 2010

<http://www3.tlma.co.riverside.ca.us/pa/rcdis/print.htm>

7/14/2010

EXHIBIT "A"

VAN HORNE REGIONAL TREATMENT FACILITY LEASE BOUNDARY

Parcel 1017-001

Being a portion of that certain parcel of land conveyed to the County of Riverside, California, by deed recorded October 13, 1918 in Book 494, Page 1, Et. Seq. of Deeds, records of the Recorder of Riverside County, California, lying in the La Sierra Sepulveda Rancho, protracted Section 12, Township 3 South, Range 6 West, S.B.M.:

Commencing at the centerline intersection of County Farm Road and Harrison Street, in the City of Riverside, State of California, as shown on Riverside County Map 903-VV on file in the office of the Riverside County Surveyor;

Thence North $89^{\circ}03'05''$ West along the center line of County Farm Road, a distance of 726.10 feet to the intersection of County Farm Road and Reynolds Road as shown on said Map;

Thence continuing North $89^{\circ}03'05''$ West along said centerline, a distance of 1106.01 feet to the **True Point of Beginning**;

Thence South $12^{\circ}04'04''$ East a distance of 207.77;

Thence South $73^{\circ}06'28''$ West a distance of 45.86 feet to the beginning of a tangent curve, concave to the Southeast, having a radius of 111.00 feet;

Thence Southwesterly along said curve a distance of 125.52 feet through a central angle of $64^{\circ}47'31''$;

Thence South $08^{\circ}18'57''$ West a distance of 188.70 feet;

Thence North $70^{\circ}29'23''$ West a distance of 61.43 feet;

Thence North $41^{\circ}09'43''$ West a distance of 78.71 feet;

Thence North $15^{\circ}59'04''$ West a distance of 262.41 feet;

Thence North $08^{\circ}38'03''$ East a distance of 101.20 feet;

Thence North $00^{\circ}15'55''$ West a distance of 272.59 feet;

Thence North $12^{\circ}03'17''$ West a distance of 47.46 feet;

Thence North $33^{\circ}06'15''$ East a distance of 53.87 feet;

Thence North $80^{\circ}45'48''$ East a distance of 43.06 feet;

EXHIBIT "A"

VAN HORNE REGIONAL TREATMENT FACILITY LEASE BOUNDARY

Thence South 76°37'33" East a distance of 131.86 feet;

Thence South 46°43'08" East a distance of 102.99 feet;

Thence South 00°49'30" West a distance of 160.08 feet;

Thence South 12°04'04" East a distance of 49.68 feet to the **True point of Beginning**.

Containing 4.12 acres more or less.

See Exhibit "B" attached hereto and by this reference made a part hereof.

Prepared under my supervision;

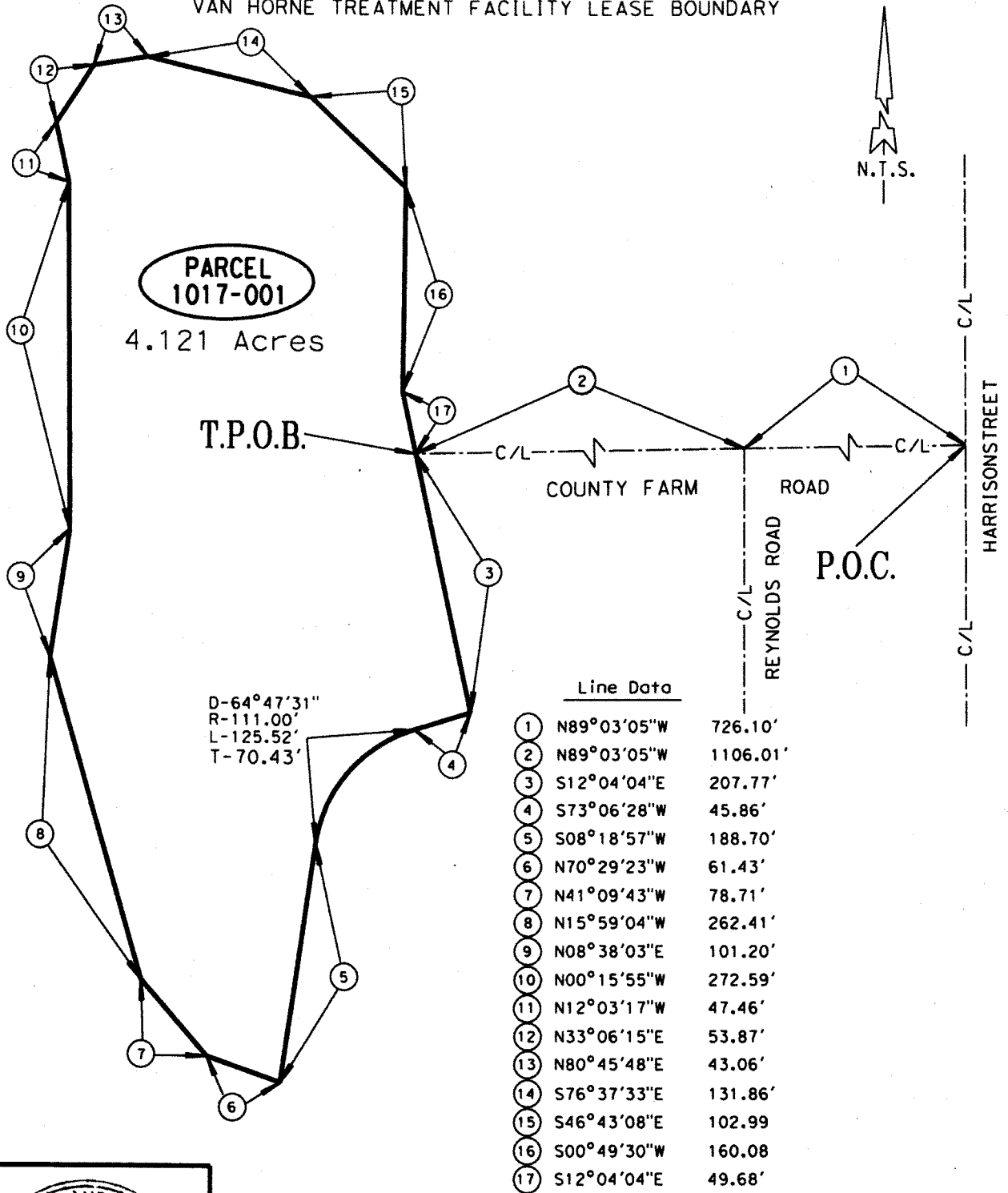
08-18-10

By: Robert E. Robinson Deputy
Kenneth D. Teich, County Surveyor
L. S. 5705, Exp. 9/30/2011



EXHIBIT "B"

VAN HORNE TREATMENT FACILITY LEASE BOUNDARY



RANCHO LA SIERRA SEPULVEDA
SECTION 12 TOWNSHIP 3 SOUTH RANGE 6 WEST S.B.M.

COUNTY OF RIVERSIDE TRANSPORTATION DEPT., SURVEY DIV.

PROJECT: **Van Horne Treatment Facility Lease Boundary**

THIS PLAT IS AN AID IN LOCATING THE PARCEL(S) DESCRIBED IN THE PRECEDING DOCUMENT. ALL PRIMARY CALLS ARE LOCATED IN THE WRITTEN DESCRIPTION.

APPROVED BY: *Robert T. Robinson* DATE: *8/18/10*

PAR. NO.: **1017-001**

PREPARED BY: **WJH**

SCALE: **N.T.S.**

DATE: **August 20, 2010**

W.O. NO.: **SU9155**

EXHIBIT C

PERSONAL PROPERTY

1. Ala Carte equipment for cook chill food service: Includes four (4) moveable tray carts, two retherm units (attached to wall in kitchen), trays and related bowls, ect.
2. Twelve (12) video cameras mounted in various locations inside and outside the facility, exact locations will be shown on the video tape and are marked on the control panel.
3. Three (3) television monitors at control area.
4. Three (3) control devices for televisions in living units.
5. Thirty (30) SCAN personal duress pen type devices
6. Thirty (30) SCAN personal duress "grenade" type devices
7. Horizontal and vertical blinds on windows in office areas, exact locations will be shown on the video.
8. "Black out" drapes in the conference "willow room"
9. Maintenance manuals set of "as-built" blueprints for the facility (inspectors copy), warranty books and related information on facility equipment and systems, to be shown on the video.
10. Tokens to operate visitor's lockers and the manual for combination locks for all staff storage lockers.
11. Miscellaneous items needed for touch up of paint, carpet remnants and items unused and left over from construction, to be down on the video tape.
12. Padlocks on roof hatches and gates.
13. Keys to all interior and exterior areas of the facility and a key box.
14. Eight (8) fire extinguishers.
15. One (1) Washer and one (1) Dryer in Rooms B34, B09, B46.
16. Four (4) shelves in Room A06.
17. Seven (7) shelves in Room A32.
18. Seven (7) shelves in Room A35.
19. Seven (7) shelves in Room A46.

20. One (1) set of blinds in Rooms A20, A19, A33, A34, A36, A37, A38.
21. Two (2) sets of blinds in Room A40.
22. Five (5) sets of blinds in Room A26.
23. One (1) set of blinds and two (2) bulletin boards in Room A39.
24. Two (2) bulletin boards and one (1) set of drapes in Room A21.
25. Six (6) bulletin boards in Room B40.
26. Six (6) bulletin boards in Room B51.

NOTE: The foregoing list was compiled based on an inspection of the Regional Facility conducted on October 22, 1995, by representatives from County and Lessee. It is contemplated by the parties that the leased Premises will be videotaped prior to the commencement date of the lease.