

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

910



FROM: Economic Development Agency / Facilities Management

SUBMITTAL DATE:
September 8, 2011

SUBJECT: Lease – Office on Aging, La Quinta,

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the attached Lease and authorize the Chairman of the Board to execute the same on behalf of the County;
2. Approve and direct the Auditor-Controller to make the budget adjustments as shown on Schedule A, attached;
3. Find that the Project is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15301, Existing Facilities; and
4. Direct the Clerk of the Board to file the Notice of Exemption with the County Clerk.

BACKGROUND: (Commences on Page 2)

FISCAL PROCEDURES APPROVED
PAUL ANGULO, CPA, AUDITOR-CONTROLLER
BY Samuel Wong 9/14/11
SAMUEL WONG

Robert Field
Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 3,355	In Current Year Budget:	No
	Current F.Y. Net County Cost:	\$ 779	Budget Adjustment:	Yes
	Annual Net County Cost:	\$ 5,492	For Fiscal Year:	2011/12

COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: No

SOURCE OF FUNDS: County 23.21%; MSSP 29.23%; Sr. Employ 12.70%; RSVP Federal 27.37%; State 7.49%	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input checked="" type="checkbox"/>

C.E.O. RECOMMENDATION: APPROVE

BY: Jennifer L. Sargent
County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Buster, seconded by Supervisor Benoit and duly carried, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Buster, Tavaglione, Benoit and Ashley
Nays: None
Absent: Stone
Date: September 13, 2011
xc: EDA, Office on Aging, EO, Auditor, Recorder

Kecia Harper-Ihem
Clerk of the Board
By: Kecia Harper-Ihem
Deputy

Prev. Agn. Ref.: 3.43 of 5/3/2011

District: 4

Agenda Number: **3.50**

FORM APPROVED COUNTY COUNSEL
BY: Matthew H. Szwed 9-1-11
DATE

By: Edward F. Walsh
Edward F. Walsh
Director, Office on Aging

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

BACKGROUND: (Continued)

Pursuant to the California Environmental Quality Act (CEQA), the Lease was reviewed and determined to be categorically exempt from CEQA under CEQA guidelines 15301, Class 1 – Existing Facilities. The proposed project, the Lease, is the letting of property involving existing facilities with minor tenant improvement alterations and no expansion of an existing use will occur.

On May 3, 2011, the Board of Supervisors authorized the Economic Development Agency/Facilities Management, Real Estate Division, to locate suitable office space for the Office on Aging. The Real Estate Division issued a Request for Proposal and received multiple submittals from area landlords. The 2,000 square foot facility located at 78-900 Avenue 47, Suite 200, La Quinta, meets the requirements of the department. Anticipated date for occupancy is September 20, 2011, as described in Exhibit A. The lease is summarized below:

Lessor: La Quinta Capital Building Management

Premises Location: 78-900 Avenue 47
Suite 200
La Quinta, California

Size: Current
1,325 square feet

Proposed
2,000 square feet

Term: Five (5) years, with one (1) option to renew for an additional five (5) year lease term.

Rent:	<u>Current:</u>	<u>New:</u>
	\$ 1.19 per sq. ft.	\$.95 per sq. ft.
	\$ 1,576.75 per month	\$ 1,900.00 per month
	\$18,921.00 per year	\$22,800.00 per year

Rental Adjustments: Three percent annually, after year two.

Utilities: County pays for phone, Lessor pays for all other utility services including electric.

Custodial: Office on Aging will provide its own custodial services including paper products.

Maintenance: Lessor.

Option to terminate: Sixty days written notice, due to loss of funding.

Improvements: At Lessors sole cost and expense.

RCIT Costs: \$12,730.00

(Continued)

Schedule A

Increase Appropriation:

47220-7200400000-526700 – Rent/Lease Buildings	\$3,232
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Increase Estimated Revenue:

47220-7200400000-777330 – Leasing Services	\$3,232
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Exhibit A

Office on Aging, Lease Cost Analysis FY 2011/12 78-900 Avenue 47, Suite 200, La Quinta, California

Total Square Footage to be Leased:

BUDGETED AMOUNTS

Current office:	1,325 SQFT		
Total Budgeted Lease Cost for FY 2011/12		\$	18,921.00

ACTUAL AMOUNTS

Current Office:	1,325 SQFT		
Proposed Office:	2,000 SQFT		

Approximate Cost per SQFT (July - Aug)	\$ 1.19		
Approximate Cost per SQFT (Sept - June)	\$ 0.95		

Lease Cost per Month (July - Aug)	\$ 1,576.75		
Lease Cost per Month (Sept - June)	\$ 1,900.00		

Total Lease Cost (June - Aug)	\$ 3,153.50		
Total Lease Cost (Sept - May)	\$ 19,000.00		
Total Actual Lease Cost for FY 2011/12		\$	22,153.50
Total Lease Cost Variance for FY 2011/12			\$ 3,232.50

Estimated Additional Costs:

BUDGETED AMOUNTS

Utility Cost per Square Foot			
Estimated Utility Costs per Month	\$ -		
Total Budgeted Additional Cost for FY 2011/12		\$	-
RCIT	\$ 12,730.00		
Tenant Improvements	N/A		
EDA Lease Management Fee (Based @ 3.79%)	\$ 717.11		
Total Estimated Additional Cost Included in Budget for FY 2011/12		\$	13,447.11

ACTUAL AMOUNTS

Utility Cost per Square Foot	\$ -		
Costs per Month (June - Oct)	\$ -		
Costs per Month (Nov - May)	\$ -		
Total Estimated Actual Utility Cost for FY 2011/12		\$	-
RCIT	\$ 12,730.00		
Tenant Improvements	N/A		
EDA Lease Management Fee (Based @ 3.79%)	\$ 839.62		
Total Estimated Additional Actual Cost for FY 2011/12		\$	13,569.62

Total Estimated Additional Cost Variance for FY 2011/12	\$ 122.51
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TOTAL ESTIMATED COSTS FOR FY 2011/12	\$ 3,355.01
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TOTAL COUNTY COST 23.21%	\$ 778.70
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Exhibit B

Office on Aging, Lease Cost Analysis FY 2012/13 78-900 Avenue 47, Suite 200, La Quinta, California

Total Square Footage to be Leased:

Current Office:	2,000	SQFT	
Approximate Cost per SQFT (July - June)	\$	0.95	
Lease Cost per Month (July - June)	\$	1,900.00	
Total Lease Cost (July - June)			\$ 22,800.00
Total Estimated Lease Cost for FY 2012/13			<u>\$ 22,800.00</u>

Estimated Additional Costs:

Utility Cost per Square Foot	\$	-	
Estimated Utility Costs per Month		<u>\$ -</u>	\$ -
Total Estimated Additional Cost for FY 2012/13			N/A
RCIT			N/A
Tenant Improvements			N/A
EDA Lease Management Fee (Based @ 3.79%)			864.12
TOTAL ESTIMATED COST FOR FY 2012/13			<u><u>\$ 23,664.12</u></u>
TOTAL COUNTY COST 23.21%	\$		5,492.44

1 **1. Description.** The premises leased hereby consist of approximately
2 2,000 square feet located within that certain building located at 78-900 Avenue 47,
3 Suite 200, La Quinta, California, ("Leased Premises"), as more particularly shown on
4 Exhibit "A", attached hereto, and by this reference made a part of this Lease.

5 **2. Use.**

6 (a) The premises are leased to County primarily for the purpose of
7 providing office space, for use by its Office on Aging, but may be used for any official
8 business of County government.

9 (b) County shall have the exclusive possession of the Leased
10 Premises and common usage of the walkways, rest rooms, driveways, vehicular
11 parking spaces, and other similar facilities maintained by Lessor for other tenants and
12 the public.

13 **3. Term.**

14 (a) The Term of this Lease shall be for a period of Sixty (60) months
15 commencing upon County's approval of this Lease or the date thereafter upon which
16 County can take useful occupancy, subject to the provisions contained in Paragraph
17 Section 13 herein. County reserves the right to determine if the Leased Premises are
18 prepared for useful occupancy.

19 (b) Any holding over by County after the expiration of said term shall
20 be deemed a month-to-month tenancy upon the same terms and conditions of this
21 Lease.

22 (c) County shall have the right of first refusal as to the renewal of this
23 Lease at the expiration of said term on whatever terms and conditions Lessor may then
24 offer.

25 **4. Option to Extend.** County shall have the option to extend the term of
26 this Lease for a separate and consecutive five (5) year period, which option shall be
27 exercised by County giving Lessor notice of its election thereof, in writing, no later than
28 sixty (60) days prior to the expiration of the initial term of this Lease.

1 **5. Rent.** County shall pay to Lessor the monthly sums as rent for the
2 Leased Premises during the term of this Lease as indicated below:

3

4 <u>Amount</u>	<u>Year</u>
5 \$ 1,900.00	09/01/11 - 08/31/12
6 \$ 1,900.00	09/01/12 - 08/31/13
7 \$ 1,957.00	09/01/13 - 08/31/14
8 \$ 2,015.71	09/01/14 - 08/31/15
9 \$ 2,076.19	09/01/15 - 08/31/16

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11 Said monthly sums shall be payable, in advance, on the first day of the month or as
12 soon thereafter as a warrant can be issued in the normal course of County's business;
13 provided, however, in the event County cannot take useful occupancy of the Leased
14 Premises until after the first day of the month, the rental for the first and last months
15 rent shall be pro-rated on a thirty (30) day calendar basis, payable on the date of
16 occupancy for the first month and on the first day of the last month, or as soon
17 thereafter as a warrant can be issued in the normal course of County's business.

18 **6. Option Rent.** The rent payable by County during the first Extended Term
19 shall be calculated to be at ninety (90%) percent of fair market rent. Thereafter, the rent
20 for any Extended Term shall be increased three (3%) percent annually. For the first
21 Extended Option Term, the monthly base rent to be paid shall be ninety (90%) percent
22 of the "Fair Market Rent" which shall mean the monthly gross rental rate in current
23 transactions with comparable non-renewal and non-equity tenants in comparable
24 space of the same size, for a comparable use for a comparable period of time, in
25 comparable buildings in the city of La Quinta leasing market vicinity. In its Notice of
26 Exercise of Option, County shall set forth County's opinion of the Monthly Rent to be
27 payable during the Option Term, including County's opinion of the Fair Market Rent. If
28 within thirty (30) days of receipt of County's Notice of Exercise of Option, Lessor does

1 not serve County written notice of Lessor's opinion of the Monthly Rent to be payable
2 during the Option Term, such Monthly Rent shall be (without any further objection) the
3 Monthly Rent as set forth in County's Notice of Exercise of Option. If the Lessor
4 objects thereto, within thirty (30) days of receipt of County's Notice of Exercise of
5 Option, Lessor shall give County written notice of Lessor's opinion of the Monthly Rent
6 to be payable during the Option Term, including Lessor's opinion of Fair Market Rent.
7 If County objects to Lessor's opinion of the Fair Market Rent, within thirty (30) days
8 after County's receipt thereof, County shall appoint an appraiser or broker (collectively,
9 an "Appraiser") to determine the Fair Market Rent and serve notice thereof on Lessor
10 ("Notice of Appointment of "Appraiser"). If appraiser(s) are used, any such appraiser
11 shall have at least five (5) years experience in the appraisal of office real estate in the
12 area of the Building and shall be members of professional organizations such as MAI
13 or equivalent. If broker(s) are used, the broker(s) shall have at least five (5) years of
14 experience in the sale and leasing of office and retail real estate in the area in which
15 the Building is located. If County does not appoint an Appraiser within (30) thirty days,
16 the rent to be paid during the Option Term shall be (without further objection) the
17 Monthly Rent as set forth by Lessor. Lessor may within thirty (30) days of receipt of
18 County's Notice of Appointment of Appraiser appoint its own Appraiser to determine
19 The Fair Market Rent. If Lessor gives County timely Notice to Appointment of
20 Appraiser, Lessor and County shall each instruct their respective Appraisers to meet
21 promptly with the other Appraiser and select a third Appraiser. If Lessor timely
22 appoints an Appraiser, the final and binding determination of Fair Market Rent shall be
23 the arithmetic average of the two closest of the three appraisals. If Lessor elects not to
24 appoint an Appraiser, County's Appraiser shall determine the Fair Market Rent as
25 herein provided and the determination of such appraiser shall be final and binding on
26 all parties. Each party shall pay the cost of its own Appraiser and one-half (1/2) of the
27 cost of the third Appraiser making the determination. The Fair Market Rent as
28 determined by this method may not be less than \$2,138.48 per month.

1 **7. Custodial.** Lessee shall provide custodial services including paper
2 supplies for the Leased Premises.

3 **8. Utilities.** County shall pay for all telephone services used in connection
4 with the Leased Premises. Lessor shall provide, or cause to be provided, and pay for
5 all other utility services, including but not limited to, electric, water, gas, refuse
6 collection and sewer services, as may be required in the maintenance, operation and
7 use of the Leased Premises.

8 **9. Maintenance.**

9 (a) Lessor warrants that the Leased Premises shall be in good and
10 suitable condition for the uses contemplated herein at such time as County can take
11 useful occupancy. Lessor shall keep the Leased Premises in such good condition, and
12 in compliance with all federal, state and local laws, ordinances, rules, codes and
13 regulations including but not limited to fire, health and safety. Additionally, Lessor shall
14 maintain the exterior and interior of the Leased Premises, including, but not limited to,
15 insect/pest control services, air conditioning equipment, heating equipment, plumbing,
16 electrical wiring and fixtures, windows and structural parts, in good working condition
17 and repair and in compliance with all laws, ordinances, rules and regulations, including,
18 but not limited to, the Americans with Disabilities Act.

19 (b) In the event Lessor fails, or refuses, to make any repairs to the
20 Leased Premises as may be required or necessitated, County reserves the right to
21 undertake such repairs, subject to two (2) weeks' notice to Lessor in writing. The costs
22 and expenses of such repairs shall be deducted from any rents due hereunder.

23 (c) Notwithstanding the provisions contained in Paragraph 8(a) above,
24 in the event an emergency arises which requires or necessitates repairs to the Leased
25 Premises in order to insure the health and safety of persons or property or both, and
26 Lessor fails, or refuses, to make such repairs in an expeditious manner, County may
27 undertake such repairs and notify Lessor thereof in writing promptly thereafter. The
28 costs and expenses of such repairs shall be deducted from any rents due hereunder.

1 **10. Improvements by Lessor.**

2 (a) Lessor, at its expense, shall prepare the Leased Premises for
3 useful occupancy as shown on Exhibit "B", attached hereto and by this reference made
4 a part of this Lease.

5 (b) Lessor recognizes and understands that general prevailing wage
6 rates would be required for work done that falls within the definition of "public works"
7 under California Labor Code 1720 et seq. For those projects which are "public works"
8 pursuant to Labor Code 1720.2, the following applies:

9 Lessor shall require that Contractor shall comply with prevailing wage
10 requirements and be subject to restrictions and penalties in accordance with 1170 et
11 seq. of the Labor Code which requires prevailing wages be paid to appropriate work
12 classifications in all bid specifications and subcontracts.

13 The Lessor shall require that Contractor shall furnish all
14 subcontractors/employees a copy of the Department of Industrial Relations prevailing
15 wage rates at which Lessor will post at the job site. All prevailing wages shall be
16 obtained by the Lessor/Contractor from:

17 Department of industrial Relations
18 Division of Labor Statistics and Research
19 455 Golden Gate Avenue, 8th Floor
20 San Francisco, CA 94102

21 Lessor shall require that Contractor shall comply with the payroll record
22 keeping and availability requirement of 1776 of the Labor Code.

23 Lessor shall require that Contractor shall make travel and subsistence
24 payments to workers needed for performance of work in accordance with 1773.8 of the
25 Labor Code.

26 (c) County recognizes and understands its Leasehold amounts to less than Ten
27 Percent (10%) of the Premises.

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1 Lessor shall require that Contractor shall make travel and subsistence
2 payments to workers needed for performance of work in accordance with 1773.8 of the
3 Labor Code.

4 Prior to commencement of work, Lessor shall require that Contractor shall
5 contact the Division of Apprenticeship Standards and comply with 1777.5 & 1777.6,
6 and 1777.7 of the Labor Code and applicable regulations.

7 (c) Lessor shall comply and stay current with all applicable building
8 standards, which may change from time to time, including but not limited to, the
9 Americans with Disabilities Act in preparing the premises for occupancy as specified in
10 Paragraph 9(a) above.

11 **11. Improvements by County.**

12 (a) Any alterations, improvements or installation of fixtures to be
13 undertaken by County shall have the prior written consent of Lessor after County has
14 submitted plans for any such proposed alterations, improvements or fixtures to Lessor
15 in writing. Such consent shall not be unreasonably withheld by Lessor.

16 (b) All alterations and improvements made, and fixtures installed, by
17 County shall remain County property and may be removed by County at or prior to the
18 expiration of this Lease; provided, however, that such removal does not cause injury or
19 damage to the Leased Premises, or in the event it does, the premises shall be
20 restored.

21 **12. Indemnification and Hold Harmless.**

22 (a) Lessor shall indemnify and hold harmless the County of Riverside, its
23 Agencies, Districts, Special Districts and departments, their respective directors,
24 officers, Board of Supervisors, elected and appointed officials, employees, agents and
25 representatives, ("County Parties"), Parties from any liability, whatsoever, based or
26 asserted upon any act or omission of Lessor, its officers, employees, subcontractors,
27 agents or representatives, ("Lessor Parties"), arising out of or in any way relating to or
28 in any way connected with the Leased Premises or this Agreement, including but not

1 limited to property damage, bodily injury, or death or any other element of any kind or
2 nature whatsoever. Lessor shall defend, at its sole expense, all costs and fees
3 including, but not limited, to attorney fees, cost of investigation, defense and
4 settlements or awards, the County of Riverside, its Agencies, Districts, special Districts
5 and Departments, their respective directors, officers, Board of Supervisors, elected and
6 appointed officials, employees, agents and representatives in any claim or action
7 based upon such alleged acts or omissions.

8 With respect to any action or claim subject to indemnification herein by Lessor,
9 Lessor shall, at their sole cost, have the right to use counsel of their own choice and
10 shall the right to adjust, settle, or compromise any such action or claim without the prior
11 consent of County; provided, however, that any such adjustment, settlement or
12 indemnification to County as set forth herein.

13 Lessor's obligation hereunder shall be satisfied when Lessor has provided to
14 County the appropriate form of dismissal relieving County from any liability for the
15 action or claim involved.

16 In the event there is conflict between this clause and California Civil Code
17 Section 2782, this clause shall be interpreted to comply with Civil Code 2728. Such
18 interpretation shall not relieve the Lessor from indemnifying the County to the fullest
19 extend allowed by law.

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

23 (b) County shall indemnify and hold harmless the Lessor Parties
24 from any liability, including, but not limited to, property damage, bodily injury, or death,
25 based or asserted on events which may occur within the County Leased Premises and
26 is under the control of the County arising out of or from its use and occupancy relating
27 to this Lease. County Parties shall not indemnify Lessor Parties for liability arising
28 within the County leased Premises when such liability arose out of or from Lessor's

1 responsibilities under the terms of this Lease. County shall defend at its sole cost and
2 expense, including, but not limited to, attorney fees, cost of investigation, defense and
3 settlements or awards, on behalf of the Lessor Parties in any claim or action based
4 upon such liability.

5 (c) With respect to any action or claim subject to indemnification
6 herein, the indemnifying party shall, at their sole cost, have the right to use counsel of
7 their choice and shall have the right to adjust, settle, or compromise any such action or
8 claim without the prior consent of the indemnified party; provided, however, that any
9 such adjustment, settlement or compromise in no manner whatsoever limits or
10 circumscribes the indemnifying party's obligation to indemnify as set forth herein.

11 (d) The indemnifying party's obligation hereunder shall be satisfied
12 when they have provided the indemnified party the appropriate form of dismissal
13 relieving the indemnified party from any liability for the action or claim involved.

14 (e) The specified insurance limits required in this Lease shall in no
15 way limit or circumscribe the indemnifying party's obligation to indemnify as set forth
16 herein.

17 (f) In the event there is conflict between this clause and California
18 Civil Code Section 2782, this clause shall be interpreted to comply with Civil Code
19 2782. Such interpretation shall not relieve the indemnifying party's obligation to
20 provide indemnification to the fullest extent allowed by law.

21 (g) **Survival of Indemnification.** The paragraphs of this Paragraph
22 12 shall survive the expiration or earlier termination of this Lease until all claims against
23 County Parties involving any of the indemnified matters are fully, finally, and absolutely
24 barred by the applicable statutes of limitations.

25 **13. Insurance.**

26 (a) **Lessor's Insurance.** Without limiting or diminishing any
27 indemnification contained within this Lease, Lessor and/or their authorized
28 representatives, including, if any, a property management company, shall procure and

1 maintain or cause to be maintained, at its sole cost and expense, the following
2 insurance coverage during the term of this Lease.

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

8 (c) **Commercial General Liability.** Commercial General Liability
9 Insurance coverage, including but not limited to, premises liability, contractual liability,
10 products/completed operations, personal and advertising injury, cross liability coverage
11 and employment practices liability covering bodily injury, property damage, and
12 personal injury arising out of or relating, directly or indirectly, to the design,
13 construction, maintenance, repair, alteration and ownership of the Premises and all
14 areas appurtenant thereto including claims which may arise from or out of Lessor's
15 operations, use, and management of the Premises, or the performance of its
16 obligations hereunder. Policy shall name the County of Riverside, its Special Districts,
17 Agencies, Districts and Departments, their respective Directors, Officers, Board of
18 Supervisors, elected and appointed officials, employees, agents, independent
19 contractors or representatives as an Additional Insured. Policy limits shall not be less
20 than \$1,000,000 per occurrence. If such insurance contains a general aggregate limit,
21 it shall apply separately to this Lease or be no less than two (2) times the occurrence
22 limit.

23 (d) **Vehicle Liability.** If vehicles or licensed mobile equipment are
24 used on the Project, Lessor shall maintain auto liability insurance for all owned, non-
25 owned or hired automobiles in an amount not less than \$1,000,000 per occurrence
26 combined single limit. Policy shall name the County of Riverside, its Special Districts,
27 Agencies, Districts, and Departments, their respective Directors, Officers, Board of
28

1 Supervisors, elected and appointed officials, employees, agents, independent
2 contractors or representatives as Additional Insured.

3 (e) **Property** (Physical Damage).

4 (1) All-Risk real property insurance coverage, including flood, if
5 applicable, for the full replacement cost value of buildings, structures, fixtures, all
6 improvements therein, and building systems on the Project as the same exists at each
7 early anniversary of the term. Policy shall include Business Interruption, Extra
8 Expense, and Expediting Expense coverage as well as coverage for off-premises
9 power failure. Policy shall name the County as a Loss Payee as their interests may
10 appear.

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

17 (3) During such time, prior to the commencement of this Lease
18 while Lessor is preparing the Premises in accordance with Exhibit "B", Lessor shall
19 keep or require its Contractor to keep in full force and effect, a policy of Course of
20 Construction Insurance covering loss or damage to the Premises for the full
21 replacement value of such work. The Named Insured shall include the Lessor, County
22 and Contractor as their interests appear. Lessor, or their Contractor shall be
23 responsible for any deductible payments that result from a loss at the Premises under
24 this coverage. If, at the time of any loss to the property described on Exhibit "B", it is
25 determined that the insurance has not been carried or the insurance does not cover the
26 loss of property being installed, the Lessor shall be responsible to pay the loss without
27 contribution from the County.

28 ///

1 (f) **General Insurance Provisions – All Lines.**

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

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

18 (3) At the inception of this Lease and annually at the Lessor's
19 insurance policy renewal date(s), the Lessor shall cause their insurance carrier(s) to
20 furnish the County of Riverside with 1) a properly executed original Certificate(s) of
21 Insurance and certified original copies of Endorsements effecting coverage as required
22 herein; or, 2) if requested to do so orally or in writing by the County Risk Manager,
23 provide original Certified copies of policies including all Endorsements and all
24 attachments thereto, showing such insurance is in full force and effect. Further, said
25 Certificate(s) and policies of insurance shall contain the covenant of the insurance
26 carrier(s) shall provide no less than thirty (30) days written notice be given to the
27 County of Riverside prior to any material modification or cancellation of such insurance.
28 In the event of a material modification or cancellation of coverage, this Lease shall

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

11 (4) It is understood and agreed by the parties hereto and the
12 Lessor's insurance company(s) that the Certificate(s) of Insurance and policies shall so
13 covenant and shall be construed as primary insurance, and the County's insurance
14 and/or deductibles and/or self-insured retentions or self-insured programs shall not be
15 construed as contributory.

16 **14. Options to Terminate.**

17 (a) In the event County cannot take useful occupancy soon thereafter
18 this agreement has been fully executed by both parties, then County may, at its
19 election, either (1) deduct from any rents that may become due hereunder the sum of
20 Sixty Three Dollars and Thirty Four Cents (\$63.34) for each day the Leased Premises
21 are not prepared for useful occupancy, as liquidated damages for failure to provide
22 useful occupancy in a timely manner as prescribed hereunder. Lessor and County
23 agree that such damages are to be one of the mutually exclusive remedies, as
24 prescribed in this Paragraph 14, for such failure, in that at the time of entering into this
25 Lease it would be impractical and extremely difficult to fix the actual damages that
26 would flow from Lessor's failure to provide useful occupancy in a timely manner,
27 including, but not limited to, the difference in money between the total sum to be paid
28 by County to another party for rent to lease such party's real property, if the rental

1 hereunder is less than the rental to be paid such other party, or (2) cancel this Lease
2 and Lessor hereby waives any and all rights that it may have against County for any
3 costs, expenses and/or charges that Lessor may have incurred as a result of preparing
4 the Leased Premises for occupancy.

5 (b) County shall have the option to terminate this Lease if the Leased
6 Premises are destroyed or damaged to the extent that they cannot be repaired within
7 sixty (60) days. If the damage can be repaired within sixty (60) days, it shall be the
8 duty of the Lessor to make such repairs promptly, and during said period, the rent shall
9 abate pro rata as to any portion of the Leased Premises not usable by the County.
10 County reserves the right to determine what, if any portions of the Leased Premises
11 are usable.

12 (c) The parties hereto recognize and understand that the rental
13 consideration hereunder originates from county, state and/or federal sources and
14 therefore, if such funding is reduced or otherwise becomes unavailable, based on the
15 County's annual fiscal budget, County shall have the right to terminate this Lease by
16 giving Lessor sixty (60) days notice thereof in writing.

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

19 County:	Lessor:
20 County of Riverside	La Quinta Capital Building Management
21 Economic Development Agency	C/O Sandy Lynch
22 Real Estate Division	81335 Legends Way
23 3403 Tenth Street	La Quinta, California 92253
Riverside, California 92501	

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

26 **16. Quiet Enjoyment.** Lessor covenants that County shall at all times during
27 the term of this Lease peaceable and quietly have, hold and enjoy the use of the
28

1 Leased Premises so long as County shall fully and faithfully perform the terms and
2 conditions that it is required to do under this Lease.

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

6 **18. Severability.** The invalidity of any provision in the Lease as determined
7 by court of competent jurisdiction shall in no way affect the validity of any other
8 provision hereof.

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

14 **20. County's Representative.** County hereby appoints the Assistant County
15 Executive Officer/EDA as its authorized representative to administer this Lease.

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

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

26 ///

27 ///

28 ///

1 **23.** This Lease shall not be binding or consummated until its approval by the
2 Board of Supervisors of Riverside County.

3
4 Dated: 9/2/11

**OWNERS, acting by and through its
authorized agent and manager, dba
LA QUINTA CAPITAL BUILDING
MANAGEMENT**

7
8 By: 
Christopher Hull, Managing Member

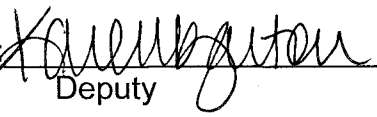
9
10 By: 
Sandra Lynch, Managing Member

11 Dated: _____

COUNTY OF RIVERSIDE

13
14 By: 
Bob Buster, Chairman
Board of Supervisors

15 **ATTEST:**
16 Kecia Harper-Ihem
17 Clerk of the Board

18 By: 
19 Deputy

20
21 **APPROVED AS TO FORM:**
22 PAMELA J. WALLS,
County Counsel

23
24 By: 
25 Synthia M. Gunzel
Deputy County Counsel

26
27
28 CCra/090111/PD017/14.290 S:\Real Property\TYPING\Docs-14.000 to 14.499\14.290.doc

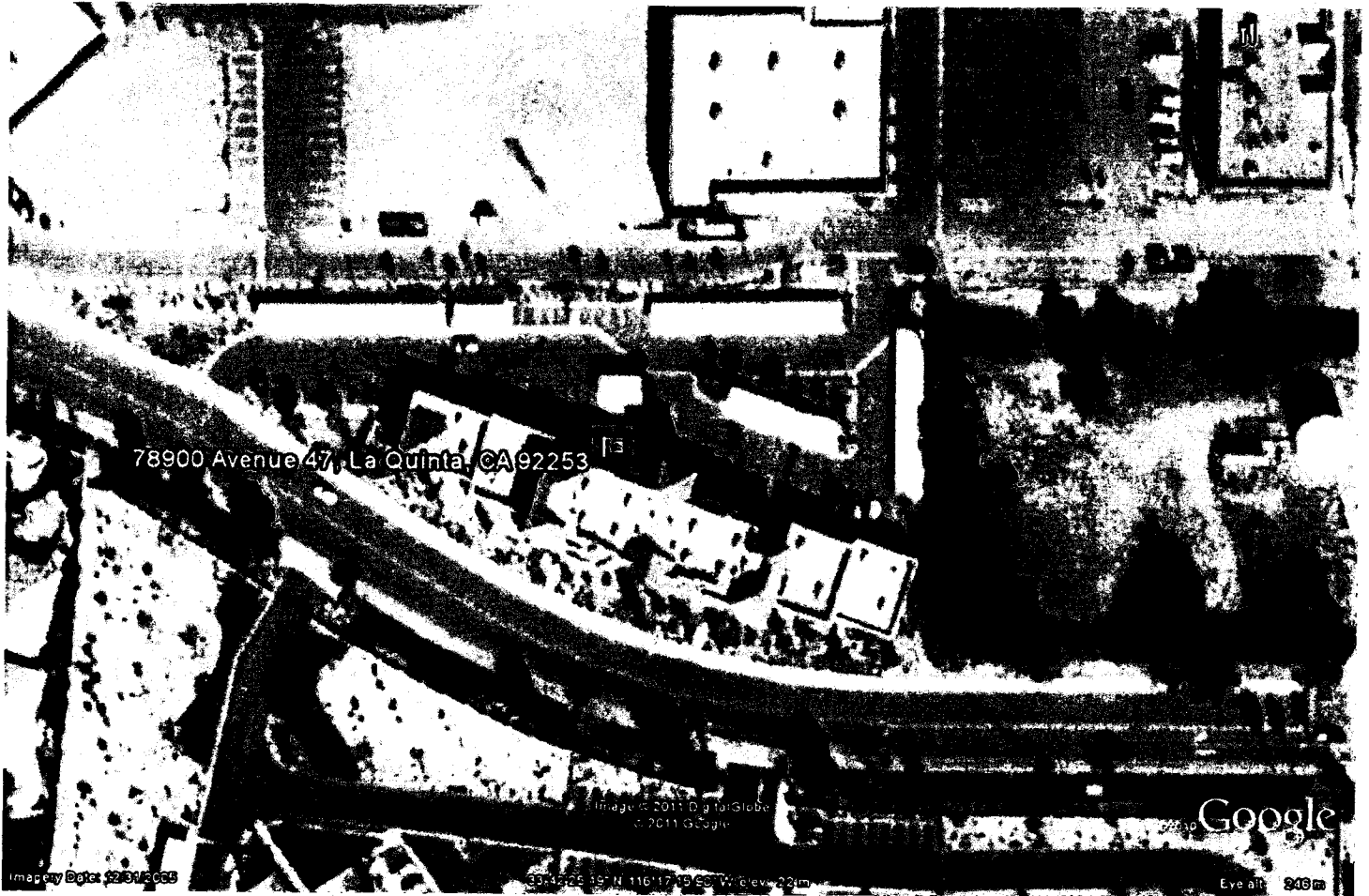
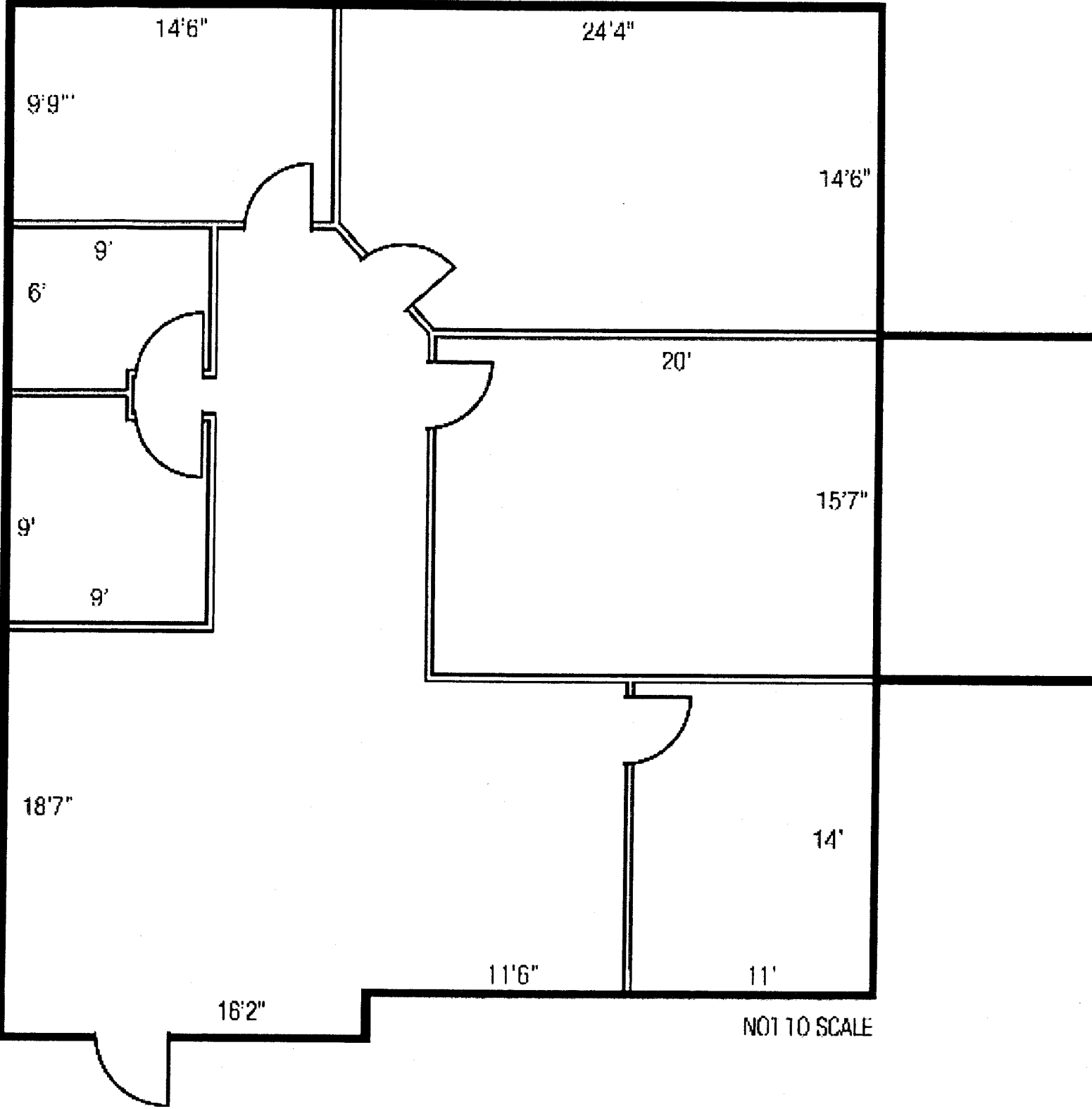


EXHIBIT "A"



NOT TO SCALE

Tenant Improvements

Exhibit "B"

Lessor to ensure HVAC, electrical, plumbing, and lighting are in good working order at the commencement of Lease.

At Lessor's sole cost, the following improvements shall be completed on behalf of the Lessee prior to occupancy:

1. Replace the broken "logo" tile on the floor within the entrance area.
2. Patch and repair any marks and repaint the entire office suite. Office on Aging to select color scheme.
3. Professionally clean the entire suite prior to occupancy.
4. Install matching shade for exterior Window in large conference room.

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