

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

550



FROM: Economic Development Agency

SUBMITTAL DATE:
November 14, 2013

SUBJECT: Ben Clark Training Center Modular Classroom Units, Two Year Lease Renewal, District 1, CEQA Exempt, [\$1,855,724], State 41.61%, County 57.79%, other .60%

RECOMMENDED MOTION: That the Board of Supervisors:

1. Find that the Project is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Sections 15301-Existing Facilities and 15303-New Construction or Conversion of Small Structures;
2. Ratify the attached Contract Addendum Renewal and authorize the Chairman of the Board to Execute the same on behalf of the County; and
3. Direct the Clerk of the Board to file the Notice of Exemption with the County Clerk upon approval of the Project.

BACKGROUND:

Summary FISCAL PROCEDURES APPROVED
(Commences on Page 9A) LANGULO, CPA, AUDITOR-CONTROLLER
Reviewed by BY: [Signature] 11/14/13

[Signature]
Robert Field
Assistant County Executive Officer/EDA

[Signature] CIP TEAM
Serena Chon

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 927,862	\$ 927,862	\$ 1,855,724	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 536,211	\$ 536,211	\$ 1,072,422	\$ 0	

SOURCE OF FUNDS: State 41.61%, County 57.79%, Other .60%
Budget Adjustment: No
For Fiscal Year: 2013/14

C.E.O. RECOMMENDATION:

APPROVE
BY: [Signature]
Rohini Dasika

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Tavaglione, Stone, Benoit and Ashley
Nays: None
Absent: None
Date: December 3, 2013
xc: EDA, Sheriff, Fire, Auditor, CIP, Recorder

Kecia Harper-Ihem
Clerk of the Board
By: [Signature]
Deputy

Prev. Agn. Ref.: 3.29 of 6/03/2008 District: 1/1 Agenda Number:

3-5

FORM APPROVED COUNTY COUNSEL
DATE 11/14/13
JIA MUNROE
Departmental Concurrence

and
Glenn Patterson
Deputy Chief Administration - Fire

By: Edward Ashley
for Stanley L. Shiff
Sheriff Coroner-PA

A-30 Positions Added
4/5 Vote Change Order

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

Economic Development Agency

FORM 11: Ben Clark Training Center Modular Classroom Units, Two Year Lease Renewal, District 1, CEQA Exempt, [\$1,855,724]

DATE: November 14, 2013

Page 2 of 2

BACKGROUND:

Summary

On June 3, 2008, the Board of Supervisors approved the procurement of 52 modular trailers with the potential of adding more as needed. Two more modular units were added shortly thereafter based on use from Sheriff's and Fire, for a total of 54 modular units. The modular units were a temporary solution until Sheriff's and Fire could develop a program for the construction of a permanent structure that would accommodate the growth over the longer term. However, the permanent structure has not yet been developed due to budget constraints. Therefore, the modular units continue to provide the much needed space for the various training academics for Sheriff's, Fire, as well as other Public Safety and County uses.

Lessor: Mobile Modular
11450 Mission Blvd.
Mira Loma, CA

Lessee: County of Riverside

Location: Ben Clark Training Center
3423 Davis Avenue
Riverside, CA

Term: Two years

Rent: As per Contract Addendum Exhibit C attached

Rental Adjustment: None

Utilities: County

Maintenance: Lessor

Custodial: Lessor

SUPPLEMENTAL:

Additional Fiscal Information

See Exhibit A and Exhibit B

Contract History and Price Reasonableness

This is a two year lease renewal with 2% rental rate reduction. This contract has been in place since June 3, 2008.

ATTACHMENTS:

Cost Analysis Exhibits A, B
Contract Addendum Exhibit C

Exhibit A

Mobile Modulares Cost Analysis FY 2013/14 Ben Clark Training Center 3423 Davis Ave Riverside CA

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:		54 Modulares
	Sheriff	54,432 SQFT
	Fire	27,840 SQFT

Lease Cost per Month (Sheriff)	\$	42,282.56
Lease Cost per Month (Fire)	\$	19,744.06
Lease Cost per Month (Maintenance Traylor)	\$	426.30

Total Lease Cost (Sheriff)	\$	507,390.72
Total Lease Cost (Fire)	\$	236,928.72
Total Lease Cost (Maintenance Traylor)	\$	<u>5,115.60</u>

Total Estimated Lease Cost for FY 2013/14	\$	749,435.04
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Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12
	Sheriff	\$ 78,382.08
	Fire	\$ 40,089.60

Total Estimated Utility Cost	\$	118,471.68
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Sales Tax (Based @ 8%)	\$	<u>59,954.80</u>
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TOTAL ESTIMATED COST FOR FY 2013/14	\$	<u>927,861.52</u>
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TOTAL COUNTY COST: 57.79%	\$	536,211.17
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Exhibit B

Mobile Modulars Cost Analysis FY 2014/15 Ben Clark Training Center 3423 Davis Ave Riverside CA

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:		54	Modulars
	Sheriff	54,432	SQFT
	Fire	27,840	SQFT

Lease Cost per Month (Sheriff)	\$	42,282.56
Lease Cost per Month (Fire)	\$	19,744.06
Lease Cost per Month (Maintenance Traylor)	\$	426.30

Total Lease Cost (Sheriff)	\$	507,390.72
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	Fire	\$	40,089.60

Total Estimated Utility Cost \$ 118,471.68

Sales Tax (Based @ 8%) \$ 59,954.80

TOTAL ESTIMATED COST FOR FY 2014/15 \$ 927,861.52

TOTAL COUNTY COST: 57.79% \$ 536,211.17



Original Negative Declaration/Notice of
Determination was routed to County
Clerks for posting on.
12/5/13 146
Date Initial

Date: December 4, 2013
To: Mary Ann Meyer, Office of the County Clerk
From: John Alfred, Acting Senior Environmental Planner, Project Management Office
Subject: **County of Riverside Economic Development Agency Project # FM04107200119**
Ben Clark Training Center Modular Classroom Units, Two Year Lease Renewal

The Riverside County's Economic Development Agency's Project Management Office is requesting that you post the attached Notice of Exemption. Attached you will find an authorization to bill by journal voucher for your posting fee.

After posting, please return the document to Mail Stop #1330 Attention: John Alfred, Acting Senior Environmental Planner, Economic Development Agency, 3403 10th Street, Suite 400. Riverside, CA 92501. If you have any questions, please contact John Alfred at 955-4844.

Attachment

cc: file

John Alfred, Acting Senior Environmental Planner
County of Riverside, Economic Development Agency

12/5/13 11:55

RIVERSIDE COUNTY CLERK & RECORDER

**AUTHORIZATION
TO BILL
BY JOURNAL VOUCHER**

Project Name: Ben Clark Training Center Modular Classroom Units Lease Renewal

Accounting String: 524830-47220-7200400000- FM4107200119

DATE: December 4, 2013

AGENCY: Riverside County Economic Development Agency

THIS AUTHORIZES THE COUNTY CLERK & RECORDER TO BILL FOR FILING AND HANDLING FEES FOR THE ACCOMPANYING DOCUMENT(S).

NUMBER OF DOCUMENTS INCLUDED: One (1)

AUTHORIZED BY: John Alfred, Acting Senior Environmental Planner, Economic Development Agency

Signature:

 12.4.13

PRESENTED BY: Cindy Campos, Real Property Agent, Economic Development Agency

-TO BE FILLED IN BY COUNTY CLERK-

ACCEPTED BY: -

DATE: -

RECEIPT # (S) -



NOTICE OF EXEMPTION

December 4, 2013

Project Name: County of Riverside, Ben Clark Training Center Modular Classroom Units Lease Renewal

Project Number: FM04107200119

Project Location: APN: 294-110-005, 3423 Davis Avenue, Riverside, CA.
Latitude: 33° 52' 39.45"N, Longitude: -117° 17' 57.61"W. (See attached exhibit).

Description of Project: The County of Riverside Economic Development Agency (EDA) proposes to renew the existing lease between the County of Riverside and Mobile Modular. The modular units are currently located at the Ben Clark Training Center on (APN: 294-110-005). The existing modular units with the addition of two more units have been in place to provide the necessary administrative office space and training facilities for the Sheriff and Fire departments, as well as other Public Safety agencies. The terms of the lease renewal would allow for the continued ongoing public safety operations at the Ben Clark Training Facility for an additional two years. Thus, it can be seen with certainty that the adoption of the lease renewal will have no significant effect on the environment.

Name of Public Agency Approving Project: County of Riverside, Economic Development Agency

Name of Person or Agency Carrying Out Project: County of Riverside, Economic Development Agency

Exempt Status: California Environmental Quality Act (CEQA) Guidelines, General Rule Exemption Section 15061

Reasons Why Project is Exempt: The project is exempt from the provisions of CEQA specifically by CEQA Guidelines:

- Section 15301, Class 1 – Existing Facilities. The proposed project, the Lease Renewal, is the leasing of the property involving existing facilities and no expansion of an existing use will occur.
- Section 15303, Class 3 – New Construction or Conversion of Small Structures; and
- Section 15061 (b) (3) – With certainty, there is no possibility that the proposed project may have a significant effect on the environment.

Signed:

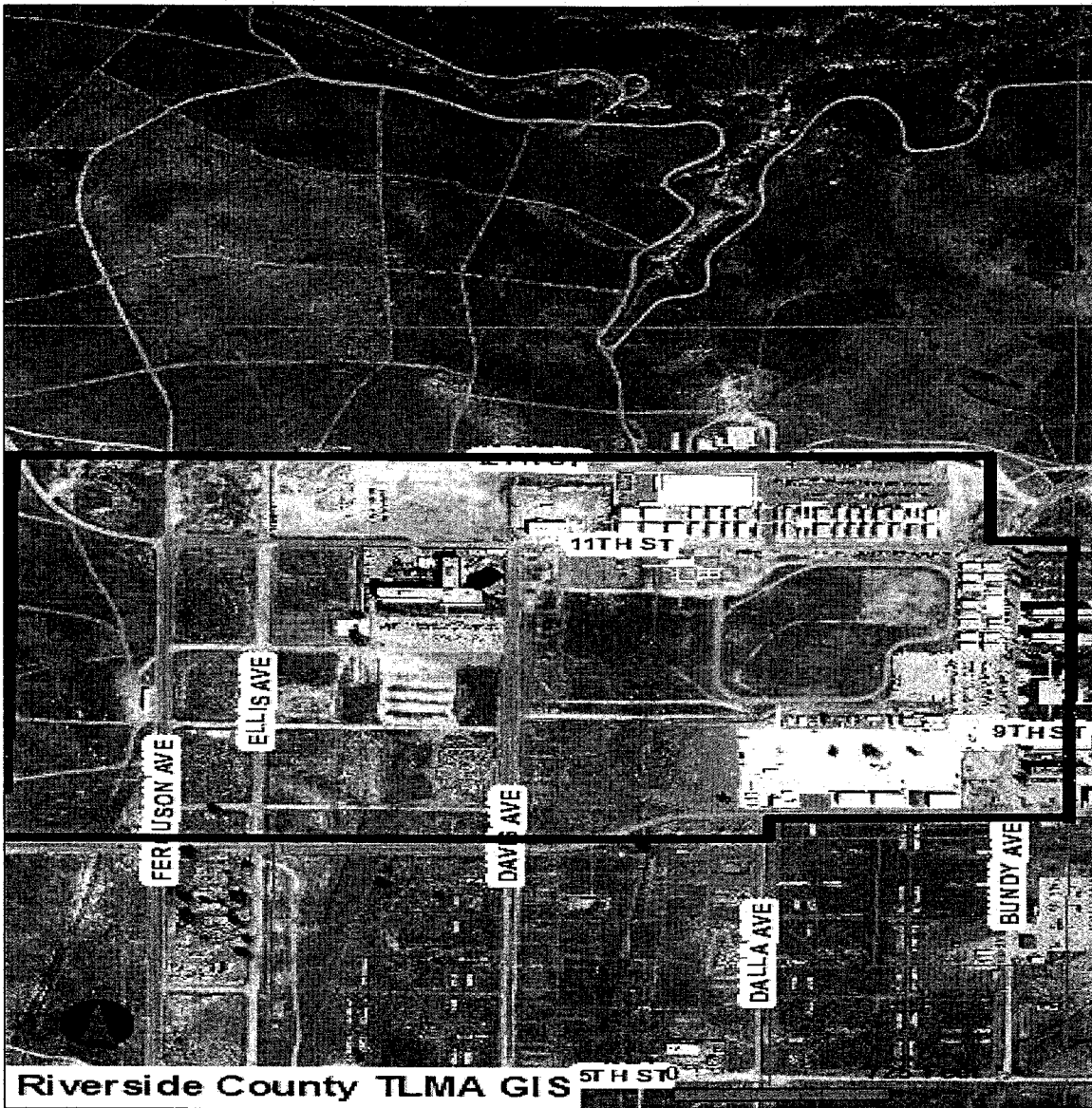
Date:

12.4.13

John Alfred, Acting Senior Environmental Planner
County of Riverside, Economic Development Agency

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RIVERSIDE COUNTY GIS



Selected parcel(s):
294-110-005

IMPORTANT

Maps and data are to be used for reference purposes only. Map features are approximate, and are not necessarily accurate to surveying or engineering standards. The County of Riverside makes no warranty or guarantee as to the content (the source is often third party), accuracy, timeliness, or completeness of any of the data provided, and assumes no legal responsibility for the information contained on this map. Any use of this product with respect to accuracy and precision shall be the sole responsibility of the user.

REPORT PRINTED ON...Wed Dec 04 10:41:40 2013

Version 131001

**Contract Addendum
Exhibit C**



Mobile Modular Management Corporation
11450 Mission Blvd, Mira Loma, CA 91752
Ph (951) 360-6600 Fax (951) 360-6622
www.MobileModularRents.com

Contract Addendum
Date: 8/14/2013

Customer : County of Riverside Dept of Public Works *cc*
Billing Address: 3133 Mission Inn Avenue
City/State/Zip: Riverside Ca. 92507

Attn: Cindy M. Campos
Phone :
Fax:
E-mail: ccampos@rivcoeda.org

Project Name : Fire Buildings
Site Address : 3423 Davis Ave
City/State/Zip: Riverside Ca. 92507

This will serve as an addendum to the contract agreements entered into between **County of Riverside Dept of Public Works** (Lessee) and **MOBILE MODULAR MANAGEMENT CORPORATION** (Lessor). *cc*

With regard to the lease agreement contract numbers stated in the table below, Lessee and Lessor hereby agree to incorporate into each, the Terms and Conditions attached hereto as Attachment A, Attachment B, and Attachment C. The Terms and Conditions attached hereto and incorporated into this Lease Addendum, shall supersede the Terms and Conditions previously incorporated into the lease contracts listed below.

This Addendum will not go into effect until signed and returned to MMHC for processing. If not received within 30 days from date of contract Addendum, the Addendum will take effect the following billing cycle

Please sign and return an acknowledgement copy to our office as soon as possible. Thank you.
Renewal Information

Contract No.	Original Term	Original Start Rent Date	Building ID	Item Description	Addendum Start Year	Addendum Stop Year	Term	Rental Rate
587486	24	4/8/2008	45381	Office, 36x60 HCD	2013	2015	24	\$1,818.00
587605	24	8/14/2008	45412	Office 36x60 HCD Building #12	2013	2015	24	\$ 1,536.00
587606	24	8/19/2008	45383	Office 36x60 HCD Building #7	2013	2015	24	\$ 1,736.00
587607	24	8/14/2008	45329	Office 36x60 HCD Building #5	2013	2015	24	\$ 1,536.00
589543	24	8/2/2008	31250	Office 36x60 HCD Building #6	2013	2015	24	\$ 1,590.04
589544	24	8/2/2008	31250	Office 36x60 HCD Building #5	2013	2015	24	\$ 1,590.04
589548	24	8/1/2008	31248	Restroom 12x60 HCD Building # 16	2013	2015	24	\$ 1,787.00
589556	24	8/1/2008	35583	Office 12x60 HCD Building #15	2013	2015	24	\$ 828.84
589522	24	6/23/2008	35843	Office, 12x60HCD	2013	2015	24	\$ 426.30
591325	24	8/1/2008	31248	Office 36x60 HCD Building #1	2013	2015	24	\$ 1,102.50
591326	24	8/1/2008	45334	Office 36x60 HCD Building # 2	2013	2015	24	\$ 1,102.50
591327	24	8/15/2008	54387	Office 36x60 HCD Building # 3	2013	2015	24	\$ 1,102.50
591328	24	8/15/2008	31259	Office 36x60 HCD Building # 4	2013	2015	24	\$ 1,102.50
591329	24	8/1/2008	31247	Office 36x60 HCD Building # 9	2013	2015	24	\$ 1,102.50
591330	24	8/1/2008	31230	Office 36x60 HCD Building # 10	2013	2015	24	\$ 1,102.50
591331	24	8/31/2008	33995	Restroom 12x40 HCD Building # 11a	2013	2015	24	\$ 863.38
591332	24	8/1/2008	33994	Restroom 12x40 HCD Building # 11b	2013	2015	24	\$ 863.38
591333	24	8/1/2008	33996	Restroom 12x40 HCD Building # 11c	2013	2015	24	\$ 863.38
591334	24	8/8/2010	34012	Restroom 12x40 HCD Building # 11d	2013	2015	24	\$ 736.00
591335	24	8/1/2008	31236	Office 36x60 HCD Building # 7	2013	2015	24	\$ 1,102.50
591336	24	8/1/2008	31238	Office 36x60 HCD Building # 8	2013	2015	24	\$ 1,102.50
591337	24	8/1/2008	31231	Office 36x60 HCD Building # 9	2013	2015	24	\$ 1,102.50
591338	24	8/31/2008	31225	Office 36x60 HCD Building # 10	2013	2015	24	\$ 1,102.50
591339	24	8/1/2008	44062	Classroom 24x60 HCD Building #11	2013	2015	24	\$ 736.00
591340	24	8/1/2008	44063	Restroom 12x40 HCD Building # 12	2013	2015	24	\$ 736.00
591341	24	8/1/2008	31259	Office 48x60 HCD Building # 13	2013	2015	24	\$ 1,476.00
591342	24	8/31/2008	31229	Office 36x60 HCD Building # 14	2013	2015	24	\$ 1,102.50
591343	24	8/1/2008	30427	Restroom 12x60 HCD Building # 17	2013	2015	24	\$ 1,787.52
591344	24	8/1/2008	30428	Restroom 12x60 HCD Building # 18	2013	2015	24	\$ 1,787.52
591345	24	8/1/2008	30333	Restroom 12x60 HCD Building # 19a	2013	2015	24	\$ 1,787.52
591346	24	8/1/2008	30332	Restroom 12x60 HCD Building # 19b	2013	2015	24	\$ 1,858.08
591347	24	8/1/2008	30345	Restroom 12x60 HCD Building # 20a	2013	2015	24	\$ 1,787.52

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████████████████████

**Contract Addendum
Exhibit C**

591348	24	8/1/2008	33844	Restroom 12x20 HCD Building # 20b	2013	2015	24	\$ 1,470.00
591349	24	8/1/2008	33843	Restroom 12x24 HCD Building # 21a	2013	2015	24	\$ 863.38
591350	24	8/1/2008	33848	Restroom 12x24 HCD Building # 21b	2013	2015	24	\$ 863.38
591351	24	8/1/2008	33853	Restroom 12x24 HCD Building # 22a	2013	2015	24	\$ 863.38
591352	24	8/1/2008	33859	Restroom 12x24 HCD Building # 22b	2013	2015	24	\$ 863.38
591353	24	8/1/2008	45587	Office 48x80 HCD Building # 23	2013	2015	24	\$ 1,470.00
591354	24	8/1/2008	31300	Office 48x80 HCD Building # 24	2013	2015	24	\$ 1,470.00
591355	24	8/1/2008	44052	Classroom 24x80 HCD Building # 25	2013	2015	24	\$ 735.00
591356	24	8/1/2008	44055	Classroom 24x80 HCD Building # 26	2013	2015	24	\$ 735.00
591357	24	8/1/2008	44057	Classroom 24x80 HCD Building # 27	2013	2015	24	\$ 735.00
591358	24	8/1/2008	44058	Classroom 24x80 HCD Building # 28	2013	2015	24	\$ 735.00
591359	24	8/1/2008	44060	Classroom 24x80 HCD Building # 29	2013	2015	24	\$ 735.00
591360	24	8/1/2008	44061	Classroom 24x80 HCD Building # 30	2013	2015	24	\$ 735.00
220000035	24	10/2/2008	33989	Restroom 12x40 HCD Building #36A	2013	2015	24	\$ 863.38
220000043	24	10/1/2008	31234	Office 36x80 HCD Building #33	2013	2015	24	\$ 1,102.50
220000070	24	10/3/2008	34001	Restroom 12x40 HCD Building # 36b	2013	2015	24	\$ 863.38
220000077	24	10/8/2008	31237	Office 36x80 HCD	2013	2015	24	\$ 1,102.50
220000082	24	10/8/2008	31232	Office 36x80 HCD Building #32	2013	2015	24	\$ 1,102.50
220000084	24	10/9/2008	45385	Office 36x80 HCD Building # 34	2013	2015	24	\$ 1,102.50
220000086	24	10/6/2008	31239	Classrm 36x80HCD CHP BLDG 37	2013	2015	24	\$ 1,102.50
220000087	24	10/10/2008	45407	Office 36x80 HCD Building # 35	2013	2015	24	\$ 1,102.50
220000089	24	10/17/2008	31233	Classrm 36x80HCD CHP BLDG 38	2013	2015	24	\$ 1,102.50

Mobile Modular Management Corporation

Dawn Harrison
Printed Name

Operations Manager
Title

Dawn Harrison
Signature

10-8-13
Date

County of Riverside Dept of Public Works *cc*
John J. Benoit, Chairman
Board of Supervisors

John J. Benoit
Printed Name

Chairman, Board of Supervisors
Title

John J. Benoit
Signature

DEC 08 2013
Date

Call (951)300-6156 with any questions or comments, ask for Karina Oliver

Thank you for contacting Mobile Modular.

**Note: Contract addendum valid only when executed, offer expires 30 days from addendum date if not executed.

ATTEST
KECIA HARPER-HEM, Clerk
By Kecia Harper-Hem
DEPUTY



Mobile Modular Management Corporation
11450 Mission Blvd.
Mira Loma, CA 91752
Phone: (951) 360-6600 Fax: (951) 360-6622
www.MobileModularRents.com

ATTACHMENT A

LEASE TERMS AND CONDITIONS

These Lease Terms and Conditions are hereby attached and incorporated into the Contract Addendum executed between County of Riverside Dept of Fac. Mgmt ("Lessee") and Mobile Modular Management Corporation (Lessor). These terms and conditions, taken together with the Terms and Conditions set forth in Attachment B and Attachment C, shall govern the lease contracts listed in the Contract Addendum.

1. **LEASE.** Lessor leases to Lessee, and Lessee leases from Lessor, the equipment listed on any Lease Agreement hereto (the "Equipment") on the terms and conditions set forth herein. Each such Lease Agreement (an "Agreement") and the lease provisions on the Lessor's website at [www.MobileModularRents.com] (the "Incorporated Provisions"), to the extent incorporated by reference into such Agreement, together with these Lease Terms and Conditions (the "Lease Agreement"), to the extent incorporated by reference into such Agreement, shall constitute a separate and independent lease (a "Lease") of the Equipment listed in such Agreement under "Product Information". Capitalized terms used but not defined in this Master Lease Agreement shall have the meanings set forth in the applicable Agreement. In the event of a conflict between this Master Lease Agreement or the Incorporated Provisions and Lessee's agreement, purchase order or other document and the Agreement, the Agreement shall control.

2. **LEASE TERM.** The Lease shall commence on the Start Rent Date specified in the Agreement (which may be adjusted by mutual agreement of Lessee and Lessor), and shall continue thereafter for the number of months specified in the Agreement as the "Contract Term" (the "Lease Term"). Lessee is responsible for paying the Monthly Rent specified in the Agreement (as such may be adjusted pursuant to Section 4) for each month during the Lease Term. Lessee shall have no right to terminate the Lease prior to the expiration of the Lease Term; provided that, in the event that Lessee surrenders the Equipment to Lessor prior to the completion of the Lease Term, the Lease Term shall cease upon the later to occur of (i) the date when Lessee shall have complied with Section 3 and (ii) Lessee has paid to Lessor an early termination fee to be determined by Lessor in its sole discretion. Lessor shall not be liable to Lessee for any failure or delay in obtaining, delivering or setting up the Equipment. In the event Lessor is responsible for delay in obtaining, delivering or setting up the Equipment, the Start Rent Date shall be deemed to be revised to the date that Lessor substantially completes setting up the Equipment. If any delay in obtaining, delivering or setting up the Equipment is caused by failure of the site to be ready or for any other reason not solely the responsibility of Lessor, the Lease shall commence as of the Start Rent Date originally stated notwithstanding such delay.

3. **RETURN OF EQUIPMENT.** Regardless of the stated Lease Term, Lessee must provide a minimum of 30 days' prior notice for return delivery of Equipment (except that Equipment consisting of containers requires only 10 days' notice). Please review the Incorporated Provisions on the website at [http://www.MobileModularRents.com] for the conditions under which the Equipment must be returned.

4. **HOLDING OVER; LEASE EXTENSION.** If Lessee (a) fails to notify Lessor of the intended return of Equipment as required under Section 4(a) of the Incorporated Provisions, (b) fails to prepare the Equipment for dismantle as required under Section 4(a) of the Incorporated Provisions or (c) fails to pay the charges upon return as required under Section 4(b) of the Incorporated Provisions, the Lease Term shall be extended, on a month-to-month basis, beyond the Lease Term stated above. In this event, Lessor may establish a revised rental rate for such extended Lease Term, which revised rental rate shall constitute the Monthly Rent for such extended Lease Term following completion of the initial Lease Term. Dismantle, charges upon return and other charges related to the return of the Equipment may also be revised by Lessor for such extended Lease Term.

5. **LESSEE AGREEMENTS.** Lessee agrees that:

(a) Lessor may insert in the applicable Agreement the serial number and other identification data relating to the Equipment when ascertained by Lessor; and

(b) Lessor (or its agents, employees or contractors) may, from time to time at any reasonable time, enter upon the premises of Lessee for the purposes of (1) inspecting the Equipment or posting "Notices of Non-Responsibility" or similar notices thereon, or (2) photographing the Equipment, including any items or occupants within or surrounding the Equipment, for promotional or other purposes. If Lessor determines that repairs to the Equipment are needed, Lessee shall grant access for said repairs. Lessor shall bear the expense of any repairs that it determines are needed to ameliorate normal wear and tear; the expense of all other repairs (including any repairs requested by Lessee) shall be borne by Lessee. If Lessee does not grant access for such repairs between 8:00 a.m. and 5:00 p.m., Monday through Friday, Lessee shall bear the cost of repair rates for labor at the applicable overtime rates.

6. **SECURITY DEPOSIT.** Upon the signing of any Agreement, Lessee shall provide to Lessor the Security Deposit specified in such Agreement. The Security Deposit shall be held by Lessor (who shall have no obligation to collect or pass through to Lessee any interest thereon) as security for Lessee's faithful performance of the terms and conditions of the applicable Lease, including without limitation Lessee's indemnification obligations under Section 12. If an Event of Default occurs, Lessor may apply the Security Deposit to payment of its costs, expenses and attorney fees in enforcing the terms of the Lease and to indemnify Lessor against any costs, expenses or damages sustained by Lessor in connection with the Lease (provided, however, nothing herein contained shall be construed to mean that the recovery of damages by Lessor shall be limited to the amount of the Security Deposit). In the event all or any portion of the Security Deposit is applied as aforesaid, Lessee shall deposit additional amounts with Lessor so that the Security Deposit shall always be maintained at the amount specified in the Agreement. At the end of the Lease Term, Lessor shall apply any remaining balance of the Security Deposit to the payment of any monies owed to Lessor under the Lease. Thereafter, if no Event of Default has occurred and is continuing and Lessee has complied with Section 3, Lessor shall return to Lessee any remaining balance of the Security Deposit.



Mobile Modular Management Corporation
11450 Mission Blvd.
Mira Loma, CA 91752
Phone: (951) 360-6600 Fax: (951) 360-6622
www.MobileModularRents.com

7. ASSIGNMENT. Lessee will not assign, convey, transfer, or hypothecate its interest, or any part thereof, in and to any Lease or the Equipment, whether voluntarily or involuntarily, without the prior written consent of Lessor; and any such attempted assignment, conveyance, transfer, or hypothecation, whether voluntary or involuntary, shall be null and void, and upon any such attempted assignment, conveyance, transfer, or hypothecation, Lessor may, at its option, terminate the Lease. Lessor may, at its option and without the prior approval of Lessee, transfer, convey, assign or hypothecate its interest or any part thereof, in and to the Lease. It is understood and agreed by Lessee that Lessor may be acting as an agent for the true owner of the Equipment (the "Principal"), and that such Principal, if any, shall have all the rights and protection of Lessor hereunder.

8. PAYMENTS. Lessee agrees to pay to Lessor (at the office of Lessor or to such other person or at such other place as Lessor may from time to time designate to Lessee in writing) each payment specified herein on a net invoice basis without demand by Lessor. All payments due from Lessee pursuant to the terms of the Lease shall be made by Lessee.

9. TAXES AND LIENS. Lessee agrees to keep the Equipment free of all levies, liens or encumbrances. Lessee shall, in the manner directed by Lessor, (a) make and file all declarations and returns in connection with all charges, fees and taxes (local, state and federal) levied or assessed either upon Lessee or Lessor, or upon the ownership, leasing, rental, sale, possession, use, or operation of the Equipment, and (b) pay all such charges, fees and taxes. However, Lessor shall pay all local, state or federal net income taxes relating to the Lease. If Lessee fails to pay taxes and charges as required by this Section, Lessor shall have the right, but not the obligation, to make such payments. In the event that Lessor makes any such payments, Lessee shall reimburse Lessor for such costs as deemed appropriate by Lessor and as invoiced by Lessor.

10. LOSS OR DAMAGE. Until the Equipment is returned to Lessor, Lessee assumes all risk of loss or damage to the Equipment. Subject to Section 12(b), should any Equipment damaged be capable of repair, the Lease shall not terminate, but Lessee shall cause the Equipment to be repaired and restored to its condition existing prior to such damage, at Lessee's sole expense. Lessee shall be entitled to the benefit of the proceeds from any insurance recovery received by Lessor, up to an amount equal to that paid to Lessor pursuant to this paragraph.

11. INSURANCE.

(a) Lessee shall provide, maintain, and pay all premiums for insurance covering the loss, theft, destruction, or damage to the Equipment in an amount not less than the full replacement value thereof, naming Lessor as loss payee of the proceeds. Lessee shall also provide, maintain, and pay all premiums for public liability insurance (minimum of \$1,000,000 per occurrence), naming Lessor as an additional insured. All insurance shall be in a form and with a company satisfactory to Lessor, and shall not be subject to cancellation without thirty-(30) day's prior written notice to Lessor. Lessee shall deliver to Lessor insurance policies, or evidence of insurance related thereto, meeting the above requirements. Proceeds of such insurance shall, at Lessor's option, be applied either towards replacement, restoration or repair of the Equipment or towards payment of Lessee's obligations under the Lease. Lessor may require Lessee's insurance carrier to be licensed to do business in the state where the Equipment is being leased.

(b) In no event shall Lessor provide insurance for any Equipment leased by Lessee nor will Lessor provide insurance for any personal property of Lessee that may be in, on, or about the Equipment.

12. WAIVER AND INDEMNIFICATION.

(a) Lessee hereby waives and releases all claims against Lessor for (i) loss of or damage to all property, goods, wares and merchandise in, upon or about the Equipment, (ii) injuries to Lessee, Lessee's agents and third persons, and (iii) the use, misuse, or malfunction of any security screens provided with the Equipment, in each case, irrespective of the cause of such loss, damage or injury. Under no circumstances shall Lessor be liable to Lessee for any special, incidental or consequential damages of any kind (including, but not limited to damages for loss of use, or profit, by Lessee or for any collateral damages), whether or not caused by Lessor's negligence or delay, resulting from the Lease or the manufacture, delivery, installation, removal or use of the Equipment, or in connection with the services rendered by Lessor hereunder, even if the parties have been advised of the possibility of such damages.

(b) Lessee agrees to indemnify and hold harmless Lessor from and against any and all losses, liabilities, costs, expenses (including attorney fees), claims, actions, demands, fines, forfeitures, seizures or penalties (collectively, "Claims") arising out of (i) the maintenance, possession or use of the Equipment by Lessee, its employees, agents or any person invited, suffered or permitted by Lessee to use or be in, on or about the Equipment, including to the extent arising from Lessor's negligence, (ii) Lessee's failure to comply with any of the terms of the Lease (including without limitation Sections 5(a)(ii) and 5(f)(i) of the Incorporated Provisions, and Sections 6, 14 and 15 hereto), and (iii) any theft or destruction of, or damage to, the Equipment. If the foregoing obligations are not enforceable against Lessee under applicable law, Lessee agrees to indemnify and hold harmless Lessor from and against any and all Claims to the maximum extent permitted by applicable law. Lessee shall make all payments due under this Section upon demand by Lessor.

13. EVENTS OF DEFAULT.

(a) Each of the following shall constitute an "Event of Default": (1) default by Lessee in making any required payment to Lessor and the continuance of such default for ten (10) consecutive days; (2) any default or breach by Lessee of Section 7, (3) default by Lessee in the performance of any obligation, covenant or liability contained in the Lease or any other agreement or document with Lessor and the continuance of such default for ten (10) days after written notice, thereof by Lessor to Lessee; (4) any warranty, representation or statement made or furnished to Lessor by or on behalf of Lessee proves to have been false in any material respect when made or furnished; (5) loss, theft, damage, destruction or the attempted encumbrance by Lessee of any of the Equipment, or any levy, seizure or attachment thereof or thereon; or (6) Lessee's dissolution, termination, existence, discontinuance of business, insolvency, or business failure; or the appointment of a receiver of any part of, the assignment for the benefit of creditors by, or the commencement of any proceedings under any bankruptcy, reorganization or arrangement laws by or against, Lessee. Lessee acknowledges that any Event of Default will substantially impair the lease value hereof.



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(b) **REMEDIES OF LESSOR:** Upon the occurrence of any Event of Default and any time thereafter, Lessor may, without notice, exercise one or more of the following remedies, as Lessor, in its sole discretion shall elect: (1) declare all unpaid lease payments under the Lease to be immediately due and payable; (2) terminate the Lease as to any or all items of the Equipment; (3) take possession of the Equipment wherever found, and for this purpose enter upon any premises of Lessee and remove the Equipment, without any liability for suit, action or other proceedings by Lessee; (4) direct Lessee at its expense to promptly prepare the Equipment for pickup by Lessor; (5) use, hold, sell, lease or otherwise dispose of the Equipment or any item thereof on the site specified on the applicable Agreement or any other location without affecting the obligations of Lessee as provided in the Lease; (6) sell or lease the Equipment or any part thereof by public or private sale or lease at such time or times and upon such terms as Lessor may determine, free and clear of any rights of Lessee (if notice of sale is required by law, notice in writing not less than ten (10) days prior to the date thereof shall constitute reasonable notice to Lessee); (7) proceed by appropriate action either in law or in equity to enforce performance by Lessee of the terms of the Lease or to recover damages for the breach hereof; (8) apply the Security Deposit to payment of Lessor's costs, expenses and attorney fees in enforcing the terms of the Lease and to indemnify Lessor against any damages sustained by Lessor (provided, however, nothing herein shall be construed to mean that the recovery of damages by Lessor shall be limited to the amount of the Security Deposit); (9) exercise any and all rights accruing to Lessor under any applicable law upon an Event of Default. In addition, Lessor shall be entitled to recover immediately as damages, and not as a penalty, a sum equal to the aggregate of the following: (i) all unpaid payments as are due and payable for any items of Equipment up to the date of repossession by Lessor; (ii) any expenses paid or incurred by Lessor in connection with the repossession, holding, repair and subsequent sale, lease or other disposition of the Equipment, including attorney's fees and other reasonable costs and expenses; (iii) an amount equal to the excess of (a) all unpaid payments for any item of Equipment repossessed by Lessor from the date thereof to the end of the term of the Lease over (b) the fair market lease value of such item or items of Equipment for such unexpired lease period (provided however, that the fair market lease value shall be deemed to not exceed the proceeds of any sale of the Equipment or lease thereof by Lessor for a period substantially similar to the unexpired lease period); and (iv) the replacement cost of any item of Equipment which Lessee fails to prepare for return to Lessor as provided above or converts or is destroyed, or which Lessor is unable to repossess.

14. OWNERSHIP AND MARKING OF EQUIPMENT. Title to the Equipment shall remain in Lessor (or its Principal). Excepting only as may be granted in a separate writing signed by Lessor, no option or other right to purchase the Equipment is granted or implied by the Lease to Lessee or any other person. The Equipment shall remain and be deemed to be personal property of Lessor, whether attached to realty or not, and upon termination of the Lease or the occurrence of an Event of Default, Lessee shall have the duty and Lessor shall have the right to remove the Equipment whether or not affixed to any realty or building without any liability to Lessor for damage to the realty or building caused by the removal of the Equipment. Any replacement, substitutes, accessories or parts, whether placed in or upon the Equipment or not, whether made a component part thereof or not, shall be the property of Lessor and shall be included under the terms of the Lease.

15. COMPLIANCE WITH LAW. Lessee assumes all responsibility for any and all licenses, clearances, permits and other certificates as may be required for Lessee's lawful operation, use, possession and occupancy of the Equipment. Lessee agrees to fully comply with all laws, rules, regulations and orders of all local, state and federal governmental authorities which in any way relate to the Equipment. Lessee shall pay the cost of all license and registration fees and renewals thereof.

16. GOVERNING LAW. Lessee and Lessor agree that the Lease shall be governed in all respects by, and interpreted in accordance with the laws of, the State of California, without regard to its conflicts of laws provisions.

17. JURISDICTION.

(a) In any case where the Equipment is located in the State of Maryland or the State of Virginia, it is agreed that the venue for a legal action relating to the Lease shall be proper if brought in Alameda County, State of California. Subject to Section 12, the prevailing party shall be entitled to recover reasonable attorneys' fees and court costs, whether or not the action proceeds to judgment.

(b) In all other cases, the Federal District Courts located within the State of California shall have non-exclusive jurisdiction over any lawsuit brought by Lessee or Lessor as a result of any dispute regarding matters arising in connection with the Lease. Further, it is agreed that the venue for a legal action relating to the Lease shall be proper if brought in -Riverside County, State of California.

18. MEDIATION; ARBITRATION. Both parties agree to have any claims, disputes, or controversies arising out of or in relation to the performance, interpretation, application, or enforcement of the Lease, including but not limited to breach thereof, referred to mediation before, and as a condition precedent to, the initiation of any adjudicative action or proceeding, including arbitration. If mediation fails to resolve the claims, disputes or controversies between Lessor and Lessee, both parties agree to have the claims, disputes or controversies referred to binding arbitration. The parties hereto acknowledge that the subject matter of the Lease is a matter of interstate commerce.

19. CREDIT CARD AUTHORIZATION. Not applicable.

20. HAZARDOUS MATERIALS. Lessee agrees that no water, paint or chemicals, and no illegal, hazardous, controlled, toxic, explosive, flammable, restricted, contaminated or other dangerous materials, shall be maintained or stored in or on the Equipment.

21. MISCELLANEOUS. Time is of the essence of each and every provision of the Lease. Failure of Lessor to enforce any term or condition of the Lease shall not constitute a waiver of subsequent defaults by Lessee, nor shall it, in any manner, affect the rights of Lessor to enforce any provisions hereunder. The invalidity or unenforceability of any provision of the Lease shall not affect the validity or enforceability of any other provision. Page 5 of 6



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22. **ENTIRE AGREEMENT.** The Lease constitutes the entire agreement between Lessor and Lessee with respect to the subject matter hereof and, except for the Incorporated Provisions that may be updated by Lessor from time to time in its sole discretion, may not be amended, altered or modified except by a writing signed by both Lessor and Lessee.

FORM APPROVED COUNTY COUNSEL
BY: *Patricia Munroe* 9/26/13
PATRICIA MUNROE DATE

ATTACHMENT B

Supplemental Lease Terms and Conditions

These Supplemental Lease Terms and Conditions are hereby attached and incorporated into the Contract Addendum executed between County of Riverside Department of Facility Management ("Lessee") and Mobile Modular Management Corporation (Lessor). These terms and conditions, taken together with the Terms and Conditions set forth in Attachment A and Attachment C, shall govern the lease contracts listed in the Contract Addendum.

WITNESSETH

1. **WARRANTIES; DISCLAIMER.** Lessor warrants to Lessee that the Equipment, when delivered and set up, will be in good condition and repair, be properly set up (subject to any site limitations), and, subject to Section 5 below, comply with all applicable regulations.

2. **EQUIPMENT CONDITION.** Lessee shall maintain all Equipment in good condition and repair (normal wear and tear excluded), and Lessee shall not make any alterations, modifications, additions, or improvements to the Equipment without Lessor's prior written consent.

3. **DELIVERY OF EQUIPMENT.** Lessor shall deliver and set up the Equipment at the site specified in the applicable Agreement (the "Site"). Lessee shall select a suitable site (which Lessee should clearly mark) for the Equipment and direct Lessor on exact placement/orientation of the Equipment.

(a) **ACCESS.** The Lessee is responsible for providing clear access to the set up site for delivery of the Equipment by standard delivery methods and set up of same by standard set up methods. If Lessee is unprepared for the scheduled delivery and set up, Lessee shall be subject to additional charges.

(b) **LOCATION.**

(i) **RELOCATION OF EQUIPMENT.** Lessee shall cause the Equipment to remain so set up at the Site, and shall not move the Equipment to a new location without the prior written consent of Lessor.

(ii) **SITE APPROVAL & INSTALLATION INSPECTION FOR EQUIPMENT.** The Lessee is responsible for any and all costs associated with obtaining necessary approval of the site and installation of the Equipment. If the Lessee chooses not to go through the site assessment and installation inspection process at the time of installation, the ability to receive future approval may be hindered for a number of reasons (for example, the Equipment will already be set on the foundation, the inspector did not observe the installation, etc.). Any costs associated with moving the Equipment or making changes to the existing foundation system will be the responsibility of the Lessee.

(iii) **UNDERGROUND ELEMENTS.** Lessee is responsible for the identification of underground elements on site. Identification services can be procured from third party vendors, however, Lessee retains responsibility and liability for the designation of such elements should there be any ground penetrating activities performed in relation to the performance of the Lease by Lessor.

4. **RETURN OF EQUIPMENT.**

(a) **DISMANTLING EQUIPMENT.** At the conclusion of the Lease Term, Lessee shall, at its expense, prepare the Equipment for dismantle, which includes but is not limited to:

(i) disconnecting all utilities and removing any items that may hinder the dismantle of the Equipment by standard dismantle methods;

ATTACHMENT B

(ii) in the case of any Equipment that includes restrooms or plumbing:

(1) flushing clean the plumbing lines and ensuring that there is no foreign matter in any of the water closets;

(2) properly disconnecting the site connection and removing the plumbing tree (if applicable) back to the "no-hub fittings" (provided that upon arrival of Lessor's representative at Lessee's site, if the disconnection and plumbing tree removal (if applicable) has not been so completed, Lessor will complete the disconnection and the Lessee will be charged accordingly and provided further, that, if Lessor's representative is not qualified to perform the disconnection, Lessee will be charged a fee for the dry-run and the return will be rescheduled);

(3) in addition to the above, in the case of Equipment located in the State of California, Lessee shall ensure that the "no-hub fittings" provided with the Equipment remain attached to the plumbing tree and shall place the plumbing tree inside the Equipment. Lessor hereby informs Lessee that the connection points are designed with "no-hub fittings" and thus there should be no need for gluing or cutting of pipe at either the time of connection or disconnection. Lessee shall not cut any of the Equipment's waste lines, improperly disconnect the plumbing tree or damage any of the lines due to cutting or mishandling (in which case the Lessee will be charged accordingly);

(iii) removing all personal property of Lessee from the Equipment (provided that, if any personal property shall remain located in the Equipment at such time, Lessee consents to Lessor's possession and disposal or destruction of such personal property without notice or accounting to Lessee, the costs and expenses of which disposal or destruction, including reasonable attorneys' costs related thereto, shall be reimbursed by Lessee);

(iv) providing clear access for the pick up and return delivery of the Equipment from the Site, by standard return delivery methods.

(v) If Lessee is unprepared for the scheduled return, Lessee shall be subject to additional charges.

(b) **RETURN CHARGES.** The Agreement sets forth the Equipment's estimated Charges Upon Return. The actual charges upon return will be confirmed upon return and the Lessee will then be provided with a revised quotation for the actual charges upon return (which may be higher than the Charges Upon Return). Lessee shall be responsible for paying the actual charges upon return as set forth in such revised quotation.

(c) **INSPECTION OF EQUIPMENT ON RETURN.** Upon return of the Equipment (including without limitation containers, stairs, ramps, buildings, or otherwise Lessor-owned Equipment), an inspection of the Equipment will be performed by Lessor. If such inspection shows the Equipment not to be in the condition required by Section 2 of the Incorporated Provisions, Lessor will bill Lessee for related costs, which costs Lessee promptly shall reimburse to Lessor.

5. PARTICULAR TYPES OF EQUIPMENT. Some of the terms and conditions herein may not be applicable to the particular Equipment (e.g., container vs. modular) subject to the Lease. The following terms relate to Equipment of the following types:

(a) **STAIRS.** (1) In the case of Equipment located in the State of Florida, if any Equipment includes stairs (which shall be prefabricated metal stairs with landings), Lessor shall install such stairs following delivery thereof. Stairs shall not be altered in any form from the delivered state. (2) In the case of Equipment located in the State of Texas, Lessor's sole responsibility with respect to any Equipment that includes stairs is to ship the stairs inside the applicable modular building. Lessee shall be responsible for unloading the stairs upon delivery and installing the handrails (as well as disassembling the handrails and loading the stairs for return). If Lessor performs this service, there is a charge of

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\$35.00 per set of stairs to unload (and \$35.00 per set of steps to load). (3) In all other states, Lessor's sole responsibility with respect to any Equipment consisting of stairs is to deliver the stairs to the Site and place them next to the exit ways specified by Lessee with handrails in place. Stairs shall not be altered in any form from the delivered state. Any modification to, or failure of Lessee to properly maintain, the stairs, may result in failure to comply with applicable code.

(i) **SECURING.** Securing the stairs to the other Equipment, adjusting the stairs to the threshold of the doorway, adjustment of the treads, landing, or handrails to meet local, state or federal requirements, maintenance of the stairs or any other item not specifically indicated above is solely the responsibility of the Lessee.

(ii) **CODE AND EGRESS REQUIREMENTS.** Lessor hereby advises the Lessee of the need to meet applicable code requirements, adjust and secure the stairs to the exit way upon completion of the installation of the Equipment and to maintain the stairs such that the safety of all users is ensured. It is the Lessee's responsibility to ensure that steps or a ramp are provided for each building egress.

(iii) **DISCONTINUING STAIR USE.** In the event that the Lessee wishes to discontinue use of the stairs prior to the expiration of the Lease Term and return of the other Equipment, the Lessee may elect to return the stairs to Lessor, have Lessor pick-up the stairs for a normal charge, or store the stairs at the Site, however, Lessee shall continue to pay Monthly Rent with respect to the stairs until their return to Lessor.

(iv) **SITE CONDITIONS.** Lessee should be aware that certain site conditions may impact the use of Equipment consisting of stairs. Specifically, sloping sites may require higher stairs. Adjacent buildings or other obstacles may render the prefabricated stairs unusable. Lessee is responsible for the provision of level landing sufficient per any applicable code. Lessee must make the transition from wherever the stairs end to the existing grade. This transition may require grading, paving or other work by the Lessee in order that the finished stairs comply with all applicable codes.

(b) **RAMPS.** Any Equipment consisting of ramps are not to be altered in any form from the installed state. Any modifications may result in failure to comply with applicable code. Additionally, any modification or change to handicap ramp, including cosmetic changes, may result in additional fees to the Lessee for up to the replacement cost of the ramp.

(i) **SITE CONDITIONS.** Lessee should be aware that certain site conditions may impact the use of a prefabricated ramp. Specifically, sloping sites may require longer ramps. After installation of the Equipment, the landing for any ramp will be set up such that it is in conformance with door threshold requirements (provided that Lessee's site will allow such). The ramp will then be affixed to the landing. It will be the responsibility of the Lessee to make the transition from wherever the ramp ends to the existing grade. This transition may require grading, paving or other work by the Lessee in order that the finished ramp complies with all applicable codes. Adjacent buildings may require additional ramping or render the standard prefabricated ramp unusable.

(ii) **PRE-FABRICATED RAMPS ACCOMPANYING BUILDINGS APPROVED BY THE DIVISION OF THE STATE ARCHITECT ("DSA").** In the case of Equipment located in the State of California, in the case of any Equipment consisting of DSA building ramps, Lessor recommends that Lessee or Lessee's architect look closely at all conditions of impact. Any Equipment consisting of a ramp and landing have been DSA approved.

(c) **RESTROOM/PLUMBING.** If any Equipment consists of restrooms or plumbing, the Lessee is responsible for making both waste and water connections to the building stub outs. Please note that a "no-hub fitting" has been provided for Lessee's waste line connection. Additionally, "no-hub fittings" have been provided for connection of the plumbing tree (if applicable) to the permanent lines.

ATTACHMENT B

(i) **PLUMBING CONNECTIONS.** If Lessee's plumbing subcontractor is unfamiliar with how to make the connection(s), Lessee shall contact its sales person or Lessor's service department. Where applicable, the Lessee will need to install the plumbing tree, which is shipped unattached. Lessor makes no guarantees that the stub out locations or set height of the building will coincide with existing stub outs, holding tanks or other connection relation items.

(ii) **MALFUNCTIONS.** The Lessee is responsible for any malfunction of lines, valves, piping, etc., that is related to foreign matter, improper connection of waste/water lines or misuse.

(iii) **TEMPORARY/PORTABLE HOLDING TANKS.** Lessor shall have no liability for loss or damage as a result of holding tanks that fill up faster than expected, or that overflow. For Lessee's comfort and convenience, Lessor strongly recommends that the Equipment be connected directly to sanitary sewer lines. If Lessee obtains temporary holding tanks as a means of waste disposal, Lessee should be aware that this approach presents additional risks, as holding tank capacity is directly affected by water usage, leaky faucets, etc.

(iv) **CONNECTION TESTING AND VERIFICATION.** Testing of water for chlorination or other items/issues is the responsibility of the Lessee.

(d) **BUILDINGS.** Equipment consisting of buildings may be used only for office space, light storage or classroom facilities and for no other purpose without the prior written consent of Lessor.

(i) **SITE INSTALLATION REQUIREMENTS FOR DSA CLASSROOM BUILDINGS.** In the case of Equipment located in the State of California, the Lessee is responsible for the site being cleared (free of grass, shrubs, trees, etc.) and graded to within 4 1/2" of level grade for each building. If the site exceeds the 4 1/2" requirement additional costs may be charged to Lessee. Under no circumstances should the site be greater than 9" from level grade or have less than a 1000 psf minimum soil bearing pressure. PRIOR TO DELIVERY, the Lessee shall mark the four corners of the building on the site, including the door location. Should special handling be required to either place, install or remove the classroom on the Lessee's site due to site obstructions such as fencing, landscaping, other classrooms, etc., additional costs will be charged to Lessee.

(e) **CONTAINERS.** In the case of any Equipment consisting of containers, Lessee shall inspect the interior and exterior of each container, on a monthly basis, to ensure that water is not infiltrating the container. If water is infiltrating any container, Lessee shall take such action as is necessary to correct such event.

(i) There are statutes and regulations associated with the leasing of containers. Lessee represents and warrants that it has read and understands such statutes and regulations as in effect in the jurisdiction and state where each container is located and will comply with the same.

(ii) The warranties made by Lessor set forth in Section 1 above do not apply to containers, and the containers are leased to Lessee "AS IS". Lessor warrants only that the containers correspond with the description thereof set forth in the Lease, and, otherwise, **LESSOR MAKES NO WARRANTIES OR REPRESENTATIONS, EITHER EXPRESS OR IMPLIED, RELATING TO THE CONTAINERS, INCLUDING WITHOUT LIMITATION, THE CONDITION OF ANY CONTAINER, ITS MERCHANTABILITY OR ITS FITNESS FOR ANY PARTICULAR PURPOSE, ANY WARRANTY AGAINST INFRINGEMENT OR AS TO TITLE OR OTHERWISE.**

(iii) Lessee acknowledges and agrees that its maintenance obligations under Section 2 of these provisions include painting the containers in accordance with the manufacturer's recommendations.

(iv) "**normal wear and tear**" shall mean, with respect to the containers, changes to the condition of the containers, such as light rust and random small dents and scratches on any side of the

ATTACHMENT B

containers, consistent with proper treatment and use of such containers under conditions for which such container was specifically designed; provided that "normal wear and tear" shall not include (i) changes to the condition of any containers that would have been prevented by routine washing, lubrication, spot painting, or other normal repair or maintenance, or (ii) changes affecting security, water tightness, weather-proof qualities, mechanical or electrical function of integral components, the integrity of design or structure, regulatory, classification or certification requirements, or affecting the inside dimensions or cubic content of any container.

(f) **SEISMIC/WIND.** Any Equipment consisting of seismic/wind restraint systems consist of either friction based supports or earth anchors. Such systems are based on the existing Site and soil conditions meeting a 85 M.P.H. exposure C wind load and a minimum soil bearing pressure of 1500 P.S.F. Lessor recommends that the Lessee verify with the local governing authority that these conditions are appropriate. In some cases additional costs may be incurred by the Lessee for custom foundation engineering and additional foundation work. Since the aforementioned seismic/wind restraint systems are different, the impact to the Lessee varies. Therefore, please review the following information carefully.

(i) **FRICTION BASED SYSTEM.** The price quoted is for the rental, installation and removal of the system and is valid for the initial Lease Term specified in the Agreement. The system can be provided with wet stamped engineered for an additional cost. The foundation design is based on certain assumptions that can vary from site to site. Should the Lessee or local jurisdiction require design changes or information that requires contact with the designing engineer, additional charges may result. As with the earth anchor system described below, Lessor does not warrant that the Lessee's site conditions will be adequate for the seismic/wind support system. Any testing required by any agency of the soil or the product, is the responsibility of the Lessee.

(ii) **EARTH ANCHORS.** Any earth anchors and strapping to be used are designed to meet specific pullout capabilities when suitable soil conditions are provided. The Lessee is responsible for providing soil conditions that will allow for achievement of a pullout capacity of 4750# for each earth anchor. If applicable, Lessor will install a specific number of earth anchors and strapping, based upon the above pullout capacities. Lessor recommends, and local governing authorities may require, that the Lessee have a pullout test performed to insure that the soil is adequate to achieve the required pullout capacities mentioned above. All costs associated with such testing and its results are the responsibility of the Lessee. These costs include, but are not limited to: testing, an increase in the number of earth anchors to be provided to meet the required loads, any re-testing and engineering time. Lessor will not warrant that the number of earth anchors installed will meet the required pullout capacities, unless the Lessee provides pullout test results and verification that the completion of any resulting corrective action has taken place.

(iii) **DAMAGE AND ADDITIONAL COSTS.** At the time of installation of the earth anchors, should ground penetration be hindered by elements such as large rocks, lime, cement, utility lines, etc., the Lessee will be responsible for all additional costs, including replacement of broken earth anchors incurred while properly completing the installation. Further, should damage to any underground utility lines occur, the cost of repair will be borne entirely by the Lessee. In any case, should the number or size of earth anchors increase or pullout testing or any other additional work be necessary to meet the requirements of the foundation plan due to soil conditions, the Lessee will be responsible for such costs. At the time of dismantle, Lessor will cut the straps of the earth anchors in order to remove the Equipment. The Lessee is then responsible for the removal of the earth anchors from the site.

(iv) **WARRANTY.** The warranty set forth in Section 1 does not apply to any seismic/wind restraints in the event that the Lessee has elected not to contract for a wet stamped engineered foundation plan. Lessor will not inspect the installation of the foundation system.

(v) **APPROVAL.** The Lessee is responsible for obtaining site inspection and approval of the foundation system by the appropriate local jurisdiction.

ATTACHMENT B

(g) **MISCELLANEOUS.** The Equipment is not pre-wired for features such as telephones, data lines, fire alarms, intercoms, lightning suppression; it is the Lessee's responsibility to wire these items for individual preference and usage. Lessee shall also have the sole responsibility for any utility or other connections to the Equipment.

(h) **CABINETRY.** The Equipment may include cabinetry that is fabricated with particleboard. Particleboard is known to emit certain levels of formaldehyde. Lessee acknowledges that it has been made aware that lower emission and formaldehyde free options are available.

(i) **CARPET.** The Equipment may include new carpeting. Most of the carpeting products provided by Lessor meet the Carpet and Rug Institute's Green Label testing standards for indoor air quality. Nonetheless, it is recommended that new carpeting receive a minimum of 72 hours airing-out time, under well-ventilated conditions, prior to occupancy.

ATTACHMENT C

ADDITIONAL CHARGE & CARE ADVISORY

This Additional Charge and Care Advisory is hereby attached and incorporated into the Contract Addendum executed between County of Riverside Dept of Fac. Mgmt ("Lessee") and Mobile Modular Management Corporation (Lessor). This advisory, taken together with the Terms and Conditions set forth in Attachment A and Attachment B, shall govern the lease contracts listed in the Contract Addendum.

In an effort to offer "no surprises" to Lessee/Buyers, Lessor/Seller has compiled the following list of occurrences that will result in **ADDITIONAL CHARGES** to fees already quoted for delivery, drop-off, pick-up, return and relocation of Equipment. Additionally, listed below is information regarding common practices and procedures that may be relevant during the Lease Term.

- A. DELIVERY, RELOCATION, OR RETURN DELIVERY TIMES:** Due to unforeseen delays related to weather, traffic or a prior haul, Lessor/Seller cannot guarantee specific times on deliveries. However, Lessor/Seller will do its utmost to accommodate Lessee/Buyer's scheduling needs. Saturday and Sunday deliveries are available at a premium rate.
- B. DRY RUN:** Lessor/Seller will notify the Lessee/Buyer in advance of arrival for pick-up or delivery to help prevent a dry run and additional cost to the Lessee/Buyer.
- C. EQUIPMENT PLACEMENT:** For an additional fee, Lessor/Seller will assess the site specified on the applicable Agreement and make recommendations on placement. For certain types of Equipment, such as some multi-wide modulars, the setup crew that follows the driver may not have the ability to move the Equipment more than a few feet. Avoid placing the Equipment in low lying areas in case of flooding or on surfaces with inadequate drainage. Lessor/Seller recommends the use of blocks of wood or concrete to elevate any Equipment consisting of containers, as Lessee/Buyer deems appropriate to avoid flooded areas. In the case of Equipment located in the State of Florida, do not place the Equipment closer than two feet to another structure without advance written approval from the Lessor/Seller.
- D. ADDITIONAL ON-SITE LABOR:** Additional charge(s) will result due to site access (i.e., muddy or inaccessible site) or preparation problems that hinder Lessor/Seller's representative or cause them to wait. Additional labor and equipment may be required to remove Equipment from a muddy, damp, or otherwise inhibited location.
- E. ADDITIONAL SET-UP TIME** due to unlevel site conditions may result in extra charges. Lessor/Seller defines a level site for Equipment as follows: Length – no greater than a 4" drop in 40'; Width – not greater than a 1" drop in 8'. **TO HELP AVOID THIS CHARGE, PLEASE MAKE LESSOR/SELLER AWARE OF SITE CONDITIONS AHEAD OF TIME SO THE CORRECT MATERIALS MAY BE SUPPLIED.** Should there be an additional charge for the installation of the Equipment due to the unlevel site, a similar charge will be assessed for the removal of the Equipment.
- F. RE-LEVELING THE EQUIPMENT** due to adverse site or weather conditions (wetness, settling, unstable ground, etc.), or adjustment due to personal property (such as furniture, files or equipment) inside the Equipment, will result in an additional charge. For containers, once the container is on the ground, inspect the four corners of the unit. If any corner is not touching the ground, Lessee/Buyer must shim those corners to provide a solid foundation. The doors may not open if this is not done properly.
- G. HEATING/AIR CONDITIONING:**
- (i) Section G. does not apply to Sale Agreements, however recommended care protocols and sizes apply.
 - (ii) in all cases, Lessee shall change the heating/air conditioning filter(s) every three (3) months or sooner; and
 - (iii) For Equipment not located in the State of Florida Section G.(iii) does not apply. In the case of Equipment located in the State of Florida, Lessee shall flush and clean the HVAC condenser coil as required annually. Additional charges may be assessed for Equipment that is returned with dirty diffusers and air ducts. Failure to change the interior and exterior filter on the unit on a regular basis may result in severe damage to the Equipment.
 - i. Filter size for HYBRID "Campus Maker" is 16x30x1
 - ii. Filter size for other buildings is 16x30x1
 - iii. Filter size for 12x40 commercial office buildings, 12x30 restroom buildings and 12x42 restroom buildings are 16x25x1.

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(iv) **WALL CARE:** Lessee/Buyer should use pushpins for hanging pictures, etc., on Equipment. As long as excessive amounts are not used, in the case of a Lease Agreement no repair charges will be incurred. Lessee/Buyer should not use tape as it can remove the wall finish, which will result in damage charges.

(v) **REPAIR OF LEAKS:** It is not uncommon for leaks to occur on a modular when recently delivered or relocated. In order to seal leaks properly, a dry surface is required. Lessor/Seller will do its utmost to seal any leaks in a timely manner once the weather permits. Lessee/Buyer is responsible to report leaks to Lessor/Seller in a timely manner to ensure appropriate resolution of the issue as further damage may be caused by delayed repair. In the case of Sale Agreements the terms of repair will be governed by the warranty presented in the Sale Agreement.

(vi) **ROOF RUMBLES.** Lessor/Seller offers no warranty or guarantee against roof rumbles.

(vii) **RETURN DELIVERY PROCEDURE:** Not applicable to Sale Agreements. Lessee should provide the Lease number and Equipment identification (Building ID) when notifying Lessor that Lessee wishes to schedule return delivery. Lessor will do its utmost to expedite a return delivery request.

- **CONDITION OF EQUIPMENT:** Upon scheduling the return delivery, it is the Lessee's responsibility to advise Lessor if wheels, tires, axles, towbar or other items have been removed from the Equipment and, if so, of their location. Additionally, Lessee is to advise Lessor whether skirting, earth anchors or other items have been attached to the Equipment and require removal.
- **SKIRTING, SEISMIC RESTRAINTS, OR AWNINGS:** Removal of skirting, seismic restraints or awnings is/are the responsibility of the Lessee unless the skirting was installed by Lessor. At the Lessee's request, Lessor will perform this work at an additional cost. When installed by Lessor, removal of these items or items of a similar nature will be performed by Lessor at additional cost to Lessee.
- **SITE CONDITIONS AND UTILITY CONNECTIONS:** The Lessee must inform Lessor of any adverse site conditions or access problems that might exist prior to return delivery. Lessee is responsible for the disconnection of utilities prior to return of the Equipment.
- **INSPECTION:** Lessor strongly suggests that the Lessee have personnel at the site upon pick-up to sign for the Equipment. For an additional charge, an inspection can be performed at your site (rather than at Lessor's inventory center) prior to the scheduled return.
- **CLEANING/KEYS:** Unless otherwise noted in the Lease Agreement, Lessor charges a \$125 cleaning fee per each piece of Equipment (except for containers, for which such charge is \$50). This deposit is refundable only if the Equipment is returned in a cleanliness condition equal to or better than when it was originally shipped. If keys are not returned with the Equipment, the Lessee will be assessed a re-keying charge. If locksets are altered and not returned to their original condition, charges may be assessed.
- **PRORATION:** Lessor prorates rent in one-half (1/2) month increments only. Any Equipment on rent beyond the 14th day of a billing cycle will be responsible for the full month's rental payment. Under no circumstances will any rental be for less than four (4) months.

(viii) **EQUIPMENT LOCATED IN FLORIDA:** In the case of Equipment located in the State of Florida:

- (i) **RAMPS AND STEPS:** Any Equipment consisting of ramps or steps will be tailored for a typical 28" to 30" threshold height on a Type IIB (non-hybrid) or 34" to 36" on a type 5 commercial building. Special products can be ordered due to site conditions or local codes, but are not accounted for in the list of charges included in the Agreement.
- (ii) **FIREWALL:** Hybrid Campus Maker and Type IIB Side Stackable classrooms have a one-hour firewall rating on the long side walls. Penetration of these walls may cause the Equipment to lose its one-hour fire rating and the Equipment will not be code compliant.
- (iii) **WALL PENETRATION:** Lessor allows for 2 penetrations in the top right rear wall above the ceiling grid. Access to the panel box is already provided. Existing utility holes must be used first. More than 2 penetrations will result in major repairs to the Equipment, and this cost will be passed on to the Lessee.
- (iv) **GENERAL EQUIPMENT CARE:** Please keep the carpets clean and free of stains. Please do not penetrate or damage the exterior high rib aluminum panels or exterior trim. Excessive damage will result in additional

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charges at the time of return. When backfilling soil and concrete in the front of the Hybrid use a waterproof protective barrier to protect the Equipment. Attaching steps and ramps directly to the doorjamb will result in an inoperable door. If these items need to be attached, attach these items to the frame of the Equipment.

Lessor/Seller sincerely hopes that by making you aware of the above procedures, you can minimize or eliminate additional charges. At the same time, Lessor/Seller does not want Lessee/Buyer to be surprised if Lessee/Buyer is assessed these charges. We value your business and hope you find this information helpful.