

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

344



FROM: Economic Development Agency

SUBMITTAL DATE:
August 23, 2016

SUBJECT: Lease Agreement, Riverside University Health System - Behavioral Health, Perris, 30 Year Lease, CEQA Exempt, District 5, [\$45,072,132]; Federal 44%, State 56%

RECOMMENDED MOTION: That the Board of Supervisors:

1. Find that the Lease Agreement is exempt from CEQA pursuant to CEQA Guidelines Section 15061 (b)(3), as it can be seen with certainty that there is no possibility the activity in question may have a significant impact on the environment and is not a "project" as defined under Section 15378;
2. Direct the Clerk of the Board to file the attached Notice of Exemption with the County Clerk for posting within five working days; and

(Continued)

Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 1,095,793	\$ 1,424,187	\$ 45,072,132	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	
SOURCE OF FUNDS: Federal 44%, State 56%				Budget Adjustment: No	
				For Fiscal Year: 2017/18-2047/48	

C.E.O. RECOMMENDATION:

APPROVE

BY:
Rohini Dasika

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Tavaglione, Washington, Benoit and Ashley
 Nays: None
 Absent: None
 Date: August 23, 2016
 xc: EDA, Recorder

Kecia Harper-Ihem
Clerk of the Board
By:
Deputy

Prev. Agn. Ref.: 3.45 of 11/6/12 | District: 5 | Agenda Number:

3-28

APPROVE BY CIP
 Steve Steinberg, Director
 BY:
 Steve Steinberg, Director
 FORM APPROVED COUNTY COUNSEL
 BY:
 GREGORY P. PRIAMOS
 DATE: 8/16/2016

A-30
 Positions Added
 Change Order
 4/5 Vote

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

Economic Development Agency

FORM 11: Lease Agreement, Riverside University Health System - Behavioral Health, Perris, 30 Year Lease, CEQA Exempt, District 5, [\$45,072,132]; Federal 44%, State 56%

DATE: August 23, 2016

PAGE: 2 of 4

RECOMMENDED MOTION: (Continued)

3. Approve the attached Lease and authorize the chairman of the Board to execute the same on behalf of the County.

BACKGROUND:

Summary

The Department of Mental Health (DMH) contacted the Real Estate Division of EDA (EDA) requesting real estate services to locate suitable office space to be utilized as a mental health clinic in the Perris area. It should be noted that the DMH now is under the jurisdiction of the Riverside University Health System – Behavioral Health (RUHS-BH).

The Board of Supervisors approved Agenda Item 3.45 authorizing EDA, to locate suitable office space for lease or purchase of approximately 30,000 square feet in the City of Perris for RUHS-BH to relocate their existing DMH clinic, currently in a leased facility and located at 1688 N. Perris Blvd., Suites L1, L2, L6, L7-L10, Perris, California. EDA issued a request for proposal and received submittals from Landlords and Sellers for properties in the area. Of the proposals submitted and analyzed, three finalists were selected for panel interviews. The Division made the award to Capital Partners, LLC, for their site located at 400-450 E. San Jacinto Avenue, in the City of Perris. The site was determined to be the best option to meet the needs of the RUHS-BH.

The property consists of approximately 3.2 acres and is known as Assessor's Parcel Numbers 311-210-005, 311-210-012, and 311-210-026. It is located in a convenient location close to services and amenities, with easy access to I-215 and local bus routes. The site is located near the new DPSS facility which will be beneficial to clients of RUSH-BH.

The Department has elected to relocate its Perris Mental Health Clinic due to the inadequate size and inefficiencies of the existing location. The proposed new location would provide more efficient workspace and allow the DMH to provide more efficient and enhanced services to the community and its residents and provide sufficient parking for employees, clients and County vehicles. The additional space in the new facility will also help the Department prepare for integrated healthcare. The RUHS-BH will be able to better accommodate the increasing demands of the community by facilitating the following programs: Multidimensional Family Therapy (MDFT), Adult Mental Health, Integrated Healthcare, Substance Abuse, Older Adult Mental Health Services and Mid-County Administration.

The County desires to acquire the property with a turnkey office building containing approximately 35,740 square feet on the land to serve as the new RUHS – Behavioral Health - Perris (Property) and have the seller construct a parking lot consisting of approximately 175 parking spaces including secured parking spaces for 36 County vehicles to serve the staff of the building and the public. The project design will include offices, training, group rooms, and conference rooms, space to house client and administrative files, interview rooms, storage for training supplies, resource and outreach supplies, and related equipment for the programs.

The DMH assessed their existing leased facilities located at 1688 N. Perris Boulevard and 85 Ramona Expressway in the City of Perris, and determined that by terminating these leases and relocating them to the new 35,740 square foot building, the DMH would save approximately \$308,201.00 dollars annually in lease payments. The proposed new location would also provide more efficient workspace and allow the Department to provide more efficient and enhanced services to the community and its residents and provide sufficient parking for employees, clients and County vehicles.

(Continued)

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Economic Development Agency

FORM 11: Lease Agreement, Riverside University Health System - Behavioral Health, Perris, 30 Year Lease, CEQA Exempt, District 5, [\$45,072,132]; Federal 44%, State 56%

DATE: August 23, 2016

PAGE: 3 of 4

BACKGROUND:

Summary (Continued)

Upon approval of the lease, the construction project will commence with a targeted completion and occupancy date of January 2018. Until that time, there are no obligated lease cost expenditures.

After completion, RUHS-BH will have an updated facility with improved client care, adequate staff space for existing programs and integrated healthcare.

A summary of the proposed Lease is as follows:

Lessor:	CP Perris MH, LLC c/o Capital Partners Development Company, LLC. Attn: John Buckel 2890 Kilgore Road, Suite 115 Rancho Cordova, CA 95670
Premises Location:	450 E. San Jacinto Avenue, Perris, California
Size:	35,740 square feet
Base Rent:	\$2.25 per square foot, \$80,415.00 monthly
Rent Adjustments:	Two and one half percent every five years
Operating Expenses:	\$30,022 per month (\$0.84 per square feet) for Custodial, Day Porter, Maintenance, and all other building operating expenses
Term:	Thirty Years, commencing January 2018 and expiring December 2047
Option to Terminate:	None
Maintenance:	Lessor responsible, included in the operating expenses
Custodial:	Lessor responsible, included in the operating expenses
Utilities:	County is responsible
Improvements:	Included in the Base Rent
Parking:	175 parking spaces
RCIT:	\$383,700.00, to be completed by County

(Continued)

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Economic Development Agency

FORM 11: Lease Agreement, Riverside University Health System - Behavioral Health, Perris, 30 Year Lease, CEQA Exempt, District 5, [\$45,072,132]; Federal 44%, State 56%

DATE: August 23, 2016

PAGE: 4 of 4

BACKGROUND:

Summary (Continued)

Option to Purchase: County shall have the option to purchase the property at any time during the term for the amount of the declining loan balance plus a \$250,000 prepayment penalty, plus required yield maintenance fees to achieve lender rate of return goals for the financing. If County does not elect to purchase the property during the term, the property shall transfer to the County for \$1.00 at the end of the lease term. The initial value of the property at construction completion is approximately \$12,534,114.

Furniture: To be contracted separately for and paid by the RUHS-BH

The proposed discretionary action is a thirty-year lease agreement proposing a build-to-suit lease commencing once the building is operational. Currently only rough design parameters exist, however, the Lessor is responsible to acquire and develop suitable space required to accommodate the current need. The lease agreement delineates full responsibility on the Lessor to comply with and provide full CEQA review with appropriate lead agency once the actual project and design parameters are established and to submit the necessary CEQA documentation to the lead agency overseeing the approval process.

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

Impact on Residents and Businesses

This Project will provide a positive overall economic impact to the community by combining services to the community and making it easier for clients and residents to access a variety of services provided by RUHS-BH. In addition, the construction phase will provide temporary construction jobs throughout the period of construction. The long term occupancy by the RUHS-BH in this region will benefit the business community as a whole by providing an important and positive economic impact through short term construction jobs and long term employment.

SUPPLEMENTAL:

Additional Fiscal Information

See attached Exhibits A, B, & C

The RUHS-BH will budget these costs in FY2017/18 and will reimburse the Economic Development Agency for all lease costs on a monthly basis.

Contract History and Price Reasonableness

This is a new thirty-year lease. The lease rate is deemed competitive based upon the current market for new, build to suit office space.

Attachments:

Exhibits A, B, & C

Aerial Image

Lease

Notice of Exemption

Exhibit A

FY 2017/18

Riverside University Health System - Behavioral Health Lease Cost Analysis

450 E. San Jacinto Avenue, Perris, California

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	35,740	SQFT	
Approximate Cost per SQFT (July - Dec)	\$	-	
Approximate Cost per SQFT (Jan - June)	\$	2.25	
Lease Cost per Month (July - Dec)		\$	-
Lease Cost per Month (Jan - June)		\$	80,415.00
Total Lease Cost (July - Dec)		\$	-
Total Lease Cost (Jan - June)		\$	482,490.00
Total Estimated Lease Cost for FY 2017/18		\$	482,490.00

Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month		\$	4,288.80
Total Estimated Utility Cost			\$ 25,732.80
Operating Expenses per Month		\$	30,022.00
Total Operating Expenses			\$ 180,132.00
RCIT			\$ 383,700.00
EDA Lease Management Fee - 4.92%			\$ 23,738.51
TOTAL ESTIMATED COST FOR FY 2017/18		\$	1,095,793.31

Exhibit B

FY 2018/19

Riverside University Health System - Behavioral Health Lease Cost Analysis

450 E. San Jacinto Avenue, Perris, California

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:		35,740	SQFT	
Approximate Cost per SQFT (July - Dec)	\$	2.25		
Approximate Cost per SQFT (Jan - June)	\$	2.25		
Lease Cost per Month (July - Dec)			\$	80,415.00
Lease Cost per Month (Jan - June)			\$	80,415.00
Total Lease Cost (July - Dec)			\$	482,490.00
Total Lease Cost (Jan - June)			\$	482,490.00
Total Estimated Lease Cost for FY 2018/19			\$	964,980.00

Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12		
Estimated Utility Costs per Month			\$	4,288.80
Total Estimated Utility Cost			\$	51,465.60
Operating Expenses per Month			\$	30,022.00
Total Operating Expenses			\$	360,264.00
EDA Lease Management Fee - 4.92%			\$	47,477.02
TOTAL ESTIMATED COST FOR FY 2018/19			\$	1,424,186.62

Exhibit C

FY 2019/20 to 2047/48

Riverside University Health System - Behavioral Health Lease Cost Analysis

450 E. San Jacinto Avenue, Perris, California

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office: 35,740 SQFT

	FY 2019/20	FY 2020/21	FY 2021/22 to FY 2047/48
Approximate Cost per SQFT (July - Dec)	\$ 2.25	\$ 2.25	\$ -
Approximate Cost per SQFT (Jan - June)	\$ 2.25	\$ 2.25	\$ -
Lease Cost per Month (July - Dec)	\$ 80,415.00	\$ 80,415.00	\$ -
Lease Cost per Month (Jan - June)	\$ 80,415.00	\$ 80,415.00	\$ -
Total Lease Cost (July - Dec)	\$ 482,490.00	\$ 482,490.00	\$ 13,962,625.47
Total Lease Cost (Jan - June)	\$ 482,490.00	\$ 482,490.00	\$ 13,480,135.47
Total Estimated Lease Cost for FY 2019/20 to 2047/48	\$ 964,980.00	\$ 964,980.00	\$ 27,442,760.94

Estimated Additional Costs:

Utility Cost per Square Foot	\$ 0.12	\$ 0.12	\$ 0.12
Estimated Utility Costs per Month	\$ 4,288.80	\$ 4,288.80	\$ 4,288.80
Total Estimated Utility Cost	\$ 51,465.60	\$ 51,465.60	\$ 1,363,838.40
Operating Expenses per Month	\$ 30,022.00	\$ 30,022.00	\$ 30,022.00
Total Operating Expenses	\$ 360,264.00	\$ 360,264.00	\$ 9,546,996.00
EDA Lease Management Fee - 4.92%	\$ 47,477.02	\$ 47,477.02	\$ 1,350,183.84
TOTAL ESTIMATED COST FOR FY 2019/20 to 2047/48	\$ 1,424,186.62	\$ 1,424,186.62	\$ 39,703,779.18

F11: Cost - Total Cost \$45,072,132.34

Riverside University Health System - Behavioral Health

450 E. San Jacinto Avenue, Perris, Ca



Legend



0 730 1,460 Feet



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... 2/17/2016 9:59:12 AM

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Notes

APNs: 311-210-005, 012 & 026



Original Negative Declaration/Notice of Determination was routed to County Clerks for posting on. 8/25/16 Date kb Initial

NOTICE OF EXEMPTION

February 19, 2016

Project Name: Authorization to Enter into a Lease Agreement with CP Perris MH, LLC, upon completion of certain office building and associated improvements for use by the Department of Mental Health, located in the City of Perris, County of Riverside, California.

Project Number: FM00414100012

Project Location: 450 East San Jacinto Avenue, Perris, California; Assessor's Parcel Numbers: 311-210-005, 311-210-012, and 311-210-026 (See attached exhibit)

Description of Project: The County of Riverside (County) desires to lease property upon completion of an office building and associated improvements for the use by its Department of Mental Health, which is now under the jurisdiction of the Riverside University Health System (RUHS-BH). The RUHS-BH desires to relocate its existing Perris Mental Health Clinic, currently in a leased facility and located at 1688 North Perris Boulevard, Suites L1, L2, L6, L7-L10, due to the inadequate size and inefficiencies of the existing location. The additional space in the new facility will also help RUHS-BH prepare for integrated healthcare. On November 6, 2012, the Board of Supervisors (Board) approved Agenda Item 3.45 authorizing the County Economic Development Agency's Real Estate Division (EDA), to locate suitable office space to relocate their existing clinic.

The property consists of approximately 3.2 acres and is known as Assessor's Parcel Numbers 311-210-005, 311-210-012, and 311-210-026. RUHS-BH has elected to lease the property after the development and construction of the facility, given the availability of Mental Health Services Act funds. The facility will provide more efficient workspace and more efficient and enhanced services to the community and its residents and provide sufficient parking for employees, clients and County vehicles. Construction of an office building containing approximately 35,740 square feet and a parking lot consisting of approximately 175 parking spaces including secured parking spaces for 36 County vehicles to serve the staff of the building and the public will commence after certain contingencies are met and the requisite permits have been obtained by the Lessor. The project design will include offices, training, group rooms, and conference rooms, space to house client and administrative files, interview rooms, storage for training supplies, resource and outreach supplies, and related equipment for the programs. Upon completion of construction, the County will lease the Project from CP Perris MH, LLC (Lessor) for a period of ten years, with two five-year options to extend. Upon approval of the lease, the construction project will commence with a targeted completion and occupancy date of April 30, 2017. Until that time, there are no obligated lease cost expenditures. Additionally, the Agreement specifically delineates full responsibility on CP Perris MH, LLC to comply with and provide full CEQA review once the actual construction parameters of the proposed Project are established, and to submit the necessary CEQA documentation to the lead agency overseeing the approval process.

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

AUG 23 2016 3-28

www.rivcoeda.org

Administration
Aviation
Business Intelligence
Cultural Services
Community Services
Custodial

Housing
Housing Authority
Information Technology
Maintenance
Marketing

Economic Development
Edward-Dean Museum
Environmental Planning
Fair & National Date Festival
Foreign Trade
Graffiti Abatement

Parking
Project Management
Purchasing Group
Real Property
Redevelopment Agency
Workforce Development

Name of Person or Agency Carrying Out Project: County of Riverside, Economic Development Agency; CP Perris MH, LLC

Exempt Status: The Lease Agreement (Project) is exempt under State California Environmental Quality Act (CEQA) Guidelines Section 15061(b) (3), General Rule or “Common Sense” Exemption. The indirect effects resulting from the Project are not part of the proposed discretionary action and are not a project as defined in CEQA Section 21065 and Section 15378. Codified under Public Resources Code Division 13, Chapter 2.5, Section 21065, and California Code of Regulations Title 14, Articles 5 and 20, Sections 15061, and 15378.

Reasons Why Project is Exempt: The discretionary action to lease the property for a period of ten years is exempt from the requirements of CEQA as it would not result in direct impacts to the physical environment or reasonably foreseeable indirect effects. The lease of property itself would have no direct physical effect on the environment as it does not include any changes to the existing land use or a physical disruption of the property. In order to avoid potential segmentation, the potential indirect effects are being identified although they cannot be adequately defined at this time. The indirect effects of the lease of property are not reasonably foreseeable and cannot be identified as a project in connection with the current discretionary action at this time for the reasons described below.

The potential indirect effects from this Agreement to lease would occur through series of discretionary actions that defines a broader project, e.g., the construction and operation of an office building. This broader action represents the whole of the action and can be defined by the following general discretionary approvals: the purchase of property by the Lessor, the completion of design process and environmental review as part of the Lessor’s submittal application process to the Lead Agency, approval of the Lessor’s environmental review and project design by the Lead Agency, construction of a Mental Health Building by the Lessor, and lease of the property by the Lessor to the County.

The Agreement between the County and Lessor is not deemed to be an approval pursuant to CEQA for any specific development or project and does not commit any public agency, including the City of Perris, to a definite course of action regarding the project that may lead to an adverse effect on the environment or limit any choice of alternatives or mitigation measures prior to full CEQA compliance. Further, in the event of any action challenging the legality of such compliance related to any of the proposed uses of the property, the Lessor shall indemnify, defend, and hold harmless the County, its divisions, and departments, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents, and representatives at its sole cost and expense, including but not limited to, attorney fees, cost of investigation, defense and settlements or awards, on behalf of the County in any claim or action based upon such liability.

CEQA Guidelines 15004(b) identifies the necessity of balance in determining the timing of CEQA compliance, citing the need to enable environmental considerations to have influence on programming and design, while at the same time having enough detailed information for meaningful environmental assessment. The future development of the site by the Lessor would still provide an opportunity for environmental considerations to influence design and programming during subsequent discretionary actions and the characterization of effects would be more meaningful as there are more specific associated with the development of the office building. In addition, Section 15004 (b)(2)(A) allows an exception for agencies to designate a preferred site for acquisition and enter into a land acquisition agreement so long as an agency has conditioned the future use of the site on CEQA compliance. The County’s conditioned use on the Lessor for CEQA compliance is consistent with this exception in CEQA Guidelines 15004(b)(2)(A).

The Lessor, as required by terms of this Agreement, would be required to provide CEQA review and analyze the effects of all of the discretionary actions involved in the development of the property. Because of the County’s involvement in the lease of a future development, it is anticipated that the City of Perris would act as the Lead Agency for the future planning, design, and construction of the future office building. The County would maintain a role as a Responsible Agency.

Section 15378 (c) defines a project as the collection of discretionary actions that defines the whole of the action. This process allows for the completion of environmental review when all the conditions and details are known or reasonably foreseeable. At this point in the process, the design of the project is not substantive enough to provide a meaningful analysis of environmental effects and the completion of the level of design required to complete the analysis is not economically viable based on the necessity of a built to suit financing arrangement. Therefore, the Project is limited to the Lease Agreement and does not include any of the future indirect effects of the proposed discretionary action. Therefore, the indirect effects resulting from the proposed project (Lease Agreement) are not considered as part of the proposed action under CEQA for the reasons described above and a Notice of Exemption is the appropriate CEQA determination for the proposed discretionary action, which is limited to the Lease Agreement and its direct effects. The indirect effects resulting from the Lease Agreement cannot be adequately characterized until a meaningful environmental review can be conducted on reasonably foreseeable information with the appropriate level of public input. The environmental review of all effects that occur subsequent to the Lease Agreement, as required as terms of the agreement, will be conducted by the Lessor on the whole of the action with the County acting as a Responsible Agency to ensure that the appropriate level of analysis is conducted and that mitigation or alternatives be incorporated to minimize the effects of the construction and operation of a future office building to the greatest extent feasible.

- **Section 15061 (b) (3) – “Common Sense” Exemption:** The proposed Project is limited to the Lease Agreement and is exempt pursuant to State CEQA Guidelines Section 15061(b)(3). In accordance with CEQA, the use of the Common Sense Exemption is based on the “general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment.” State CEQA Guidelines, Section 15061(b) (3). The use of this exemption is appropriate if “it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.” *Ibid*. This determination is an issue of fact and if sufficient evidence exists in the record that the activity cannot have a significant effect on the environment, then the exemption applies and no further evaluation under CEQA is required. See *No Oil, Inc. v. City of Los Angeles* (1974) 13 Cal. 3d 68. The ruling in this case stated that if a project falls within a category exempt by administrative regulation or 'it can be seen with certainty that the activity in question will not have a significant effect on the environment', no further agency evaluation is required. With certainty, there is no possibility that the Lease Agreement itself may have a significant physical effect on the environment. The Lease Agreement would be limited to the right to use certain office space and would not result in any physical direct or reasonably foreseeable indirect impacts to the environment. The potential indirect effects from this Lease Agreement would be analyzed separately as part of the Lessor’s contractual obligation to complete an appropriate level of environmental review under CEQA to the satisfaction of the County, acting as a Responsible Agency with final permitting approval. Should the Lessor determine in its future environmental review, that significant effects could occur, the County will require, with its final permitting authority, that the effects will be eliminated or mitigated to a level of less than significant prior to commencement of the Lease. Therefore, in no way, would the Project as proposed have the potential to cause a significant environmental impact and the Project is exempt from further CEQA analysis.

Based upon the identified exemption above, the County of Riverside, Economic Development Agency hereby concludes that no physical environmental impacts are anticipated to occur and the project as proposed is exempt under CEQA. No further environmental analysis is warranted.

Signed:  Date: 2/19/16

Mike Sullivan, Senior Environmental Planner
County of Riverside, Economic Development Agency

RIVERSIDE COUNTY CLERK & RECORDER

**AUTHORIZATION
TO BILL
BY JOURNAL VOUCHER**

Project Name: Department of Mental Health Lease Agreement, Perris, Riverside County, California

Accounting String: 524830-47220-7200400000 - FM00414100012

DATE: February 19, 2016

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: Mike Sullivan, Senior Environmental Planner, Economic Development Agency

Signature: 

PRESENTED BY: Maribel Hyer, Real Property Agent III, Economic Development Agency

-TO BE FILLED IN BY COUNTY CLERK-

ACCEPTED BY: -

DATE: -

RECEIPT # (S) -



Date: February 19, 2016

To: Mary Ann Meyer, Office of the County Clerk

From: Mike Sullivan, Senior Environmental Planner, Project Management Office

Subject: **County of Riverside Economic Development Agency Project # FM00414100012**
Department of Mental Health Lease Agreement, Perris, Riverside County, California

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: Mike Sullivan, Senior Environmental Planner,

Economic Development Agency,

3403 10th Street, Suite 400, Riverside, CA 92501

If you have any questions, please contact Mike Sullivan at 955-8009.

Attachment

cc: file

LEASE

450 E. San Jacinto Avenue
Perris, California

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EXHIBITS

The following exhibits are attached hereto and made a part of this Lease:

Site Plan	Exhibit A
Leasehold Improvement Agreement	Exhibit B
Asbestos	Exhibit C
Confirmation of Lease Information	Exhibit D
Custodial Services Agreement	Exhibit E
General Construction Specifications for Leased Facilities	Exhibit F
Estoppel Certificate	Exhibit G
Subordination, Non-Disturbance & Attornment Agreement	Exhibit H
Estimated Monthly Operating Expenses	Exhibit I

LEASE
COUNTY OF RIVERSIDE

1. Parties.

1.1 This Lease ("Lease") is made by and between the **COUNTY OF RIVERSIDE**, a political subdivision of the State of California, hereinafter referred to as "County" and CP Perris MH, LLC, a California limited liability company, hereinafter referred to as "Lessor." County and Lessor are hereinafter collectively referred to as the "Parties" or individually as a "Party."

2. Premises.

2.1 Letting. Lessor hereby leases to County, and County hereby leases from Lessor, the Premises, for the term, at the rental, and upon all terms, covenants and conditions set forth in this Lease.

2.2 Defined. The Premises shall consist of that certain real property, including all improvements therein or to be provided by Lessor under the terms of this Lease, and commonly known as 450 E. San Jacinto Avenue, located in the City of Perris, County of Riverside, State of California, also identified as Assessor Parcel Number 311-210-005, 311-210-012 and 311-210-026, generally described as a free standing building consisting of approximately 35,740 square feet with approximately 175 parking spaces allocated as unreserved and secured, as stated on the legal description and shown on the site plan, attached as Exhibit "A." It is understood that the Premises include all appurtenances and easements thereto and the non-exclusive right of ingress and egress at all times to and from the public streets and highways for County, its employees and invitees.

2.3 Preparation of Premises/Acceptance. The rights and obligations of the Parties regarding the construction of the Premises before the commencement of the Lease Term are stated in the attached Leasehold Improvement Agreement, Exhibit "B." If this Lease conflicts with the Leasehold Improvement Agreement, the Leasehold Improvement Agreement shall prevail.

2.4 Condition of Premises. Lessor shall deliver the Premises to County in a fully clean and safe condition, free of hazards and debris, entirely permitted

and inspected by local authorities, on the Commencement Date, and Lessor warrants for the term of this Lease, that all systems and equipment, including, but not limited to, electrical, plumbing, fire sprinkler, fire suppression system, fire/life/safety system, security systems, lighting, heating, ventilating and air conditioning systems ("HVAC"), and roof structure and membrane, that serve the Premises and all other such elements in the Premises (herein defined as the "Base Building Systems"), other than those installed or constructed by County, shall be in safe, hazard free, good operating condition, and, the roof, bearing walls and foundation of the Premises shall be free of material defect.

3. Use.

3.1 County shall use and occupy the Premises for the purpose of providing office space for use by the Riverside University Health System - Behavioral Health, but the Premises may be used for any official business of County government or any other legal use which is reasonably comparable thereto. Nothing contained in this Lease shall be construed to require County to occupy the Premises continuously.

4. Term.

4.1 Commencement. This Lease shall be effective upon the date of its full execution by the Parties hereto, conditional upon the close of escrow per Paragraph 19 herein. The Term of this Lease shall be for a period of thirty (30) years ("Original Term") commencing on the earlier of (a) the date County staff occupies the Premises, or (b) the date on which County accepts the Premises for occupancy, which shall occur only after Lessor delivers to County a copy of the Certificate of Occupancy executed by the appropriate governing authority, if applicable, and provided that County, in its sole discretion, is satisfied that all leasehold improvements have been completed in accordance with Exhibit "B" and Exhibit "F," excepting minor punch list items, ("Commencement Date"). The Original Term shall expire at midnight on the last day of the thirtieth (30th) year ("Expiration Date").

4.2 Confirmation of Lease Information. At such time as the Commencement Date of this Lease has been determined, either Party may deliver to the other Party a notice in the form set forth in the attached Exhibit "D," which the receiving Party shall execute, after making any corrections necessary to conform the

information to the provisions of this Lease, and return to the forwarding Party within thirty (30) days after receipt. Either Party will use reasonable efforts to deliver the notice to the other Party within thirty (30) days after the Lease Commencement Date. Anything to the contrary notwithstanding, failure to forward or execute said notice shall not invalidate or nullify the provisions of this Lease.

4.3 Delay in Delivery of Premises. If the Original Term of this Lease has not commenced by 545 days (18 months) from County's execution of this Lease, County may, at its sole option deduct from any rents that may become due hereunder the sum of one (1) day's rent (based on the initial month's rent to be paid including expenses) for each day the Premises are not substantially complete and available for occupancy as per paragraph 2.4, after said date, as liquidated damages for failure to provide occupancy in a timely manner as prescribed hereunder. Lessor and County agree that such damages are to be one of the mutually exclusive remedies, as prescribed in this Section 4, for such failure, in that, at the time of entering into this Lease, it would be impractical and extremely difficult to fix the actual damages that would flow from Lessor's failure to provide occupancy in a timely manner. If the Original Term of this Lease has not commenced by 607 days (20 months) from County's execution of this Lease, County may, at its sole option cancel this Lease, and Lessor hereby waives any and all rights that it may have against County for any costs, expenses and/or charges that Lessor may have incurred as a result of preparing the Premises for occupancy. Added to each of the above time periods shall be any days the County delays the completion of the project.

4.4 Holding Over. Any holding over by County after the expiration of said term or any extension thereof shall be deemed a month to month tenancy upon the same terms and conditions of this Lease.

5. Rent. The anniversary dates shall be deemed to fall on the first day of the first full month of each lease year following commencement of the Lease term.

5.1 Base Rent. County shall pay the sum per month to Lessor as base rent for the Leased Premises as set forth below, payable, in advance, on the first day of the month or as soon thereafter as a warrant can be issued in the normal course of County's business; provided, however, in the event rent for any period during the term

hereof which is for less than one full calendar month said base rent shall be pro-rated based upon the actual number of days of said month.

Years 1-5	\$80,415.00 per month
Years 6-10	\$82,425.38 per month
Years 11-15	\$84,486.01 per month
Years 16-20	\$86,598.16 per month
Years 21-25	\$88,763.11 per month
Years 26-30	\$90,982.19 per month

The Parties acknowledge that Lessor will be responsible for planning and constructing the on-site and off-site improvements and complete building on a turn-key basis and that all project costs including but not limited to the core and shell and interior tenant improvements to the premises are included in the above Base Rent. In addition, the Parties acknowledge that Lessor will be installing certain furniture, fixtures, and equipment ("FF&E") and that the cost for the FF&E is included in the above Base Rent. All planning and construction of the on-site and off-site improvements and building construction shall be completed in accordance with Exhibit "B."

5.1.1 Operating Expenses. In addition to the monthly Base Rent, County shall pay the total amount of the Operating Expenses, if applicable, for each calendar year during the Term. Lessor shall provide County with a good faith estimate of the total amount of Operating Expenses for each calendar year during the Term. A monthly estimate for the initial period prior to the first calendar year is attached as Exhibit "I". On the first day of each calendar month, County shall pay to Lessor a monthly installment equal to one-twelfth of Lessor's estimate of the total amount of annual Operating Expenses. If Lessor determines that its good faith estimate of the total amount of Operating Expenses was incorrect by a material amount, Lessor may provide County with a revised estimate. After its receipt of the revised estimate, County's monthly payments shall be adjusted based on the revised amount. If Lessor does not provide County with an estimate of the total amount of Operating Expenses by January 1st of each calendar year, County shall continue to pay monthly Operating Expense payments based on the previous year's estimate until Lessor provides County with the new estimate. Upon delivery of the new estimate, an adjustment shall be made

for any month for which County paid monthly Operating Expense payments based on the previous year's estimate. County shall pay Lessor the amount of any underpayment within sixty (60) days after receipt of the new estimate. Any overpayment shall be refunded to County within sixty (60) days or credited against the next due future Operating Expense payments.

As soon as is practical following the end of each calendar year, Lessor shall furnish County with a statement of the actual amount of Operating Expenses for the prior calendar year. If the estimated amount of Operating Expenses for the prior calendar year is more than the actual amount of Operating Expenses for the prior year, Lessor shall apply any overpayment by County against future Operating Expense payments or next becoming due, provided that if the term expires before the determination of the overpayment, Lessor shall refund any overpayment to County within sixty (60) days. If the estimated amount of Operating Expenses for the prior calendar year is less than the actual amount of Operating Expenses for such prior year, County shall pay Lessor, within sixty (60) days after its receipt of the statement of Operating Expenses, any underpayment for the prior calendar year.

"Operating Expenses" means all costs and expenses incurred in each calendar year in connection with operating, cleaning, maintaining and repairing the Building and the Property. Operating Expenses include, without limitation, (a) all labor and labor related costs, including wages, salaries, bonuses, taxes, insurance, uniforms, training, retirement plans, pension plans and other employee benefits; (b) the cost of Periodic Services as defined in Section 10.5 below; (c) rental and purchase cost of parts, supplies, tools and equipment; (d) insurance premiums and deductibles including earthquake insurance; (e) electricity, gas, and other utility costs; and (f) the amortized cost of capital improvements (as distinguished from replacement parts or components installed in the ordinary course of business) which are: (1) performed primarily to reduce current or future operating expense costs, upgrade Building security or otherwise improve the operating efficiency of the Property; (2) required to comply with any Laws that are enacted, or first interpreted to apply to the Property, after the date of this Lease; or (3) replaced in order to keep the Base Building Systems and the Property in compliance with Section 2.4 of the Lease. The cost of capital improvements shall be

amortized by Lessor over the useful life of the capital improvement as reasonably determined by Lessor. If the County does not exercise its right to purchase the Building as described below, the County shall not be responsible for reimbursement of any unamortized cost of capital improvements that extend beyond the term of the Lease. The amortized cost of capital improvements may, at Lessor's option, include interest at five (5%) percent.

"Operating Expenses" shall not include: the cost of capital improvements (except as set forth above); repair of any construction defect which is the responsibility of the Lessor; remediation of any Hazardous Substance which is the responsibility of the Lessor; depreciation; principal payments of mortgage, loans, and other non-operating debts of Lessor; the cost of repairs or other work to the extent Lessor is reimbursed by insurance or condemnation proceeds; costs in connection with leasing space in the Building, including brokerage commissions; lease concessions, rental abatements and construction allowances granted to County; costs incurred in connection with the sale, financing, or refinancing of the Building; fines, interest and penalties incurred due to the late payment of Operating Expenses; organizational expenses associated with the creation and operation of the entity which constitutes Lessor; or any penalties or damages that Lessor pays to County under this Lease.

Operating Expenses shall include taxes, which shall mean (a) all real property taxes and other assessments on the Building and/or Property, if applicable, including, but not limited to, gross receipts taxes, assessments for special improvement districts and building improvement districts, governmental charges, fees and assessments for police, fire, traffic mitigation or other governmental service of purported benefit to the Property, taxes and assessments levied in substitution or supplementation in whole or in part of any such taxes and assessments and the Property's share of any real estate taxes and assessments under any reciprocal easement agreement, common area agreement or similar agreement as to the Property; (b) all personal property taxes for property that is owned by Lessor and used in connection with the operation, maintenance and repair of the Property; and (c) all costs and fees incurred in connection with seeking reductions in any tax liabilities described in (a) and (b), including, without limitation, any costs incurred by Lessor for compliance, review and

appeal of tax liabilities. Taxes shall not include any income, capital levy, transfer, capital stock, gift, estate or inheritance tax. If a change in Taxes is obtained for any year of the Term during which County paid County's Pro Rata Share of any Taxes, then Taxes for that year will be retroactively adjusted and Lessor shall provide County with a credit, if any, based upon the adjustment. County shall pay Lessor the amount of County's Pro Rata Share of any such increase in Taxes within 30 days after County's receipt of a statement from Lessor. Notwithstanding the above, the County may be exempt from payment of real property taxes and other assessments under this lease.

5.1.2 Audit Rights. County, within 180 days after receiving Lessor's statement of Operating Expenses, may give Lessor written notice ("Review Notice") that County intends to review Lessor's records of the Operating Expenses for that calendar year to which the statement applies. Within 30 days after receipt of the Review Notice, Lessor shall make all pertinent records available for inspection that are reasonably necessary for County to conduct its review. If any records are maintained at a location other than the management office for the Building, County may either inspect the records at such other location or pay for the reasonable cost of copying and shipping the records. If County retains an agent to review Lessor's records, the agent must be with a CPA firm licensed to do business in the state of California. County shall be solely responsible for all costs, expenses and fees incurred for the audit. Within 90 days after the records are made available to County, County shall have the right to give Lessor a written notice (an "Objection Notice") stating in reasonable detail any objection to Lessor's statement of Operating Expenses for that year. If County fails to give Lessor an Objection Notice within the 90 day period or fails to provide Lessor with a Review Notice within the 180 day period described above, County shall be deemed to have approved Lessor's statement of Operating Expenses and shall be barred from raising any claims regarding the Operating Expenses for that year. If County provides Lessor with a timely Objection Notice, Lessor and County shall work together to resolve any issues raised in County's Objection Notice. If Lessor and County determine that Operating Expenses for the calendar year are less than reported, Lessor shall provide County with a credit against the next installment of Rent and/or Operating Expenses in the amount of the overpayment by County. Likewise, if Lessor and County determine that Expenses for

the calendar year are greater than reported, County shall pay Lessor the amount of any underpayment within 60 days. In no event shall County be permitted to examine Lessor's records or to dispute any statement of Expenses unless County has paid and continues to pay all rent when due.

6. Option to Purchase.

(a) County shall have the Option to Purchase the fee simple interest in the above-referenced property at any time after the completion of the fifth (5th) year of the Lease, including land and building, as set forth in Section 2.2. The purchase price shall be the sum of: (a) the loan balance at the time of the exercise of the Option to Purchase (an amortization table shall be provided as a part of Exhibit D); (b) plus \$250,000.00; and (c) the payment of any and all yield maintenance fees required by lender in conjunction with the paying-off of all financing. County shall exercise its Option to Purchase by notification in writing to Lessor of County's exercise of said Option to Purchase under the provisions of this Lease. In the event County does not exercise the Option to Purchase prior to the end of the Lease Term, the option shall be deemed automatically exercised at the end of the Lease Term and County shall open escrow to purchase the fee simple interest in the property for \$1.00.

(b) County shall open an escrow for the purpose of consummating a purchase of the property, and the purchase of the property by County of Lessor's interest shall commence and proceed diligently and close escrow in a timely and reasonable manner based upon similar purchase transactions of comparable buildings in the area. The Lessor/Seller shall be responsible for the cost of a CLTA policy in favor of County, for pro-ration of property taxes and payment of documentary transfer tax, if any, and one half of the escrow fees. County shall be responsible for payment of one half of the escrow fees and any other costs of the County as Buyer.

(c) Lessor represents and warrants that it will be the fee simple owner of record of the Premises at the Commencement Date of the Lease.

7. Compliance.

7.1 Compliance. Lessor warrants that the Premises and improvements on the Premises shall comply with all applicable State and Federal laws, covenants or restrictions of record, building codes, regulations and ordinances ("Applicable Requirements") in effect on the Commencement Date of this Lease, regardless of the use to which County will put the Premises. If the Premises do not comply with said warranty, Lessor shall, promptly after receipt of written notice from County or any governmental agency having jurisdiction over such matters setting forth the nature and extent of such non-compliance, rectify the same at Lessor's expense. If the Applicable Requirements are changed so as to require, during the term of this Lease (unless same is the result of the use to which County puts the Premises), the construction of an addition to or an alteration of the Premises, the remediation of any Hazardous Substance as hereinafter defined, or the reinforcement or other physical modification of the Premises, Lessor shall promptly, after receipt of written notice from County or any governmental agency having jurisdiction over such matters setting forth the nature and extent of such non-compliance, rectify the same. The cost for such work shall be included in Operating Expenses, as described above.

7.2 California Environmental Quality Act. Lessor warrants the property will be developed in full compliance with all pertinent California Environmental Quality Act (CEQA) requirements for new construction in the jurisdiction. The Lease is contingent on the Lessor obtaining all required environmental and land use permits, including CEQA compliance with any applicable public agencies. The Lease between the County and the Lessor is not deemed to be an approval pursuant to CEQA for any specific development or project and does not commit any public agency, including the City of Perris, to a definite course of action regarding the project that may lead to an adverse effect on the environment or limit any choice of alternatives or mitigation measures prior to full CEQA compliance. Further, in the event of any action challenging the legality of such compliance related to any of the proposed uses of the property, the Lessor shall indemnify, defend, and hold harmless the County, its divisions, and departments, their respective directors, officers, Board of Supervisors, elected and

appointed officials, employees, agents, and representatives at its sole cost and expense, including but not limited to, attorney fees, cost of investigation, defense and settlements or awards, on behalf of the County in any claim or action based upon such liability.

7.3 Americans With Disabilities Act. Lessor warrants and represents the Premises shall be readily accessible to and usable by individuals with disabilities in compliance with Title III of the Americans with Disabilities Act of 1990 and California Title 24, as amended from time to time and regulations issued pursuant thereto and in effect from time to time as of the Commencement Date. Any cost incurred by Lessor to cause the Premises to comply with said Act throughout the Lease Term shall be included in Operating Expenses, as defined above.

7.4 Asbestos and Lead-Based Paint. Lessor warrants and represents the Premises shall be constructed, operated and maintained free of hazard from asbestos and lead based paint, as more fully set forth in the attached Exhibit "C."

7.5 Hazardous Substance. It is the intent of the Parties to construe the term "Hazardous Substances" in its broadest sense. Hazardous Substance shall be defined as any product, substance, or waste whose presence, use, manufacture, disposal, transportation, or release, either by itself or in combination with other materials, is either: (a) potentially injurious to the public health, safety or welfare, the environment or the Premises; (b) regulated or monitored by any governmental authority; or (c) a basis for potential liability of County to any governmental agency or third party under any applicable statute or common law theory.

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

Lessor warrants and represents to County that Lessor has not used, discharged, dumped, spilled or stored any Hazardous Substances on or about the Premises, whether accidentally or intentionally, legally or illegally, and has received no notice of such occurrence and has no knowledge that any such condition exists at the Premises. If any claim is ever made against County relating to Hazardous Substances present at

or around the Premises, whether or not such substances are present as of the date hereof, or any such Hazardous Substances are hereafter discovered at the Premises (unless introduced by County, its agents or employees), all costs of removal incurred by, all liability imposed upon, or damages suffered by County because of the same shall be borne by Lessor, and Lessor hereby indemnifies and agrees to be responsible for and defend and hold County harmless from and against all such costs, losses, liabilities and damages, including, without limitation, all third-party claims (including sums paid in settlement thereof, with or without legal proceedings) for personal injury or property damage and other claims, actions, administrative proceedings, judgments, compensatory and punitive damages, lost profits, penalties, fines, costs, losses, attorneys' fees and expenses (through all levels of proceedings), consultants or experts fees and costs incurred in enforcing this indemnity. The representation, warranty and indemnity of Lessor described in this Paragraph shall survive the termination or expiration of this Lease.

7.6 Sick Building Syndrome. Lessor warrants and represents the Premises shall be constructed, operated and maintained free of certain hazards, including, but not limited to: spores, fungus, molds, bacteria, chemicals or fumes or other causes of any hazardous micro-environments, sometimes known as "Sick Building Syndrome," emanating from or within the Premises that may potentially cause discomfort, bodily injury, sickness or death. Should it be determined that remediation is necessary based on a report by a trained investigator, Lessor will promptly contract with a qualified and experienced company to safely remove the micro-environments using remediation guidelines recommended or required by the appropriate governmental agency. Any cost incurred to cause the Premises to be free of such hazard shall be borne by Lessor. Any subsequent operational or physical modification by the County that is determined to be the cause of such hazardous condition shall cause the County to be responsible for such remediation.

7.7 Waste Water. Lessor shall be responsible for compliance with all Federal, state or local laws, regulations or permits pertaining to storm water pollution, prevention plans ("SWPP") and all National Pollution Discharge Elimination System ("NPDES") laws or regulations adopted or to be adopted by the United States

Environmental Protection Agency. Parking lot sweeping shall be done as required by NPDES rules or as needed, at least two times per year, once prior to the rainy season.

7.8 Nondiscrimination. The parties shall not discriminate on the grounds of race, religious creed, color, national origin, ancestry, age, physical or mental disability, medical condition, including the medical condition of Acquired Immune Deficiency Syndrome (AIDS) or any condition related thereto, marital status, genetic information, gender, gender identify, sex or sexual orientation, in connection with the performance of this Agreement. The Parties further agree to conform to the requirements of the American with Disabilities Act in the performance of this Lease.

8. Custodial Services.

8.1 Custodial Services. Lessor shall provide, or cause to be provided, as part of Operating Expenses defined above, all custodial services in connection with the Leased Premises and such services shall be provided as set forth in the attached Exhibit "E." The provider of such custodial services will perform background checks through LiveScan or in the manner specified by County, of qualified permanent and temporary employees to determine their suitability for employment. The provider will be bonded in the sum of \$10,000.00, and proof of such insurance, as supplied by the Lessor, shall be furnished prior to occupancy of Premises by County. In addition to bonding as required herein, Lessor shall also receive proof of statutory workers' compensation insurance, commercial general liability and vehicle liability insurance from the provider of any custodial functions performed at the Premises location. Custodial Services shall also include a Day Porter, the hours of which will be based upon mutual agreement of Lessor and County.

8.2 County's Right to Provide Custodial Service and Deduct Cost. If County provides verbal notice by telephone and/or followed up by e-mail notice to Lessor of an event or circumstance that requires the action of Lessor with respect to the custodial services as set forth in Section 8.1 and Exhibit "E," and Lessor fails to provide such action as required by the terms of this Lease within three (3) days of County's notice, County may take the required action to provide custodial services by its staff or those of a custodial contractor if: (1) County delivers to Lessor an additional written notice advising Lessor that County intends to take the required action if Lessor does not

begin the required action within forty-eight (48) hours after the written notice; and (2) Lessor fails to begin the required work within this forty-eight (48) hour period. Upon demand by County, Lessor shall promptly reimburse County the actual cost and expenses thereof, provided said costs and expenses are reasonable. Should Lessor fail to promptly pay the cost and expenses, County may deduct and offset that amount from Rent payable under this Lease. For purposes of this Section, notice given by fax or e-mail shall be deemed sufficient. Further, County reserves the right to secure its own janitorial and day porter services and manage said services directly. In the event County elects to do so, County shall notify Lessor in writing of such election and the timing for such election. Thereafter, the costs associated with these services shall be excluded from Operating Expenses, as described above.

9. Utilities.

9.1 Lessor warrants and represents to County that during the term of this Lease and any extension thereof that sufficient utility service to provide water, telecommunications, electric power, natural gas and sewers necessary to meet County's requirements exists or are available for use by County within the Premises. If County changes the use to a more demanding use, Lessor shall not be obligated to upgrade the utility services for such increased use.

9.2 County shall pay for all telephone, natural gas, electrical services, water and sewer within the leased office space which will be used in connection with the leased Premises or have them included in Operating Expenses, as described above.

10. Repairs and Maintenance.

10.1 Lessor's Repair and Maintenance Obligations. Lessor shall, in accordance with the terms of this Lease, repair, replace and maintain in attractive condition, good order and function throughout the term in accordance with Exhibit "F," General Construction Specifications for Leased Facilities, (a) the structural portions of the Premises (understood to include the roof, foundation and load bearing walls); (b) the nonstructural portions of the Premises (understood to include the roof covering and membrane) including but not limited to all improvements, alterations, fixtures, but excluding furnishings; (c) all systems and equipment, including but not limited to, Base Premises Systems as heretofore described that serve the Premises; and (d) the

exterior portions of the Premises, and real property including, but not limited to, landscaping, driveways, sidewalks, lighting and parking facilities servicing the Premises. The cost for such repairs, replacement and maintenance shall be included in Operating Expenses, as described above. It is the intent of this paragraph that Lessor performs any and all building repairs, replacements and maintenance. Lessor agrees to make all repairs to or alterations of the Premises that may become necessary by reason of industry standard for age, wear and tear, deferred maintenance or defects in any construction thereof by Lessor. The County shall not access the roof without a representative of the Lessor present. Further, the County shall be responsible for repairs resulting from damage caused by the County.

10.2 Lessor's Default. Repairs shall be made promptly when appropriate to keep the applicable portion of the Premises and other items in the condition described in this Section. Lessor understands certain response time is required to ensure County operations continue with minimal interruption to ensure the safety of employees and delivery of services. The commencement of repairs within eight (8) hours from written notice include electrical power, HVAC operations and certain essential daily custodial services. Lessor shall not be in default of its repair and maintenance obligations under this Section 10, if Lessor commences the repairs and maintenance within eight (8) hours of the aforementioned areas and thirty (30) days for all others after written notice by County to Lessor of the need for such repairs and maintenance. If, due to the nature of the particular repair or maintenance obligation, more than thirty (30) days are reasonably required to complete it, Lessor shall not be in default under this Section 10 if Lessor begins work within this thirty (30) day period and diligently pursues this work to completion.

10.3 County's Right to Make Repairs and Deduct Cost. If County provides notice by telephone and/or followed up by e-mail to Lessor of an event or circumstance that requires the action of Lessor with respect to the replacement, repair or maintenance to the Premises or Base Building Systems serving the Premises as set forth in Section 10.1 and Lessor fails to provide such action as required by the terms of this Lease within the period specified in Section 10.2, County may (but shall not be obligated to do so) take the required action if: (1) County delivers to Lessor an

additional written notice advising Lessor that County intends to take the required action if Lessor does not begin the required repair or maintenance within twenty four (24) hours, after the written notice; and (2) Lessor fails to begin the required work within this twenty four (24) hour period.

10.3.1 Lessor grants to County a license, effective during the Lease Term, to enter upon those portions of the Premises access to which is reasonably necessary for County to take such action.

10.3.2 If such action was required under the terms of this Lease to be taken by Lessor, County shall be entitled to prompt reimbursement by Lessor of County's reasonable costs and expenses in taking such action, plus interest at six per annum from the date these costs are incurred until the date of Lessor's repayment. Lessor's obligation to reimburse County shall survive expiration or earlier termination of this Lease.

10.3.3 If, within thirty (30) days after receipt of County's written demand for payment of County's costs incurred in taking such action on Lessor's behalf, Lessor has not paid the invoice or delivered to County a detailed written objection to it, County may deduct from Rent payable by County under this Lease the amount set forth in the invoice, plus interest at the interest rate described above from the date these costs are incurred until the date of County's Rent offset.

10.4 Emergency Repairs.

10.4.1 An "Emergency Repair Situation" is defined as the existence of any condition that requires prompt repair, replacement or service to minimize the impact of an event or situation which affects County's ability to conduct business in a neat, clean, safe and functional environment.

10.4.2 If County notifies Lessor of an Emergency Repair Situation which occurs in or about the Premises which is the responsibility of the Lessor to repair or maintain, then Lessor shall commence appropriate repairs or maintenance immediately after notice of the condition is given by County, which notice may be via telephone, facsimile, personal contact or any other means, and Lessor shall thereafter diligently pursue to completion said repairs or maintenance.

10.4.3 If Lessor fails to commence repairs within twenty-four (24) hours of the aforementioned notice, or if the County is unable to contact Lessor or any designated agent within a reasonable time based upon the seriousness of the event or situation, County may, but shall not be so obligated to, cause said repairs or replacements to be made or such maintenance to be performed. Upon demand by County, Lessor shall promptly reimburse County the actual cost and expenses thereof, provided said costs and expenses are reasonable. Should Lessor fail to promptly pay the cost and expenses, County may deduct and offset that amount from Rent payable under this Lease.

10.5 Periodic Services. Lessor shall provide, or cause to be provided, all Periodic Services, including, interior painting of common areas every three years, if so requested by County; replacement of flooring every seven years if requested by County; monthly pest control services, quarterly HVAC standard preventative maintenance and changing of air filters; annual fire sprinkler system and extinguisher inspections; reset interior and exterior time clocks for time changes; annual roof inspections and maintenance to include roof repairs/replacement; cleaning of roof gutters, drains, and down spouts prior to rainy season; annual inspection of backflow prevention device(s); and other cleaning and maintenance tasks outlined in Exhibit E.

11. Alterations and Additions.

11.1 Improvements by Lessor.

11.1.1 Lessor recognizes and understands that any County improvements requested by the County to be completed by Lessor for County's occupancy pursuant to this lease and any additional improvements necessary during the term of this Lease shall be undertaken according to Exhibit "B," Leasehold Improvement Agreement, and Exhibit "F," General Construction Specifications for Leased Facilities. In addition, any furniture, fixtures, and equipment procured and installed by Lessor shall be documented in Exhibit "B."

11.1.2. Prevailing wages are required for work done that falls within the definition of "public works" under California Labor Code §1720. "Public Works" are defined as "construction, alterations, demolition, installation, or repair work done under

contract and paid for in whole or in part out of public funds...” For those projects which are “public works” pursuant to Labor Code §1770.2, the following applies:

11.1.2.1 Lessor shall require that Contractor shall comply with prevailing wage requirements and be subject to restrictions and penalties in accordance with §1770 et seq. of the Labor Code which requires prevailing wages be paid to appropriate work classifications in all bid specifications and subcontracts.

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

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

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

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

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

11.1.3 Lessor shall comply and stay current with all applicable local, state and federal building codes and laws as from time to time amended, including, but not limited to, the Americans with Disabilities Act requirements in providing the County with any requested County improvements. If such County improvements are specifically cause ADA or other building and/or site improvements to be made, the cost for these improvements shall be paid for or amortized as part of the County’s budget for such improvements.

11.1.4 If any agency, division or department of any governmental entity with appropriate jurisdiction condemns the Premises or any part of the Premises as unsafe or not in conformity with any of the laws or regulations controlling their construction, occupation or use, or orders or requires any alteration, repair or reconstruction of the Premises the responsible party shall be the Lessor who at its sole cost and expense (and without any right of reimbursement from County) immediately effect all necessary alterations and repairs required for the Premises full and exact compliance.

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

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

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

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

11.2 Improvements by County.

11.2.1 Any alterations, improvements or installation of fixtures to be undertaken by County shall have the prior written consent of Lessor. Such consent shall not be unreasonably withheld, conditioned or delayed by Lessor.

11.2.2 All alterations and improvements made, and fixtures installed, by County shall remain County property and may be removed by County at or prior to the expiration of this Lease; provided, however, that such removal does not cause injury or damage to the Leased Premises beyond normal wear and tear.

11.3 Communications Equipment. County may, from time to time, install maintain, replace and/or remove any satellite dishes, links, duct bank or antennas on the grounds, roof and/or exterior walls or parapet of the Premises as County deems reasonably necessary or desirable, provided County shall first obtain Lessor's written approval, which approval shall not be unreasonably withheld, conditioned, or delayed. Upon the removal by County of any such satellite dishes, links or antennas, County shall repair any damage incurred in connection with such removal.

12. Exculpation, Indemnification, and Insurance.

12.1 Exculpation. To the fullest extent permitted by law, Lessor, on its behalf and on behalf of all Lessor Parties, as hereinafter defined, waives all claims (in law, equity, or otherwise) against County Parties, as hereinafter defined, and knowingly and voluntarily assumes the risk of, and agrees that County Parties shall not be liable to Lessor Parties for any of the following: (1) injury to or death of any person; or (2) loss of, injury or damage to, or destruction of any tangible or intangible property, including the resulting loss of use, economic losses, and consequential or resulting damage except as a result of County Parties' fraud, willful injury to a person or property, negligence or violation of law. County Parties shall not be liable under this Section regardless of whether the liability results from any active or passive act, error, or omission, of any of County Parties. This exculpation Section shall also not apply to claims against County Parties in cases where a final judgment of a court of competent jurisdiction establishes that the injury, loss, damage, or destruction was proximately caused by County Parties' fraud, willful injury to person or property, negligence, or violation of law.

12.1.1 Definition of "County Parties" and "Lessor Parties." For purposes of this Section 12, the term "County Parties" refers singularly and collectively to County, Special Districts, their respective Directors, Officers, Board of Supervisors, agents, employees, and independent contractors as well as to all persons and entities claiming through any of these persons or entities. The term "Lessor Parties" refers singularly and collectively to Lessor and the partners, venturers, trustees, and ancillary trustees of Lessor and the respective officers, directors, shareholders, members, parents, subsidiaries, and any other affiliated entities, personal representatives,

executors, heirs, assigns, licensees, invites, beneficiaries, agents, servants, employees, and independent contractors of these persons or entities.

12.1.2 Survival of Exculpation. The paragraphs of this Section 12 shall survive the expiration or earlier termination of this Lease until all claims within the scope of this Section 12 are fully, finally, and absolutely barred by the applicable statutes of limitations.

12.1.3 Lessor's Acknowledgment of Fairness. Lessor acknowledges that this Section 12 was negotiated with County, that the consideration for it is fair and adequate, and that Lessor had a fair opportunity to negotiate, accept, reject, modify, or alter it.

12.2 Indemnification and Hold Harmless.

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

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

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

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

In the event there is conflict between this clause and California Civil Code Section 2781, this clause shall be interpreted to comply with Civil Code 2782. Such Interpretation shall not relieve the Lessor from indemnifying the Indemnitees to the fullest extent allowed by law.

12.3 Insurance

Without limiting or diminishing the Lessor's obligation to indemnify or hold the County harmless, Lessor shall procure and maintain or cause to be maintained, at its sole cost and expense, the following insurance coverage's during the term of this Agreement. As respects to the insurance section only, the County herein refers to the County of Riverside, its Agencies, Districts, Special Districts and Departments, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives as Additional Insureds.

A. Workers' Compensation:

If the Lessor has employees as defined by the State of California, the Lessor shall maintain statutory Workers' Compensation. Insurance (Coverage A) as prescribed by the laws of the State of California. Policy shall include Employers' Liability (Coverage B) including Occupational Disease with limits not less than \$1,000,000 per person per accident. The policy shall be endorsed to waive subrogation in favor of The County of Riverside.

B. Commercial General Liability:

Commercial General Liability insurance coverage, including but not limited to, premises liability, unmodified contractual liability, products and completed operations liability, personal and advertising injury, and cross liability coverage, covering claims which may arise from or out of Lessor's performance of its obligations hereunder. Policy shall name the County as Additional Insured. Policy's limit of liability shall not be

less than \$1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this agreement or be no less than two (2) times the occurrence limit.

C. Vehicle Liability:

If vehicles or mobile equipment are used in the performance of the obligations under this Agreement, then Lessor shall maintain liability insurance for all owned, non-owned or hired vehicles so used in an amount not less than \$1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this agreement or be no less than two (2) times the occurrence limit. Police shall name the County as Additional Insureds.

D. General Insurance Provisions – All lines:

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

2) The Lessor must declare its insurance self-insured retention for each coverage required herein. If any such self-insured retention exceeds \$500,000 per occurrence each such retention shall have the prior written consent of the County Risk Manager before the commencement of operations under this Agreement. Upon notification of self-insured retention unacceptable to the County, and at the election of the County's Risk Manager, Lessor's carriers shall either; 1) reduce or eliminate such self-insured retention as respects this Agreement with the County, or 2) procure a bond which guarantees payment of losses and related investigations, claims administration, and defense costs and expenses.

3) Lessor shall cause Lessor's insurance carrier(s) to furnish the County of Riverside with either 1) a properly executed original Certificate(s) of Insurance and certified original copies of Endorsements effecting coverage as required herein, and 2) if requested to do so orally or in writing by the County Risk Manager, provide original Certified copies of policies of insurance shall contain the covenant of

the insurance carrier(s) that a minimum of thirty (30) days written notice shall be given to the County of Riverside prior to any material modification, cancellation, expiration or reduction in coverage of such insurance. If Lessor's insurance carrier(s) policies does not meet the minimum notice requirement found herein, Lessor shall cause Lessor's insurance carrier(s) to furnish a 30 day Notice of Cancellation Endorsement.

4) In the event of a material modification, cancellation, expiration, or reduction in coverage, this Agreement shall terminate forthwith, unless the County of Riverside receives, prior to such effective date, another properly executed original Certificate of Insurance and original copies of endorsements or certified original policies, including all endorsements and attachments thereto evidencing coverage's set forth herein and the insurance required herein is in full force and effect. Lessor shall not commence operations until the County has been furnished original Certificate(s) of Insurance and certified original copies of endorsements and if requested, certified original policies of insurance including all endorsements and any and all other attachments as required in this Section. An individual authorized by the insurance carrier to do so on its behalf shall sign the original endorsements for each policy and the Certificate of Insurance.

5) It is understood and agreed to by the parties hereto that the Lessor's insurance shall be construed as primary insurance, and the County's insurance and/or deductibles and/or self-insured retention's or self-insured programs shall not be construed as contributory.

6) If, during the term of this Agreement or any extension thereof, there is a material change in the scope of services; or, there is a material change in the equipment to be used in the performance of the scope of work; or, the term of the Agreement, including any extensions thereof, exceeds five (5) years; the County reserves the right to adjust the types of insurance and the monetary limits of liability required under this Agreement, if in the County Risk Manager's reasonable judgment, the amount or type of insurance carried by the Lessor has become inadequate.

7) Lessor shall pass down the insurance obligations contained herein to all tiers of subcontractors working under this Agreement.

8) The insurance requirements contained in this Agreement may be met with a program(s) of self-insurance acceptable to the County.

9) Lessor agrees to notify County of any claim by a third party or any incident or event that may give rise to a claim arising from the performance of this Agreement.

E. Property (Physical Damage).

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

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

3) For the duration of the Lease while any construction or demolition activities are undertaken, Lessor shall keep or require its Contractor to keep in full force and effect, a policy of Course of Construction Insurance covering loss or damage to the Premises for the full replacement value of such work. The Named Insured shall include the Lessor, County and Contractor as their interests appear. Lessor or their Contractor shall be responsible for any deductible payments that result from a loss at the Premises under this coverage. If, at the time of any loss to the property described herein, it is determined that the insurance has not been carried or the insurance does not cover the loss of property being installed, the Lessor shall be responsible to pay the loss without contribution from the County.

13. Damage and Destruction.

13.1 Repair of Damage. County agrees to notify Lessor in writing promptly of any damage to the Premises resulting from fire, earthquake, or any other identifiable event of a sudden, unexpected, or unusual nature ("Casualty"). If the Premises, whether covered by insurance or not, are damaged by a Casualty, or the Casualty results in the Premises not being provided with Base Building Systems or parking facilities, and if neither Lessor nor County has elected to terminate this Lease under this Section 13, Lessor shall promptly and diligently restore Premises, the County Improvements originally constructed by Lessor, Base Building Systems, and County's parking facilities to substantially the same condition as existed before the Casualty, subject to modifications required by building codes and other laws. If County requests that Lessor make any modifications to the County Improvements in connection with the rebuilding, Lessor may condition its consent to those modifications on: (a) confirmation by Lessor's contractor that the modifications shall not increase the time needed to complete the County Improvements; or (b) an agreement by County that the additional construction period shall not extend the rent abatement period.

13.2 Repair Period Notice. Lessor shall, within thirty (30) days after the date of the Casualty, provide written notice to County indicating the anticipated period for repairing the Casualty ("Repair Period Notice"). The Repair Period Notice shall be accompanied by a certified statement executed by the Contractor retained by Lessor to complete the repairs or, if Lessor has not retained a Contractor, a licensed Contractor not affiliated with Lessor, certifying the Contractor's opinion about the anticipated period for repairing the Casualty. The Repair Period Notice shall also state, if applicable, Lessor's election either to repair or to terminate the Lease under Section 13.3.

13.3 Lessor's Option to Terminate or Repair. Lessor may elect either to terminate this Lease or to effectuate repairs if: (a) the Repair Period Notice estimates that the period for repairing the Casualty exceeds ninety (90) days from the date of the Casualty; or (b) the estimated repair cost of the Premises, even though covered by insurance, exceeds fifty percent (50%) of the full replacement cost.

13.4 County's Option to Terminate. If the Repair Period Notice provided by Lessor indicates that the anticipated period for repairing the Casualty exceeds eighteen (18) months, County may, by written notice to Lessor within thirty (30) days after such damage or destruction of its intention to terminate this Lease, elect to terminate this Lease by providing written notice (County's Termination Notice) to Lessor within thirty (30) days after receiving the Repair Period Notice. If County does not elect to terminate within said thirty (30) day period, County shall be considered to have waived its option to terminate.

13.5 Rent Abatement Due to Casualty. Lessor and County agree that County's Rent shall be fully abated during the period beginning on the later of: (a) the date of the Casualty; or (b) the date on which County ceases to occupy the Premises and ending on the date of Substantial Completion of Lessor's restoration obligations as provided in this Section 13 ("Abatement Period"). If, however, County is able to occupy and does occupy a portion of the Premises, Rent shall be abated during the Abatement Period only for the portion of the Premises not occupied by County.

13.6 Damage Near End of Term. Despite any other provision of this Section 13, if the Premises are destroyed or damaged by a Casualty during the last eighteen (18) months of the Original Lease Term, Lessor and County shall each have the option to terminate this Lease by giving written notice to the other of the exercise of that option within thirty (30) days after that damage or destruction, provided, however, County may negate Lessor's election to terminate under this Section 13.6 by electing, within ten (10) days after receipt of Lessor's termination notice, to exercise any unexercised option to extend this Lease. If County negates Lessor's election, this Lease shall continue in effect unless Lessor has the right to, and elects to, terminate this Lease under Section 13.3.

13.7 Effective Date of Termination; Rent Apportionment. If Lessor or County elects to terminate this Lease under this Section 13 in connection with a Casualty, this termination shall be effective thirty (30) days after delivery of notice of such election. County shall pay Rent, properly apportioned up to the date of the Casualty. After the effective date of the termination, Lessor and County shall be

discharged of all future obligations under this Lease, except for those provisions that, by their terms, survive the expiration or earlier termination of the Lease.

13.8 Waiver of Statutory Provisions. The provisions of this Lease, including those in this Section 13 constitute an express agreement between Lessor and County that applies in the event of any Casualty to the Premises. Lessor and County, therefore, fully waive the provisions of any statute or regulation, for any rights or obligations concerning a Casualty including California Civil Code Sections 1932(2) and 1933(4).

13.9 Release on Termination. In the event of any termination of this Lease in accordance with Section 13, the Parties shall be released there from without further obligation to the other Party, except as may otherwise be specifically set forth in this Lease and items that have accrued and are unpaid.

14. Eminent Domain.

14.1 Total Condemnation. If all of the Premises are condemned by eminent domain, inversely condemned, or sold in lieu of condemnation for any public or quasi-public use or purpose, this Lease will terminate as of the date of title vesting in that proceeding and the Rent will be abated from the date of termination.

14.2 Partial Condemnation. If any portion of the Premises is condemned by eminent domain, inversely condemned, or sold in lieu of condemnation for any public or quasi-public use or purpose and the partial condemnation renders the Premises unusable for County's business, this Lease will terminate as of the date of title vesting or order of immediate possession in that proceeding and the Rent will be abated to the date of termination. If the partial condemnation does not render the Premises unusable for the business of County and less than a substantial portion of the Premises is condemned, Lessor must promptly restore the Premises to the extent of any condemnation proceeds recovered by Lessor, excluding the portion lost in the condemnation, and this Lease will continue in full force, except that after the date of the title vesting, the Rent will be adjusted, as reasonably determined by Lessor and County.

14.3 Award. If the Premises are wholly or partially condemned, Lessor will be entitled to the entire award paid for the condemnation, and County waives any claim to any part of the award from Lessor or the condemning authority. County,

however, will have the right to recover from the condemning authority any compensation that may be separately awarded to County in connection with costs in removing County's merchandise, furniture, fixtures, leasehold improvements, and equipment to a new location.

14.4 Temporary Condemnation. In the event of a temporary condemnation, this Lease will remain in effect, County will continue to pay Rent, and County will receive any award made for the condemnation. If a temporary condemnation remains in effect at the expiration or earlier termination of this Lease, County will pay Lessor the reasonable cost of performing any obligations required of County with respect to the surrender of the Premises. If a temporary condemnation is for a period that extends beyond the Term, this Lease will terminate as of the date of occupancy by the condemning authority and any award will be distributed in accordance with Section 14.3.

15. Estoppel Certificates.

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

16. Subordination, Non-Disturbance, and Attornment.

16.1 Subordination, Non-Disturbance, and Attornment Agreement. To carry out the purposes of Section 16.2 and Section 16.3, the Parties agree to execute a Subordination, Non-Disturbance and Attornment Agreement in the form set forth in the attached Exhibit "H."

16.2 Subordination. County agrees that within forty-five (45) business days after Lessor's written request, it shall execute the agreement referred to in Section 16.1 that Lessor reasonably considers necessary to evidence or confirm the subordination or inferiority of this Lease to the lien of any mortgage, deed of trust or other encumbrance of the Premises or any renewal, extension, modification, replacement thereof, provided however, that such Subordination Agreement shall be strictly limited to matters contained in the Agreement referred to in Section 16.1 and no such Subordination Agreement shall materially increase any of County's obligations or

materially decrease any of County's rights under this Lease, nor shall the possession of County be disturbed, by reason of any foreclosure, sale or other action under any such trust deed, mortgage or other encumbrance.

16.3 Attornment. If Lessor's interest in the Premises passes to a successor, and provided County has received the Non-Disturbance agreement referred to in Section 16.1, County shall, within forty-five (45) business days after Lessor's transferee's request, execute the agreement referred to in Section 16.1, thereby agreeing to attorn and to recognize the transferee as the Lessor under this Lease; provided the transfer of Lessor's interest in the Premises was by sale, lease, foreclosure, deed in lieu of foreclosure, exercise of any remedy provided in any encumbrance or operation of law.

17. Breach by Lessor.

17.1 Lessor's Default. Except as provided to the contrary in this Lease, Lessor's failure to perform any of its obligations under this Lease shall constitute a default by Lessor under the Lease if the failure continues for thirty (30) days after written notice of the failure from County to Lessor. If the required performance cannot be completed within thirty (30) days, Lessor's failure to perform shall constitute a default under the Lease unless Lessor undertakes to cure the failure within thirty (30) days and diligently and continuously attempts to complete this cure as soon as reasonably possible.

17.2 County's Right to Cure Lessor's Default and Deduct Cost. Except as provided to the contrary in this Lease, if County provides notice to Lessor of Lessor's failure to perform any of its obligations under this Lease and Lessor fails to provide such action as required by the terms of this Lease within the period specified, County may take the required action if: (a) County delivers to Lessor an additional written notice advising Lessor that County intends to take the required action if Lessor does not begin the required action within ten (10) days after the written notice; and (b) Lessor fails to begin the required action within this ten (10) day period.

17.3 Rent Setoff. If, within thirty (30) days after receipt of County's written demand for payment of County's costs incurred in taking such action on Lessor's behalf, Lessor has not paid the invoice or delivered to County a detailed written

objection to it, County may deduct from Rent payable by County under this Lease the amount set forth in the invoice, including reasonable transaction costs and reasonable attorneys' fees, plus interest as stated in 10.3.2 from the date these costs are incurred until the date of County's Rent setoff.

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

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

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

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

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

19. Land Purchase.

Lessor has executed a purchase contract on the land that will be included in the Premises described in Paragraph 2 of this lease agreement. Lessor and County are entering into this lease agreement prior to closing of the escrow on the land described in Exhibit "A." Should, for any reason, the escrow on the land describes in Exhibit "A" fall to close within one hundred and eighty (180) days of approval and execution of this lease agreement by the County of Riverside Board of Supervisors,

County shall have the option of terminating the lease agreement and the parties shall have no further obligation to one another.

20. Miscellaneous.

20.1 Quiet Enjoyment. Lessor covenants that County shall at all times during the term of this Lease peaceably and quietly have, hold and enjoy the use of the Leased Premises so long as County shall fully and faithfully perform the terms and conditions that it is required to do under this Lease. If the Premises are part of a building shared with other tenants of Lessor, during County's tenancy, Lessor may make or permit other tenants to make alterations, renovations and improvements to those portions of the building not occupied by County. Lessor covenants for itself and anyone deriving title from or holding title under Lessor that County's access, ingress, loading and unloading and sufficient parking for County's business shall not unreasonably be obstructed nor shall the daily business of County be disrupted as a result of such alterations, renovations and improvements.

20.2 Non-Waiver. No waiver of any provision of this Lease shall be implied by any failure of either party to enforce any remedy for the violation of that provision, even if that violation continues or is repeated. Any waiver by a party of any provision of this Lease must be in writing. Such written waiver shall affect only the provision specified and only for the time and in the manner stated in the writing.

20.3 Binding on Successors. The terms and conditions herein contained shall apply to and bind the heirs, successors in interest, executors, administrators, representatives and assigns of all the Parties hereto.

20.4 Severability. The invalidity of any provision in this Lease as determined by a court of competent jurisdiction shall in no way affect the validity of any other provision hereof.

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

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

20.7 Agent for Service of Process. It is expressly understood and agreed that in the event Lessor is not a resident of the State of California or it is an association or partnership without a member or partner resident of the State of California, or it is a foreign corporation, then in any such event, Lessor shall file with County's Assistant County Executive Officer/EDA, upon its execution hereof, a designation of a natural person residing in the State of California, giving his or her name, residence and business addresses, as its agent for the purpose of service of process in any court action arising out of or based upon this Lease, and the delivery to such agent of a copy of any process in any such action shall constitute valid service upon Lessor. It is further expressly understood and agreed that if for any reason service of such process upon such agent is not feasible, then in such event, Lessor may be personally served with such process out of this county and that such service shall constitute valid service upon Lessor. It is further expressly understood and agreed that Lessor is amenable to the process so served, submits to the jurisdiction of the court so obtained and waives any and all objections and protests thereto.

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

20.9 Interpretation. The Parties hereto have negotiated this Lease at arm's length and have been advised by their respective attorneys, or if not represented by an attorney, represent that they had an opportunity to be so represented and no provision contained herein shall be construed against County solely because it prepared this Lease in its executed form.

20.10 Time of Essence. Time is of the essence with respect to the performance of all obligations to be performed or observed by the Parties under this Lease.

20.11 Recording. Either Lessor or County shall, upon request of the other, execute, acknowledge and deliver to the other a short form memorandum of this Lease for recording purposes. The Party requesting recordation shall be responsible for payment of any fees applicable thereto.

20.12 Consent. Whenever Lessor's or County's consent is required under any provision of this Lease, it shall not be unreasonably withheld, conditioned or delayed.

20.13 Title. Lessor covenants that Lessor is well seized of and has good title to the Premises, and Lessor does warrant and will defend the title thereto, and will indemnify County against any damage and expense which County may suffer by reason of any lien, encumbrance, restriction or defect in title or description herein of the Premises. If, at any time, Lessor's title or right to receive Rent and any other sums due hereunder is disputed, County may withhold such sums thereafter accruing until County is furnished satisfactory evidence as to the Party entitled thereto.

20.14 Conveyance by Lessor. Should Lessor convey the Premises, all rights and obligations inuring to the Lessor by virtue of this Lease shall pass to the grantee named in such conveyance, and the grantor shall be relieved of all obligations or liabilities hereunder, except those theretofore accrued and not discharged.

20.15 Mechanic's Liens. If any mechanic's or materialmen's lien or liens shall be filed against the Premises for work done or materials furnished to a Party, that Party shall, at its own cost and expense, cause such lien or liens to be discharged within fifteen (15) days after notice thereof by filing or causing to be filed a bond or bonds for that purpose. In the event any notice preliminary to establishing such a lien (such as the California Preliminary 20-Day Notice) is served on Lessor for work done on the Premises, Lessor shall immediately forward a copy of such notice to Lessee.

20.16 Surrender. If County elects not to exercise its Option to Purchase prior to the end of the Lease, County shall, after the last day of the term or any extension thereof or upon any earlier termination of such term, surrender and yield up to Lessor the Premises in good order, condition and state of repair, reasonable wear and tear and damage by fire or other casualty excepted. County may, but shall not be required to: (a) patch or paint any walls/surfaces; (b) remove any leasehold

improvements constructed or installed prior to or during the term of this Lease or any extension thereof; or (c) remove any fixtures or equipment installed prior to or during the term of this Lease or any extension thereof.

20.17 Notice. Except as expressly provided elsewhere in this Lease, all notices and other communication required under this Lease shall be in writing and delivered by: (a) Certified Mail, postage prepaid, return receipt requested, in the United States mail; or (b) via an overnight courier that provides written evidence of delivery and addressed to the Party hereto to whom the same is directed at the addresses set forth in Section 20 herein. Either Party hereto may from time to time change its mailing address by written notice to the other Party.

County's Notification Address:

County of Riverside
Economic Development Agency – Real Estate Division
3403 Tenth St., Suite 400
Riverside, California 92501
Attention: Deputy Director of Real Estate

Lessor's Notification Address:

c/o Capital Partners Development Company
2890 Kilgore Road, Suite 175
Rancho Cordova, CA 95670-6152
Attention: John Buckel or Rod Johnson

20.18 Authority. If Lessor is a corporation, general or limited partnership, limited liability company, or individual owner, each individual executing this Lease on behalf of said corporation, partnership, or individual represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of said corporation, in accordance with bylaws of said corporation, or as a partner or individual is authorized to execute this Lease and that this Lease is binding upon said corporation and/or partnership or individual.

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

LESSEE:
COUNTY OF RIVERSIDE

By: 
John J. Benoit, Chairman
Board of Supervisors

LESSOR:
CP Perris MH, LLC
A California Limited Liability Company

By: 
John A. Buckel, Manager

ATTEST:
Kecia Harper-Ihem
Clerk of the Board

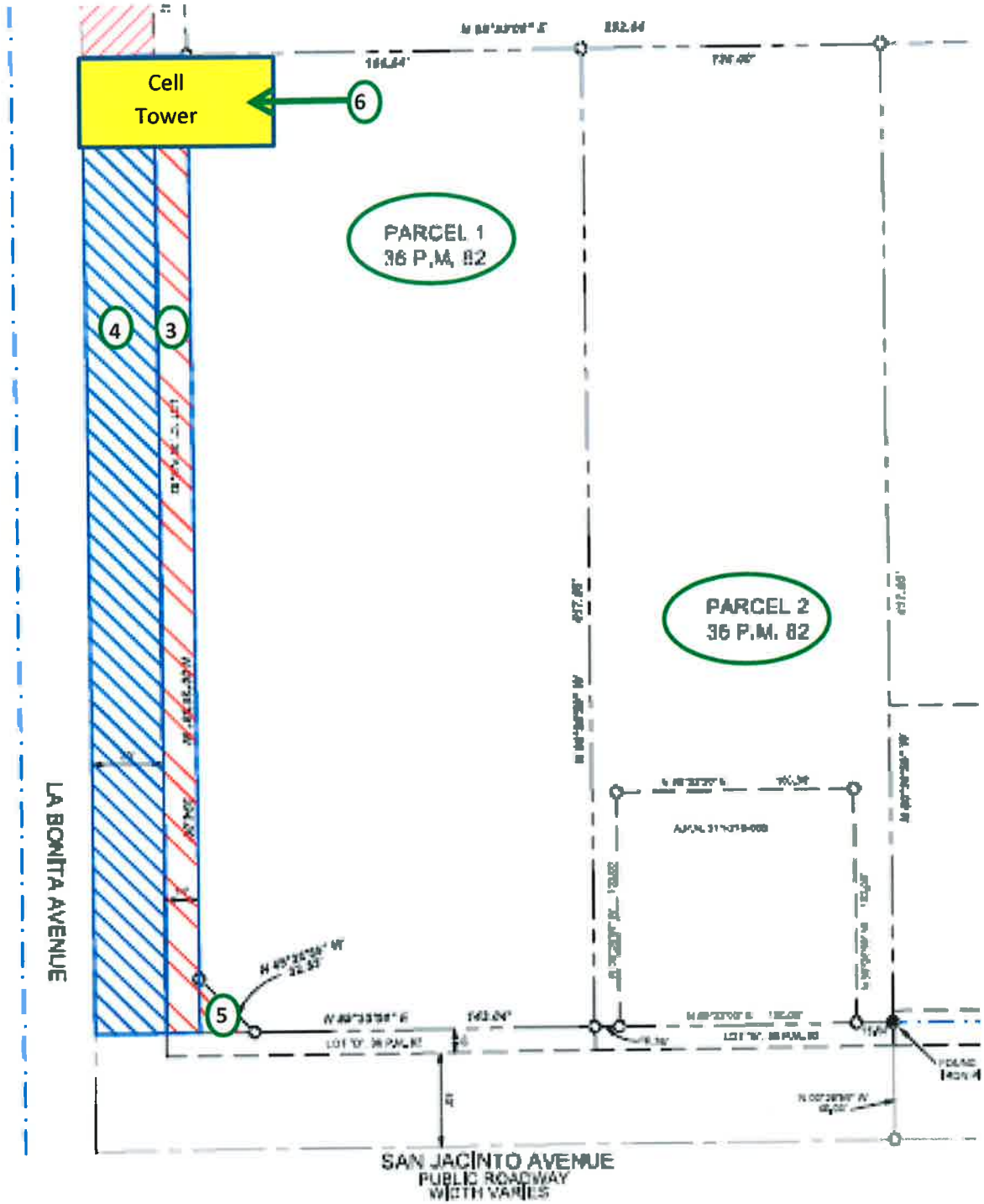
By: 
Deputy

APPROVED AS TO FORM:
Gregory P. Priamos, County Counsel

By: 
R. Todd Frown
Deputy County Counsel

Exhibit A - Legal Descriptions for Perris Department of Mental Health

400 - 450 E. San Jacinto Avenue, Perris, CA 92571



Legal Descriptions

PARCEL 1

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL 1 OF PARCEL MAP 9233, RECORDED JUNE 29, 1977 IN BOOK 36, PAGE 82 OF PARCEL MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

APN(s): 311-210-026 CONTAINING 2.011 ACRES, MORE OR LESS

PARCEL 2

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL 2 OF PARCEL MAP 9233, IN THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, RECORDED JUNE 29, 1977, IN BOOK 36, PAGE 82 OF PARCEL MAPS, RECORDS OF RIVERSIDE COUNTY.

APN(s): 311-210-005-7; 311-210-012-3 CONTAINING 1.206 ACRES, MORE OR LESS

PARCEL 3

ALL THAT REAL PROPERTY SITUATED IN THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

THAT PORTION OF LOT "C", AS SHOWN ON PARCEL MAP NO.9233 ON FILE IN BOOK 36 OF PARCEL MAPS AT PAGE 82, RECORDS OF RIVERSIDE COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID PARCEL "C";
THENCE ALONG THE NORTH LINE OF SAID PARCEL SOUTH 89° 33' 00"
WEST 14.00 FEET TO A POINT ON THE EAST LINE OF FORMER
REDLANDS AVENUE, SAID POINT ALSO BEING THE NORTHWEST
CORNER OF SAID PARCEL; THENCE ALONG SAID EAST LINE SOUTH 00°
26' 59" EAST 416.99 FEET TO A POINT ON THE NORTH LINE OF SAN
JACINTO AVENUE; THENCE ALONG SAID NORTH LINE NORTH 89° 33' 00"
EAST 14.00 FEET; THENCE LEAVING SAID NORTH LINE ALING THE EAST
LINE OF SAID PARCEL "C", ALSO BEING THE EAST LINE OF PARCEL 1 AS
SHOWN ON SAID PARCEL MAP NORTH 00° 26' 59" WEST 416.99 FEET TO
THE POINT OF BEGINNING.

CONTAINING 0.134 ACRE, MORE OR LESS.

PARCEL 4

ALL THAT REAL PROPERTY SITUATED IN THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

THAT PORTION OF THE EAST HALF OF FORMER REDLANDS AVENUE, AS SHOWN ON PARCEL MAP NO. 9233 ON FILE IN BOOK 36 OF PARCEL MAPS AT PAGE 82, RECORDS OF RIVERSIDE COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF PARCEL "C" AS SHOWN ON SAID PARCEL MAP NO. 9233; THENCE SOUTH $89^{\circ} 33' 00''$ WEST 30.00 FEET TO A POINT ON THE CENTERLINE OF SAID FORMER REDLANDS AVENUE; THENCE ALONG SAID CENTERLINE SOUTH $00^{\circ} 26' 59''$ EAST 416.99 FEET TO A POINT IN THE NORTH LINE OF SAN JACINTO AVENUE; THENCE ALONG SAID NORTH LINE NORTH $89^{\circ} 33' 00''$ EAST 30.00 FEET; THENCE ALONG THE EAST LINE OF FORMER REDLANDS AVENUE NORTH $00^{\circ} 26' 59''$ WEST 416.99 FEET TO THE POINT OF BEGINNING.

CONTAINING 0.287 ACRE, MORE OR LESS.

PARCEL 5

ALL THAT REAL PROPERTY SITUATED IN THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

THAT PORTION OF LOT "C", AS SHOWN ON PARCEL MAP NO. 9233 ON FILE IN BOOK 36 OF PARCEL MAPS AT PAGE 82, RECORDS OF RIVERSIDE COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF PARCEL 1 AS SHOWN ON SAID PARCEL MAP; THENCE ALONG THE NORTH LINE OF SAN JACINTO AVENUE SOUTH $89^{\circ} 33' 00''$ WEST 23.00 FEET; THENCE LEAVING SAID NORTH LINE NORTH $00^{\circ} 26' 59''$ WEST 23.00 FEET TO A POINT ON THE SOUTH TERMINUS OF THE WEST LINE OF SAID PARCEL 1; THENCE ALONG THE SOUTHWESTERLY LINE OF SAID PARCEL 1 SOUTH $45^{\circ} 26' 59''$ EAST 32.53 FEET TO THE POINT OF BEGINNING.

CONTAINING 0.006 ACRE, MORE OR LESS.

PARCEL 6

ALL THAT REAL PROPERTY SITUATED IN THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

A PORTION OF PARCEL 1, LOT "C" AND LA BONITA AVENUE AS SHOWN ON PARCEL MAP 9233, RECORDED JUNE 29, 1977 IN BOOK 36, PAGE 82 OF PARCEL MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF SAID PARCEL 1; THENCE ALONG THE NORTH LINE OF SAID PARCEL 1 NORTH 89°33'00" EAST 30.00 FEET; THENCE LEAVING SAID NORTH LINE SOUTH 00°26'59" EAST 40.00 FEET; THENCE SOUTH 89°33'00" WEST 74.00 FEET TO A POINT ON THE CENTERLINE OF LA BONITA AVENUE ; THENCE ALONG SAID CENTERLINE NORTH 00°26'59" WEST 40.00 FEET; THENCE ALONG THE PROJECTION OF THE NORTH LINE OF SAID PARCEL 1 AND THE NORTH LINE OF SAID LOT "C" NORTH 89°33'00" EAST 44.00 TO THE POINT OF BEGINNING.

CONTAINING 0.067 ACRE, MORE OR LESS.

Total area is 3.711 acres

Please note, parcels 1 – 5 will eventually be combined into one parcel during the City entitlement process through lot line abandonments prior to the County's closing of escrow on the completed building and site.

LEASEHOLD IMPROVEMENT AGREEMENT
(450 E. San Jacinto Avenue, Perris, California)

This Leasehold Improvement Agreement shall set forth the terms and conditions relating to the construction of the County improvements in the Premises. This Leasehold Improvement Agreement is essentially organized chronologically and addresses the issues of the construction of the Premises, in sequence, as such issues will arise during the actual construction of the Premises. All references in this Leasehold Improvement Agreement to Paragraphs or Sections of the "Lease" shall mean the relevant portion of that certain Office Lease to which this Leasehold Improvement Agreement is attached as Exhibit "B" and of which this Leasehold Improvement Agreement forms a part, and all references in the Lease to Sections of "Leasehold Improvement Agreement" shall mean the relevant portion of this Leasehold Improvement Agreement and all references in this Leasehold Improvement Agreement to Sections of this Leasehold Improvement Agreement shall mean the relevant portion of this Leasehold Improvement Agreement.

SECTION 1 - LESSOR'S INITIAL CONSTRUCTION OF PREMISES

1.1 Lessor will cause the construction of, at its sole cost and expense, that certain free standing building and related site work described in Section 2 of the Lease, hereinafter referred to as the "Base Building".

SECTION 2 - CONSTRUCTION DRAWINGS FOR THE PREMISES

2.1 Lessor shall, at its sole cost and expense, construct the improvements in the Premises (the "Leasehold Improvements") pursuant to those certain blueprints, floor and space plans, specification and finalize construction prices, collectively, the approved "Working drawings" prepared by Lessor's architect. Lessor shall make no changes or modifications to the Approved Working Drawings without the prior written consent of County, which consent may be withheld if such change or modification would directly or indirectly delay the "Substantial Completion," as that term is defined in Section 6.1 of this Leasehold Improvement Agreement, of the Premises, increase the cost of designing or constructing the Leasehold Improvements or substantially change the. Any changes or modifications approved by the County shall be at Lessor's sole cost and expense.

SECTION 3 - CONSTRUCTION DRAWINGS

3.1 Selection of Architect/Construction Drawings. Lessor shall retain an architect or space planner (the "Architect") to prepare the Construction Drawings. Lessor shall retain the engineering consultants (the "Engineers") to prepare all plans and engineering working drawings relating to the structural, mechanical, electrical, plumbing, HVAC, life safety, and sprinkler work of the Leasehold Improvements. The plans and drawings to be prepared by Architect and the Engineers hereunder shall be known collectively as the "Construction Drawings." All Construction Drawings shall comply with

the drawing format and specifications as determined by Lessor, and shall be subject to County's approval. Lessor and Architect shall verify, in the field, the dimensions and conditions as shown on the relevant portions of the Base Building Plans, and Lessor and Architect shall be solely responsible for the same, and County shall have no responsibility in connection therewith. County's review of the Construction Drawings as set forth in this Section 3, shall be for its sole purpose and shall not imply County's review of the same, or obligate Lessor to review the same, for quality, design, Code compliance or other like matters. Accordingly, notwithstanding that any Construction Drawings are reviewed by County or its agents and consultants, and notwithstanding any advice or assistance which may be rendered to Lessor by County or County's agents or consultants, County shall have no liability whatsoever in connection therewith and shall not be responsible for any omissions or errors contained in the Construction Drawings, and Lessor's waiver and indemnity set forth in this Lease shall specifically apply to the Construction Drawings.

3.2 Building, Site and Final Space Plans. Lessor and the Architect have prepared the building plan, site plan and final space plan for the Premises (collectively, the "Plans"). The Final Space Plan includes a layout and designation of all offices, rooms and other partitioning, their intended use, and equipment and furniture to be contained therein. The Plans, attached as Addendum 2 to this Exhibit B, have been approved by the County.

3.3 Final Working Drawings. Within one hundred fifty (150) calendar days after execution of the Lease by County and delivery of a copy of the Lease to Lessor, Lessor, the Architect and the Engineers shall complete the architectural and engineering drawings for the Leasehold Improvements, and the final architectural working drawings in a form which is complete to allow subcontractors to perform the work and to obtain all applicable permits (collectively, the "Final Working Drawings") and shall submit the same to County for County's approval.

3.4 Permits. The Final Working Drawings shall be approved by County (the "Approved Working Drawings") prior to the commencement of the construction of the Leasehold Improvements. Lessor shall immediately submit the Approved Working Drawings to the appropriate municipal authorities for all applicable building permits necessary to commence and fully complete the construction of the Leasehold Improvements (the "Permits"). Lessor hereby agrees that neither County nor County's agents or consultants shall be responsible for obtaining any building permit or certificate of occupancy for the Premises and that the obtaining of the same shall be Lessor's responsibility; provided however that County shall, in any event, cooperate with Lessor in executing permit applications and performing other ministerial acts reasonably necessary to enable Lessor to obtain any such permit or certificate of occupancy. No changes, modifications or alterations in the Approved Working Drawings may be made without the prior written consent of County, provided that County may withhold its consent, in its sole discretion, to any change in the Approved Working Drawings if such change would directly or indirectly delay the "Substantial Completion" of the Premises as that term is defined in Section 6.1 of this Leasehold Improvement Agreement.

3.5 County shall use its best, good faith, efforts and all due diligence to cooperate with the Architect, the Engineers, and Lessor to complete all phases of the Construction Drawings and the permitting process and to receive the permits, as soon as possible after the execution of the Lease, and, in that regard, shall meet with Lessor on a scheduled basis to be determined by County, to discuss Lessor's progress in connection with the same. Upon County's execution of this Lease, Lessor shall provide County with a construction schedule including time projections for planning, entitlement process, related preparation and construction of the Leasehold Improvements.

SECTION 4 - LESSOR COVENANTS

4.1 Lessor recognizes, understands and covenants that any and all improvements shall be undertaken according to Exhibit "F," General Construction Specifications for Leased Facilities, attached thereto and made a part of the Lease.

4.2 Lessor recognizes, understands and covenants that improvements contemplated herein may be subject to the provisions contained in the California Labor Code (commencing with Section 1720) relating to general prevailing wage rates and other pertinent provisions therein.

4.3 Lessor shall comply and stay current with all applicable building standards, which may change from time to time, including but not limited to, the Americans with Disabilities Act of 1990 and any regulations issued pursuant thereto in providing improvements contemplated herein.

4.4 Lessor shall, at Lessor's cost, secure LEED certification for the project at the Certified level using the LEED 2009 – NC standard within 12 months following completion of the project.

SECTION 5 - CONSTRUCTION

5.1 Lessor shall diligently pursue the planning, entitlement process, related preparation and construction of the Leasehold Improvements. Lessor shall provide County with periodic written progress reports, which reports shall contain, without limitation, updated information relative to permit approvals and construction.

5.2 Lessor shall notify County, in writing, forthwith when such planning, entitlement process, related preparation and construction of the Leasehold Improvements have been completed, a Certificate of Occupancy has been issued by the City of Perris, or if no new Certificate of Occupancy is required, then upon acceptance of the improvements by the City of Perris upon final inspection, all required permits have been obtained and electrical power has been turned on. Within ten (10) days thereafter, County shall schedule and conduct a "job walk" with Lessor for the purpose of accepting the Premises for occupancy. County shall accept the Premises if the improvements are Substantially Complete and the Premises are available for useful

occupancy, as hereinafter defined. County reserves the right to determine if the Premises are Substantially Complete and available for useful occupancy.

5.3 In addition, immediately after the Substantial Completion of the Premises, Lessor shall have prepared and delivered to the County (1) a complete set of "As-Built" drawings showing every detail, latent or otherwise, of such improvements, including but not limited to electrical circuitry and plumbing, and (2) the same complete set of "As-Built" drawings on a computer disk in a CADD format.

SECTION 6 - COMPLETION OF THE COUNTY IMPROVEMENTS; LEASE COMMENCEMENT DATE

6.1 For purposes of this Lease, "Substantial Completion" of the Premises shall occur upon the completion of construction of the Leasehold Improvements in the Premises pursuant to the Approved Working Drawings, with the exception of any punch list items and any County items to be installed by County. Provided however, that such punch list items do not preclude the useful occupancy of the Premises. Useful occupancy herein defined as the Premises being safe, free of hazard, free of any risk to the safety of County employees and available for the use set forth in the Lease.

6.2 The Lease Commencement Date shall occur as set forth in Section 6.1, above.

SECTION 7 – MEMORIALIZATION OF CONSTRUCTION COSTS

7.1 An itemized cost breakdown of the estimated construction costs of the project and the Leasehold Improvements and Furniture, Fixtures and Equipment is attached hereto and made a part hereof as Addendum 1.

7.2 Upon completion of the Building and Leasehold Improvements and within fourteen (14) days of Substantial Completion and acceptance of the Premises by County, Lessor shall provide County with an itemized statement, similar to the cost breakdown form attached as Addendum 1-A, of the actual costs of the Project Leasehold Improvements, and furniture, fixtures, and equipment, incurred by Lessor, accompanied by vendor, contractor, subcontractor, material man invoices if requested by the County along with request for reimbursement of actual costs incurred. County shall not be responsible for payment of any costs unless said costs are the result of change orders submitted by County which exceed the allowances and project contingency fund. The purpose of this section is to memorialize the costs of the Project.

SECTION 8 – LEASEHOLD IMPROVEMENTS AND FURNITURE, FIXTURES, AND EQUIPMENT – COST INCLUDED IN BASE RENT

8 The costs of the Leasehold improvements and Furniture, Fixtures, and Equipment set forth in Section 7 of this Exhibit "B" is included in the Base Rent set forth in Section 5 of the Lease. The costs of the Leasehold Improvements and the Furniture,

Fixtures and Equipment are memorialized and incorporated into this Exhibit "B" in Addendum 1 and Addendum 1A as a matter of record only, and shall not imply in any way that County is responsible for these costs to the extent of the allowances and contingency amounts included in Addendum 1-A. The Lessor is responsible for these costs and for the completion of the project.

SECTION 9 - MISCELLANEOUS

9.1 County's Entry Prior to Substantial Completion. Provided that County and its agents do not interfere with Lessor's work in the Premises, Lessor shall allow County access to the Premises prior to the Substantial Completion of the Premises for the purpose of County installing over standard equipment or fixtures (including County's data and telephone equipment) in the Premises. Prior to County's entry into the Premises as permitted by the terms of this Section 9.1, County shall submit a schedule to Lessor, for approval, which schedule shall detail the timing and purpose of County's entry. County shall hold Lessor harmless from and indemnify, protect and defend Lessor against any loss or damage to the Premises and against injury to any persons caused by County's actions pursuant to this Section 9.1.

9.2 County's Representative. County has designated its Assistant County Executive Officer/EDA as its sole representative with respect to the matters set forth in this Leasehold Improvement Agreement, who, until further notice to Lessor, shall have full authority and responsibility to act on behalf of the County as required in this Leasehold Improvement Agreement.

9.3 Lessor's Representative. Lessor has designated John Buckel as its sole representative with respect to the matters set forth in this Leasehold Improvement Agreement, who, until further notice to County, shall have full authority and responsibility to act on behalf of the Lessor as required in this Leasehold Improvement Agreement.

9.4 County's Agents. All subcontractors, laborers, material men, and suppliers retained directly by County shall conduct their activities in and around the Premises, in a harmonious relationship with all other subcontractors, laborers, material men and suppliers at the Premises.

9.5 Time of the Essence in this Leasehold Improvement Agreement. Unless otherwise indicated, all references herein to a "number of days" shall mean and refer to calendar days. In all instances where County is required to approve, if no written notice of approval is given within the stated time period, at the end of such period the item shall automatically be deemed not approved.

9.6 Lessor's Lease Default. Notwithstanding any provision to the contrary contained in this Lease, if an event of default by Lessor of this Leasehold Improvement Agreement, and said default has occurred at any time on or before the Substantial Completion of the Premises, then (i) in addition to all other rights and remedies granted to County pursuant to the Lease, County shall have the right to cause Lessor to cease

the construction of the Leasehold Improvements and (ii) all other obligations of County under the terms of this Leasehold Improvement Agreement shall be forgiven until such time as such default is cured pursuant to the terms of the Lease or this Leasehold Improvement Agreement.

ADDENDUM 1 TO EXHIBIT B

Leasehold Improvements and Furniture/Fixtures/Equipment (FF&E) Estimated Costs

Leasehold Improvements \$2,501,800 (\$70 per SF)

FF & E

Furniture for offices and modular	\$ 252,000	
Appliances for breakroom	\$ 35,000	
Generator (500kw, 1200 gallon tank)	\$ 175,000	
Data cabling per RCIT estimate	\$ 402,885	
FF&E Total		<u>\$ 864,885</u>

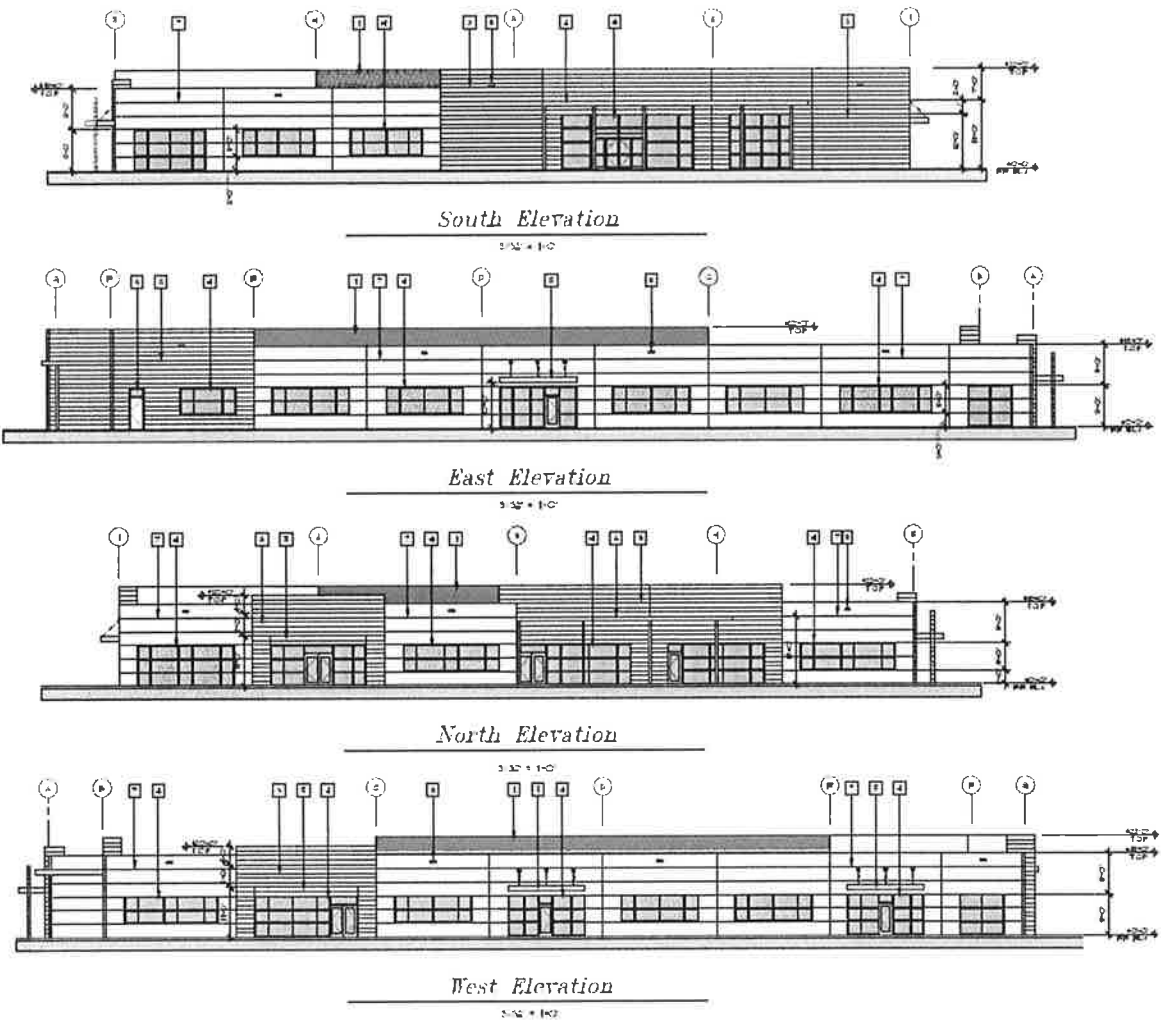
GRAND TOTAL \$3,366,685 (\$94.20 per SF)

ADDENDUM 1-A TO EXHIBIT B

Leasehold Improvements and Furniture/Fixtures/Equipment (FF&E) Final Costs

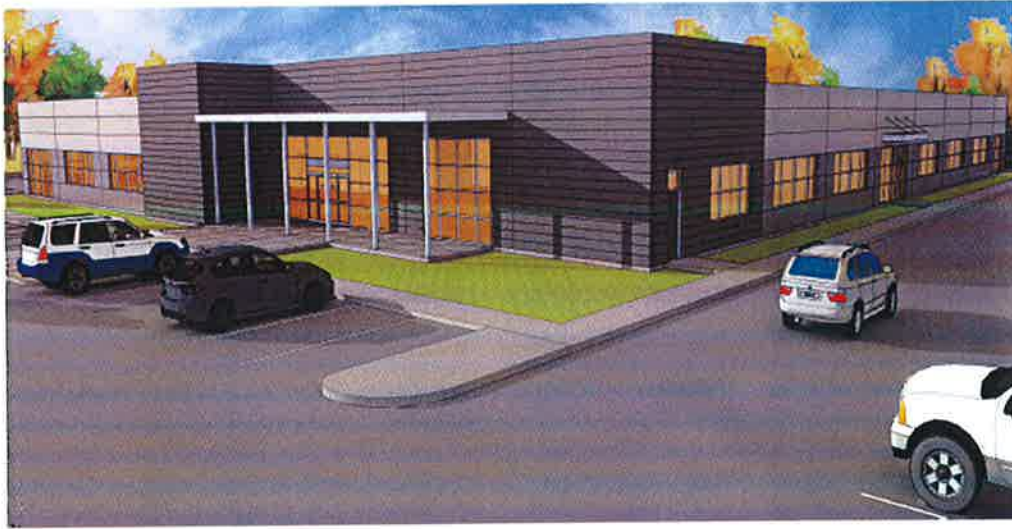
To be provided upon completion

ADDENDUM 2 TO EXHIBIT B



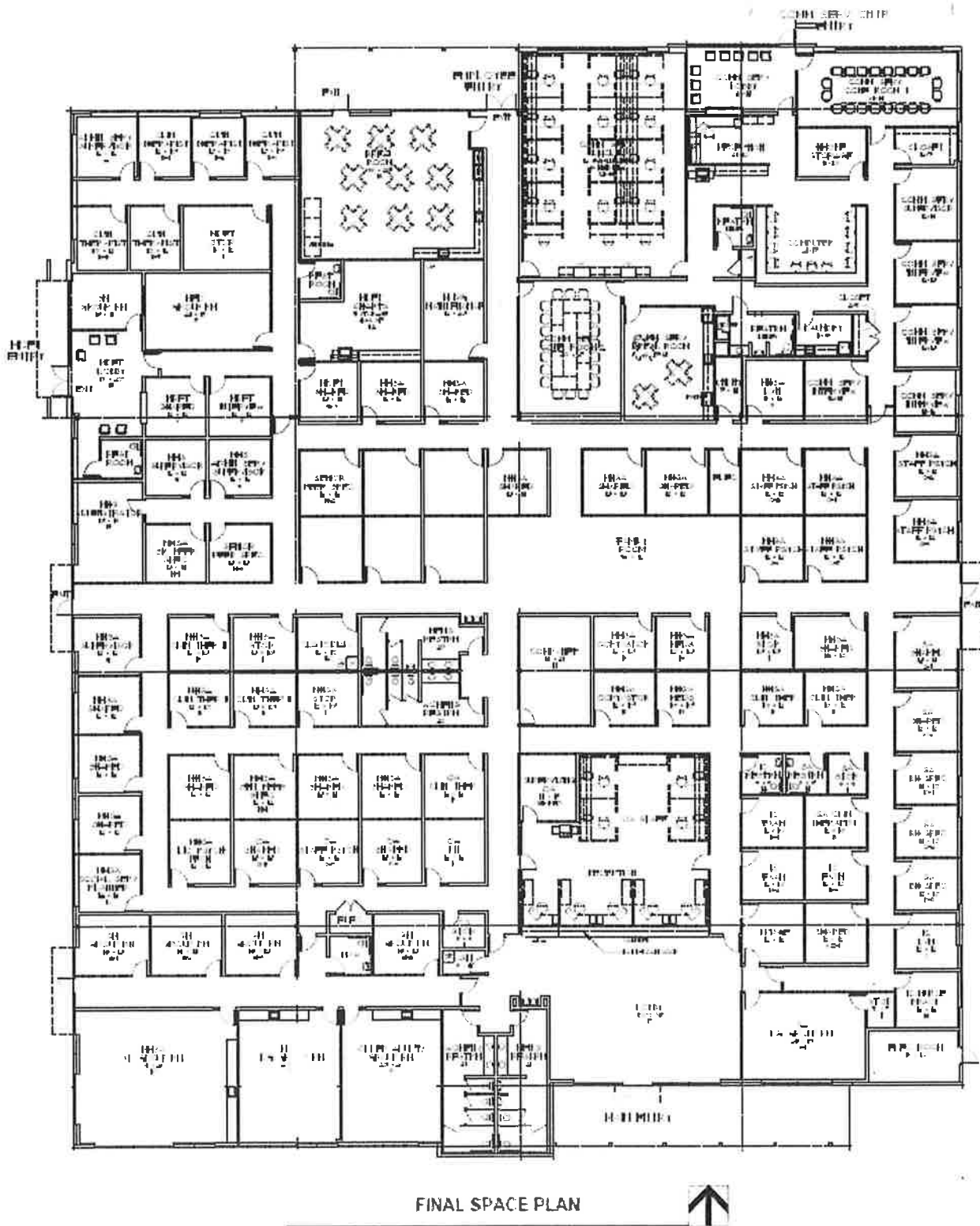
Building Plans – Elevations

ADDENDUM 2

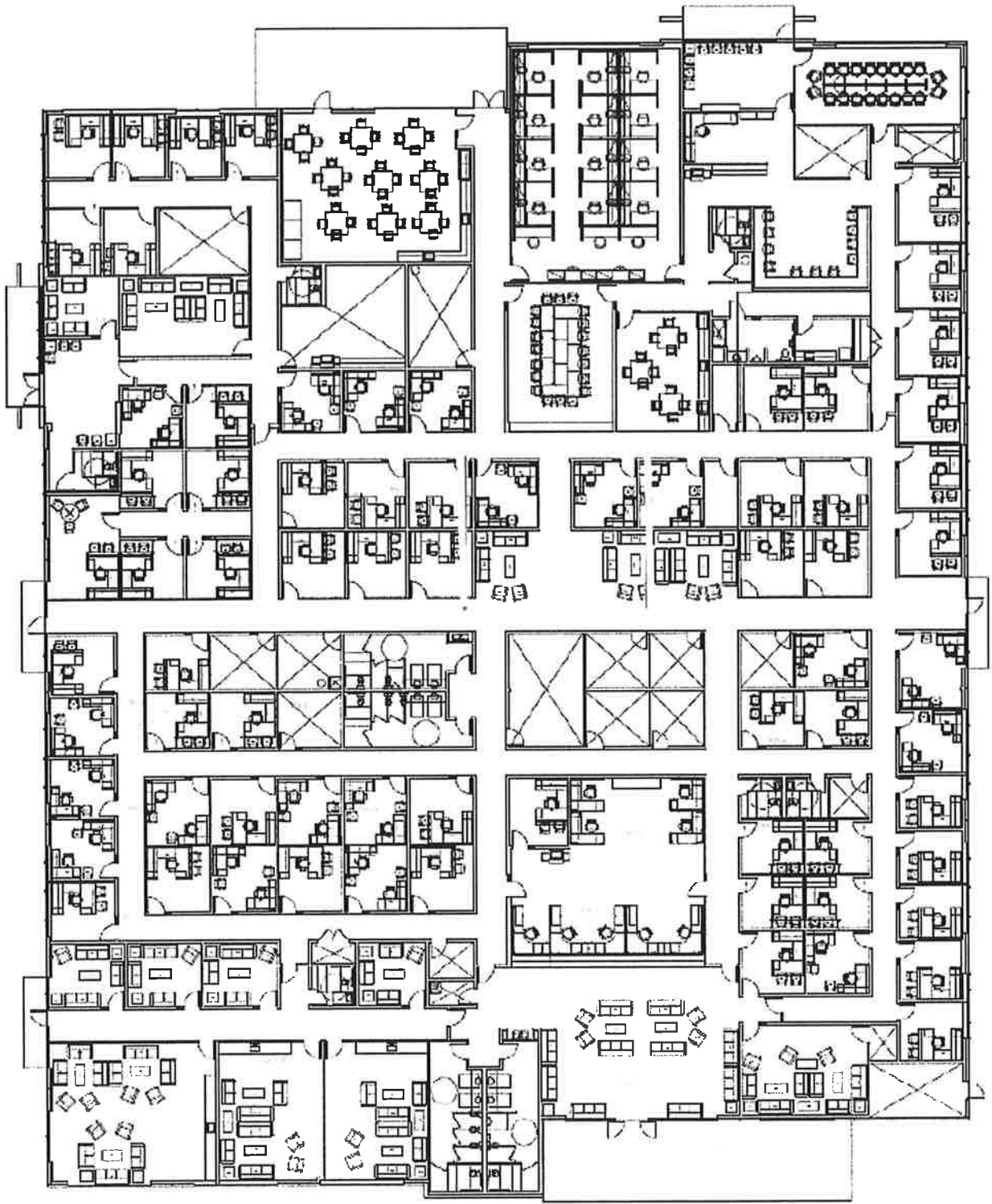


Building Plans – 3D Rendering

ADDENDUM 2



ADDENDUM 2



Furniture Plan

ASBESTOS

- A. Lessor shall operate and maintain the below described spaces free of hazard from asbestos containing construction materials (ACCM's) as defined in Title 15, Sections 1601 and 2607 of the United States Code. An asbestos hazard will be recognized if an average concentration exceeds 0.01 fibers longer than five microns per cubic centimeter of air measured over an eight hour period as determined by the Transmission Electron Microscopy (TEM) method. TEM testing will be mandatory if samples tested by the Phase Contrast Microscopy (PCM) method indicate .1 or more fibers per cc of air.
1. Space leased to the County and plenums in the same HVAC zone.
 2. Common public areas which County employees or its invitees would normally/reasonably use.
 3. Building maintenance areas, utility spaces, and elevator shafts within or serving areas described in items 1 and 2 above.
- B. In the event construction of the building wherein leased premises are located was completed prior to 1979, the Lessor shall provide the County with certification that the areas referred to above are free of asbestos hazard from ACCM's prior to the execution of this lease. If said premises were constructed after 1979, Lessor shall provide County with a written statement to that effect.
- C. Certification shall be in the form of an ACCM's Survey and Evaluation Report prepared by a qualified Industrial Hygienist who shall be certified by the American Board of Industrial Hygiene (ABIH) or an Environmental Protection Agency (EPA) – Asbestos Hazard Emergency Response Act (AHERA) certified inspector. Said survey shall include those areas listed in paragraph (A). Survey requirements are: visual walk-through inspection and testing of suspected ACCM's. Bulk samples of suspected ACCM's shall be analyzed by a laboratory certified by the Department of Health Services and recognized by the EPA Quality Assurance Program using the polarized light microscopy (PLM) method. If friable asbestos is found or the physical condition of suspected ACCM's indicate possible fiber release, air sampling and testing by the Phase Contrast Microscopy (PCM) method must be performed. If asbestos fiber concentrations of .1 fibers per cc of air or greater are found, further testing by the Transmission Electron Microscopy (TEM) method is mandatory. Said survey and evaluation report shall identify all ACCM's found and recommend abatement procedures. If necessary, the report shall also specify guidelines for the implementation of an operation and maintenance plan inclusive of any required monitoring and testing intervals. The report is subject to review and approval by the County and the Lessor shall agree to all conditions contained therein.

- D. If at any time during the term of this lease, or during any extension or renewal hereof, previously unidentified ACCM's hazard is discovered, or airborne asbestos fibers above the maximum allowable limits are found to be entering the County-leased space from any other area within the building or buildings in which the County-leased space is located, the Lessor shall immediately, at Lessor's sole cost and expense, control such release and perform abatement of all hazardous ACCM's that are determined to be affecting the County-leased space.
- E. Lessor shall perform asbestos notification as required by Chapter 10.4 of the Health and Safety Code and shall guarantee that all abatement work as required under the conditions of this lease is performed by a licensed contractor certified by the Contractors State License Board and registered with the Division of Occupational Safety and Health. The County reserves the right to establish consultant oversight of any asbestos related work program at its expense.
- F. Additionally, Lessor shall be responsible for any and all direct or indirect costs associated with the abatement of the above described ACCM's which include, but is not limited to the actual costs to the Lessor for ACCM's abatement and for all required monitoring reports before, during, and after abatement. In effect, all costs shall be borne by the Lessor that are in any way associated with the abatement of ACCM's from the Lessor's building including clean up of contaminated County-owned equipment, furnishings, and materials. Copies of the air monitoring reports shall be furnished to the County together with certification by an Industrial Hygienist Consultant registered with Cal/OSHA that the area is free of hazard from ACCM's.
- G. If it is determined that for safety reasons its employees should be relocated at any time prior to or during the abatement of ACCM's, the Lessor shall provide comparable accommodating space (at no cost to the County) throughout the abatement process. Said determination shall be made by a qualified representative of Cal/OSHA. The Lessor specifically agrees to pay for all costs associated with this move or reimburse the County, if the County paid for this cost, including all reasonable administrative costs and cost of moving or renting furniture, data processing, and telephone equipment.
- H. In the event, after written notice is provided by the County, the Lessor fails, refuses, or neglects to diligently pursue abatement of above described asbestos hazard from ACCM's, the County may effect such abatement; and, in addition to any other remedies it may have, deduct all reasonable costs of such abatement and all costs associated in any way with the abatement of the above described ACCM's from the rent that may then be or thereafter become due throughout the term of this lease. For this purpose and as a condition of this lease agreement, the Lessor shall obtain an EPA generator number and grant license to the County for its use.

- I. In addition to any other remedies it may have, in the event the Lessor fails to diligently pursue abatement of asbestos hazard from ACCM's, as required under the provisions of this lease, the County may, by notice in writing, terminate this lease. Lessor shall be liable to the County for all expenses, losses, and damages reasonably incurred by the County as a result of such termination; including, but not limited to additional rental necessary to pay for an available similar replacement facility over the period of what would have been the remaining balance of the lease term plus any option periods, costs of any necessary alterations to the replacement facility, administrative costs, and costs of moving furniture, data processing, and telephone equipment.

- J. The Lessor shall indemnify, defend, and hold the County of Riverside, its officers, and employees harmless from and against any and all losses, damages, judgements, expenses (including court costs and reasonable attorney fees), or claims whatsoever, arising out of, or in any way connected with or related to, directly or indirectly, the presence of asbestos hazard from ACCM's within the County-leased space or the building in which the leased premises are located.

EXHIBIT "D"
CONFIRMATION OF LEASE INFORMATION

1. LEASE REFERENCE DATE: _____
2. PREMISES:
3. COMMENCEMENT DATE: Construction of the leasehold improvements is substantially complete and the lease term shall commence as of _____, for a term of _____ ending on _____, unless extended as provided in the Lease.
4. RENT: In accordance with the Lease, Rent began to accrue on _____, in the initial amount of _____ per month. Rent is due and payable in advance on the first day of each month during the Lease Term.
5. AMORTIZATION TABLE FOR REMAINING MONTHLY PURCHASE OPTION PRICE.
[insert]

AGREED and ACCEPTED

LESSOR:

COUNTY:

Dated: _____

Dated: _____

**COUNTY OF RIVERSIDE
Economic Development Agency
Real Estate Division**

**CUSTODIAL SERVICES REQUIREMENTS
FOR LEASED FACILITIES**

1. Background checks shall be performed, in a manner specified by County, of all qualified permanent and temporary employees.
2. Provide all required services and supplies.
3. Perform services five days a week during the hours of 5:00 pm to 1:00 am only.
4. Provide and replace all fluorescent light tubes and incandescent light bulbs using only those types of tubes and bulbs that are energy efficient as indicated by manufacturer. Fixture reflectors shall be wiped clean with each relamping.
5. Lessor and custodial staff shall be responsible for key control. Issuing keys to workers, collecting said keys at shift end and retrieving keys at the end of custodian's employment. If keys are lost, stolen or misplaced, rekeying costs are landlord's responsibility.
6. **SPECIFIC SERVICES** – Frequency and coverage:
 - A. **Daily:**
 1. Rest Rooms:

Empty all trash containers, refill dispensers, damp mop floors, clean, sanitize and polish all plumbing fixtures, chrome fittings, flush rings, drain and overflow outlets, clean and polish mirrors, clean wall adjacent to hand basins/urinals, dust metal partitions, remove finger prints from walls, switches, etc.
 2. Lobby Area – Main Corridors – Stairways:

Remove trash, vacuum, vacuum/damp mop tile, clean lobby and entrance doors, clean and sanitize drinking fountains.
 3. Employee Break Rooms/Kitchen:

Remove trash from building and deposit in dumpster, vacuum rugs and carpet, wipe spills, mop tile floor, remove fingerprints from doors, light switches, etc., and refill dispensers.
 4. General and Private Areas:

Remove trash, vacuum carpets, mop tile floors, spot clean interior partition glass, clean counter tops and blackboards, dust desks,

conference tables, credenza/file cabinets and bookcases.

5. Building Security:

- a. Turn off all lights (except security and night lights).
- b. Close windows.
- c. Reset alarms and lock all doors.

B. Weekly – All Areas:

Polish buff hard resilient floors in traffic areas, spot clean carpeted areas.

Dust all high and low horizontal surfaces, including sills, ledges, moldings, shelves, locker tops, frames and file cabinets, damp wipe plastic and leather furniture.

Remove fingerprints from doors, elevator walls and controls, frames and light switches in office areas, clean and polish bright metal to 70" height, clean and sanitize waste containers in rest rooms and break rooms.

C. Monthly – All Areas:

Clean interior glass partitions/doors, dry dust wood paneling, remove dust/cobwebs from ceiling areas.

Spray buff resilient/hard floor areas, detail vacuum carpet edges, under desk/office furniture.

D. Quarterly – All Areas:

Spray buff resilient and hard surface floors and apply floor finish.

Clean interior/exterior windows, clean/polish office furniture, damp clean diffuser outlets in ceiling/wall, wash waste containers, clean/dust blinds, wash sanitize.

E. Semi-Annually – All Areas:

1. All Areas:
 - a. Clean and polish all baseboards.
 - b. Damp clean lobby and reception chairs.
 - c. Clean carpeted surfaces-use a water extraction method.

F. Annually – All Areas:

1. All resilient and hard surface floors:
 - a. Move furniture, strip, seal and apply floor finish to all resilient and hard surface floors.

**COUNTY OF RIVERSIDE
ECONOMIC DEVELOPMENT AGENCY
Real Estate Division**

**GENERAL CONSTRUCTION SPECIFICATIONS
FOR LEASED FACILITIES**

A. INTENT

1. It is the intent of these instructions to convey to the Lessor and his bidders the construction requirements for obtaining a complete and usable facility under lease agreement. These instructions apply to all new construction (build-to-suit), alterations and repair and/or renovation in facilities leased to the County of Riverside.
2. All references to the County in this or any other specification means the Director of Facilities Management or his designee.
3. All work in accordance with these specifications or any other specifications and plans must be coordinated with the Director of Facilities Management or his designee. Specifications contained on or with specific plans for construction may contain more stringent provisions than the minimum requirements stated herein. The more stringent requirements shall govern.
4. When fully justified, Lessor may request waiver of any portion of these specifications. Such requests must be submitted in writing to the Economic Development Agency with full justification. All specifications will be enforced unless specifically waived by the Economic Development Agency in writing.

B. COMPLIANCE WITH LOCAL REGULATIONS

1. In the absence of such codes, ordinances or regulations, the Lessor's contractor shall use the latest edition of the "Uniform Building Code". However, when such local, County or State requirements contain more stringent provisions than the minimum requirements stated herein, the more stringent requirements shall govern.
2. The Lessor shall, without additional expense to the County, be responsible for obtaining and paying for any necessary construction fees, licenses and permits required for privately owned buildings. Lessor shall comply with any applicable Federal, State and Municipal laws, codes, and regulations in connection with the prosecution of the work, and shall take proper safety and health precautions to protect work, the workers, the public, and the property of others.
3. All work in accordance with these specifications must be done in strict compliance with the Americans with Disabilities Act of 1990 and any regulations issued pursuant thereto.

C. DRAWINGS

1. A site plan, clearly indicating employee, visitor and open parking spaces, shall be prepared. Floor plans, elevations, mechanical and electrical drawings shall be prepared, preferably at one eighth inch (1/8") scale.
2. The Economic Development Agency shall be provided four (4) complete sets of the aforementioned drawings and specifications for review and approval.
3. Prior to start of construction, two (2) complete approved sets of construction plans and specifications shall be provided to the Economic Development Agency. These sets shall be signed to indicate approval by Information Technology and the user department. One set will be returned to Lessor for construction, the second set shall be retained by Economic Development Agency.
4. Any changes or deviation from the approved plans and specifications will not be accepted without prior written approval from the Economic Development Agency.

D. **CONSTRUCTION**

1. A pre-construction conference with Lessor, contractor and County shall be conducted at a mutually agreed-upon site for reviewing and defining the construction requirements.
2. Inspections by the Economic Development Agency will be conducted at random times during the course of construction. The successful bidder shall maintain, on the job site, a complete set of approved final drawings and specifications marked up to show any changes and as-built conditions. Normally, three (3) unscheduled and one (1) final inspection will be conducted. At the final inspection, a punch list will be developed, and any deficiencies noted will be corrected prior to County's acceptance of the facility.

E. **SPECIFICATIONS**

1. The Lessor shall be responsible, in all cases, for the proper design and coordination of architectural, structural, plumbing, electrical, heating, ventilation, air conditioning, site elements, etc., of the proposed facility. Accessibility for physically handicapped is required, unless specifically waived in writing by the Economic Development Agency.
2. Lessor shall verify the accuracy of all dimensions, and he shall be responsible for correcting and recording any discrepancies.

(SITE REQUIREMENTS)

A. **SITE**

1. The Lessor shall be responsible for determining site conditions, including sub-

surface soil conditions, adequate public utilities and load-bearing characteristics, the installation of retaining walls, demolition, relocation of utilities, and other site improvements.

B. GRADING

1. The finish grades and contours shall be correlated with street and sidewalk grades established by the local municipality. Floors, driveways, etc., shall be adjusted by the Lessor's architect as necessary, to insure property clearances, surface drainage, slope gradients, storm and sanitary sewer gradients and connections. All paved areas shall be graded as necessary to provide positive drainage of surface runoff water away from the buildings.

C. DRAINAGE

1. Walks, parking areas, driveways and maneuvering areas shall be provided with positive natural drainage whenever possible. The floor of the building and adjacent grades may be raised sufficiently to provide natural drainage.

D. RETAINING WALLS

1. The determination of the location and extent of retaining walls required is the responsibility of the Lessor.

E. LANDSCAPING

1. Suitable regionally appropriate, water conserving, low-maintenance planting shall be provided. Preservation of existing vegetation and the providing of additional landscaping shall meet local environmental requirements.

F. CLEANUP

1. Upon completion of the facility and prior to move-in and acceptance for lease by the County, the Lessor shall clean, seal and wax floors, clean windows, fixtures and finishes, interior and exterior, and remove surplus materials and debris from the site.

(ARCHITECTURAL REQUIREMENTS)

A. FLOORS

1. Floor elevations shall be at least eight inches above finished exterior grade whenever possible. When floor slab is below grade, it shall be waterproof.
2. Floors shall be designed in accordance with uniform, concentrated and special loads given in the "Uniform Building Code", chapter 23.
3. Carpet – One hundred percent (100%) continuous filament nylon or olefin with static control; minimum yarn weight - 28 oz. Require statement of pile weight

from vendor or manufacturer. Minimum five (5) year warranty excluding the use of protective chair pads against ten percent (10%) surface wears when properly maintained. Four inch (4") rubber cove base shall be used for base in all carpeted areas. Colors/patterns must be approved by the Economic Development Agency.

4. Carpet tiles may be used. Pile weight 28 oz. static control 2.0 K.V. or less. Color shall meet County color standards.
5. Non-carpeted floors - rest rooms, coffee rooms, etc., shall have sheet vinyl covering, including base. Vinyl tile may be used in other non-carpeted areas. Vinyl shall be commercial grade with colors and patterns full depth. Colors/patterns of sheet vinyl and vinyl tile must be approved by the Economic Development Agency.

B. WALLS

1. Interior walls - all interior partition construction shall comply with applicable Federal, State, County and City codes. The types of interior partitions to be used must be approved by the Economic Development Agency. Systems furniture may be used.
2. Toilet room walls adjacent to occupied spaces shall be sound insulating double-wall construction and filled with sound-absorbing materials.
3. Exterior walls - Exterior walls constructed of wood or steel stud shall be insulated to R-11 specifications.

C. ROOF AND INSULATION

1. Roof construction and insulation shall be appropriate to the overall design of the building and prevailing weather conditions. Light colored materials are encouraged.
2. All roof designs shall include a minimum one-half inch (½") to one foot (1') slopes for positive drainage.
3. Roofs on existing buildings shall be subject to (a) an inspection by a licensed roofing contractor, (b) County's review of roofing contractor's findings and (c) proof of corrective action.

D. TIMBER AND WOOD

1. All lumber used structurally shall be stress-graded with the stamp of the Lumber Association indicated on each piece showing the stress grade.

E. CEILING CONSTRUCTION

1. All ceilings shall be placed at nine feet (9'0") above finish floor level, unless

otherwise specified.

2. A suspended acoustical ceiling system with integrated lighting shall be installed in all occupied areas.
3. Rest rooms and coffee rooms shall have solid ceilings (drywall, etc.).

F. WINDOWS

1. Windows shall generally be limited to the lobby area and offices.
2. Glazing that extends below thirty-two inches (32") above the floor shall be protected with a horizontal railing or similar safety barrier. Individual windows may be metal or wood of commercial quality. All window openings shall be properly flashed to prevent moisture intrusion.
3. Low energy and reflective glazing shall be used in high heat gain areas.

G. DOORS

1. Exterior doors - all wood doors will be solid core. Exterior doors will be weather-stripped and have stops. Exterior doors to be not less than thirty-six inches (36") wide. Appropriate metal doors are acceptable.
2. Exterior doors shall have automatic closers.

H. CABINET WORK

1. Cabinet work shall conform to the standards as defined in the Woodwork Institute of California, Manual of Millwork, (reference "WIC #102", standard cabinet design).
2. Acceptable cabinet work quality is laminated plastic covered deluxe (D) grade, or wood factory finished deluxe (D) grade, except utility (U) grade in utility storage areas.
3. Countertops and splashes shall be laminated plastic, custom grade, self-edge trim. Minimum four inch (4") high splashes where abutting vertical wall surfaces.
4. Cabinet work to be complete with knobs, pulls, hinges, catches, etc.
5. Colors/patterns of laminated plastic and finishes of casework must be approved by the Economic Development Agency.

I. HARDWARE

1. Hardware will be of good commercial quality grade and type. Automatic door closers shall be provided on public and employee entrance doors, toilet room

doors, and coffee room doors. Public entrance and glazed partition lobby doors shall be equipped with push bars with integral PUSH AND PULL signs. Toilet and coffee room doors will have push plates and door pulls. When public entrance, lobby, toilet or coffee room doors are wood or metal with enameled finish, kick plates shall be provided. At buildings where only one (1) toilet is provided, the door closer will be omitted and the door fitted with a privacy lockset. Door locks will be operable by a master key system. Panic hardware must be installed where required by code. Simplex cipher locks (or equal) may be used in lieu of keyed locks when approved by the Economic Development Agency.

2. Exterior doors with hinges exposed to the public (out- swinging doors) will be equipped with door butts that have "fast" pins to prevent removal or tampering.
3. All doors to be provided with adequate hardware. Interior door locksets to be provided only where indicated on plans. Interior doors to be provided with doorstops.
4. Double doors (pair) - shall be avoided on exterior openings wherever possible. When pair is required by design, use removable mullion, unless specifically approved otherwise.
5. Exterior doors - all exterior doors must have a deadbolt lock, except where panic hardware is required.
6. Door lock keying - Simplex or equal may be substituted for keyed locks when approved by the County.
 - a. All keyed locks shall be equipped with six (6) pin keyways.
 - b. Three (3) keys shall be furnished for each lock.
 - c. All locks shall be keyed as specified by County, except that all locks within the following individual groups shall be keyed alike:
 - (1) Mechanical equipment rooms.
 - (2) Janitor's closets.
 - (3) Employee entrances (interior & exterior).
 - (4) Bulletin boards.
 - (5) Electrical panel boxes.
 - d. A master key system shall be provided and three (3) master keys shall be furnished, unless otherwise specified.
 - e. Keying - locks will incorporate a security system to assure that keys used during construction will not open doors after County occupancy. The key

side of all locks will be on the public side.

J. **TOILET ENCLOSURES AND ACCESSORIES**

Facilities must comply with all existing codes.

1. All toilet and urinal enclosures shall be secured to the floor and ceiling.
2. Doors shall be installed in men's and women's restrooms. Entrance doors to toilet enclosures shall be fitted with specific locking devices. Toilet enclosures for non ADA stalls shall be 34" wide, or more, on all new construction.
3. Each toilet compartment shall be provided with a metal coat hook and double roll toilet paper holder, suitable for dispensing rolled tissue.
4. Install one single-fold paper towel or roll towel dispensing cabinet for each multiple of two (2) lavatories or less in all rest rooms. Towel dispensers shall be designed to dispense paper towels.
5. Each pair of lavatories in all rest rooms shall be provided with soap dispensers.
6. Each lavatory in all rest rooms shall be provided with a 24" x 30" wall-mounted mirror. Provide a stainless steel shelf at each mirror.
7. Women's rest rooms shall be provided with feminine napkin dispenser. Women's toilet compartments shall be provided with one (1) feminine napkin disposal container.
8. Trash bins shall be provided in rest rooms.
9. Both men's and women's toilets shall be designed and constructed to accommodate the physically handicapped. One water closet compartment shall be sized to meet handicapped requirements, provided with out swinging door and grab bars. The toilet fixtures, lavatory, mirrors, etc., shall be located at the correct height for handicapped.

K. **PAINTING**

1. All exterior painted surfaces shall be given a minimum of two (2) coats. Colors must be approved by the Economic Development Agency.
2. Interior surfaces and trim shall be given two (2) coats minimum. One hundred percent (100%) coverage required. Prefinished acoustical ceiling shall not be painted. Finish coat shall be in accordance with colors as prescribed by County and shall match color chips.
3. Paint colors must be approved by the Economic Development Agency.
4. All interior painted surfaces shall receive two (2) coats of semi-gloss enamel.

5. Wall coverings other than painted surfaces (i.e., wood paneling, vinyl material, etc.) shall be permitted. Location and colors must be approved by the Economic Development Agency.
6. Parking strips four inches (4") wide of highway traffic paint are to be provided.
7. Street number - Minimum six inches (6") high number - by Lessor.

L. **WINDOW TREATMENT**

1. Minimum treatment - Vertical blinds or other as specified by the Economic Development Agency.

M. **SIGNS**

1. Identification sign to be installed on exterior of building. Sign will be specifically identified by the Economic Development Agency. Placement and specific size of letters will be determined according to layout and location of structure. Letters will be black injection molded plastic, Helvetica in style.
2. Interior signs to be black phenolic material laminated with white letters. Signs will be specifically identified by the Economic Development Agency.
3. Lettering on entrance doors will be specifically identified by the Economic Development Agency.

N. **ASBESTOS & LEAD BASED PAINT**

1. All buildings constructed prior to 1978 will have asbestos and lead based paint check to ascertain that no friable asbestos or flaking lead based paint is in evidence. A copy of the report is to be filed with the Economic Development Agency.

O. **PLUMBING FIXTURES AND FITTINGS**

1. All rest room lavatories shall have self-closing faucets.
2. All toilets and urinals shall be equipped with flush valves.
3. Refrigerated water fountains - provide refrigerated water fountains at location indicated.
4. "Water-Saver" toilets will not be acceptable.
5. Provide hot water in rest rooms and break rooms.
6. Health Clinics-provide hot water in examination rooms, labs, restrooms and break rooms.

7. All work in accordance with these specifications must be done in strict compliance with the Americans with Disabilities Act of 1990, the California Title 24 section which implements it, and any regulations issued pursuant thereto.

P. **FIRE PROTECTION**

1. Provide all necessary fire extinguishers as required by local fire regulations.
2. Provide sprinkler inspection and test prior to occupancy.
3. Provide all other necessary protective devices and equipment as required by local fire regulations.
4. Building alarms and fire monitoring equipment shall not be installed in the telephone/data room without written permission of the IT Department.

Q. **ELEVATORS**

1. Provide documentation of inspection and routine maintenance prior to and during occupancy.

R. **WATER STATIONS**

1. Provide electric water coolers with bottle filling capability and drinking fountains throughout facility at locations to be specified by County. ELKAY EZH20 Bottle Filling Station with Bi-Level Filtered LZ Cooler Models LZSTL8WS & LZSTLDDWS.

SPACE CONDITIONING
(Heating, Ventilation and Air Conditioning)

A. **GENERAL REQUIREMENTS**

1. Space conditioning shall be considered the year-round control of temperature, humidity, air circulation, ventilation and air cleaning to the degree required to assure satisfactory and efficient use of the space for occupants and equipment. Follow good accepted practices as reflected in the latest issue of the American Society of Heating, Refrigeration and Air Conditioning Engineer's Guide (ASHRAE).

B. **VENTILATION**

1. Ventilation for air-conditioning system - Provide ventilation makeup air in the amount of 10% of total air requirement for cooling or two (2) air changes per hour, whichever is greatest, plus all exhaust air requirements.
2. Prior to construction of office space over 5,000 square feet, existing systems over ten (10) years of age shall be inspected by a licensed HVAC company and

a statement of condition detailing the reliability and efficiency of the systems shall be provided.

C. EXHAUST SYSTEMS

1. Exhaust toilet areas - the exhaust fan shall be connected to the light switch or interconnected with the air conditioning time clock.
2. Air shall not be directly exhausted, except in the following instances:
 - a. Air used to make up exhaust for toilet rooms.
 - b. Air exhausted specifically for cooking, food preparation or removal of excessive heat generated by vending or various other machines.
 - c. When specified for coffee rooms.

D. SPACE TEMPERATURE CONTROLS

1. Central control system for the various areas or provide a thermostat for each heating and/or air-conditioning system. Use separate slide lever adjustments for heating and cooling with lock covers.
2. All systems shall be controlled by seven (7) day, twenty-four (24) hour time clocks set to the Economic Development Agency requirements.
3. Thermostats controlling space conditions during occupied hours shall be adjustable from sixty eight degrees (68°) to eighty degrees (80°) with the normal set at seventy degrees (70°) for heating and seventy-six degrees (76°) for cooling.
4. Simultaneous heating and cooling will not be acceptable.
5. Lessor shall comply with existing codes.
6. Heat-generated equipment shall be of adequate capacity to heat the building under design conditions.
7. All gas furnaces shall be approved by the American Gas Association.
8. All electric components shall be UL-approved and comply with the California Electric Code.
9. Electric strip heating is not acceptable.

E. AIR FILTERS

1. All recirculated and outside air shall pass through filters before entering air-handling units.
2. Filters shall be replaceable types and changed a minimum of four (4) times a

year.

3. A location map showing filter locations shall be provided to County.

F. **PIPING**

1. Piping in finished areas, such as lobbies and offices, shall be concealed. No water piping of any description shall be installed near electrical switchgear. Provide shutoff valves at all locations necessary to isolate separate zones of the system served.
2. All hot and chilled water piping shall be insulated.

G. **AIR DISTRIBUTION**

1. Ductwork shall be provided, as required, for proper air distribution with supply outlets spaced so as to avoid excessive throws and dead spots. In order to maintain sound privacy, door louvers will not be used to return air from offices. Sound-attenuating, acoustically lined transfer ducts or return air ducts must be used. All supply and return air ductwork shall be constructed and installed in accordance with ASHRAE Standards and shall comply with state and local building codes.
2. All air handling units, except unit heaters, must be provided with outside air intakes. Intakes shall be located to avoid the introduction of boiler flue gases or vehicle and condenser unit exhausts.
3. Diffusers shall be selected and spaced so that, at the occupied level, the movement of air will be uniform and not be less than ten (10) cubic feet per minute, nor more than fifty (50) cubic feet per minute when measured at four feet (4") above the floor. They shall be selected so that the throw from an air diffuser does not impinge on walls, columns, or the throws from other diffusers based on a terminal velocity of one hundred feet (100') per minute. Diffusers located in offices shall be of the fully adjustable air pattern type.

H. **BALANCING AND ADJUSTING**

1. Space conditioning equipment shall be balanced and adjusted by persons certified to perform such functions prior to occupancy.
2. Copy of air balance report shall be provided to the Economic Development Agency.

I. **NOISE AND VIBRATION**

1. Particular care shall be exercised in the design, selection and installation of all mechanical equipment and components to attain reasonable noise levels in occupied space. In general, sound levels for various spaces shall be maintained in accordance with the recommendations of the ASHRAE Guide.

J. **OPERATING INSTRUCTIONS**

1. The Lessor shall provide simplified consolidated equipment and control diagrams with specific operating instructions posted on a readily accessible label on each utility system, such as furnaces, refrigeration equipment, air handling systems, and pumping systems. These instructions shall clearly indicate how to stop and start systems, what adjustments must or may be made by County personnel to assure proper operation, and what action shall be taken in emergencies.

(ELECTRICAL)

A. **GENERAL REQUIREMENTS**

1. All electrical work shall be designed and installed in accordance with the plan requirements.
2. Codes and ordinances - shall conform to standards of the National Electrical Code (NEC), O.S.H.A., serving public telephone company, State Fire Marshal and local ordinances.
3. Service equipment shall be located in separate electrical/mechanical room with proper working clearances and grounding. All breakers shall be clearly identified.

B. **INTERIOR LIGHTING**

1. Fluorescent lamps shall generally be 34 watt, 430-milli-amp, rapid-start, cool-white, including energy efficient ballasts.
2. The lighting shall be designed to maintain a uniform level of illumination of the minimum foot -candles designated. Lighting levels shall be based on working plan thirty inches (30") above floor, appropriate coefficient of utilization for the fixture and maintenance factor. Conform to Title 24, Division 9 for lighting requirements. Provide not less than ten foot-candles in halls, thirty foot-candles in rest rooms and fifty foot-candles in all other areas, unless specifically noted otherwise. (eighty foot-candles in drafting room areas).
3. Each working space, utility or storage room shall have at least one receptacle. Each office shall have a minimum of one (1) receptacle on each twelve feet (12') of wall space. See plans for additional and/or special outlets.
4. Provide twenty-four (24) hour lighting for security.
5. Emergency lighting - Shall be provided where required by applicable codes, or natural lighting will not provide sufficient lumens for emergency exiting of building.

C. **EXTERIOR LIGHTING**

1. Install sufficient lighting to provide a minimum of five (5) foot-candles of

illumination at each building entrance, around the perimeter of the building, in the parking and maneuvering areas and on driveways.

2. All exterior lighting shall be high or low-pressure sodium as specified by the County. Fixtures shall be controlled by photocell, time clocks, or combinations of both.

(TELEPHONE AND COMMUNICATIONS)

(Updated November 10, 2008)

A. GENERAL REQUIREMENTS

1. All communications requirements shall conform to the standards of Riverside County Information Technology (RCIT) and the serving public telephone company as noted below.
2. **The RIVERSIDE COUNTY INFORMATION TECHNOLOGY (RCIT) COMMUNICATIONS BUREAU TELECOMMUNICATIONS ENGINEER shall be consulted during the Programming, Conceptual Design, Design Development, and Construction Design stages to plan the design and provide input for the Telecommunications Infrastructure.**

B. TELECOMMUNICATIONS ROOM SPECIFICATIONS

1. **Dedicated Use: Telecommunications Rooms must be dedicated to the telecommunications function and related support facilities.** Equipment not related to the support of the Telecommunications Room, such as piping, duct work, and distribution of building power, must not be located in, or pass through the room. The Telecommunications Room may not be shared with building or custodial services. Cleaning materials such as mops, buckets or solvents must not be located or stored in the Telecommunications Room. Building alarms, fire monitoring equipment and building automation equipment shall not be installed in the Telecommunications Room without written permission of the RCIT Communications Bureau Telecommunications Engineer. In the event the RCIT Communications Bureau Telecommunications Engineer grants such permission, all building alarms and fire-monitoring equipment shall be installed only in the location designated.
2. **Room Physical Specifications - the room must be completed a minimum of thirty (30) days prior to occupancy.** Large projects (more than 20,000 sq. ft.) will require the Telecommunications Room (s) to be completed a minimum of 45 days or as directed by RCIT Communications Bureau Telecommunications Engineer prior to beneficial occupancy. All specifications for said room as outlined in this agreement shall be completed, including, but not limited to, installation of plywood, lighting, electrical circuits, HVAC, ceiling tiles, ground, floor tile and door with lock and three (3) sets of keys.

It should be understood that the contractor will have to schedule various

trades in sooner than the normal construction schedule to complete the Telecommunications Room (HVAC, Electrician, Painter, etc.) as required by the RCIT Communications Bureau Telecommunications Engineer.

a. **Location:** The Telecommunications Room shall be as close to the geographic center of the occupied space as possible. **Maximum distance from the center of the Telecommunications Room to the farthest WAO location shall not exceed a radius of 175 feet** unless reviewed by RCIT Communications Bureau Telecommunications Engineer. If occupying more than one floor of a building, **a separate Telecommunications Room shall be required on each floor**, preferably stacked above one another. Provisions shall be made available for easy access into the Telecommunications Room for telephone and data wiring and shall be dedicated for telephone and data use only. Telecommunications Rooms should not be planned next to elevators, restrooms, electrical rooms, air shafts, mechanical rooms, and outside walls. If occupying more than one building, each building will require Telecommunications Rooms that meet the above requirements.

b. **Minimum Room Sizes:** The Telecommunications Room shall be rectangular in shape and conform to the following inside room dimensions:

<u>Leased Premises – sq. ft.</u>	<u>Room Size</u>
5,000 sq. ft. or less	12' x 9'
5,000 – 10,000 sq. ft.	12' x 12'
10,000 – 30,000 sq. ft.*	12' x 14'
30,000 sq. ft. or larger**	12' x 14'

* May require more than one room
 ** Will require more than one room.

c. **Plywood Wall Lining:** All walls will be lined with AC grade or better, void-free, 4'x8' sheets of 3/4" plywood. Plywood sheets shall be mounted vertically from ceiling height towards floor. Plywood must be painted on all sides with one coat of primer and two coats of white fire resistant paint. The plywood should be installed with the grade "C" surface facing the wall.

d. **Doors:** The door will be a minimum of three (3) feet wide and 80 inches tall and be located as near as possible to a room corner. The door shall be equipped with a lock. Where practical, the door should open outward to provide additional usable space.

e. **Air Conditioning:** The environmental control systems for the Telecommunications Room should be able to maintain a room temperature between 18°C and 24°C (64°F and 75°F) at all times (24 hours per day, 365 days per year). All building supplied HCAC inlets to the Telecommunications Room shall be controlled using a Variable Air Valve (VAV) with its own thermostat to prohibit heating the

Telecommunications Room. The VAV will be installed in such a fashion to introduce conditioned air if the primary split A/C unit fails to cool the room. It will serve two purposes:

1. Provide ventilation air to the room, cooling only.
2. Serve as an additional backup.

If a building's HVAC system cannot ensure continuous operation (including weekends and holidays), provide a standalone HVAC unit with independent controls for the Telecommunications Room. If an emergency power source is available in the building, connect the HVAC system that serves the Telecommunications Room to the emergency power source. Sensors and controls must be located in the Telecommunications Room, ideally placed 5 feet AFF (thermostat location will be specified on the Telecommunications Room drawing provided by RCIT Communications Bureau Telecommunications Engineer). If an in-room air conditioner is installed, the air conditioner will be hard wired to the thermostat and the location must be approved by RCIT Communications Bureau Telecommunications Engineer before installation. If remote-monitoring equipment is available, this room should have its own independent sensor. Average heat load for equipment is approximately 150 BTU/SQ Ft of Telecommunications Room space (specific heat load will be provided for each room).

- f. If **fire sprinklers** are located in the Telecommunications Room, the sprinkler shall have a high temperature standard response full circle head with a heavy-duty cover. Sprinkler lines located inside the TR shall not be "charged" under normal conditions. Coordinate placement of the sprinklers with RCIT Communications Bureau Telecommunications Engineer. Sprinkler heads must be a minimum of 10 ft. AFF.
- g. **Room Lighting** – Lighting to provide a minimum of 500 lux (50 foot candles) measured 3 ft. AFF. Coordinate placement of light fixtures with RCIT Communications Bureau Telecommunications Engineer to avoid interference with low voltage equipment. Light fixtures must be a minimum of 10 ft. AFF. Use white paint on the walls and ceiling to enhance room lighting. Power for the lighting should not come from the power panel located inside the Telecommunications Room.
- h. **Emergency Lighting** – Emergency lighting within the Telecommunication Room shall be provided to ensure that the loss of power to normal lights will not hamper an emergency exit from the room.
- i. **Floors:** The floor shall be capable of supporting a minimum load bearing of one hundred (100) pounds per square foot and maximum concentration loading of 2,000 lbs. per foot. Standard VCT floor covering shall be installed unless otherwise specified.
- j. **Ceiling:** If a ceiling will be installed in the Telecommunications Room it must be installed at a **minimum of 10' AFF**. Ceiling protrusions (e.g.

sprinkler heads) must be placed to assure a minimum clear height of 10 feet that is clear of obstructions, to provide space over the equipment frames for cables and suspended cable trays. Ceiling finish must minimize dust and be light colored to enhance the room lighting. A hard ceiling shall not be allowed in the Telecommunications Room.

C. ELECTRICAL REQUIREMENTS

- a. **Dedicated Power Feeder** – The Telecommunications Room will have its own dedicated power feeder terminated in an electrical panel located inside the room and flush mounted in the wall. **Location of this electrical sub-panel shall be closely coordinated with RCIT Communications Bureau Telecommunications Engineer to ensure it does not impact the overall design and use of the space within the room. Power required for other equipment in the room (e.g. fluorescent lighting, motors, air conditioning equipment) should be supplied by a separate feeder, conduit, and distribution panel.** If an emergency power source is available, connect the Telecommunications Room electrical sub-panel into it.
- b. **General Purpose Outlets:** Provide 110 Volt, 20 Amp duplex outlets installed at standard height on all walls of the Telecommunications Room; maximum spacing between outlets shall not exceed 12 feet.
- c. **Telephone System:** Install one (1) dedicated 208 VAC, 20 Amp circuits terminated into a single surface mounted 4S electrical box with a NEMA L6-20 outlet at a height of 18 inches AFF from center. The circuit will have its own separate hot, neutral, and ground wire all the way back to the power distribution panel. The circuit will be clearly labeled on the cover plate and sub-panel.
- d. **Equipment Racks:** Install two (2) dedicated 20 Amp, 110 VAC circuit with isolated ground for each equipment rack (9' x 12' room – 2 racks, 12' x 12' room – 3 racks, 12' x 14' room – 4 racks). Install one (1) dedicated 30 Amp, 208 VAC circuit with isolated ground for every two equipment racks. The breaker number shall be identified on each of these outlets. Terminate each circuit on double duplex outlets in a surface mounted 4S box in the vertical cable manager 23" above the floor. Equipment Rack locations, circuit locations and quantity will be specified in the room layout provided by the RCIT Communications Bureau Telecommunications Engineer.
- e. **Paging – A/V: If required, install** one dedicated 20 Amp, 110 VAC circuit with isolated ground. Terminate on a double duplex outlet in a 4S box. The location of the outlet will be specified in the Telecommunications Room layout provided by the RCIT Communications Bureau Telecommunications Engineer.
- f. **Security:** Install one dedicated 20 Amp, 110 VAC circuit with isolated ground. Terminate on double duplex outlets in a 4S box. The location of

the outlet(s) will be specified in the Telecommunications Room layout provided by the RCIT Communications Bureau Telecommunications Engineer.

- g. **Emergency Air Conditioner Outlet (To Support IT Telephone System):** Install one dedicated 208/220 VAC, 20 Amp circuit terminated on a single NEMA 6-20 receptacle. The location of the outlet will be specified in the Telecommunications Room layout provided by the RCIT Communications Bureau Telecommunications Engineer.
- h. **Grounding – A Telecommunications Main Grounding Busbar (TMGB)** shall be installed in the Telecommunications Room at the location specified in the room layout that will be provided by the RCIT Communications Bureau Telecommunications Engineer. **The Grounding Busbar must be CPI Chatsworth Products, part #13622-020.** The Busbar shall be insulated from its supporting structure by at least two inches of separation. Bond the Busbar to the building AC grounding electrode system. The minimum size of the bonding conductor should be #3 AWG and be sized to carry the maximum short time rating Amps of the building grounding electrode conductor. A supplemental bonding connection is required to be Exothermically Welded to the structural steel of the building and local AC sub-panel located inside the Telecommunications Room. Resistance should be no more than .1 ohms between the TMGB and the building main grounding source measured following the two-point bonding test method using an earth ground resistance tester. All grounding conductors shall be run in rigid conduit.

D. CONDUIT REQUIREMENTS

1. Work Area Outlets (WAO):

- a. **General Specifications:** Each WAO shall consist of one 4 in. by 4 in. by 2.5 in. deep outlet box with a 2 in. by 4 in. reducing adapter installed.
- b. **Height Requirements:** Each WAO shall be installed at the same height as the adjacent electrical outlet. The height of jacks for wall telephones shall conform to any ADA rules pertaining to handicapped use. This height is typically 44 inches AFF to the center of the outlet box.
- c. **Conduits Specifications:**
 - (1) **Accessible Ceilings:** When there is an accessible ceiling such as suspended acoustical tile, provide a rigid trade size 1 conduit (**flex not allowed**) stubbed into the ceiling space from the outlet box. Ceiling must be accessible from the WAO location back to the Telecommunications Room. If a WAO location is at wall phone height (+44"), install an additional outlet box at standard floor height. Connect a rigid 1-inch conduit from the bottom of the wall height box to the top of the standard floor height box. Ream all conduit ends and fit with insulated bushings.

- (2) **Non-Accessible Ceilings:** When the ceiling is not accessible, provide a rigid 1¼-inch conduit (**flex not allowed**) run from the WAO location all the way to the Telecommunications Room or to the nearest accessible ceiling space. Runs cannot have more than the equivalent of two 90-degree bends without installing a pull box (pull box must be accessible upon completion of construction). All conduits will have a pull string installed. Where multiple outlets are installed, each location will have its own dedicated conduit run; no daisy chaining is allowed.
2. **System Furniture Wall In-feeds:** Wall in-feeds will be one rigid 1.25 in. conduit per 3 WAO locations of systems furniture. The conduit shall be stubbed into the ceiling area from a 4 in. by 4 in. by 2.5 in. deep outlet box. Ream all conduit ends and fit with insulated bushings. In-feed location will be accessible either by cutout or access panel in furniture or placed next to furniture where location will be accessible for service. Consult RCIT Communications Bureau Telecommunications Engineer for location, quantity, and size of in-feeds. Exact location will be verified with furniture vendor.
3. **System Furniture Floor Poke-Thru In-feeds:** Poke-Thru locations requiring power/voice/data will require Wiremold P/N RC9FFTC Poke-Thru's with EMT 1.25 in. conduit per 3 WAO locations of systems furniture. Color to be specified by Architect. The conduit shall be continuous and stubbed into the ceiling area of that floor being serviced with pull string installed. No more than two 90's will be allowed, J-Box for furniture supplier power whip connections to be anchored to the ceiling of the floor below with unistrut. J-Box must be with-in 6' of furniture whip connection. Ream all conduit ends and fit with insulated bushings. Consult RCIT Communications Bureau Telecommunications Engineer for location, and quantity. Exact location will be verified with furniture vendor.
4. **System Furniture Power and Data Floor Boxes:** Floor Box locations requiring power/voice/data will require Wiremold P/N RFB4-C1-1 Floor Box with EMT 1.25 in conduit per 3 WAO locations of systems furniture for communications. Color to be specified by Architect. The conduit shall be continuous and stubbed into the ceiling area of that floor being serviced with pull string installed. No more than two 90's will be allowed. All boxes shall be configured for dual service which will require accessory items for separation of power and data. All boxes shall include (1) internal duplex receptacle for power, (1) Wiremold P/N RFB-2-SSRT for communications and (1) flanged cover P/N S28BBTCAL. Ream all conduit ends and fit with insulated bushings. Consult RCIT Communications Bureau Telecommunications Engineer for location, and quantity. Exact location will be verified with furniture vendor.
5. **Hard Wall Office Floor Poke-Thru:** Poke-Thru locations requiring power/voice/data will require Wiremold P/N RC4ATC Poke-Thru's with the optional Communications Adapter P/N Com75 installed for Voice and Data conduits. Install two (2) EMT 0.75 in. conduits per location. The conduits shall be continuous and stubbed into the ceiling area of that floor being serviced with pull sting installed. No more than two 90's will be allowed. Ream all conduit

ends and fit with insulated bushings. Consult RCIT Communications Bureau Telecommunications Engineer for location, quantity, and size of in-feeds. Exact location will be verified with furniture vendor.

6. **Hard Wall Power and Data Floor Boxes:** Floor Box locations required power/voice data will require Wiremold P/N RFB4-C1-1 Floor Box with (1) EMT 1.25 in. conduit for communications. Color to be specified by Architect. The conduit shall be continuous and stubbed into the ceiling area of that floor being serviced with pull string installed. No more than two 90's will be allowed. All boxes shall be configured for dual service which will require accessory items for separation of power and data. All boxes shall include (1) internal duplex receptacle for power, (1) Wiremold P/N RFB-2-SSRT for communications and (1) flanged cover P/N S38BBTCAL. Ream all conduit ends and fit with insulated bushings. Consult RCIT Communications Bureau Telecommunications Engineer for location, and quantity. Exact location will be verified with furniture vendor.
7. **Backbone Pathways:**
 - a. **Telecommunications Rooms On the Same Floor:** When two or more Telecommunications Rooms exist on the same floor, provide two (2) rigid metallic trade size 4 conduits between the main Telecommunications Room and each secondary Telecommunications Room. Conduits are to be run in the most direct route possible with no more than the equivalent of two 90-degree sweeps without a pull box. The minimum size of a pull box shall be 24" W x 36" L x 12" D. Ream all conduit ends and fit with insulated bushings. Conduits are to be bonded to ground in accordance with all local and national requirements. Location of conduits will be identified on drawings provided by the RCIT Communications Bureau Telecommunications Engineer and provided on a site-by-site basis. The bend radius of the conduit shall be 10 times the outside conduit diameter. **Install a pull string with minimum tensile strength of 30 lbs in each conduit.**
 - b. **Telecommunications Rooms On Different Floors:** When two or more Telecommunications Rooms exist on different floors, provide a minimum of two (2) rigid trade size 4 conduits between the main Telecommunications Room and each secondary Telecommunications Room. Conduits are to be run in the most direct route possible with no more than the equivalent of two 90-degree bends without a pull box. The minimum size of a pull box shall be 24" W x 36" L x 12" D. Ream all conduit ends and fit with insulated bushings. Conduits are to be bonded to ground in accordance with all local and national requirements. The bend radius of the conduit shall be 10 times the outside conduit diameter. **Install a pull string with minimum tensile strength of 30 lbs in each conduit.** In multi-level buildings with **stacked Telecommunications Rooms**, sleeves shall be provided from the ceiling of the lowest level to the floor of the top level. Size, quantity, and location will be provided by the RCIT Communications Bureau Telecommunications Engineer.
 - c. **MPOE:** If the MPOE (minimum point of entry) is not physically located in

the Telecommunications Room it shall be necessary to install two (2) trade size 4 conduits from the MPOE to the Telecommunications Room. Conduits are to be run in the most direct route possible with no more than the equivalent of two 90-degree bends without a pull box. The minimum size of a pull box shall be 24" W x 36" L x 12" D. Ream all conduit ends and fit with insulated bushings. Conduits are to be bonded to ground in accordance with all local and national requirements. Location of conduits will be identified on drawings provided by the RCIT Communications Bureau Telecommunications Engineer and provided on a site-by-site basis. The bend radius of the conduit shall be 10 times the outside conduit diameter. **Install a pull string with minimum tensile strength of 30 lbs in each conduit.**

d. **Telecommunications Rooms in Multiple Buildings on Same or Adjacent Properties:** The number of conduits will be determined by the **size and scope of each project.** The items listed below are **BASIC** requirements only as the scope of the project increases, some or all of the items listed below may undergo major changes:

- (1) Conduits shall be rigid and shall be four (4) trade size 4. A **minimum** of two (2) conduits will be installed from the primary Telecommunications Room and each building as defined by the RCIT Communications Bureau Telecommunications Engineer. Conduits shall be installed in the most direct route possible.
- (2) Conduits shall be buried a minimum of 36 inches below finish grade.
- (3) Conduits shall be encased in 2,000 PSI concrete where vehicle traffic occurs and encased in slurry everywhere else for the entire length.
- (4) Tracer tape shall be installed the entire conduit length. Tracer tape shall be 12 inches wide, flat, and metallic and shall be installed 12 inches above concrete encasement. Tape shall be imprinted with the words "WARNING – FIBER OPTIC CABLE" spaced at a minimum of 24 inches on center.
- (5) No more than the equivalent of two (2) 90-degree bends shall be installed without the addition of a pull box, vault, or maintenance hole, which size and requirements will be defined by the RCIT Communications Bureau Telecommunications Engineer.
- (6) Conduit runs in excess of 500 feet shall have a pull box, vault, or maintenance hole installed, which size and requirements will be defined by the RCIT Communications Bureau Telecommunications Engineer. All sweeps shall have a minimum bending-radius of 10 times the diameter of the conduit.
- (7) All four inch conduits should have a minimum ¼-inch nylon pull

rope. All four inch conduits over 400 feet should have a minimum 3/8-inch nylon pull rope. The size and requirements of pull boxes, vaults, or maintenance holes can only be determined by the scope of the project and will be defined by the RCIT Communications Bureau Telecommunications Engineer.

8. **Firewalls:** If any firewalls are present, conduit/sleeve access through the wall must be provided by the contractor. The ends of any conduit/sleeve penetrating a firewall will be sealed with the appropriate fire stop. Identification of the areas that must be sealed shall be identified by the contractor at the time of wiring. Size and location of the sleeves will be determined by the RCIT Communications Bureau Telecommunications Engineer. Sleeves should penetrate the wall a minimum of 3 inches. Ream each end of conduit and fit with insulated bushing.
9. **Primary Service Conduit Requirements (New Construction):**
 - a. The number of all primary service conduits will be determined by the **size and scope of each project**. The items listed below are **BASIC** requirements only and as the scope of the job increases, some or all of the items listed below may undergo major changes:
 - (1) Entrance conduits shall be rigid and shall be four (4) trade size 4. **A minimum** of two (2) conduits will be installed into the Telecommunications Room. Conduits shall be installed in the most direct route possible.
 - (2) Conduits shall be buried a minimum of 36 inches below finish grade.
 - (3) Conduits shall be encased in slurry for sections identified by RCIT Communications Bureau Telecommunications Engineer as no traffic or low risk.
 - (4) Conduits shall be encased in 2,000 PSI concrete for sections not identified in section 5a3.
 - (5) Tracer tape shall be installed the entire conduit length. Tracer tape shall be 12 inches wide, flat, and metallic and shall be installed 12 inches above concrete encasement. Tape shall be imprinted with the words "WARNING – FIBER OPTIC CABLE" spaced at a minimum of 24 inches on center.
 - (6) No more than the equivalent of two (2) 90-degree sweeps shall be installed without the addition of a pull box, vault, or maintenance hole, which size and requirements will be defined by the RCIT Communications Bureau Telecommunications Engineer.
 - (7) Conduit runs in excess of 500 feet shall have a pull box, vault, or maintenance hole installed, which size and requirements will be defined by the RCIT Communications Bureau

Telecommunications Engineer. All bends shall have a minimum-bending radius of 10 times the diameter of the conduit.

- (8) All four-inch conduits should have a minimum ¼-inch nylon pull rope. All four-inch conduits over 400 feet should have a minimum 3/8-inch nylon pull rope. The size and requirements of pull boxes, vaults, or maintenance holes can only be determined by the scope of the project and will be defined by the RCIT Communications Bureau Telecommunications Engineer.

E. CABLE TRAYS:

1. If the structural ceiling height is greater than 16' AFF or the occupied space is greater than 25,000 square feet, a cable tray system will be required to support the voice and data wiring. Consult with the RCIT Communications Bureau Telecommunications Engineer requirements to assist in the design of the cable tray system. A structural Engineer will be required to design the cable tray system to code and manufacturer specification and submit design to the RCIT Communications Bureau Telecommunications Engineer for approval.

**RCIT
System's Furniture
Telecommunications Standards
June 16, 2004**

1. Work Area Outlets

- 1.1. **Definition: Work Area Outlet (WAO)** – consists of a telecommunications faceplate and its component (s) – what telephones and PC's are plugged into at a user's desk location or work area.
- 1.2. Furniture communications outlet openings shall accommodate the installation of an industry-standard, single gang faceplate, with a minimum opening of 2 inches by 3 inches.
 - 1.2.1. Two (2) factor or field-installed threaded openings shall be provided for single gang faceplate mounting and shall accommodate a 10x22 screw.
- 1.3. Furniture communications outlet openings shall provide a minimum mounting depth of 44.5 mm (1.75 in).
- 1.4. Extender plates shall be provided for WAO's (Work Area Outlet's) within furniture system – one for each workstation space, fax location, and printer location.
 - 1.4.1. Extender plates shall be a minimum 7/8 inch deep.

2. Cabling Pathways

- 2.1. Furniture pathways shall have capacity for a minimum of (12) communications cables with an outside diameter of .25 inches and not exceed 40% of pathway capacity.
 - 2.1.1. Remaining pathway capacity will be utilized to accommodate future moves, adds, and changes (MAC's).
 - 2.1.2. This requirement applies to ALL areas of the furniture pathway INCLUDING corners, panel to panel pathways, etc.
 - 2.1.3. Consideration will include space used in furniture for connecting hardware.
- 2.2. Furniture system shall completely conceal all communications cabling in all cabling pathways.
- 2.3. Entire communications cabling pathway shall contain a continuous and rigid support infrastructure within each panel.
- 2.4. When communications cabling pathways run parallel to electrical pathways:
 - 2.4.1. A metallic barrier shall be provided (i.e. metallic divider, conduit, corrugated or solid) and shall be bonded to ground.
 - 2.4.2. Electrical components shall not impede on communications cabling pathways so as to restrict in any way the fill requirements noted above.
- 2.5. The minimum size pathway shall not force the cable bend radius to be less than 25 mm (1 in) under conditions of maximum cable fill.
- 2.6. Metallic pathway edges shall utilize protective bushings.
- 2.7. All panels shall be equipped with at least one (1) of the following raceways and shall singularly conform to all of the above noted cabling pathway requirements:
 - 2.7.1. Base Raceway
 - 2.7.2. Top Raceway

3. Furniture In-Feeds

- 3.1. Furniture in-feeds shall have capacity for a minimum of (12) communications cables with an outside diameter of .25 inches and not exceed 40% of pathway capacity.
 - 3.1.1. Remaining pathway capacity will be utilized to accommodate

future moves, adds, and changes (MAC's).

- 3.1.2. Consideration will include space used in furniture for connecting hardware.
- 3.2. Furniture in-feeds shall have the ability to provide for separate entry points for power and communications cabling.
 - 3.2.1. Where entry points are closer than 6 inches, a physical / mechanical barrier shall be provided to separate cabling entry points.
- 3.3. Metallic in-feed edges shall utilize protective bushings.
- 3.4. One furniture in-feed shall be provided for every four (4) WAO's (Work Area Outlets).
- 3.5. Placement of furniture in-feeds shall be coordinated and verified by County IT.

ESTOPPEL CERTIFICATE

1. The County of Riverside, as Tenant, or County, and XXX, as Lessor, entered into a written office lease dated XXX in which Lessor leased to County and County leased from Lessor those certain premises consisting of approximately XXX square feet of office space located at XXX. The office lease, as amended is referred to in this Certificate as the Lease.
2. The Lease has not been amended, modified, nor supplemented, except by XXX.
3. County has paid Rent through XXX. The next payment of Rent is due on XXX. The current rent is XXX. County has not paid Lessor a security deposit.
4. Under the Lease, the term began on XXX, and the expiration date of the Lease is XXX, subject to County's right to terminate the Lease and any options the County may have to extend the term as identified in this Certificate.
5. The Lease provides for no options to extend the term of the Lease.
6. The County has the right of first refusal to renew the Lease, after the original term and any options to extend have expired, on the same terms and conditions received by Lessor as a bona fide offer from a third party to Lease the premises.
7. The County has the right to early termination of this Lease if funding is reduced or becomes unavailable or if the County determines for any reason or cause that the Premises are no longer suitable for its use.
8. There are no oral or written amendments, modifications, or supplements to the Lease except as previously stated in this Certificate. A true, correct, and complete copy of the lease, including all amendments, is attached to this Certificate. The Lease is in full force and effect and represents the entire agreement between Lessor and the County pertaining to the Premises.
9. All space and improvements leased by County have been completed and furnished in accordance with the provisions of the Lease, and County has accepted and taken possession of the Premises. All contributions required to be paid by Lessor to date for improvements to the Premises have been paid in full.
10. Lessor and County are not in default in the performance of any of the terms and provisions of the Lease. To the best knowledge of each Party, no event or condition has occurred that, with the giving of notice or passage of time, or both, would constitute such default by Lessor or County.
11. Lessor has not assigned, transferred, or hypothecated the real property or any interest in the real property.

12. The County has not assigned, transferred, or hypothecated the Lease or any interest in the Lease or subleased all or part of the Premises.
13. There are no mortgagees, beneficiaries under deeds of trust, or other holders of a security interest in the Real Property, except as follows: XXX
14. There are no setoffs or credits against Rent payable under the Lease. No free periods or rental abatements, rebates, or concessions have been granted to County, except as follows: XXX
15. There are no pending actions, voluntary or involuntary, under any bankruptcy or insolvency laws of the United States or any state against either Lessor or County
16. The execution of this Certificate by Lessor and the County does not amend the Lease or waive any of Lessor's or County's rights under the Lease.
17. This Certificate is given to XXX with the understanding that as a lender or purchaser of the above described real property or assignee of either Lessor or XXX may rely on it in connection with either the assignment or acquisition of the above described real property or making a loan secured by the above described real property. Following that acquisition, assignment by Lessor or loan, County intends to keep the Lease full force and effect and shall bind and inure to the benefit of XXX and its successor in interest.

COUNTY:

By: _____
Robert Field,
Assistant County Executive Officer/EDA

APPROVED AS TO FORM:
Gregory P. Priamos, County Counsel

By: _____
Deputy County Counsel

RECORDED AT REQUEST OF AND WHEN
RECORDED RETURN TO:

Attention: _____

SUBORDINATION, NON-DISTURBANCE, AND ATTORNMENT AGREEMENT

This Subordination, Non-disturbance, and Attornment Agreement ("Agreement") is made as of _____ between _____ (Lender), a _____, having its principal place of business at _____, _____, _____ and the County of Riverside (County), by its authorized representative the Assistant County Executive Officer/EDA having its address for notification at 3403 Tenth Street, Suite 400, Riverside, California 92501.

Recitals:

A. Lender has agreed to make a loan to _____, a _____ (Lessor), to be secured by a deed of trust, dated _____, _____, and recorded on _____, _____, as Instrument No. _____, in the Official Records of _____ County, California (together with all amendments, increases, renewals, modifications, consolidations, replacements, substitutions, and extensions, either current or future, referred to hereafter as the "Mortgage") encumbering Lessor's ownership interest in real property located in _____, State of California. The legal description of the encumbered real property (the "Mortgage Premises") is set forth in Exhibit A, attached to this Agreement. The Mortgage, together with the promissory note or notes, the loan agreement(s), and other documents executed in connection with it are hereafter collectively referred to as the "Loan Documents".

B. On _____, _____, County and Lessor entered into a lease for the Mortgage Premises (the Lease). The Lease creates a leasehold estate in favor of County for space (the "Premises") located on the Mortgage Premises.

C. In connection with execution of the Mortgage, Lessor also executed and delivered to Lender an Assignment of Leases, Rents and Profits dated _____, _____, and recorded on _____, _____, as Instrument No. _____, in the Official Records of the County Recorder of _____, California concerning all rents, issues and profits from the Mortgage Premises. This document, together with all amendments, renewals, modifications consolidations, replacements, substitutions and extensions, is hereafter referred to as the "Assignment of Rents."

To confirm their understanding concerning the legal effect of the Mortgage and the Lease, in consideration of the mutual covenants and agreements contained in this Agreement and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged,

Lender and County, intending to be legally bound, agree and covenant as follows:

1. **Representations and Warranties.** County warrants and represents that the Lease is in full force and effect and that, as of the date of this Agreement and to the best of County's knowledge, there is no default under the Lease by Lessor or County.

2. **County Subordination.**

2.1. Subject to the provisions of Section 3, the Loan Documents shall constitute a lien or charge on the Mortgage Premises that is prior and superior to the Lease, to the leasehold estate created by it, and to all rights and privileges of County under it; by this Agreement, the Lease, the leasehold estate created by it, together with all rights and privileges of County under it, is subordinated, at all times, to the lien or charge of the Loan Documents in favor of Lender.

2.2. By executing this Agreement, County subordinates the Lease and County's interest under it to the lien right and security title, and terms of the Loan Documents, and to all advances or payments made, or to be made, under any Loan Document.

3. **Non-disturbance.**

3.1. Lender consents to the Lease.

3.2. Despite County's subordination under Section 2, County's peaceful and quiet possession of the Premises shall not be disturbed and County's rights and privileges under the Lease, including its right to early termination, its right to extend the term of the Lease, its right of first refusal to lease the property after expiration of the original term and any extensions thereof, shall not be diminished by Lender's exercise of its rights or remedies under the Loan Documents, provided that County has not canceled or terminated the Lease, nor surrendered, or abandoned the Premises.

3.3. If (a) Lender shall acquire title to, and possession of, the Premises on foreclosure in an action in which Lender shall have been required to name County as a party defendant, and (b) County is not in default under the Lease beyond any applicable cure or grace periods, has not canceled or terminated the Lease, nor surrendered, vacated or abandoned the Premises and remains in actual possession of the Premises at the time Lender shall so acquire title to, and possession of, the Premises, Lender and County shall enter into a new lease on the same terms and conditions as were contained in the Lease, except that:

(a) The obligations and liabilities of Lender under a new lease shall be subject to the terms and conditions of this Agreement (including the provisions of Sections 5-7);

(b) Lender shall have no obligations or liabilities to County under any such new lease beyond those of Lessor as were contained in the Lease; and

(c) The expiration date of any new lease shall coincide with the original expiration date of the Lease.

3.4. County shall not be named or joined in any foreclosure, trustee's sale, or other proceeding to enforce the Loan Documents unless such joinder shall be legally required to

perfect the foreclosure, trustee's sale, or other proceeding.

4. Attornment.

4.1. If Lender shall succeed to Lessor's interest in the Mortgage Premises by foreclosure of the Mortgage, by deed in lieu of foreclosure, or in any other manner, County shall be bound to Lender under all the terms, covenants and conditions of the Lease for the balance of its term with the same force and effect as if Lender were the Lessor under the Lease. County shall be deemed to have full and complete attornment to, and to have established direct privity between County and:

- (a) Lender when in possession of the Mortgage Premises;
- (b) a receiver appointed in any action or proceeding to foreclose the Mortgage;
- (c) any party acquiring title to the Mortgage Premises; or
- (d) any successor to Lessor.

4.2. County's attornment is self-operating, and it shall continue to be effective without execution of any further instrument by any of the parties to this Agreement or the Lease. Lender agrees to give County written notice if Lender has succeeded to the interest of the Lessor under the Lease. The terms of the Lease are incorporated into this Agreement by reference.

4.3. If the interests of Lessor under the Lease are transferred by foreclosure of the Mortgage, deed in lieu of foreclosure, or otherwise, to a party other than Lender (Transferee), in consideration of, and as condition precedent to, County's agreement to attorn to any such Transferee, Transferee shall be deemed to have assumed all terms, covenants, and conditions of the Lease to be observed or performed by Lessor from the date on which the Transferee succeeds to Lessor's interests under the Lease.

5. Lender as Lessor. If Lender shall succeed to the interest of Lessor under the Lease, Lender shall be bound to County under all the terms, covenants and conditions of the Lease, and County shall, from the date of Lender's succession to the Lessor's interest under the Lease, have the same remedies against Lender for breach of the Lease that County would have had under the Lease against Lessor; provided, however, that despite anything to the contrary in this Agreement or the Lease, Lender, as successor to the Lessor's interest, shall be:

- (a) liable for any act or omission of the Lessor; provided that the Lender may elect either to perform the pre-existing obligation or to permit the County to perform it and to recover the cost out of Rent;
- (b) subject to any offsets or defenses expressly permitted under the Lease, including abatement rights which County might have had against Lessor;
- (c) bound by any rent or additional rent that County might have paid for more than one month in advance to Lessor; or
- (d) bound by an amendment or modification of the Lease even though

made without Lender's written consent and whether or not the amendment or modification materially adversely affect any right of Lessor under the Lease.

(e) subject to the County's right to assert continuing claims, such as material interference with the County's use and enjoyment of the premises, against the Lender.

6. **Right To Cure.** County agrees that, before County exercises any of its rights or remedies under the Lease, Lender shall have the right, but not the obligation, to cure the default within the same time given Lessor in the lease to cure the default, plus an additional thirty (30) days or ten (10) days in the case of defaults in the payment of money from Lessor to County. County agrees that the cure period shall be extended by the time necessary for Lender to commence foreclosure proceedings and to obtain possession of the Mortgage Premises, provided that:

(a) Lender shall notify County of Lender's intent to effect its remedy;

(b) Lender initiates immediate steps to foreclose on or to recover possession of the Mortgage Premises;

(c) Lender initiates immediate legal proceedings to appoint a receiver for the Mortgage Premises or to foreclose on or to recover possession of the Mortgage Premises within the thirty (30) day period; and

(d) Lender prosecutes such proceedings and remedies with due diligence and continuity to completion.

7. **Assignment of Rents.** If Lessor defaults in its performance of the terms of the Loan Documents, County agrees to recognize the Assignment of Rents made by Lessor to Lender and shall pay to Lender, as assignee, from the time Lender gives County notice that Lessor is in default under the terms of the Loan Documents, the rents under the Lease, but only those rents that are due or that become due under the terms of the Lease after notice by Lender. Payments of rents to Lender by County under the assignment of rents and Lessor's default shall continue until the first of the following occurs:

(a) No further rent is due or payable under the Lease;

(b) Lender gives County notice that the Lessor's default under the Loan Documents has been cured and instructs County that the rents shall thereafter be payable to Lessor;

(c) The lien of the Mortgage has been foreclosed and the purchaser at the foreclosure sale (whether Lender or a Transferee) gives County notice of the foreclosure sale. On giving notice, the purchaser shall succeed to Lessor's interests under the Lease, after which time the rents and other benefits due Lessor under the Lease shall be payable to the purchaser as the owner of the Mortgage Premises.

8. **County's Reliance.** When complying with the provisions of Section 7, County shall be entitled to rely on the notices given by Lender under Section 7, and Lessor agrees to release, relieve, and protect County from and against any and all loss, claim, damage, or liability (including reasonable attorney's fees) arising out of County's compliance with such notice.

County shall be entitled to full credit under the Lease for any rents paid to Lender in accordance with Section 7 to the same extent as if such rents were paid directly to Lessor. Any dispute between Lender (or Lender's Transferee) and Lessor as to the existence of a default by Lessor under the terms of the Mortgage, the extent or nature of such default, or Lender's right to foreclosure of the Mortgage, shall be dealt with and adjusted solely between Lender (or Transferee) and Lessor, and County shall not be made a party to any such dispute (unless required by law).

9. **Lender's Status.** Nothing in this Agreement shall be construed to be an agreement by Lender to perform any covenant of the Lessor under the Lease unless and until it obtains title to the Mortgage Premises by power of sale, judicial foreclosure, or deed in lieu of foreclosure, or obtains possession of the Mortgage Premises under the terms of the Loan Documents.

10. **Cancellation of Lease.** County agrees that it will not cancel, terminate, or surrender the Lease, except at the normal expiration of the Lease term or as provided in the Lease.

11. **Special Covenants.** Despite anything in this Agreement or the Lease to the contrary, if Lender acquires title to the Mortgage Premises, County agrees that: Lender shall have the right at any time in connection with the sale or other transfer of the Mortgage Premises to assign the Lease or Lender's rights under it to any person or entity, and that Lender, its officers, directors, shareholders, agents, and employees shall be released from any further liability under the Lease arising after the date of such transfer, provided that the assignee of Lender's interest assumes Lender's obligations under the Lease, in writing, from the date of such transfer.

12. **Transferee's Liability (Non Recourse).** If a Transferee acquires title to the Mortgage Premises:

(a) County's recourse against Transferee for default under the Lease shall be limited to the Mortgage Premises or any sale, insurance, or condemnation proceeds from the Mortgage Premises;

(b) County shall look exclusively to Transferee's interests described in (a) above for the payment and discharge of any obligations imposed on Transferee under this Agreement or the Lease ; and

(i) Transferee, its officers, directors, shareholders, agents, and employees are released and relieved of any personal liability under the Lease;

(ii) County shall look solely to the interests of Transferee set forth in (a) above, and

(iii) County shall not collect or attempt to collect any judgment out of any other assets, or from any general or limited partners or shareholders of Transferee.

13. **Transferee's Performance Obligations.** Subject to the limitations provided in Sections 11 and 12, if a Transferee acquires title to the Mortgage Premises, the Transferee shall perform and recognize all County improvement allowance provisions, all rent-free and rent rebate provisions, and all options and rights of offer, in addition to Lessor's other obligations under the Lease.

14. **Notice.** All notices required by this Agreement shall be given in writing and shall be deemed to have been duly given for all purposes when:

(a) deposited in the United States mail (by registered or certified mail, return receipt requested, postage prepaid); or

(b) deposited with a nationally recognized overnight delivery service such as Federal Express or Airborne.

Each notice must be directed to the party to receive it at its address stated below or at such other address as may be substituted by notice given as provided in this section.

The addresses are:

Lender: _____

Attention: _____

Copy to: _____

Attention: _____

County: Economic Development Agency
3403 Tenth Street, Suite 400
Riverside, CA 92501
Attention: Deputy Director of Real Estate

Copy to: _____

Attention: _____

Copies of notices sent to the parties' attorneys or other parties are courtesy copies, and failure to provide such copies shall not affect the effectiveness of a notice given hereunder.

15. **Miscellaneous Provisions.**

15.1. This Agreement may not be modified orally; it may be modified only by an agreement in writing signed by the parties or their successors-in-interest. This Agreement shall inure to the benefit of and bind the parties and their successors and assignees.

15.2. The captions contained in this Agreement are for convenience only and in no way limit or alter the terms and conditions of the Agreement.

15.3. This Agreement has been executed under and shall be construed, governed, and enforced, in accordance with the laws of the State of California except to the extent that California law is preempted by the U.S. federal law. The invalidity or unenforceability of one or more provisions of this Agreement does not affect the validity or enforceability of any other provisions.

15.4. This Agreement has been executed in duplicate. Lender and County agree that one (1) copy of the Agreement will be recorded.

15.5. This Agreement shall be the entire and only agreement concerning subordination of the Lease and the leasehold estate created by it, together with all rights and privileges of County under it, to the lien or charge of the Loan Documents and shall supersede and cancel, to the extent that it would affect priority between the Lease and the Loan Documents, any previous subordination agreements, including provisions, if any, contained in the Lease that provide for the subordination of the Lease and the leasehold estate created by it to a deed of trust or mortgage. This Agreement supersedes any inconsistent provision of the Lease.

15.6. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which copies, taken together, shall constitute but one and the same instrument. Signature and acknowledgment pages may be detached from the copies and attached to a single copy of this Agreement to physically form one original document, which may be recorded without an attached copy of the Lease.

15.7. If any legal action or proceeding is commenced to interpret or enforce the terms of this Agreement or obligations arising out of it, or to recover damages for the breach of the Agreement, the party prevailing in such action or proceeding shall be entitled to recover from the non-prevailing party or parties all reasonable attorneys' fees, costs, and expenses it has incurred.

15.8. Word Usage. Unless the context clearly requires otherwise, (a) the plural and singular numbers will each be deemed to include the other; (b) the masculine, feminine, and neuter genders will each be deemed to include the others; (c) "shall," "will," "must," "agrees," and "covenants" are each mandatory; (d) "may" is permissive; (e) "or" is not exclusive; and (f) "includes" and "including" are not limiting.

Executed on the date first above written.

Lender:

a _____

By: ___[signature]_____

Its: ___[state title]_____

COUNTY OF RIVERSIDE:

By: _____
John Benoit
Chairman, Board of Supervisors

ATTEST:
Kecia Harper-Ihem
Clerk to the Board

By: _____

APPROVED AS TO FORM:
Gregory P. Priamos, County Counsel

By: _____

Deputy County Counsel

Accepted and Agreed To:

Lessor:

a _____

By: ___[signature]_____
Its: ___[state title]_____

[Exhibit A: Legal description of Mortgage Premises]

EXHIBIT I OPERATING EXPENSE ESTIMATE

Operating Expenses - Projected:	Monthly Cost	Per S.F.
Electricity/Gas (County pays)	\$0	\$0.000
Water/Sewer (County pays)	\$0	\$0.000
Custodial (includes dayporter)	\$7,000	\$0.196
Fire Sprinkler Monitoring	\$300	\$0.008
Trash/Recycling	\$500	\$0.014
Landscape Maintenance	\$1,200	\$0.034
Repairs/Maintenance	\$750	\$0.021
Parking Lot Sweeping	\$150	\$0.004
Property Taxes *	\$13,447	\$0.376
Assessment Bonds	\$600	\$0.017
Insurance	\$2,500	\$0.070
Reserves for Replacement	\$3,575	\$0.100
Totals:	<u>\$30,022</u>	<u>\$0.840</u>

** County may elect to partially or fully exempt itself from property taxes
If so, this estimated amount will be reduced*