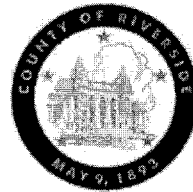


**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



**ITEM  
3.12  
(ID # 3817)**

**MEETING DATE:**  
Tuesday, July 11, 2017

**FROM :** ECONOMIC DEVELOPMENT AGENCY (EDA):

**SUBJECT:** ECONOMIC DEVELOPMENT AGENCY (EDA): Lease, Riverside University Health System, Revenue Recovery Group, Riverside, 10 Year Lease, District 1, CEQA Exempt, [\$12,177,767] MISP 10.2%, Patient Accounts 89.8% (Clerk to file Notice of Exemption)

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Find that the project is exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15301, Existing Facilities, and Section 15061(b)(3); the common sense exemption;
2. Approve the Lease and authorize the Chairman of the Board to execute the Lease on behalf of the County; and
3. Direct the Clerk of the Board to file the attached Notice of Exemption with the County Clerk upon approval of the project for posting within five working days.

**ACTION:** Policy, CIP

Robert Field, Assistant County Executive Officer/EDA

6/26/2017

Zareh Sakafian, Chief Executive Officer - Health System

6/26/2017

---

**MINUTES OF THE BOARD OF SUPERVISORS**

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

**Ayes:** Jeffries, Tavaglione, Washington, Perez and Ashley  
**Nays:** None  
**Absent:** None  
**Date:** July 11, 2017  
**xc:** EDA, Recorder

Kecia Harper-Ihem  
Clerk of the Board

By:   
Deputy

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

| <b>FINANCIAL DATA</b>                                      | <b>Current Fiscal Year:</b> | <b>Next Fiscal Year:</b> | <b>Total Cost:</b>                        | <b>Ongoing Cost</b> |
|--|-----------------------------|--------------------------|---|---------------------|
| <b>COST</b>  | \$650,894                   | \$1,103,214              | \$12,177,767                              | \$0                 |
| <b>NET COUNTY COST</b>                                     | \$0                         | \$0                      | \$0                                       | \$0                 |
| <b>SOURCE OF FUNDS:</b> MISP 10.2%, Patient Accounts 89.8% |                             |                          | <b>Budget Adjustment:</b> No              |                     |
|  |                             |                          | <b>For Fiscal Year:</b> FY2017/18-2027-28 |                     |

**C.E.O. RECOMMENDATION:** Approve

**BACKGROUND:**

**Summary**

The Riverside University Health System (RUHS) contacted the Real Estate Division of the Economic Development Agency (EDA) requesting real estate services to locate suitable office space to be utilized by the RUHS Revenue Recovery Group.

The Board of Supervisors approved Agenda Item 3.32 authorizing EDA, to locate suitable office space for lease of approximately 52,000 square feet in the City of Moreno Valley, City of Corona or the City of Riverside to relocate their existing Revenue Recovery Group, currently at the Riverside University Health System - Medical Center's (RUHSMC) leased facility, located at 14375 Nason Street, Moreno Valley. EDA issued a request for proposal and received submittals from Landlords in the area. Of the proposals submitted and analyzed, Mission Grove Office Park I, L.P. was selected, for their building located at 7898 Mission Grove Parkway, Suites 106, 110, and 200, Riverside. The building was determined to be the best option to meet the needs of the RUHS-Revenue Recovery Group.

The property consists of approximately 28,199 square feet which includes 2,111 square feet in Suite 106, 3,120 square feet in Suite 110 and 22,968 square feet in Suite 200. The building is located in a convenient location close to services and amenities, with easy access to I-215 and local bus routes.

The RUHS-Medical Center has elected to relocate its Revenue Recovery Group due to the inadequate size and inefficiencies of the existing location. The proposed new location would provide more efficient workspace and allow the Revenue Recovery Group to improve efficiency within the group and enhance the services provided while providing adequate space for future growth. In addition to the improved communication, coordination, and efficiencies of consolidated space, the planned move would free up valuable space in the Nason Street facility near the hospital. That space can then be repurposed for necessary hospital functions.

Upon approval of the lease, the construction project will commence with a targeted completion and occupancy date of February 2018. After completion, the Revenue Recovery Group will have a facility with adequate staff space and improved efficiencies.

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

Pursuant to the California Environmental Quality Act (CEQA), the lease was reviewed and determined to be categorically exempt from CEQA pursuant to State CEQA guidelines Section 15301, Class 1 – Existing facilities and Section 1061 (b) (3) – common sense exemption. The proposed project, the lease, is the letting of property involving existing facilities, no expansion of an existing use will occur.

A summary of the proposed Lease is as follows:

Premises Location: 7898 Mission Grove Parkway  
Suites 106, 110 and 200  
Riverside, California

Lessor: Mission Grove Office Park II, L.P.  
9201 Wilshire Blvd., Suite 103  
Beverly Hills, California 90210

Size: 28,199 square feet (Suites 106, 110 and 200)

Term: Ten years, commencing February 1, 2018 and expiring January 31, 2028

Base Rent: \$2.00 per square foot, \$56,398.00 monthly

Rent Adjustments: Three percent

Lease Extension Option: County has two options to extend the Lease for a period of two (2) year each by providing Lessor with sixty days written notice prior to the expiration of the original term or any extension thereof. The rent payable by County during any Extended Term shall be increased three percent over the rent for the last year of the original Term or Option Period.

Improvements: County's share of the cost to be \$1,431,503.22, including a contingency in the amount of \$278,671.08 if needed. The total cost shall be amortized at an interest rate not to exceed 6% interest over the term of the lease at a monthly payment not to exceed \$15,892.62 per month

Furniture, Fixtures, and Equipment: Not to exceed \$1,027,078.26 amortized at an interest rate not exceed 6% interest over the term of the lease at a monthly payment not to exceed \$11,402.67 per month.

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

Option to Terminate: Due to funding, County shall pay the balance of all payments due for improvements

Maintenance: Lessor is responsible for providing

Custodial: Lessor is responsible for providing

Utilities: County is responsible for telephone and electrical services

RCIT: \$194,920.00

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. In addition, the construction phase will provide temporary construction jobs throughout the period of construction. The long term occupancy by the RUHS Revenue Recovery Group in this region will benefit the residents and businesses of the 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  
No County General Funds will be required.

Riverside University Health System has budgeted these costs in FY 2017/18 – FY2027/28 and will reimburse the Economic Development Agency for all lease costs on a monthly basis.


**Contract History and Price Reasonableness**

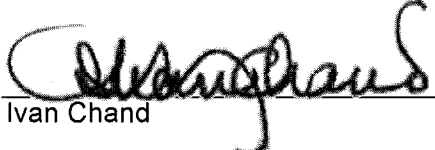
This is a new ten year lease. The lease rate is deemed competitive based upon the current market rate.

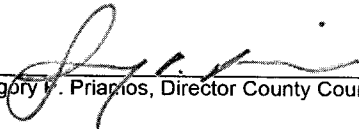
Attachments:  
Exhibits A, B, & C  
Aerial Image  
Lease  
Notice of Exemption

RF:JVW:VC:VY:MH:tg 006MC 19.056 13590  
Minute Traq ID 3817

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

  
Renuka Dasika, Principal Management Analyst 6/29/2017

  
Ivan Chand 7/3/2017

  
Gregory P. Priamos, Director County Counsel 6/27/2017

# Exhibit A

FY 2017/18

## Riverside University Health System Care - Revenue Recovery Group Lease Cost Analysis 7898 Mission Grove Parkway Suites 106, 110 & 200, Riverside

### **ESTIMATED AMOUNTS**

#### **Total Square Footage to be Leased:**

|  |    |             |                   |
|--|----|-------------|-------------------|
| Current Office:                                  |    | 28,199 SQFT |                   |
| Approximate Cost per SQFT (Jul - Jan)            | \$ | -           |                   |
| Approximate Cost per SQFT (Feb - Jun)            | \$ | 2.00        |                   |
| Lease Cost per Month (Jul - Jan)                 |    | \$          | -                 |
| Lease Cost per Month (Feb - Jun)                 |    | \$          | 56,398.00         |
| Total Lease Cost (Jul - Jan)                     |    | \$          | -                 |
| Total Lease Cost (Feb - Jun)                     |    | \$          | 281,990.00        |
| <b>Total Estimated Lease Cost for FY 2017/18</b> |    | <b>\$</b>   | <b>281,990.00</b> |

#### **Estimated Additional Costs:**

|  |    |              |                      |
|--|----|--------------|----------------------|
| Utility Cost per Square Foot               | \$ | 0.12         |                      |
| Estimated Utility Costs per Month          |    | \$           | 3,383.88             |
| Total Estimated Utility Cost               |    |              | \$ 16,919.40         |
| RCIT                                       |    |              | \$ 194,920.00        |
| Tenant Improvement                         |    | \$ 15,892.62 | \$ 79,463.10         |
| Furniture, Fixtures & Equipment            |    | \$ 11,402.67 | \$ 57,013.35         |
| EDA Lease Management Fee - 4.92%           |    |              | \$ 20,588.55         |
| <b>TOTAL ESTIMATED COST FOR FY 2017/18</b> |    |              | <b>\$ 650,894.40</b> |

# Exhibit B

FY 2018/19

## Riverside University Health System Care - Revenue Recovery Group Lease Cost Analysis 7898 Mission Grove Parkway Suites 106, 110 & 200, Riverside

### **ESTIMATED AMOUNTS**

#### **Total Square Footage to be Leased:**

|  |        |      |                      |
|--|--------|------|----------------------|
| Current Office:                                  | 28,199 | SQFT |                      |
| Approximate Cost per SQFT (Jul - Jan)            | \$     | 2.00 |                      |
| Approximate Cost per SQFT (Feb - Jun)            | \$     | 2.06 |                      |
| Lease Cost per Month (Jul- Jan)                  |        | \$   | 56,398.00            |
| Lease Cost per Month (Feb - Jun)                 |        | \$   | 58,089.94            |
| Total Lease Cost (Jul - Jan)                     |        |      | \$ 394,786.00        |
| Total Lease Cost (Feb - Jun)                     |        |      | \$ 290,449.70        |
| <b>Total Estimated Lease Cost for FY 2018/19</b> |        |      | <b>\$ 685,235.70</b> |

#### **Estimated Additional Costs:**

|  |    |      |                        |
|--|----|------|------------------------|
| Utility Cost per Square Foot               | \$ | 0.12 |                        |
| Estimated Utility Costs per Month          |    | \$   | 3,383.88               |
| Total Estimated Utility Cost               |    |      | \$ 40,606.56           |
| Tenant Improvement                         |    | \$   | 15,892.62              |
|  |    |      | \$ 190,711.44          |
| Furniture, Fixtures & Equipment            |    | \$   | 11,402.67              |
|  |    |      | \$ 136,832.04          |
| EDA Lease Management Fee - 4.92%           |    |      | \$ 49,828.74           |
| <b>TOTAL ESTIMATED COST FOR FY 2018/19</b> |    |      | <b>\$ 1,103,214.48</b> |

# Exhibit C

FY 2019/20 to FY 2027/28

**Riverside University Health System Care - Revenue Recovery Group Lease Cost Analysis**  
**7898 Mission Grove Parkway Suites 106, 110 & 200, Riverside**

**ESTIMATED AMOUNTS**

**Total Square Footage to be Leased:**

Current Office: 28,199 SQFT

|  | FY 2019/20           | FY 2020/21           | FY2021/22-<br>FY2026/27 |
|--|----------------------|----------------------|-------------------------|
| Approximate Cost per SQFT (Jul - Jan)                          | \$ 2.06              | \$ 2.12              |                         |
| Approximate Cost per SQFT (Feb - Jun)                          | \$ 2.12              | \$ 2.19              |                         |
| Lease Cost per Month (Jul- Jan)                                | \$ 58,089.94         | \$ 59,832.64         |                         |
| Lease Cost per Month (Feb - Jun)                               | \$ 59,832.64         | \$ 61,627.62         |                         |
| Total Lease Cost (Jul - Jan)                                   | \$ 406,629.58        | \$ 418,828.47        | \$ 3,305,535.01         |
| Total Lease Cost (Feb - Jun)                                   | \$ 299,163.19        | \$ 308,138.09        | \$ 2,052,958.35         |
| <b>Total Estimated Lease Cost for FY 2019/20 to FY 2027/28</b> | <b>\$ 705,792.77</b> | <b>\$ 726,966.55</b> | <b>\$ 5,358,493.36</b>  |

**Estimated Additional Costs:**

|  |                        |                        |                        |
|--|------------------------|------------------------|------------------------|
| Utility Cost per Square Foot                             | \$ 0.12                | \$ 0.12                |                        |
| Estimated Utility Costs per Month                        | \$ 3,383.88            | \$ 3,383.88            |                        |
| Total Estimated Utility Cost                             | \$ 40,606.56           | \$ 40,606.56           | \$ 267,326.52          |
| Tenant Improvement                                       | \$ 15,892.62           | \$ 15,892.62           |                        |
|  | \$ 190,711.44          | \$ 190,711.44          | \$ 1,255,516.98        |
| Furniture, Fixtures & Equipment                          | \$ 11,402.67           | \$ 11,402.67           |                        |
|  | \$ 136,832.04          | \$ 136,832.04          | \$ 900,810.93          |
| EDA Lease Management Fee - 4.92%                         | \$ 50,840.14           | \$ 51,881.89           | \$ 369,729.21          |
| <b>TOTAL ESTIMATED COST FOR FY 2019/20 to FY 2027/28</b> | <b>\$ 1,124,782.95</b> | <b>\$ 1,146,998.49</b> | <b>\$ 8,151,877.00</b> |

F11: Cost - Total Cost \$ 12,177,767.31





Original Negative Declaration/Notice of Determination was routed to County Clerks for posting on.

7/12/17  
Date

lws  
Initial

## NOTICE OF EXEMPTION

February 14, 2017

**Project Name:** County of Riverside, Riverside University Health System Revenue Recovery Group, Lease Agreement, 7898 Mission Grove Parkway, Riverside

**Project Number:** FM0414100016

**Project Location:** 7898 Mission Grove Parkway Suites 100, 110, and 200, east of Trautwein Road, Riverside, California 92508; APN 276-160-031; (See Attached Exhibit)

**Description of Project:** The Riverside University Health System (RUHS)-Medical Center has elected to relocate its Revenue Recovery Group due to the inadequate size and inefficiencies of the existing location. On June 7, 2016, the Board of Supervisors approved Agenda Item 3.32 authorizing EDA, to locate suitable office space for lease of approximately 52,000 square feet in the City of Moreno Valley, City of Corona or the City of Riverside to relocate their existing Revenue Recovery Group, currently at the RUHS - Medical Center, located at 26520 Cactus Avenue, Moreno Valley, California. EDA issued a request for proposal and Mission Grove Office Park II, L.P. was selected for their site located at 7898 Mission Grove Parkway, Suites 100, 110 and 200, Riverside. The site was determined to be the best option to meet the needs of the RUHS-Revenue Recovery Group. The property consists of approximately 28,199 square feet which includes 2,111 square feet in Suite 100, 3,120 square feet in Suite 110, and 22,968 square feet in Suite 200. The site is located in a convenient location close to services and amenities, with easy access to Interstate-215 and local bus routes. The proposed new location would provide more efficient workspace and allow the Revenue Recovery Group to improve efficiency within the group and enhanced the services provided.

The Lease Agreement with Mission Grove Office Park II, L.P. (Lessor) will consist of a ten-year term with two, two-year options and is defined as the proposed project under the California Environmental Quality Act (CEQA). The Revenue Recovery Group would relocate to an existing office building and no change in land use would occur. In order for the building to function efficiently for the Revenue Recovery Group, certain interior alterations will be required. However, these alterations would be minor and would not result in direct or indirect physical impacts.

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

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

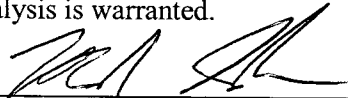
**Exempt Status:** State CEQA Guidelines, Section 15301, Class 1, Existing Facilities Exemption; Section 15061(b) (3), General Rule or "Common Sense" Exemption, Codified under Title 14, Articles 5 and 19, Sections 15061 and 15300 to 15301.

JUL 11 2017 3.12

**Reasons Why Project is Exempt:** The proposed Project is categorically exempt from the provisions of CEQA specifically by the State CEQA Guidelines as identified below. The Project will not result in any specific or general exceptions to the use of the categorical exemption as detailed under State CEQA Guidelines Section 15300.2. The Project will not cause an impact to an environmental resource of hazardous or critical concern nor does the Project include unusual circumstances which could have the possibility a significant effect on the environment. The Project would not result in impacts to scenic highways, hazardous waste sites, historic resources, or other sensitive natural environments, or have a cumulative effect to the environment. No significant environmental impacts are anticipated to occur with the Lease Agreement.

- **Section 15301 – Class 1 Existing Facilities Exemption:** This categorical exemption includes the operation, repair, maintenance, leasing, or minor alteration of existing public or private structures or facilities, provided the exemption only involves negligible or no expansion of the previous site's use. The Project, as proposed, is limited to a lease and includes minor modifications to an existing building which would be limited to interior or exterior alterations as defined under 15301 (a). The Lease and minor alterations will not increase or expand the use of the site, and is limited to the continued use of the site in a similar capacity; therefore, the Project is exempt as the Project meets the scope and intent of the Class 1 Exemption identified in Section 15301, Article 19, Categorical Exemptions of the CEQA Guidelines.
- **Section 15061 (b) (3) – “Common Sense” Exemption:** 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 Project may have a significant effect on the environment. The proposed Lease and minor alterations will not result in any direct or indirect physical environmental impacts. The use and operation of the facility will be substantially similar to the planned use and associated entitlements which were completed prior to the construction of the existing building, which took into the account all of the potential effects that could result from a fully-occupied facility. The use of the facility by the RUHS Revenue Recovery Group, would be consistent with the planned use, and; 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 exemptions 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: 2/16/17

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

**RIVERSIDE COUNTY CLERK & RECORDER**

**AUTHORIZATION  
TO BILL  
BY JOURNAL VOUCHER**

**Project Name: RUHS Revenue Recovery Lease Agreement**

**Accounting String: 524830-47220-7200400000 - FM0414100016**

DATE: February 14, 2017

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, Senior Real Property Agent, Economic Development Agency

-TO BE FILLED IN BY COUNTY CLERK-

ACCEPTED BY: -

DATE: -

RECEIPT # (S) -



Date: February 14, 2017  
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 # FM0414100016**  
RUHS Revenue Recovery Lease Agreement

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 10<sup>th</sup> Street, Suite 400, Riverside, CA 92501**

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

Attachment

cc: file

## LEASE

Riverside University Health System – Revenue Recovery Group  
(7898 Mission Grove Parkway, Suites 106,110, & 200, Riverside, California)

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## EXHIBITS

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

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|---|--------------|
| Site Plan   | Exhibit A    |
| Leasehold Improvement Agreement                   | Exhibit B    |
| Final Space Plan                                  | Exhibit B-1  |
| Final Working Drawings                            | Exhibit B-2  |
| Construction Schedule                             | Exhibit B-3  |
| Estimated Construction Costs                      | Addendum 1   |
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| Leasehold Improvement Amortization Schedule       | Exhibit B-4  |
| Actual Costs – Leasehold Improvement Amortization | Exhibit B-5  |
| FF&E Amortization Schedule                        | Exhibit B-6  |
| FF&E List   | Exhibit B-7  |

|   |           |
|---|-----------|
| 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 |



LEASE  
COUNTY OF RIVERSIDE

**1. Parties.**

**1.1** This Lease ("Lease") is made by and between the **COUNTY OF RIVERSIDE**, a political subdivision hereinafter referred to as "County" and Mission Grove Office Park I, L.P., a California limited partnership, 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 portion of the Project, as defined herein, including all improvements therein or to be provided by Lessor under the terms of this Lease, and commonly known as 7898 Mission Grove Parkway, Suites 106, 110 & 200, located in the City of Riverside, County of Riverside, State of California, also identified as Assessor Parcel Number 276-160-031 and generally described as office space consisting of approximately 2,111 rentable square feet in Suite 106, 3,120 rentable square feet in Suite 110, and 22,968 rentable square feet in Suite 200. The total rentable square footage is 28,199 square feet with unreserved parking spaces, as 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. The Premises, the building, the Common Areas, the land upon which they are located, along with all other buildings and improvements thereon, are herein collectively referred to as the "Project."

**2.3 Common Areas Defined.** The term "Common Areas" is defined as all areas and facilities outside the Premises and within the exterior boundary line of the Project and interior utility raceways and installations within the Premises that are provided by and designated by the Lessor from time to time for the general non-exclusive use of Lessor, County, and other tenants of the Project and their respective

employees, suppliers, shippers, customers, contractors, and invitees, including but not limited to common restrooms, parking areas, loading and unloading zones, trash areas, roadways, walkways, driveways, and landscaped areas.

**2.4 County's Rights-Common Areas.** Lessor grants to County, for the benefit of the County and its employees, suppliers, shippers, customers, contractors, and invitees, during the term of this Lease, the non-exclusive right to use, in common with others entitled to such use, the Common Areas as same may from time to time exist. Lessor shall have the right to promulgate rules and regulations for the management, safety, care, and cleanliness of the Common Areas, provided however, that such rules and regulations do not unreasonably interfere with County's operations. County's prior approval shall be required for any changes to the Common Areas which adversely affect County's use and occupancy of the Premises, the parking, or accessibility of the Premises.

**2.5 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.

**2.6 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, elevators, security systems, lighting, heating, ventilating and air conditioning systems ("HVAC"), loading doors, if any, 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 Riverside University Health System, Revenue Recovery Group, 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. The Term of this Lease shall be for a period of Ten (10) years ("Original Term") commencing (Commencement Date) 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. The Original Term shall expire at midnight on the last day of the Ten (10) Year Term ("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 240 days from County's execution of this Lease, County may, at its sole option, either: (a) deduct from any rents that may become due hereunder the sum of \$1,879.94 for each day the Premises are not substantially complete and

available for occupancy as per paragraph 2.6, 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, including, but not limited to, the difference in money between the total sum to be paid by County to another party for rent to Lease such party's real property, if the rental hereunder is less than the rental to be paid such other party; or if the Original Term of this Lease has not commenced by 240 days from County's execution of this Lease, or (b) 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.

**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 including a three percent (3%) annual increase in Rent.

**5. Rent.** The anniversary dates shall be deemed to fall on the first day of the first full month of each lease year following the Commencement Date.

**5.1 Rent.** Commencing on the Commencement Date, County shall pay the sum of \$56,398.00 per month to Lessor as rent for the Leased Premises, payable, in advance, without setoff or deduction of any kind, 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 (1) full calendar month said rent shall be pro-rated based upon the actual number of days of said month.

**5.2 Percentage Increase.** Notwithstanding the provisions of Section 5.1 herein, the monthly rent shall be increased on each anniversary date by an amount equal to three (3%) percent of such monthly rental.

**5.3 Tenant Improvement Reimbursement.** Notwithstanding the provisions of Section 5.1 and 5.2 above, commencing on the Commencement Date,

County shall pay to Lessor monthly tenant improvement reimbursement payments on the first day of each and every month as set forth in Section 8 of Exhibit "B-4" of this lease as reimbursement for the required tenant improvements included in this Lease Agreement. In addition, County shall pay to Lessor monthly Furniture, Fixtures, and Equipment ("FF&E") payments on the first day of each and every month as set forth in Section 8 of Exhibit "B-6" of this lease as reimbursement for the required FF&E included in this Agreement.

**6. Options.**

**6.1 Option to Extend Term.** Lessor grants to County two option(s) to extend the Lease term ("Extension Option(s)"). Each Extension Option shall be for a period of two years ("Extended Term"), subject to the conditions described in this Section 6.1.

**6.1.1 Exercise of Option.** The Extension Option(s) shall be exercised by County delivering to Lessor written notice thereof no later than sixty (60) days prior to the expiration of the Original Term or any extension thereof.

**6.1.2 Option Rent.** The rent payable by County during any Extended Term shall be increased three (3%) percent over the rent for the last year of the Original Term or Option Period.

**6.1.3** All terms and conditions of this Lease with exception of Rent and Lease Term shall remain in full force and effect during the Extended Term.

**6.2 Right of First Refusal to Lease Additional Space.** Lessor hereby grants to County a right of first refusal to lease the other premises in the building containing the leased Premises ("Adjacent Premises"), in the event Lessor received a bona fide offer from a third party to lease any portion of the Adjacent Premises, which offer is acceptable to Lessor. Lessor shall promptly notify County in writing of the offer, including the square footage of the portion of the Adjacent Premises proposed to be let and other terms and conditions of the offer. County shall have ten (10) business days within which to notify Lessor in writing whether County agrees to lease the portion of the Adjacent Premises under such offer upon the terms and conditions set forth in such offer. In the event County notifies Lessor to lease the portion of the Adjacent Premises, Lessor agrees to execute a lease amendment which shall be forwarded to the Board of

Supervisors for approval. In the event County fails to give written notice of its election to lease the proposed additional space, Lessor shall be free to accept the bona fide offer and lease the Adjacent Premises to the third party. If the third party fails to lease such portion of the Adjacent Premises and the Adjacent Premises (or remaining portion of the Adjacent Premises) remains available; County shall have the same right of first refusal granted herein with regard to any future offer to lease such portion of the Adjacent Premises.

**6.3 Right of First Refusal to Extend Lease Term.** At such time as the Original Term and/or Extended Terms have expired, in further consideration of the Rent, Covenants, and Conditions to be paid, performed, and observed by County, Lessor hereby grants to County a right of first refusal to extend the Lease of the Premises. In the event Lessor receives a bona fide offer from a third party to lease the Premises, which offer is acceptable to Lessor, Lessor shall promptly notify County in writing of the offer, including the amount of rent offered and other terms and conditions of the offer. County shall have ten (10) business days within which to notify Lessor in writing whether County agrees to extend the Lease of the Premises on the same terms and conditions as the third party offer. In the event County notifies Lessor to extend the Lease, Lessor agrees to execute a lease amendment which shall be forwarded to the Board of Supervisors for approval. In the event County elects to extend the Lease of the Premises, the Lease shall be subject to the same terms and conditions as the third party offer, including, but not limited to, amount of rent, term, and commencement date. In the event County fails to give written notice of its election to extend the Lease of the Premises, Lessor shall be free to accept the bona fide offer and lease the Premises to the third party. If the third party fails to lease the Premises and the Premises remains available, County shall have the same right of first refusal granted herein with respect to a bona fide offer to lease the Premises by a subsequent third party offerer.

## **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. 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 hereinafter 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 at Lessor's expense.

**7.2 Americans With Disabilities.** 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. Any cost incurred to cause the Premises to comply with said Act shall be borne by Lessor.

**7.3 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."

**7.4 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.

**7.5 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 licensed 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.

**7.6 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.

**8. Custodial Services.**

**8.1 Custodial Services.** Lessor shall provide, or cause to be provided, and pay for 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.

**8.2 County's Right to Provide Custodial Service and Deduct Cost.** If County provides written 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 written demand by County with appropriate backup invoices, Lessor shall promptly reimburse County the actual cost and expenses

thereof, provided said costs and expenses are reasonable. For purposes of this Section, notice given by fax or e-mail shall be deemed sufficient.

**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.

**9.2** County shall pay separately for all telephone and electrical services within the leased space which will be used in connection with the Leased Premises. Lessor shall provide, or cause to be provided, and pay for all other utility services, including, but not limited to, water, natural gas, refuse collection and sewer services, as may be required in the maintenance, operation and use of the Leased Premises.

**10. Repairs and Maintenance.**

**10.1 Lessor's Repair and Maintenance Obligations.** Lessor shall, at Lessor's sole expense and 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. 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.

**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 twenty four (24) 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 twenty four (24) 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 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 the then prevailing legal rate of interest 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 set off.

**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 written demand by County with appropriate backup invoices, 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, and pay for all Periodic Services, including, interior painting of common areas every three years, if so requested by County; monthly pest control services; quarterly HVAC standard preventative maintenance and changing of air filters; annual fire 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.

**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 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.

**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, alteration, 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 §1720.2, 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.

**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. Any damage caused by such removal shall be immediately repaired by County.

**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. Any installations or other work undertaken by County on the roof of the Building shall either (i) be performed by Landlord's contractor or (ii) performed under the supervision of Landlord's contractor.

## **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, arising out of, 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 of any kind from any cause. County Parties shall not be liable under this Section regardless of whether the liability results from any active or passive act, error, omission, or negligence of any of County Parties; or is based on claims in which liability without fault or strict liability is imposed or sought to be imposed on any of County Parties. This exculpation Section shall not apply to claims against County Parties to the

extent that 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, 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, invitees, 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.

**12.1.4 Waiver of Civil Code Section 1542.** With respect to the exculpation provided in this Section 12, Lessor waives the benefits of Civil Code Section 1542, which provides:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his/her favor at the time of executing the release, which if known by him/her must have materially affected his/her settlement with the debtor."

**12.1.5 Lessor Exculpation.** In the event that Lessor shall be liable to County for damage sustained by County as a result of Lessor's breach, it is expressly understood and agreed that any money judgment resulting from any default or other claim arising under this Agreement shall be satisfied only out of Lessor's interest in the



Project, and no other real, personal or mixed property of Lessor (the term "Lessor" for purposes of this paragraph only shall mean any and all partners, both general and/or limited, if any, which comprise Lessor), wherever situated, shall be subject to levy on any such judgment obtained against Lessor and if such interest is insufficient for the payment of such judgment, County will not institute any further action, suit, claim or demand, in law or in equity, against Lessor for or on the account of such deficiency. County hereby waives, to the extent waivable under law, any right to satisfy said money judgment against Lessor except from Lessor's interest in the Project, unless due to Lessor's gross negligence or willful misconduct.

#### **12.2 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.

#### **12.2.1 Indemnification by County.**

Except for the willful acts, omissions or negligence of Lessor, its employees, contractors and agents, County agrees to indemnify, defend and hold harmless Lessor, its agents and employees from and against any and all expense, liability and claims for damage to or loss of property (including County's property) or injury to or death of persons (including County, its agents, employees, visitors, licensees, or invitees) directly or indirectly resulting from any cause on or about the Premises, or in connection with the maintenance or operation of County's business, or County's occupation or use of the Premises. County shall discharge any judgment or compromise rendered against or suffered by Lessor as a result of anything indemnified against hereunder and shall reimburse Lessor for any and all costs, fees, or expenses incurred or paid by Lessor (including, without limitation, reasonable attorneys' fees), in connection with the defense of any action or claim resulting therefrom.

#### **12.2.1 Indemnification by Lessor.**

Except for the willful acts, omissions or negligence of County, its employees, contractors and agents, Lessor agrees to indemnify, defend and hold harmless County, its agents and employees from and against any and all expense, liability and claims for damage to or loss of property (including Lessor's property) or injury to or death of persons (including Lessor, its agents, employees, visitors, licensees, or invitees) directly or indirectly resulting from any cause on or about the Premises, or in connection with the maintenance or operation of Lessor's business, or Lessor's occupation or use of the

Premises. Lessor shall discharge any judgment or compromise rendered against or suffered by County as a result of anything indemnified against hereunder and shall reimburse County for any and all costs, fees, or expenses incurred or paid by County (including, without limitation, reasonable attorneys' fees), in connection with the defense of any action or claim resulting therefrom.

### **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.

**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 (a) the Repair Period Notice provided by Lessor indicates that the anticipated period for repairing the Casualty exceeds ninety (90) days, or (b) notwithstanding the above, in the event of a substantial or total casualty to the Premises or improvements, 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 transaction costs and attorneys' fees, plus interest at the then legal rate of interest 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. Miscellaneous.**

**19.1 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 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.

**19.2 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.

**19.3 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.

**19.4 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.

**19.5 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.

**19.6 Attorneys' Fees.** In the event of any litigation or arbitration between Lessor and County to enforce any of the provisions of this Lease or any right of either party hereto, the unsuccessful party to such litigation or arbitration agrees to pay to the successful party all costs and expenses, including reasonable attorneys' fees, incurred therein by the successful party, all of which shall be included in and as a part of the judgment rendered in such litigation or arbitration.

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

**19.8 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.

**19.9 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.

**19.10 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.

**19.11 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.

**19.12 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.

**19.13 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.

**19.14 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.

**19.15 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.

**19.16 Mechanic's Liens.** If any mechanic's or materialmen's lien or liens shall be filed against the Premises or the Project 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 either Party for work done on the Premises or the Project, such Party shall immediately forward a copy of such notice to the other Party.

**19.17 Surrender.** 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.

**19.18 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 19.18 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 500  
Riverside, California 92501  
Attention: Deputy Director of Real Estate

**Lessor's Notification Address:**

Mission Grove Office Park I, LP  
9201 Wilshire Blvd. Suite 103  
Beverly Hills, CA 90210  
Attention: Mark Rubin

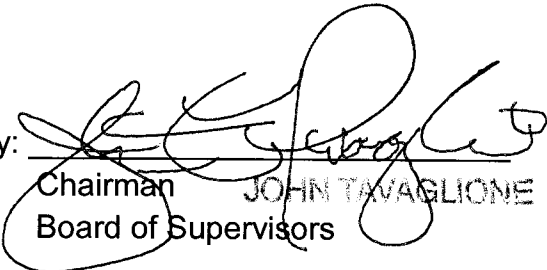
**19.19 Authority.** If Lessor is a corporation, general or limited partnership or individual owner, each individual executing this Lease on behalf of said corporation, partnership, or individual represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of 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.

**19.20 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.

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

**LESSOR:**

**COUNTY OF RIVERSIDE**

By:   
Chairman JOHN TAVAGLIONE  
Board of Supervisors

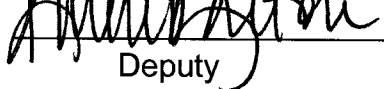
**LESSEE:**

Mission Grove Office Park I, L.P,  
a California limited partnership  
By: Regional Properties, Inc.,  
a California corporation

By:   
Mark Rubin, President

**ATTEST:**

Kecia Harper-Ihem  
Clerk of the Board

By:   
Deputy

**APPROVED AS TO FORM:**

Gregory P. Priamos, County Counsel

By:   
Deputy County Counsel

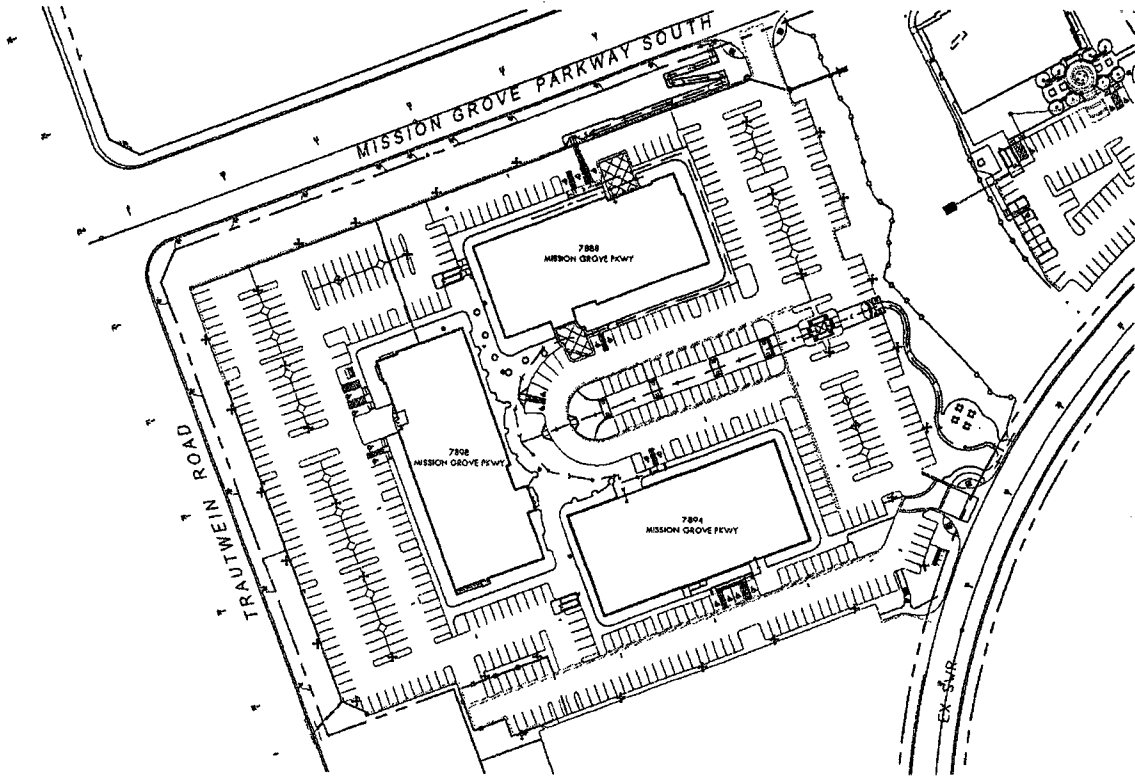


**EXHIBIT A**

**SITE PLAN**

**7898 MISSION GROVE PKWY, RIVERSIDE**

EXHIBIT A



MISSION GROVE CORPORATE PLAZA

MISSION GROVE PARKWAY  
RIVERSIDE, CALIFORNIA

SITE PLAN



3100 East Cedar Street, Suite 24  
Ontario, CA 91761  
Telephone No. (909) 930-2444  
Facsimile No. (909) 930-2229  
www.sissondesign.com



**EXHIBIT B**

**LEASEHOLD IMPROVEMENT AGREEMENT**

**7898 MISSION GROVE PKWY, RIVERSIDE**

**LEASEHOLD IMPROVEMENT AGREEMENT**  
(7898 Mission Grove Parkway, Riverside, CA)

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, or has acquired or constructed, that certain free standing building 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, and subject to reimbursement as hereinafter set forth, 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 materially directly or indirectly delay the "Substantial Completion," as that term is defined in Section 6.1 of this Leasehold Improvement Agreement, of the Premises or materially increase the cost of designing or constructing the Leasehold Improvements.

**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 Final Space Plan. Prior to execution of the Lease by County, Lessor and the Architect shall prepare the final space plan for Leasehold Improvements in the Premises (collectively, the "Final Space Plan"), which Final Space Plan shall include a layout and designation of all offices, rooms and other partitioning, their intended use, and equipment to be contained therein, and shall deliver the Final Space Plan County for County's approval. The Final Space Plan is attached as Exhibit "B-1."

3.3 Final Working Drawings. Within ten (10) working 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. The Final Working Drawings shall be incorporated into this lease upon their completion as Exhibit "B-2."

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 materially 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, and approval of the "Construction Costs," as set forth in Section 7.1 below, 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 building and Leasehold Improvements. For any item hereunder which requires County's approval, County shall provide its written approval or disapproval within ten (10) working days of receipt of the request. Lessor has provided a construction schedule which is incorporated into this lease as Exhibit "B-3."

#### **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.

#### **SECTION 5 - CONSTRUCTION**

5.1 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 Riverside, or if no new Certificate of Occupancy is required, then upon acceptance of the improvements by the City of Riverside 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 in accordance with this Exhibit "B" and the Exhibit "F" attached to the Lease (excepting minor punch list items), which Lessor shall complete with due diligence, and County shall not unreasonably withhold or delay approval of construction of same.

5.2 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 CAD 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, and compliance with the requirements of Section 5.1 of this Exhibit. 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 in all material respects 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 - CONSTRUCTION COSTS**

7.1 Lessor has provided County with an itemized cost breakdown of the estimated construction costs of the leasehold improvements, attached hereto and made a part hereof as Addendum 1. Upon Substantial Completion, Lessor shall provide the actual construction costs of the Leasehold Improvements in Addendum 1-A (herein the "Actual Costs of the Leasehold Improvements"). County shall receive a credit from Lessor in the amount of \$704,975.00 from Lessor (herein the "Tenant Improvement Allowance Credit") to offset the actual costs set forth in Addendum 1-A. The estimated costs of the all Leasehold Improvements as set forth in Addendum 1, including but not limited to architectural fees and permits, is \$1,857,807.14, (herein the "Leasehold Improvement Costs"). If needed, the Parties have budgeted an additional \$278,671.08 as project contingency (the "Contingency") for the sole purpose of paying for extra items requested by County during the course of construction for installation of additional leasehold improvements or otherwise necessitated by request/changes made to the plans by County. The cost for the construction shall be calculated with all labor, materials, permits and insurance included as costs, and shall be calculated at prevailing wages. The total cost of all the Leasehold Improvements shall not exceed \$2,136,478.22 including the contingency (the "Total Costs").

The Maximum Reimbursable Cost therefore for which County shall be obligated for reimbursement to Lessor shall be \$1,431,503.22, (the "Maximum Reimbursable Costs"), which represents the Total Costs of the Leasehold Improvements less the Tenant

Improvement Allowance Credit in the amount of \$704,975.00.

7.2 Upon completion of the 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, of the actual costs of the Leasehold Improvements incurred by Lessor, designated as Addendum 1-A, accompanied by vendor, contractor, subcontractor, material man invoices if requested by the County.

## **SECTION 8 - REIMBURSEMENT FOR LEASEHOLD IMPROVEMENTS AND FURNITURE, FIXTURE, AND EQUIPMENT**

8.1 In addition to the monthly rent as stated in the Lease, County shall reimburse Lessor, as hereinafter set forth, the actual cost of the Leasehold Improvements on a monthly basis as substantiated by the Actual Costs of Leasehold Improvements as set forth in Addendum 1-A required in Section 7.2 above and related supporting documentation requested by County. In no event shall Lessor be reimbursed an amount in excess of Maximum Reimbursable Costs pursuant to Addendum 1A.

8.2 In the event the costs of the leasehold improvements equal the total of the leasehold improvement costs pursuant to Addendum 1, County shall pay to Lessor a monthly leasehold improvement payment as set forth in the leasehold improvement payment schedule as attached to this Exhibit "B," designed at Exhibit "B-4." The monthly payment shall be based upon the amortized costs of the Addendum 1 costs as set forth in Section 7.1 less the Tenant Improvement Allowance Credit, and shall be amortized over one hundred twenty months (120) months (the "Leasehold Amortization Period") at six (6%) interest, as reimbursement for the costs of improvements made by Lessor. Upon completion of the leasehold improvements, in the event the Actual Costs of the Leasehold Improvements Addendum 1-A are less than the estimated costs in Addendum 1, a revised amortization schedule designated Exhibit "B-5" shall be attached to this Exhibit "B" which shall set forth the revised monthly payment to be paid to Lessor to amortize the Actual Costs of the Leasehold Improvements less the Tenant Improvement Allowance Credit. In no event shall Lessor be reimbursed any amount in excess of Actual Costs of the Leasehold Improvements nor in excess of the total cost set forth in Sections 7.1 above. County shall have the option to pay Lessor in part or in full the unamortized balance of the Leasehold Improvements at any time from the effective date of this Lease until and including the Original Term of this Lease. In the event County makes a partial payment, the remaining balance shall be amortized over the number of the remaining months in the Leasehold Improvement at 6% interest, and Lessor shall within fourteen (14) days after receiving such payment, provide a revised amortization schedule to County setting forth the revised balance and revised payments schedule.

8.3 Lessor agrees to contract with outside vendors for the installation of County's furniture, fixtures, and equipment. Lessor shall contract directly with outside vendors and pay said vendors upon completion of the installation of the furniture, fixtures, and



equipment (the "FF&E") as set forth in Exhibit "B-7. Based upon the FF&E total budget of \$1,027,078.26 (the "Total FF&E Budget") as set forth in Exhibit "B-7," County shall reimburse Lessor for the FF&E , in the form of a monthly payment at 6% interest as set forth in the FF&E payment schedule attached to this Exhibit "B" as Exhibit "B-6." In the event the actual costs of the FF&E are less than the Total FF&E Budget, the payment schedule shall be revised accordingly to reflect the monthly payment at 6% interest on the actual costs. The FF&E actual costs revised payment schedule shall be attached as Exhibit "B-8." County shall have the option to pay Lessor in part or in full the unamortized balance of the furniture, fixtures and equipment at any time from the effectiveness of this Lease until and including the Original Term of this Lease. In the event County makes a partial payment the remaining balance shall be amortized over the number of the remaining months in the Leasehold Amortization Period at 6% interest, and Lessor shall within fourteen (14) days after receiving such payment, provide a revised amortization schedule to County setting forth the revised balance and revised payments and payment schedule. A list of the FF&E is set forth in Exhibit "B-7."

8.4 County shall pay to Lessor an amount not to exceed \$1,027,078.26 for the actual costs of the furniture, fixtures, and equipment made by Lessor on a monthly basis, as set forth in monthly payment schedule in Exhibit "B-6." In no event shall Lessor be reimbursed any amount in excess of actual costs nor in excess of the total amount set forth in this Section 8.4, however, in the event there is an available contingency balance from the leasehold improvement funds, any available contingency balance may be allocated to the FF&E costs at County's discretion. All amounts due to Lessor from County pursuant to this Section 8 shall be amortized over the one hundred twenty months of the Original Lease Term and the payment calculated at an annual interest rate of six (6%) percent. All FF& E title ownership shall vest in the County of Riverside.

## **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 related to County's entry on to the premises 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 Mark Rubin 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, or if no timeframe stated, within fifteen (15) days of request the end of such period the item shall automatically be deemed not approved; provided however, Lessor's requirement for delivery of the Premises Pursuant to Section 4.3 of the Lease shall be extended by one (1) day of each one (1) day after any approval period that such item remains disapproved.

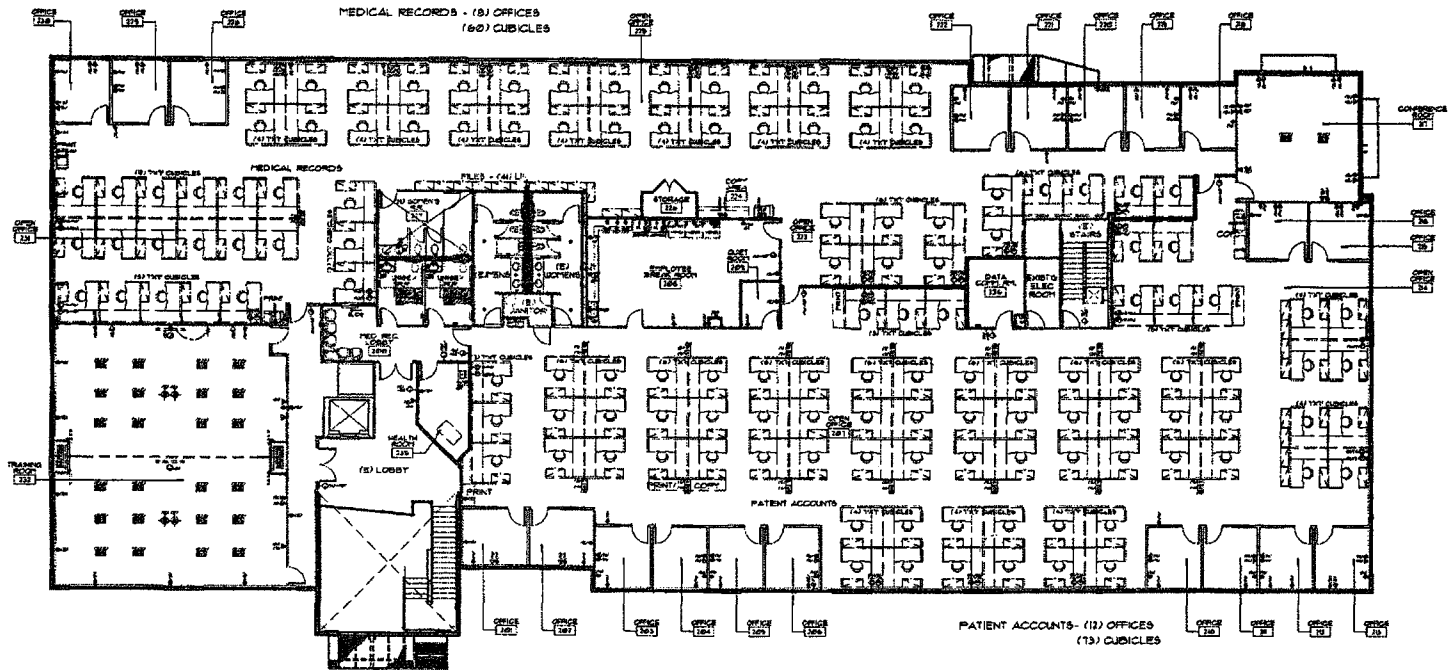
9.6 Default. A default by either party under this Leasehold Improvement Agreement shall be a default under the Lease, and shall be controlled by the terms of the Lease.

**EXHIBIT B-1**

**FINAL SPACE PLAN**

**7898 MISSION GROVE PKWY, RIVERSIDE**

EXHIBIT B-1



RIVERSIDE UNIVERSITY HEALTH SYSTEM  
2ND FLOOR OFFICE

MISSION GROVE CORP. PLAZA  
7898 MISSION GROVE PKWY, 2ND FLOOR, SUITE 200  
RIVERSIDE, CALIFORNIA  
MARCH 20, 2017  
SCALE: N.T.S.  
SDG JN: M156-16138

CONCEPTUAL  
SPACE PLAN  
22,968 R.S.F

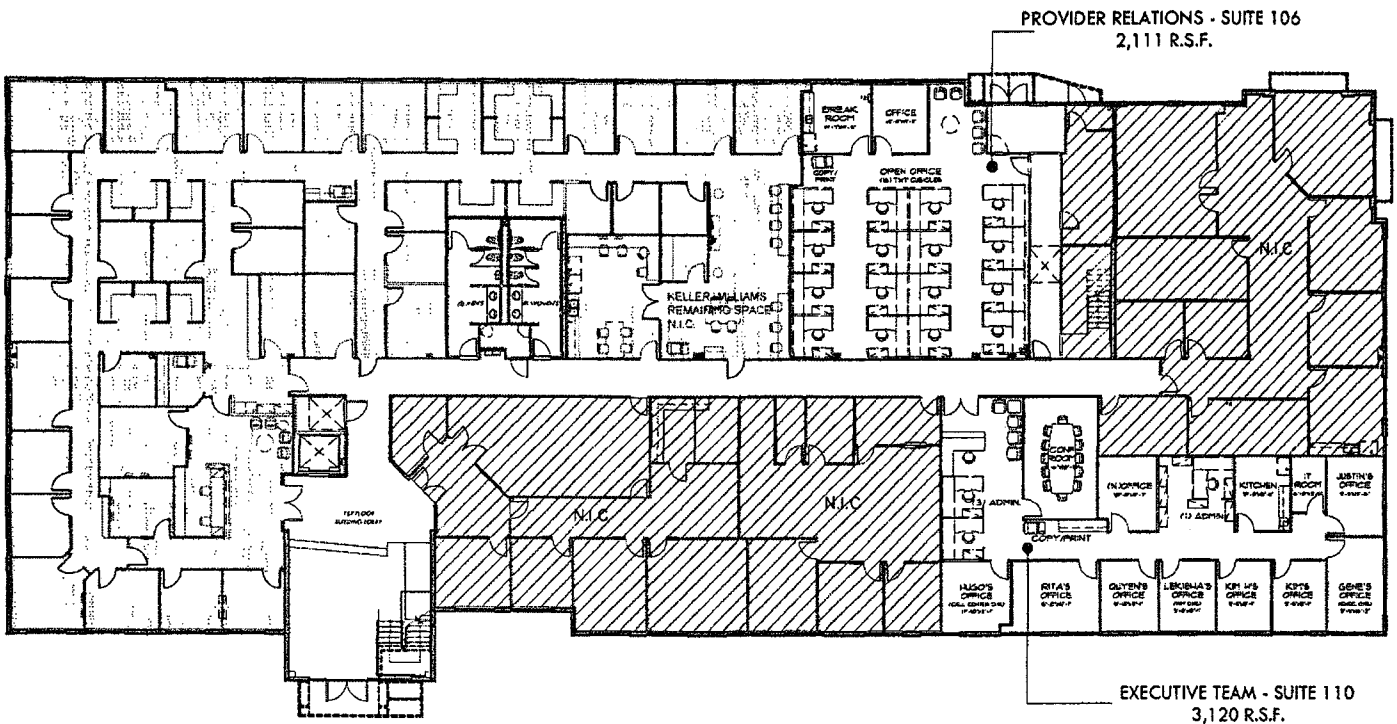


1100 East Center Street, Suite 56  
Orange, CA 92668  
Telephone No. 909/550-2444  
Facsimile No. 909/550-2239  
www.sissondesign.com



SISSONDESIGN GROUP

EXHIBIT B-1



PROVIDER RELATIONS - SUITE 106  
2,111 R.S.F.

EXECUTIVE TEAM - SUITE 110  
3,120 R.S.F.

REVENUE RECOVERY GROUP-EXECUTIVE TEAM & PROVIDER RELATIONS

RIVERSIDE UNIVERSITY HEALTH SYSTEM  
MISSION GROVE CORPORATE PLAZA  
7898 MISSION GROVE PARKWAY, SUITE 100 & 110  
RIVERSIDE, CALIFORNIA  
DATE: MARCH 20, 2017  
SCALE: N.T.S.  
SDG JN: M156-16138  
REVISION 3: APRIL 5, 2017

CONCEPTUAL  
SPACE PLAN

3100 East Cedar Street, Suite 26  
Orange, CA 92665  
Telephone No. (909) 552-5544  
Facsimile No. (909) 930-2229  
www.sissongroup.com



**EXHIBIT B-2**

**FINAL WORKING DRAWINGS**

**7898 MISSION GROVE PKWY, RIVERSIDE**

**EXHIBIT B-3**

**CONSTRUCTION SCHEDULE**

**7898 MISSION GROVE PKWY, RIVERSIDE**

EXHIBIT B-3

Riverside University Health Systems  
 Mission Grove Corporate Plaza  
 7888 and 7898 Mission Grove Parkway Riverside, CA

CONSTRUCTION SCHEDULE

May 25, 2017

| <b>TASK NAME</b>          | <b>DURATION</b> | <b>START DATE</b>           | <b>FINISH DATE</b>          |
|---------------------------|-----------------|-----------------------------|-----------------------------|
| <b>ESTIMATED SCHEDULE</b> | 231 days        | Wednesday, June 14, 2017    | Wednesday, January 31, 2018 |
| <b>PRE-CONSTRUCTION</b>   | 103 days        | Wednesday, June 14, 2017    | Monday, September 25, 2017  |
| CONSTRUCTION DRAWINGS     | 56 days         | Wednesday, June 14, 2017    | Wednesday, August 09, 2017  |
| CITY PLAN CHECK           | 47 days         | Monday, August 14, 2017     | Monday, September 25, 2017  |
| <b>CONSTRUCTION</b>       | 122 days        | Tuesday, September 26, 2017 | Thursday, January 26, 2018  |
| <b>FF&amp;E INSTALL</b>   | 21 days         | Wednesday, January 10, 2018 | Wednesday, January 31, 2018 |
| <b>TENANT MOVE IN</b>     | 3 days          | Monday, January 29, 2018    | Wednesday, January 31, 2018 |
| <b>TENANT GO-LIVE</b>     | 1 day           | Thursday, February 01, 2018 | Thursday, February 01, 2018 |



**ADDENDUM 1**

**ESTIMATED CONSTRUCTION COSTS**

**7898 MISSION GROVE PKWY, RIVERSIDE**

ADDENDUM 1

Bids 7888 Mission Grove Pkwy, 19,983 Sq. Ft. 7898 Mission Grove Pkwy 28,199 sq. ft.

Tls Cost per Sq. Ft. \$86.26

Tls Cost per Sq. Ft. \$66.39

TENANT IMPROVEMENTS

|                        |                 |                 |                |
|------------------------|-----------------|-----------------|----------------|
| Construction           | \$ 1,709,388.47 | \$ 1,857,807.14 | \$1,313,025.00 |
| Less: LI Allowance     | -\$608,050.00   | -\$704,975.00   |                |
| Net Tls to be financed | \$ 1,101,338.47 | \$ 1,152,832.14 | \$2,254,170.61 |
| x15% of Construction   | \$ 256,408.27   | \$ 278,671.08   |                |
| Tls to be Financed     | \$ 1,357,746.74 | \$ 1,431,503.22 |                |

FF&E's

|   |               |                 |  |
|---|---------------|-----------------|--|
| Total Plan  | \$ 565,151.98 | \$ 721,886.22   |  |
| RCIT  | \$ 161,200.00 | \$ 229,570.00   |  |
| IE Alarm Security System  | \$ 39,497.35  | \$ 54,176.97    |  |
| IE Alarm Parking Lot Camera (Total \$14,079.04)   | \$ 7,039.52   | \$ 7,039.52     |  |
| IE Alarm: Parking lot cameras ALT   |               |                 |  |
| #1 NOTE: Underground conduit to ATT CEV to be provided and installed by others. (Total \$17,311.09) | \$ 8,655.55   | \$ 8,655.55     |  |
| Tried Consulting  | \$ 5,750.00   | \$ 5,750.00     |  |
| Total FFE   | \$ 787,294.40 | \$ 1,027,078.26 |  |

TI ALLOWANCE CALCULATION

| 7888 Mission Grove Pkwy, 19,983 Sq. Ft. |         |       |               | 7898 Mission Grove Pkwy 28,199 sq. |         |       |               |
|---|---------|-------|---------------|------------------------------------|---------|-------|---------------|
| Suite #                                 | Sq. Ft. | \$PSF | Amount        | Suite #                            | Sq. Ft. | \$PSF | Amount        |
| 100                                     | 4,964   | 25    | \$ 124,100.00 | 106                                | 2,111   | 25    | \$ 52,775.00  |
| 110                                     | 2,267   | 25    | \$ 56,675.00  | 110                                | 3,120   | 25    | \$ 78,000.00  |
| 120                                     | 7,086   | 25    | \$ 177,150.00 | 200                                | 22,968  | 25    | \$ 574,200.00 |
| 125                                     | 1,327   | 25    | \$ 33,175.00  |                                    |         |       |               |
| 201                                     | 4,339   | 50    | \$ 216,950.00 |                                    |         |       |               |
|   |         |       |               |                                    |         |       |               |
|   | 19,983  |       | \$608,050.00  |                                    | 28,199  |       | \$ 704,975.00 |

ADDENDUM 1

Riverside University Health System  
Mission Grove Corporate Plaza  
7898 Mission Grove Parkway Riverside, CA  
28,199 R.S.F.

CONSTRUCTION COST SUMMARY

REVISED - May 22, 2017

| DESCRIPTION                          | Provider Relations (7898 Suite 106) | Exec. Team (7898 Suite 110) | 7898 Suite 200 |
|--------------------------------------|-------------------------------------|-----------------------------|----------------|
| 01000 GENERAL CONDITIONS/SUPERVISION | 32,000.00                           | 40,000.00                   | 48,000.00      |
| 01400 CLEANING & PROTECTION          | 6,838.00                            | 6,365.00                    | 11,808.00      |
| 02000 DEMOLITION                     | 4,677.00                            | 5,248.00                    | 42,412.00      |
| 03000 CONCRETE                       | 1,372.00                            | 2,184.00                    | N.I.C.         |
| 06200 CABINETRY/MILLWORK             | 2,940.00                            | N.I.C.                      | 5,700.00       |
| 07200 INSULATION                     | 2,428.00                            | 2,740.00                    | 17,625.00      |
| 08100 DOORS/FRAMES/HARDWARE          | 1,100.00                            | 2,200.00                    | 15,500.00      |
| 08800 GLASS/GLAZING                  | N.I.C.                              | 1,830.00                    | 7,875.00       |
| 08250 DRYWALL/METAL STUDS            | 4,221.00                            | 7,576.00                    | 56,466.00      |
| 09300 STONE/CERAMIC TILE             | N.I.C.                              | N.I.C.                      | 9,039.00       |
| 09500 ACOUSTICAL CEILINGS            | 5,278.00                            | 7,800.00                    | 110,155.00     |
| 09650 FLOOR COVERING & BASE          | 9,945.00                            | 12,847.00                   | 95,387.00      |
| 09900 PAINT & WALLCOVERING           | 4,222.00                            | 6,240.00                    | 44,082.00      |
| 10400 ADA COMPLIANT SIGNAGE          | 1,000.00                            | 1,000.00                    | 1,000.00       |
| 10620 FIRE EXTINGUISHERS             | 250.00                              | 500.00                      | 1,000.00       |
| 10800 TOILEY PARTITIONS/ACCESSORIES  | N.I.C.                              | N.I.C.                      | N.I.C.         |
| 11400 APPLIANCES                     | 1,775.00                            | 1,775.00                    | 6,800.00       |
| 13500 WINDOW COVERINGS               | 1,125.00                            | 8,550.00                    | 1,500.00       |
| 15300 FIRE SPRINKLERS                | 4,222.00                            | 6,240.00                    | 48,582.00      |
| 15400 PLUMBING                       | 6,725.00                            | N.I.C.                      | 38,825.00      |
| 15500 HVAC                           | 18,699.00                           | 28,080.00                   | 198,279.00     |
| 16000 ELECTRICAL                     | 37,698.00                           | 56,160.00                   | 396,558.00     |
| 16500 SOUND MASKING SYSTEM           | 5,278.00                            | N.I.C.                      | N.I.C.         |
| 16700 LIFE SAFETY SYSTEM             | 4,222.00                            | 6,240.00                    | 38,554.00      |
| CONTRACTORS FEES (Overhead & Profit) | \$6,341.00                          | \$8,254.00                  | \$48,320.00    |
| INSURANCE                            | \$2,111.00                          | \$2,746.00                  | \$16,091.00    |
| TOTAL GC'S CONTRACT AMOUNT           | \$194,857.00                        | \$214,596.00                | \$1,256,318.00 |

GENERAL CONTRACTOR SUBTOTAL= \$1,835,771.00

GC SUBTOTAL PER SF= \$58.01

|   |              |              |                |
|---|--------------|--------------|----------------|
| ESTIMATED CITY PERMIT FEES                      | 2,500.00     | 3,500.00     | 7,500.00       |
| SPACE PLANNING WITH REVISIONS                   | 872.82       | 1,290.16     | 9,497.82       |
| BUDGET PRICING PLAN                             | 618.41       | 911.04       | 6,706.84       |
| AS-BUILT SITE VERIFICATION                      | 513.68       | 759.20       | 5,588.87       |
| CONSTRUCTION DRAWING FEES                       | 2,825.21     | 4,175.58     | 30,738.80      |
| M.E.P. ENGINEERING and TITLE 24 Calc            | 4,350.00     | 4,350.00     | 28,800.00      |
| CITY PLAN CHECK PROCESSING                      | 6,000.00     | 5,000.00     | 6,000.00       |
| CONSTRUCTION ADMINISTRATION and MANAGEMENT FEES | 3,000.00     | 4,000.00     | 23,000.00      |
| ESTIMATED PLAN CHECK FEES                       | 1,500.00     | 2,000.00     | 2,500.00       |
| SOUND MASKING SYSTEM ENGINEERING                | 2,300.00     | N.I.C.       | 5,900.00       |
| ESTIMATED DIRECT PROJECT EXPENSES               | 1,000.00     | 1,500.00     | 2,000.00       |
| ROOM SIGNAGE ALLOWANCE                          | 600.00       | 1,600.00     | 4,000.00       |
| INTERIOR DESIGN FEES                            | 480.00       | 480.00       | 480.00         |
| CONDUIT / CONCRETE ECT                          | 2,600.00     | 2,800.00     | 2,500.00       |
| PARKING LOT SECURITY FENCING                    | 9,166.67     | 9,166.67     | 9,166.66       |
| TOTAL PROJECT CONSTRUCTION COST                 | \$202,261.88 | \$255,828.66 | \$1,399,896.58 |

CONSTRUCTION TOTAL= \$1,857,807.14

CONSTRUCTION TOTAL PER SF= \$65.88

**ADDENDUM 1-A**  
**ACTUAL CONSTRUCTION COSTS**  
**7898 MISSION GROVE PKWY, RIVERSIDE**

**EXHIBIT B-4**

**LEASEHOLD IMPROVEMENT AMORTIZATION SCHEDULE**

**7898 MISSION GROVE PKWY, RIVERSIDE**

# LOAN AMORTIZATION SCHEDULE

## ENTER VALUES

|                             |                |
|-----------------------------|----------------|
| Loan amount                 | \$1,431,503.22 |
| Annual interest rate        | 6.00%          |
| Loan period in years        | 10             |
| Number of payments per year | 12             |
| Start date of loan          | 2/1/2018       |

Optional extra payments

\$ -

## LOAN SUMMARY

|                              |             |
|------------------------------|-------------|
| Scheduled payment            | \$15,892.62 |
| Scheduled number of payments | 120         |
| Actual number of payments    | 120         |

7898 Mission Grove Pkwy, Riverside  
**LENDER NAME** - Leasehold Improvements-  
 Contingency - Exhibit B-4

| PMT NO | PAYMENT DATE | BEGINNING BALANCE | SCHEDULED PAYMENT | EXTRA PAYMENT | TOTAL PAYMENT | PRINCIPAL  | INTEREST   | ENDING BALANCE | CUMULATIVE INTEREST |
|--------|--------------|-------------------|-------------------|---------------|---------------|------------|------------|----------------|---------------------|
| 1      | 2/1/2018     | \$1,431,503.22    | \$15,892.62       | \$0.00        | \$15,892.62   | \$8,735.10 | \$7,157.52 | \$1,422,768.12 | \$7,157.52          |
| 2      | 3/1/2018     | \$1,422,768.12    | \$15,892.62       | \$0.00        | \$15,892.62   | \$8,778.78 | \$7,113.84 | \$1,413,989.34 | \$14,271.36         |
| 3      | 4/1/2018     | \$1,413,989.34    | \$15,892.62       | \$0.00        | \$15,892.62   | \$8,822.67 | \$7,069.95 | \$1,405,166.66 | \$21,341.30         |
| 4      | 5/1/2018     | \$1,405,166.66    | \$15,892.62       | \$0.00        | \$15,892.62   | \$8,866.79 | \$7,025.83 | \$1,396,299.87 | \$28,367.14         |
| 5      | 6/1/2018     | \$1,396,299.87    | \$15,892.62       | \$0.00        | \$15,892.62   | \$8,911.12 | \$6,981.50 | \$1,387,388.75 | \$35,348.64         |
| 6      | 7/1/2018     | \$1,387,388.75    | \$15,892.62       | \$0.00        | \$15,892.62   | \$8,955.68 | \$6,936.94 | \$1,378,433.08 | \$42,285.58         |
| 7      | 8/1/2018     | \$1,378,433.08    | \$15,892.62       | \$0.00        | \$15,892.62   | \$9,000.46 | \$6,892.17 | \$1,369,432.62 | \$49,177.75         |
| 8      | 9/1/2018     | \$1,369,432.62    | \$15,892.62       | \$0.00        | \$15,892.62   | \$9,045.46 | \$6,847.16 | \$1,360,387.16 | \$56,024.91         |
| 9      | 10/1/2018    | \$1,360,387.16    | \$15,892.62       | \$0.00        | \$15,892.62   | \$9,090.68 | \$6,801.94 | \$1,351,296.48 | \$62,826.84         |
| 10     | 11/1/2018    | \$1,351,296.48    | \$15,892.62       | \$0.00        | \$15,892.62   | \$9,136.14 | \$6,756.48 | \$1,342,160.34 | \$69,583.33         |
| 11     | 12/1/2018    | \$1,342,160.34    | \$15,892.62       | \$0.00        | \$15,892.62   | \$9,181.82 | \$6,710.80 | \$1,332,978.52 | \$76,294.13         |
| 12     | 1/1/2019     | \$1,332,978.52    | \$15,892.62       | \$0.00        | \$15,892.62   | \$9,227.73 | \$6,664.89 | \$1,323,750.79 | \$82,959.02         |
| 13     | 2/1/2019     | \$1,323,750.79    | \$15,892.62       | \$0.00        | \$15,892.62   | \$9,273.87 | \$6,618.75 | \$1,314,476.93 | \$89,577.77         |
| 14     | 3/1/2019     | \$1,314,476.93    | \$15,892.62       | \$0.00        | \$15,892.62   | \$9,320.24 | \$6,572.38 | \$1,305,156.69 | \$96,150.16         |
| 15     | 4/1/2019     | \$1,305,156.69    | \$15,892.62       | \$0.00        | \$15,892.62   | \$9,366.84 | \$6,525.78 | \$1,295,789.85 | \$102,675.94        |
| 16     | 5/1/2019     | \$1,295,789.85    | \$15,892.62       | \$0.00        | \$15,892.62   | \$9,413.67 | \$6,478.95 | \$1,286,376.18 | \$109,154.89        |
| 17     | 6/1/2019     | \$1,286,376.18    | \$15,892.62       | \$0.00        | \$15,892.62   | \$9,460.74 | \$6,431.88 | \$1,276,915.44 | \$115,586.77        |
| 18     | 7/1/2019     | \$1,276,915.44    | \$15,892.62       | \$0.00        | \$15,892.62   | \$9,508.04 | \$6,384.58 | \$1,267,407.40 | \$121,971.35        |
| 19     | 8/1/2019     | \$1,267,407.40    | \$15,892.62       | \$0.00        | \$15,892.62   | \$9,555.58 | \$6,337.04 | \$1,257,851.82 | \$128,308.39        |
| 20     | 9/1/2019     | \$1,257,851.82    | \$15,892.62       | \$0.00        | \$15,892.62   | \$9,603.36 | \$6,289.26 | \$1,248,248.45 | \$134,597.65        |
| 21     | 10/1/2019    | \$1,248,248.45    | \$15,892.62       | \$0.00        | \$15,892.62   | \$9,651.38 | \$6,241.24 | \$1,238,597.08 | \$140,838.89        |
| 22     | 11/1/2019    | \$1,238,597.08    | \$15,892.62       | \$0.00        | \$15,892.62   | \$9,699.64 | \$6,192.99 | \$1,228,897.44 | \$147,031.87        |
| 23     | 12/1/2019    | \$1,228,897.44    | \$15,892.62       | \$0.00        | \$15,892.62   | \$9,748.13 | \$6,144.49 | \$1,219,149.31 | \$153,176.36        |
| 24     | 1/1/2020     | \$1,219,149.31    | \$15,892.62       | \$0.00        | \$15,892.62   | \$9,796.87 | \$6,095.75 | \$1,209,352.43 | \$159,272.11        |
| 25     | 2/1/2020     | \$1,209,352.43    | \$15,892.62       | \$0.00        | \$15,892.62   | \$9,845.86 | \$6,046.76 | \$1,199,506.57 | \$165,318.87        |
| 26     | 3/1/2020     | \$1,199,506.57    | \$15,892.62       | \$0.00        | \$15,892.62   | \$9,895.09 | \$5,997.53 | \$1,189,611.49 | \$171,316.40        |
| 27     | 4/1/2020     | \$1,189,611.49    | \$15,892.62       | \$0.00        | \$15,892.62   | \$9,944.56 | \$5,948.06 | \$1,179,666.92 | \$177,264.46        |
| 28     | 5/1/2020     | \$1,179,666.92    | \$15,892.62       | \$0.00        | \$15,892.62   | \$9,994.29 | \$5,898.33 | \$1,169,672.64 | \$183,162.79        |

| PMT NO | PAYMENT DATE | BEGINNING BALANCE | SCHEDULED PAYMENT | EXTRA PAYMENT | TOTAL PAYMENT | PRINCIPAL   | INTEREST   | ENDING BALANCE | CUMULATIVE INTEREST |
|--------|--------------|-------------------|-------------------|---------------|---------------|-------------|------------|----------------|---------------------|
| 29     | 6/1/2020     | \$1,169,672.64    | \$15,892.62       | \$0.00        | \$15,892.62   | \$10,044.26 | \$5,848.36 | \$1,159,628.38 | \$189,011.16        |
| 30     | 7/1/2020     | \$1,159,628.38    | \$15,892.62       | \$0.00        | \$15,892.62   | \$10,094.48 | \$5,798.14 | \$1,149,533.90 | \$194,809.30        |
| 31     | 8/1/2020     | \$1,149,533.90    | \$15,892.62       | \$0.00        | \$15,892.62   | \$10,144.95 | \$5,747.67 | \$1,139,388.95 | \$200,556.97        |
| 32     | 9/1/2020     | \$1,139,388.95    | \$15,892.62       | \$0.00        | \$15,892.62   | \$10,195.68 | \$5,696.94 | \$1,129,193.27 | \$206,253.91        |
| 33     | 10/1/2020    | \$1,129,193.27    | \$15,892.62       | \$0.00        | \$15,892.62   | \$10,246.65 | \$5,645.97 | \$1,118,946.62 | \$211,899.88        |
| 34     | 11/1/2020    | \$1,118,946.62    | \$15,892.62       | \$0.00        | \$15,892.62   | \$10,297.89 | \$5,594.73 | \$1,108,648.73 | \$217,494.61        |
| 35     | 12/1/2020    | \$1,108,648.73    | \$15,892.62       | \$0.00        | \$15,892.62   | \$10,349.38 | \$5,543.24 | \$1,098,299.36 | \$223,037.86        |
| 36     | 1/1/2021     | \$1,098,299.36    | \$15,892.62       | \$0.00        | \$15,892.62   | \$10,401.12 | \$5,491.50 | \$1,087,898.23 | \$228,529.35        |
| 37     | 2/1/2021     | \$1,087,898.23    | \$15,892.62       | \$0.00        | \$15,892.62   | \$10,453.13 | \$5,439.49 | \$1,077,445.10 | \$233,968.85        |
| 38     | 3/1/2021     | \$1,077,445.10    | \$15,892.62       | \$0.00        | \$15,892.62   | \$10,505.40 | \$5,387.23 | \$1,066,939.71 | \$239,356.07        |
| 39     | 4/1/2021     | \$1,066,939.71    | \$15,892.62       | \$0.00        | \$15,892.62   | \$10,557.92 | \$5,334.70 | \$1,056,381.79 | \$244,690.77        |
| 40     | 5/1/2021     | \$1,056,381.79    | \$15,892.62       | \$0.00        | \$15,892.62   | \$10,610.71 | \$5,281.91 | \$1,045,771.07 | \$249,972.68        |
| 41     | 6/1/2021     | \$1,045,771.07    | \$15,892.62       | \$0.00        | \$15,892.62   | \$10,663.77 | \$5,228.86 | \$1,035,107.31 | \$255,201.53        |
| 42     | 7/1/2021     | \$1,035,107.31    | \$15,892.62       | \$0.00        | \$15,892.62   | \$10,717.08 | \$5,175.54 | \$1,024,390.22 | \$260,377.07        |
| 43     | 8/1/2021     | \$1,024,390.22    | \$15,892.62       | \$0.00        | \$15,892.62   | \$10,770.67 | \$5,121.95 | \$1,013,619.56 | \$265,499.02        |
| 44     | 9/1/2021     | \$1,013,619.56    | \$15,892.62       | \$0.00        | \$15,892.62   | \$10,824.52 | \$5,068.10 | \$1,002,795.03 | \$270,567.12        |
| 45     | 10/1/2021    | \$1,002,795.03    | \$15,892.62       | \$0.00        | \$15,892.62   | \$10,878.65 | \$5,013.98 | \$991,916.39   | \$275,581.09        |
| 46     | 11/1/2021    | \$991,916.39      | \$15,892.62       | \$0.00        | \$15,892.62   | \$10,933.04 | \$4,959.58 | \$980,983.35   | \$280,540.68        |
| 47     | 12/1/2021    | \$980,983.35      | \$15,892.62       | \$0.00        | \$15,892.62   | \$10,987.70 | \$4,904.92 | \$969,995.64   | \$285,445.59        |
| 48     | 1/1/2022     | \$969,995.64      | \$15,892.62       | \$0.00        | \$15,892.62   | \$11,042.64 | \$4,849.98 | \$958,953.00   | \$290,295.57        |
| 49     | 2/1/2022     | \$958,953.00      | \$15,892.62       | \$0.00        | \$15,892.62   | \$11,097.86 | \$4,794.77 | \$947,855.15   | \$295,090.34        |
| 50     | 3/1/2022     | \$947,855.15      | \$15,892.62       | \$0.00        | \$15,892.62   | \$11,153.34 | \$4,739.28 | \$936,701.80   | \$299,829.61        |
| 51     | 4/1/2022     | \$936,701.80      | \$15,892.62       | \$0.00        | \$15,892.62   | \$11,209.11 | \$4,683.51 | \$925,492.69   | \$304,513.12        |
| 52     | 5/1/2022     | \$925,492.69      | \$15,892.62       | \$0.00        | \$15,892.62   | \$11,265.16 | \$4,627.46 | \$914,227.53   | \$309,140.58        |
| 53     | 6/1/2022     | \$914,227.53      | \$15,892.62       | \$0.00        | \$15,892.62   | \$11,321.48 | \$4,571.14 | \$902,906.05   | \$313,711.72        |
| 54     | 7/1/2022     | \$902,906.05      | \$15,892.62       | \$0.00        | \$15,892.62   | \$11,378.09 | \$4,514.53 | \$891,527.96   | \$318,226.25        |
| 55     | 8/1/2022     | \$891,527.96      | \$15,892.62       | \$0.00        | \$15,892.62   | \$11,434.98 | \$4,457.64 | \$880,092.98   | \$322,683.89        |
| 56     | 9/1/2022     | \$880,092.98      | \$15,892.62       | \$0.00        | \$15,892.62   | \$11,492.16 | \$4,400.46 | \$868,600.82   | \$327,084.36        |
| 57     | 10/1/2022    | \$868,600.82      | \$15,892.62       | \$0.00        | \$15,892.62   | \$11,549.62 | \$4,343.00 | \$857,051.21   | \$331,427.36        |
| 58     | 11/1/2022    | \$857,051.21      | \$15,892.62       | \$0.00        | \$15,892.62   | \$11,607.36 | \$4,285.26 | \$845,443.84   | \$335,712.62        |
| 59     | 12/1/2022    | \$845,443.84      | \$15,892.62       | \$0.00        | \$15,892.62   | \$11,665.40 | \$4,227.22 | \$833,778.44   | \$339,939.84        |
| 60     | 1/1/2023     | \$833,778.44      | \$15,892.62       | \$0.00        | \$15,892.62   | \$11,723.73 | \$4,168.89 | \$822,054.71   | \$344,108.73        |
| 61     | 2/1/2023     | \$822,054.71      | \$15,892.62       | \$0.00        | \$15,892.62   | \$11,782.35 | \$4,110.27 | \$810,272.37   | \$348,219.00        |
| 62     | 3/1/2023     | \$810,272.37      | \$15,892.62       | \$0.00        | \$15,892.62   | \$11,841.26 | \$4,051.36 | \$798,431.11   | \$352,270.36        |
| 63     | 4/1/2023     | \$798,431.11      | \$15,892.62       | \$0.00        | \$15,892.62   | \$11,900.47 | \$3,992.16 | \$786,530.64   | \$356,262.52        |
| 64     | 5/1/2023     | \$786,530.64      | \$15,892.62       | \$0.00        | \$15,892.62   | \$11,959.97 | \$3,932.65 | \$774,570.67   | \$360,195.17        |
| 65     | 6/1/2023     | \$774,570.67      | \$15,892.62       | \$0.00        | \$15,892.62   | \$12,019.77 | \$3,872.85 | \$762,550.91   | \$364,068.03        |
| 66     | 7/1/2023     | \$762,550.91      | \$15,892.62       | \$0.00        | \$15,892.62   | \$12,079.87 | \$3,812.75 | \$750,471.04   | \$367,880.78        |
| 67     | 8/1/2023     | \$750,471.04      | \$15,892.62       | \$0.00        | \$15,892.62   | \$12,140.27 | \$3,752.36 | \$738,330.78   | \$371,633.14        |
| 68     | 9/1/2023     | \$738,330.78      | \$15,892.62       | \$0.00        | \$15,892.62   | \$12,200.97 | \$3,691.65 | \$726,129.81   | \$375,324.79        |
| 69     | 10/1/2023    | \$726,129.81      | \$15,892.62       | \$0.00        | \$15,892.62   | \$12,261.97 | \$3,630.65 | \$713,867.84   | \$378,955.44        |
| 70     | 11/1/2023    | \$713,867.84      | \$15,892.62       | \$0.00        | \$15,892.62   | \$12,323.28 | \$3,569.34 | \$701,544.56   | \$382,524.78        |

| PMT NO | PAYMENT DATE | BEGINNING BALANCE | SCHEDULED PAYMENT | EXTRA PAYMENT | TOTAL PAYMENT | PRINCIPAL   | INTEREST   | ENDING BALANCE | CUMULATIVE INTEREST |
|--------|--------------|-------------------|-------------------|---------------|---------------|-------------|------------|----------------|---------------------|
| 71     | 12/1/2023    | \$701,544.56      | \$15,892.62       | \$0.00        | \$15,892.62   | \$12,384.90 | \$3,507.72 | \$689,159.66   | \$386,032.50        |
| 72     | 1/1/2024     | \$689,159.66      | \$15,892.62       | \$0.00        | \$15,892.62   | \$12,446.82 | \$3,445.80 | \$676,712.84   | \$389,478.30        |
| 73     | 2/1/2024     | \$676,712.84      | \$15,892.62       | \$0.00        | \$15,892.62   | \$12,509.06 | \$3,383.56 | \$664,203.78   | \$392,861.86        |
| 74     | 3/1/2024     | \$664,203.78      | \$15,892.62       | \$0.00        | \$15,892.62   | \$12,571.60 | \$3,321.02 | \$651,632.18   | \$396,182.88        |
| 75     | 4/1/2024     | \$651,632.18      | \$15,892.62       | \$0.00        | \$15,892.62   | \$12,634.46 | \$3,258.16 | \$638,997.72   | \$399,441.04        |
| 76     | 5/1/2024     | \$638,997.72      | \$15,892.62       | \$0.00        | \$15,892.62   | \$12,697.63 | \$3,194.99 | \$626,300.09   | \$402,636.03        |
| 77     | 6/1/2024     | \$626,300.09      | \$15,892.62       | \$0.00        | \$15,892.62   | \$12,761.12 | \$3,131.50 | \$613,538.97   | \$405,767.53        |
| 78     | 7/1/2024     | \$613,538.97      | \$15,892.62       | \$0.00        | \$15,892.62   | \$12,824.93 | \$3,067.69 | \$600,714.04   | \$408,835.23        |
| 79     | 8/1/2024     | \$600,714.04      | \$15,892.62       | \$0.00        | \$15,892.62   | \$12,889.05 | \$3,003.57 | \$587,824.99   | \$411,838.80        |
| 80     | 9/1/2024     | \$587,824.99      | \$15,892.62       | \$0.00        | \$15,892.62   | \$12,953.50 | \$2,939.12 | \$574,871.49   | \$414,777.92        |
| 81     | 10/1/2024    | \$574,871.49      | \$15,892.62       | \$0.00        | \$15,892.62   | \$13,018.26 | \$2,874.36 | \$561,853.23   | \$417,652.28        |
| 82     | 11/1/2024    | \$561,853.23      | \$15,892.62       | \$0.00        | \$15,892.62   | \$13,083.35 | \$2,809.27 | \$548,769.88   | \$420,461.55        |
| 83     | 12/1/2024    | \$548,769.88      | \$15,892.62       | \$0.00        | \$15,892.62   | \$13,148.77 | \$2,743.85 | \$535,621.10   | \$423,205.39        |
| 84     | 1/1/2025     | \$535,621.10      | \$15,892.62       | \$0.00        | \$15,892.62   | \$13,214.52 | \$2,678.11 | \$522,406.59   | \$425,883.50        |
| 85     | 2/1/2025     | \$522,406.59      | \$15,892.62       | \$0.00        | \$15,892.62   | \$13,280.59 | \$2,612.03 | \$509,126.00   | \$428,495.53        |
| 86     | 3/1/2025     | \$509,126.00      | \$15,892.62       | \$0.00        | \$15,892.62   | \$13,346.99 | \$2,545.63 | \$495,779.01   | \$431,041.16        |
| 87     | 4/1/2025     | \$495,779.01      | \$15,892.62       | \$0.00        | \$15,892.62   | \$13,413.73 | \$2,478.90 | \$482,365.29   | \$433,520.06        |
| 88     | 5/1/2025     | \$482,365.29      | \$15,892.62       | \$0.00        | \$15,892.62   | \$13,480.79 | \$2,411.83 | \$468,884.49   | \$435,931.88        |
| 89     | 6/1/2025     | \$468,884.49      | \$15,892.62       | \$0.00        | \$15,892.62   | \$13,548.20 | \$2,344.42 | \$455,336.29   | \$438,276.31        |
| 90     | 7/1/2025     | \$455,336.29      | \$15,892.62       | \$0.00        | \$15,892.62   | \$13,615.94 | \$2,276.68 | \$441,720.35   | \$440,552.99        |
| 91     | 8/1/2025     | \$441,720.35      | \$15,892.62       | \$0.00        | \$15,892.62   | \$13,684.02 | \$2,208.60 | \$428,036.34   | \$442,761.59        |
| 92     | 9/1/2025     | \$428,036.34      | \$15,892.62       | \$0.00        | \$15,892.62   | \$13,752.44 | \$2,140.18 | \$414,283.90   | \$444,901.77        |
| 93     | 10/1/2025    | \$414,283.90      | \$15,892.62       | \$0.00        | \$15,892.62   | \$13,821.20 | \$2,071.42 | \$400,462.70   | \$446,973.19        |
| 94     | 11/1/2025    | \$400,462.70      | \$15,892.62       | \$0.00        | \$15,892.62   | \$13,890.31 | \$2,002.31 | \$386,572.39   | \$448,975.51        |
| 95     | 12/1/2025    | \$386,572.39      | \$15,892.62       | \$0.00        | \$15,892.62   | \$13,959.76 | \$1,932.86 | \$372,612.63   | \$450,908.37        |
| 96     | 1/1/2026     | \$372,612.63      | \$15,892.62       | \$0.00        | \$15,892.62   | \$14,029.56 | \$1,863.06 | \$358,583.07   | \$452,771.43        |
| 97     | 2/1/2026     | \$358,583.07      | \$15,892.62       | \$0.00        | \$15,892.62   | \$14,099.71 | \$1,792.92 | \$344,483.37   | \$454,564.35        |
| 98     | 3/1/2026     | \$344,483.37      | \$15,892.62       | \$0.00        | \$15,892.62   | \$14,170.20 | \$1,722.42 | \$330,313.16   | \$456,286.76        |
| 99     | 4/1/2026     | \$330,313.16      | \$15,892.62       | \$0.00        | \$15,892.62   | \$14,241.05 | \$1,651.57 | \$316,072.11   | \$457,938.33        |
| 100    | 5/1/2026     | \$316,072.11      | \$15,892.62       | \$0.00        | \$15,892.62   | \$14,312.26 | \$1,580.36 | \$301,759.85   | \$459,518.69        |
| 101    | 6/1/2026     | \$301,759.85      | \$15,892.62       | \$0.00        | \$15,892.62   | \$14,383.82 | \$1,508.80 | \$287,376.03   | \$461,027.49        |
| 102    | 7/1/2026     | \$287,376.03      | \$15,892.62       | \$0.00        | \$15,892.62   | \$14,455.74 | \$1,436.88 | \$272,920.29   | \$462,464.37        |
| 103    | 8/1/2026     | \$272,920.29      | \$15,892.62       | \$0.00        | \$15,892.62   | \$14,528.02 | \$1,364.60 | \$258,392.27   | \$463,828.97        |
| 104    | 9/1/2026     | \$258,392.27      | \$15,892.62       | \$0.00        | \$15,892.62   | \$14,600.66 | \$1,291.96 | \$243,791.61   | \$465,120.93        |
| 105    | 10/1/2026    | \$243,791.61      | \$15,892.62       | \$0.00        | \$15,892.62   | \$14,673.66 | \$1,218.96 | \$229,117.95   | \$466,339.89        |
| 106    | 11/1/2026    | \$229,117.95      | \$15,892.62       | \$0.00        | \$15,892.62   | \$14,747.03 | \$1,145.59 | \$214,370.92   | \$467,485.48        |
| 107    | 12/1/2026    | \$214,370.92      | \$15,892.62       | \$0.00        | \$15,892.62   | \$14,820.77 | \$1,071.85 | \$199,550.15   | \$468,557.33        |
| 108    | 1/1/2027     | \$199,550.15      | \$15,892.62       | \$0.00        | \$15,892.62   | \$14,894.87 | \$997.75   | \$184,655.28   | \$469,555.08        |
| 109    | 2/1/2027     | \$184,655.28      | \$15,892.62       | \$0.00        | \$15,892.62   | \$14,969.34 | \$923.28   | \$169,685.93   | \$470,478.36        |
| 110    | 3/1/2027     | \$169,685.93      | \$15,892.62       | \$0.00        | \$15,892.62   | \$15,044.19 | \$848.43   | \$154,641.74   | \$471,326.79        |
| 111    | 4/1/2027     | \$154,641.74      | \$15,892.62       | \$0.00        | \$15,892.62   | \$15,119.41 | \$773.21   | \$139,522.33   | \$472,100.00        |
| 112    | 5/1/2027     | \$139,522.33      | \$15,892.62       | \$0.00        | \$15,892.62   | \$15,195.01 | \$697.61   | \$124,327.32   | \$472,797.61        |



| PMT NO | PAYMENT DATE | BEGINNING BALANCE | SCHEDULED PAYMENT | EXTRA PAYMENT | TOTAL PAYMENT | PRINCIPAL   | INTEREST | ENDING BALANCE | CUMULATIVE INTEREST |
|--------|--------------|-------------------|-------------------|---------------|---------------|-------------|----------|----------------|---------------------|
| 113    | 6/1/2027     | \$124,327.32      | \$15,892.62       | \$0.00        | \$15,892.62   | \$15,270.98 | \$621.64 | \$109,056.34   | \$473,419.25        |
| 114    | 7/1/2027     | \$109,056.34      | \$15,892.62       | \$0.00        | \$15,892.62   | \$15,347.34 | \$545.28 | \$93,709.00    | \$473,964.53        |
| 115    | 8/1/2027     | \$93,709.00       | \$15,892.62       | \$0.00        | \$15,892.62   | \$15,424.08 | \$468.55 | \$78,284.92    | \$474,433.07        |
| 116    | 9/1/2027     | \$78,284.92       | \$15,892.62       | \$0.00        | \$15,892.62   | \$15,501.20 | \$391.42 | \$62,783.73    | \$474,824.50        |
| 117    | 10/1/2027    | \$62,783.73       | \$15,892.62       | \$0.00        | \$15,892.62   | \$15,578.70 | \$313.92 | \$47,205.03    | \$475,138.42        |
| 118    | 11/1/2027    | \$47,205.03       | \$15,892.62       | \$0.00        | \$15,892.62   | \$15,656.60 | \$236.03 | \$31,548.43    | \$475,374.44        |
| 119    | 12/1/2027    | \$31,548.43       | \$15,892.62       | \$0.00        | \$15,892.62   | \$15,734.88 | \$157.74 | \$15,813.55    | \$475,532.18        |
| 120    | 1/1/2028     | \$15,813.55       | \$15,892.62       | \$0.00        | \$15,813.55   | \$15,734.49 | \$79.07  | \$0.00         | \$475,611.25        |

**EXHIBIT B-5**

**ACTUAL COSTS - LEASEHOLD IMPROVEMENT AMORTIZATION**

**7898 MISSION GROVE PKWY, RIVERSIDE**

**EXHIBIT B-6**

**FF&E AMORTIZATION SCHEDULE**

**7898 MISSION GROVE PKWY, RIVERSIDE**

# LOAN AMORTIZATION SCHEDULE

## ENTER VALUES

|                             |                |
|-----------------------------|----------------|
| Loan amount                 | \$1,027,078.26 |
| Annual interest rate        | 6.00%          |
| Loan period in years        | 10             |
| Number of payments per year | 12             |
| Start date of loan          | 2/1/2018       |
| Optional extra payments     | \$ -           |

## LOAN SUMMARY

|                              |             |
|------------------------------|-------------|
| Scheduled payment            | \$11,402.67 |
| Scheduled number of payments | 120         |
| Actual number of payments    | 120         |

LENDER NAME 7898 Mission Grove Pkwy, Riverside  
FF&Es Exhibit B-6

| PMT NO | PAYMENT DATE | BEGINNING BALANCE | SCHEDULED PAYMENT | EXTRA PAYMENT | TOTAL PAYMENT | PRINCIPAL  | INTEREST   | ENDING BALANCE | CUMULATIVE INTEREST |
|--------|--------------|-------------------|-------------------|---------------|---------------|------------|------------|----------------|---------------------|
| 1      | 2/1/2018     | \$1,027,078.26    | \$11,402.67       | \$0.00        | \$11,402.67   | \$6,267.28 | \$5,135.39 | \$1,020,810.98 | \$5,135.39          |
| 2      | 3/1/2018     | \$1,020,810.98    | \$11,402.67       | \$0.00        | \$11,402.67   | \$6,298.62 | \$5,104.05 | \$1,014,512.36 | \$10,239.45         |
| 3      | 4/1/2018     | \$1,014,512.36    | \$11,402.67       | \$0.00        | \$11,402.67   | \$6,330.11 | \$5,072.56 | \$1,008,182.24 | \$15,312.01         |
| 4      | 5/1/2018     | \$1,008,182.24    | \$11,402.67       | \$0.00        | \$11,402.67   | \$6,361.76 | \$5,040.91 | \$1,001,820.48 | \$20,352.92         |
| 5      | 6/1/2018     | \$1,001,820.48    | \$11,402.67       | \$0.00        | \$11,402.67   | \$6,393.57 | \$5,009.10 | \$995,426.91   | \$25,362.02         |
| 6      | 7/1/2018     | \$995,426.91      | \$11,402.67       | \$0.00        | \$11,402.67   | \$6,425.54 | \$4,977.13 | \$989,001.37   | \$30,339.16         |
| 7      | 8/1/2018     | \$989,001.37      | \$11,402.67       | \$0.00        | \$11,402.67   | \$6,457.67 | \$4,945.01 | \$982,543.70   | \$35,284.16         |
| 8      | 9/1/2018     | \$982,543.70      | \$11,402.67       | \$0.00        | \$11,402.67   | \$6,489.96 | \$4,912.72 | \$976,053.75   | \$40,196.88         |
| 9      | 10/1/2018    | \$976,053.75      | \$11,402.67       | \$0.00        | \$11,402.67   | \$6,522.41 | \$4,880.27 | \$969,531.34   | \$45,077.15         |
| 10     | 11/1/2018    | \$969,531.34      | \$11,402.67       | \$0.00        | \$11,402.67   | \$6,555.02 | \$4,847.66 | \$962,976.32   | \$49,924.81         |
| 11     | 12/1/2018    | \$962,976.32      | \$11,402.67       | \$0.00        | \$11,402.67   | \$6,587.79 | \$4,814.88 | \$956,388.53   | \$54,739.69         |
| 12     | 1/1/2019     | \$956,388.53      | \$11,402.67       | \$0.00        | \$11,402.67   | \$6,620.73 | \$4,781.94 | \$949,767.80   | \$59,521.63         |
| 13     | 2/1/2019     | \$949,767.80      | \$11,402.67       | \$0.00        | \$11,402.67   | \$6,653.84 | \$4,748.84 | \$943,113.96   | \$64,270.47         |
| 14     | 3/1/2019     | \$943,113.96      | \$11,402.67       | \$0.00        | \$11,402.67   | \$6,687.10 | \$4,715.57 | \$936,426.86   | \$68,986.04         |
| 15     | 4/1/2019     | \$936,426.86      | \$11,402.67       | \$0.00        | \$11,402.67   | \$6,720.54 | \$4,682.13 | \$929,706.32   | \$73,668.17         |
| 16     | 5/1/2019     | \$929,706.32      | \$11,402.67       | \$0.00        | \$11,402.67   | \$6,754.14 | \$4,648.53 | \$922,952.18   | \$78,316.71         |
| 17     | 6/1/2019     | \$922,952.18      | \$11,402.67       | \$0.00        | \$11,402.67   | \$6,787.91 | \$4,614.76 | \$916,164.26   | \$82,931.47         |
| 18     | 7/1/2019     | \$916,164.26      | \$11,402.67       | \$0.00        | \$11,402.67   | \$6,821.85 | \$4,580.82 | \$909,342.41   | \$87,512.29         |
| 19     | 8/1/2019     | \$909,342.41      | \$11,402.67       | \$0.00        | \$11,402.67   | \$6,855.96 | \$4,546.71 | \$902,486.45   | \$92,059.00         |
| 20     | 9/1/2019     | \$902,486.45      | \$11,402.67       | \$0.00        | \$11,402.67   | \$6,890.24 | \$4,512.43 | \$895,596.20   | \$96,571.43         |
| 21     | 10/1/2019    | \$895,596.20      | \$11,402.67       | \$0.00        | \$11,402.67   | \$6,924.69 | \$4,477.98 | \$888,671.51   | \$101,049.41        |
| 22     | 11/1/2019    | \$888,671.51      | \$11,402.67       | \$0.00        | \$11,402.67   | \$6,959.32 | \$4,443.36 | \$881,712.19   | \$105,492.77        |
| 23     | 12/1/2019    | \$881,712.19      | \$11,402.67       | \$0.00        | \$11,402.67   | \$6,994.11 | \$4,408.56 | \$874,718.08   | \$109,901.33        |
| 24     | 1/1/2020     | \$874,718.08      | \$11,402.67       | \$0.00        | \$11,402.67   | \$7,029.08 | \$4,373.59 | \$867,689.00   | \$114,274.92        |
| 25     | 2/1/2020     | \$867,689.00      | \$11,402.67       | \$0.00        | \$11,402.67   | \$7,064.23 | \$4,338.44 | \$860,624.77   | \$118,613.37        |
| 26     | 3/1/2020     | \$860,624.77      | \$11,402.67       | \$0.00        | \$11,402.67   | \$7,099.55 | \$4,303.12 | \$853,525.22   | \$122,916.49        |
| 27     | 4/1/2020     | \$853,525.22      | \$11,402.67       | \$0.00        | \$11,402.67   | \$7,135.05 | \$4,267.63 | \$846,390.17   | \$127,184.12        |
| 28     | 5/1/2020     | \$846,390.17      | \$11,402.67       | \$0.00        | \$11,402.67   | \$7,170.72 | \$4,231.95 | \$839,219.44   | \$131,416.07        |
| 29     | 6/1/2020     | \$839,219.44      | \$11,402.67       | \$0.00        | \$11,402.67   | \$7,206.58 | \$4,196.10 | \$832,012.87   | \$135,612.17        |

| PMT NO | PAYMENT DATE | BEGINNING BALANCE | SCHEDULED PAYMENT | EXTRA PAYMENT | TOTAL PAYMENT | PRINCIPAL  | INTEREST   | ENDING BALANCE | CUMULATIVE INTEREST |
|--------|--------------|-------------------|-------------------|---------------|---------------|------------|------------|----------------|---------------------|
| 30     | 7/1/2020     | \$832,012.87      | \$11,402.67       | \$0.00        | \$11,402.67   | \$7,242.61 | \$4,160.06 | \$824,770.26   | \$139,772.23        |
| 31     | 8/1/2020     | \$824,770.26      | \$11,402.67       | \$0.00        | \$11,402.67   | \$7,278.82 | \$4,123.85 | \$817,491.43   | \$143,896.08        |
| 32     | 9/1/2020     | \$817,491.43      | \$11,402.67       | \$0.00        | \$11,402.67   | \$7,315.22 | \$4,087.46 | \$810,176.22   | \$147,983.54        |
| 33     | 10/1/2020    | \$810,176.22      | \$11,402.67       | \$0.00        | \$11,402.67   | \$7,351.79 | \$4,050.88 | \$802,824.42   | \$152,034.42        |
| 34     | 11/1/2020    | \$802,824.42      | \$11,402.67       | \$0.00        | \$11,402.67   | \$7,388.55 | \$4,014.12 | \$795,435.87   | \$156,048.54        |
| 35     | 12/1/2020    | \$795,435.87      | \$11,402.67       | \$0.00        | \$11,402.67   | \$7,425.50 | \$3,977.18 | \$788,010.38   | \$160,025.72        |
| 36     | 1/1/2021     | \$788,010.38      | \$11,402.67       | \$0.00        | \$11,402.67   | \$7,462.62 | \$3,940.05 | \$780,547.75   | \$163,965.77        |
| 37     | 2/1/2021     | \$780,547.75      | \$11,402.67       | \$0.00        | \$11,402.67   | \$7,499.94 | \$3,902.74 | \$773,047.82   | \$167,868.51        |
| 38     | 3/1/2021     | \$773,047.82      | \$11,402.67       | \$0.00        | \$11,402.67   | \$7,537.44 | \$3,865.24 | \$765,510.38   | \$171,733.75        |
| 39     | 4/1/2021     | \$765,510.38      | \$11,402.67       | \$0.00        | \$11,402.67   | \$7,575.12 | \$3,827.55 | \$757,935.26   | \$175,561.30        |
| 40     | 5/1/2021     | \$757,935.26      | \$11,402.67       | \$0.00        | \$11,402.67   | \$7,613.00 | \$3,789.68 | \$750,322.26   | \$179,350.98        |
| 41     | 6/1/2021     | \$750,322.26      | \$11,402.67       | \$0.00        | \$11,402.67   | \$7,651.06 | \$3,751.61 | \$742,671.20   | \$183,102.59        |
| 42     | 7/1/2021     | \$742,671.20      | \$11,402.67       | \$0.00        | \$11,402.67   | \$7,689.32 | \$3,713.36 | \$734,981.88   | \$186,815.95        |
| 43     | 8/1/2021     | \$734,981.88      | \$11,402.67       | \$0.00        | \$11,402.67   | \$7,727.76 | \$3,674.91 | \$727,254.12   | \$190,490.86        |
| 44     | 9/1/2021     | \$727,254.12      | \$11,402.67       | \$0.00        | \$11,402.67   | \$7,766.40 | \$3,636.27 | \$719,487.71   | \$194,127.13        |
| 45     | 10/1/2021    | \$719,487.71      | \$11,402.67       | \$0.00        | \$11,402.67   | \$7,805.24 | \$3,597.44 | \$711,682.48   | \$197,724.56        |
| 46     | 11/1/2021    | \$711,682.48      | \$11,402.67       | \$0.00        | \$11,402.67   | \$7,844.26 | \$3,558.41 | \$703,838.21   | \$201,282.98        |
| 47     | 12/1/2021    | \$703,838.21      | \$11,402.67       | \$0.00        | \$11,402.67   | \$7,883.48 | \$3,519.19 | \$695,954.73   | \$204,802.17        |
| 48     | 1/1/2022     | \$695,954.73      | \$11,402.67       | \$0.00        | \$11,402.67   | \$7,922.90 | \$3,479.77 | \$688,031.83   | \$208,281.94        |
| 49     | 2/1/2022     | \$688,031.83      | \$11,402.67       | \$0.00        | \$11,402.67   | \$7,962.52 | \$3,440.16 | \$680,069.32   | \$211,722.10        |
| 50     | 3/1/2022     | \$680,069.32      | \$11,402.67       | \$0.00        | \$11,402.67   | \$8,002.33 | \$3,400.35 | \$672,066.99   | \$215,122.45        |
| 51     | 4/1/2022     | \$672,066.99      | \$11,402.67       | \$0.00        | \$11,402.67   | \$8,042.34 | \$3,360.33 | \$664,024.65   | \$218,482.78        |
| 52     | 5/1/2022     | \$664,024.65      | \$11,402.67       | \$0.00        | \$11,402.67   | \$8,082.55 | \$3,320.12 | \$655,942.10   | \$221,802.91        |
| 53     | 6/1/2022     | \$655,942.10      | \$11,402.67       | \$0.00        | \$11,402.67   | \$8,122.96 | \$3,279.71 | \$647,819.13   | \$225,082.62        |
| 54     | 7/1/2022     | \$647,819.13      | \$11,402.67       | \$0.00        | \$11,402.67   | \$8,163.58 | \$3,239.10 | \$639,655.55   | \$228,321.71        |
| 55     | 8/1/2022     | \$639,655.55      | \$11,402.67       | \$0.00        | \$11,402.67   | \$8,204.40 | \$3,198.28 | \$631,451.16   | \$231,519.99        |
| 56     | 9/1/2022     | \$631,451.16      | \$11,402.67       | \$0.00        | \$11,402.67   | \$8,245.42 | \$3,157.26 | \$623,205.74   | \$234,677.25        |
| 57     | 10/1/2022    | \$623,205.74      | \$11,402.67       | \$0.00        | \$11,402.67   | \$8,286.65 | \$3,116.03 | \$614,919.09   | \$237,793.27        |
| 58     | 11/1/2022    | \$614,919.09      | \$11,402.67       | \$0.00        | \$11,402.67   | \$8,328.08 | \$3,074.60 | \$606,591.01   | \$240,867.87        |
| 59     | 12/1/2022    | \$606,591.01      | \$11,402.67       | \$0.00        | \$11,402.67   | \$8,369.72 | \$3,032.96 | \$598,221.30   | \$243,900.82        |
| 60     | 1/1/2023     | \$598,221.30      | \$11,402.67       | \$0.00        | \$11,402.67   | \$8,411.57 | \$2,991.11 | \$589,809.73   | \$246,891.93        |
| 61     | 2/1/2023     | \$589,809.73      | \$11,402.67       | \$0.00        | \$11,402.67   | \$8,453.63 | \$2,949.05 | \$581,356.10   | \$249,840.98        |
| 62     | 3/1/2023     | \$581,356.10      | \$11,402.67       | \$0.00        | \$11,402.67   | \$8,495.89 | \$2,906.78 | \$572,860.21   | \$252,747.76        |
| 63     | 4/1/2023     | \$572,860.21      | \$11,402.67       | \$0.00        | \$11,402.67   | \$8,538.37 | \$2,864.30 | \$564,321.83   | \$255,612.06        |
| 64     | 5/1/2023     | \$564,321.83      | \$11,402.67       | \$0.00        | \$11,402.67   | \$8,581.07 | \$2,821.61 | \$555,740.77   | \$258,433.67        |
| 65     | 6/1/2023     | \$555,740.77      | \$11,402.67       | \$0.00        | \$11,402.67   | \$8,623.97 | \$2,778.70 | \$547,116.80   | \$261,212.37        |
| 66     | 7/1/2023     | \$547,116.80      | \$11,402.67       | \$0.00        | \$11,402.67   | \$8,667.09 | \$2,735.58 | \$538,449.71   | \$263,947.96        |
| 67     | 8/1/2023     | \$538,449.71      | \$11,402.67       | \$0.00        | \$11,402.67   | \$8,710.43 | \$2,692.25 | \$529,739.28   | \$266,640.21        |
| 68     | 9/1/2023     | \$529,739.28      | \$11,402.67       | \$0.00        | \$11,402.67   | \$8,753.98 | \$2,648.70 | \$520,985.30   | \$269,288.90        |
| 69     | 10/1/2023    | \$520,985.30      | \$11,402.67       | \$0.00        | \$11,402.67   | \$8,797.75 | \$2,604.93 | \$512,187.56   | \$271,893.83        |
| 70     | 11/1/2023    | \$512,187.56      | \$11,402.67       | \$0.00        | \$11,402.67   | \$8,841.74 | \$2,560.94 | \$503,345.82   | \$274,454.77        |
| 71     | 12/1/2023    | \$503,345.82      | \$11,402.67       | \$0.00        | \$11,402.67   | \$8,885.95 | \$2,516.73 | \$494,459.87   | \$276,971.50        |

| PMT NO | PAYMENT DATE | BEGINNING BALANCE | SCHEDULED PAYMENT | EXTRA PAYMENT | TOTAL PAYMENT | PRINCIPAL   | INTEREST   | ENDING BALANCE | CUMULATIVE INTEREST |
|--------|--------------|-------------------|-------------------|---------------|---------------|-------------|------------|----------------|---------------------|
| 72     | 1/1/2024     | \$494,459.87      | \$11,402.67       | \$0.00        | \$11,402.67   | \$8,930.38  | \$2,472.30 | \$485,529.50   | \$279,443.80        |
| 73     | 2/1/2024     | \$485,529.50      | \$11,402.67       | \$0.00        | \$11,402.67   | \$8,975.03  | \$2,427.65 | \$476,554.47   | \$281,871.44        |
| 74     | 3/1/2024     | \$476,554.47      | \$11,402.67       | \$0.00        | \$11,402.67   | \$9,019.90  | \$2,382.77 | \$467,534.57   | \$284,254.22        |
| 75     | 4/1/2024     | \$467,534.57      | \$11,402.67       | \$0.00        | \$11,402.67   | \$9,065.00  | \$2,337.67 | \$458,469.57   | \$286,591.89        |
| 76     | 5/1/2024     | \$458,469.57      | \$11,402.67       | \$0.00        | \$11,402.67   | \$9,110.33  | \$2,292.35 | \$449,359.24   | \$288,884.24        |
| 77     | 6/1/2024     | \$449,359.24      | \$11,402.67       | \$0.00        | \$11,402.67   | \$9,155.88  | \$2,246.80 | \$440,203.36   | \$291,131.03        |
| 78     | 7/1/2024     | \$440,203.36      | \$11,402.67       | \$0.00        | \$11,402.67   | \$9,201.66  | \$2,201.02 | \$431,001.71   | \$293,332.05        |
| 79     | 8/1/2024     | \$431,001.71      | \$11,402.67       | \$0.00        | \$11,402.67   | \$9,247.67  | \$2,155.01 | \$421,754.04   | \$295,487.06        |
| 80     | 9/1/2024     | \$421,754.04      | \$11,402.67       | \$0.00        | \$11,402.67   | \$9,293.90  | \$2,108.77 | \$412,460.14   | \$297,595.83        |
| 81     | 10/1/2024    | \$412,460.14      | \$11,402.67       | \$0.00        | \$11,402.67   | \$9,340.37  | \$2,062.30 | \$403,119.76   | \$299,658.13        |
| 82     | 11/1/2024    | \$403,119.76      | \$11,402.67       | \$0.00        | \$11,402.67   | \$9,387.08  | \$2,015.60 | \$393,732.69   | \$301,673.73        |
| 83     | 12/1/2024    | \$393,732.69      | \$11,402.67       | \$0.00        | \$11,402.67   | \$9,434.01  | \$1,968.66 | \$384,298.68   | \$303,642.39        |
| 84     | 1/1/2025     | \$384,298.68      | \$11,402.67       | \$0.00        | \$11,402.67   | \$9,481.18  | \$1,921.49 | \$374,817.50   | \$305,563.88        |
| 85     | 2/1/2025     | \$374,817.50      | \$11,402.67       | \$0.00        | \$11,402.67   | \$9,528.59  | \$1,874.09 | \$365,288.91   | \$307,437.97        |
| 86     | 3/1/2025     | \$365,288.91      | \$11,402.67       | \$0.00        | \$11,402.67   | \$9,576.23  | \$1,826.44 | \$355,712.68   | \$309,264.42        |
| 87     | 4/1/2025     | \$355,712.68      | \$11,402.67       | \$0.00        | \$11,402.67   | \$9,624.11  | \$1,778.56 | \$346,088.57   | \$311,042.98        |
| 88     | 5/1/2025     | \$346,088.57      | \$11,402.67       | \$0.00        | \$11,402.67   | \$9,672.23  | \$1,730.44 | \$336,416.34   | \$312,773.42        |
| 89     | 6/1/2025     | \$336,416.34      | \$11,402.67       | \$0.00        | \$11,402.67   | \$9,720.59  | \$1,682.08 | \$326,695.74   | \$314,455.50        |
| 90     | 7/1/2025     | \$326,695.74      | \$11,402.67       | \$0.00        | \$11,402.67   | \$9,769.20  | \$1,633.48 | \$316,926.55   | \$316,088.98        |
| 91     | 8/1/2025     | \$316,926.55      | \$11,402.67       | \$0.00        | \$11,402.67   | \$9,818.04  | \$1,584.63 | \$307,108.51   | \$317,673.62        |
| 92     | 9/1/2025     | \$307,108.51      | \$11,402.67       | \$0.00        | \$11,402.67   | \$9,867.13  | \$1,535.54 | \$297,241.37   | \$319,209.16        |
| 93     | 10/1/2025    | \$297,241.37      | \$11,402.67       | \$0.00        | \$11,402.67   | \$9,916.47  | \$1,486.21 | \$287,324.91   | \$320,695.37        |
| 94     | 11/1/2025    | \$287,324.91      | \$11,402.67       | \$0.00        | \$11,402.67   | \$9,966.05  | \$1,436.62 | \$277,358.86   | \$322,131.99        |
| 95     | 12/1/2025    | \$277,358.86      | \$11,402.67       | \$0.00        | \$11,402.67   | \$10,015.88 | \$1,386.79 | \$267,342.98   | \$323,518.78        |
| 96     | 1/1/2026     | \$267,342.98      | \$11,402.67       | \$0.00        | \$11,402.67   | \$10,065.96 | \$1,336.71 | \$257,277.02   | \$324,855.50        |
| 97     | 2/1/2026     | \$257,277.02      | \$11,402.67       | \$0.00        | \$11,402.67   | \$10,116.29 | \$1,286.39 | \$247,160.73   | \$326,141.88        |
| 98     | 3/1/2026     | \$247,160.73      | \$11,402.67       | \$0.00        | \$11,402.67   | \$10,166.87 | \$1,235.80 | \$236,993.86   | \$327,377.69        |
| 99     | 4/1/2026     | \$236,993.86      | \$11,402.67       | \$0.00        | \$11,402.67   | \$10,217.71 | \$1,184.97 | \$226,776.15   | \$328,562.66        |
| 100    | 5/1/2026     | \$226,776.15      | \$11,402.67       | \$0.00        | \$11,402.67   | \$10,268.79 | \$1,133.88 | \$216,507.36   | \$329,696.54        |
| 101    | 6/1/2026     | \$216,507.36      | \$11,402.67       | \$0.00        | \$11,402.67   | \$10,320.14 | \$1,082.54 | \$206,187.22   | \$330,779.07        |
| 102    | 7/1/2026     | \$206,187.22      | \$11,402.67       | \$0.00        | \$11,402.67   | \$10,371.74 | \$1,030.94 | \$195,815.48   | \$331,810.01        |
| 103    | 8/1/2026     | \$195,815.48      | \$11,402.67       | \$0.00        | \$11,402.67   | \$10,423.60 | \$979.08   | \$185,391.89   | \$332,789.09        |
| 104    | 9/1/2026     | \$185,391.89      | \$11,402.67       | \$0.00        | \$11,402.67   | \$10,475.71 | \$926.96   | \$174,916.17   | \$333,716.05        |
| 105    | 10/1/2026    | \$174,916.17      | \$11,402.67       | \$0.00        | \$11,402.67   | \$10,528.09 | \$874.58   | \$164,388.08   | \$334,590.63        |
| 106    | 11/1/2026    | \$164,388.08      | \$11,402.67       | \$0.00        | \$11,402.67   | \$10,580.73 | \$821.94   | \$153,807.34   | \$335,412.57        |
| 107    | 12/1/2026    | \$153,807.34      | \$11,402.67       | \$0.00        | \$11,402.67   | \$10,633.64 | \$769.04   | \$143,173.71   | \$336,181.61        |
| 108    | 1/1/2027     | \$143,173.71      | \$11,402.67       | \$0.00        | \$11,402.67   | \$10,686.81 | \$715.87   | \$132,486.90   | \$336,897.47        |
| 109    | 2/1/2027     | \$132,486.90      | \$11,402.67       | \$0.00        | \$11,402.67   | \$10,740.24 | \$662.43   | \$121,746.66   | \$337,559.91        |
| 110    | 3/1/2027     | \$121,746.66      | \$11,402.67       | \$0.00        | \$11,402.67   | \$10,793.94 | \$608.73   | \$110,952.72   | \$338,168.64        |
| 111    | 4/1/2027     | \$110,952.72      | \$11,402.67       | \$0.00        | \$11,402.67   | \$10,847.91 | \$554.76   | \$100,104.81   | \$338,723.41        |
| 112    | 5/1/2027     | \$100,104.81      | \$11,402.67       | \$0.00        | \$11,402.67   | \$10,902.15 | \$500.52   | \$89,202.66    | \$339,223.93        |
| 113    | 6/1/2027     | \$89,202.66       | \$11,402.67       | \$0.00        | \$11,402.67   | \$10,956.66 | \$446.01   | \$78,246.00    | \$339,669.94        |

| PMT NO | PAYMENT DATE | BEGINNING BALANCE | SCHEDULED PAYMENT | EXTRA PAYMENT | TOTAL PAYMENT | PRINCIPAL   | INTEREST | ENDING BALANCE | CUMULATIVE INTEREST |
|--------|--------------|-------------------|-------------------|---------------|---------------|-------------|----------|----------------|---------------------|
| 114    | 7/1/2027     | \$78,246.00       | \$11,402.67       | \$0.00        | \$11,402.67   | \$11,011.44 | \$391.23 | \$67,234.55    | \$340,061.17        |
| 115    | 8/1/2027     | \$67,234.55       | \$11,402.67       | \$0.00        | \$11,402.67   | \$11,066.50 | \$336.17 | \$56,168.05    | \$340,397.35        |
| 116    | 9/1/2027     | \$56,168.05       | \$11,402.67       | \$0.00        | \$11,402.67   | \$11,121.83 | \$280.84 | \$45,046.22    | \$340,678.19        |
| 117    | 10/1/2027    | \$45,046.22       | \$11,402.67       | \$0.00        | \$11,402.67   | \$11,177.44 | \$225.23 | \$33,868.77    | \$340,903.42        |
| 118    | 11/1/2027    | \$33,868.77       | \$11,402.67       | \$0.00        | \$11,402.67   | \$11,233.33 | \$169.34 | \$22,635.44    | \$341,072.76        |
| 119    | 12/1/2027    | \$22,635.44       | \$11,402.67       | \$0.00        | \$11,402.67   | \$11,289.50 | \$113.18 | \$11,345.94    | \$341,185.94        |
| 120    | 1/1/2028     | \$11,345.94       | \$11,402.67       | \$0.00        | \$11,345.94   | \$11,289.21 | \$56.73  | \$0.00         | \$341,242.67        |

**EXHIBIT B-7**

**FUNITURE, FIXTURES, AND EQUIPMENT (FF&Es) LIST**

**7898 MISSION GROVE PKWY, RIVERSIDE**



**EXHIBIT B-7  
FURNITURE, FIXTURE AND EQUIPMENT  
7898 MISSION GROVE PKWY, RIVERSIDE**

|                               |                                     |                              |
|-------------------------------|-------------------------------------|------------------------------|
| Furniture                     | TOTALPLAN, Business Interiors, Inc. | \$721,886.22                 |
| Cabling Infrastructure        | RCIT                                | \$229,570.00                 |
| Security System               | IE Alarm                            | \$54,176.97                  |
| Parking Lot<br>Camera System  | IE Alarm                            | \$7,039.52                   |
| Parking Lot<br>Cameras Alt #1 | IE Alarm                            | \$8,655.55                   |
| Security Design &<br>ROM      | Triad Consulting                    | \$5,750.00                   |
|                               | Total:                              | <b><u>\$1,027,078.26</u></b> |

**EXHIBIT C**

**ASBESTOS**

**7898 MISSION GROVE PKWY, RIVERSIDE**

## 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**

**7898 MISSION GROVE PKWY, RIVERSIDE**

**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.

AGREED and ACCEPTED

**LESSOR:**

**COUNTY:**

\_\_\_\_\_

\_\_\_\_\_

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

**EXHIBIT E**

**CUSTODIAL SERVICES REQUIREMENTS**

**7898 MISSION GROVE PKWY, RIVERSIDE**



**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.

**EXHIBIT F**

**GENERAL CONSTRUCTION SPECIFICATIONS FOR LEASED FACILITIES**

**7898 MISSION GROVE PKWY, RIVERSIDE**

**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. **PAINING**

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