

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



ITEM  
3.13  
(ID # 4040)

MEETING DATE:  
Tuesday, July 11, 2017

FROM : ECONOMIC DEVELOPMENT AGENCY (EDA):

SUBJECT: ECONOMIC DEVELOPMENT AGENCY (EDA): Lease Agreement, Riverside University Health System - Behavioral Health - Riverside, Five Year Lease, CEQA Exempt, District 1, [\$2,373,137] State 70%, Federal 30% (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) "Common Sense";
2. Approve the attached Lease Agreement and authorize the Chairman of the Board to execute the same on behalf of the County; and
3. Direct the Clerk of the Board to file the Notice of Exemption with the County Clerk upon approval by the Board.

ACTION: Policy, CIP

Robert Field, Assistant County Executive Officer/EDA

4/17/2017

Steve Steinberg

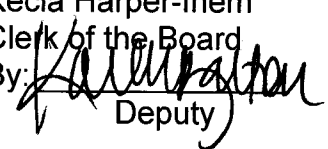
4/20/2017

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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>	\$ 1,129,932	\$268,325	\$2,373,137	\$ 0
<b>NET COUNTY COST</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>SOURCE OF FUNDS:</b> State 70%, Federal 30%			<b>Budget Adjustment:</b> No	
			<b>For Fiscal Year:</b> 2017/18-2022/23	

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

**BACKGROUND:**

**Summary**

On April 12, 2016, the Board of Supervisors approved Agenda Item 3.16 authorizing the Economic Development Agency, Real Estate Division (EDA), to locate suitable office space for the Riverside University Health System – Behavioral Health (RUHS), in Riverside. EDA issued a Request for Proposal (RFP) and received submittals from area landlords. The new facility will provide peer services, clinical assessment services, individual and group therapy and medication management to clients ages 16-25. The 9,258 square foot facility located at 1820 University Avenue in the City of Riverside, will not only accommodate program staff needs, improve consumer care but will also provide for future growth. The requested tenant improvements include renovation of the building interior: new offices, restrooms, group rooms, break rooms and conference room. The occupancy of the facility by RUHS is anticipated to commence in December 2017.

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

The Lease Agreement is summarized as follows:

**Lessor:** Miracle Mile Properties, LLP  
4221 Wilshire Boulevard, Suite 480  
Los Angeles, CA 90010

**Location:** 1820 University Avenue  
Suites 2A, 3A, 2B, & 3B  
Riverside, California

**Term:** Five Year Lease, commencing December 1, 2017 and expiring November 30, 2022

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

Size: 9,258 sq. ft.

Rent: \$ 2.15 per sq. ft.  
\$ 19,904.70 per month  
\$238,856.40 per year

Rent Adjustment: Three percent

Utilities: County pays for telephone and electrical services, Landlord pays for all other services.

Custodial: Landlord

Maintenance: Landlord

RCIT Cost: \$139,475.00

Tenant Improvements: Total Cost paid by County \$693,275.00, plus an additional 15% contingency for County use for a total of \$797,266.25.

**Impact on Citizens and Businesses**

There will be a positive impact on residents and local business. This new RUHS facility will provide behavioral health peer services, clinical assessment services, individual and group therapy and medication management to clients ages 16-25.

**SUPPLEMENTAL:**  
**Additional Fiscal Information**

See attached Exhibit A, B, and C

All the associated costs for this Lease Agreement will be budgeted in FY 2017/18 through 2022/23 through the RUHS-Behavioral Health budget. The RUHS-Behavioral Health will reimburse EDA for all associated lease costs on a monthly basis.


**Contract History and Price Reasonableness**

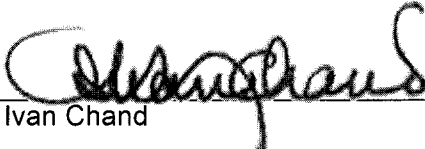
This is a new five year lease; therefore, there is no contract history. EDA has determined the lease rate is a fair market rental rate.

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

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

RF:JVW:VC:VY:MH:tg 016MH 18.846 13546  
MinuteTrak # 4040

  
Rekini Dasika, Principal Management Analyst 6/29/2017

  
Ivan Chand 7/3/2017

  
Gregory V. Priarios, Director County Counsel 6/16/2017

# Exhibit A

FY 2017/18

## RUHS - Behavioral Health Lease Cost Analysis

1820 University Avenue, Suites 2A, 3A, 2B, & 3B, Riverside

### ESTIMATED AMOUNTS

#### Total Square Footage to be Leased:

New Office:	9,258	SQFT	
Approximate Cost per SQFT (July - Nov)	\$	-	
Approximate Cost per SQFT (Dec - June)	\$	2.15	
Lease Cost per Month (July - Nov)	\$	-	
Lease Cost per Month (Dec - June)	\$	19,904.70	
Total Lease Cost (July - Nov)	\$	-	
Total Lease Cost (Dec - June)	\$	139,332.90	
<b>Total Estimated Lease Cost for FY 2017/18</b>	<b>\$</b>	<b>139,332.90</b>	

#### Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month	\$	1,110.96	
Total Estimated Utility Cost	\$	7,776.72	
RCIT	\$	139,475.00	
Tenant Improvements	\$	693,275.00	
Tenant Improvements (15% contingency)	\$	103,991.25	
Total Tenant Improvements	\$	797,266.25	
EDA Lease Management Fee - 4.92%	\$	46,080.68	
<b>TOTAL ESTIMATED COST FOR FY 2017/18</b>	<b>\$</b>	<b>1,129,931.55</b>	

# Exhibit B

FY 2018/19

## RUHS - Behavioral Health Lease Cost Analysis

1820 University Avenue, Suites 2A, 3A, 2B, & 3B, Riverside

### ESTIMATED AMOUNTS

#### Total Square Footage to be Leased:

New Office:	9,258	
Approximate Cost per SQFT (July - Nov)	\$ 2.15	
Approximate Cost per SQFT (Dec - June)	\$ 2.21	
Lease Cost per Month (July - Nov)	\$ 19,904.70	
Lease Cost per Month (Dec - June)	\$ 20,501.84	
Total Lease Cost (July - Nov)		\$ 99,523.50
Total Lease Cost (Dec - June)		\$ 143,512.89
<b>Total Estimated Lease Cost for FY 2018/19</b>		<b>\$ 243,036.39</b>

#### Estimated Additional Costs:

Utility Cost per Square Foot	\$ 0.12	
Estimated Utility Costs per Month	\$ 1,110.96	
Total Estimated Utility Cost		\$ 13,331.52
EDA Lease Management Fee - 4.92%		\$ 11,957.39
<b>TOTAL ESTIMATED COST FOR FY 2018/19</b>		<b>\$ 268,325.30</b>

# Exhibit C

FY 2019/20 to FY 2022/23

RUHS - Behavioral Health Lease Cost Analysis

1820 University Avenue, Suites 2A, 3A, 2B, & 3B, Riverside

**ESTIMATED AMOUNTS**

**Total Square Footage to be Leased:**

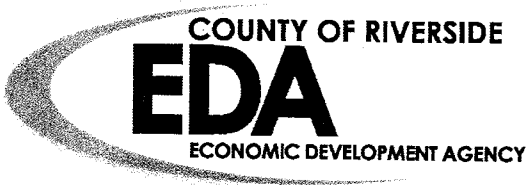
New Office: 9,258 SQFT

	FY 2019/20	FY 2020/21	FY 2021/22 to FY 2022/23
Approximate Cost per SQFT (July - Nov)	\$ 2.21	\$ 2.28	\$ -
Approximate Cost per SQFT (Dec - June)	\$ 2.28	\$ 2.35	\$ -
Lease Cost per Month (July - Nov)	\$ 20,501.84	\$ 21,116.90	\$ -
Lease Cost per Month (Dec - June)	\$ 21,116.90	\$ 21,750.40	\$ -
Total Lease Cost (July - Nov)	\$ 102,509.21	\$ 105,584.48	\$ 220,766.59
Total Lease Cost (Dec - June)	\$ 147,818.27	\$ 152,252.82	\$ 156,820.41
<b>Total Estimated Lease Cost for FY 2019/20 to FY 2022/23</b>	<b>\$ 250,327.48</b>	<b>\$ 257,837.30</b>	<b>\$ 377,587.00</b>

**Estimated Additional Costs:**

Utility Cost per Square Foot	\$ 0.12	\$ 0.12	
Estimated Utility Costs per Month	\$ 1,110.96	\$ 1,110.96	
Total Estimated Utility Cost	\$ 13,331.52	\$ 13,331.52	\$ 18,886.32
EDA Lease Management Fee - 4.92%	\$ 12,316.11	\$ 12,685.60	\$ 18,577.28
<b>TOTAL ESTIMATED COST FOR FY 2019/20 to FY 2022/23</b>	<b>\$ 275,975.11</b>	<b>\$ 283,854.42</b>	<b>\$ 415,050.60</b>

F11: Cost - Total Cost \$ 2,373,136.97



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

7/12/17  
Date

KB  
Initial

### NOTICE OF EXEMPTION

March 28, 2017

**Project Name:** County of Riverside, Economic Development Agency (EDA) Riverside University Health System, Department of Behavioral Health, Lease Agreement – Riverside, County of Riverside

**Project Number:** FM042430000700

**Project Location:** 1820 University Avenue, west of Chicago Avenue, Riverside, California 92507; Assessor's Parcel Number (APN) 221-061-007; (See Attached Exhibit)

**Description of Project:** The County of Riverside (County) Department of Mental Health is currently seeking suitable office space in Riverside. The space would provide peer services, clinical assessment services, individual and group therapy, and medication management to clients ages 16-25. The Department of Mental Health is now under the jurisdiction of the Riverside University Health System – Behavioral Health (RUHS-BH). An existing facility has been identified to accommodate the needs of RUHS-BH. The facility consists of 9,258 square feet of office space, and is located at 1820 University Avenue, in the City of Riverside, California. The RUHS-BH is seeking to enter into a lease agreement to occupy the building in October 2017 and incorporate tenant improvements, including the renovation of the building interior to create new offices, restrooms, group rooms, break rooms and a conference room. The Lease Agreement and tenant improvements is identified as the proposed Project under the California Environmental Quality Act (CEQA). The Lease Agreement consists of a five-year lease, with three options to extend each for a term of one year. The use of the facility by RUHS-BH would continue to provide office services, consistent with the existing land use. The operation of the facility will not result in an expansion of existing use. No additional direct or indirect physical environmental impacts are anticipated.

**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, and Emerald LLC

**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.

**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 have unusual circumstances that could possibility have 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 and tenant improvements.

JUL 11 2017 3.13

P.O. Box 1180 • Riverside California 92502 • T. 951.955.8914 • F. 951.955.6484

[www.rivcoeda.org](http://www.rivcoeda.org)

Administration  
Aviation  
Business Intelligence  
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Information Technology  
Maintenance  
Marketing

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

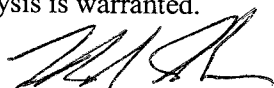
Parking  
Project Management  
Purchasing Group  
Real Property  
Redevelopment Agency  
Workforce Development



- 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 Agreement to an existing facility, in which tenant improvements are limited to interior alterations. The use of the facility by RUHS-BH would be consistent with the current land use, and would not require any expansion of public services and facilities; 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 Agreement is limited a contractual transaction and indirect effects would be limited to existing use of an office building. The Lease Agreement will not result in any direct or indirect physical environmental impacts. The use and operation of the facility will not differ from the existing use and will not create any new environmental impacts to the surrounding area. No impacts beyond the minor interior alterations and continued use of the facility would occur. 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: \_\_\_\_\_

3/28/17

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

**RIVERSIDE COUNTY CLERK & RECORDER**

**AUTHORIZATION  
TO BILL  
BY JOURNAL VOUCHER**

**Project Name: Riverside University Health System, Department of Behavioral Health  
Lease Agreement, Riverside, California**

**Accounting String: 524830-47220-7200400000 - FM042430000700**

DATE: March 28, 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: March 28, 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 # FM042430000700**  
Riverside University Health System, Department of Behavioral Health Lease Agreement, Riverside, California

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

**After posting, please return the document to:**

**Mail Stop #1330**

**Attention: Mike Sullivan, Senior Environmental Planner,**

**Economic Development Agency,**

**3403 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

County of Riverside

(1820 University Avenue, Suites 2A, 3A, 2B, & 3B, Riverside, Ca)

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### EXHIBITS

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

Site Plan	Exhibit A
Leasehold Improvement Agreement	Exhibit B
Final Space Plan	Exhibit B-1
Final Working Drawings	Exhibit B-2
Construction Schedule	Exhibit B-3
Construction Cost	Addendum 1
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 of the State of California, hereinafter referred to as "County" and **MIRACLE MILE PROPERTIES, LP**, a Delaware 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 1820 University Avenue, located in the City of Riverside, County of Riverside, State of California, also identified as Assessor Parcel Number 221-061-007 and generally described as office space consisting of approximately 9,258 square feet with 47 unreserved parking spaces, all 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 said rules and regulations shall be subject to the approval of County, which approval, with due regard to the rights and safety of neighboring tenants, shall not be unreasonably withheld. 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 (the "**Pre-Commencement Date Construction**") 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 – Behavioral Health, but the Premises may be used for any official business of County government or any other legal use which is reasonably comparable thereto. Nothing contained in this Lease shall be construed to require County to occupy the Premises continuously.

**4. Term.**

**4.1 Commencement.** This Lease shall be effective upon the date of its full execution by the parties hereto. The Term of this Lease shall be for a period of 60 months (“**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 acceptance shall be given upon the Substantial Completion (as that term is defined in **Exhibit “B”**) of the Leasehold Improvements (as that term is defined in **Exhibit “B”**) in accordance with **Exhibit “B”** and **Exhibit “F”**. The Original Term shall expire at midnight on the last day of the sixty (60) month 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 Lessor has failed to Substantially Complete the construction of the Leasehold Improvements in accordance with **Exhibit “B”** and **Exhibit “F,”** within 180 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 \$663.49 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 180 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.

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

**5.1 Rent.** County shall pay the sum of \$19,904.70 per month to Lessor as rent for the Leased Premises, payable, in advance, on the first day of the month or as soon thereafter as a warrant can be issued in the normal course of County's business; provided that monthly rent is paid no later than the last day of the month for which it is due. In the event rent is owing for any period during the term hereof which is than one (1) full month said rent shall be pro-rated based upon the actual number of days of said month. The primary method of payment shall be direct deposit from County to Lessor. However, County reserves the right to issue warrant rental payments as well.

**5.2 Percentage Increase.** Notwithstanding the provisions of Section 5.1 herein, the monthly rent shall be increased on each anniversary of this Lease 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, County shall pay to Lessor a one-time payment not to exceed \$693,275.00 (plus a 15% contingency for County use) upon completion

and acceptance of the improvements by County as provided in Section 7 of Exhibit "B" to this Lease, based on the final actual cost.

**6. Options.**

**6.1 Option to Extend Term.** Lessor grants to County three option(s) to extend the Lease term ("**Extension Option(s)**"). Each Extension Option shall be for a period of one year ("**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 previous year.

**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 thirty (30) 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 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.** If, pursuant to paragraph 4.4, the County holds-over its occupancy of the Premises after the Original

Term and/or Extended Terms has/have expired [as the case may be] [the “**Hold-Over Period**”]; then, without thereby impairing the Lessor’s right to terminate the resulting month-to-month tenancy and require the County to vacate the Premises: If, during the Hold-Over Period, the 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; and County shall have thirty (30) 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 elects to extend the Lease of the Premises, the Lease shall be extended 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, for so long as the Hold-Over Period continues, 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.

**6.4 County’s Right to Early Termination.** Subject to the following conditions, County shall have the right to terminate this Lease after thirty-six months (36) months of the Original Term (the “**Early Termination Right**”):

6.4.1 **Notice.** County shall provide Lessor with written notification of its election to terminate this Lease at least ninety (90) days prior to the date of early termination (the “**Early Termination Date**”). County’s obligation to pay Rent shall continue up to and including the Early Termination Date;

6.4.2 **Early Termination Fee.** In addition to the payment of all Rent due up to and including the Early Termination Date, County shall pay to the Lessor an early termination fee equal in amount to 15% of the aggregate sum of the monthly Rent that would have been due from the County from and after the termination date through the end of the 60<sup>th</sup> month of the Original Term.

6.4.3 **Termination of Early Termination Right.** Notwithstanding anything to the contrary hereinstated or implied, the County's Early Termination Right shall not survive County's exercise of any Extension Option.

**7. Compliance.**

**7.1 Compliance.** Lessor warrants that the Premises and improvements on the Premises shall comply with all applicable State and Federal laws, covenants or restrictions of record, building codes, regulations and ordinances ("Applicable Requirements") in effect on the Commencement Date of this Lease, regardless of the use to which County will put the Premises. If the Premises do not comply with said warranty, Lessor shall, promptly after receipt of written notice from County or any governmental agency having jurisdiction over such matters setting forth the nature and extent of such non-compliance, rectify the same at Lessor's expense. If the Applicable Requirements are 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 that as of the Commencement Date, 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 then in effect and as it is amended from time to time. Any cost incurred to cause the Premises to comply with post Commencement Date amendments to the Act and regulations adopted pursuant thereto shall be borne by Lessee.

**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 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 demand by County, Lessor shall promptly reimburse County the actual cost and expenses thereof, provided said costs and expenses are reasonable. Should Lessor fail to promptly pay the cost and expenses,

County may deduct and offset that amount from Rent payable under this Lease. For purposes of this Section, notice given by fax or e-mail shall be deemed sufficient.

**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, perform any and all building repairs, replacements and maintenance reasonably necessary to maintain in 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 existing improvements and any new improvements installed by Lessor, alterations, fixtures, but excluding furnishings, flooring repairs and interior paint; (c) all systems and equipment including, but not limited to, Base Buildings 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 or alterations of the Premises that may become necessary by reason of deferred maintenance or defects in any construction thereof.



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

**10.3 County's Right to Make Repairs and Deduct Cost.** If County provides notice 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 demand by County, Lessor shall promptly reimburse County the actual cost and expenses thereof, provided said costs and expenses are reasonable. Should Lessor fail to promptly pay the cost and expenses, County may deduct and offset that amount from Rent payable under this Lease.

**10.5 Periodic Services.** Lessor shall provide, or cause to be provided, and pay for all Periodic Services including: pest control services as often as reasonably necessary; quarterly HVAC standard preventative maintenance and changing of air

filters every six months; annual fire extinguisher inspections; reset interior and exterior building 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 post-Commencement Date 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.

**11.1.9** The Pre-Commencement Date Construction, and all post Commencement Date alterations and improvements made, and fixtures installed, by Lessor at County's request, shall be and remain property of the Lessor and may not be removed by County at or prior to the expiration of this Lease.

**11.2 Post Commencement Date Improvements by County.**

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

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

**12. Exculpation, Indemnification, and Insurance.**

**12.1 Exculpation.** To the fullest extent permitted by law, Lessor, on its behalf and on behalf of all Lessor Parties, as hereinafter defined, waives all claims (in law, equity, or otherwise) against County Parties, as hereinafter defined, 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, invites, beneficiaries, agents, servants, employees, and independent contractors of these persons or entities.

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

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

**12.1.4 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 favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

**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 2782, 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.

The paragraphs of this Section 12 shall survive the expiration or earlier termination of this Lease until all claims against County Parties involving any of the indemnified matters are fully, finally, and absolutely barred by the applicable statutes of limitations.

### **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 including all Endorsements and all attachments thereto, showing such insurance is in full force and effect. Further, said Certificate(s) and policies of insurance shall contain the covenant of the insurance carrier(s) 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 giving rise to a claim arising from the performance of this Agreement.

E. Property (Physical Damage).

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

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

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

**13. Damage and Destruction.**

**13.1 Repair of Damage.** County agrees to notify Lessor in writing promptly of any damage to the Premises resulting from fire, earthquake, or any other

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

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

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

**13.4 County's Option to Terminate.** If (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." County agrees to engage in good faith negotiation with the Lessor and Lender in a good faith effort to reach agreement on a reasonable modification of the SDNA that will be acceptable to the Landlord's Lender.

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

**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:**

Miracle Mile Properties, LLP  
4221 Wilshire Boulevard, Suite 480  
Los Angeles, California 90010

**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.

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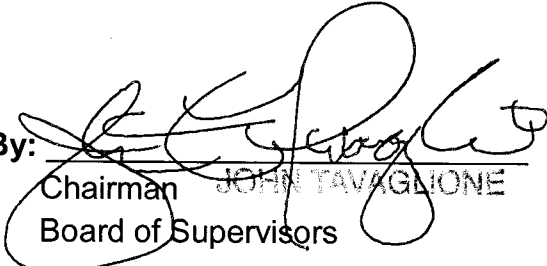
**19.21**

**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.

**LESSEE:  
COUNTY OF RIVERSIDE**

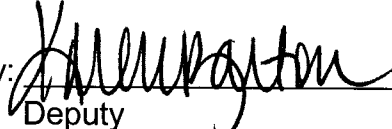
**LESSOR  
MIRACLE MILE PROPERTIES, LP, a Delaware  
limited partnership**

By:   
Chairman JOHN TAVAGNONE  
Board of Supervisors

**BY MIRACLE MILE PROPERTY MANAGEMENT,  
LLC, a Delaware limited liability company**

BY:   
Franklin H. Menlo

**ATTEST:**  
Kecia Harper-Ihem  
Clerk of the Board

By:   
Deputy

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

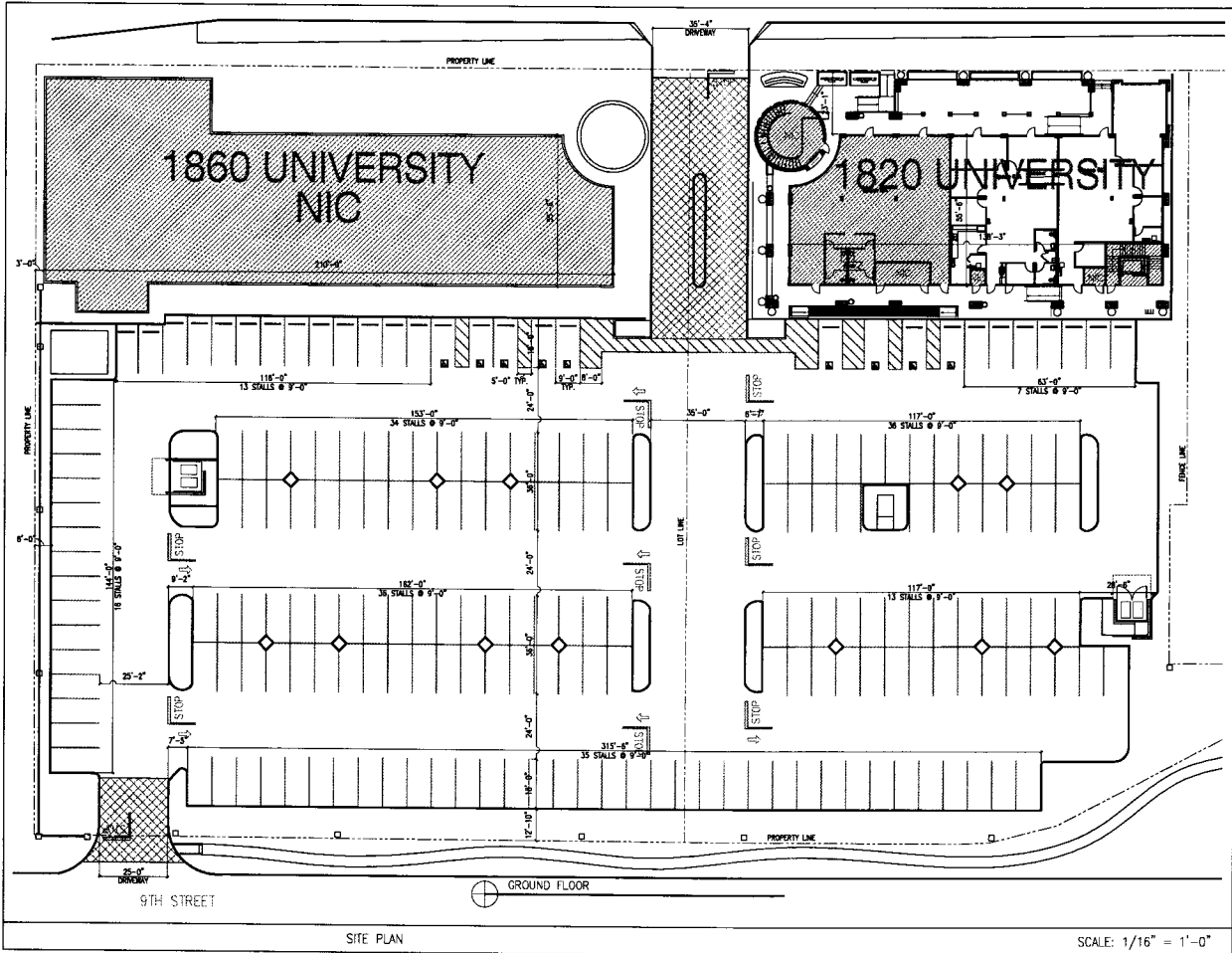
By:   
Deputy County Counsel

MH:ra/060617/016MH/18.566

**EXHIBIT A**

**SITE PLAN**

**1820 UNIVERSITY AVENUE, SUITES 2A, 3A, 2B, & 3B, RIVERSIDE**



Prepared for:  
 Miracle Mile Properties  
 4221 Wilshire Blvd.  
 Suite 450  
 Los Angeles, CA 90010

Project Name  
 Riverside University Health System  
 Behavioral Health  
 Suite 200 # 50  
 Riverside, CA 92507



1334 Parkview Avenue  
 Suite 200  
 Manhattan Beach, CA 90266  
 Office 310 828 2500  
 Fax 310 872 5475



REVISION

Issue No.	Description	Issue Date

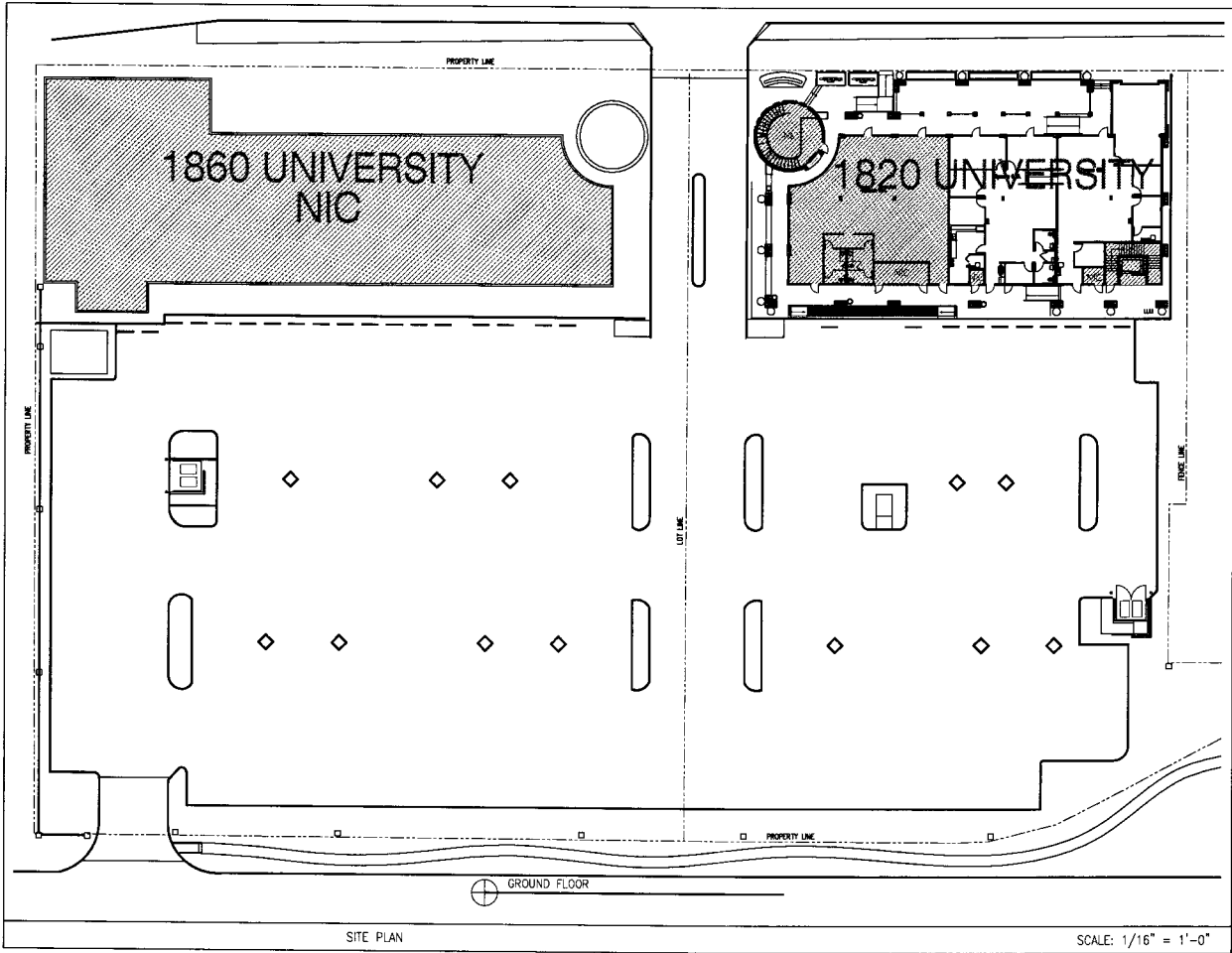
SITE PLAN

PROJECT NO.	DESCRIPTION	DATE

**SITE PLAN**

SCALE: 1/16" = 1'-0"





Prepared for:  
 Miracle Mile Properties  
 4221 Wilshire Blvd.  
 Suite 480  
 Los Angeles, CA 90010

Project Name  
 Riverside University Health System  
 Behavioral Health  
 Suite 2B + 3B  
 Riverside, CA 92507



1334 Poinview Avenue  
 Suite 300  
 Manhattan Beach, CA 90266  
 Office 310 808 2500  
 Fax 310 872 5475



REVISION	DATE	DESCRIPTION	BY	CHK

SITE PLAN

NO.	DATE	DESCRIPTION	BY	CHK

SITE PLAN

**EXHIBIT B**

**LEASEHOLD IMPROVEMENT AGREEMENT**

**1820 UNIVERSITY AVENUE, SUITES 2A, 3A, 2B, & 3B, RIVERSIDE**

**LEASEHOLD IMPROVEMENT AGREEMENT**  
(1820 University Avenue, Suites 2A, 3A, 2B, & 3B, 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 directly or indirectly cause an unreasonable delay to the "**Substantial Completion**," as that term is defined in Section 6.1 of this Leasehold Improvement Agreement, of the Premises or increase the cost of designing or constructing the Leasehold Improvements. Any changes or modifications approved by the County shall be at Lessor's sole cost and expense.

**SECTION 3 - CONSTRUCTION DRAWINGS**

3.1 **Selection of Architect/Construction Drawings.** Lessor shall retain an architect (the "**Architect**") to prepare the Construction Drawings. The Architect 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 Lessor's 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 hereto as **Exhibit "B-1."**

**3.3 Final Working Drawings.** Within sixty (60) days after the County's execution of the Lease and delivery of a copy of the Lease to Lessor, or within sixty (60) days of the County's signed approval of the Final Space Plan—whichever is later—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. A copy of the Final Working Drawings, when completed and approved by County, shall be attached hereto as Exhibit "B-2."

**3.4 Permits.** The Final Working Drawings shall be approved by County (the "**Approved Working Drawings**") no later than 15 working days after the County's receipt, prior to the commencement of the construction of the Leasehold Improvements, which approval shall not be unreasonably withheld. Lessor shall immediately submit the Approved Working Drawings to the appropriate municipal authorities for all applicable building permits necessary to commence and fully complete the construction of the Leasehold Improvements (the "**Permits**"). Lessor hereby agrees that neither County nor County's agents or consultants shall be responsible for obtaining any building permit or certificate of occupancy for the Premises and that the obtaining of the same shall be Lessor's responsibility; provided however that County shall, in any event, cooperate with Lessor in executing permit applications and performing other ministerial acts reasonably necessary to enable Lessor to obtain any such permit or certificate of occupancy. No

changes, modifications or alterations in the Approved Working Drawings may be made without the prior written consent of County, provided that County may withhold its consent, in its sole discretion, to any change in the Approved Working Drawings if such change would directly or indirectly cause an unreasonable delay to the "**Substantial Completion**" of the Premises as that term is defined in Section 6.1 of this Leasehold Improvement Agreement. Each day of delay, if any, in the Substantial Completion of the Leasehold Improvements, attributable to a County approved change, modification or alteration in the Approved Working Drawings [a "**Permitted Time Extension**"] shall extend, for a like time, the 180 day period within which the Landlord agrees to Substantially Complete the Leasehold Improvements.

**3.5 County Cooperation.** 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, within 15 working days after the execution of the Lease, and, in that regard, shall meet with Lessor on a scheduled basis to be determined by County, to discuss Lessor's progress in connection with the same. Upon County's execution of this Lease, Lessor shall provide County with a construction schedule including time projections for planning, entitlement process, related preparation and construction of the Leasehold Improvements. A copy of the construction schedule is attached hereto 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 diligently pursue the planning, entitlement process, related preparation and construction of the Leasehold Improvements. Lessor shall provide County with periodic emailed progress reports, which reports shall contain, without limitation, updated information relative to permit approvals and construction.

5.2 Lessor shall notify County, in writing, forthwith upon the Substantial

Completion of the Leasehold Improvements. Within ten (10) days thereafter, County shall schedule and conduct a "job walk" with Lessor for the purpose of accepting the Premises for occupancy; and, provided that the Leasehold Improvements have been Substantially Completed, the County shall accept the Premises.

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

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

6.1 "**Substantial Completion**" of the Premises shall mean that the Leasehold Improvements are completed in accordance with the Approved Working Drawings (with the exception of any punch list items and any County fixtures, work-stations, built-in furniture, or equipment to be installed by County); and a Certificate of Occupancy has been issued by the City of Riverside; or, if no new Certificate of Occupancy is required, then the City of Riverside has accepted the improvements upon final inspection (which acceptance shall not be unreasonably withheld), all required permits have been obtained and electrical power has been turned on, and Premises are available for useful occupancy. "**Useful occupancy**" is herein defined to mean that the Premises are safe, free of hazard, free of any risk to the safety of County employees and available for the use set forth in the Lease.

6.2 The Lease Commencement Date shall occur as set forth in **Section 4.1** and **Section 4.3** of the Lease.

## **SECTION 7 - CONSTRUCTION COSTS**

7.1 Prior to County's execution of this Lease, Lessor shall provide County an itemized cost breakdown attached hereto and made a part hereof as Addendum 1, of the construction costs of the leasehold improvements. The total costs of all the Leasehold Improvements subject to reimbursement, including but not limited to fixtures, equipment, architectural fees and permits, and as reflected in the cost breakdowns, shall not exceed the sum of \$693,275.00 which sum represents Lessor's estimate of such construction costs shown on Addendum 1 in the amount \$797,266.25 includes a 15% contingency amount budgeted by the County for the sole purpose of paying for extra items requested by County during the course of construction or installation of leasehold improvements.

7.2 Within fourteen (14) days of Substantial Completion of the Leasehold Improvements, Lessor shall provide County with an itemized statement, as Addendum 2, similar to the cost breakdown form attached as Addendum 1, of the actual costs of the Leasehold Improvements incurred by Lessor, accompanied by vendor, contractor,

subcontractor, material man invoices if requested by the County along with an invoice for reimbursement of actual costs incurred [the "**Reimbursement Invoice**"].

## **SECTION 8 - REIMBURSEMENT FOR LEASEHOLD IMPROVEMENTS**

8.1 In addition to the base rent as stated in the Lease, within 30 days of the County's receipt of the Reimbursement Invoice, County shall reimburse Lessor, as hereinafter set forth, the actual cost of the Leasehold Improvements as substantiated by the itemized statement required in Section 7.2 above and related supporting documentation as requested by the County. In no event shall Lessor be reimbursed an amount in excess of actual costs pursuant to Section 7.2 nor in excess of the total amount set forth in Section 7.1, whichever is less.

## **SECTION 9 - MISCELLANEOUS**

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

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

9.3 **Lessor's Representative.** Lessor has designated Lionel Levy 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.** Time is of the essence in this Leasehold Improvement Agreement. Unless otherwise indicated, all references herein to a "number of days"

shall mean and refer to calendar days. In all instances where County is required to approve, if no written notice of approval is given within the stated time period, at the end of such period the item shall automatically be deemed APPROVED.

**9.6 Lessor's Lease Default.** Notwithstanding any provision to the contrary contained in this Lease, if an event of default by Lessor of this Leasehold Improvement Agreement, and said default has occurred at any time on or before the Substantial Completion of the Premises, then (i) in addition to all other rights and remedies granted to County pursuant to the Lease, County shall have the right to cause Lessor to cease the construction of the Leasehold Improvements and (ii) all other obligations of County under the terms of this Leasehold Improvement Agreement shall be forgiven until such time as such default is cured pursuant to the terms of the Lease or this Leasehold Improvement Agreement.

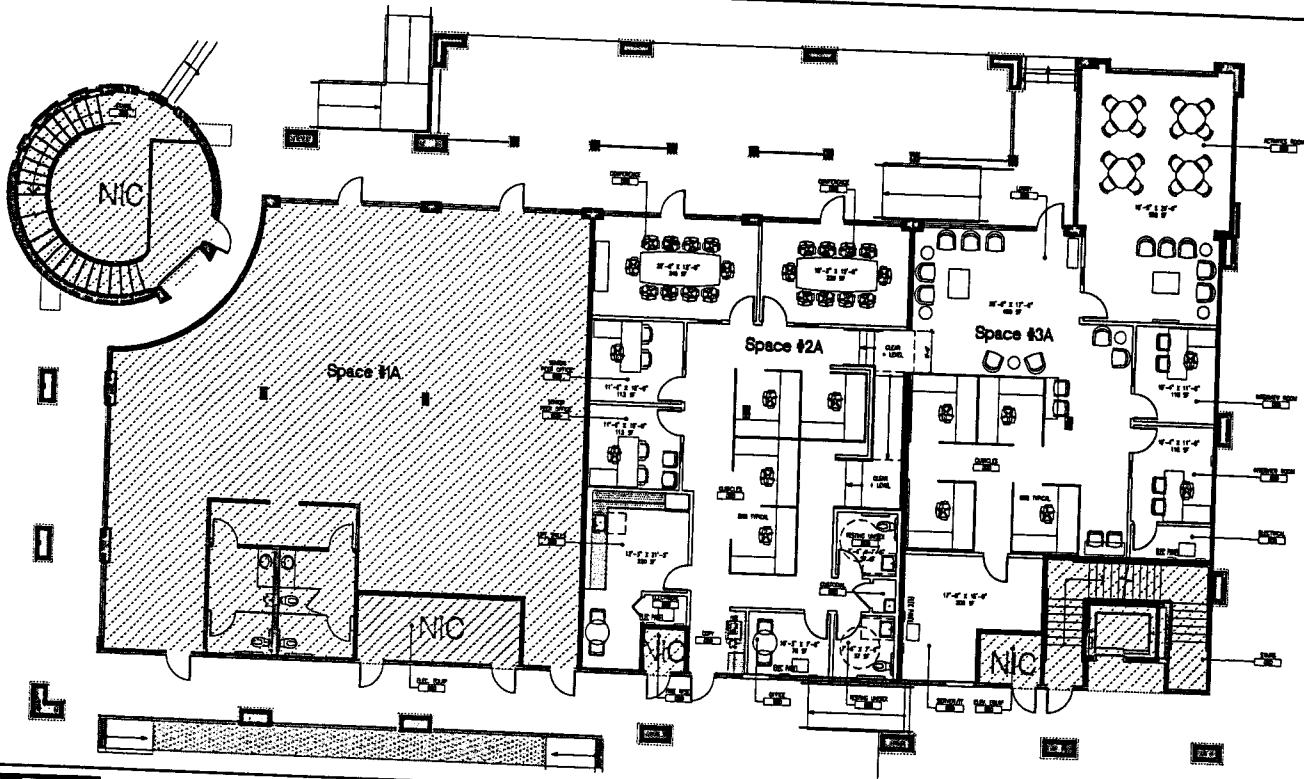
MH:ra/062017/016MH/19.076



**EXHIBIT B-1**

**FINAL SPACE PLAN**

**1820 UNIVERSITY AVENUE, SUITES 2A, 3A, 2B, & 3B, RIVERSIDE**



**BBA**  
BRENDA BELL  
& ASSOCIATES

1334 Parkview Avenue Suite 200 Manhattan Beach, CA 90266  
Office 310 898 2803  
Fax 310 872 5478

Interiors

SOURCE:

Floor 1, Space Plan Option 3.1

PROJECT NAME:

Riverside University Health System  
1620 University Ave  
Floor 1  
Riverside, CA

DATE: 12.02.10 SCALE: 3/32" = 1'-0"

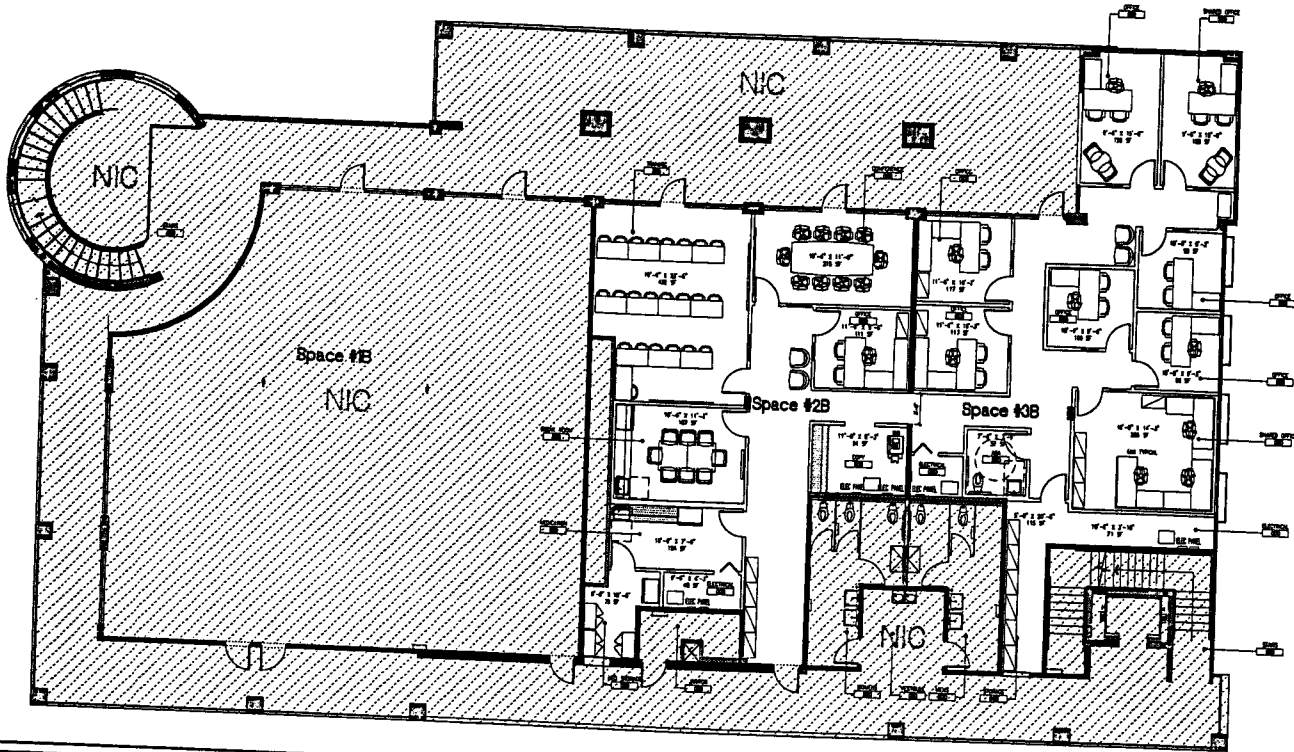
REVISED BY: L. Brook

JOB NUMBER: 16.3050.00

FILE:

SKETCH NUMBER:

SK26



**BBA**  
 BRENDA BELL  
 ASSOCIATES  
 1234 Parkside Avenue Suite 300 Manhattan Beach, CA 90266  
 Office 310 828 2000  
 Fax 310 872 9475  
**Interiors**

SUBJECT: **Floor 2, Space Plan Option 3.1**  
 PROJECT NAME: **Riverside University Health System  
 1820 University Ave  
 Floor 2  
 Riverside, CA**

DATE: 12.05.16 SCALE: 3/32" = 1'-0"  
 REVISED BY: L. Smith  
 JOB NUMBER: 16.3050.00  
 FILE:  
 SKETCH NUMBER: **SK27**

**EXHIBIT B-2**

**FINAL WORKING DRAWINGS**

**1820 UNIVERSITY AVENUE, SUITES 2A, 3A, 2B, & 3B, RIVERSIDE**

**EXHIBIT B-3**

**CONSTRUCTION SCHEDULE**

**1820 UNIVERSITY AVENUE, SUITES 2A, 3A, 2B, & 3B, RIVERSIDE**

**ADDENDUM 1**

**CONSTRUCTION COST**

**1820 UNIVERSITY AVENUE, SUITES 2A, 3A, 2B, & 3B, RIVERSIDE**

**LONGHORN CONSTRUCTION SERVICES, INC.**  
 155 E. Liberty Ave., Suite F  
 Anaheim, CA 92801  
 Phone: (714) 202-4666 Fax: (714) 526-4506  
 CSL# 943494

# PROPOSAL/CONTRACT

Date	Proposal #
6/13/2017	1543

Bill To
Miracle Mile Properties Attn: Isaac Flactman 4221 Wilshire Blvd., Suite 480 Los Angeles, CA 90010

Project Location
Riverside Shopping Center 1820 - 1860 University Avenue Riverside, CA 92507

Customer PO#	PROJECT
	#1543-1820 University #2A/3A & 2B/3B

Description Of Proposed Work	Amount
1820 University Ave, Suites #2A/3A & 2B/3B	
ALL WORK ON THIS SITE TO BE PERFORMED AT PREVAILING WAGE RATE	
Scope of Work:	
DEMO/HAUL AWAY	6,500.00
CONSTRUCTION	88,400.00
DOORS/SIDELIGHTS/FRAMES/GLAZING	38,500.00
MECHANICAL	106,500.00
ELECTRICAL/LIGHTING	108,000.00
PLUMBING	41,750.00
FINISHES	85,500.00
APPLIANCES/EQUIPMENT	1,800.00
MILLWORK	32,500.00
HARDWARE	14,500.00
*** Estimate Good for 15 Days ***	<b>Total</b>

**LONGHORN CONSTRUCTION SERVICES, INC.**  
 155 E. Liberty Ave., Suite F  
 Anaheim, CA 92801  
 Phone: (714) 202-4666 Fax: (714) 526-4506  
 CSL# 943494

**PROPOSAL/CONTRACT**

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<b>Project Location</b>
Riverside Shopping Center 1820 - 1860 University Avenue Riverside, CA 92507

<b>Customer PO#</b>	<b>PROJECT</b>
	#1543-1820 University #2A/3A & 2B/3B

Description Of Proposed Work	Amount
FIRE/LIFE/SAFETY	27,300.00
FINAL HAULAWAY & CLEAN UP/JANITORIAL/TOUCH UP	1,800.00
Contingencies	45,000.00
Engineering	41,525.00
Architects & Space Planning	18,700.00
Permits	35,000.00
*** Estimate Good for 15 Days ***	<b>Total</b> <b>\$693,275.00</b>



**EXHIBIT C**

**ASBESTOS**

**1820 UNIVERSITY AVENUE, SUITES, 2A, 3A, 2B, AND 3B, 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**

**1820 UNIVERSITY AVENUE, SUITES, 2A, 3A, 2B, AND 3B, 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 FOR LEASED FACILITIES**

**1820 UNIVERSITY AVENUE, SUITES, 2A, 3A, 2B, AND 3B, 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  
1820 UNIVERSITY AVENUE, SUITES, 2A, 3A, 2B, AND 3B, RIVERSIDE**