

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



**ITEM
3.19
(ID # 4533)**

MEETING DATE:
Tuesday, July 11, 2017

FROM : ECONOMIC DEVELOPMENT AGENCY (EDA):

SUBJECT: ECONOMIC DEVELOPMENT AGENCY (EDA): Ben Clark Training Center Modular Classroom Units, Three Year Lease Renewal, District 1, CEQA Exempt, [\$2,905,554] State 36.18%, County 49.51%, Other 14.31% (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 CEQA Guidelines Sections 15301, Class 1, Existing Facilities and 15061 (b)(c) General Rule Exemption;
2. Ratify the attached Contract Addendum Renewal and authorize the Chairman of the Board to execute the same on behalf of the County; and
3. Direct the Clerk of the Board to file the Notice of Exemption with the County Clerk upon approval of the Project.

ACTION: Policy

Robert Perez, Assistant County Executive Officer/EDA

6/26/2017

MINUTES OF THE BOARD OF SUPERVISORS

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

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

Kecia Harper-Ihem
Clerk of the Board
By
Deputy

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

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 968,518	\$ 968,518	\$2,905,554	\$ 0
NET COUNTY COST	\$ 479,513	\$ 479,513	\$1,438,540	\$ 0
SOURCE OF FUNDS: State 36.18%, County 49.51%, Other 14.31%			Budget Adjustment:	No
			For Fiscal Year: 2017/18-2019/20	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

On June 3, 2008, the Board of Supervisors (Board) approved the lease of 52 modular trailers to be used by Sheriff and Fire for public safety training purposes at Ben Clark Training Center (BCTC). Two more modular units were added shortly thereafter for a total of 54 modular units. On August 18, 2015, (M.O. #3-22) the Board approved a modular lease renewal for two years. These modular units serve as a temporary solution until Sheriff and Fire can develop a plan for the construction of permanent classroom and special training facilities that would eventually replace the portable units that currently serve over 25,000 public safety students.

The need to renew the lease of the modular units is essential, as the mobile modular units continue to provide the necessary space required for the various training academics of Sheriff, Fire, as well as other public safety and County purposes.

The following is a summary of the major lease terms:

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

Lessee: County of Riverside

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

Term: Three years

Current Rent: \$62,452.76 per month, effective since 06/2013, with no adjustments

New Rent: \$65,590.00 per month, a five percent increase

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

Rental Adjustment: No annual increases

Utilities: County

Maintenance: Lessor

Custodial: Lessor

SUPPLEMENTAL:

Additional Fiscal Information

The Sheriff and Fire Departments have budgeted these costs in FY 2017/18 and will reimburse the Economic Development Agency for all lease costs on a monthly basis.

See Exhibit D

CEQA Exemption Status

The Project is CEQA exempt in accordance with CEQA State guidelines 15061(b)(3) as it can be seen with certainty that there is no possibility the lease renewal in question may have any effect on the environment and CEQA State guidelines Section 15301 as the exemption involves negligible or no expansion of the sites use.

Impact to Residents and Businesses

The lease renewal will allow Riverside County Sheriff and Fire a facility a site to conduct comprehensive law enforcement and fire training for the benefit of the residents and businesses of Riverside County.

Contract History and Price Reasonableness

This contract has been in place since June 3, 2008.

Attachments:

Exhibit A, B, C and D

Contract Addendum (4)

Notice of Exemption

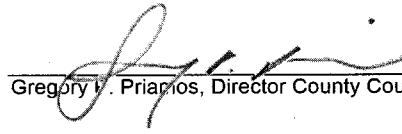
RF:JWW:VC:VY:YK:ra MV136 19.057 13592

Minute Traq ID 4533

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


Nehini Dasika, Principal Management Analyst

6/29/2017



Gregory V. Priamos, Director County Counsel

6/28/2017

Exhibit A

FY 2017/18

Mobile Modulares Cost Analysis

Ben Clark Training Center 3423 Davis Ave Riverside CA

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

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

Lease Cost per Month (Sheriff)	\$	44,407.00
Lease Cost per Month (Fire)	\$	20,735.00
Lease Cost per Month (Maintenance Traylor)	\$	448.00
	\$	<u>65,590.00</u>

Total Lease Cost (Sheriff) July - June	\$	532,884.00
Total Lease Cost (Fire) July - June	\$	248,820.00
Total Lease Cost (Maintenance Traylor) July-June	\$	<u>5,376.00</u>

Total Estimated Lease Cost for FY 2017/18 \$ 787,080.00

Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12	
	Sheriff	\$	78,382.08
	Fire	\$	40,089.60
Total Estimated Utility Cost			\$ 118,471.68

Sales Tax (Based @ 8%) \$ 62,966.40

TOTAL ESTIMATED COST FOR FY 2017/18 \$ 968,518.08

TOTAL COUNTY COST: 49.51% \$ 479,513.30

Exhibit B

FY 2018/19

Mobile Modulars Cost Analysis

Ben Clark Training Center 3423 Davis Ave Riverside CA

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

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

Lease Cost per Month (Sheriff)	\$	44,407.00
Lease Cost per Month (Fire)	\$	20,735.00
Lease Cost per Month (Maintenance Traylor)	\$	448.00
	\$	<u>65,590.00</u>

Total Lease Cost (Sheriff) July - June	\$	532,884.00
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Total Estimated Lease Cost for FY 18/19 \$ 787,080.00

Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12	
	Sheriff	\$	78,382.08
	Fire	\$	40,089.60
Total Estimated Utility Cost			\$ 118,471.68

Sales Tax (Based @ 8%) \$ 62,966.40

TOTAL ESTIMATED COST FOR FY 18/19 \$ 968,518.08

TOTAL COUNTY COST: 49.51% \$ 479,513.30

Exhibit C

FY 2019/20

Mobile Modulars Cost Analysis

Ben Clark Training Center 3423 Davis Ave Riverside CA

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

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

Lease Cost per Month (Sheriff)	\$	44,407.00
Lease Cost per Month (Fire)	\$	20,735.00
Lease Cost per Month (Maintenance Trailer)	\$	448.00
	\$	<u>65,590.00</u>

Total Lease Cost (Sheriff) July - June	\$	532,884.00
Total Lease Cost (Fire) July - June	\$	248,820.00
Total Lease Cost (Maintenance Trailer) July-June	\$	<u>5,376.00</u>

Total Estimated Lease Cost for FY19/20	\$	787,080.00
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Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12	
	Sheriff	\$	78,382.08
	Fire	\$	40,089.60
Total Estimated Utility Cost	\$		118,471.68

Sales Tax (Based @ 8%)	\$	<u>62,966.40</u>
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TOTAL ESTIMATED COST FOR FY 19/20	\$	<u>968,518.08</u>
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TOTAL COUNTY COST: 49.51%	\$	479,513.30
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EXHIBIT D

Fire	\$ 1,700.00	Sheriff	\$ 1,158.00
Fire	\$ 1,719.00	Sheriff	\$ 907.00
Fire	\$ 1,817.00	Sheriff	\$ 1,158.00
Fire	\$ 1,718.00	Sheriff	\$ 1,158.00
Fire	\$ 1,670.00	Sheriff	\$ 1,158.00
Fire	\$ 1,670.00	CHP	\$ 1,158.00
Sheriff	\$ 1,876.00	Sheriff	\$ 1,158.00
Sheriff	\$ 975.00	CHP	\$ 1,158.00
Maintenance	\$ 448.00		
Fire	\$ 1,158.00	Total:	\$ 65,590.00
Fire	\$ 1,158.00		
Fire	\$ 1,158.00		
Fire	\$ 1,158.00		
Fire	\$ 1,158.00		
Fire	\$ 1,158.00		
Fire	\$ 907.00	CHP	\$ 2,316.00
Fire	\$ 907.00	Maint	\$ 448.00
Fire	\$ 907.00	Sher	\$ 42,091.00
Fire	\$ 772.00	Fire	\$ 20,735.00
Sheriff	\$ 1,158.00		<u>\$ 65,590.00</u>
Sheriff	\$ 1,158.00		
Sheriff	\$ 1,158.00		
Sheriff	\$ 1,158.00		
Sheriff	\$ 772.00		
Sheriff	\$ 772.00		
Sheriff	\$ 1,544.00		
Sheriff	\$ 1,158.00		
Sheriff	\$ 1,877.00		
Sheriff	\$ 1,877.00		
Sheriff	\$ 1,877.00		
Sheriff	\$ 1,951.00		
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Sheriff	\$ 1,544.00		
Sheriff	\$ 1,544.00		
Sheriff	\$ 772.00		
Sheriff	\$ 772.00		
Sheriff	\$ 772.00		
Sheriff	\$ 772.00		
Sheriff	\$ 772.00		
Sheriff	\$ 772.00		
Sheriff	\$ 907.00		

Dearen, Elizabeth

From: Marilyn Kraft <marilynkraft15@gmail.com>
Sent: Monday, July 10, 2017 3:36 PM
To: Dearen, Elizabeth
Subject: 2017-2018 One year Action Plan

California's housing crisis has left a dearth of decent affordable housing. A series of articles in the Press Enterprise this year referred to So Cal as the rehab Riviera and reported many faults and abuses of the system. Pages of Trustee Sale notices tell me more homeless are on the way. Nine people have moved into the Santa Ana River-bottom since the Point-in-Time census didn't count us in January. They missed counting about 30 homeless people within a mile of where I have camped since 2013. Riverside county has 7,303 square miles. Is this an acceptable margin of error? Help us! Hell, they can't even count us.

Dearen, Elizabeth

From: Marilyn Kraft <marilynkraft15@gmail.com>
Sent: Monday, July 10, 2017 3:56 PM
To: Dearen, Elizabeth
Subject: Public Comment Action Plan

While they languish on the waiting list for housing assistance people need to eat.

Submitted by _____
7/11/17 Item 3.19
(date)



Original Negative Declaration/Notice of Determination was routed to County Clerks for posting on. 7/12/17 Date KB Initial

NOTICE OF EXEMPTION

May 30, 2017

Project Name: County of Riverside, Economic Development Agency (EDA) Ben Clark Training Center Modular Classrooms Lease Renewal, Riverside, County of Riverside

Project Number: FM042166003200

Project Location: 13971 Davis Avenue, south of Van Buren Boulevard, Riverside, California 92518; Assessor's Parcel Number (APN) 294-110-005; (See Attached Exhibit)

Description of Project: On June 3, 2011, the County of Riverside (County) approved the procurement of 52 modular trailers for use at the Ben Clark Training Center (BCTC) with the potential of adding more as needed. Two more modular units were added shortly thereafter based on use from the Sheriff and Fire Department, for a total of 54 modular units. The modular units are a temporary solution until Sheriff and Fire can develop a program for the construction of six buildings facilities totaling 85,000 square feet for classroom and special training to accommodate the growth over the longer term and replace the portable units that currently serve over 25,000 students and public training personal each year. However, until the permanent building facilities become operational, the need to renew the modular units is essential, as the mobile modular units continue to provide the much needed space for the various training academics for Sheriff, Fire, as well as other public safety and County uses. The renewal of the lease for the use of the modular classrooms at BCTC is identified as the proposed project under the California Environmental Quality Act (CEQA). The term of the agreement will be extended for an additional three years. The proposed project would involve the continuation of the letting of classroom training space. No expansion of the modular units would occur. The operation of the facility will continue to provide classroom training services and 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 Mobile Modular

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 renewal for the use and operation of the modular classrooms at BCTC.

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Administration
Aviation
Business Intelligence
Cultural Services
Community Services
Custodial

Housing
Housing Authority
Information Technology
Maintenance
Marketing

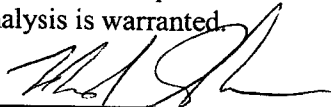
Economic Development
Edward-Dean Museum
Environmental Planning
Fair & National Date Festival
Foreign Trade
Graffiti Abatement

Parking
Project Management
Purchasing Group
Real Property
Redevelopment Agency
Workforce Development

- 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 an extension of a lease agreement for existing modular classrooms at BCTC and would include the continued maintenance to keep the modular classrooms functional. The use of the modular classrooms by the County 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 renewal to the lease is limited a three-year term extension of a contractual transaction for existing facilities. The indirect effects would be limited to existing maintenance and use of the existing modular classrooms. The lease renewal will not result in any direct or indirect physical environmental impacts. The use and operation of the modular classrooms will not differ from the existing use and will not create any new environmental impacts to the surrounding area. No impacts beyond the minor maintenance and continued use of the facilities 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: _____

5/30/17

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

RIVERSIDE COUNTY CLERK & RECORDER

**AUTHORIZATION
TO BILL
BY JOURNAL VOUCHER**

Project Name: Ben Clark Training Center Modular Classrooms Lease Renewal, Riverside

Accounting String: 524830-47220-7200400000 - FM047462013600

DATE: May 30, 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: Yolanda King, Real Property Agent III, Economic Development Agency

-TO BE FILLED IN BY COUNTY CLERK-

ACCEPTED BY: _____

DATE: _____

RECEIPT # (S) _____



Date: May 30, 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 # FFM047462013600**
Ben Clark Training Center Modular Classrooms Lease Renewal, 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 10th Street, Suite 400, Riverside, CA 92501

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

Attachment

cc: file

Administration
Aviation
Business Intelligence
Cultural Services
Community Services
Custodial

Housing
Housing Authority
Information Technology
Maintenance
Marketing

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

www.rivcoeda.org

Parking
Project Management
Purchasing Group
Real Property
Redevelopment Agency
Workforce Development



Mobile Modular Management Corporation

11450 Mission Blvd, Mira Loma, CA 91752

Ph (951) 360-6600 Fax (951) 360-6622

www.MobileModularRents.com

Contract Addendum

Date: 5/5/2017

Customer : County of Riverside
Billing Address: 3133 Mission Inn Avenue
City/State/Zip: Riverside Ca. 92507

Attn: Yolanda King
Phone : 951-955-9656
Fax:
E-mail: YKing@RIVCO.ORG

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

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

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

ALL OTHER TERMS AND CONDITIONS TO REMAIN THE SAME.

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

Renewal Information

Contract No.	Original Term	Original Start Rent Date	Building ID	Item Description	Addendum Start Year	Addendum Stop Year	Term	New Rate
587408	24	4/9/2008	45391	Office, 36x60 HCD Fire B	7/21/2017	7/4/2020	36	\$1,700.00
587605	24	5/14/2008	45412	Office 36x60 HCD Fire A	7/26/2017	7/9/2020	36	\$ 1,719.00
587606	24	5/19/2008	45383	Office 36x60 HCD Fire D	7/1/2017	6/14/2020	36	\$ 1,817.00
587607	24	5/14/2008	45329	Office 36x60 HCD Fire C	7/26/2017	7/9/2020	36	\$ 1,718.00
589543	24	6/2/2008	31250	Office 36x60 HCD Fire E	7/15/2017	6/28/2020	36	\$ 1,670.00
589544	24	6/2/2008	31249	Office 36x60 HCD Fire F	7/15/2017	6/28/2020	36	\$ 1,670.00
589549	24	9/1/2008	35497	Restroom 12x60 HCD 18B	7/16/2017	5/29/2020	36	\$ 1,876.00
589550	24	9/1/2008	35593	Office 12x60 HCD Building 15l	7/16/2017	6/29/2020	36	\$ 975.00
590922	24	6/023/2008	35843	Office, 12x60HCD	7/6/2017	6/19/2020	36	\$ 448.00
591325	24	8/1/2008	31248	Office 36x60 HCD Fire J	7/15/2017	6/28/2020	36	\$ 1,158.00
591326	24	8/1/2008	45334	Office 36x60 HCD Fire I	7/15/2017	6/28/2020	36	\$ 1,158.00
591327	24	8/15/2008	54387	Office 36x60 HCD Fire H	7/29/2017	7/12/2020	36	\$ 1,158.00
591328	24	8/15/2008	31259	Office 36x60 HCD Fire G	7/29/2017	7/12/2020	36	\$ 1,158.00
591329	24	8/1/2008	31247	Office 36x60 HCD Fire K	7/15/2017	6/28/2020	36	\$ 1,158.00
591330	24	8/1/2008	31230	Office 36x60 HCD Fire L	7/15/2017	6/28/2020	36	\$ 1,158.00
591331	24	8/31/2008	33995	Restroom 12x40 HCD Fire 4	7/15/2017	6/28/2020	36	\$ 907.00
591332	24	9/1/2008	33994	Restroom 12x40 HCD Fire 3	7/16/2017	6/29/2020	36	\$ 907.00
591333	24	9/1/2008	33986	Restroom 12x40 HCD Fire 2	7/16/2017	6/29/2020	36	\$ 907.00
591334	24	8/8/2010	34012	Restroom 12x40 HCD Fire 1	7/22/2017	7/5/2020	36	\$ 772.00
591335	24	9/1/2008	31236	Office 36x60 HCD Building # 7	7/16/2017	6/29/2020	36	\$ 1,158.00
591336	24	9/1/2008	31238	Office 36x60 HCD Building # 8	7/16/2017	6/29/2020	36	\$ 1,158.00
591337	24	9/1/2008	31231	Office 36x60 HCD Building # 9	7/16/2017	6/29/2020	36	\$ 1,158.00
591338	24	8/31/2008	31225	Office 36x60 HCD Building # 10	7/16/2017	6/29/2020	36	\$ 1,158.00
591339	24	9/1/2008	44062	Classroom 24x60 HCD Building #11	7/16/2017	6/29/2020	36	\$ 772.00
591340	24	9/1/2008	44063	Restroom 12x40 HCD Building # 12	7/16/2017	6/29/2020	36	\$ 772.00
591341	24	9/1/2008	31299	Office 48x60 HCD Building # 13	7/16/2017	6/29/2020	36	\$ 1,544.00
591342	24	8/31/2008	31229	Office 36x60 HCD Building # 14	7/15/2017	6/28/2020	36	\$ 1,158.00
591343	24	9/1/2008	30427	Restroom 12x60 HCD Building # 17	7/16/2017	6/29/2020	36	\$ 1,877.00
591344	24	9/1/2008	30428	Restroom 12x60 HCD Building # 16	7/16/2017	6/29/2020	36	\$ 1,877.00
591345	24	9/1/2008	30333	Restroom 12x60 HCD Building # 19a	7/16/2017	6/29/2020	36	\$ 1,877.00
591346	24	9/1/2008	30332	Restroom 12x60 HCD Building # 19b	7/16/2017	6/29/2020	36	\$ 1,951.00
591347	24	9/1/2008	30345	Restroom 12x60 HCD Building # 20a	7/16/2017	6/29/2020	36	\$ 1,877.00
591348	24	9/1/2008	30344	Restroom 12x60 HCD Building # 20b	7/16/2017	6/29/2020	36	\$ 1,951.00
591349	24	9/1/2008	33643	Restroom 12x34 HCD Building # 21a	7/16/2017	6/29/2020	36	\$ 907.00
591350	24	9/1/2008	33648	Restroom 12x34 HCD Building # 21b	7/16/2017	6/29/2020	36	\$ 907.00
591351	24	9/1/2008	33663	Restroom 12x34 HCD Building # 22a	7/16/2017	6/29/2020	36	\$ 907.00
591352	24	9/01/2008	33669	Restroom 12x34 HCD Building # 22b	7/16/2017	6/29/2020	36	\$ 907.00
591353	24	9/1/2008	45587	Office 48x60 HCD Building # 23	7/16/2017	6/29/2020	36	\$ 1,544.00

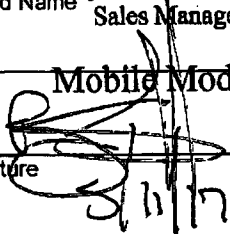
JUL 11 2017 3.19

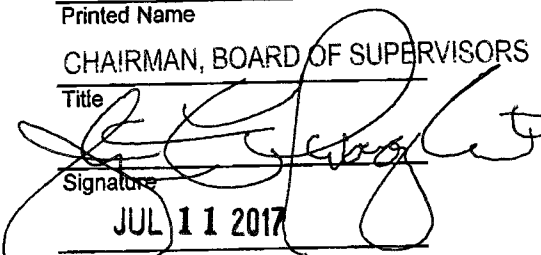
591354	24	9/1/2008	31300	Office 48x60 HCD Building # 24	7/16/2017	6/29/2020	36	\$ 1,544.00
591355	24	9/1/2008	44052	Classroom 24x60 HCD Building # 25	7/16/2017	6/29/2020	36	\$ 772.00
591356	24	9/1/2008	44056	Classroom 24x60 HCD Building # 26	7/16/2017	6/29/2020	36	\$ 772.00
591357	24	9/1/2008	44057	Classroom 24x60 HCD Building # 27	7/16/2017	6/29/2020	36	\$ 772.00
591358	24	9/1/2008	44058	Classroom 24x60 HCD Building # 28	7/16/2017	6/29/2020	36	\$ 772.00
591359	24	9/1/2008	44060	Classroom 24x60 HCD Building # 29	7/16/2017	6/29/2020	36	\$ 772.00
591360	24	9/1/2008	44061	Classroom 24x60 HCD Building # 30	7/16/2017	6/29/2020	36	\$ 772.00
220000035	24	10/2/2008	33989	Restroom 12x40 HCD Building #36	7/17/2017	6/30/2020	36	\$ 907.00
220000043	24	10/1/2008	*31234	Office 36x60 HCD Building #33	7/16/2017	6/29/2020	36	\$ 1,158.00
220000070	24	10/3/2008	34001	Restroom 12x40 HCD Building # 36b	7/18/2017	7/1/2020	36	\$ 907.00
220000077	24	10/8/2008	31237	Office 36x60 HCD Building #32	7/23/2017	7/6/2020	36	\$ 1,158.00
220000082	24	10/8/2008	31232	Office 36x60 HCD Building #31	7/23/2017	7/6/2020	36	\$ 1,158.00
220000084	24	10/9/2008	45385	Office 36x60 HCD Building # 34	7/24/2017	7/7/2020	36	\$ 1,158.00
220000085	24	10/6/2008	31239	Classrm 36x60HCD Building #37	7/20/2017	7/4/2020	36	\$ 1,158.00
220000087	24	10/10/2008	45407	Office 36x60 HCD Building # 35	7/25/2017	7/8/2020	36	\$ 1,158.00
220000089	24	10/17/2008	31233	Classroom 36x60HCD Building # 38	7/2/2017	6/15/2020	36	\$ 1,158.00

*ANY EDITS TO THIS CONTRACT ADDENDUM WILL VOID THE ENTIRE DOCUMENT
Mobile Modular Management Corporation

County of Riverside
John Tavaglione, Chairman
Board of Supervisors

JOHN TAVAGLIONE

Ryan Swindell
 Printed Name **Sales Manager**
 Title **Mobile Modular**
 Signature 
 Date

Printed Name
 Title **CHAIRMAN, BOARD OF SUPERVISORS**
 Signature 
 Date **JUL 11 2017**

Call (951)360-5156 with any questions or comments, ask for Karina Olvera

Thank you for contacting Mobile Modular.

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

ATTEST:
 KEQIA HARPER-IHEM, Clerk
 By 
 DEPUTY

FORM APPROVED COUNTY COUNSEL
 BY: Synthia M. Gunzel 6-28-17
 SYNTHIA M. GUNZEL DATE

SUPPLEMENTAL LEASE TERMS AND CONDITIONS

The provisions below (the "Incorporated Provisions") shall be incorporated by reference into all Lease Agreements (each "Agreement") entered into on or after October 1st, 2008, between Mobile Modular Management Corporation, a California Corporation, as lessor ("Lessor") and any customer of Lessor, as lessee ("Lessee"). These provisions are subject to change in Lessor's sole discretion. Capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Agreement or the Master Lease Agreement.

WITNESSETH

1. **WARRANTIES; DISCLAIMER.** Lessor warrants to Lessee that the Equipment, when delivered and set up, will be in good condition and repair, be properly set up (subject to any site limitations), and, subject to Section 5 below, comply with all applicable regulations. Lessee acknowledges and agrees that, with the exception of the foregoing warranties, **LESSOR HAS MADE NO OTHER WARRANTIES OR REPRESENTATIONS, EITHER EXPRESS OR IMPLIED, RELATING TO ANY OF THE MATTERS CONTAINED IN THE AGREEMENT OR THE MASTER LEASE AGREEMENT, INCLUDING WITHOUT LIMITATION, THE CONDITION OF THE EQUIPMENT, ITS MERCHANTABILITY OR ITS FITNESS FOR ANY PARTICULAR PURPOSE, ANY WARRANTY AGAINST INFRINGEMENT OR AS TO TITLE OR OTHERWISE.**

2. **EQUIPMENT CONDITION.** Lessee shall maintain all Equipment in good condition and repair (normal wear and tear excluded) as set forth in the applicable region-specific Service Guide ("**Service Guide**"), which can be viewed on Lessor's website (<http://www.mobilemodular.com/resources/product-guides.aspx>). Lessee shall not make any alterations, modifications, additions, or improvements to the Equipment without Lessor's prior written consent. Lessor shall provide maintenance and service to the Equipment as set forth in the applicable Service Guide.

3. **DELIVERY AND PLACEMENT OF EQUIPMENT.** Lessor shall deliver and set up the Equipment at the site specified in the applicable Agreement (the "**Site**"). Lessee warrants and represents that it has exercised due diligence and care in selecting a suitable site for the Equipment, shall clearly mark the site of placement and shall direct Lessor on exact placement and orientation of the Equipment. Equipment should be placed in areas with adequate drainage to avoid flooding. Upon request from Lessee and for an additional fee, Lessor will perform a site visit and make recommendations on placement as it relates to site accessibility and layout. In the State of Florida, Lessee is notified that Equipment is not to be placed closer than two feet to another structure without advance written approval from Lessor.

a. **ACCESS.** Lessee shall provide clear access to the set up site for delivery of the Equipment by standard delivery methods and set up of same by standard set up methods. The Site must be dry, compacted, level and accessible by normal truck delivery. A level site is hereby defined as follows: Length – no greater than a 4-inch drop in 40 feet; Width – no greater than a 1-inch drop in 8 feet. Additional charges may apply for dry-runs, additional labor, or wait-time incurred due to lack of site access or adequate preparation.

b. **LOCATION.**

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

ii. **RELOCATION OF EQUIPMENT.** Once Lessor has completed the delivery and set up of the Equipment in the location specified by Lessee, should the Equipment require relocation for any reason, Lessee shall be responsible for all charges associated with such relocation. Lessee shall not move the Equipment without the prior written consent of Lessor.

iii. **RE-LEVELING EQUIPMENT.** Should the Equipment require re-leveling due to adverse site or weather conditions (wetness, settling, unstable ground, etc.), or adjustment due to personal property (such as furniture, files or equipment) inside the Equipment, Lessee shall be responsible for all related charges.

c. **PIT, GROUND LEVEL OR DEEP SET.** When backfilling soil and concrete in the front of the building, Lessee is instructed to use a waterproof barrier to protect the Equipment.

4. **RETURN OF EQUIPMENT.**

a. **PREPARATION FOR EQUIPMENT REMOVAL.** Upon conclusion of the Lease and prior to the scheduled removal of the Equipment, Lessee shall complete the necessary actions to ensure Equipment may be removed by Lessor. Additional charges may apply for any additional labor, waiting time, or dry-runs incurred if the necessary actions are not completed by Lessee prior to the scheduled time of removal. Such actions include but may not be limited to:

i. Disconnection of all utilities and removal of any items that may hinder the removal of the Equipment by standard methods;

ii. Removal of all personal property of Lessee from the Equipment. Should any personal property remain in the Equipment upon removal, Lessee consents to Lessor's possession and disposal or destruction of such personal

property without notice or accounting to Lessee, the costs and expenses of which, including reasonable attorney's fees, shall be the responsibility of the Lessee.

iii. In the case of any Equipment that includes plumbing:

1. The plumbing lines must be flushed clean and Lessee shall ensure that there is no foreign matter in any of the fixtures;
 2. Connections of the plumbing to the site shall be properly disconnected and, if applicable, the plumbing manifold should be placed inside the Equipment. Where "no hub fittings" are provided, there should be no need for gluing or cutting of pipe at either the time of connection or disconnection. Lessee will be charged for damages to plumbing due to improper disconnection or failure to return plumbing manifolds.
- iv. Clear access shall be provided for preparation of the Equipment, and its removal from the site, by standard methods.
- v. Lessee shall notify Lessor at the time return request is made if wheels, axles, towbar or other items have been removed from the Equipment and require re-attachment to the Equipment to facilitate the return. Additionally, Lessee is to advise Lessor if skirting, seismic restraints, or other items have been attached to the Equipment and require removal.

- b. **INSPECTION OF EQUIPMENT ON RETURN.** Upon return of any Lessor-owned Equipment, an inspection of the Equipment will be performed by Lessor. If such inspection shows the Equipment not to be in the condition required by Section 2 of the Incorporated Provisions, Lessor will bill Lessee for related costs, which costs Lessee promptly shall reimburse to Lessor. Upon request by Lessee and for an additional fee, a preliminary inspection for damages can be performed at the site prior to removal of the Equipment. Unless otherwise noted in the Lease Agreement, Lessor charges a cleaning fee of \$125.00 per module for Equipment consisting of modular buildings. If assessed, cleaning charges will be based on the condition of the Equipment when returned. If keys are not returned with the Equipment, a charge will be assessed for re-keying. If locksets are altered and not returned to their original condition, charges may be assessed.

5. PARTICULAR TYPES OF EQUIPMENT. Some of the terms and conditions herein may not be applicable to the particular Equipment subject to the Lease. The following terms relate to Equipment of the following types:

- a. **STAIRS.** (1) In the case of Equipment located in the State of Florida, if any Equipment includes stairs (which shall be prefabricated metal stairs with landings), Lessor shall install such stairs following delivery thereof. Stairs shall not be altered in any form from the delivered state. (2) In the case of Equipment located in the State of Texas, Lessor's sole responsibility with respect to any Equipment that includes stairs is to ship the stairs inside the applicable modular building. Lessee shall be responsible for unloading the stairs upon delivery and installing the handrails (as well as disassembling the handrails and loading the stairs for return). (3) In all other states, Lessor's sole responsibility with respect to any Equipment consisting of stairs is to deliver the stairs to the Site and place them next to the exit ways specified by Lessee with handrails in place. Stairs shall not be altered in any form from the delivered state. Any modification to or failure of Lessee to properly maintain the stairs may result in failure to comply with applicable code.
- i. **SECURING.** Securing the stairs to the other Equipment, adjusting the stairs to the threshold of the doorway, adjustment of the treads, landing, or handrails to meet local, state or federal requirements, maintenance of the stairs or any other item not specifically indicated above is solely the responsibility of the Lessee. Attaching steps and ramps directly to the doorjamb will result in an inoperable door.
 - ii. **CODE AND EGRESS REQUIREMENTS.** Lessor hereby advises the Lessee of the need to meet applicable code requirements, adjust and secure the stairs to the exit way upon completion of the installation of the Equipment and to maintain the stairs such that the safety of all users is ensured. It is the Lessee's responsibility to ensure that steps or a ramp are provided for each building egress. Lessee is responsible for the provision of level landing sufficient per any applicable code. Lessee must make the transition from wherever the stairs end to the existing grade. This transition may require grading, paving or other work by the Lessee to ensure that the finished stairs comply with all applicable codes.
 - iii. **SITE CONDITIONS.** Lessee should be aware that certain site conditions may impact the use of Equipment consisting of stairs. Standard threshold heights on properly prepared sites vary based on Equipment, Equipment or sites not meeting this threshold height may result in additional charges for special Equipment.
- b. **RAMPS.** Lessor recommends that Lessee looks closely at all conditions of impact. Any Equipment consisting of ramps are not to be altered in any form from the installed state. Any modifications may result in failure to comply with applicable code. Additionally, any modification or change to handicap ramp, including cosmetic changes, may result in additional fees to the Lessee for up to the replacement cost of the ramp.
- i. **SITE CONDITIONS.** Sloping site or other conditions may impact the use of a prefabricated ramp and require longer ramps or alternate configurations. This may result in additional charges to Lessee. After installation of the Equipment, the landing for any ramp will be set up such that it is in conformance with door threshold

requirements (provided that Lessee's site will allow such). The ramp will then be affixed to the landing. It will be the responsibility of the Lessee to make the transition from wherever the ramp ends to the existing grade. This transition may require grading, paving or other work by the Lessee to ensure that the finished ramp complies with all applicable codes. Adjacent buildings may require additional ramping or render the standard prefabricated ramps unusable.

- c. **RESTROOM/PLUMBING.** If any Equipment consists of restrooms or plumbing, the Lessee is responsible for making both waste and water connections to the building stub outs. If a plumbing manifold is provided with the Equipment, Lessee is responsible for assembly of the manifold and for final on-site connections. Lessor makes no guarantees that the stub out locations or set height of the building will coincide with existing stub outs, holding tanks, or other connection-related items.
- i. **MALFUNCTIONS.** Lessee is responsible for any malfunction of lines, valves, piping, etc., related to foreign matter, improper connection of waste/water lines or misuse, or for any other malfunction not directly attributable to a defect in the plumbing systems contained within the Equipment as provided by Lessor.
 - ii. **TEMPORARY/PORTABLE HOLDING TANKS.** Lessor shall not be liable for loss or damage as a result of holding tanks that fill up more quickly than expected, or that overflow. For Lessee's comfort and convenience, Lessor strongly recommends that the Equipment be connected directly to sanitary sewer lines.
 - iii. **CONNECTION TESTING AND VERIFICATION.** Testing of water for chlorination, pressure, or other items/issues is the responsibility of the Lessee.
- d. **BUILDINGS.** Equipment consisting of buildings may be used only for office space, light storage or classroom facilities and for no other purpose without the prior written consent of Lessor.
- i. **SITE INSTALLATION REQUIREMENTS FOR DSA CLASSROOM BUILDINGS.** In the case of Equipment located in the State of California, the Lessee is responsible for the site being cleared (free of grass, shrubs, trees, etc.) and graded to within 4 1/2" of level grade for each building. If the site exceeds the 4 1/2" requirement additional costs may be charged to Lessee. Under no circumstances should the site be greater than 9" from level grade or have less than a 1000 psf minimum soil bearing pressure. PRIOR TO DELIVERY, the Lessee shall mark the four corners of the building on the site, including the door location. Should special handling be required to place, install or remove the classroom on the Lessee's site due to site obstructions such as fencing, landscaping, other classrooms, etc., Lessee may be responsible for additional charges.
 - ii. **EQUIPMENT LOCATED IN THE STATE OF FLORIDA.** Hybrid Campus Maker and Type IIB Side Stackable classrooms have a one-hour firewall rating on the long side walls. Penetration of these walls may cause the Equipment to lose its one-hour fire rating and the Equipment will not be code compliant.
- e. **SEISMIC/WIND.** Equipment consisting of either friction based or earth anchor seismic/wind restraint systems are rated for exposure C wind loads as defined on plans provided to Lessee and are designed to be used on sites with a minimum soil bearing pressure as specified on such engineered plans. Lessor recommends that Lessee verify with the local governing authority that these systems are appropriate for the site. In some cases, additional charges may be incurred by Lessee for custom foundation engineering and additional foundation work.
- i. **FRICTION BASED SYSTEM.** The price quoted is for the rental, installation and removal of the system and is valid for the initial Lease Term specified in the Agreement. The system can be provided with wet stamped engineered plans and calculations for an additional charge. Lessor does not warrant that the Lessee's site conditions will be adequate for the seismic/wind support system. Any testing required by any agency of the soil or the product, is the responsibility of the Lessee.
 - ii. **EARTH ANCHORS.** Any earth anchors and strapping to be used are designed to meet specific pullout capabilities when suitable soil conditions are provided. The Lessee is responsible for providing soil conditions that will allow for achievement of a pullout capacity of the rated number of pounds shown on the applicable engineered plans for each earth anchor. If applicable, Lessor will install a specific number of earth anchors and strapping, based upon the above pullout capacities. Lessor recommends, and local governing authorities may require, that the Lessee have a pullout test performed to insure that the soil is adequate to achieve the required pullout capacities mentioned above. All costs associated with such testing and its results are the responsibility of the Lessee. These costs include, but are not limited to: testing, an increase in the number of earth anchors to be provided to meet the required loads, any re-testing and engineering time. Lessor will not warrant that the number of earth anchors installed will meet the required pullout capacities, unless the Lessee provides pullout test results and verification that the completion of any resulting corrective action has taken place.
 - iii. **DAMAGE AND ADDITIONAL COSTS.** At the time of installation of earth anchors, should ground penetration be hindered by elements such as large rocks, lime, cement, utility lines, etc., Lessee will be responsible for all additional costs, including replacement of broken earth anchors provided that such damage is incurred while properly completing the installation. Further, should damage to any underground utility lines occur, the cost of repair will be borne entirely by Lessee. At the time of dismantle, Lessor will cut the straps of the earth anchors in order to remove the Equipment. Lessee is then responsible for the removal of the earth anchors from the site.

- iv. **WARRANTY.** The warranty set forth in Section 1 does not apply to any seismic/wind restraints in the event that the Lessee has elected not to contract for a wet stamped engineered foundation plan. Lessor will not inspect the installation of the foundation system.
 - v. **APPROVAL.** Lessee is responsible for obtaining site inspection and approval of the foundation system by the appropriate local jurisdiction.
 - f. **MISCELLANEOUS.** The Equipment is not pre-wired for features such as telephones, data lines, fire alarms, intercoms, lightning suppression; it is Lessee's responsibility to wire these items for individual preference and usage. Lessee shall also have the sole responsibility for any utility or other connections to the Equipment.
 - g. **CABINETRY.** The Equipment may include cabinetry that is fabricated with particleboard. Particleboard is known to emit certain levels of formaldehyde. Lessee acknowledges that it has been made aware that lower emission and formaldehyde free options are available.
 - h. **CARPET.** The Equipment may include new carpeting. Most of the carpeting products provided by Lessor meet the Carpet and Rug Institute's Green Label testing standards for indoor air quality. Nonetheless, it is recommended that new carpeting receive a minimum of 72 hours airing-out time, under well-ventilated conditions, prior to occupancy.
6. **PHOTOGRAPHY RELEASE.** Lessee agrees to grant Lessor, and any person acting on behalf of Lessor, the right to use Lessee's photography for any of Lessor's company business or for marketing purposes. Lessee understands that Lessee's purposes may include, but are not limited to, use in marketing collateral, digital content (websites, email campaigns), publicity, advertising and any internal or external company communications. Lessee further understands the photography will become the property of Lessor and that Lessee will not be compensated for provided permission to photograph. Lessee hereby irrevocably authorizes Lessor, or any person acting on its behalf, to edit, alter, copy, exhibit, publish or distribute any photograph for the purposes described above. In addition, Lessee consents to such use or disclosure without Lessee's prior inspection or approval of the finished product, including written or electronic copy, wherein such photography may appear. Lessee understands that Lessor is not responsible for any use or disclosure of any photography not authorized by Lessor. Lessee holds Lessor harmless from any loss, damage or injury resulting from any such unauthorized use or disclosure.

INCORPORATION BY REFERENCE

The Lease Agreement is subject to the Supplemental Lease Terms and Conditions, which are hereby incorporated by reference in their entirety, as updated from time to time by Lessor, in its sole discretion, and can be viewed in the Resources section of Lessor's website at (<https://www.mobilemodular.com/contractterms>). The Lessee hereby affirms that he/she has read in its entirety and understands the Supplemental Lease Terms and Conditions.

Please sign below and fax or email this document to the fax number shown above or the email address you received the document from.

The parties hereto, Mobile Modular Management Corporation, a California corporation, as lessor ("Lessor") and lessee ("Lessee", as described in the Lease Agreement in the section titled "Customer Information") hereby agree to this Lease Agreement and the terms and conditions set forth in the Lease Terms and Conditions, attached hereto as Attachment A, which are hereby incorporated by reference. The individual signing this Lease Agreement affirms that he/she is duly authorized to execute and commit to this Lease Agreement for the above named Lessee.

<p>LESSOR: Mobile Modular Management Corporation</p> <p>Signature: _____</p> <p>Print Name: _____</p> <p>Title: _____</p> <p>Date: _____</p>	<p>LESSEE:</p> <p>Signature: _____</p> <p>Print Name: _____</p> <p>Title: _____</p> <p>Date: _____</p>
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ATTACHMENT A

LEASE TERMS AND CONDITIONS

1. **LEASE.** Lessor leases to Lessee, and Lessee leases from Lessor, the equipment listed on the Lease Agreement hereto (the "Equipment") on the terms and conditions set forth herein. Each such Lease Agreement ("Agreement") and the lease provisions on Lessor's website at [www.MobileModular.com/ContractTerms] (the "Incorporated Provisions"), which are incorporated by reference into the Agreement, shall constitute a separate and independent lease (a "Lease") of the Equipment listed in the Agreement under "Product Information". In the event of a conflict between this Agreement and Lessee's contract, purchase order or other document, the terms of this Agreement shall prevail.

2. **LEASE TERM.** The Agreement shall be in full force and effect upon the date of execution by Lessee. The Lease Term and Monthly Rent shall commence on the Start Rent Date specified in the Agreement (which may be adjusted by mutual agreement of Lessee and Lessor), and shall continue thereafter for the number of months specified in the Agreement as the "Contract Term" (the "Lease Term"). Lessee is responsible for paying the Monthly Rent specified in the Agreement (as such may be adjusted pursuant to Section 4) for each month during the Lease Term. This Lease Agreement defines a month as 30 calendar days; rent will be billed monthly unless otherwise specified. In the event that Lessee terminates the Agreement prior to the expiration of the Lease Term, Lessor shall be entitled to charge an early termination fee, even if such termination occurs prior to delivery of the Equipment. Such fee shall be determined by Lessor following the receipt of the termination request. Such early termination fee may include charges related to the preparation of the Equipment for delivery and/or the rental value of the Agreement. In no event shall any such early termination fee exceed the total value of the Lease Agreement. Lessor shall not be liable to Lessee for any failure or delay in obtaining, delivering or setting up the Equipment. In the event Lessor is responsible for delay in obtaining, delivering or setting up the Equipment, the Start Rent Date shall be deemed to be revised to the date that Lessor substantially completes setting up the Equipment. If any delay in obtaining, delivering or setting up the Equipment is caused by failure of the site to be ready or for any other reason not solely the responsibility of Lessor, the Lease shall commence as of the Start Rent Date originally stated notwithstanding such delay.

3. **RETURN OF EQUIPMENT.** Regardless of the stated Lease Term, Lessee must provide a minimum of 30 days' prior notice for return delivery of Equipment. Please review the Incorporated Provisions on Lessor's website at [<https://www.mobilemodular.com/contractterms>] for the conditions under which the Equipment must be returned. Unless otherwise agreed upon by Lessor in writing, Monthly Rent shall be due until return of the Equipment to Lessor is completed and shall not be based upon the date such return is requested. Lessor prorates rent in one-half (1/2) month increments only. Lessee is responsible for paying the full month's rental payment for Equipment returned after the fifteenth (15th) day of the billing cycle.

4. **HOLDING OVER; LEASE EXTENSION.** Following the expiration of the Lease Term, the Lease and the terms and conditions set forth herein, shall be extended on a month-to-month basis until the Equipment is returned to Lessor. In this event, Lessor may establish a revised rental rate which shall constitute the Monthly Rent. The charges upon return and any other charges related to the return of the Equipment may be reasonably revised from those reflected in the Agreement, at Lessor's discretion, should the Lease be extended beyond the initial Lease Term.

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

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

(b) Lessor (or its agents, employees or contractors) may, from time to time at any reasonable time, enter upon the premises of Lessee for the purposes of (1) inspecting the Equipment or posting "Notices of Non-Responsibility" or similar notices thereon, or (2) photographing the Equipment,

including any items or occupants within or surrounding the Equipment, for promotional or other purposes, pursuant to Section 6 of the Incorporated Provisions. If Lessor determines that repairs to the Equipment are needed, Lessee shall grant access for said repairs. Lessor shall bear the expense of any repairs that it determines are needed to ameliorate normal wear and tear; the expense of all other repairs (including any repairs requested by Lessee) shall be borne by Lessee. If Lessee does not grant access for such repairs between 8:00 a.m. and 5:00 p.m., Monday through Friday, Lessee shall bear the cost of repair rates for labor at the applicable overtime rates.

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

7. ASSIGNMENT. Lessee will not assign, convey, transfer, or pledge as security or collateral its interest, or any part thereof, in and to any Lease or the Equipment without the prior written consent of Lessor; and any such attempted assignment, conveyance, transfer, or pledge of security or collateral, whether voluntary or involuntary, shall be null and void, and any such attempt act may be considered an Event of Default. Lessor may, at its option and without the prior approval of Lessee, transfer, convey, assign or pledge as security or collateral its interest or any part thereof, in and to the Lease.

8. PAYMENTS. Lessee agrees to pay to Lessor (at the office of Lessor or to such other person or at such other place as Lessor may from time to time designate to Lessee in writing) each payment specified herein on a net invoice basis without demand by Lessor. Payment terms are net due upon receipt unless otherwise agreed upon in writing. All payments due from Lessee pursuant to the terms of the Lease shall be made by Lessee without any abatement or setoff of any kind whatsoever arising from any cause whatsoever.

9. TAXES AND LIENS. Lessee agrees to keep the Equipment free of all levies, liens or encumbrances. Lessee shall, in the manner directed by Lessor, (a) make and file all declarations and returns in connection with all charges, fees and taxes (local, state and federal) levied or assessed either upon Lessee or Lessor, or upon the ownership, leasing, rental, sale, possession, use, or operation of the Equipment, and (b) pay all such charges, fees and taxes. However, Lessor shall pay all local, state or federal net income taxes relating to the Lease.

10. LOSS OR DAMAGE. Until the Equipment is returned to Lessor, Lessee assumes all risk of loss or damage to the Equipment. Subject to Section 12(b), should any Equipment damaged be capable of repair, the Lease shall not terminate, but Lessee shall cause the Equipment to be repaired and restored to its condition existing prior to such damage, at Lessee's sole expense. In the event any of the Equipment is damaged beyond repair or is lost, stolen or wholly destroyed, this Agreement shall cease and terminate as to such Equipment as of the date of the event, accident or occurrence causing such loss or destruction, and Lessee shall pay Lessor within ten (10) days thereafter, an amount equal to the full replacement value of the Equipment. Lessee shall be entitled to the benefit of the proceeds from any insurance recovery received by Lessor, up to an amount equal to that which Lessee has paid to Lessor pursuant to this paragraph.

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

12. WAIVER AND INDEMNIFICATION.

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

(b) Lessee agrees to indemnify and hold harmless Lessor from and against any and all losses, liabilities, costs, expenses (including attorney fees), claims, actions, demands, fines, forfeitures, seizures or penalties (collectively, "Claims") arising out of (i) the maintenance, possession or use of the Equipment by Lessee, its employees, agents or any person invited, suffered or permitted by Lessee to use or be in, on or about the Equipment, including to the extent arising from Lessor's negligence, (ii) Lessee's failure to comply with any of the terms of the Lease, and (iii) any theft or destruction of, or damage to, the Equipment. If the foregoing obligations are not enforceable against Lessee under applicable law, Lessee agrees to indemnify and hold harmless Lessor from and against any and all Claims to the maximum extent permitted by applicable law. Lessee shall make all payments due under this Section upon demand by Lessor.

13. EVENTS OF DEFAULT.

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

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

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

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

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

17. JURISDICTION.

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

(b) In all other cases, the Federal District Courts located within the State of California shall have non-exclusive jurisdiction over any lawsuit brought by Lessee or Lessor as a result of any dispute regarding matters arising in connection with the Lease. Further, it is agreed that the venue for a legal action relating to the Lease shall be proper if brought in Alameda County, State of California. Subject to Section 12, the prevailing party shall be entitled to recover reasonable attorneys' fees and court costs, whether or not the action proceeds to judgment.

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

19. CREDIT CARD AUTHORIZATION. Lessee hereby gives authorization to Lessor to charge against credit card provided all amounts billed for this transaction including applicable taxes, shipping and handling charges. For a rental/lease transaction, charges may be recurring and additional billing and charges will occur until such time as all Equipment and respective accessories are returned and the rental is terminated.

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

21. **FEDERAL CONTRACTOR.** As a federal contractor, Lessor's contracts are subject to the provisions of (i) Executive Order 11246, (41 CFR 60-1.4); (ii) section 503 of the Rehabilitation Act of 1973, (41 CFR 60-741.5(a)); and (iii) section 4212 of the Vietnam Era Veterans Readjustment Act of 1974, (41 CFR 60-300.5(a)). **Lessor shall abide by the requirements of 41 CFR 60-741.5(a) and 41 CFR 60-300.5(a). These regulations prohibit discrimination against qualified individuals on the basis of disability, and qualified protected veterans, and require affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified individuals with disabilities, and qualified protected veterans.**

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

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