

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



ITEM
3.12
(ID # 7843)

MEETING DATE:

Tuesday, October 23, 2018

FROM : ECONOMIC DEVELOPMENT AGENCY (EDA):

SUBJECT: ECONOMIC DEVELOPMENT AGENCY (EDA): Ratification and Approval of Revenue Lease with Palo Verde Healthcare District, Blythe, CEQA Exempt, District 4, [\$95,000] EDA Real Estate Budget 100% 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(b)(3), Existing Facilities exemption, and Section 15061(b)(3), "Common Sense" exemption;
2. Ratify and approve the attached Revenue Lease with Palo Verde Healthcare District 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 attached Notice of Exemption with the County Clerk for filing within five (5) working days of approval by the Board.

ACTION: Policy

Robert Field, Assistant County Executive Officer/ECD 10/11/2018

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Jeffries, seconded by Supervisor Tavaglione 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: October 23, 2018
xc: EDA, Recorder

Kecia Harper-Ihem
Clerk of the Board
By:
Deputy

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
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FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$95,000	\$0	\$95,000	\$0
NET COUNTY COST	\$0	\$0	\$0	\$0
SOURCE OF FUNDS: EDA Real Estate Budget 100%			Budget Adjustment:	No
			For Fiscal Year:	2018/19

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

On January 6, 1998 (Item 3.12), the County Board of Supervisors approved a 21-year ground lease (Ground Lease) between the County, as lessor, and Highland Productions 1, LLC (Highland), as lessee, for Highland to construct a build-to-suit office building (Building) located on a County-owned parcel within the Blythe County Administrative Center property footprint (APN 845-141-004). On January 6, 1998 (Item 3.12), the County Board of Supervisors also approved a 20-year building lease (Building Lease) between the County, as lessee, and Highland, as lessor, whereby the County agreed to use the Building primarily for the purpose of providing general and physician office space and physical therapy accommodations to the Palo Verde Hospital. The 11,054 square foot office building was constructed by Highland and in turn subleased by the County to Palo Verde Healthcare District for medical office use pursuant to that certain Sublease approved by the Board on January 6, 1998 (Item 3.12).

The Building Lease provided option rights for the County to purchase the Building for one dollar plus acquisition costs. The option to purchase was exercised on April 19, 2018, and acquisition completed on August 31, 2018, under the authority of County Ordinance 598.

The Ground Lease and Building Lease were terminated August 31, 2018, upon close of escrow for the Building. The Sublease also expired on the same date, and the attached 10-year Revenue Lease with Palo Verde Healthcare District is being presented for approval by the County Board of Supervisors, which will provide for their continued use of the building. The attached Revenue Lease has been approved as to legal form by County Counsel.

Pursuant to the California Environmental Quality Act (CEQA), the attached Revenue Lease was reviewed and determined to be categorically exempt from CEQA under State CEQA Guidelines 15301, Class 1 – Existing Facilities exemption and Section 15061(b)(3) “Common Sense” exemption. The proposed project, the Revenue Lease and tenant improvements, is letting of property involving existing facilities with tenant improvements where no expansion of an existing use will occur.

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The new Revenue Lease is summarized as follows:

Lessee and Address: Palo Verde Healthcare District
250 N. First Street
Blythe, CA 92225

Location: 205 N. First Street
Blythe, CA 92225

Size: Approximately 11,054 Square Feet

Term: Ten years commencing upon August 31, 2018

Option to Extend: None

Revenue Rent: \$16,581.00 per month / \$198,972.00 per year

Rent Adjustments: 3% annually

Interior/Exterior Maintenance: Provided by County

Custodial: Provided by Palo Verde Healthcare District

Utilities: Provided by Palo Verde Healthcare District

Tenant Improvements: County to complete the following tenant improvements at County's sole cost and expense and discretion:

- Paint interior corridors of premises
- Install new carpeting in designated areas
- Make repairs and install new ceramic tile in designated areas

County Counsel has approved the Lease as to form.

Impact on Residents and Businesses

Palo Verde Healthcare District will continue to provide healthcare services to the community.

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STATE OF CALIFORNIA

SUPPLEMENTAL:

Additional Fiscal Information

Costs associated by this Revenue Lease will be paid as stated in the Revenue Lease.

Attachments:

- Revenue Lease
- Notice of Exemption
- Aerial Map

RF:HM:VY:HR:ra BL050 20.012 13904
MinuteTrak 7843


Rohini Basile, Principal Management Analyst 10/15/2018


Gregory V. Priamos, Director County Counsel 10/11/2018



Original Negative Declaration/Notice of Determination was routed to County Clerks for posting on. 10/24/18 Date [Signature] Initial

NOTICE OF EXEMPTION

August 30, 2018

Project Name: Palo Verde Healthcare District Revenue Lease Agreement, First Street, Blythe

Project Number: FM042134002902

Project Location: 205 North First Street, north of East Murphy Street, Blythe, California 92225; Assessor's Parcel Number (APN) 845-141-004 (See attached exhibits)

Description of Project: On January 6, 1998, the County of Riverside Board of Supervisors (County) approved a 20-year ground lease and building lease with Highland Productions 1, LLC, for a build-to-suit office building to be located on a County-owned parcel within the Blythe County Administrative Center property. The 11,054 square-foot office building was constructed and in turn subleased to Palo Verde Hospital for medical office use.

A provision of the lease between the County and Highland Productions 1, LLC, provided option rights to purchase the building for one dollar plus acquisition costs. The option to purchase was exercised on April 19, 2018, and acquisition completed on August 31, 2018, under the authority of County Ordinance 598. The ground lease and sublease were terminated upon close of escrow and the attached 10-year revenue lease with Palo Verde Healthcare District is being presented for approval by the County Board of Supervisors, which will provide for their continued use of the building. As part of the new revenue lease agreement, the County will complete tenant improvements, consisting of interior painting and carpet replacement, and the installation of new ceramic tiles in designated areas. The Revenue Lease Agreement and tenant improvements is identified as the proposed Project under California Environmental Quality Act (CEQA). The leased premise consists of approximately 11,054 square feet and the proposed Project is the letting of property involving existing facilities with tenant improvements; no expansion of an existing use will occur. The operation of the facility will continue to provide health services for the Palo Verde Healthcare District and will not result in an increase in the intensity of the use of the site. 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, Palo Verde Healthcare District.

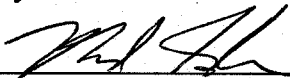
Exempt Status: State CEQA Guidelines, Section 15301, Class 1, Existing Facilities Exemption; Section 15061(b) (3), General Rule or "Common Sense" Exemption, Codified under Title 14, Articles 5 and 19, Sections 15061 and 15300 to 15301.

OCT 23 2018 3.12

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

- **Section 15301 – Class 1 Existing Facilities Exemption:** This categorical exemption includes the operation, repair, maintenance, leasing, or minor alteration of existing public or private structures or facilities, provided the exemption only involves negligible or no expansion of the previous site's use. The Project, as proposed, is limited to the Lease Agreement with minor tenant improvements. The Project will not increase or expand the use of the site, and is limited to the continued use of the site in a similar capacity; therefore, the Project is exempt as the Project meets the scope and intent of the Class 1 Exemption identified in Section 15301, Article 19, Categorical Exemptions, of the CEQA Guidelines.
- **Section 15061 (b) (3) – “Common Sense” Exemption:** In accordance with CEQA, the use of the Common Sense Exemption is based on the “general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment.” State CEQA Guidelines, Section 15061(b) (3). The use of this exemption is appropriate if “it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.” *Ibid*. This determination is an issue of fact and if sufficient evidence exists in the record that the activity cannot have a significant effect on the environment, then the exemption applies and no further evaluation under CEQA is required. See *No Oil, Inc. v. City of Los Angeles* (1974) 13 Cal. 3d 68. The ruling in this case stated that if a project falls within a category exempt by administrative regulation or 'it can be seen with certainty that the activity in question will not have a significant effect on the environment', no further agency evaluation is required. With certainty, there is no possibility that the Project may have a significant effect on the environment. The proposed Lease Agreement will not result in any direct or indirect physical environmental impacts. The use and operation of the facility will be substantially similar to the existing use and will not create any new environmental impacts to the surrounding area. Alterations to the facility are limited to interior improvements to allow for continued function and operation of the building and no expansion or increase in intensity of use would occur. No impacts beyond the ongoing, existing use of the site 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: 8/30/18

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

RIVERSIDE COUNTY CLERK & RECORDER

**AUTHORIZATION
TO BILL
BY JOURNAL VOUCHER**

Project Name: Palo Verde Healthcare District Lease Agreement, First Street, Blythe

Accounting String: 524830-47220-7200400000 - FM042134002902

DATE: August 30, 2018

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: 

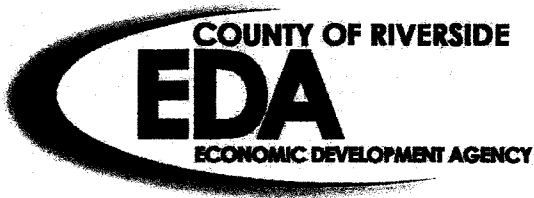
PRESENTED BY: Heidi Rigler, Senior Real Property Agent, Economic Development Agency

-TO BE FILLED IN BY COUNTY CLERK-

ACCEPTED BY: -

DATE: -

RECEIPT # (S) -



Date: August 30, 2018

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 # FM042134002902**
Palo Verde Healthcare District Lease Agreement, First Street, Blythe

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 or email at msullivan@rivco.org.

Attachment

cc: file

1 **REVENUE LEASE**

2 County of Riverside and Palo Verde Healthcare District,
3 205 N. First Street, Blythe, California

4
5 This Revenue Lease ("Lease") is entered into as of the 23rd day of
6 October, 2018 by and between the COUNTY OF RIVERSIDE ("Lessor" or
7 "County"), a political subdivision of the State of California, and PALO VERDE
8 HEALTHCARE DISTRICT, a local hospital district organized pursuant to Division 23 of
9 the California Health and Safety Code, ("Lessee").

10 **RECITALS**

11 WHEREAS, the County is the owner of that certain parcel of land identified with
12 Assessor's Parcel Number 845-141-004, located in the City of Blythe, County of
13 Riverside, California, on which the Premises (as defined below) is located;

14 WHEREAS, the County and Highland Partnership, Inc., predecessor-in-interest
15 to Highland Productions I, LLC ("Highland"), entered into that certain Ground Lease
16 dated January 6, 1998 ("Ground Lease"), as amended by that certain First Amendment
17 to Ground Lease dated March 3, 1998, whereby County leases to Highland and
18 Highland leases from County land on which the Premises is located and whereby
19 Highland Partnership, Inc. agreed to construct or cause to be constructed an office
20 building to be used by the County under the Building Lease defined below;

21 WHEREAS, Highland is the lessor and the County is the lessee of the Premises
22 pursuant to that certain Building Lease between County and Highland dated January 6,
23 1998 ("Building Lease"), whereby County agreed to use the Premises primarily for the
24 purpose of providing general and physician office space and physical therapy
25 accommodations to Palo Verde Hospital or for any official business of the County of
26 Riverside government;

27 WHEREAS, the County and Palo Verde Healthcare District are parties to that
28 certain Sublease dated January 6, 1998 ("Sublease"), as amended by that certain First

1 Amendment to Sublease dated September 30, 2008 and that certain Second
2 Amendment to Sublease dated July 29, 2014, pursuant to which County has agreed to
3 sublease to the Palo Verde Healthcare District and Palo Verde Healthcare District has
4 agreed to sublease from County the Premises until August 31, 2018 for the exclusive
5 purpose of providing administrative and physician office space and physical therapy
6 accommodations;

7 WHEREAS, pursuant to the Building Lease, the County desires to exercise its
8 option to purchase the Premises and complete said purchase ("Closing") by August 31,
9 2018, whereby County shall obtain title to the Premises from Highland;

10 WHEREAS, upon Closing, the County desires to lease to Lessee and Lessee
11 desires to lease from County the Premises pursuant to the terms and conditions set
12 forth herein; and

13 WHEREAS, the Assistant County Executive Officer/ECD finds that this Lease is
14 in the public interest and will not substantially conflict or interfere with the use of the
15 Premises by the County.

16 NOW, THEREFORE, in consideration of the mutual covenants and other good
17 and valuable consideration, the receipt and adequacy of which are hereby
18 acknowledged, the County and Lessee hereby agree as follows:

19 **1. Description.** The leased premises consists of an approximately 11,054
20 square foot free-standing building located at 205 N. First Street, Blythe, California, plus
21 6 dedicated vehicular parking spaces located at the west side of said building, as more
22 particularly shown on Exhibit "A", attached hereto and incorporated herein (the
23 "Premises").

24 **2. Use.**

25 (a) The Premises are leased hereby for the exclusive purpose of
26 providing a medical clinic and physician and hospital administrative office space.
27
28

1 (b) The leased Premises shall not be used for any other purpose
2 without first obtaining the written consent of County, which consent shall not be
3 unreasonably withheld.

4 (c) Lessee shall have the exclusive possession of the Premises and
5 non-exclusive usage of the common walkways, driveways, and vehicular parking
6 spaces maintained by County for other tenants and the public.

7 **3. Term.** This Lease shall be for a period of ten (10) years, commencing
8 upon the date County's purchase of the Premises is completed, on or about September
9 1, 2018, at which point the County and Lessee shall execute a Confirmation of Lease
10 Information attached hereto as Exhibit "B".

11 **4. Rent.**

12 (a) Lessee shall pay the sum of \$16,581.00 per month to County as
13 rent for the leased Premises, payable, in advance, on the first day of the month,
14 provided, however, in the event rent for any period during the term hereof which is for
15 less than one full calendar month said rent shall be pro-rated based upon the actual
16 number of days of said month.

17 (b) Notwithstanding the provisions of this Section, the monthly rent
18 shall be increased on each anniversary of the Lease by an amount equal to three (3%)
19 percent of such monthly rental.

20 **5. Tenant Improvements by County.** Per the attached Exhibit "C", County
21 to complete the following tenant improvements at County's sole cost and expense and
22 at County's sole and absolute discretion:

- 23 (a) Paint interior corridors of Premises;
- 24 (b) Install new carpeting in designated areas
- 25 (c) Make repairs and install new ceramic tile in designated areas.

26 **6. Building Alterations by Lessee.**

27 (a) Any alterations, improvements or installation of fixtures to be
28 undertaken by Lessee shall have the prior written consent of County after Lessee has

1 submitted proposed plans for such alterations, improvements or fixtures to County in
2 writing.

3 (b) All alterations and improvements to be made, and fixtures
4 installed, or caused to be made and installed, by Lessee shall become the property of
5 County with the exception of trade fixtures as such term is used in section 1019 of the
6 California Civil Code. At or prior to the expiration of this Lease, Lessee may remove
7 such trade fixtures; provided, however, that such removal does not cause injury or
8 damage to the leased Premises, or in the event it does, Lessee shall restore the
9 Premises to their original shape and condition as nearly as practicable. In the event
10 such trade fixtures are not removed, County may, at its election, either: (1) remove and
11 store such fixtures and restore the Premises for the account of Lessee, and in such
12 event, Lessee shall within thirty (30) days after billing and accounting therefore
13 reimburse County for the costs so incurred, or (2) take and hold such fixtures as its
14 sole Premises.

15 **7. Signs.** Current signage exists at the Premises. Lessee shall not erect,
16 maintain or display any additional signs or other forms of advertising upon the leased
17 Premises without first obtaining the written approval of County, which approval shall
18 not be unreasonably withheld.

19 **8. Utilities.** Lessee shall pay for all utility services used in connection with
20 the Premises, including, but not limited to, telephone, electric, water, gas, refuse
21 collection and sewer services, as may be required in the maintenance, operation, and
22 use of the Premises.

23 **9. Maintenance.** As of the commencement of the Lease term, County
24 warrants that the Premises shall be in good and suitable condition for the uses
25 contemplated herein. County shall be responsible for keeping the Premises in good
26 condition, and in compliance with all federal, state and local laws, ordinances, rules,
27 codes and regulations including but not limited to fire, health and safety. County shall
28 maintain the exterior and interior of the Premises, including, but not limited to, heating

1 ventilating and air conditioning equipment, plumbing, electrical, windows, and structural
2 parts, in good working condition and repair and in compliance with all laws, ordinances,
3 rules and regulations.

4 In the event any damage or injury to the leased Premises is caused by
5 any act or omission of Lessee, its officers, employees, clients, agents, guests, invitees,
6 subtenants, subcontractors or independent contractors, any repairs made, or caused to
7 be made by County as may be necessary to restore the leased Premises as a result of
8 such damage or injury shall be paid forthwith by Lessee to County upon a billing and
9 accounting thereof, in writing, by County to Lessee.

10 **10. Custodial Services.** Lessee shall provide, or cause to be provided, and
11 pay for all custodial services in connection with the leased Premises. Evidence of
12 Insurance shall be provided.

13 **11. Inspection of Premises.** County, through its duly authorized agents,
14 shall have the right to enter the leased Premises for the purpose of inspecting,
15 monitoring, and evaluating the obligations of Lessee hereunder and for the purpose of
16 doing any and all things which it is obligated and has a right to do under this Lease.

17 **12. Quiet Enjoyment.** Lessee shall have, hold and quietly enjoy the use of
18 the leased Premises so long as it shall fully and faithfully perform the terms and
19 conditions that it is required to do under this Lease.

20 **13. Compliance with Government Regulations.** Lessee shall, at Lessee's
21 sole cost and expense, comply with the requirements of all local, state and federal
22 statutes, regulations, rules, ordinances and orders now in force or which may be
23 hereafter in force, pertaining to the leased Premises. Any final judgment, decree or
24 order of any court of competent jurisdiction, or the admission of Lessee in any action or
25 proceedings against Lessee that Lessee has violated any such statutes, regulations,
26 rules, ordinances or orders in the use of the leased Premises, shall be conclusive of
27 that fact as between County and Lessee.

28

1 **14. Nondiscrimination.** Lessee herein covenants by and for himself or herself,
2 his or her heirs, executors, administrator, and assigns, and all persons claiming under
3 or through them, that this Lease is made and accepted upon and subject to the
4 following conditions: That there shall be no discrimination against or segregation of any
5 person or group of persons on account of any basis listed in section 12955 of the
6 Government Code, and also defined in sections 12926 and 12926.1 in the leasing,
7 subleasing, transferring, use, occupancy, tenure or enjoyment of the Premises herein
8 leased, nor shall the Lessee himself or herself, or any persons claiming under or
9 through him or her, establish or permit any such practice or practices of discrimination
10 or segregation with reference to the selection, location, number, use or occupancy of
11 tenants, lessees, subtenants, subleases or vendees in the Premises herein conveyed.
12 The foregoing covenants shall run with the land.

13 **15. Default.**

14 (a) Lessee shall be in default if the Premises is used for any purpose other
15 than that authorized in the Lease, fails to maintain the Premises or the improvements
16 in the manner provided for in the Lease, fails to pay any installment of rent or other
17 sum when due as provided for in the Lease, fails to comply with or perform any other
18 covenant, condition, provision or restriction provided for in the Lease, abandons the
19 Premises, allows the Premises to be attached, levied upon, or seized under legal
20 process; or, if the Lessee files or commits an act of bankruptcy, has a receiver or
21 liquidator appointed to take possession of the Premises, or commits or permits waste
22 on the Premises (collectively referred to as a "Default"), then the Lessee shall be
23 deemed in default under the terms of the Lease.

24 (b) In case of Default, County shall provide a thirty (30) day written notice to
25 Lessee to remedy any and all defaults. Upon the failure of Lessee to promptly remedy
26 such Default, County shall have the right to terminate this Lease and retake
27 possession of the Premises together with all additions, alterations, and improvements
28

1 thereto. County shall also retain all rights to seek any and all remedies at law or in
2 equity.

3 **16. Termination by County.** Notwithstanding the provisions of Default, County
4 shall have the right to immediately terminate this Lease for the following:

5 (a) In the event a petition is filed for voluntary or involuntary
6 bankruptcy for the adjudication of Lessee as debtors.

7 (b) In the event that Lessee makes a general assignment, or Lessee's
8 interest hereunder is assigned involuntarily or by operation of law, for the benefit of
9 creditors.

10 (c) In the event of abandonment of the leased Premises by Lessee.

11 (d) In the event Lessee fails or refuses to meet its rental obligations,
12 or any of its obligations hereunder or as otherwise provided by law.

13 **17. Hold Harmless.** Except as otherwise provided herein, Lessee represents
14 that it has inspected the Premises, accepts the condition and fully assumes any and all
15 risks incidental to the use thereof. County shall not be liable to Lessee, its agents,
16 employees, subcontractors or independent contractors for any personal injury or
17 Premises damage suffered by them which may result from hidden, latent or other
18 dangerous conditions in, on, upon or within the Premises unknown to the County, its
19 officers, agents or employees.

20 Lessee shall indemnify and hold harmless the County of Riverside, its Agencies,
21 Districts, Special Districts, and Departments, their respective directors, its officers,
22 Board of Supervisors, agents, employees, elected or appointed officials, agents or
23 representatives and independent contractors (individually and collectively hereinafter
24 referred to as Indemnitees) free and harmless from any liability whatsoever, based or
25 asserted upon any act or omission of Lessee, its officers, agents, employees,
26 subcontractors and independent contractors arising out of or in any way relating to or in
27 any way connected with the leased Premises or this Lease, including but not limited to
28 property damage, bodily injury, or death (County's employees included) or any other

1 element of damage of any kind or nature whatsoever. Lessee, shall defend, at its
2 expense, including attorney fees, cost of investigation, defense and settlements or
3 awards, the Indemnitees in any legal action based upon such alleged acts or
4 omissions.

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

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

14 The specified insurance limits required in this Lease shall in no way limit or
15 circumscribe Lessee's obligations to indemnify and hold harmless.

16 In the event there is conflict between this clause and California Civil Code
17 section 2782, this clause shall be interpreted to comply with Civil Code 2782. Such
18 interpretation shall not relieve the Lessee from indemnifying the County to the fullest
19 extent allowed by law.

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

23 **18. Insurance.**

24 Without limiting or diminishing the Lessee's obligation to indemnify or hold the
25 County harmless, Lessee shall procure and maintain or cause to be maintained, at its
26 sole cost and expense, the following insurance coverages during the term of this
27 Lease. As respects to the insurance section only, the County herein refers to the
28 County of Riverside, its Agencies, Districts, Special Districts, and Departments, their

1 respective directors, officers, Board of Supervisors, employees, elected or appointed
2 officials, agents or representatives as Additional Insureds.

3 A. Workers' Compensation:

4 If Lessee has employees as defined by the State of California, they shall
5 procure and maintain Workers' Compensation Insurance, in full compliance with the
6 Workers' Compensation and Occupational Disease Laws of all authorities having
7 jurisdiction over the Premises. Such policy shall include Employers' Liability (Coverage
8 B) and Occupational Disease coverage, with limits not less than One Million Dollars
9 (\$1,000,000) per person, per occurrence. Policy shall provide a Waiver of Subrogation
10 in favor of the County.

11 B. Commercial General Liability:

12 Procure and maintain comprehensive general liability insurance coverage that
13 shall protect Lessee from claims for damages for personal injury, including, but not
14 limited to, accidental and wrongful death, as well as from claims for property damage,
15 which may arise from Lessee's use of the Premises or the performance of its
16 obligations hereunder, whether such use or performance be by District, by any
17 subcontractor, or by anyone employed directly or indirectly by either of them. Such
18 insurance shall name County as an additional insured with respect to this Lease and
19 the obligations of District hereunder. Such insurance shall provide for limits of not less
20 than Two Million Dollars (\$2,000,000) per occurrence. Policy shall also include fire
21 and extended coverage on the improvements, alterations and fixtures installed upon
22 the Premises in an amount not less than the full replacement value of such
23 improvements, alterations and fixtures. Such insurance shall name County as an
24 additional insured with respect to this Lease and the obligations of County hereunder.
25 Policy's limit of liability shall not be less than \$2,000,000 per occurrence combined
26 single limit. If such insurance contains a general aggregate limit, it shall apply
27 separately to this Lease or be no less than two (2) times the occurrence limit.

28 C. Vehicle Liability:

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

7 D. General Insurance Provisions - All lines:

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

13 2) The insurance requirements contained in this Agreement may be met with a
14 program(s) of self-insurance. LESSEE must declare its insurance self-insured retention
15 for each coverage required herein. If any such self-insured retention exceeds \$500,000
16 per occurrence each such retention shall have the prior written consent of the County
17 Risk Manager before the commencement of operations under this Lease. Upon
18 notification of self-insured retention unacceptable to the COUNTY, and at the election
19 of the County's Risk Manager, Lessee's carriers shall either: (a) reduce or eliminate
20 such self-insured retention as respects this Agreement with the COUNTY, or (b)
21 procure a bond which guarantees payment of losses and related investigations, claims
22 administration, and defense costs and expenses.

23 3) Lessee shall cause Lessee's insurance carrier(s) to furnish the County of
24 Riverside with a properly executed Certificate(s) of Insurance and copies of
25 Endorsements effecting coverage as required herein. Further, said Certificate(s) and
26 policies of insurance shall contain the covenant of the insurance carrier(s) that a
27 minimum of thirty (30) days written notice shall be given to the County of Riverside
28 prior to any material modification, cancellation, expiration or reduction in coverage of

1 such insurance. If Lessee insurance carrier(s) policies does not meet the minimum
2 notice requirement found herein, Lessee shall cause Lessee's insurance carrier(s) to
3 furnish a 30-day Notice of Cancellation Endorsement.

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

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

18 6) If, during the term of this Lease or any extension thereof, there is a
19 material change in the scope of the Lease or the use of the Premises; or, the term of
20 this Lease, including any extensions thereof, exceeds five (5) years, the County
21 reserves the right to adjust the types of insurance and the monetary limits of liability
22 required under this Lease, if in the County Risk Management's reasonable judgment,
23 the amount or type of insurance carried by the Lessee has become inadequate.

24 7) Lessee shall pass down the insurance obligations contained herein to all
25 tiers of subcontractors working under this Lease.

26 8) Lessor agrees to notify County of any claim by a third party or any
27 incident or event that may give rise to a claim arising from the performance of this
28 Lease.

1 9) Lessee shall provide Evidence of Insurance to County upon execution of
2 this Lease, and at anytime during the term of this Lease upon request by County.

3 **19. Assignment and Subletting.** Lessee cannot assign, sublet, mortgage,
4 hypothecate or otherwise transfer in any manner any of its rights, duties or obligations
5 hereunder to any person or entity without the prior written consent of County being first
6 obtained, which consent shall be in the absolute discretion of County. In the event of
7 any such transfer, as provided in this Section, Lessee expressly understands and
8 agrees that it shall remain liable with respect to any and all of the obligations and
9 duties contained in this Lease.

10 **20. Toxic Materials.** During the term of the Lease and any extensions thereof,
11 Lessee shall not violate any federal, state or local law, ordinance or regulation, relating
12 to industrial hygiene or to the environmental condition on, under or about the leased
13 Premises, including, but not limited to, soil and groundwater conditions. Further,
14 Lessee, its successors, assigns and sublessees, shall not use, generate, manufacture,
15 produce, store or dispose of on, under or about the leased Premises or transport to or
16 from the leased Premises any flammable explosives, asbestos, radioactive materials,
17 hazardous wastes, toxic substances or related injurious materials, whether injurious by
18 themselves or in combination with other materials (collectively, "hazardous
19 substances," "hazardous materials" or "toxic substances") in the Comprehensive
20 Environmental Response, Compensation and Liability Act of 1980, as amended, 42
21 U.S.C. section 9601, et seq; the Hazardous Materials Transportation Act, 49 U.S.C.
22 section 1801, et seq; the Resource Conservation and Recovery Act, 42 U.S.C. section
23 6901, et seq; and those substances defined as "Hazardous Wastes" in section 25117
24 of the California Health and Safety Code or as "Hazardous Substances" in section
25 25316 of the California Health and Safety Code; and in the regulations adopted in
26 publications promulgated pursuant to said laws.

27 **21. Free From Liens.** Lessee shall pay, when due, all sums of money that
28 may become due for any labor, services, material, supplies, or equipment, alleged to

1 have been furnished or to be furnished to Lessee, in, upon, or about the leased
2 Premises, and which may be secured by a mechanics', materialman's or other lien
3 against the leased Premises or County's interest therein, and will cause each such lien
4 to be fully discharged and released at the time the performance of any obligation
5 secured by such lien matures or becomes due; provided, however, that if Lessee
6 desires to contest any such lien, it may do so, but notwithstanding any such contest, if
7 such lien shall be reduced to final enforcement thereof is not promptly stayed, or if so
8 stayed, and said stay thereafter expires, then and in such event, Lessee shall forthwith
9 pay and discharge said judgment.

10 **22. Employees and Agents of Lessee.** It is understood and agreed that all
11 persons hired or engaged by Lessee shall be considered to be employees or agents
12 only of Lessee and not of County.

13 **23. Binding of Successors.** Lessee, its assigns and successors in interest,
14 shall be bound by all the terms and conditions contained in this Lease, and all the
15 parties thereto shall be jointly and severally liable hereunder.

16 **24. Waiver of Performance.** No waiver by County at any time of any of the
17 terms and conditions of this Lease shall be deemed or construed as a waiver at any
18 time thereafter of the same or of any other terms or conditions contained herein or of
19 the strict and timely performance of such terms and conditions.

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

23 **26. Governing Law; Venue.** This Agreement shall be governed by and
24 construed in accordance with the laws of the State of California. The County and
25 Lessee agree that this Agreement has been entered into at Riverside, California, and
26 that any legal action related to the interpretation or performance of the Agreement shall
27 be filed in the Superior Court for the State of California in Riverside, and the parties
28

1 hereby waive all provisions of law providing for a change of venue in such proceedings
2 to any other county.

3 **27. Notices.** Any notice shall be addressed to the respective parties as set
4 forth below:

5 County:

Lessee:

6 County of Riverside
7 Economic Development Agency
8 3403 10th Street, Suite 400
9 Riverside, California 92501
10 Attn: Assistant Director of Real Estate

Palo Verde Healthcare District
250 N. First Street
Blythe, CA 92225
Attn: Chief Executive Officer

11 or to such other addresses as from time to time shall be designated by the respective
12 parties.

13 **28. Amendments.** This Lease shall not be modified unless mutually agreed
14 upon in writing by the County and the Lessee and shall be incorporated in executed
15 amendments to this Lease.

16 **29. No Third Party Beneficiaries.** This Lease is made and entered into for
17 the sole protection and benefit of the parties hereto. No other person or entity shall
18 have any right of action based upon the provisions of this Lease.

19 **30. Permits, Licenses and Taxes.** Lessee shall secure and maintain, at its
20 expense, all necessary permits and licenses as it may be required to obtain and/or
21 hold, and Lessee shall pay for all fees and taxes levied or required by any authorized
22 public entity.

23 **31. County's Representative.** County hereby appoints the Assistant County
24 Executive Officer of Economic and Community Development as its authorized
25 representative to administer this Lease.

26 **32. Agent for Service of Process.** It is expressly understood and agreed that
27 in the event Lessee is not a resident of the State of California or it is an association or
28 partnership without a member or partner resident of the State of California, or it is a
foreign corporation, then in any such event, Lessee shall file with the Assistant County

1 Executive Officer of the Economic Development Agency, upon its execution hereof, a
2 designation of a natural person residing in the State of California, giving his or her
3 name, residence and business addresses, as its agent for the purpose of services of
4 process in any court action arising out of or based upon this Lease, and the delivery to
5 such agent of a copy of any process in any such action shall constitute valid service
6 upon Lessee. It is further expressly understood and agreed that if for any reason
7 service of such process upon such agent is not feasible, then, in such event, Lessee
8 may be personally served with such process out of the State and that such service
9 shall constitute valid service upon Lessee. It is further expressly understood and
10 agreed that Lessee is amenable to the process so served, submits to the jurisdiction of
11 the court so obtained and waives any and all objections and protests thereto.

12 **33. Taxes.** Lessee shall pay, or cause to be paid, before delinquency, any
13 and all taxes levied or assessed against Lessee's personal property or trade
14 fixtures and any leasehold improvements in the Premises which were made for
15 Lessee or at its request. Lessee shall be responsible for possessory interest taxes.
16 Lessee may choose to file for a tax exemption from possessory interest taxes through
17 the Tax Assessor's office, the approval of which is at the discretion of the Assessor's
18 office.

19 **34. Entire Lease.** This Lease is intended by the parties hereto as a final
20 expression of their understanding with respect to the subject matter hereof and as a
21 complete and exclusive statement of the terms and conditions thereof and supersedes
22 any and all prior and contemporaneous leases, subleases, agreements and
23 understandings, oral or written, in connection with the Premises. The Lease may be
24 changed or modified only upon the written consent of the parties hereto.

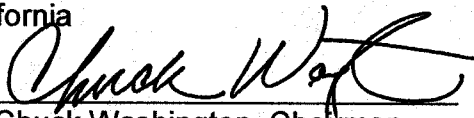
25 **35. Approval of Supervisors.** Anything to the contrary notwithstanding,
26 this Lease shall not be binding or effective until its approval and execution by the
27 Chairman of the Riverside County Board of Supervisors.

28

1 IN WITNESS WHEREOF, County and Lessee have executed this Lease on this
2 day 23rd of October, 2018.

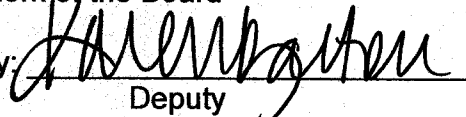
3 County:
4 County of Riverside, a
5 political subdivision of the State of
6 California

Lessee:
Palo Verde Healthcare District

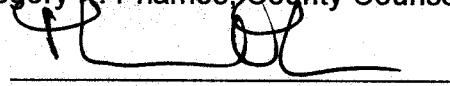
6 By: 
7 Chuck Washington, Chairman
8 Board of Supervisors

By: 
Name: Trina Sartin
Title: Board President

9 ATTEST:
10 Kecia Harper-Ihem
11 Clerk of the Board

11 By: 
12 Deputy

13 APPROVED AS TO FORM:
14 Gregory R. Priamos, County Counsel

15 By: 
16 Thomas Oh,
17 Deputy County Counsel

27 HR:tg/081518/BL029B/19.847

EXHIBIT A

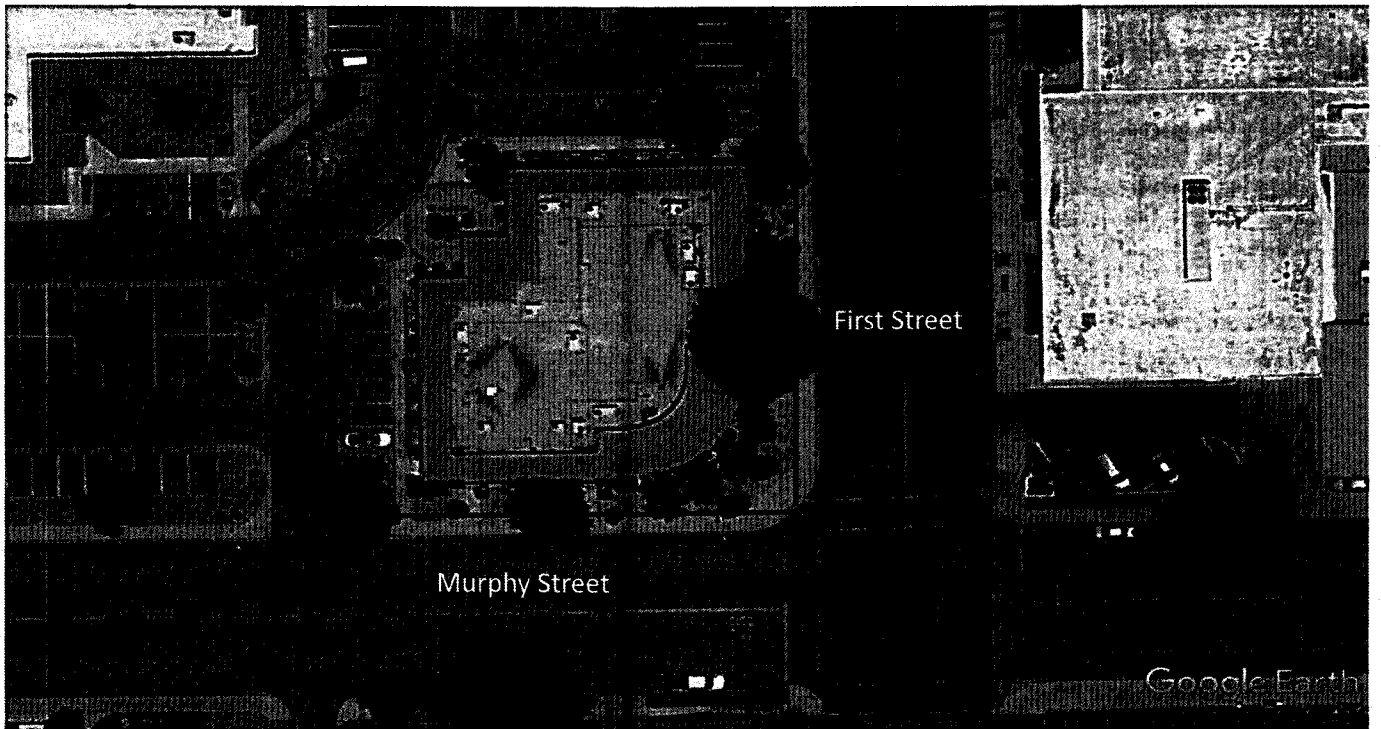
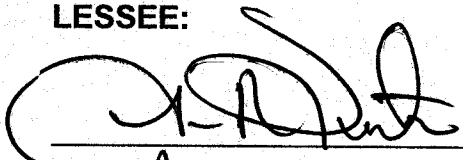


EXHIBIT "B"
CONFIRMATION OF LEASE INFORMATION

1. LEASE REFERENCE DATE:
2. PREMISES:
3. COMMENCEMENT DATE: 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

LESSEE:



Dated: August 29, 2019

COUNTY:

Dated: _____

Professional Building Issues
1- Replace Frayed Carpet
2- Patch & Paint The Main Corridor Walls
3- Patch & Paint The Corners Adjacent to the Suite Entrance Doors
4- Replace all Stained Ceiling Tiles
5- Replace missing sign on Rest Room door and Suite Sign for Suite C

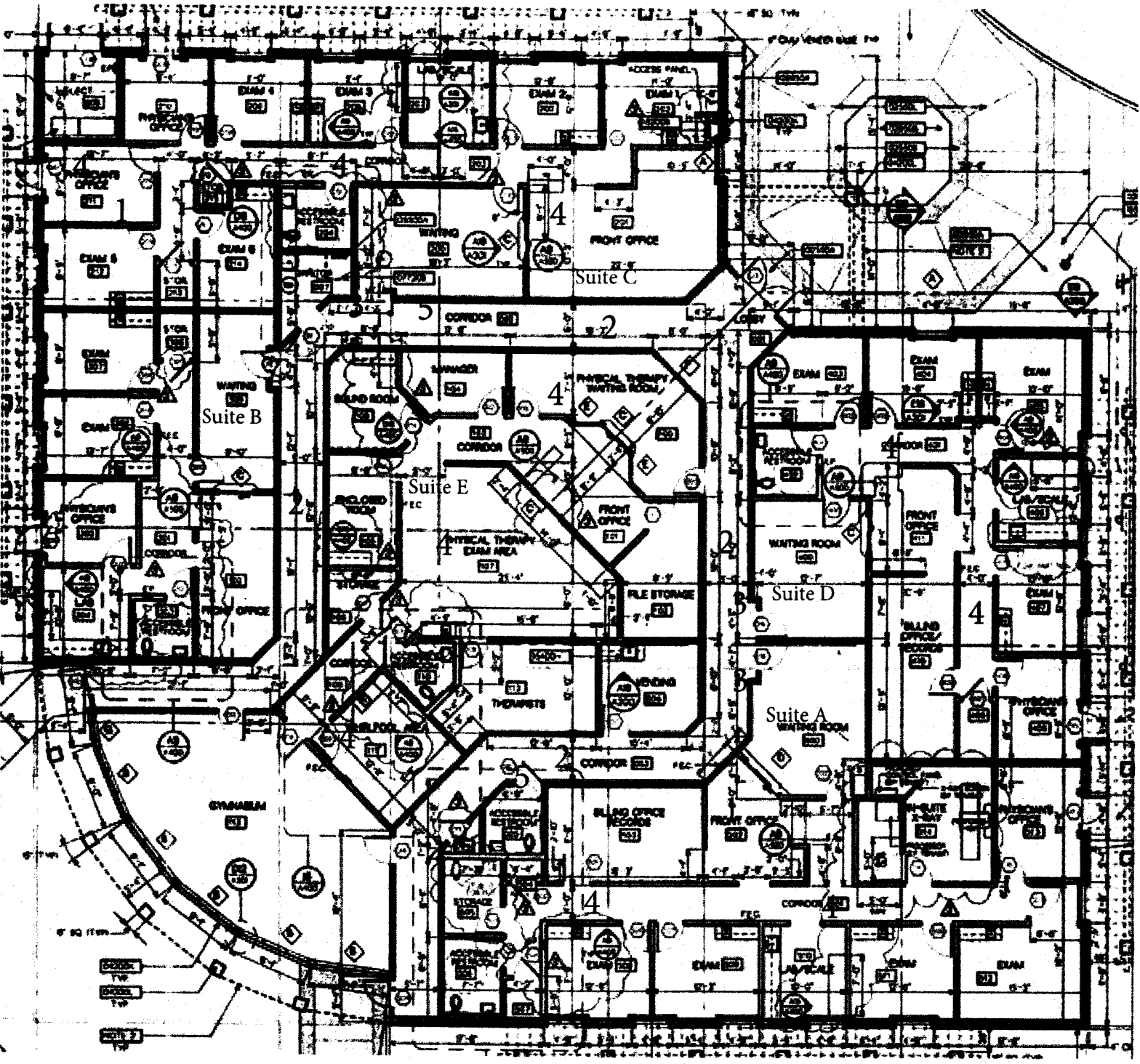


EXHIBIT "C"