

ITEM: 3.21 (ID # 24190) MEETING DATE: Tuesday, June 04, 2024

FROM : FACILITIES MANAGEMENT

SUBJECT: FACILITIES MANAGEMENT-REAL ESTATE (FM-RE): Approval of Lease with MS Perris, LLC, a California Limited Liability Company, Perris, Ten-Year Lease, California Environmental Quality Act (CEQA) Exempt Pursuant to State CEQA Guidelines Sections 15301 and 15061(b)(3); District 1. [Total Cost: \$5,365,740 - 50% Sheriff General Fund 11013 and 50% District Attorney General Fund 11019] (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, Class 1 Existing Facilities Exemption and Section 15061(b)(3), "Common Sense" Exemption;
- 2. Approve the attached Lease with MS Perris, LLC, a California limited liability company, and authorize the Chair of the Board to execute the same on behalf of the County;
- 3. Authorize the Director of Facilities Management, or designee, to execute any other documents and administer all actions necessary to complete this transaction;
- 4. Authorize the Director of Facilities Management, or designee, to exercise the Options to Extend pursuant to Section 6 of the Lease; and
- 5. Direct the Clerk of the Board to file the Notice of Exemption with the County Clerk and State Clearinghouse within five (5) working days of approval by the Board.

ACTION:Policy, CIP

David Lelevier 5/22/2024 Rose Salgado, Director of Facilitie

MINUTES OF THE BOARD OF SUPERVISORS

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

| Ayes: | Jeffries, Spiegel, Washington, Perez and Gutierrez |
|---------|--|
| Nays: | None |
| Absent: | None |
| Date: | June 4, 2024 |
| xc: | FM-RE, Recorder/State Clerainghouse |

Kimberly A. Rector Clerk of the Board By: Magm 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 | \$0 | \$2,265,453 | \$5,365,7 | 40 \$0 | |
| NET COUNTY COST | \$0 | \$2,265,453 | \$5,365,7 | 40 \$0 | |
| SOURCE OF FUNDS District Attorney Gene | | | % and Budget / | Budget Adjustment: No | |
| | | | For Fisc | al Year: 24/25 – 33/34 | |

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

On December 12, 2023, per Minute Order 3.20, the Board approved, in-principle, the search for new warehouse space for use by the County of Riverside as a general storage and administrative facility (Administrative Facility). Facilities Management Real Estate Division (FM-RE) subsequently released a Request for Proposal for the Perris and surrounding areas and located a suitable warehouse to serve as the new Administrative Facility.

Negotiations were completed and the attached Lease Agreement (Lease) is being presented and recommended for approval. Space planning was completed for full interior tenant improvements which will be reimbursed to the Lessor upon substantial completion.

The Lease is summarized as follows:

| Location: | 302 E. Rider Street, Perris, CA 92571 |
|---------------------------------|---|
| Lessor: | MS Perris, LLC, a Limited Liability Company 16130 Ventura Blvd., Suite 510 Encino, CA 91436 |
| Size: | 15,841 square feet |
| Term: | Ten (10) year original term, commencing upon completion of tenant improvements. |
| Base Rent: | \$ 1.30 sq. ft. \$ 20,593.30 per month \$ 247,119.60 per year |
| Estimate Operating Expenses: | \$3,960.25 per month |

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

| Annual Escalator: | Monthly rent shall be increased four percent (4%) on each anniversary of the lease, starting on the first-year anniversary of the Lease. |
|-----------------------------------|--|
| Extension Option | Four (4) options to extend for five (5) years each. |
| Termination Rights: | County may terminate this Lease for any reason by giving written notice to Lessor, or for loss of funding, with six (6) months' notice. In the event County terminates this Lease and said termination occurs during the Original Term, County agrees to pay Lessor as full satisfaction of all Remaining Base rent, which would otherwise be due under the Lease for the initial Lease term. |
| Tenant | |
| Improvements: | \$1,877,278 is the estimated cost of Tenant Improvements (includes a 20% construction contingency) to be completed by Lessor and reimbursed by County (less Lessor allowance). |
| | Lessor to provide a non-reimbursable allowance of \$200,000 for the Tenant Improvements. |
| RCIT Costs: | \$113,663 to be paid by County and work performed by Lessor. |
| Interior/Exterior Maintenance: | All custodial and maintenance, except for the structural shell of the building, will be provided and paid for by the County, subject to terms and conditions of the Lease. |
| Utilities: | County pays electrical, telephone service, water, trash, and sewer. |

Pursuant to the California Environmental Quality Act (CEQA), the Lease was reviewed and determined to be categorically exempt from CEQA under State CEQA Guidelines section 15301 Class 1-Existing Facilities Exemption and section 15061(b)(3), "Common Sense" Exemption. The Lease involves tenant improvements of a currently constructed space.

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

Impact on Residents and Businesses

As the population continues to grow, the need for additional services has arisen, which requires additional administrative staff and offices to provide these services. The impact to residents and businesses will be positive.

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

Additional Fiscal Information

See attached Exhibits A, B, and C. The County of Riverside has budgeted these costs for FY 2024/25 and will reimburse FM-RE for all associated rent (Base Rent and Operating Expenses) costs related to the Lease.

ATTACHMENTS:

- Lease
- Financial Exhibits A, B, & C
- Notice of Exemption
- Aerial

Haron Gettis 5/24/2024

County of Riverside Facilities Management 3450 14th Street, Riverside, CA 92501 FILED/POSTED County of Riverside Peter Aldana Assessor-County Clerk-Recorder E-202400604 06/05/2024 08:41 AM Fee: \$ 50.00 Page 1 of 2 Removed: By: Deputy

NOTICE OF EXEMPTION

April 5, 2024

Project Name: General Administrative Facility Lease Agreement with MS Perris, LLC, Perris

Project Number: FM0412500018

Project Location: 302 East Rider Street, Perris, California, 92571; Assessor's Parcel Number (APN) 303-130-021

Description of Project: On December 12, 2023 per M.O. 3.20, the Board approved, In-Principle, the search for new warehouse space for use by the County of Riverside as general storage and administrative facility (Administrative Facility). Facilities Management Real Estate Division (FM-RE) subsequently released a Request for Proposal for the Perris and surrounding areas and located a suitable warehouse to serve as the new Administrative Facility.

Negotiations were completed and a 10-year Lease with four, five -year options to extend is being sought. Space planning was completed for full interior tenant improvements which will be reimbursed to the Lessor upon substantial completion. Approval of the 10-year Lease Agreement is identified as the proposed project under the California Environmental Quality Act (CEQA). The proposed project would involve the use of existing industrial warehouse. No expansion of the footprint or increase in capacity of use would occur as a result of the Lease Agreement. The operation of the facility will result in the use of an existing building and no additional direct or indirect physical environmental impacts are anticipated.

Name of Public Agency Approving Project: Riverside County

Name of Person or Agency Carrying Out Project: Riverside County Facilities Management

Exempt Status: State CEQA Guidelines Section 15301, Class 1, Existing Facilities Exemption; Section 15061(b) (3), General Rule or "Common Sense" Exemption. Codified under California Code of Regulations Title 14, Article 5, Section 15061.

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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 involve unusual circumstances that could potentially have a significant effect on the environment. The project would not result in impacts to scenic highways, hazardous waste sites, historic resources, or other sensitive natural environments, or have a cumulative effect to the environment. No significant environmental impacts are anticipated to occur with the Lease Agreement and interior tenant improvements.

- Section 15301 Class 1 Existing Facilities Exemption: This categorical exemption includes the operation, repair, maintenance, leasing, or minor alteration of existing public or private structures or facilities, provided the exemption only involves negligible or no expansion of the previous site's use. The project, as proposed, is limited to a lease agreement for continued use of an existing industrial building with interior improvements to make the space functional for General Administrative Services. The project will not substantially increase or expand the use of the site and is limited to the continued use of the industrial building 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 continue to operate as an existing industrial use and will not create any new environmental impacts to the surrounding area. 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.

Therefore, the County of Riverside Facilities Management 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: 4-5-2024

Mike Sullivan, County of Riverside, Facilities Management

LEASE

302 E. Rider Street, Building 6, Perris, CA County of Riverside Facilities Management

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EXHIBITS

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

| Site Plan | Exhibit A |
|---|-----------|
| Leasehold Improvement Agreement | Exhibit B |
| Confirmation of Lease Information | Exhibit C |
| General Construction Specifications for Leased Facilities | Exhibit D |
| Estoppel Certificate | Exhibit E |
| Subordination, Non-Disturbance & Attornment Agreement | Exhibit F |
| Operating Expense Summary | Exhibit G |
| Base Rent and Tenant Improvement Schedule | Exhibit H |

LEASE COUNTY OF RIVERSIDE 302 E. Rider Street, Building 6, Perris, CA

1. Parties.

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

2. Premises.

2.1 Letting. Lessor hereby leases to County, and County hereby leases from Lessor, the Premises (as defined in Section 2.2), for the term, at the rental, and upon all terms, covenants and conditions set forth in this Lease.

2.2 Defined. The Premises shall consist of that certain real property, including all improvements therein or to be provided by Lessor under the terms of this Lease, and commonly known as 302 E. Rider Street, Building 6, located in the City of Perris, County of Riverside, State of California, also identified as Assessor's Parcel Number 303-130-021, and generally described as a free standing building consisting of approximately 15,841 square feet with approximately twenty-six (26) secured parking spaces , all as shown on the site plan attached hereto as Exhibit "A" and incorporated herein (the "Premises"). It is understood that the Premises includes all appurtenances and easements thereto and the non-exclusive right of ingress and egress at all times to and from the public streets and highways for County, its employees and invitees.

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

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

and inspected by local authorities, on the Commencement Date (as defined in Section 4.1), and Lessor warrants for the term of this Lease, that all systems and equipment, including, but not limited to, electrical, plumbing, fire sprinkler, fire suppression system, fire/life/safety system, lighting, heating, ventilating and air conditioning systems ("HVAC"), loading doors, if any, that serve the Premises and all other such elements in the Premises (herein defined as the "Base Building Systems"), other than those installed or constructed by County, shall be in safe, hazard free, good operating condition, and, the roof, bearing walls and foundation of the Premises shall be free of material defect.

3. Use.

3.1 County shall use and occupy the Premises for the purpose of providing office space for use by the County of Riverside, but the Premises may be used for any official business of County government or any other legal use which is reasonably comparable thereto in accordance with local authority allowable zoning use, and or if required, local authority separate approved use. Nothing contained in this Lease shall be construed to require County to occupy the Premises continuously.

4. Term.

4.1 Commencement. This Lease shall be effective upon the date of its full execution by the Parties hereto. *The term of this Lease shall be for a period of ten (10) years ("Original Term")* commencing on the date of the Certificate of Occupancy issued and executed by the City of Perris and provided that County, in its sole discretion, is satisfied that all leasehold improvements have been completed in accordance with Exhibit "B" and Exhibit "D," excepting minor punch list items, ("Commencement Date"). *The Original Term shall expire at midnight on the last day of the one-hundred and twentieth (120th) month ("Expiration Date")*.

4.2 Confirmation of Lease Information. At such time as the Commencement Date of this Lease has been determined, Lessor shall deliver to the County a notice in the form set forth in Exhibit "C," which is attached hereto and incorporated herein, which the receiving Party shall execute, after making any corrections necessary to conform the information to the provisions of this Lease, and return to the forwarding Party within thirty (30) days after receipt. Either Party will use

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

4.3 Delay in Delivery of Premises. If the Original Term of this Lease has not commenced by two hundred forty (240) business days from either: i) County's execution of this Lease, or ii) County Tenant Improvement Construction Drawings Approved Permit Card, whichever occurs later, then County may, at its sole option, proceed with the options set forth in Sections 4.3.1 and 4.3.2:

4.3.1 Deduct from any rents that may become due hereunder, the sum of One Thousand Dollars (\$1,000.00) for each day the Premises are not substantially complete and available for occupancy as per Section 2.4, after said date, as liquidated damages for failure to provide occupancy in a timely manner as prescribed hereunder. Lessor and County agree that such damages are to be one of the mutually exclusive remedies, as prescribed in this Section 4, for such failure, in that at the time of entering into this Lease it would be impractical and extremely difficult to fix the actual damages that would flow from Lessor's failure to provide occupancy in a timely manner, including, but not limited to, the difference in money between the total sum to be paid by County to another party for rent to Lease such party's real property, if the rental hereunder is less than the rental to be paid such other party.

4.3.2 If the Original Term of this Lease has not commenced by two hundred forty (240) business days from date of the last delivery item listed in Section 4.3 i) or ii) above, Lessor may extend such date by thirty (30) business days increments but no more than one hundred twenty (120) business days. Only after all Section 4.3.2 extension timeframes have expired, County has the option to proceed with cancellation of this Lease, unless County and Lessor mutually agree to an additional extension period, and Lessor hereby waives any and all rights that it may have against County for any costs, expenses and/or charges that Lessor may have incurred as a result of preparing the Premises for occupancy.

4.4 Holding Over. If County does not exercise existing renewal options per Section 6, any holding over by County after the expiration of said term or

any extension thereof shall result in County's payment of one hundred and four percent (104%) of the prior month's rent under the same terms and conditions of this Lease.

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

5.1 Rent. County shall pay the sum of Twenty Thousand Five Hundred and Ninety Three Dollars and Thirty Cents (\$20,593.30) per month to Lessor as rent for the Premises ("Base Rent"), payable, in advance, on the first day of the month or as soon thereafter as a warrant can be issued in the normal course of County's business; provided, however, in the event Base Rent for any period during the term hereof which is for less than one (1) full calendar month said Base Rent shall be pro-rated based upon the actual number of days of said month.

5.2 Percentage Increase. Notwithstanding the provisions of Section 5.1 herein, the monthly Base Rent shall be increased annually beginning in the thirteenth (13th) month by an amount equal to *four percent (4)* % of such monthly rental.

5.3 Tenant Improvement Reimbursement. Notwithstanding the provisions of Section 5.1 and 5.2 above, the County shall reimburse Lessor 100% of the mutually approved Tenant Improvement Budget as provided in Exhibit "B" less Landlord Tenant Improvement Allowance of \$200,000. Tenant shall pay Landlord (\$1,227,278.00) One Million Two Hundred Twenty Seven Thousand Two Hundred Seventy-Eight dollars upon completion and acceptance of the improvements by County as provided in Exhibit "B," and Section 11 of this Lease.

5.4 Reimbursable Rent: Taxes, Insurance, and Operating Expenses. In addition to monthly Base Rent, County shall reimburse Lessor per month, without notice, demand, counter claim, set off, or abatement, except as otherwise set forth in this Lease, all expenses associated with the operations of the Premises including, (1) Taxes and Insurance (defined in Section 5.4.1) and (2) Operating Expenses (defined in Section 5.4.2) for the Premises. The term "Reimbursable Rent" means Taxes and Insurance and Operating Expenses collectively. The term "Rent" means Base Rent. The Lease shall be a "Net Lease." The purpose of Section 5.4 is to reflect that the County shall be responsible for all taxes, insurance, and operating

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expenses connected with the Premises. The Lessor shall contract and manage all services for the Premises as defined in Section 5.4, and County shall reimburse Lessor for all costs as outlined below.

5.4.1 Taxes and Insurance: The term "Taxes and Insurance", means all ad valorem taxes, special assessments (including dues and assessment by means of the deed restrictions and owners' association) lawfully levied or assessed against the Premises, and any and all insurance required herein, or which is standard for similar projects (specifically including, but not limited to, fire and casualty, Commerical liability, and rent loss insurance).

5.4.2 Operating Expenses: The term "Operating Expenses" includes all expenses incurred by Lessor with respect to the maintenance and operation of the Premises, including, but not limited to, costs for the following: all services, landscaping, fire sprinkler monitoring and maintenance, HVAC preventative maintenance service, property management, and third party services to the extent their duties are directly connected with the operation and maintenance of the Premises, and other expenses for maintaining and operating the Premises, including the parking areas; and the cost, amortized over its useful life, of the purchase and installation of any device or other equipment for the purpose of improving the operating efficiency of any system on the Premises and thereby reducing Operating Expenses. The term "Operating Expenses" does not include the following: income and franchise taxes of Lessor; interest or principal payments on any mortgage or other indebtedness of Lessor; compensation paid to any employee of Lessor, other than maintenance and property management personnel to the extent these services are directly associated with the operation and maintenance of the Premises; any depreciation allowance or expense; expenses which are the direct responsibility of County; or expenses (herein called "Defect Expenses") incurred as a result of latent defects or punch list items for improvements constructed by Lessor, or Lessor's failure to construct the Premises or County Improvements (hereinafter defined) in accordance with the requirements of this Lease and substantially in accordance with the final plans as provided herein (such items being herein called "Defects").

5.4.3 Pro Rata Share and Payment of Reimbursable Rent:

County's pro rata share of the Reimbursable Rent is one hundred percent (100%). County shall pay its pro rata share of Reimbursable Rent monthly (prorated on a permonth basis) in advance, along with Base Rent, on or before the first day of every month commencing as of the Commencement Date. The monthly payments shall be based upon Lessor's estimate of Reimbursable Rent for the then current operating year, which amount may be adjusted from time to time based upon Lessor's anticipated Taxes and Insurance and Operating Expenses. If Lessor is required under a mortgage, deed of trust, underlying lease, or loan agreement covering the Premises to escrow ad valorem taxes, assessments or insurance, Lessor may, but shall not be obligated to, use the required escrow amount as a basis for its estimate for Taxes and Insurance. As of the Commencement Date, Lessor estimates that the Reimbursable Rent for the first twelve (12) months of the first operating year will be **approximately \$0.25** per Rentable Square Foot per month for operating expenses, **\$3,960.25**. See Exhibit "G," attached and incorporated herein, for year one Reimbursable Rent budget.

5.4.4 Annual Accounting for Reimbursable Rent. Following the end of each operating year, Lessor shall provide County an accounting showing in reasonable detail all computations of Reimbursable Rent due under this Lease. If the accounting shows that the total of the monthly payments made by County exceeds the amount of Reimbursable Rent due by County for the applicable operating year, then that excess shall be credited against the next required payments of Reimbursable Rent. If the accounting shows that the total of the monthly payments made by County is less than the amount of Reimbursable Rent due by County for the applicable operating year, then County shall pay that Reimbursable amount within thirty (30) days, or as soon thereafter as a warrant can be issued in the normal course of County's business, after the date of Lessor's accounting. The new monthly payment for Reimbursable Rent divided by twelve (12).

5.4.5 Audit of Operating Expenses. County may, at its sole expense, audit Lessor's books relevant to Operating Expenses. With respect to such audit, County: (i) must request the audit within six (6) months after receipt of the annual

accounting of Operating Expenses, (ii) may review Lessor's books only during Lessor's office hours and at the location of Lessor's books, (iii) may take no more than ten (10) business days to review Lessor's books, (iv) must deliver to Lessor a copy of the results of its audit, and (v) may not audit the same operating year more than one (1) time. If the audit, as approved by Lessor, reveals that Operating Expenses were overstated by five percent or more (5%+), Lessor shall reimburse County for its actual third-party costs of the audit. If the audit, as approved by Lessor, reveals that Operating Expenses were overstated or understated, the parties shall make cash settlement of the difference within thirty days after the audit is approved. Assignees of County may only audit periods for which they occupy the Leased Premises, and subtenants of County have no audit rights.

5.4.6 Cap on Certain Operating Expenses. Anything in this Lease to the contrary notwithstanding, Lessor represents and warrants that the amount of Controllable Operating Expenses (defined herein) will not increase during any operating year throughout the term to an amount which is greater than the amount which would be included in Controllable Operating Expenses had Controllable Operating Expenses increased at a rate of *seven percent (7%)* per operating year (the "Cap") on a cumulative basis. As used in this Section, the phrase "Controllable Operating Expenses" means those constituent elements of Operating Expenses (other than Non-Controllable Operating Expenses) that are within the reasonable control of Lessor. Non-Controllable Operating Expenses (herein so called) include, but are not limited to, taxes, utility costs charged by any utility company and insurance premiums.

6. Options.

6.1 Option to Extend Term. Lessor grants to County four (4) option(s) to extend the Lease term ("Extension Option(s)"). Each Extension Option shall be for a period of five (5) years ("Extended Term" or "Extension Term"), subject to the conditions described in this Section 6.1.

6.1.1 Exercise of Option. The Extension Option(s) shall be exercised by County delivering to Lessor written notice thereof no later than three (3) months prior to the expiration of the Original Term or any extension thereof.

6.1.2 Option Rent. The rent payable by County during any Extended Term shall be increased *annually by four percent (4%)* of the previous month's rent.

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

6.2 Intentionally Deleted.

6.3 County's Right to Early Termination. The Parties hereto recognize and understand that the rental consideration hereunder originates from County, State and/or Federal sources, and therefore County shall have the right to terminate this Lease if (a) such funding is reduced or otherwise becomes unavailable, based on County's annual fiscal budget, or (b) if any law, rule or regulation precludes, prohibits or materially adversely impairs County's ability to use the Premises for the use permitted herein, or (c), if County in its sole discretion determines that the Premises are no longer suitable for its use for any reason or cause. Moreover, County may terminate this Lease for any reason by giving written notice to Lessor per Section 6.3.1.

6.3.1 Notice. County shall provide Lessor with written notification of its election to terminate this Lease at least six (6) months prior to the date of termination. County's notice shall state the reason for its termination of this Lease. County's obligation to pay Base Rent, Reimbursement Rent and Tenant Improvement Reimbursement Rent shall continue through the termination date.

6.3.2 Satisfaction. In the event County terminates this Lease for the reasons provided in Section 6.3 above, and said termination occurs during the Original Term, County agrees to pay Lessor as full satisfaction of all remaining base rent, which would otherwise be due under the Lease for the initial Lease term. In the event County terminates this Lease for the reasons provided in Section 6.3 above, and said termination occurs during any Extension Term, County shall continue to pay base rent and reimbursement rent payments until the Lease is terminated.

7. Compliance.

7.1 Compliance. Lessor warrants that the Premises and improvements on the Premises shall comply with all applicable local, State, and Federal laws, covenants or restrictions of record, building codes, regulations and ordinances

("Applicable Requirements") in effect on the Commencement Date of this Lease, regardless of the use to which County will put the Premises. If the Premises do not comply with said warranty, Lessor shall, promptly after receipt of written notice from County or any governmental agency having jurisdiction over such matters setting forth the nature and extent of such non-compliance, rectify the same at Lessor's expense. If the Applicable Requirements are hereinafter changed so as to require during the term of this Lease, unless same is the result of the use to which County puts the Premises, the construction of an addition to or an alteration of the Premises, the remediation of any Hazardous Substance as hereinafter defined, or the reinforcement or other physical modification of the Premises Lessor shall, promptly after receipt of written notice from County or any governmental agency having jurisdiction over such matters setting forth the nature and extent of such non-compliance, rectify the same at Lessor's expense.

7.2 Americans with Disabilities. Lessor warrants and represents the Premises shall be readily accessible to and usable by individuals with disabilities in compliance with the approved building plans and local Municipality. Any cost incurred to cause the Premises to comply with said Act shall be borne by Lessor, unless any Unimproved improvements or alterations done by the County.

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

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

County, the sole remedy and all costs associated with cleanup, restoration and legal costs is the sole obligation and responsibility of the County.

Lessor warrants and represents to County that the best of Lessor knowledge has not used, discharged, dumped, spilled or stored any Hazardous Substances on or about the Premises, whether accidentally or intentionally, legally or illegally, and has received no notice of such occurrence and has no knowledge that any such condition exists at the Premises. If any claim is ever made against County relating to Hazardous Substances present at or around the Premises, whether or not such substances are present as of the date hereof, or any such Hazardous Substances are hereafter discovered at the Premises (unless introduced by County, its agents or employees), all costs of removal incurred by, all liability imposed upon, or damages suffered by County because of the same shall be borne by Lessor, and Lessor hereby indemnifies and agrees to be responsible for and defend and hold County harmless from and against all such costs, losses, liabilities and damages, including, without limitation, all third-party claims (including sums paid in settlement thereof, with or without legal proceedings) for personal injury or property damage and other claims, actions, administrative proceedings, judgments, compensatory and punitive damages, lost profits, penalties, fines, costs, losses, attorneys' fees and expenses (through all levels of proceedings), consultants or experts fees and costs incurred in enforcing this indemnity. The representation, warranty and indemnity of Lessor described in this Paragraph shall survive the termination or expiration of this Lease.

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

agency. Any cost incurred to cause the Premises to be free of such hazard shall be borne by Lessor.

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

7.6 CASp Inspection. A Certified Access Specialist (CASp) can inspect the Premises and determine whether the Premises complies with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the Premises, the Lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection shall be done prior or concurrently with tenant improvements building final sign off, the payment of the fee for the CASp inspection shall be at the sole cost of tenant, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises associated with the City approved tenant improvement plans to be at the sole cost of Landlord.

8. Intentionally Deleted.

9. Utilities.

9.1 Lessor warrants and represents to County that during the term of this Lease and any extension thereof that sufficient utility services to provide water, telecommunications, electric power, and sewers necessary to meet County's requirements exists or are available for use by County within the Premises.

9.2 County shall pay separately for all telephone, building & exterior electric, water, and sewer services, refuse service utilized within the leased space which will be used in connection with the Premises.

10. Repairs and Maintenance.

10.1 Lessor's Repair and Maintenance Obligations. Lessor shall, at Lessor's sole expense and in accordance with the terms of this Lease, repair, replace

and maintain in attractive condition, good order and function in accordance with Exhibit "D," General Construction Specifications for Leased Facilities, attached hereto and incorporated herein, during the initial twelve (12) months following Substantial Completion of Improvements defined therein. The structural portions of the Premises (understood to include the roof, foundation and load bearing walls); Lessor agrees to make all reasonable repairs to or alterations of the Premises that may become necessary by reason of defects pertaining to the structural portions of Premises as defined above by Lessor.

10.2 Lessor's Default. Repairs shall be made promptly when appropriate to keep the applicable portion of the Premises and other items in the condition described in this Section. Lessor understands certain response time is required to ensure County operations continue with minimal interruption to ensure the safety of employees and delivery of services. The commencement of repairs within forty-eight (48) hours from written notice. Lessor shall not be in default of its repair and maintenance obligations under this Section 10 if Lessor commences the repairs and maintenance within forty-eight (48) hours of the aforementioned areas and thirty (30) days for all others after written notice by County to Lessor of the need for such repairs and maintenance. If, due to the nature of the particular repair or maintenance obligation, more than thirty (30) days are reasonably required to complete it, Lessor shall not be in default under this Section 10 if Lessor begins work within this thirty (30) day period and diligently pursues this work to completion.

10.3 County's Right to Make Repairs and Deduct Cost. If County provides notice to Lessor of an event or circumstance that requires the action of Lessor with respect to the replacement, repair or maintenance to the Premises or Base Building serving the Premises as set forth in Section 10.1 and Lessor fails to provide such action as required by the terms of this Lease within the period specified in Section 10.2, County may (but shall not be obligated to do so) take the required action if: (1) County delivers to Lessor an additional written notice advising Lessor that County intends to take the required action if Lessor does not begin the required repair or maintenance within twenty four (24) hours, after the written notice; and (2) Lessor fails to begin the required work within this twenty four (24) hour period.

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

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

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

10.4 Emergency Repairs.

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

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

10.4.3 If Lessor fails to commence repairs within twenty-four (24) hours of the aforementioned notice, or if the County is unable to contact Lessor or any designated agent within a reasonable time based upon the seriousness of the event or situation, County may, but shall not be so obligated to, cause said repairs or replacements to be made or such maintenance to be performed. Upon demand by County, Lessor shall promptly reimburse County the actual cost and expenses thereof, provided said costs and expenses are reasonable. Should Lessor fail to promptly pay the cost and expenses within forty-five (45) days, County may deduct and offset that amount from Rent payable under this Lease.

10.5 Periodic Services. All of Lessor's Premises obligations are set forth in Exhibit "G." The County has the right to perform any Periodic Services not included in Exhibit "G" at County sole costs and expense.

11. Alterations and Additions.

11.1 Improvements by Lessor.

11.1.1 Lessor recognizes and understands that any County improvements requested by the County to be completed by Lessor during the term of this Lease shall be undertaken according to Exhibit "B," Leasehold Improvement Agreement, and Exhibit "D," General Construction Specifications for Leased Facilities.

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

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

Department of Industrial Relations Division of Labor Statistics and Research 455 Golden Gate Avenue, 2nd Floor San Francisco, CA 94102

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

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

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

11.1.3 Lessor shall comply and stay current with all applicable local, state and federal building codes and laws as from time to time amended, including, but not limited to, the Americans with Disabilities Act requirements in providing the County with any requested County improvements.

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

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

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

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

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

11.2 Improvements by County.

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

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

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

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

Lessor shall indemnify and hold harmless the County of Riverside, its Agencies, Districts, Special Districts, and Departments, their respective directors, its officers, Board of Supervisors, agents, employees, elected or appointed officials, agents or representatives and independent contractors (individually and collectively hereinafter referred to as Indemnitees) free and harmless from any liability whatsoever, based or asserted upon any act or omission of Lessor, its officers, agents, employees, subcontractors and independent contractors for property damage, bodily injury, or death (County's employees included) or any other element of damage of any kind or nature, relating to or in any way connected with or arising from its use, occupancy or operation of the Premises, and Lessor, shall defend, at its expense, including attorney fees, Indemnitees in any legal action based upon such alleged acts or omissions. With respect to any action or claim subject to indemnification herein by Lessor, Lessor shall, at their sole cost, have the right to use counsel of their own choice and shall have the right to adjust, settle, or compromise any such action or claim without the prior consent of County; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes Lessor's indemnification to Indemnitees as set forth herein. Lessor's obligation hereunder shall be satisfied when Lessor has provided to County the appropriate form of dismissal relieving County from any liability for the action or claim involved. The specified insurance limits required in this Lease shall in no way limit or circumscribe Lessor's obligations to indemnify and hold harmless the Indemnitees herein from third party claims.

13. Insurance.

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

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

13.1.2 Commercial General Liability: Commercial General Liability insurance coverage, including but not limited to, premises liability, unmodified contractual liability, products and completed operations liability, personal and advertising injury, and cross liability coverage, covering claims which may arise from or

out of LESSOR'S performance of its obligations hereunder. Policy shall name the COUNTY as Additional Insured. Policy's limit of liability shall not be less than \$2,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this agreement or be no less than two (2) times the occurrence limit.

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

13.1.4 General Insurance Provisions - All lines:

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

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

13.1.4.3 Lessor shall cause Lessor's insurance carrier(s) to furnish the County of Riverside with a properly executed Certificate(s) of

Insurance and copies of Endorsements effecting coverage as required herein. Further, said Certificate(s) and policies of insurance shall contain the covenant of the insurance carrier(s) that a minimum of thirty (30) days written notice shall be given to the County of Riverside prior to any material modification, cancellation, expiration or reduction in coverage of such insurance. If Lessor insurance carrier(s) policies does not meet the minimum notice requirement found herein, Lessor shall cause Lessor's insurance carrier(s) to furnish a 30-day Notice of Cancellation Endorsement.

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

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

13.1.4.6 COUNTY reserves the right to require that Lessor adjust the monetary limits of insurance coverage as required in this Paragraph 13 herein every fifth (5th) year during the term of this Lease or any extension thereof, subject to ninety (90) days written notice to County of such adjustment, in the event that COUNTY reasonably determines that the then existing monetary limits of insurance coverage are no longer consistent with those monetary limits of insurance coverage generally prevailing in the Riverside County area for facilities comparable to the Premises; provided, however, that any adjustment shall not increase the monetary limits of insurance coverage for the preceding five (5) years in excess of fifty percent (50%) thereof.

13.1.4.7 Lessor shall pass down the insurance obligations contained herein to all tiers of subcontractors working under this Lease.

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

13.2 County's Insurance. County is self-insured. Upon written notice request, County will provide Lessor an Evidence of Self Insurance Certificate.

14. Damage and Destruction.

14.1 Repair of Damage. County agrees to notify Lessor in writing promptly of any damage to the Premises resulting from fire, earthquake, or any other identifiable event of a sudden, unexpected, or unusual nature ("Casualty"). If the Premises, whether covered by insurance or not, are damaged by a Casualty, or the Casualty results in the Premises not being provided with Base Building or parking facilities, and if neither Lessor nor County has elected to terminate this Lease under this Section 14 Lessor shall promptly and diligently restore Premises, the County Improvements originally constructed by Lessor, Base Building, and County's parking facilities to substantially the same condition as existed before the Casualty, subject to modifications required by building codes and other laws. If County requests that Lessor make any modifications to the County Improvements in connection with the rebuilding, Lessor may condition its consent to those modifications on: (a) confirmation by Lessor's contractor that the modifications shall not increase the time needed to complete the County Improvements; or (b) an agreement by County that the additional construction period shall not extend the rent abatement period.

14.2 Repair Period Notice. Lessor shall, within ninety (90) days after the date of the Casualty, provide written notice to County indicating the anticipated period for repairing the Casualty ("Repair Period Notice"). The Repair Period Notice shall be accompanied by a certified statement executed by the Contractor retained by Lessor to complete the repairs or, if Lessor has not retained a Contractor, a licensed Contractor not affiliated with Lessor, certifying the Contractor's opinion about the anticipated period for repairing the Casualty. The Repair Period Notice shall also state, if applicable, Lessor's election either to repair or to terminate the Lease under Section 14.3.

14.3 Lessor's Option to Terminate or Repair. Lessor may elect either to terminate this Lease or to effectuate repairs if: (a) the Repair Period Notice estimates that the period for repairing the Casualty exceeds two hundred seventy (270) days from the date of the Casualty; or (b) the estimated repair cost of the Premises, even though covered by insurance, exceeds fifty percent (50%) of the full replacement cost.

14.4 County's Option to Terminate. If (a) the Repair Period Notice provided by Lessor indicates that the anticipated period for repairing the Casualty exceeds one hundred eighty (180) days, or (b) notwithstanding the above, in the event of a substantial or total casualty to the Premises or improvements, County may by written notice to Lessor within one hundred eighty (180) days, days after such damage or destruction of its intention to terminate this Lease, elect to terminate this Lease by providing written notice ("County's Termination Notice") to Lessor within thirty (30) days after receiving the Repair Period Notice. If County does not elect to terminate within said thirty (30) day period, County shall be considered to have waived its option to terminate.

14.5 Rent Abatement Due to Casualty. Lessor and County agree that County's Rent shall be fully abated during the period beginning on the later of: (a) the date of the Casualty; or (b) the date on which County ceases to occupy the Premises and ending on the date of Substantial Completion of Lessor's restoration obligations as provided in this Section 14 ("Abatement Period"). If, however, County is able to occupy and does occupy a portion of the Premises, Rent shall be abated during the Abatement Period only for the portion of the Premises not occupied by County.

14.6 Damage Near End of Term. Despite any other provision of this Section 14, if the Premises are destroyed or damaged by a Casualty during the last eighteen (18) months of the Original Lease Term, Lessor and County shall each have the option to terminate this Lease by giving written notice to the other of the exercise of that option within ninety (90) days after that damage or destruction, provided, however, County may negate Lessor's election to terminate under this Section 14.6 by electing, within ten (10) days after receipt of Lessor's termination notice, to exercise any

unexercised option to extend this Lease. If County negates Lessor's election, this Lease shall continue in effect unless Lessor has the right to, and elects to, terminate this Lease under Section 14.3.

14.7 Effective Date of Termination; Rent Apportionment. If Lessor or County elects to terminate this Lease under this Section 14 in connection with a Casualty, this termination shall be effective thirty (30) days after delivery of notice of such election. County shall pay Rent, properly apportioned up to the date of the Casualty. After the effective date of the termination, Lessor and County shall be discharged of all future obligations under this Lease, except for those provisions that, by their terms, survive the expiration or earlier termination of the Lease.

14.8 Intentionally Deleted.

14.9 Release on Termination. In the event of any termination of this Lease in accordance with Section 14, the Parties shall be released there from without further obligation to the other Party, except as may otherwise be specifically set forth in this Lease and items that have accrued and are unpaid.

15. Eminent Domain.

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

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

15.3 Award. If the Premises are wholly or partially condemned, Lessor will be entitled to the entire award paid for the condemnation, and County waives any claim to any part of the award from Lessor or the condemning authority. County, however, will have the right to recover from the condemning authority any compensation that may be separately awarded to County in connection with costs in removing County's merchandise, furniture, fixtures, leasehold improvements, and equipment to a new location.

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

16. Estoppel Certificates.

16.1 Within ten (10) business days after receipt of a written request by either party, the other party shall execute and deliver to the requesting party an Estoppel Certificate, in the form of Exhibit "E," attached hereto and incorporated herein, indicating in the certificate any exceptions to the statements in the certificate that may exist at that time.

17. Subordination, Non-Disturbance, and Attornment.

17.1 Subordination, Non-Disturbance, and Attornment Agreement. To carry out the purposes of Section 17.2 and Section 17.3, the Parties agree to execute a Subordination, Non-Disturbance and Attornment Agreement in the form set forth in Exhibit "F," attached hereto and incorporated herein.

17.2 Subordination. County agrees that within thirty (30) business days after Lessor's written request, it shall execute the agreement referred to in Section 17.1 that Lessor reasonably considers necessary to evidence or confirm the subordination or inferiority of this Lease to the lien of any mortgage, deed of trust or

other encumbrance of the Premises or any renewal, extension, modification, replacement thereof, provided however, that such Subordination Agreement shall be strictly limited to matters contained in the Agreement referred to in Section 17.1 and no such Subordination Agreement shall materially increase any of County's obligations or materially decrease any of County's rights under this Lease, nor shall the possession of County be disturbed, by reason of any foreclosure, sale or other action under any such trust deed, mortgage or other encumbrance.

17.3 Attornment. If Lessor's interest in the Premises passes to a successor, and provided County has received the Non-Disturbance agreement referred to in Section 17.1, County shall, within thirty (30) business days after Lessor's transferee's request, execute the agreement referred to in Section 17.1, thereby agreeing to attorn and to recognize the transferee as the Lessor under this Lease; provided the transfer of Lessor's interest in the Premises was by sale, lease, foreclosure, deed in lieu of foreclosure, exercise of any remedy provided in any encumbrance or operation of law.

18. Breach by Lessor.

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

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

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

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

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

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

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

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

20. Miscellaneous.

20.1 Quiet Enjoyment. Lessor covenants that County shall at all times during the term of this Lease peaceably and quietly have, hold and enjoy the use of the

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

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

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

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

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

20.6 Intentionally Deleted.

20.7 County's Representative. County hereby appoints the Director of Facilities Management as its authorized representative to administer this Lease.

20.8 Agent for Service of Process. It is expressly understood and agreed that in the event Lessor is not a resident of the State of California or it is an association or partnership without a member or partner resident of the State of

California, or it is a foreign corporation, then in any such event, Lessor shall file with County's Director of Facilities Management, upon its execution hereof, a designation of a natural person residing in the State of California, giving his or her name, residence and business addresses, as its agent for the purpose of service of process in any court action arising out of or based upon this Lease, and the delivery to such agent of a copy of any process in any such action shall constitute valid service upon Lessor. It is further expressly understood and agreed that if for any reason service of such process upon such agent is not feasible, then in such event, Lessor may be personally served with such process out of this county and that such service shall constitute valid service upon Lessor. It is further expressly understood and agreed that service shall constitute valid service upon agent is not feasible, then in such event, Lessor may be personally served with such process out of this county and that such service shall constitute valid service upon Lessor. It is further expressly understood and agreed that agreed that Lessor is amenable to the process so served, submits to the jurisdiction of the court so obtained and waives any and all objections and protests thereto.

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

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

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

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

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

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

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

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

20.17 Surrender. County shall, after the last day of the term or any extension thereof or upon any earlier termination of such term, surrender and yield up to Lessor the Premises in good order, condition and state of repair, reasonable wear and tear and damage by fire or other casualty excepted. County shall be required to: (a) patch or paint any walls/surfaces; (b) if applicable to County sole operational use remove any leasehold improvements constructed or installed prior to or during the term of this Lease or any extension thereof; or (c) if applicable to County sole operational use remove any fixtures or equipment installed prior to or during the term of this Lease or any extension thereof.

20.18 Notice. Except as expressly provided elsewhere in this Lease, all notices and other communication required under this Lease shall be in writing and delivered by: (a) Certified Mail, postage prepaid, return receipt requested, in the United States mail; or (b) via an overnight courier that provides written evidence of delivery and addressed to the Party hereto to whom the same is directed at the addresses set forth in Section 20.18 herein. Either Party hereto may from time to time change its mailing address by written notice to the other Party.

County's Notification Address:

County of Riverside Facilities Management – Real Estate Division 3450 14th St., Suite 200 Riverside, California 92501 Attention: Deputy Director of Real Estate Email: <u>FM-Leasing@rivco.org</u>

Lessor's Notification Address:

MS Perris, LLC, a Limited Liability Company c/o Moshe Silagi – Manager 16130 Ventura Blvd., Suite 510 Encino, CA 91436 Office: 805.494.7704 Email: <u>moshe@silagidevelopment.com</u>

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

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

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

20.22 Language for Use of Electronic (Digital) Signatures. This Agreement may be executed in any number of counterparts, each of which will be an original, but all of which together will constitute one instrument. Each party of this Agreement agrees to the use of electronic signatures, such as digital signatures that meet the requirements of the California Uniform Electronic Transactions Act (("CUETA") Cal. Civ. Code §§ 1633.1 to 1633.17), for executing this Agreement. The parties further agree that the electronic signatures of the parties included in this Agreement are intended to authenticate this writing and to have the same force and effect as manual Electronic signature means an electronic sound, symbol, or process signatures. attached to or logically associated with an electronic record and executed or adopted by a person with the intent to sign the electronic record pursuant to the CUETA as amended from time to time. The CUETA authorizes use of an electronic signature for transactions and contracts among parties in California, including a government agency. Digital signature means an electronic identifier, created by computer, intended by the party using it to have the same force and effect as the use of a manual signature, and shall be reasonably relied upon by the parties. For purposes of this section, a digital signature is a type of "electronic signature" as defined in subdivision (i) of Section 1633.2 of the Civil Code.

| 140 | IN WITH | JESS WHERE | DF, COUNTY and | d LESSOR have | executed this | s Lease on |
|----------|---------|-------------------|----------------|---------------|---------------|------------|
| this day | of | June | , 2024. | | | |

LESSEE:

COUNTY OF RIVERSIDE, a political subdivision of the State of California

By:

Chuck Washington, Chaiman Board of Supervisors

ATTEST: Kimberly A. Rector Clerk of the Board

By: 🥖 anni Deputy

APPROVED AS TO FORM: Minh C. Tran County Counsel

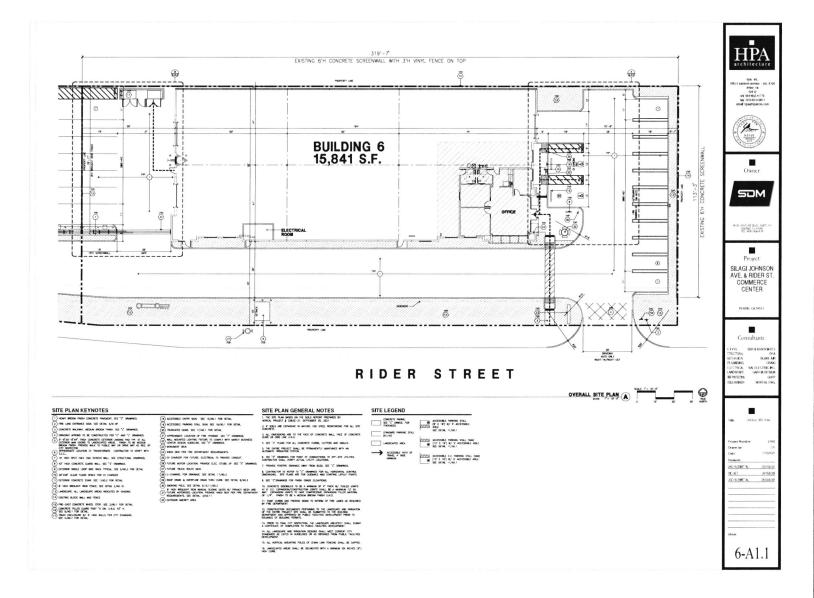
By:

Ryan Yabko Deputy County Counsel LESSOR: MS PERRIS, LLC, a California Limited Liability Company

By: Moshe Silagi, Manager

JUN 0 4 2024 32

Exhibit 'A' Site Plan



LEASEHOLD IMPROVEMENT AGREEMENT

(302 E. Rider Street, Building 6, Perris CA)

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

SECTION 1 – LESSOR'S INITIAL CONSTRUCTION OF PREMISES

1.1 Lessor will cause the construction of, at its sole cost and expense based on Lessor and County mutually approved budget as defined in Section 7.1 of this Leasehold Improvement Agreement, or has acquired or constructed, that certain free-standing building described in Section 2 of the Lease, hereinafter referred to as the "Base Building."

SECTION 2 – CONSTRUCTION DRAWINGS FOR THE PREMISES

2.1 Lessor shall, at its sole cost and expense, and subject to reimbursement as hereinafter set forth, construct the improvements in the Premises (the "Leasehold Improvements") pursuant to those certain blueprints, floor and space plans, specification and finalize construction prices, collectively, the approved "Working drawing" prepared by Lessor's architect. Lessor shall make no changes or modifications to the Approved Working Drawings without the prior written consent of County, which consent may be withheld if such change or modification would directly or indirectly delay the "Substantial Completion," as that term is defined in Section 6.1 of this Leasehold Improvement Agreement, of the Premises or increase the cost of designing or constructing the Leasehold Improvements. Any changes or modifications not approved by the County shall be at Lessor's sold cost and expense.

SECTION 3 – CONSTRUCTION DRAWINGS

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

the drawing format and specifications as determined by Lessor, and shall be subject to the County's approval.

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

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

3.3. Final Working Drawings. Within forty-five (45) working days after execution of the Lease by County and delivery of a copy of the Lease to Lessor, Lessor, the Architect and the Engineers shall complete the architectural and engineering drawings for the Leasehold Improvements, and the final architectural working drawings in a form which is complete to allow subcontractors to perform the work and to obtain all applicable permits (collectively, the "Final Working Drawings") and shall submit the same to County for County's approval.

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

3.5 County shall use its best, good faith, efforts and all due diligence to cooperate with the Architect, the Engineers, and Lessor to complete all phases of the Construction Drawings and the permitting process and to receive the permits, and approval of the "Construction Costs," as set forth in Section 7.1 below, as soon as possible after the execution of the Lease, and, in that regard, shall meet with Lessor on a scheduled basis to be determined by County, to discuss Lessor's progress in connection with the same. Upon County's execution of this Lease, Lessor shall provide County with a construction schedule including time projects for planning, entitlement process, related preparation and construction of the Leasehold Improvements.

SECTION 4 – LESSOR COVENANTS

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

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

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

SECTION 5 - CONSTRUCTION

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

5.2 Lessor shall notify County, in writing, forthwith when such planning, entitlement process, related preparation and construction of the Leasehold Improvements have been completed, a Certificate of Occupancy has been issued by the City of Perris upon final inspection, all required permits have been obtained and electrical power has been turned on. Within five (5) calendar days thereafter, County shall schedule and conduct a "job walk" with Lessor for the purpose of accepting the Premises for occupancy. County shall accept the Premises if the improvements are Substantially Complete and the Premises are available for useful occupancy, hereinafter defined. County reserves the right to determine if the Premises are Substantially Complete pursuant to the approved Construction Drawings Plan as defined in Section 3 above.

5.3 In addition, within thirty (30) days after the Substantial Completion of the Premises, Lessor shall have prepared and delivered to the County (1) a complete set of

"As-Built" drawings showing every detail, latent or otherwise, of such improvements, including but not limited to electrical circuitry and plumbing, and (2) the same complete set of "As-Built" drawings on a computer disk in a CADD format.

<u>SECTION 6 – COMPLETION OF THE COUNTY IMPROVEMENTS; LEASE</u> COMMENCEMENT DATE

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

6.2 The Lease Commencement Date shall occur as set forth in Section 4.1 of the Lease including as set forth in Section 6.1, above.

SECTION 7 – CONSTRUCTION COSTS

7.1 Prior to County's execution of this Lease, Lessor shall provide County an itemized cost breakdown of the construction costs of the leasehold improvements, attached hereto and made a part hereof as Attachment 1. The total costs of all the Leasehold Improvements subject to reimbursement, including but not limited to fixtures, equipment, architectural fees and permits, and as reflected in the cost breakdowns shown on Attachment 2 attached hereon, shall not exceed the sum of One Million, Four Hundred Twenty-Seven Thousand, Two Hundred Seventy Eight Dollars (\$1,427,278.00) which sum represents Lessor's estimate of such total construction costs. The County is responsible to reimburse Lessor pursuant to the below Sections 8.1 and 8.2.

7.2 Upon completion of the Leasehold Improvements and within fourteen (14) days of Substantial Completion and acceptance of the Premises by County, Lessor shall provide County with an final itemized statement, similar to the cost breakdown form attached as Attachment 2, of the actual costs of the Leasehold Improvements incurred by Lessor, accompanied by contractor invoices if requested by the County along with request for reimbursement of actual costs incurred.

SECTION 8 - REIMBURSEMENT FOR LEASEHOLD IMPROVEMENTS

8.1 County shall pay to Lessor an amount not to exceed One Million Two Hundred Twenty Seven Thousand Two Hundred Seventy-Eight Hundred Dollars (\$1,227,278.00) dollars within sixty (60) calendar days from Lessor delivery of Lessor invoice to County pursuant to Sections 7.1 above and a final 10% retention pursuant to 7.2 above as reimbursement for the actual costs of improvements made by Lessor. In no event shall Lessor be reimbursed any amount in excess of actual costs nor in excess of the total amount set forth in Sections 7.1 and 7.2 above. Lessor is allowed to submit once a month until paid in full.

8.2 In the event that County terminates the Lease as provided in Section 6.3 of the Lease, County agrees to pay Lessor upon such termination the balance of all payments which would otherwise be due pursuant to Section 8.2 for Leasehold Improvements.

SECTION 9 - MISCELLANEOUS

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

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

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

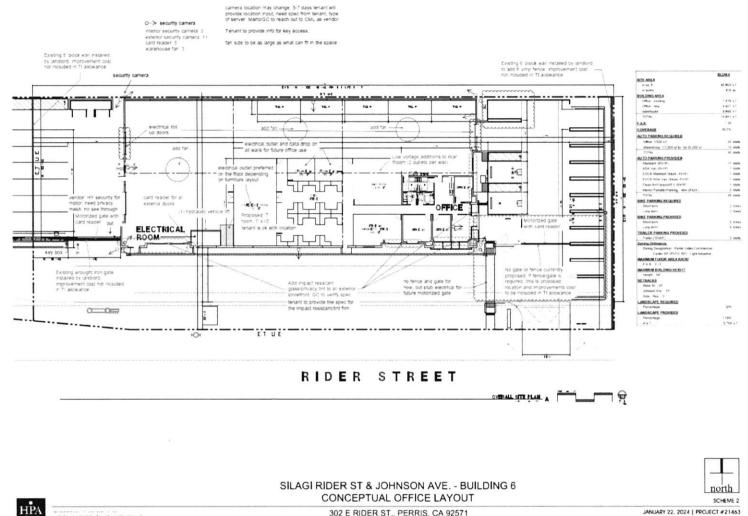
9.4 County's Agents. All subcontractors, laborers, material men, and suppliers retained directly by County shall conduct their activities in and around the Premises, in a harmonious relationship with all other subcontractors, laborers, material men and suppliers at the Premises.

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

9.6 Lessor's Lease Default. Notwithstanding any provision to the contrary contained in this Lease, if an event of default by Lessor of this Leasehold Improvement

Agreement, and said default has occurred at any time on or before the Substantial Completion of the Premises, then (i) in addition to all other rights and remedies granted to County pursuant to the Lease, County shall have the right to cause Lessor to case the construction of the Leasehold Improvements and (ii) all other obligations of County under the terms of this Leasehold Improvement Agreement shall be forgiven until such time as such default is cured pursuant to the terms of the Lease or this Leasehold Improvement Agreement.

ATTACHMENT 1 Tenant Improvement Plan (Attached behind this page)



302 E RIDER ST., PERRIS, CA 92571

JANUARY 22. 2024 | PROJECT #21463

EXHIBIT "B"

ATTACHMENT 2 Tenant Improvement Costs

| Updated On 17-Apr.2024 Difference Bid Day Notes 1 Poteton \$ 5,000 \$ 5,000 \$ - 2 Deuc & pack lab for our serve \$ 8,600 \$ - 2 3 Bod Fack \$ 7,500 \$ - 2 Added IT Room with split system 4 January Budget \$ 18,902 \$ - 2 Added IT Room with split system 4 Januarianou \$ 18,902 \$ - 4 Added IT Room with split system 5 Door France: Hadrenee \$ 35,511 2.9 (88) \$ 7,656 5 Added IT Room with split system 6 Ora, & Stanarg \$ 80,90 \$ 6,701 \$ 1.200 7 Added IT Room with split system 7 Drawing Charge \$ 20,90 \$ 8,200 \$ 7,600 \$ 1.000 \$ 7 Added IT Room & electrified sink es 6 Downseed Charge \$ 20,700 \$ 1.9700 \$ 1.800 \$ 1.840 7 Added IT Room \$ 1.840 10 Premarg & Snaper \$ 21,1500 \$ 1.9200 \$ 2.2500 <td< th=""><th></th></td<> | |
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| 25 Landled Company \$ 50,000 \$ 50,000 24 Added Scope | |
| 26 Office Cubicles & Electrical (Allowance) \$ 210,000 \$ 210,000 24 Added Scope | |
| Subtotal 5 1,024,196 5 515,491 5 508,705 | |
| General Conditions (2 months) \$ 84,500 \$ 84,500 \$ - | |
| Subtotal \$ 1,108,696 \$ 599,991 \$ 508,705 | |
| Liability Insurance \$ 12,750 \$ 6,900 \$ 5,850 | |
| Subtotal S 1,121,446 S 606,891 S 514,555 | |
| Contractor's Fee \$ 89,716 \$ 48,551 \$ 41,165 | |
| Subtotal \$ 1.211,162 \$ 655,442 \$ 555,720 | |
| GRAND TOTAL \$ 1,211,162 \$ 655,442 \$ 555,720 | |
| clusions Architect Design/Fees \$95,000,00 County Contingency (10) \$121,116,00 Vehicular Ventilation in the warehouse PROJECT TOTAL \$1,427,278,00 | |

13 Windows at war room, office #4.8 confer 14 No site work other than shown on plans 15 Re-sealing of existing warehouse floor 16 Vehicle Lift and/or power for vehicle lift.

1

To Vehicle Lift and/or power for vehicle lift Qualifications 1 Our price includes (5) 120v outlets in the IT room. No power requirements for this room have not been required yet 2 Our price includes modifying our existing gate to have (1) slide gates & (1) swing gate to accommodate Shertfs departments automation Spec 3 Our pricein included caling cat6/cameras per the specified drawing from HPA dated 1/2/2/24. No other low voltage is included 4 Our pricein included calineras per the following spec: "Thirl done 4MP IP" 5 Our pricing included cameras per the following spec: "Thirl done 4MP IP" 5 Our pricing included (3) years of licensing for the cameras spec'd above. 7 Our pricing is based on (1) month of Ceneral Conditions overlap with Fire Department T1. If project is delayed beyond Fire Department overlap, additional general conditions will be required. 8 Our pricing includes the conference room as solid core doors only. No glass walls or sidelites 10 Our pricing is based on using 24 Fiper HVLS fairs. 9 Our pricing includes the conference room as solid core doors only. No glass walls or seletites 10 Our pricing is based on poking the condensate out of the exterior wall along inder street into the planter. There is no server in close pricemently to the proposed IT room location. It would be better to move IT room to restrooms. 11 Our pricing information for the proposed IT room location. It would be better to move IT room to restrooms.

Alternates
1. Switch existing gates to accommodate Sheriffs departments automation requirements. \$ 82,067.00 - INCLUDED IN PRICE ABOVE
2. ROM Allowance for (20) 5x6 cubicles per Clarina @ GM Interiors. \$ 213,022 – INCLUDED IN PRICE ABOVE
3. Allowance for Cubical electrical \$20,000 – INCLUDED IN PRICE ABOVE
4. Software license for card readers. \$75/month

EXHIBIT "C" CONFIRMATION OF LEASE INFORMATION

- 1. LEASE REFERENCE DATE:
- 2. PREMISES: 302 E. Rider Street, Building 6, Perris, CA
- COMMENCEMENT DATE: Construction of the leasehold improvements is substantially complete and the lease term shall commence as of ______, for a term of ______ ending on _____, unless extended as provided in the Lease.
- 4. RENT: In accordance with the Lease, Rent began to accrue on _____, in the initial amount of ______ per month. Rent is due and payable in advance on the first day of each month during the Lease Term.

AGREED and ACCEPTED

LESSOR:

COUNTY:

Dated:_____

Dated:_____

EXHIBIT C

EXHIBIT "D" COUNTY OF RIVERSIDE DEPARTMENT OF FACILITIES MANAGEMENT Real Estate Division

GENERAL CONSTRUCTION SPECIFICATIONS FOR LEASED FACILITIES

A. INTENT

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

B. COMPLIANCE WITH LOCAL REGULATIONS

- 1. In the absence of such codes, ordinances or regulations, the Lessor's contractor shall use the latest edition of the "Uniform Building Code" which are included on the Approved Construction Drawing Plans.
- 2. The Lessor shall, without additional expense to the County, be responsible for obtaining and paying for any necessary construction fees, licenses and permits required for privately owned buildings, unless included in Exhibit B, Section 7.1. Lessor shall comply with any applicable local Federal, State and Municipal laws, codes, and regulations in connection with the prosecution of the work, and shall take proper safety and health precautions to protect work, the workers, the public, and the property of others.
- 3. All work in accordance with these specifications must be done in strict compliance with the Americans with Disabilities Act of 1990 and any regulations issued pursuant thereto.

C. **DRAWINGS**

- 1. A site plan, clearly indicating employee, visitor and open parking spaces, shall be prepared. Floor plans, elevations, mechanical and electrical drawings shall be prepared, preferably at one eighth inch (1/8") scale.
- 2. The Department of Facilities Management shall be provided four (4) complete sets of the aforementioned drawings and specifications for review and approval.
- 3. Prior to start of construction, two (2) complete approved sets of construction plans and specifications shall be provided to the Department of Facilities Management.
- 4. Any changes or deviation from the approved plans and specifications will not be accepted without prior written approval from the Department of Facilities Management.

D. CONSTRUCTION

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

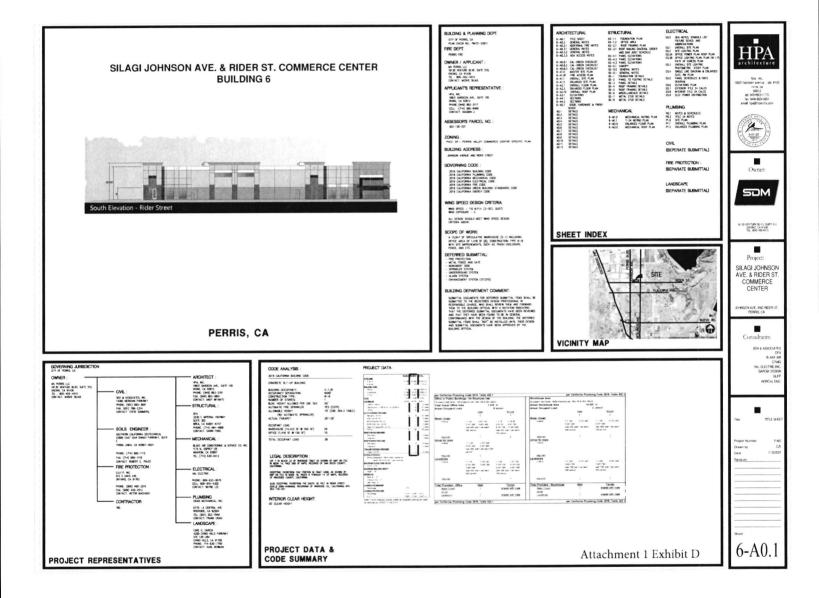
E. SPECIFICATIONS

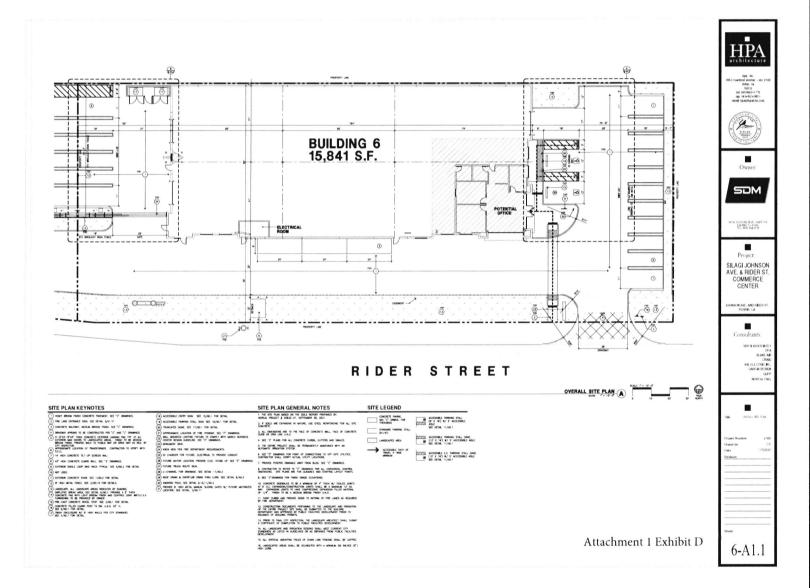
- 1. The Lessor shall be responsible, in all cases, for the proper design and coordination of architectural, structural, plumbing, electrical, heating, ventilation, air conditioning, site elements, etc., of the proposed facility. Accessibility for physically handicapped is provided in accordance with approved Construction Drawings Plans, unless specifically waived in writing by the Department of Facilities Management.
- 2. Lessor shall verify the accuracy of all dimensions, and he shall be responsible for correcting and recording any discrepancies.

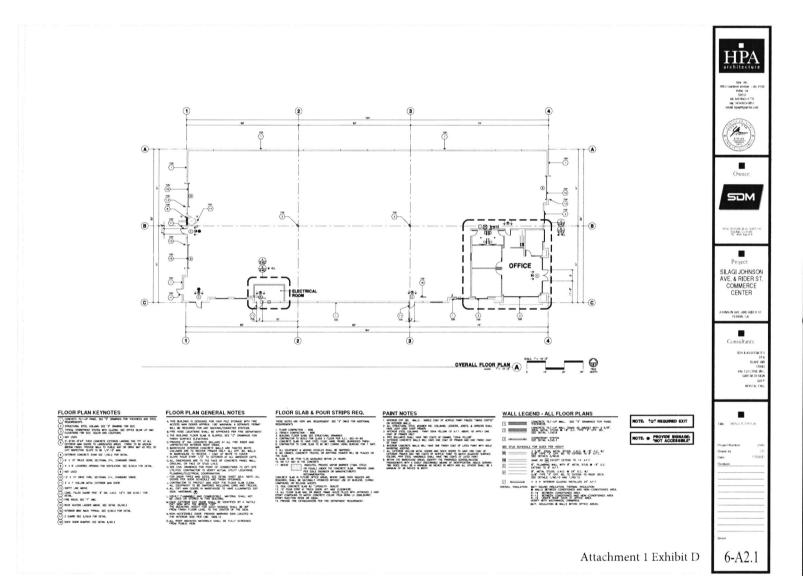
F. IMPROVEMENT SPECIFICATIONS AND REQUIREMENTS

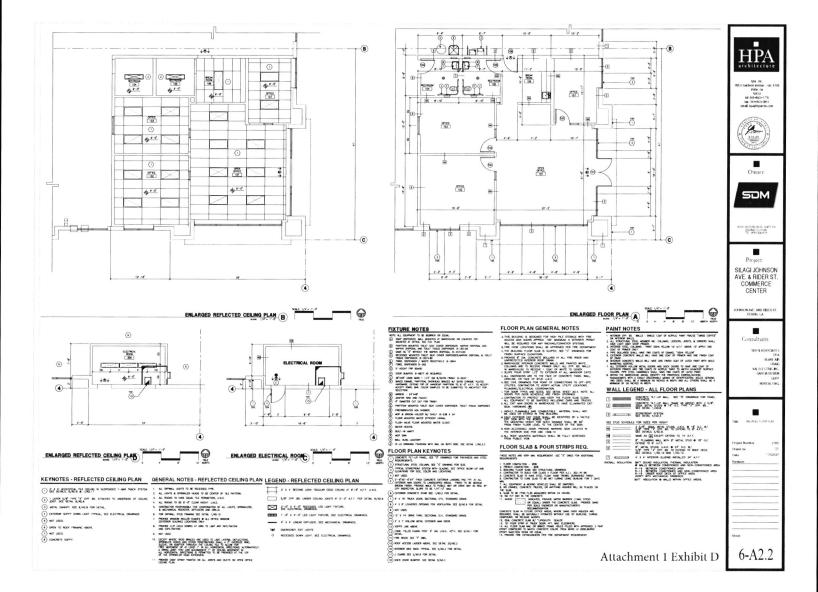
1. The Existing Core Building Improvements are under construction pursuant to Attachment 1 "Lessor Existing Core Building Improvements and Core Building Specifications". These improvements are Lessor Sole obligation and cost. These improvements listed on Attachment 1 shall in no way be included in the County Tenant Improvement Reimbursement.

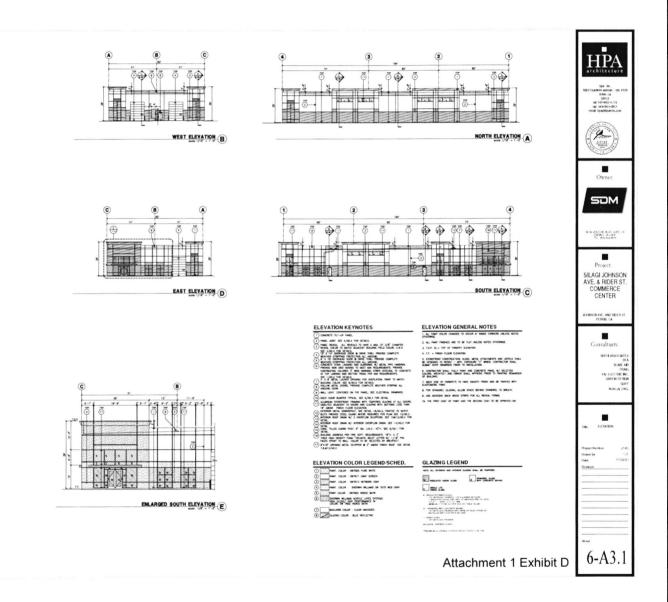
2. "The County Tenant Improvements and Tenant Specifications" pursuant to Attachment 1 in Exhibit B to be constructed by Lessor in accordance with Attachment 2 in Exhibit B and Final Approved Construction Drawings issued by the City of Perris. All floor plan, all office and warehouse space planning, ceilings heights, all flooring, restrooms specs, cabinets, HVAC systems, hardware, exterior and interior locking systems, fencing requirements, shall be consistent with existing Core Buildings Improvements and Core Building Specifications, unless mutually specified and approved by Lessor and County. These Improvements listed on Attachment 2 shall be paid by Lessor and County shall reimbursement Lessor in accordance with Exhibit "B" Leasehold Improvement Agreement, herein.











ESTOPPEL CERTIFICATE

- 1. The County of Riverside, a political subdivision of the State of California, as Tenant, or County, and MS Perris, LLC, a California limited liability company, as Lessor (the "Lessor"), entered into a written Lease dated ______ in which Lessor leased to County and County leased from Lessor that certain Premises consisting of approximately 15,841 square feet fee simple industrial building located at 302 E. Rider Street, Building 6, Perris, California. The lease, as amended is referred to in this Certificate as the Lease.
- 2. The Lease has not been amended, modified, nor supplemented.
- 3. The next payment of Rent is due on the first of each month after the planning and construction of the project is completed pursuant to Exhibit "B," sections 5.2 and 6.1, and County receives Certificate of Occupancy. The monthly Base rent is \$20,593.30 and monthly Operating Expenses is \$3,960.25. County has not paid Lessor a security deposit.
- 4. Under the Lease, the effective date was _____, and the expiration date of the Lease is _____ ten (10) years after the Commencement Date (as defined in the Lease).
- 5. The Lease provides for four (4) option(s) to extend the term of the Lease. Each Extension Option shall be for a period of five (5) years. The extension Options(s) shall be exercised by County delivering to Lessor written notice thereof no later than six (6) months prior to the expiration of the Original Term or any extension thereof. The annual Base rent payable by County during any extended term shall be four (4) % greater than the last month's original term rent or option period.
- 6. There are no oral or written amendments, modifications, or supplements to the Lease except as previously stated in this Certificate. A true, correct, and complete copy of the Lease, including all amendments, is attached to this Certificate. The Lease is in full force and effect and represents the entire agreement between Lessor and the County pertaining to the Premises.
- 8. To the best of the County's knowledge, Lessor and County are not in default in the performance of any of the terms and provisions of the Lease, and no event or condition has occurred that, with the giving of notice or passage of time, or both, would constitute such default by Lessor or County.
- 9. To the best of the County's knowledge, the Lessor has not assigned, transferred, or hypothecated the real property or any interest in the real property.
- 10. The County has not assigned, transferred, or hypothecated the Lease or any interest in the Lease or subleased all or part of the Premises.
- 11. To the best knowledge of the County, there may be mortgagees, beneficiaries under deeds of trust, or other holders of a security interest in the Real Property.

- 12. There are no setoffs or credits against Rent payable under the Lease. No free periods or rental abatements, rebates, or concessions have been granted to County.
- 13. To the best knowledge of the County, there are no pending actions, voluntary or involuntary, under any bankruptcy or insolvency laws of the United States or any state against County that affect the leased Premises.
- 14. The execution of this Certificate by Lessor and the County does not amend the Lease or waive any of Lessor's or County's rights under the Lease.
- 15. This Certificate is given to ______, (the "Lender") and the Lessor with the understanding that as a lender or purchaser of the above-described real property or assignee of either Lessor or Lender may rely on it in connection with either the assignment or acquisition of the above described real property or making a loan secured by the above described real property. Following that acquisition, assignment by Lessor or loan, County intends to keep the Lease full force and effect and shall bind and inure to the benefit of Lessor and its successor in interest.

COUNTY:

By:

Rose Salgado, Director Facilities Management

APPROVED AS TO FORM: County Counsel

By: _____

Deputy County Counsel

Exhibit 'F' Subordination, Non-Disturbance & Attornment Agreement

RECORDING REQUESTED BY & WHEN RECORDED RETURN TO:

East West Bank 9300 Flair Drive, 6th Floor El Monte, CA 91731 Attn: Loan Servicing

(Space Above This Line For Recorder's Use)

SUBORDINATION AGREEMENT AND AGREEMENT OF NON-DISTURBANCE AND ATTORNMENT

(EWB Form - Rev. 9/14/2016)

This Subordination Agreement and Agreement of Non-Disturbance and Attornment ("Agreement") is made and entered into as of this ______, 20___, among (i) East West Bank ("Lender"), (ii) ______ ("Tenant") and (iii) ______ ("Owner"), with reference to the following:

))))

RECITALS

A. Lender has made or is proposing to make a loan to the Owner secured or to be secured by a deed of trust (the "Deed of Trust") on the real property legally described in <u>Exhibit A</u> attached hereto and the improvements thereon (together, the "Property"). The Deed of Trust and any and all other documents evidencing or relating to the Loan shall be referred to as the "Loan Documents".

B. Tenant has leased or is proposing to lease certain space in the Property (the "Premises) (the lease and all amendments thereto being referred to as the "Lease").

C. Lender and Tenant desire to enter into this Agreement under which Tenant subordinates the Lease and its interest in the Property and agrees to attorn to Lender and under which Lender agrees to not disturb Tenant's possession of the portion of the Property covered by the Lease (the "Premises") all to the extent set forth herein, and so long as Tenant is not in default under the Lease.

NOW THEREFORE, with reference to the foregoing recitals and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties to this Agreement agree as follows:

1. <u>Subordination</u>. The Lease, and the rights, if any, of Tenant in, to and under the Lease and the Premises, are hereby subjected and subordinated to the lien of the Deed of Trust, it being understood and agreed that the foregoing subordination shall apply to any and all increases, renewals, modifications, extensions, substitutions, replacements and/or consolidations of the Deed of Trust, provided that any and all such increases, renewals, modifications, extensions, substitutions, replacements and/or consolidations shall nevertheless be subject to the terms of this Agreement.

2. <u>Tenant Not to Be Disturbed</u>. So long as Tenant is not in default in the payment of rent or of any of the terms, covenants or conditions of the Lease on Tenant's part to be performed (beyond any period given Tenant in the Lease to cure such default) and Tenant attorns to Lender as provided herein, (a) Tenant's possession of the Premises shall not be diminished or interfered with by Lender, and (b) Lender will not join Tenant as a party defendant in any action or proceeding foreclosing the Deed of Trust unless such joinder is necessary to foreclose the Deed of Trust and then only for such purpose and not for the purpose of terminating the Lease.

3. <u>Tenant to Attorn To Lender</u>. If Lender shall become the owner of the Premises or the Premises shall be sold by reason of foreclosure or other proceedings brought to enforce the Deed of Trust or the Premises shall be transferred by deed in lieu of foreclosure, the Lease shall continue in full force and effect as a direct Lease between the then owner of the Premises, who shall succeed to the rights and duties of the Owner under the Lease. Tenant shall attorn to Lender or any other such owner as its landlord, said attornment to be effective and self-operative without the execution of any further instruments.

4. <u>Notice of Default; Rent Payments to Lender</u>. In the event that Lender notifies Tenant of a default under the Deed of Trust and requests Tenant to pay its rent and all other sums due under the Lease to Lender, Tenant shall pay such sums directly to Lender, or as Lender may otherwise request, without any further consent of Owner. When complying with the provisions of this Section 4, County shall be entitled to rely on the notices given by Lender under Section 4, and Owner agrees to release, relieve, and protect County from and against any and all loss, claim, damage, or liability (including reasonable attorney's fees) arising out of County's compliance with such notice.

Limitations. Lender (and any successor or assignee of Lender) shall not be (i) liable for any act or omission of Owner or any predecessor-in-interest, (ii) subject to any offsets, counterclaims or defenses which Tenant may have against Owner or any predecessor-in-interest, (iii) liable for any security deposit or payment of rent (for more than one month in advance of the date due under the Lease) made by Tenant to Owner or any predecessor-in-interest, except to the extent actually received by Lender, (iv) liable for any construction, repair allowances or other allowances or payments to be made by Owner under the Lease, (v) obligated to expand the Premises, construct additional improvements or otherwise expend funds which are capital in nature except for items of ordinary maintenance and repair for the Premises or the property in which it is located, or (vi) subject to any option to purchase or right of first refusal to purchase the Property stated in the Lease which option or right shall not be enforceable against Lender. Notwithstanding any term of the Lease, upon foreclosure of the Deed of Trust, or acceptance of a deed in lieu thereof or other similar transfer, any environmental/hazardous materials indemnity and/or reimbursement provisions under the Lease shall not be applicable to, or enforceable against, Lender, any successor in interest to or assignee of Lender and/or any purchaser at foreclosure and any transferee thereof. If Lender becomes the owner of the Property or the Property is sold to a third party by reason of foreclosure or other proceedings brought to enforce the Deed of Trust or the Property is conveyed by deed-in-lieu of foreclosure. Tenant agrees that, notwithstanding anything to the contrary contained in the Lease, after such foreclosure sale or conveyance by deed-in-lieu of foreclosure, Lender has no personal liability to Tenant under the Lease and Tenant shall look solely to Owner for satisfaction of any of its remedies for collection of a judgment or other judicial process requiring payment of money. Further, in the event Lender transfers its interest in this Lease to a third party, Lender shall be automatically freed and released, from and after the date of such transfer or conveyance, of all liability for the performance of any covenants and agreements which accrue after the date of such transfer of Lender's interest.

6. <u>Modification; Notice and Cure Rights</u>. The Lease shall not be amended, modified or supplemented, nor will the Lease be terminated (except as set forth in the Lease after a default and after the notice and cure rights set forth below) or any party having liability under the Lease be released by the other, without the prior written consent of Lender. Tenant shall not terminate or seek to terminate the Lease until Tenant has given written notice, by registered or certified mail, return receipt requested, of said act or omission to Lender, which notice shall be addressed to East West Bank, 9300 Flair Drive, 6th Floor, El Monte, CA 91731; and until a period of time equal to the greater of: (a) the time allowed Owner under the Lease or (b) thirty days following such notice has elapsed, during which period Lender has the right, but not the obligation, to remedy such act, omission or other matter. If possession by Lender of the Property is necessary to effect such remedy and would be commercially reasonable, then the period of time for remedying such act or omission shall include a reasonable period of time for Lender to gain possession of the Premises, whether by foreclosure or otherwise.

7. <u>Tenant Representations and Warranties</u>. Tenant hereby represents and warrants that (a) the Lease is solely and exclusively for the Premises and/or the Property identified in Exhibit "A" attached

to this Agreement, (b) the Lease is not a "master lease" for any other premises and/or property leased by Tenant and/or Owner, (c) any default under the Lease, and the exercise of Owner's rights and remedies in connection with such default, shall only impact and/or effect Tenant's obligations with respect to the Premises and/or the Property, and (d) any default by Tenant under any other lease with Owner or any other landlord, and the exercise of any such landlord's rights and remedies in connection with such default, shall not affect Tenant's obligations under the Lease.

8. <u>Miscellaneous</u>. This Agreement and each and every covenant, agreement and other provision hereof shall be binding upon and shall inure to the benefit of the parties hereto and their representatives, successors and assigns. This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by the parties hereto or their respective successors in interest. The term "Lender" as used throughout this Agreement includes any successor or assign of Lender and any holder(s) of any interest in the indebtedness secured by the Deed of Trust. This Agreement and the rights and duties of the parties hereunder shall be governed for all purposes by the law of the State of California and the law of the United States applicable to transactions within such state. This Agreement may be executed in multiple counterparts, and by the different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be one and the same instrument with the same signature as if all parties to this Agreement had signed the same signature page.

IN WITNESS WHEREOF, the parties hereto have each caused this Agreement to be executed as of the date first above written.

Owner:

| BY: | | | |
|-----|--|--|--|

Title:

Tenant:

| BY: | | | |
|--------|---|--|--|
| Title: | 1 | | |

Lender:

EAST WEST BANK

| 3Y: | |
|--------|--|
| Title: | |

(ALL SIGNATURES MUST BE ACKNOWLEDGED)

EXHIBIT A LEGAL DESCRIPTION

CERTIFICATE OF ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

On_____,20____before me

(here insert name and title of the officer)

personally appeared ______, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

| Signature | (Seal) |
|-----------|--------|
| | |

CERTIFICATE OF ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

On_____,20____before me

(here insert name and title of the officer)

personally appeared ______, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

| Signature | (Seal) |
|-----------|--------|
| | |

CERTIFICATE OF ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

On_____,20____before me

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WITNESS my hand and official seal.

| Signature | (Seal) |
|-----------|--------|
| | |

Exhibit 'G' Operating Expense Summary

MS Perris, LLC 2024 Estimated Base Year Common Area Operating Expenses

Total Building(s) SF

Annual Budget **Annual PSF** Mo./PSF **Common Area Operating Expenses** \$ 0.1601 \$ **Property Taxes & Bonds** \$257,400 1.92 \$ 21,000 \$ 0.16 \$ 0.0131 **Property Insurance** \$ \$ 56,861 0.42 \$ 0.0354 Property Management \$ Landscape \$ 36,000 0.27 \$ 0.0224 \$ 0.0078 Fire Sprinkler Monitoring/Maintenance/Repair \$ \$ 12,600 0.09 HVAC \$ 18,000 \$ 0.13 \$ 0.0112

Totals

\$ 401,861 \$ 3.00 \$ 0.2500

133,946

Exhibit 'H' Base Rent and Tenant Improvement Schedule

MS Perris, LLC 302 E. Rider Street, Building6, Perris CA

| Tenant | Co | unty of Riverside | | | |
|--------------------------------------|-----------------------------|-------------------|--|--|--|
| Total Building SF | 15,841 | | | | |
| Term | 10 Years | | | | |
| Commencement Date | TI Completion/Est. Dec.2024 | | | | |
| Annual Increases | | 104% | | | |
| Year 1 Monthly NNN Base Rate | \$ | 1.30 | | | |
| Year 1 Monthly NNN Base Rent | \$ | 20,593.30 | | | |
| Year 1 Monthly NNN Reimbursable Rate | \$ | 0.25 | | | |
| Year 1 Monthly NNN Reimbursable Rent | \$ | 3,960.25 | | | |

Year 1 Monthly NNN Rent Schedule Summary

| NNN Base Rent | \$ 20,593.30 |
|-----------------------|-----------------|
| NNN Reimbursable Rent | \$ 3,960.25 |
| Sub-total | \$ 24,553.55 |

Exhibit A

FY 2024/25 County of Riverside 302 E. Rider Street, Perris, CA 92571

ESTIMATED AMOUNTS

| Total Square Footage to be Leased: | | | | | | |
|--|------------|-----------|-----|-----------|-----------------------|--|
| Current Office: | | 15,841 | SQF | T | | |
| Approximate Cost per SQFT (Jul - Aug) Approximate Cost per SQFT (Sep - Jun) | \$ \$ | - 1.30 | | | | |
| Lease Cost per Month Total Lease Cost (Jul - Aug) Total Lease Cost (Sep-Jun) Total Estimated Lease Cost for FY 2024/25 | | | \$ | 20,593.30 | \$ \$ \$ | 205,933.00 205,933.00 |
| Base Operating Cost per Month Total Base Operating Expenses (Jul-Aug) Total Base Operating Expenses (Sep-Jun) Total Estimated Base Operating Expenses for | FY 2024/25 | 5 | \$ | 3,960.25 | \$ \$ \$ | 39,602.50 39,602.50 |
| Total Estimated Lease and Base Cost for FY 20 | 024/25 | | | | \$ | 245,535.50 |
| Estimated Additional Costs: Utility Cost per SQFT Estimated Utility Costs per Month Total Estimated Utility Cost (Sep-Jun) Total Estimated Utility Cost for FY 2024/25 | \$ | 0.12 | \$ | 1,900.92 | \$ | 19,009.20 19,009.20 |
| Estimated Tenant Improvement Costs Landlord TI Allowance Furniture, Fixtures & Equipment Costs Total Tenant Improvement Cost for FY 2024/25 | i | | | | \$ \$ \$ | 1,427,278.20 (200,000.00) 650,000.00 1,877,278.20 |
| RCIT Costs | | | | | \$ | 113,663.00 |
| FM Lease Management Fee as of 07/01/2024 | | 4.84% | | | \$ | 9,967.16 |
| TOTAL ESTIMATED COST FOR FY 2024/25 | | | | | \$ | 2,265,453.06 |
| TOTAL COUNTY COST | | 100% | | | \$ | 2,265,453.06 |

