



ORIGINAL

Contract Number

20-1074

SAP Number

**Real Estate Services Department**

<b>Department Contract Representative</b>	Terry W. Thompson, Director
<b>Telephone Number</b>	(909) 387-5252
<b>Contractor</b>	Redlands Valencia Grove I Associates LP
<b>Contractor Representative</b>	Anthony Perez
<b>Telephone Number</b>	332-6390
<b>Contract Term</b>	8/1/2017 – 7/31/2032
<b>Original Contract Amount</b>	\$315,396.00
<b>Amendment Amount</b>	
<b>Total Contract Amount</b>	\$315,396.00
<b>Cost Center</b>	7810001000
<b>GRC/PROJ/JOB No.</b>	59003719
<b>Internal Order No.</b>	

**Briefly describe the general nature of the contract:**

This Lease is for a period of fifteen (15) years with two (2) five-year options to extend the term of the lease. Leased Premises consist of approximately 2,992 square feet of office and classroom space within an existing building ("Interior Space") and approximately 1,500 square feet of land for COUNTY's exclusive use as exterior playground space ("Playground Space") with COUNTY to install playground equipment, shade structure and fencing on said land. Initial rent for the Interior Space is \$1,496.00 per month, modified gross and the initial rent for the Playground Space is \$120.00 per month modified gross, with both amounts subject to an approximate two percent (2%) annual increases.

LANDLORD shall provide all exterior maintenance to include grounds, parking lot maintenance and exterior lighting, provided that COUNTY shall maintain the surface of the Playground Space and COUNTY's playground improvements thereon. COUNTY shall pay for all utilities for the Interior Space; LANDLORD shall pay all other utilities. COUNTY to provide custodial, its own telephone services, and vending machines for the Interior Space and security for the Interior Space and the Playground Space.

Approved as to Legal Form	Reviewed for Contract Compliance	Reviewed/Approved by Department
See signature page Bonnie Uphold, Deputy County Counsel	▶	 Jim Miller, Real Property Manager, RESD
Date _____	Date _____	Date 10/21/2020

**COUNTY OF SAN BERNARDINO**

**LEASE AGREEMENT**

**LANDLORD:** REDLANDS VALENCIA GROVE I ASSOCIATES LP  
715 E. Brier Drive  
San Bernardino, CA 92408

**COUNTY:** COUNTY OF SAN BERNARDINO  
Real Estate Services Department  
385 North Arrowhead Avenue, Third Floor  
San Bernardino, CA 92415-0180

**PREMISES:** A total of approximately 4,492 square feet, comprising approximately 2,992 square feet of office and classroom space in an existing building and approximately 1,500 square feet of land, located at 125 Horizon Avenue, Redlands, CA

**TERM OF LEASE:** Fifteen (15) years with two (2) five-year options to extend period

**COMMENCEMENT DATE OF LEASE:** Date of execution (subject to Paragraph 3)

**INITIAL MONTHLY RENT:** \$1,496, modified gross (office and classroom space) plus  
\$120, modified gross (exterior playground space)

**COUNTY CONTRACT NUMBER:**

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## LEASE AGREEMENT

1. **PARTIES:** This lease ("Lease") is made between Redlands Valencia Grove I Associates LP ("LANDLORD"), and the County of San Bernardino ("COUNTY"), who agree on the terms and conditions contained in this Lease. LANDLORD hereby represents and warrants to COUNTY that LANDLORD is the legal owner with sole title to the Property (as defined below), including the Premises (as defined below), and has the right to enter into this Lease without consent or approval from any other parties. In the event of a breach of the foregoing representation and warranty, COUNTY shall have the right to terminate this Lease with immediate effect and LANDLORD shall indemnify, defend (with counsel reasonably approved by COUNTY) and hold harmless COUNTY and its employees, contractors, agents, and volunteers from any and all claims, actions, losses, damages and/or liability arising out of said breach.

2. **PREMISES LEASED:**

A. LANDLORD leases to COUNTY and COUNTY leases from LANDLORD certain Premises of approximately 2,992 square feet of office and classroom space ("Interior Space") comprising a portion of the first floor within a two-story building ("Building") and approximately 1,500 square feet of land for COUNTY's exclusive use as an exterior playground area ("Playground Space") for a total of approximately 4,492 square feet (the Interior Space and the Playground Space shall collectively be referred to as the "Premises"), located on the real property commonly known as 125 Horizon Avenue, Redlands, California ("Property"). The Premises is more particularly depicted in **Exhibit "A"** Premises, attached hereto and incorporated herein by reference. The parties hereby agree that the Premises shall not be re-measured at any time during the term of the Lease, including any extensions thereof.

B. Along with the Premises, LANDLORD grants to COUNTY, at no additional cost for the Initial Term and any extensions thereof: (i) the right to the use of five (5) parking spaces, in the parking lot located on the Property, (ii) the right to use any common areas of the Property and any improvements thereon; and (iii) the right of ingress and egress to the Premises, the parking lot at the Property, and any common areas of the Property.

3. **TERM:**

A. **Initial Term.** Subject to Paragraph 3.D, the Lease's initial term ("Initial Term") shall commence on the date the last signature is affixed ("Commencement Date"), and end on the date that is fifteen (15) years after the Commencement Date ("Ending Date").

B. **[Reserved.]**

C. **[Reserved.]**

D. **Lease Contingencies Satisfaction Termination.** Notwithstanding anything to the contrary in this Lease, the parties acknowledge and agree that the following are conditions precedent to the acceptance of this Lease: (i) the full and final award of a federal grant for the Head Start program and actual receipt by COUNTY of funds from said grant ("Lease Contingencies"). On or about July 1, 2018, the COUNTY provided notice to LANDLORD stating that the Lease

Contingencies have been satisfied ("Lease Contingencies Satisfaction Notice"), as determined by COUNTY in its sole discretion. Therefore, the Lease shall remain effective on its terms.

E. Possession of Premises. COUNTY has performed a Phase I Environmental Site Assessment of the Premises and neither LANDLORD nor any agent of LANDLORD has made any representation or warranty with respect to the condition of the Premises or with respect to suitability for the conduct of COUNTY's business except as expressly set forth in this Lease, and COUNTY accepts the Premises in the condition existing as of the date of occupancy and subject to the LANDLORD's ongoing obligations under Section 13. It is understood and agreed that no provision of the Lease shall be construed as obligating LANDLORD to construct any improvements, perform any repairs, alterations or decorations except as otherwise expressly agreed herein to be performed by LANDLORD.

4. RENT:

A. Interior Space. COUNTY shall pay to LANDLORD at the address set forth in Section 25, the following monthly rental payments for the Interior Space in arrears not later than the last day of each month, commencing upon the occurrence of the following: (i) all Initial County Improvements to be constructed by COUNTY pursuant to **Paragraph 42 INITIAL COUNTY IMPROVEMENTS** are completed such that the Premises can be used for their intended purposes and have been certified for occupancy and use by the entity that issued the building permits, (ii) COUNTY's receipt of written approval of the Initial County Improvements and the Premises from the Department of Social Services Community Care Licensing Division (the "Rent Commencement Date"); and (iii) delivery of the Lease Contingencies Satisfaction Notice. For purposes of this Section 4, Rent begins on the Rent Commencement Date and continues through each successive anniversary date of the Rent Commencement Date, provided that Rent shall end on the Lease term expiration date as provided in **Paragraph 3.A . TERM**.

August 27, 2018 through August 26, 2019 - monthly payments of \$1,526.00.  
August 27, 2019 through August 26, 2020 - monthly payments of \$1,556.00.  
August 27, 2020 through August 26, 2021 - monthly payments of \$1,588.00.  
August 27, 2021 through August 26, 2022 - monthly payments of \$1,619.00.  
August 27, 2022 through August 26, 2023 - monthly payments of \$1,652.00.  
August 27, 2023 through August 26, 2024 - monthly payments of \$1,685.00.  
August 27, 2024 through August 26, 2025 - monthly payments of \$1,718.00.  
August 27, 2025 through August 26, 2026 - monthly payments of \$1,753.00.  
August 27, 2026 through August 26, 2027 - monthly payments of \$1,788.00.  
August 27, 2027 through August 26, 2028 - monthly payments of \$1,824.00.  
August 27, 2028 through August 26, 2029 - monthly payments of \$1,860.00.  
August 27, 2029 through August 26, 2030 - monthly payments of \$1,897.00.  
August 27, 2030 through August 26, 2031 - monthly payments of \$1,935.00.  
August 27, 2031 through June 26, 2032 (partial) - monthly payments of \$1,974.00.

B. Leased Land. COUNTY shall pay to LANDLORD at the address set forth in Section 25, the following monthly rental payments for the Leased Land in arrears not later than the last day of each month, commencing on the Rent Commencement Date and continuing for the duration of this Initial Term. For purposes of this Section 4, Rent shall begin on the Rent Commencement Date and cover twelve months thereafter and each subsequent year shall begin on

each anniversary of the Rent Commencement Date, provided that Rent shall end on the Lease term expiration date as provided in **Paragraph 3.A., TERM.**

August 27, 2018 through August 26, 2019 - monthly payments of \$122.00.  
August 27, 2019 through August 26, 2020 - monthly payments of \$125.00.  
August 27, 2020 through August 26, 2021 - monthly payments of \$127.00.  
August 27, 2021 through August 26, 2022 - monthly payments of \$130.00.  
August 27, 2022 through August 26, 2023 - monthly payments of \$132.00.  
August 27, 2023 through August 26, 2024 - monthly payments of \$135.00.  
August 27, 2024 through August 26, 2025 - monthly payments of \$138.00.  
August 27, 2025 through August 26, 2026 - monthly payments of \$141.00.  
August 27, 2026 through August 26, 2027 - monthly payments of \$143.00.  
August 27, 2027 through August 26, 2028- monthly payments of \$146.00.  
August 27, 2028 through August 26, 2029 - monthly payments of \$149.00.  
August 27, 2029 through August 26, 2030 - monthly payments of \$152.00.  
August 27, 2030 through August 26, 2031- monthly payments of \$155.00.  
August 27, 2031 through June 26, 2032 - (partial) - monthly payments of \$158.00.

C. **Rent Commencement Date Certificate.** Promptly following the occurrences of the Rent Commencement Date of the Lease, COUNTY and TENANT have executed a rent commencement date certificate, attached hereto and incorporated herein by reference ("Rent Commencement Date Certificate"), as Exhibit "G". The COUNTY's Director of the Real Estate Services Department shall have the authority on behalf of the COUNTY to execute the Rent Commencement Date Certificate.

D. **Payment.** Rent for any partial month shall be prorated based on the actual number of days of the month. LANDLORD shall accept all rent and other payments from COUNTY under this Lease via electronic funds transfer (EFT) directly deposited into the LANDLORD's designated checking or other bank account. LANDLORD shall promptly comply with directions and accurately complete forms provided by COUNTY required to process EFT payments.

E. **Procurement Registration.** LANDLORD agrees to register through the San Bernardino County's Electronic Procurement Network (ePro) system at <https://epro.sbcounty.gov/epro/> or the SAP system.

5. **RESERVED:**

6. **OPTION TO EXTEND TERM:** Provided COUNTY is in material conformance with the terms and condition of this lease and not in default beyond any applicable notice and cure period at the Ending Date, LANDLORD gives COUNTY the option to extend the term of the Lease for the Premises on the same provisions and conditions, except for the monthly rent, for two (2) five-year option periods ("Extended Term") following expiration of the Initial Term, by COUNTY giving written notice of its intention to exercise the option to LANDLORD six (6) months prior to the expiration of the preceding term or during any holding over pursuant to **Paragraph 8, HOLDING OVER.** The rent for each Extended Term shall be adjusted by good faith negotiation of the parties to the fair market rental rate then prevailing based upon the rental rates of comparable

leased property in San Bernardino. Such Option to Extend is personal to COUNTY and is not exercisable by any third party.

If the parties have been unable to agree upon the said fair market rental rate within five (5) months of the COUNTY's notice to exercise an option for an Extended Term, said fair market rental rate shall be determined through arbitration conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association. If the fair market rental rate is determined by arbitration, the COUNTY has the right to terminate the Lease by giving termination notice to the LANDLORD within thirty (30) days of being notified of the new fair market rental rate.

7. **RETURN OF PREMISES:** The COUNTY agrees that it will, upon the termination of this Lease, return the Premises broom clean, in good order, condition and repair, reasonable wear and tear excepted.

8. **HOLDING OVER:** In the event the COUNTY shall hold over and continue to occupy the Premises with the consent of the LANDLORD, expressed or implied, the tenancy shall be deemed to be a tenancy from month-to-month upon the same terms and conditions, including rent, as existed and prevailed at the time of the expiration of the term of this Lease. Notwithstanding Paragraph 40 COUNTY'S RIGHT TO TERMINATE LEASE, either party shall have the right to terminate the Lease with not less than ninety (90) days prior written notice to the other party during any holdover tenancy.

9. **TAXES:** To the extent LANDLORD is assessed any real property taxes, and general and special assessments against the Premises, LANDLORD shall pay such taxes and assessments, and from the Rent Commencement Date, COUNTY shall pay its share of such taxes levied in connection with COUNTY's leasehold interest. To the extent applicable, COUNTY shall pay prior to delinquency all taxes, fees, charges and other governmental impositions levied or assessed against LANDLORD or COUNTY upon COUNTY's trade fixtures, furnishings, equipment and all other personal property located in the Premises.

10. **USE:** COUNTY shall occupy and use the Premises during the term hereof for the purposes of COUNTY as set forth in Section 2.

A. COUNTY agrees not to cause, maintain, or permit any nuisance in or about the Premises. COUNTY agrees not to commit or suffer to be committed any waste in or about the Premises.

B. COUNTY shall not do or permit to be done in, on or about the Premises, nor bring or keep or permit to be brought or kept therein, anything which is prohibited by any insurance policy for the Premises, or will materially increase the existing rate of, or cause a cancellation of, or affect any insurance for the Premises.

C. COUNTY agrees not to knowingly use the Premises or permit anything to be done in or about the Premises which will in any way violate any law, statute, ordinance, or governmental rule or regulation or requirement of duly constituted public authorities now in force or which may hereafter be enacted or promulgated.

11. **HEALTH, SAFETY AND FIRE CODE REQUIREMENTS:**



A. Compliance with Code Requirements. From and after the Rent Commencement Date, subject to the responsibility of the COUNTY set forth below, LANDLORD, at its sole expense, shall be responsible for compliance with the applicable requirements of all Health, Safety, Fire and Building Codes, statutes, regulations and ordinances for public and governmental buildings, including any requirements of California Title 24, including specifically but not limited to an accessible path of travel from public transportation to the Premises pursuant to said Title 24, and the Americans with Disabilities Act ("ADA"). Should the continued occupancy of the Premises after the Commencement Date be in any way prejudiced or prevented due to changes in the ADA or the Health, Safety, Fire and Building Codes, statutes, regulations or ordinances for public and governmental buildings, the LANDLORD shall correct, update and comply with said changes at LANDLORD's sole cost. COUNTY, at its sole expense, shall be responsible for ensuring that Initial County Improvements are in compliance with the applicable requirements of all Health, Safety, Fire and Building Codes, statutes, regulations and ordinances for public and governmental buildings, including any requirements of California Title 24, including specifically but not limited to an accessible path of travel from public transportation to the Premises pursuant to said Title 24, and the Americans with Disabilities Act ("ADA").

B. Access Inspection. No inspection of the Premises, Building, or Property has been performed by a Certified Access Specialist in conjunction with this Lease. For avoidance of doubt, notwithstanding that an inspection of the Premises, Building, or Property has not be performed by a Certified Access Specialist, COUNTY's and LANDLORD's obligations under Paragraph 11.A. shall remain unchanged. Pursuant to Section 1938 of the California Civil Code, a Certified Access Specialist (CASP) can inspect the subject Premises and determine whether the subject Premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject Premises, the commercial property owner or 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, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the Premises.

12. SIGNS: COUNTY will display from the windows and/or marquee of the Premises only such sign or signs as are not prohibited by law and are approved by LANDLORD.

13. MAINTENANCE:

A. Except as specifically provided in **subparagraph 13D**, below, from and after the Rent Commencement Date, LANDLORD, at its sole cost, shall perform such inspections, maintenance and repairs as are necessary to ensure that all portions of the Premises, the Building, and the Property (inclusive of the Initial County Improvements to any such portions of the Premises, the Building, and the Property unless otherwise set forth in subparagraph 13D), including but not limited to the following, are at all times in good repair and safe condition:

(1) The structural parts of the Building and other improvements that are a part of the Premises, which structural parts include the foundations, bearing and exterior walls (including glass and doors), subflooring, and roof; and,

(2) The electrical, plumbing, and sewage systems, including, without limitation, those portions of the systems owned or controlled by LANDLORD lying outside the Premises; and,

(3) Window frames, gutters, and downspouts on the Building and other improvements that are a part of the Premises; and,

(4) Heating, ventilation and air conditioning (HVAC) systems servicing the Premises (additionally, air-conditioning and heating filters are to be changed quarterly. Upon the third anniversary of the Rent Commencement Date and every three (3) years thereafter, LANDLORD is to provide an air balance certificate and maintenance of HVAC servicing); and,

(5) The grounds of the Property, including all parking areas and outside lighting, grass, trees, shrubbery and other flora; and,

(6) The servicing of fire extinguishers or any other fire suppression equipment attached to the Building; and,

(7) Maintenance of the Interior Space and the Playground Space except as set forth in Paragraph 13.D.

(8) During the seventh year of the Initial Term and at the beginning of every seventh year thereafter during the Term, including any extensions thereof, replace the carpet throughout the Interior Space, meeting the criteria as reasonably selected by COUNTY. In the event COUNTY elects not to replace the carpet throughout the Interior Space at the beginning of each seventh year during the Term, including any extensions thereof, the LANDLORD agrees that the COUNTY will receive a credit in the form of a rental reduction for the total sum the LANDLORD would have reasonably expended to complete LANDLORD's obligation. Within thirty (30) days after the beginning of each seventh year during the Term, including any extensions thereof, the LANDLORD agrees to obtain three (3) competitive bids from local licensed and bonded carpet vendors in order to provide the needed documentation supporting all material, labor, installation and furniture moving costs, to substantiate the total rent credit due to COUNTY in lieu of carpet replacement throughout the Interior Space. The rent credit, which shall be in the amount of the lowest of the competitive bids received, will be applied toward rental payments due to LANDLORD in the month immediately following receipt of the competitive bids. If LANDLORD fails to obtain said competitive bids with the timeframe stated in this paragraph, COUNTY shall have the right to obtain such bids and present said bids to LANDLORD to substantiate the total rent credit due to COUNTY in lieu of carpet replacement throughout the Interior Space and COUNTY shall have the right to offset the rent due in the month immediately following receipt of the competitive bids by the amount of the lowest of the competitive bids received.

(9) During the third year of the Initial Term and at the beginning of every third year thereafter during the Term, including any extensions thereof, repaint the entire interior of the Interior Space, meeting the criteria as reasonably selected by COUNTY. In the event COUNTY elects not to repaint the entire interior of the Interior Space at the beginning of each third year during the Term, including any extensions thereof; the LANDLORD agrees that the COUNTY will receive a credit in the form of a rental reduction for the total sum the LANDLORD would

have reasonably expended to complete LANDLORD's obligation. Within thirty (30) days after the beginning of each third year during the Term, including any extensions thereof, the LANDLORD agrees to obtain three (3) competitive bids from local licensed and bonded paint vendors approved by COUNTY, in order to provide the needed documentation supporting all material, labor and furniture moving costs, to substantiate the total rent credit due to COUNTY in lieu of repainting the entire interior of the Interior Space. The rent credit, which shall be in the amount of the lowest of the competitive bids received, will be applied toward rental payments due to the LANDLORD in the month immediately following receipt of the competitive bids. If LANDLORD fails to obtain said competitive bids with the timeframe stated in this paragraph, COUNTY shall have the right to obtain such bids and present said bids to LANDLORD to substantiate the total rent credit due to COUNTY in lieu of repainting the entire interior of the Interior Space and COUNTY shall have the right to offset the rent due in the month immediately following receipt of the competitive bids by the amount of the lowest of the competitive bids received.

B. From and after the Rent Commencement Date, and without in any way affecting LANDLORD's duty to inspect, maintain and repair the Premises and regardless of whether any specific notice of need for maintenance or repair is provided to LANDLORD by the COUNTY, the COUNTY may request specific maintenance or repairs. Any such request may be made orally, by telephone or otherwise. If, (a) COUNTY gives notice to LANDLORD of a condition requiring maintenance or repairs, and LANDLORD does not commence the performance of its maintenance or repair obligations within ten (10) days of receiving such notice, or does not diligently prosecute its obligations to completion thereafter, or (b) in the case of an emergency, whether or not COUNTY has given notice to LANDLORD, LANDLORD does not immediately perform its obligations, COUNTY can perform the obligations and have the right to be reimbursed for the sum COUNTY actually and reasonably expends (including charges for COUNTY employees and equipment) in the performance of LANDLORD's obligations. The sum expended by COUNTY shall be due from LANDLORD to COUNTY within five (5) days of notice of such sum, and if paid at a later date shall bear interest at the maximum rate the COUNTY is permitted by law to charge from the date the sum was paid by COUNTY until COUNTY is reimbursed by LANDLORD. If LANDLORD fails to reimburse COUNTY as required by this paragraph, COUNTY shall have the right to withhold from future rent due the sum COUNTY has paid until COUNTY is reimbursed in full for the sum and interest on it. The remedies set forth in this paragraph are in addition to and do not in any manner limit other remedies set forth in particular paragraphs of this Lease. COUNTY shall forward to LANDLORD receipts and/or documentation supporting the amount withheld.

C. From and after the Rent Commencement Date, COUNTY, at its option and sole discretion, reserves the right to require the LANDLORD to hire a qualified property management company to manage the Premises, and that property management services, not limited to maintenance and repair, be performed pursuant to a property management agreement. The Premises must be inspected by the Property Manager at least every other week, beginning the second week after the Commencement Date, and daily by the janitorial staff, to ensure the Premises are maintained properly. Inspections must be coordinated with the COUNTY representative. The COUNTY has the right to review the selection of the property manager and to review the agreement with the manager.

D. COUNTY, at its sole cost, shall: (1) provide janitorial services for the Interior Space; and (2) maintain the surface of the Playground Space and COUNTY's Playground Improvements (as defined in Exhibit "A-1") thereon.

14. **ALTERATIONS:** Except as to the Initial County Improvements, COUNTY shall not make any structural or exterior improvements or alterations to the Premises without LANDLORD's consent. Any such alterations other than the COUNTY's Playground Improvements, shall remain on and be surrendered with the Premises on expiration or termination of the Lease.

15. **FIXTURES:** COUNTY shall have the right during the term(s) of this Lease to install shelving and fixtures, and make interior, non-structural improvements or alterations in the Premises. Such shelving, fixtures, improvements, and alterations shall remain the property of the COUNTY and may be removed by the COUNTY during the term(s) of this Lease or within a reasonable time thereafter, provided that the COUNTY restores the Premises to the condition as it existed at the commencement of this Lease, reasonable wear and tear excluded, or the COUNTY in its sole discretion may elect to surrender all or any part of such shelving, fixture, improvements and alterations to the LANDLORD, in which case COUNTY shall have no duty to restore the Premises. Any such election to surrender must be in writing, but need not be accepted by LANDLORD to be effective.

16. **UTILITIES:** LANDLORD shall furnish to the Premises and the Property all electric, gas, water, sewer, trash, fire alarm service and all other utilities ("Utilities") and as of the Commencement Date, COUNTY shall pay all service charges and related taxes to the Utilities for the Interior Space and LANDLORD shall pay all service charges and related taxes for Utilities for the remainder of the Property. COUNTY to furnish and pay for its own vending machines and its own telephone service for the Interior Space. During the first year of the Lease, where COUNTY and LANDLORD each occupy a portion of the Premises, LANDLORD will calculate the total Utilities charges from the prior year and divide by 12 in order to establish an average monthly Utilities rate ("Baseline") and COUNTY shall reimburse LANDLORD for service charges and related taxes for Utilities charges above the Baseline. Thereafter, the Utilities will be reassessed based on the proportionate occupancy of the Premises.

17. **INDEMNIFICATION:** In the event that the COUNTY and LANDLORD are determined to be comparatively at fault for any claim, action, loss or damage which results from their respective obligations under this Lease, the COUNTY and LANDLORD shall indemnify each other to the extent of their comparative fault.

18. **INSURANCE REQUIREMENTS AND SPECIFICATIONS:**

A. **Generally.** COUNTY is a self-insured public entity for purposes of general liability, property insurance, automobile liability, and workers' compensation. LANDLORD is insured through a formal risk pooling program under California statutory provisions for purposes of general liability, property insurance, automobile liability. LANDLORD shall furnish COUNTY with a certificate or other written evidence of LANDLORD's election to provide its required insurance coverages under the Lease through a risk pooling program. Each party represents and warrants that through its respective programs of self-insurance or risk pooling, each party has

adequate coverage or resources to meet the requirements of this Paragraph 18 and to protect against liabilities arising out of the performance of the terms, conditions, or obligations of this Lease.

B. Subcontractor Insurance Requirements. The Parties agree to require all parties or subcontractors, including architects or others it hires or contracts with related to the performance of this Lease (“Subcontractors”) to provide insurance covering the contracted operation with the following limits and naming the Parties as additional insureds. The hiring Party agrees to monitor and review all such coverage and assumes all responsibility ensuring that such coverage is provided as required here.

C. LANDLORD Requirements. The LANDLORD agrees to provide insurance through the Affordable Housing Risk Pool set forth in accordance with the requirements herein. If the LANDLORD uses existing coverage to comply with these requirements and that coverage does not meet the specified requirements, the LANDLORD agrees to amend, supplement or endorse the existing coverage to do so. The type(s) of insurance required is determined by the scope of the lease hereunder. Without in anyway affecting the indemnity herein provided and in addition thereto, the LANDLORD shall secure and maintain throughout the contract term the following types of insurance with limits as shown:

- i. Workers’ Compensation/Employers Liability – A program of Workers’ Compensation insurance or a state-approved, self-insurance program in an amount and form to meet all applicable requirements of the Labor Code of the State of California, including Employer’s Liability with \$250,000 limits covering all persons including volunteers providing services on behalf of the LANDLORD and all risks to such persons under this Lease.

If LANDLORD has no employees, it may certify or warrant to the COUNTY that it does not currently have any employees or individuals who are defined as “employees” under the Labor Code and the requirement for Workers’ Compensation coverage will be waived by the COUNTY’s Director of Risk Management.

If LANDLORD is a non-profit corporation, organized under California or Federal law, volunteers for LANDLORD are required to be covered by Workers’ Compensation insurance.

- ii. Commercial/General Liability Insurance – The LANDLORD shall carry General Liability Insurance covering all operations performed by or on behalf of the LANDLORD providing coverage for bodily injury and property damage with a combined single limit of not less than one million dollars (\$1,000,000), per occurrence. The policy coverage shall include:

1. Premises operations and mobile equipment.
2. Products and completed operations.
3. Broad form property damage (including completed operations).
4. Explosion, Collapse, and underground hazards
5. Personal injury
6. Contractual liability.
7. \$2,000,000 general aggregate limit.

- iii. Commercial Property Insurance – providing all risk coverage for the leased Premises, building, fixtures, equipment and all property constituting a part of the Premises.
- iv. Automobile Liability Insurance – Primary insurance coverage shall be written on ISO Business Auto coverage form for all owned, hired and non-owned automobiles or symbol 1 (any auto). The policy shall have a combined single limit of not less than one million dollars (\$1,000,000) for bodily injury and property damage, per occurrence.
- v. Umbrella Liability Insurance – An umbrella (over primary) or excess policy may be used to comply with limits or other primary coverage requirements. When used, the umbrella policy shall apply to bodily injury/property damage, personal injury/advertising injury and shall include a “dropdown” provision providing primary coverage for any liability not covered by the primary policy. The coverage shall also apply to automobile liability.

D. Additional Insured. All policies, except for the Workers’ Compensation, shall contain endorsements naming the COUNTY and its officers, employees, agents and volunteers as additional insureds with respect to liabilities arising out of the use under this lease hereunder. The additional insured endorsements shall not limit the scope of coverage for the COUNTY to vicarious liability but shall allow coverage for the COUNTY to the full extent provided by the policy. Such additional insured coverage shall be at least as broad as Additional Insured (Form B) endorsement form ISO, CG 2010.11 85.

E. Policies Primary and Non-Contributory. All policies required herein are to be primary and non-contributory with any insurance or self-insurance programs carried or administered by the COUNTY.

F. Severability of Interests. LANDLORD agrees to ensure that coverage provided to meet these requirements is applicable separately to each insured and there will be no cross liability exclusions that preclude coverage for suits between the LANDLORD and the COUNTY or between the COUNTY and any other insured or additional insured under the policy.

G. Proof of Coverage. The LANDLORD shall furnish Certificates of Insurance to the San Bernardino Real Estate Services Department (RES D) administering the lease evidencing the insurance coverage, including endorsements, as required, prior to the commencement of performance of services hereunder, which certificates shall provide that such insurance shall not be terminated or expire without thirty (30) days written notice to RES D, and LANDLORD shall maintain such insurance from the time LANDLORD commences use under the lease hereunder until the end of the period of the lease. Within fifteen (15) days of the commencement of this contract, the LANDLORD shall furnish a copy of the Declaration page for all applicable policies and will provide complete certified copies of the policies and endorsements immediately upon request.

H. Acceptability of Insurance Carrier. Unless otherwise approved by the COUNTY Department of Risk Management, insurance shall be written by insurers authorized to do business in the State of California and with a minimum “Best” Insurance Guide rating of “A- VII”.

COUNTY acknowledges that LANDLORD is covered under a Risk Retention Pool that does not have a Best Insurance Guide Rating.

I. Deductibles and Self-Insured Retention. Any and all deductibles or self-insured retentions in excess of \$10,000 shall be declared to and approved by COUNTY's Director of Risk Management. COUNTY acknowledges and approves a deductible of \$25,000.

J. Insurance Review. Insurance requirements are subject to periodic review by the COUNTY. The COUNTY's Director of Risk Management or designee is authorized, but not required, to reduce, waive or suspend any insurance requirements whenever the COUNTY's Department of Risk Management determines that any of the required insurance is not available, is unreasonably priced, or is not needed to protect the interests of the COUNTY. In addition, the COUNTY's Director of Risk Management or designee is authorized, but not required, to change the above insurance requirements to require additional types of insurance coverage or higher coverage limits, provided that any such change is reasonable in light of past claims against the COUNTY, inflation, or any other item reasonably related to the COUNTY's risk.

Any change requiring additional types of insurance coverage or higher coverage limits must be made by amendment to this Lease. LANDLORD agrees to execute any such amendment within thirty (30) days of receipt.

Any failure, actual or alleged, on the part of RESD or COUNTY to monitor or enforce compliance with any of the insurance and indemnification requirements will not be deemed as a waiver of any rights on the part of RESD or COUNTY.

K. Failure to Procure Insurance. All insurance required must be maintained in force at all times by LANDLORD. Failure to maintain said insurance, due to expiration, cancellation, etc., shall be cause for the COUNTY to give notice to immediately suspend all LANDLORD's business activities on the Premises. Failure to reinstate said insurance within the (10) days of notice to do so shall be cause for termination and for forfeiture of this agreement, and/or COUNTY, at its discretion, may procure or renew such insurance and pay any and all premiums in connection therewith, and all monies so paid by COUNTY shall be repaid by LANDLORD to COUNTY upon demand but only for the pro rata period of non-compliance.

L. Relationship of Parties. COUNTY shall have no liability for any premiums charged for such coverage(s). The inclusion of COUNTY as additional named insured is not intended to and shall not make a partner or joint venturer with LANDLORD in LANDLORD's operations.

M. LANDLORD Contractors. The LANDLORD agrees to require all parties or subcontractors, or others it hires or contracts with related to the use of this lease to provide insurance covering such use with the basic requirements and naming the COUNTY as additional insured. LANDLORD agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided as required herein.

19. **DESTRUCTION OF PREMISES:**

A. During the term of this Lease, if any casualty not due to the action or inaction of COUNTY renders a portion of the Premises unusable for the purpose intended or inaccessible,

then LANDLORD shall, at LANDLORD's expense, restore the Premises and repair any damages caused by such casualty as soon as reasonably possible and this Lease shall continue in full force and effect. If LANDLORD does not commence the restoration of the Premises in a substantial and meaningful way within thirty (30) days following the LANDLORD's receipt of written notice of the casualty, or should LANDLORD fail to diligently pursue completion of the restoration of the Premises, or if the time required to restore the Premises is estimated to exceed ninety (90) days, COUNTY may, at its option, terminate this Lease immediately upon written notice to the LANDLORD. If COUNTY elects to terminate this Lease pursuant to this provision, COUNTY shall be discharged of all future obligations under this Lease. Alternatively, if LANDLORD fails to commence the restoration of the Premises or fails to diligently pursue the completion of the restoration as aforesaid, COUNTY may, at its option and in its sole discretion, after notice to LANDLORD, perform LANDLORD's obligations and restore the Premises. If COUNTY elects to restore the Premises, COUNTY shall have the right to be reimbursed for all sums it actually and reasonably expends (including charges for COUNTY employees and equipment) in the performance of LANDLORD's obligations. The sum paid by COUNTY shall be due from LANDLORD to COUNTY within five (5) days of notice of such sum, and if paid at a later date shall bear interest at the maximum rate the COUNTY is permitted by law to charge from the date the sum was paid by COUNTY until COUNTY is reimbursed by LANDLORD. If LANDLORD fails to reimburse COUNTY as required by this paragraph, COUNTY shall have the right to withhold from future rent due the sum COUNTY has paid until COUNTY is reimbursed in full for the sum and interest on it. The remedies set forth in this paragraph are in addition to and do not in any manner limit other remedies set forth in particular paragraphs of this Lease. COUNTY shall forward to LANDLORD receipts and/or documentation supporting the amount withheld. For the purposes of this paragraph, the phrase "commence . . . in a substantial and meaningful way" shall mean either the unconditional authorization of the preparation of the required plans, the issuance of any required Building Permits or the beginning of the actual work on the Premises.

B. In the event there is a destruction of a portion of the Premises as set out in **subparagraph A, above**, there shall be an abatement or reduction of the rent between the date of destruction and the date of completion of restoration or the date of termination of this Lease, whichever comes first. The abatement or reduction of the rent shall be in proportion to the degree to which COUNTY's use of the Premises is impaired.

C. In the event there is a destruction of a portion of the Premises as set out in **subparagraph A, above**, and the Lease is not terminated because of such destruction, LANDLORD agrees to use any and all insurance proceeds received for said destruction in the restoration of the Premises.

D. In the event LANDLORD is required to restore the Premises as provided in this paragraph, LANDLORD shall restore, at LANDLORD's expense, any structural or exterior improvements or alterations to the Premises made by COUNTY pursuant to **Paragraph 14, ALTERATIONS**, of this Lease, but shall not be responsible for restoring any shelving, fixtures, or interior nonstructural improvements or alteration made by the COUNTY pursuant to **Paragraph 15, FIXTURES**, of this Lease.

E. It is the purpose and intent of this paragraph to determine who shall bear the initial responsibility for restoration of the Premises in the event of any such destruction and not to determine the party ultimately responsible for the costs of such restoration.



20. **LANDLORD'S DEFAULT:** Except where another time limit is specifically provided, LANDLORD shall be in default of this Lease if LANDLORD fails or refuses to perform any material provisions of this Lease and such failure or refusal to perform is not cured within thirty (30) days following LANDLORD's receipt of written notice of default from COUNTY. If the default cannot reasonably be cured within thirty (30) days, LANDLORD shall not be in default of this Lease if LANDLORD commences to cure the default within the thirty (30) day period and diligently and in good faith continues to cure the default.

21. **COUNTY'S REMEDIES ON LANDLORD'S DEFAULT:** COUNTY, at any time after LANDLORD is in default and such default remains uncured for a period of thirty (30) days from the date of COUNTY's written notification, can terminate this Lease immediately upon written notice to LANDLORD or can cure the default at LANDLORD's cost. If COUNTY at any time, by reason of LANDLORD's default, pays any sum or does any act that requires the payment of any sum (including charges for COUNTY's employees and equipment), the sum paid by COUNTY shall be due from LANDLORD to COUNTY within five (5) days of notice of such sum, and if paid at a later date shall bear interest at the maximum rate the COUNTY is permitted by law to charge from the date the sum was paid by COUNTY until COUNTY is reimbursed by LANDLORD. If LANDLORD fails to reimburse COUNTY as required by this paragraph, COUNTY shall have the right to withhold from future rent due the sum COUNTY has paid until COUNTY is reimbursed in full for the sum and interest on it. The remedies set forth in this paragraph are in addition to and do not in any manner limit other remedies set forth in particular paragraphs of this Lease.

22. **COUNTY'S DEFAULT:** The occurrence of any one or more of the following events shall constitute a default and breach of this Lease by COUNTY:

A. The vacating for more than thirty (30) consecutive days or abandonment of the Premises by COUNTY.

B. The failure by COUNTY to pay rent, where such failure shall continue for a period of fifteen (15) days after notice by LANDLORD to COUNTY.

C. COUNTY's material failure to observe and perform any other provision of this Lease (not described in subsection A. or B. of this Section 22) to be observed or performed by COUNTY where such failure continues for thirty (30) days after written notice by LANDLORD to COUNTY; provided, however, that if the nature of COUNTY's default is such that more than thirty (30) days are reasonably required for its cure, then COUNTY shall not be deemed to be in default if COUNTY commences such cure within said thirty (30) day period and thereafter diligently prosecutes such cure to completion.

D. COUNTY's failure to vacate the Premises by the Ending Date.

23. **LANDLORD'S REMEDIES ON COUNTY'S DEFAULT:** Whenever any Event of Default referred to in Section 22 hereof shall have happened and be continuing, LANDLORD shall send a notice of default to the COUNTY. LANDLORD has the right to cure any Default within the designated cure period. If neither COUNTY nor LANDLORD cures a Default within the cure period, it shall be lawful for the LANDLORD to exercise any and all remedies available pursuant

to law or granted pursuant to this Lease, including but not limited to: (i) terminating this Lease, (ii) seeking an action for specific performance (iii) seeking an action for monetary damages, and (iv) any right set forth in Civil Code Sections 1951.2 and 1951.4, as may be amended from time to time; provided, however, that notwithstanding anything herein to the contrary, there shall be no right under any circumstances to accelerate the Rent or otherwise declare any Rent not then in Default to be immediately due and payable. Each and every covenant hereof to be kept and performed by the COUNTY is expressly made a condition and upon the breach thereof the LANDLORD may, at its option, terminate this Lease. In the event of such Event of Default, the COUNTY shall continue to remain liable for the payment of the Rent and/or damages for breach of this Lease and the performance of all conditions herein contained and, in any event such rent and/or damages shall be payable to the LANDLORD only at the same time and in the same manner as provided for the payment of Rent.

24. **LANDLORD'S ACCESS TO PREMISES:** LANDLORD and its authorized representatives shall have the right to enter the Premises at all reasonable times for any of the following purposes:

- A. To determine whether the Premises are in good condition; and,
- B. To do any necessary maintenance and to make any restoration to the Premises that LANDLORD has the right or obligation to perform; and
- C. To serve, post, or keep posted any notices required by law; and,
- D. To post "for sale" signs at any time during the term, to post "for rent" or "for Lease" signs during the last three (3) months of the term; and,
- E. To show the Premises to prospective brokers, agents, buyers, tenants, lenders or persons interested in an exchange, at any time during the term.

LANDLORD shall conduct its activities on the Premises as allowed in this paragraph in a manner that will cause the least possible inconvenience, annoyance, or disturbance to COUNTY.

25. **NOTICES:**

A. Any notice, demand, request, consent, approval, or communication that either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by United States mail, postage prepaid, certified or registered, return receipt requested or reputable overnight courier. Any notice, demand, request, consent, approval, or communication that either party desires or is required to give to the other party shall be addressed to the other party at the address set forth below. Either party may change its address by notifying the other party of the change of address. Notices shall be deemed delivered and effective upon the earlier of (i) actual receipt if personally delivered or (ii) the date of delivery or refusal of the addressee to accept delivery if such notice is sent by or United States mail, postage prepaid, certified or registered, return receipt requested or reputable overnight courier.

LANDLORD's address: Redlands Valencia Grove I Associates LP  
715 E. Brier Drive

San Bernardino, CA 92408

COUNTY's address: County of San Bernardino  
Real Estate Services Department  
385 North Arrowhead Avenue, Third Floor  
San Bernardino, CA 92415-0180

HHS's address: U.S. Department of Health & Human Services  
Grants Management Officer  
90 Seventh Street Federal Building, Suite 5-100  
San Francisco, CA 94103

B. If, at any time after the COUNTY accepts the Premises, the LANDLORD assigns or transfers a non-controlling interest of its rights in the Premises to a third party, LANDLORD must notify COUNTY of its action at least fifteen (15) COUNTY working days prior to completing any such action.

C. If, at any time after the COUNTY accepts the Premises, the LANDLORD assigns or transfers a controlling interest of its rights in the Premises to a third party, LANDLORD must notify COUNTY of its action at least fifteen (15) COUNTY working days prior to completing any such action. The new owner must provide COUNTY with evidence of completion of such action. The parties shall immediately execute an amendment to this Lease stating the change of ownership of the Premises.

(1) Within fifteen (15) COUNTY working days of completing any action which affects a change in the ownership of the Premises, the new owner must provide COUNTY evidence of obtaining insurance in compliance with **Paragraph 18, INSURANCE REQUIREMENTS AND SPECIFICATIONS**.

26. **INCORPORATION OF PRIOR AGREEMENT:** This Lease contains all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Lease, and no prior agreement or understanding pertaining to any such matter shall be effective for any purpose.

27. **WAIVERS:** No waiver by either party of any provisions of this Lease shall be deemed to be a waiver of any other provision hereof or of any subsequent breach by either party of the same or any other provisions.

28. **AMENDMENTS:** No provision of this Lease may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successor in interest, expressing by its terms an intention to modify this Lease.

29. **SUCCESSORS:** This Lease shall inure to the benefit of and be binding upon the heirs, executors, administrators, successors, and assigns of the parties hereto. COUNTY agrees not to assign, transfer, mortgage, pledge, hypothecate or encumber this Lease or any interest therein, or any part thereof, without the prior written consent of LANDLORD which shall not be unreasonably withheld, delayed or conditioned, and any attempt to do so without such consent

being first had and obtained shall be wholly void. Notwithstanding the foregoing, HHS has the right to transfer the Lease to another Interim or replacement grantee.

30. **SEVERABILITY:** If any word, phrase, clause, sentence, paragraph, section, article, part or portion of this Lease is or shall be invalid for any reason, the same shall be deemed severable from the remainder hereof and shall in no way affect or impair the validity of this Lease or any other portion thereof.

31. **TIME OF ESSENCE:** Time is of the essence of each provision of this Lease which specifies a time within which performance is to occur. In the absence of any specific time for performance, performance may be made within a reasonable time.

32. **QUIET ENJOYMENT:** Subject to the provisions of this Lease and conditioned upon performance of all the provisions to be performed by COUNTY hereunder, LANDLORD shall secure to COUNTY during the Lease term the quiet and peaceful possession of the Premises and all right and privilege appertaining thereto.

33. **PROVISIONS ARE COVENANTS AND CONDITIONS:** All provisions, whether covenants or conditions, on the part of either party shall be deemed to be both covenants and conditions.

34. **CONSENT:** Except as otherwise expressly provided in the relevant paragraph of the Lease, whenever consent or approval of either party is required that party shall not unreasonably withhold, condition or delay such consent or approval.

35. **EXHIBITS:** All exhibits referred to are attached to this Lease and incorporated by reference.

36. **LAW:** This Lease shall be construed and interpreted in accordance with the laws of the State of California.

37. **VENUE:** The parties acknowledge and agree that this Lease was entered into and intended to be performed in San Bernardino County, California. The parties agree that the venue for any action or claim brought by any party to this Lease will be the Superior Court of California, County of San Bernardino. Each party hereby waives any law, statute (including but not limited to Code of Civil Procedure section 394), or rule of court that would allow them to request or demand a change of venue. If any third party brings an action or claim concerning this Lease, the parties hereto agree to use their best efforts to obtain a change of venue to the Superior Court of California, County of San Bernardino.

38. **ATTORNEYS' FEES AND COSTS:** If any legal action is instituted to enforce or declare any party's rights hereunder, each party, including the prevailing party, must bear its own costs and attorneys' fees. This paragraph shall not apply to those costs and attorneys' fees directly arising from any third party legal action against the COUNTY, including such costs and attorneys' fees payable under **Paragraph 17, INDEMNIFICATION, Paragraph 48, HAZARDOUS SUBSTANCES, and Paragraph 49, PUBLIC RECORDS DISCLOSURE; CONFIDENTIALITY.**

39. **RESERVED**

40. **COUNTY'S RIGHT TO TERMINATE LEASE:** The COUNTY shall have the right to terminate this Lease at any time whenever COUNTY, in its sole discretion, determines it would be in COUNTY's best interests to terminate this Lease. The Director of the Real Estate Services Department (RESA) shall give LANDLORD notice of any termination pursuant to this paragraph at least ninety (90) days prior to the date of termination. In the event COUNTY terminates this Lease pursuant to this Paragraph 40, no termination fees, reimbursement for Improvements, or other costs shall be due or payable to LANDLORD for exercising COUNTY's termination right, except that LANDLORD shall have the right to receive from COUNTY the rent which will have been earned under the Lease through the effective termination date.

41. **LANDLORD'S IMPROVEMENTS:** In the event that COUNTY desires to make improvements in the Premises subsequent to the execution of this Lease Agreement and the parties agree that the LANDLORD shall contract for the construction of any portion of any future improvement, requested by the COUNTY, subject to COUNTY reimbursing LANDLORD for such improvements, LANDLORD shall comply with applicable laws in the construction of such improvements. LANDLORD shall comply with applicable prevailing wage laws, including the provisions set forth in Exhibit "F" attached hereto.

42. **INITIAL COUNTY IMPROVEMENTS:** LANDLORD and COUNTY acknowledge that COUNTY, at its sole expense, has made improvements at the Premises, which improvements are set forth in Exhibit "A-1", Initial County Improvements, and COUNTY represents that said improvements comply with all applicable laws.

43. **MODULAR BUILDING(S):** In the event that COUNTY desires to install any modular building units on the Premises subsequent to the execution of this Lease Agreement, LANDLORD hereby grants COUNTY the right to install, at its sole expense, modular building units on the Premises, provided that said units shall comply with all applicable laws. In the event COUNTY installs modular building units on the Premises: (i) LANDLORD agrees that no additional rent shall be due from COUNTY for the placement of modular building units on the Premises; (ii) COUNTY shall maintain the modular building units and remove said units upon termination of the Lease; and (iii) COUNTY shall pay all utilities costs incurred for the modular building units.

44. **CAPTIONS, TABLE OF CONTENTS AND COVER PAGE:** The paragraph captions, table of contents and the cover page of this Lease shall have no effect on its interpretations.

45. **SURVIVAL:** The obligations of the parties that, by their nature, continue beyond the term of this Lease, will survive the termination of this Lease.

46. **FORMER COUNTY OFFICIALS:** LANDLORD agrees to provide or has already provided information on former COUNTY administrative officials (as defined below) who are employed by or represent LANDLORD. The information provided includes a list of former COUNTY administrative officials who terminated COUNTY employment within the last five years and who are now officers, principals, partners, associates or members of the business. The information should also include the employment and/or representative capacity and the dates these individuals began employment with or representation of your business. For purposes of this provision, "COUNTY administrative official" is defined as a member of the Board of Supervisors

or such officer's staff, COUNTY Administrative Officer or member of such officer's staff, COUNTY department or group head, assistant department or group head, or any employee in the Exempt Group, Management Unit or Safety Management Unit. (See Exhibit "C", List of Former County Officials.)

47. **BROKER'S COMMISSIONS:** LANDLORD is solely responsible for the payment of any commissions to any broker who has negotiated or otherwise provided services in connection with this Lease.

48. **ESTOPPEL CERTIFICATES:** Each party within thirty (30) days after notice from the other party, shall execute and deliver to other party, in recordable form, a certificate stating that this Lease is unmodified and in full force and effect, or in full force and effect as modified, and stating the modifications. The certificate also shall state the amount of minimum monthly rent, the dates to which the rent has been paid in advance, the amount of any security deposit or prepaid rent, and that there are no uncured defaults or specifying in reasonable detail the nature of any uncured default claimed. Failure to deliver the certificate within thirty (30) days shall be conclusive upon the party requesting the certificate and any successor to the party requesting the certificate, that this Lease is in full force and effect and has not been modified except as may be represented by the party requesting the certificate, and that there are no uncured defaults on the part of the party requesting the certificate. The estoppel certificate shall be in the form as shown in Exhibit "D", Estoppel Certificate.

49. **SUBORDINATION AND ATTORNMENT:**

A. As a condition precedent to the COUNTY's obligations under this Lease, LANDLORD shall use commercially reasonable efforts to obtain from each holder of a lien or encumbrance on the Premises which is senior to this Lease, either an executed recordable subordination agreement which subordinates such lien or encumbrance to this Lease, or a non-disturbance agreement which contains terms at least as favorable to the COUNTY as those set forth in paragraph 2 ("Nondisturbance") of Exhibit "E", Subordination, Nondisturbance and Attornment Agreement, hereto.

B. If, after execution of this Lease, a subsequent lienor requires that this Lease be subordinate to any such encumbrance, this Lease shall be subordinate to that encumbrance if, and only if, LANDLORD first obtains from the subsequent lienor an executed subordination, nondisturbance and attornment agreement, the terms of which are at least as favorable to the County as those set forth in Exhibit "E", Subordination, Nondisturbance and Attornment Agreement hereto. If the COUNTY's County Counsel approves the form of a subordination, nondisturbance and attornment agreement pursuant to this subparagraph, and if such agreement is executed by the subsequent lienor, then the Director of the COUNTY's Real Estate Services Department is authorized on behalf of the COUNTY to, and shall, execute such agreement, and shall further execute any other documents required by the lender to accomplish the purposes of this paragraph, provided such other documents are consistent with the terms of the subordination, nondisturbance and attornment agreement and this Lease.

50. **HAZARDOUS SUBSTANCES:**

A. COUNTY agrees that during the Term of this Lease, COUNTY shall not be in violation of any federal, state or local law, ordinance or regulation relating to Hazardous Substances on, under or about the Premises ("Hazardous Material Laws").

B. COUNTY further agrees that during the Term of this Lease, there shall be no use, presence, disposal, storage, generation, release, or threatened release of Hazardous Substance on, from or under the Premises in violation of any Hazardous Material Laws.

C. COUNTY shall, at its sole cost and expense, be responsible for the removal and/or remediation of all Hazardous Substances brought upon, maintained or caused to be brought onto the Premises by COUNTY, its agents, licensees, employees, customers, contractors or invitees. Remediation shall include both structural and non-structural work and encompass inspection, monitoring, testing, contesting, making safe, removing, and otherwise dealing with Hazardous Substances.

D. LANDLORD hereby represents and warrants that, to LANDLORD's actual knowledge, information and belief: (i) the Premises and the property on which the Premises forms a part of have not been exposed to Hazardous Substances and are presently free of all Hazardous Substances; (ii) neither the LANDLORD nor any of the other current tenants, if any, on the property of which the Premises forms a part is in violation or subject to an existing, pending or threatened investigation by any governmental authority under any applicable federal, state or local law, regulation, ordinance or other legislation pertaining to air, water, or soil quality or the handling, transportation, storage, treatment, usage or disposal of Hazardous Substances; (iii) any handling, transportation, storage, treatment or use of toxic or Hazardous Substances to date has been in compliance with applicable laws; and (iv) no reportable use has occurred on the Premises and the property on which the Premises forms a part of to date, and the soil, groundwater and vapor on or under the Premises and the property on which the Premises forms a part of is free of Hazardous Substances as of the Commencement Date.

E. LANDLORD shall indemnify, protect, defend (with counsel reasonably approved by COUNTY) and hold COUNTY, its agents and employees and the Premises, harmless from and against any and all losses and/or damages, liabilities, judgments, costs, claims, expenses, penalties, including attorneys' and consultant's fees, arising out of or involving the existence of any Hazardous Substances located in, about or under the Premises and the property on which the Premises forms a part of: (i) prior to the Commencement Date of this Lease; and (ii) not caused by COUNTY during the term, including any extended terms. Additionally, the issuance of an order by any governmental authority directing the LANDLORD or any of LANDLORD's other tenants or licensees on the property of which the Premises forms a part to cease and desist any illegal action in connection with a Hazardous Substance, or to remediate a contaminated condition caused by the LANDLORD or any person acting under LANDLORD's direct control and authority is a breach of this Contract, and LANDLORD shall be responsible for all costs and expenses of complying with such order, including any and all expenses imposed on or incurred by COUNTY in connection with or in response to such order. LANDLORD's obligations under this paragraph shall include, but shall not be limited to, the effects of any contamination or injury to person, property or the environment created or suffered by COUNTY, and the cost of investigation, removal, remediation, restoration and/or abatement thereof. LANDLORD's obligations under this provision shall survive the expiration or early termination of this Lease. No termination, cancellation or release agreement entered into by COUNTY and LANDLORD shall release

LANDLORD from its obligations under this Lease with regard to Hazardous Substances unless specifically agreed to by COUNTY in writing.

F. For the purposes of this paragraph, the following definitions shall apply:

(1) "Hazardous Substance," as used in this Lease, shall mean any product, substance or waste whose presence, use, manufacture, disposal, transportation, or release, either by itself or in combination with other materials expected to be on the Premises and the property on which the Premises forms a part of, is either (i) potentially injurious to the public health, safety or welfare, the environment or the Premises and the property on which the Premises forms a part of; (ii) regulated or monitored by any governmental authority; or (iii) a basis for potential liability of LANDLORD or COUNTY under any applicable statute or common law theory.

(2) "Reportable use" shall mean (i) the installation or use of any above- or below-ground storage tank; (ii) the generation, possession, storage, use, transportation or disposal of a Hazardous Substance that requires a permit from, or with respect to which a report, notice, registration or business plan is required to be filed with any governmental authority and/or (iii) the presence at the Premises and the property on which the Premises forms a part of a Hazardous Substance with respect to which any Applicable Requirements requires that a notice be given to persons entering or occupying the Premises and the property on which the Premises forms a part of or neighboring properties.

(3) The term "applicable requirements" shall be deemed to refer to all applicable laws, covenants or restrictions of record, building codes, regulations and ordinances.

51. **PUBLIC RECORDS DISCLOSURE; CONFIDENTIALITY:**

A. Public Records. All information received by the COUNTY from the LANDLORD or any source concerning this Lease, including the Lease itself, may be treated by the COUNTY as public information subject to disclosure under the provisions of the California Public Records Act, Government Code Section 6250 et seq. (the "Public Records Act"). LANDLORD understands that although all materials received by the COUNTY in connection with this Lease are intended for the exclusive use of the COUNTY, they are potentially subject to disclosure under the provisions of the Public Records Act. In the event a request for disclosure of any part or all of any information which a LANDLORD has reasonably requested COUNTY to hold in confidence is made to the COUNTY, the COUNTY shall notify the LANDLORD of the request and shall thereafter disclose the requested information unless the LANDLORD, within five (5) days of receiving notice of the disclosure request, requests nondisclosure, provides COUNTY a legally sound basis for the nondisclosure, and agrees to indemnify, defend, and hold the COUNTY harmless in any/all actions brought to require disclosure. LANDLORD waives any and all claims for damages, lost profits, or other injuries of any and all kinds in the event COUNTY fails to notify LANDLORD of any such disclosure request and/or releases any information concerning this Lease received from the LANDLORD or any other source.

B. Confidentiality. LANDLORD acknowledges that the Premises will be used by COUNTY for the processing and storage of confidential information protected from unlawful access and disclosure by federal, state and local laws. COUNTY and its officers, agents, volunteers and employees, agree to comply with relevant federal, state and local laws pertaining to the security and protection of such confidential information while on the Premises. LANDLORD



agrees that it will prevent any unlawful access to or disclosure of the confidential information by LANDLORD, its officers, agents, volunteers, employees and contractors. LANDLORD agrees that all entities with which LANDLORD contracts to provide services on the Premises will prevent any unlawful access or disclosure of the confidential information, and that said entities will agree to the same in writing. LANDLORD acknowledges that any unlawful access to or disclosure of confidential information may result in the imposition of civil and criminal sanctions.

52. **RESERVED**

53. **CONDEMNATION:**

A. If the Premises or any portion thereof are taken under the power of eminent domain or sold under the threat of the exercise of said power (all of which are herein called "Condemnation"), this Lease shall terminate as to the part so taken as of the date the condemning authority takes title or possession, whichever first occurs. If more than ten percent (10%) of the floor area of the Premises, or more than twenty-five percent (25%) of the portion of the Common Areas or that portion of the Premises designated for COUNTY's parking, is taken by Condemnation, COUNTY may, at COUNTY's option, to be exercised in writing within thirty (30) days after LANDLORD shall have given COUNTY written notice of such taking (or in the absence of such notice, within thirty (30) days after the condemning authority shall have taken possession) terminate this Lease as of the date the condemning authority takes such possession. If COUNTY does not terminate this Lease in accordance with the foregoing, this Lease shall remain in full force and effect as to the portion of the Premises remaining, except that the rent shall be reduced in the same proportion as the rentable floor area of the Premises taken bears to the total rentable floor area of the Premises. No reduction of rent shall occur if the Condemnation does not apply to any portion of the Premises. COUNTY shall be entitled to receive the following amounts of any award for the taking of all or any part of the Premises under the power of eminent domain or any payment made under threat of the exercise of such power: (a) one hundred percent (100%) of any amount attributable to any excess of the market value of the Premises for the remainder of the Lease Term over the present value as of the Termination Date of the Rent payable for the remainder of the Lease Term (commonly referred to as the "bonus value" of the Lease); and (b) COUNTY shall have the right to make a separate claim in the Condemnation proceeding for: (i) The taking of the amortized or undepreciated value of any trade fixtures or leasehold improvements owned by COUNTY that COUNTY has the right to remove at the end of the Lease term and that COUNTY elects not to remove; (ii) Reasonable removal and relocation costs for any trade fixtures or leasehold improvements that COUNTY has the right to remove and elects to remove (if Condemnor approves of the removal); (iii) Loss of goodwill; (iv) Relocation costs under Government Code section 7262, the claim for which COUNTY may pursue by separate action independent of this Lease; and (v) Any other amount in addition to the foregoing that the COUNTY is allowed under condemnation law.

B. COUNTY shall have the right to negotiate directly with Condemnor for the recovery of the portion of the Award that COUNTY is entitled to under **subparagraph (B)** of this paragraph. In the event that this Lease is not terminated by reason of such Condemnation, LANDLORD shall repair any damage to the Premises caused by such condemnation authority pursuant to **Paragraph 13, MAINTENANCE**, and **Paragraph 19, DESTRUCTION OF PREMISES**.

54. **MATERIAL MISREPRESENTATION:** If during the course of the administration of this lease, the COUNTY determines that the LANDLORD has made a material misstatement or misrepresentation or that materially inaccurate information has been provided to the COUNTY, this Lease may be immediately terminated. If this Lease is terminated according to this provision, the COUNTY is entitled to pursue any available legal remedies.

55. **INTERPRETATIONS:** As this Lease was jointly prepared by both parties, the language in all parts of this Lease shall be construed, in all cases, according to its fair meaning, and not for or against either party hereto.

**[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]**

**AUTHORIZED SIGNATORS:** Both parties to this Lease represent that the signators executing this document are fully authorized to enter into this agreement.

**END OF LEASE TERMS.**

**COUNTY OF SAN BERNARDINO**

**LANDLORD: REDLANDS VALENCIA GROVE I ASSOCIATES LP**, a California Limited Partnership, by HPI Valencia Grove LLC, a California liability company, it managing General Partner, by Housing Partners I, Incorporated, a California corporation, its sol member and Manger



Curt Hagman, Chairman  
Board of Supervisors

By:   
Maria Razo


Date: OCT 27 2020

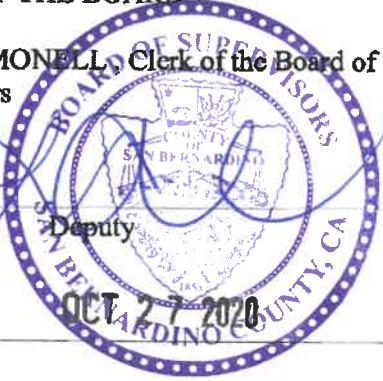
Title: Secretary/Treasurer

SIGNED AND CERTIFIED THAT  
A COPY OF THIS DOCUMENT  
HAS BEEN DELIVERED TO THE  
CHAIR OF THE BOARD

Date: 9/16/2020

LYNNA MONELL, Clerk of the Board of  
Supervisors

By:   
Deputy



Date: OCT 27 2020

Approved as to Legal Form:

MICHELLE BLAKEMORE, County Counsel  
San Bernardino County, California

By:   
Bonnie Uphold, Deputy County Counsel

Date: 8-25-20

110568.13

# EXHIBIT "A" - PREMISES

The Premises is comprised of approximately 2,992 square feet of office and classroom space ("Interior Space") and approximately 1,500 square feet of land for COUNTY's exclusive use as exterior playground space ("Playground Space") located at 125 Horizon Avenue, Redlands, CA.

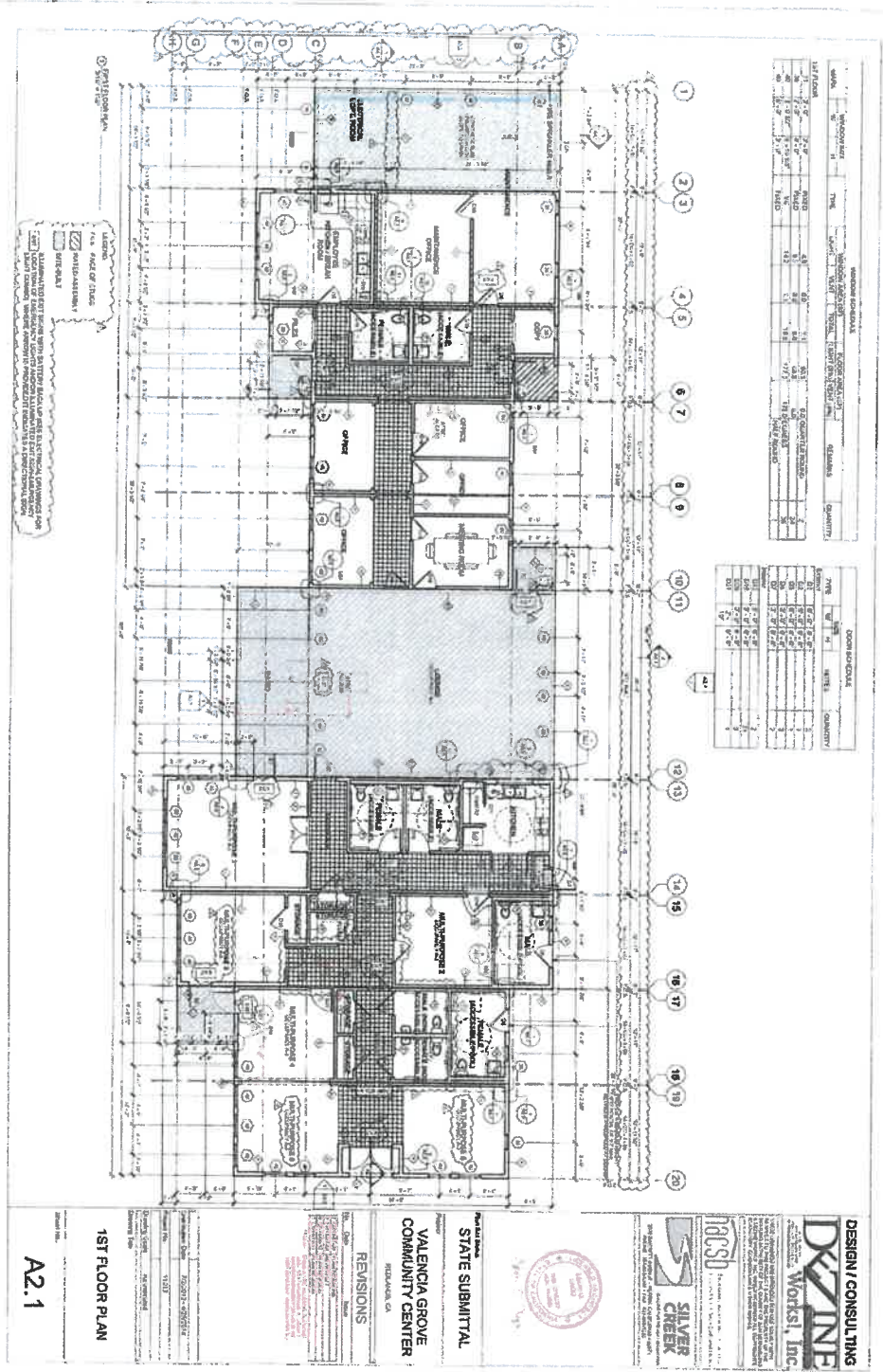
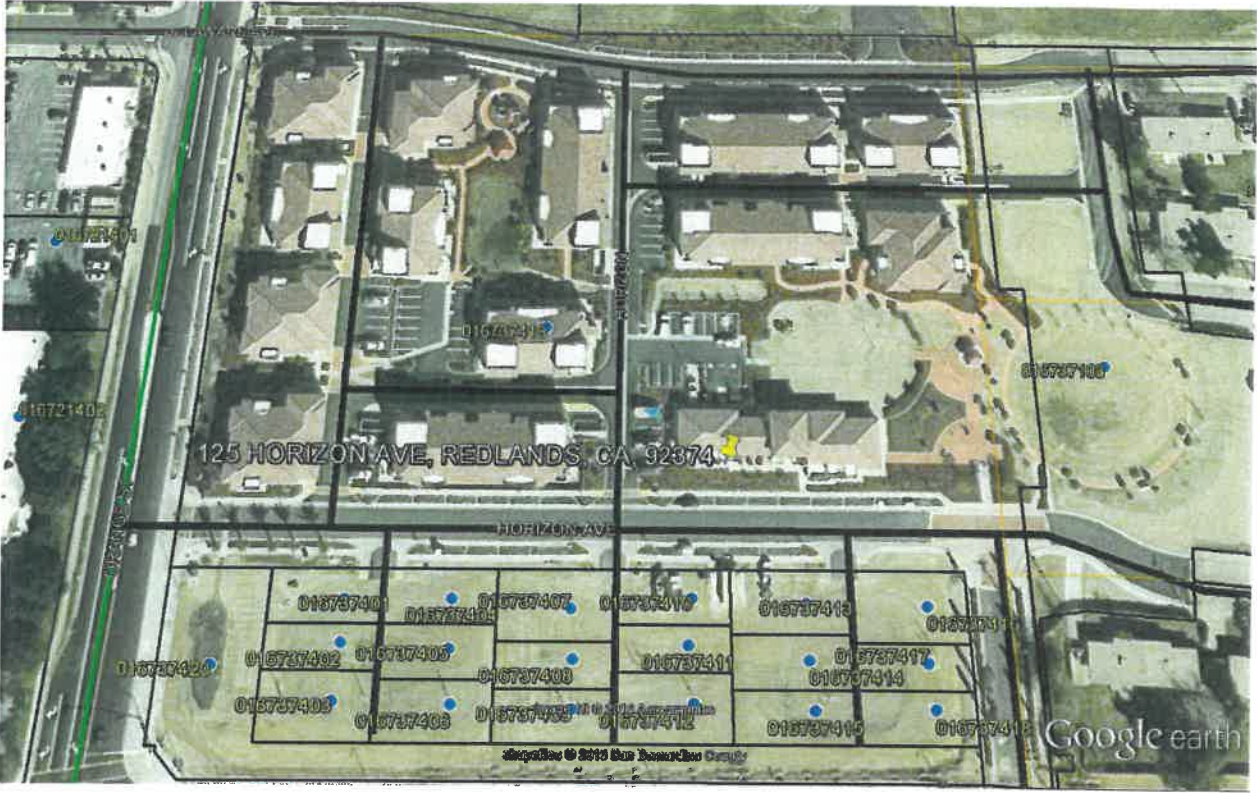




EXHIBIT "A" – PREMISES - Continue



## EXHIBIT "A-1"

### Initial County Improvements 125 Horizon Avenue, Redlands

- 1) The installation of approx. 156'-0" of new 6'-0" high perimeter fence with privacy slats.
- 2) The excavation and addition of approx. 1,440 SF of new graded soil and woodchips engineered for 6'-0" of fall protection.
- 3) The installation of new playground equipment with an integrated shade structure and playground fencing (the "Playground Improvements").
- 4) The installation of approx. 40'-0" 5'-0" wide new accessible sidewalk leading from the existing building into the playground area.
- 5) The installation of approx. 70'-0" x 3'-0" wide (total perimeter length) new sidewalk loop inside the playground to be used as tricycle racetrack, connecting to the sidewalk leading to the building.

EXHIBIT "B"

**EXHIBIT "C"**

**LIST OF FORMER COUNTY OFFICIALS**

**INSTRUCTIONS: List the full name of the former COUNTY Administrative Official, the title/description of the Official's last position with the COUNTY, the date the Official terminated COUNTY employment, the Official's current employment and/or representative capacity with the LANDLORD, the date the Official entered LANDLORD's employment and/or representation.**

**OFFICIAL'S NAME:**

**REQUIRED INFORMATION**





**EXHIBIT "E"**

RECORDED AT REQUEST OF  
AND TO BE RETURNED TO:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Attn: \_\_\_\_\_

**SUBORDINATION, NONDISTURBANCE AND ATTORNMENT AGREEMENT**

THIS SUBORDINATION, NONDISTURBANCE AND ATTORNMENT AGREEMENT ("Agreement") is entered into by and between the County of San Bernardino ("Tenant"), \_\_\_\_\_ ("Landlord") and, \_\_\_\_\_ ("Lender").  
(Name and type of entity)

**Recitals**

A. Tenant entered into a certain Lease Agreement, County Contract No. \_\_\_\_ - \_\_\_\_ dated as of \_\_\_\_\_, 20\_\_ (the "Lease"), between Tenant, as lessee, and Landlord, as lessor, pertaining to that certain premises commonly known as \_\_\_\_\_, California \_\_\_\_\_ (zip code), as more particularly described in the Lease ("Premises"), located on that certain real property located in the County of San Bernardino, State of California, as more particularly described in Exhibit "A", attached hereto and incorporated herein (the "Property"). Landlord may also be referred to as "Borrower".

B. Borrower made, executed and delivered, or is about to make, execute and deliver to Lender a certain promissory note, dated substantially contemporaneously herewith ("the Note"), in the original principal sum of \$ \_\_\_\_\_. The obligations evidenced by the Note shall be referred to as the "Loan". The Note is executed pursuant to the terms of a certain Construction Loan Agreement, dated substantially contemporaneously herewith (the "Loan Agreement"), between Lender and Landlord.

C. Borrower has executed and delivered, or is about to execute and deliver to Lender, a certain Deed of Trust and Assignment of Rents, dated substantially contemporaneously herewith (the "Deed of Trust"), encumbering the Property to secure the Loan.

D. It is a condition precedent to the Loan that the Deed of Trust shall unconditionally be and remain at all times a lien or charge upon the Property, prior and superior to the Lease.

E. It is a condition precedent to the Loan that Tenant will specifically and unconditionally subordinate and subject the Lease, together with all rights and privileges of Tenant thereunder, to the lien or charge of the Deed of Trust.

F. It is to the mutual benefit of the parties hereto that Lender and Borrower enter into the Loan.

### Covenants

In consideration of the recitals set forth above and the covenants and agreements contained herein, the parties agree as follows:

1. Subordination: Tenant hereby subordinates all of Tenant's right, title, interest and leasehold estate in and to the Premises to the lien, operation, and effect of the Deed of Trust.

2. Nondisturbance: Tenant's peaceful and quiet possession of the Premises shall not be disturbed and Tenant's rights and privileges under the Lease, including but not limited to the provisions of the Lease set forth under the headings "TERM," "EXPANSION OF RENTAL SPACE," "OPTION TO EXTEND TERM," "INDEMNIFICATION," "INSURANCE REQUIREMENTS AND SPECIFICATIONS," "DESTRUCTION OF PREMISES," "COUNTY'S RIGHT TO TERMINATE LEASE," and "CONDEMNATION," shall not be diminished by Lender's foreclosure, acceptance of a deed in lieu of foreclosure, or any other exercise of Lender's rights or remedies under the Deed of Trust, the Note, the Loan Agreement, any other loan document, or the laws governing secured loans. All of the provisions of the Lease shall prevail over any conflicting provisions in the Deed of Trust, the Note, the Loan Agreement, any other loan document, or the laws governing secured loans. Tenant shall not be named or joined in any foreclosure, trustee's sale, or other proceeding or action to enforce the Deed of Trust, the Note, the Loan Agreement, any other loan document, unless such joinder shall be legally required to perfect such foreclosure, trustee's sale, or other proceeding or action.

3. Attornment: If the Deed of Trust is foreclosed for any reason, or Landlord deeds the Property to Lender in lieu of foreclosure, the Lease shall not be extinguished and Tenant shall be bound to Lender under all the terms, covenants, and conditions of the Lease for the balance of the term of the Lease with the same force and effect as if Lender was the lessor under the Lease. Tenant shall attorn to Lender as Tenant's Lessor, and agrees to recognize Lender as the new owner and promises to pay the rent to Lender as Landlord. This attornment shall be effective and self-operative, without the execution of any other instruments on the part of any of the parties to this Agreement, immediately upon Lender succeeding to the interest of Landlord under the Lease.

4. Disbursements: Lender is under no obligation or duty to monitor the application of the proceeds of the Loan. Any application of such proceeds for purposes other than those provided for in the Loan Agreement or any of the other Loan Documents shall not defeat the effect of this Agreement in whole or in part.

5. Acknowledgment of Assignment: Tenant acknowledges and consents to the assignment of Landlord's rights under the Lease to Lender pursuant to a certain Assignment of Leases (the "Assignment"). Tenant shall pay rent to Lender upon receipt of written notice from Lender that

Lender has revoked the waiver of Landlord's right to receive the rents from the Premises pursuant to the Assignment, notwithstanding the fact that Lender has not foreclosed the Deed of Trust, nor succeeded to the interest of Landlord under the Lease. Tenant shall not be liable to Landlord for any payments made to Lender hereunder.

6. Assignment or Sublease: Tenant may assign or sublease all or any portion of the Property in accordance with the Lease, but no such assignment, transfer, or subletting shall relieve Tenant of any of its obligations under the Lease. Tenant shall not voluntarily subordinate or subject the Lease or any interest therein to any lien or encumbrance without the prior written consent of Lender, unless said lien or encumbrance shall relate to personal property that can be removed without damage to the Premises, or unless such subordination is required by the Lease.

7. Notices: Tenant shall deliver to Lender a copy of all notices, requests, or demands delivered by Tenant to Landlord in accordance with this Paragraph. Tenant shall also deliver to Lender any and all notices, demands, or requests received by Tenant from Landlord relating to any of the aforesaid. Lender shall deliver to Tenant all notices, requests or demands in accordance with this Paragraph. All notices required hereunder or pertaining hereto shall be in writing and shall be deemed delivered and effective upon the earlier of (i) actual receipt; or (ii) the date of delivery or refusal of the addressee to accept delivery if such notice is sent by express courier service or United States mail, postage prepaid, certified or registered, return receipt requested; in each case, to the applicable address as follows:

to Tenant: County of San Bernardino  
Real Estate Services Department  
385 North Arrowhead Avenue, Third Floor  
San Bernardino, California 92415-0180

to Landlord: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_

to Lender:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_

Notwithstanding the foregoing, any notice under or pertaining to this Agreement, given and effective in accordance with applicable law, shall be effective for purposes hereof. Any party may change the address at which it is to receive notices hereunder to another business address within the United States (but not a post office box or similar mail receptacle) by giving notice of such change of address in accordance herewith.

8. Landlord's Default: Tenant hereby agrees that Tenant will notify Lender in writing, in accordance with Paragraph 7, Notices, above, of any default by Landlord under the terms of the Lease and Lender shall have the same period of time given to Landlord in the Lease to cure Landlord's default. If any default by Landlord is cured within the time periods described above, Tenant shall have no right to terminate the Lease by virtue of such default.

9. Binding Effect: This Agreement shall be binding upon the parties and their respective heirs, personal representatives, successors, and assigns.

10. Law: This Agreement shall be construed and interpreted in accordance with the laws of the State of California.

11. Reserved

12. Attorneys' Fees and Costs: If any legal action is instituted to enforce or declare any party's rights hereunder, each party, regardless of which party is the prevailing party, must bear its own costs and attorneys' fees. This paragraph shall not apply to those costs and attorneys' fees directly arising from any third party legal action against a party hereto and payable under Lease Paragraph 17, "INDEMNIFICATION", Paragraph 48, HAZARDOUS SUBSTANCES; and Paragraph 49, PUBLIC RECORDS DISCLOSURE; CONFIDENTIALITY.

13. Venue: The parties acknowledge and agree that this Agreement was entered into and intended to be performed in San Bernardino County, California. The parties agree that the venue for any action or claim brought by any party to this Agreement will be the Superior Court of California, County of San Bernardino. Each party hereby waives any law, statute (including but not limited to Code of Civil Procedure section 394), or rule of court that would allow them to request or demand a change of venue. If any third party brings an action or claim concerning this Agreement, the parties hereto agree to use their best efforts to obtain a change of venue to the Superior Court of California, County of San Bernardino.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year written below.

**Tenant:**

COUNTY OF SAN BERNARDINO:

\_\_\_\_\_  
Board of Supervisors

Date: \_\_\_\_\_

SIGNED AND CERTIFIED THAT  
A COPY OF THIS DOCUMENT  
HAS BEEN DELIVERED TO THE  
CHAIRMAN OF THE BOARD

\_\_\_\_\_, Clerk of the  
Board of Supervisors

By: \_\_\_\_\_  
Deputy

Date: \_\_\_\_\_

Approved as to Legal Form:

\_\_\_\_\_, County Counsel  
San Bernardino County, California

By: \_\_\_\_\_  
Deputy

Date: \_\_\_\_\_

**Lender:**

\_\_\_\_\_  
\_\_\_\_\_

By: \_\_\_\_\_  
(Name)

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Landlord:**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT "F"**  
**PREVAILING WAGE REQUIREMENTS**

**A. All or a portion of the Landlord Improvements in the Contract or Purchase Order (as applicable) requires the payment of prevailing wages and compliance with the following requirements. As used in this Attachment, the term "Contractor" shall include Landlord or Landlord's contractor and/or subcontractors.**

**1. Determination of Prevailing Rates:**

Pursuant to Labor Code sections 1770, et seq., the County has obtained from the Director of the Department of Industrial Relations (DIR) pursuant to the California Labor Code, the general prevailing rates of per diem wages and the prevailing rates for holiday and overtime work in the locality in which the Landlord Improvements is to be performed. Copies of said rates are on file with the County, will be made available for inspection during regular business hours, may be included elsewhere in the specifications for the Landlord Improvements, and are also available online at [www.dir.ca.gov](http://www.dir.ca.gov). The wage rate for any classification not listed, but which may be required to execute the Landlord Improvements, shall be commensurate and in accord with specified rates for similar or comparable classifications for those performing similar or comparable duties. In accordance with Labor Code section 1773.2, the Contractor shall post, at appropriate and conspicuous locations on the jobsite, a schedule showing all applicable prevailing wage rates and shall comply with the requirements of Labor Code sections 1773, et seq.

**2. Payment of Prevailing Rates**

Each worker of the Contractor, or any subcontractor, engaged in the Landlord Improvements, shall be paid not less than the general prevailing wage rate, regardless of any contractual relationship which may be alleged to exist between the Contractor or any subcontractor, and such worker.

**3. Prevailing Rate Penalty**

The Contractor shall, as a penalty, forfeit two hundred dollars (\$200.00) to the County for each calendar day or portion thereof, for each worker paid less than the prevailing rates as determined by the Director of the DIR for such work or craft in which such worker is employed by the Contractor or by any subcontractor in connection with the Landlord Improvements. Pursuant to California Labor Code section 1775, the difference between such prevailing wage rates and the amount paid to each worker for each calendar day, or portion thereof, for which each worker was paid less than the prevailing wage rate, shall be paid to each worker by the Contractor.

**4. Ineligible Contractors:**

Pursuant to the provisions of Labor Code section 1777.1, the Labor Commissioner publishes and distributes a list of contractors ineligible to perform work as a contractor or subcontractor on a public works project. This list of debarred contractors is available from the DIR website at <http://www.dir.ca.gov/Public-Works/PublicWorks.html>. Any contract entered into between a contractor and a debarred subcontractor is void as a matter of law. A debarred subcontractor may not receive any public money for performing work as a subcontractor on a public works contract, and any public money that may have been paid to a debarred subcontractor by a contractor on the

project shall be returned to the County. The Contractor shall be responsible for the payment of wages to workers of a debarred subcontractor who has been allowed to work on the Landlord Improvements.

## **5. Payroll Records:**

Pursuant to California Labor Code section 1776, the Contractor and each subcontractor, shall keep accurate certified payroll records, showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker or other employee employed by them in connection with the Landlord Improvements. The payroll records enumerated herein shall be verified by a written declaration made under penalty of perjury that the information contained in the payroll record is true and correct and that the Contractor or subcontractor has complied with the requirements of the California Labor Code sections 1771, 1811, and 1815 for any Landlord Improvements performed by his or her employees. The payroll records shall be available for inspection at all reasonable hours at the principal office of the Contractor on the following basis:

- (1) A certified copy of an employee's payroll record shall be made available for inspection or furnished to such employee or his/her authorized representative on request;
- (2) A certified copy of all payroll records shall be made available for inspection or furnished upon request to the County, the Division of Labor Standards Enforcement of the DIR;
- (3) A certified copy of payroll records shall be made available upon request to the public for inspection or copies thereof made; provided, however, that a request by the public shall be made through either the County or the Division of Labor Standards Enforcement. If the requested payroll records have not been previously provided to the County or the Division of Labor Standards Enforcement, the requesting party shall, prior to being provided the records, reimburse the cost of preparation by the Contractor, subcontractor and the entity through which the request was made; the public shall not be given access to such records at the principal office of the Contractor;
- (4) The Contractor shall file a certified copy of the payroll records with the entity that requested such records within ten (10) days after receipt of a written request; and
- (5) Copies provided to the public, by the County or the Division of Labor Standards Enforcement shall be marked or obliterated in such a manner as to prevent disclosure of an individual's name, address and social security number. The name and address of the Contractor or any subcontractor, performing a part of the Landlord Improvements shall not be marked or obliterated. The Contractor shall inform the County of the location of payroll records, including the street address, city and county and shall, within five (5) working days, provide a notice of a change of location and address.

The Contractor shall have ten (10) days from receipt of the written notice specifying in what respects the Contractor must comply with the above requirements. In the event Contractor does not comply with the requirements of this section within the ten (10) day period, the Contractor shall, as a penalty to the County, forfeit one-hundred dollars (\$100.00) for each calendar day, or



portion thereof, for each worker, until strict compliance is effectuated. Upon the request of the Division of Labor Standards Enforcement, such penalty shall be withheld from any portion of the payments then due or to become due to the Contractor.

**6. Limits on Hours of Work:**

Pursuant to California Labor Code section 1810, eight (8) hours of labor shall constitute a legal day's work. Pursuant to California Labor Code section 1811, the time of service of any worker employed at any time by the Contractor or by a subcontractor, upon the Landlord Improvements or upon any part of the Landlord Improvements, is limited and restricted to eight (8) hours during any one calendar day and forty (40) hours during any one calendar week, except as provided for under Labor Code section 1815. Notwithstanding the foregoing provisions, work performed by employees of Contractor or any subcontractor, in excess of eight (8) hours per day and forty (40) hours during any one week, shall be permitted upon compensation for all hours worked in excess of eight (8) hours per day at not less than one and one-half (1½) times the basic rate of pay.

**7. Penalty for Excess Hours:**

The Contractor shall pay to the County a penalty of twenty-five dollars (\$25.00) for each worker employed on the Landlord Improvements by the Contractor or any subcontractor, for each calendar day during which such worker is required or permitted to work more than eight (8) hours in any calendar day and forty (40) hours in any one calendar week, in violation of the provisions of the California Labor Code, unless compensation to the worker so employed by the Contractor is not less than one and one-half (1½) times the basic rate of pay for all hours worked in excess of eight (8) hours per day.

**8. Senate Bill 854 (Chapter 28, Statutes of 2014) Requirements:**

(1) Contractor shall comply with Senate Bill 854 (signed into law on June 20, 2014). The requirements include, but are not limited to, the following:

- a. No contractor or subcontractor may be listed on a bid proposal (submitted on or after March 1, 2015) for a public works project unless registered with the DIR pursuant to Labor Code section 1725.5, with limited exceptions from this requirements for bid purposes only as allowed under Labor Code section 1771.1(a).
- b. No contractor or subcontractor may be awarded a contract for public work or perform work on a public works project (awarded on or after April 1, 2015) unless registered with the DIR pursuant to Labor Code section 1725.5.
- c. This project is subject to compliance monitoring and enforcement by the DIR.
- d. As required by the DIR, Contractor is required to post job site notices, as prescribed by regulation, regarding compliance monitoring and enforcement by the DIR.
- e. Contractors and all subcontractors must submit certified payroll records online to the Labor Commissioner for all new public works projects issued on or after April 1, 2015, and for all public works projects, new or ongoing, on or after January 1, 2016.

- i. The certified payroll must be submitted at least monthly to the Labor Commissioner.
- ii. The County reserves the right to require Contractor and all subcontractors to submit certified payroll records more frequently than monthly to the Labor Commissioner
- iii. The certified payroll records must be in a format prescribed by the Labor Commissioner.

**(2) Labor Code section 1725.5 states the following:**

A contractor shall be registered pursuant to this section to be qualified to bid on, be listed in a bid proposal, subject to the requirements of Section 4104 of the Public Contract Code, or engage in the performance of any public work contract that is subject to the requirements of this chapter. For the purposes of this section, "contractor" includes a subcontractor as defined by Section 1722.1.

**(a) To qualify for registration under this section, a contractor shall do all of the following:**

**(1) Beginning July 1, 2014, register with the Department of Industrial Relations in the manner prescribed by the department and pay an initial nonrefundable application fee of three hundred dollars (\$300) to qualify for registration under this section and an annual renewal fee on or before July 1 of each year thereafter. The annual renewal fee shall be in a uniform amount set by the Director of Industrial Relations, and the initial registration and renewal fees may be adjusted no more than annually by the director to support the costs specified in Section 1771.3.**

**(2) Provide evidence, disclosures, or releases as are necessary to establish all of the following:**

**(A) Workers' Compensation coverage that meets the requirements of Division 4 (commencing with Section 3200) and includes sufficient coverage for any worker whom the contractor employs to perform work that is subject to prevailing wage requirements other than a contractor who is separately registered under this section. Coverage may be evidenced by a current and valid certificate of workers' compensation Insurance or certification of self-insurance required under Section 7125 of the Business and Professions Code.**

**(B) If applicable, the contractor is licensed in accordance with Chapter 9 (commencing with Section 7000) of the Business and Professions Code.**

**(C) The contractor does not have any delinquent liability to an employee or the state for any assessment of back wages or related damages, interest, fines, or penalties pursuant to any final judgment, order, or determination by a court or any federal, state, or local administrative agency, including a confirmed arbitration award. However, for purposes of this paragraph, the contractor shall not be disqualified for any judgment, order, or determination that is under appeal, provided that the contractor has secured the payment of any amount eventually found due through a bond or other appropriate means.**

**(D)** The contractor is not currently debarred under Section 1777.1 or under any other federal or state law providing for the debarment of contractors from public works.

**(E)** The contractor has not bid on a public works contract, been listed in a bid proposal, or engaged in the performance of a contract for public works without being lawfully registered in accordance with this section, within the preceding 12 months or since the effective date of the requirements set forth in subdivision (e), whichever is earlier. If a contractor is found to be in violation of the requirements of this paragraph, the period of disqualification shall be waived if both of the following are true:

**(i)** The contractor has not previously been found to be in violation of the requirements of this paragraph within the preceding 12 months.

**(ii)** The contractor pays an additional nonrefundable penalty registration fee of two thousand dollars (\$2,000).

**(b)** Fees received pursuant to this section shall be deposited in the State Public Works Enforcement Fund established by Section 1771.3 and shall be used only for the purposes specified in that section.

**(c)** A contractor who fails to pay the renewal fee required under paragraph (1) of subdivision (a) on or before the expiration of any prior period of registration shall be prohibited from bidding on or engaging in the performance of any contract for public work until once again registered pursuant to this section. If the failure to pay the renewal fee was inadvertent, the contractor may renew its registration retroactively by paying an additional nonrefundable penalty renewal fee equal to the amount of the renewal fee within 90 days of the due date of the renewal fee.

**(d)** If, after a body awarding a contract accepts the contractor's bid or awards the contract, the work covered by the bid or contract is determined to be a public work to which Section 1771 applies, either as the result of a determination by the director pursuant to Section 1773.5 or a court decision, the requirements of this section shall not apply, subject to the following requirements:

**(1)** The body that awarded the contract failed, in the bid specification or in the contract documents, to identify as a public work that portion of the work that the determination or decision subsequently classifies as a public work.

**(2)** Within 20 days following service of notice on the awarding body of a determination by the Director of Industrial Relations pursuant to Section 1773.5 or a decision by a court that the contract was for public work as defined in this chapter, the contractor and any subcontractors are registered under this section or are replaced by a contractor or subcontractors who are registered under this section.

**(3)** The requirements of this section shall apply prospectively only to any subsequent bid, bid proposal, contract, or work performed after the awarding body is served with notice of the determination or decision referred to in paragraph (2) of this subdivision.

- (e) The requirements of this section shall apply to any bid proposal submitted on or after March 1, 2015, and any contract for public work, as defined in this chapter, entered into on or after April 1, 2015.
- (3) Labor Code section 1771.1 states the following:
- (a) A contractor or subcontractor shall not be qualified to bid on, be listed in a bid proposal, subject to the requirements of Section 4104 of the Public Contract Code, or engage in the performance of any contract for public work, as defined in this chapter, unless currently registered and qualified to perform public work pursuant to Section 1725.5. It is not a violation of this section for an unregistered contractor to submit a bid that is authorized by Section 7029.1 of the Business and Professions Code or by Section 10164 or 20103.5 of the Public Contract Code, provided the contractor is registered to perform public work pursuant to Section 1725.5 at the time the contract is awarded.
- (b) Notice of the requirement described in subdivision (a) shall be included in all bid invitations and public works contracts, and a bid shall not be accepted nor any contract or subcontract entered into without proof of the contractor or subcontractor's current registration to perform public work pursuant to Section 1725.5.
- (c) An inadvertent error in listing a subcontractor who is not registered pursuant to Section 1725.5 in a bid proposal shall not be grounds for filing a bid protest or grounds for considering the bid nonresponsive, provided that any of the following apply:
- (1) The subcontractor is registered prior to the bid opening.
  - (2) Within 24 hours after the bid opening, the subcontractor is registered and has paid the penalty registration fee specified in subparagraph (E) of paragraph (2) of subdivision (a) of Section 1725.5.
  - (3) The subcontractor is replaced by another registered subcontractor pursuant to Section 4107 of the Public Contract Code.
- (d) Failure by a subcontractor to be registered to perform public work as required by subdivision (a) shall be grounds under Section 4107 of the Public Contract Code for the contractor, with the consent of the awarding authority, to substitute a subcontractor who is registered to perform public work pursuant to Section 1725.5 in place of the unregistered subcontractor.
- (e) The department shall maintain on its Internet Web site a list of contractors who are currently registered to perform public work pursuant to Section 1725.5.
- (f) A contract entered into with any contractor or subcontractor in violation of subdivision (a) shall be subject to cancellation, provided that a contract for public work shall not be unlawful, void, or voidable solely due to the failure of the awarding body, contractor, or any subcontractor to comply with the requirements of Section 1725.5 or this section.
- (g) This section shall apply to any bid proposal submitted on or after March 1, 2015, and any contract for public work entered into on or after April 1, 2015.
- (4) Labor Code section 1771.4 states the following:

**(a)** All of the following are applicable to all public works projects that are otherwise subject to the requirements of this chapter:

**(1)** The call for bids and contract documents shall specify that the project is subject to compliance monitoring and enforcement by the Department of Industrial Relations.

**(2)** The awarding body shall post or require the prime contractor to post job site notices, as prescribed by regulation.

**(3)** Each contractor and subcontractor shall furnish the records specified in Section 1776 directly to the Labor Commissioner, in the following manner:

**(A)** At least monthly or more frequently if specified in the contract with the awarding body.

**(B)** In a format prescribed by the Labor Commissioner.

**(4)** The department shall undertake those activities it deems necessary to monitor and enforce compliance with prevailing wage requirements.

**(b)** The Labor Commissioner may exempt a public works project from compliance with all or part of the requirements of subdivision (a) of this section if either of the following occurs:

**(1)** The awarding body has enforced an approved labor compliance program, as defined in Section 1771.5, on all public works projects under its authority, except those deemed exempt pursuant to subdivision (a) of Section 1771.5, continuously since December 31, 2011.

**(2)** The awarding body has entered into a collective bargaining agreement that binds all contractors performing work on the project and that includes a mechanism for resolving disputes about the payment of wages.

**(c)**

**(1)** The requirements of paragraph (1) of subdivision (a) shall only apply to contracts for public works projects awarded on or after January 1, 2015.

**(2)** The requirements of paragraph (3) of subdivision (a) shall only apply to the following projects:

**(A)** Projects that were subject to a requirement to furnish records to the Compliance Monitoring Unit pursuant to Section 16461 of Title 8 of the California Code of Regulations, prior to the effective date of this section.

**(B)** Projects for which the initial contract is awarded on or after April 1, 2015.

**(C)** Any other ongoing project in which the Labor Commissioner directs the contractors or subcontractors on the project to furnish records in accordance with paragraph (3) of subdivision (a).

**(D)** All projects, whether new or ongoing, on or after January 1, 2016.

## **B. STATE PUBLIC WORKS APPRENTICESHIP REQUIREMENTS**

## 1. State Public Works Apprenticeship Requirements:

The Contractor is responsible for compliance with Labor Code section 1777.5 and the California Code of Regulations, title 8, sections 230 – 230.2 for all apprenticeable occupations (denoted with “#” symbol next to craft name in DIR Prevailing Wage Determination), whether employed by the Contractor, subcontractor, vendor or consultant. Included in these requirements is (1) the Contractor’s requirement to provide notification (i.e. DAS-140) to the appropriate apprenticeship committees; (2) pay training fund contributions for each apprenticeable hour employed on the Contract; and (3) utilize apprentices in a minimum ratio of not less than one apprentice hour for each five journeyman hours by completion of Contract work (unless an exception is granted in accordance with Labor Code section 1777.5) or request for the dispatch of apprentices.

Any apprentices employed to perform any of the Landlord Improvements shall be paid the standard wage to apprentices under the regulations of the craft or trade for which such apprentice is employed, and such individual shall be employed only for the work of the craft or trade to which such individual is registered. Only apprentices, as defined in California Labor Code section 3077, who are in training under apprenticeship standards and written apprenticeship agreements under California Labor Code sections 3070 et seq. are eligible to be employed for the Landlord Improvements. The employment and training of each apprentice shall be in accordance with the provisions of the apprenticeship standards and apprentice agreements under which such apprentice is training.

## 2. Compliance with California Labor Code section 1777.5 requires all public works contractors to:

Submit Contract Award Information (DAS-140)

- a. Although there are a few exemptions (identified below), all Contractors, regardless of union affiliation, must submit contract award information when performing on a California public works project.
- b. The DAS-140 is a notification “announcement” of the Contractor’s participation on a public works project—*it is not a request for the dispatch of an apprentice.*
- c. Contractors shall submit the contract award information (you may use form DAS 140) within 10 days of the execution of the prime contract or subcontract, but in no event later than the first day in which the Contractor has workers employed on the public work.
- d. Contractors who are already approved to train apprentices (i.e. check “Box 1” on the DAS-140) shall only be required to submit the form to their approved program.
- e. Contractors who are NOT approved to train apprentices (i.e. those that check either “Box 2” or “Box 3” on the DAS-140) shall submit the DAS-140 TO EACH of the apprenticeship program sponsors in the area of your public works project. For a listing of apprenticeship programs see <http://www.dir.ca.gov/Databases/das/pwaddrstart.asp>.

Employ Registered Apprentices

- a. Labor Code section 1777.5 requires that a contractor performing work in an “apprenticeable” craft must employ one (1) hour of apprentice work for every five (5) hours performed by a journeyman. This ratio shall be met prior to the Contractor’s completion of work on the project. “Apprenticeable” crafts are denoted with a pound symbol “#” in front of the craft name on the prevailing wage determination.

- b. All Contractors who do not fall within an exemption category (see below) must request for dispatch of an apprentice from an apprenticeship program (for each apprenticeable craft or trade) by giving the program actual notice of at least 72 hours (business days only) before the date on which apprentices are required.
- c. Contractors may use the “DAS-142” form for making a request for the dispatch of an apprentice.
- d. Contractors who are participating in an approved apprenticeship training program and who did not receive sufficient number of apprentices from their initial request must request dispatch of apprentices from ALL OTHER apprenticeship committees in the project area in order to fulfill this requirement.
- e. Contractor should maintain and submit proof (when requested) of its DAS-142 submittal to the apprenticeship committees (e.g. fax transmittal confirmation). A Contractor has met its requirement to employ apprentices only after it has successfully made a dispatch request to all apprenticeship programs in the project area.
- f. Only “registered” apprentices may be paid the prevailing apprentice rates and must, at all times work under the supervision of a Journeyman (Cal. Code Regs., tit 8, § 230.1).

**Make Training Fund Contributions**

- a. Contractors performing in apprenticeable crafts on public works projects, must make training fund contributions in the amount established in the prevailing wage rate publication for journeymen and apprentices.
- b. Contractors may use the “CAC-2” form for submittal of their training fund contributions.
- c. Contractors who do not submit their training fund contributions to an approved apprenticeship training program must submit their contributions to the California Apprenticeship Council (CAC), PO Box 420603, San Francisco, CA 94142-0603.
- d. Training fund contributions to the CAC are due and payable on the 15th day of the month for work performed during the preceding month.
- e. The “training” contribution amount identified on the prevailing wage determination shall not be paid to the worker, unless the worker falls within one of the exemption categories listed below.

**3. Exemptions to Apprenticeship Requirements:**

The following are exempt from having to comply with California apprenticeship requirements. These types of contractors do not need to submit a DAS-140, DAS-142, make training fund contributions, or utilize apprentices.

- a. When the Contractor holds a sole proprietor license (“Owner-Operator”) and no workers were employed by the Contractor. In other words, the contractor performed the entire work from start to finish and worked alone.
- b. Contractors performing in non-apprenticeable crafts. “Apprenticeable” crafts are denoted with a pound symbol “#” in front of the craft name on the prevailing wage determination.
- c. When the Contractor has a direct contract with the Public Agency that is under \$30,000.
- d. When the project is 100% federally-funded and the funding of the project does not contain any city, county, and/or state monies (unless the project is administered by a state agency in which case the apprenticeship requirements apply).

- e. When the project is a private project not covered by the definition of public works as found in Labor Code section 1720.

#### **4. Exemption from Apprenticeship Ratios:**

The Joint Apprenticeship Committee shall have the discretion to grant a certificate, which shall be subject to the approval of the Administrator of Apprenticeship, exempting the Contractor from the 1-to-5 ratio set forth in this Section when it finds that any one of the following conditions are met:

- a. Unemployment for the previous three-month period in such area exceeds an average of fifteen percent (15%); or
- b. The number of apprentices in training in such area exceeds a ratio of 1-to-5 in relation to journeymen; or
- c. The Apprenticeable Craft or Trade is replacing at least one-thirtieth (1/30) of its journeymen annually through apprenticeship training, either on a statewide basis or on a local basis; or
- d. If assignment of an apprentice to any work performed under the Contract Documents would create a condition which would jeopardize such apprentice's life or the life, safety or property of fellow employees or the public at large, or if the specific task to which the apprentice is to be assigned is of such a nature that training cannot be provided by a journeyman.

When such exemptions from the 1-to-5 ratio between apprentices and journeymen are granted to an organization which represents contractors in a specific trade on a local or statewide basis, the member contractors will not be required to submit individual applications for approval to local Joint Apprenticeship Committees, provided they are already covered by the local apprenticeship standards.

#### **5. Contractor's Compliance:**

The responsibility of compliance with this Section for all Apprenticeable Trades or Crafts is solely and exclusively that of the Contractor. All decisions of the Joint Apprenticeship Committee(s) under this Section are subject to the provisions of California Labor Code section 3081 and penalties are pursuant to Labor Code section 1777.7 and the determination of the Labor Commissioner.



**EXHIBIT "G"**  
**RENT COMMENCEMENT DATE CERTIFICATE**

To: Anthony Perez  
Redlands Valencia Grove I Associates LP  
715 E. Brier Drive  
San Bernardino, CA 92408

Re: Lease Agreement No. 17-465

In accordance with the terms and conditions of the above referenced Lease, Landlord hereby acknowledges and agrees to the following:

1. The Rent Commencement Date for the Interior Space and the Leased Land is August 27, 2018.
2. The rent schedule for the Interior Space pursuant to Paragraph 4.A of the Lease during the Initial Term is as follows:

8/27/18 to 8/26/19 - monthly payments of \$1,526.00

8/27/19 to 8/26/20 - monthly payments of \$1,556.00

8/27/20 to 8/26/21 - monthly payments of \$1,588.00

8/27/21 to 8/26/22 - monthly payments of \$1,619.00

8/27/22 to 8/26/23 - monthly payments of \$ 1,652.00

8/27/23 to 8/26/24 - monthly payments of \$1,685.00

8/27/24 to 8/26/25 - monthly payments of \$1,718.00

8/27/25 to 8/26/26 - monthly payments of \$1,753.00

8/27/26 to 8/26/27 - monthly payments of \$1,788.00

8/27/27 to 8/26/28 - monthly payments of \$1,824.00

8/27/28 to 8/26/29 - monthly payments of \$1,860.00

8/27/29 to 8/26/30 - monthly payments of \$1,897.00

8/27/30 to 8/26/3 1 - monthly payments of \$1,935.00

8/27/31 to 6/26/32 - monthly payments of \$1,974.00

3. The rent schedule for the Leased Land pursuant to Paragraph 4.B of the Lease during the Initial Term is as follows:

8/27/18 to 8/26/19 - monthly payments of \$122.00

8/27/19 to 8/26/20 - monthly payments of \$ 125.00

8/27/20 to 8/26/21 - monthly payments of \$ 127.00

8/27/21 to 8/26/22 - monthly payments of \$130.00

8/27/22 to 8/26/23 - monthly payments of \$132.00

8/27/23 to 8/26/24 - monthly payments of \$ 135.00

8/27/24 to 8/26/25 - monthly payments of \$138.00

8/27/25 to 8/26/26 - monthly payments of \$141.00

8/27/26 to 8/26/27 - monthly payments of \$ 143.00

8/27/27 to 8/26/28 - monthly payments of \$ 146.00

8/27/28 to 8/26/29 - monthly payments of \$ 149.00

8/27/29 to 8/26/30 - monthly payments of \$152.00

8/27/30 to 8/26/31 - monthly payments of \$155.00

8/27/31 to 6/26/32 - monthly payments of \$ 158.00

4. The Lease is in full force and effect.

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5. All other provisions and terms of the Lease Agreement, Contract No 17-465 shall remain the same and are hereby incorporated by reference. In the event of any conflict between the Lease, and this Rent Commencement Date Certificate, the terms and conditions of this Rent Commencement Date Certificate shall control.

COUNTY: COUNTY OF SAN  
BERNARDINO



\_\_\_\_\_  
Terry W. Thompson, Director  
Real Estate Services Department

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

**LANDLORD: REDLANDS VALENCIA GROVE I ASSOCIATES LP**, a California limited partnership, by HPI Valencia Grove LLC, A California Limited liability company, its managing General partner, by Housing Partners I, Incorporated, a California corporation, its sole member and manager

By ▶

\_\_\_\_\_  
*(Authorized signature - sign in blue ink)*

Name Maria Razo

Title Secretary/Treasurer

