City of Corona

400 S. Vicentia Ave.
Corona, CA 92882

Agenda Report

File #: 19-0079

AGENDA REPORT
REQUEST FOR CITY COUNCIL ACTION

DATE: 2/6/2019

TO: Honorable Mayor and City Council Members

FROM: Community Development Department

SUBJECT:
City Council consideration of the First Amendment to the Lease Agreement with Corona-Norco Unified School District located at 152 E. Sixth Street, Corona. (Corona-Norco Unified School District)

RECOMMENDED ACTION:
That the City Council approve the First Amendment to the Lease Agreement with Corona Norco Unified School District.

ANALYSIS:
Background

The property at 152 E Sixth Street is a 15,000 square foot commercial parcel located in Downtown within the south side of the Corona Mall. The city's former Redevelopment Agency (RDA) purchased the property in the late 1990s and did tenant improvements inside the building to house satellite offices for the Redevelopment Department and Public Works Capital Improvement and Finance Divisions. The aforesaid departments eventually moved into the new City Hall in 2005 at which time the property became satellite offices for the Police Department. The Police Department occupied the building for several years until the new Police Station was built.

In August 2010, the former RDA decided to lease the building and approved a five-year lease with the Riverside Community College District (RCCD). RCCD provided programs and services focused on economic and workforce development initiatives for the region. Within that lease time frame the former RDA transferred the property to the City of Corona due to the dissolution of the Redevelopment Agency. At the end of the five years, RCCD planned to move their economic and workforce development operations to Downtown Riverside; however, the Corona Norco Unified School District (CNUSD) was in search of a satellite office to operate their new parent center program, which aimed to build family and school partnerships.

On October 12, 2015, the City Council approved a lease for 10 years with CNUSD. In accordance with the terms of the lease it allowed only RCCD to remain as a subtenant. The lease described the use of the property for office and educational related activities and the lease rate was set at $0.25 per square feet with an annual 2% increase. In consideration for the below market rent, all City maintenance and repair responsibilities were assumed by CNUSD. Additionally, CNUSD agreed to participate in a common area maintenance fee if one were to be established. CNUSD invested in tenant improvements to the building and officially opened the Parent Center in June 2016.

The Parent Center provides parents, families or child guardians the tools to help children succeed in school through numerous services, activities and programs operated from the facility, such as:

- Educational workshops in computer literacy, financial literacy, social media, mental health awareness, GED, child abuse education, and many more;
- Family center for mental health counseling, childcare and teen center, support groups;
- Communication with parents through quarterly newsletters, Parent Educational Pathway Fair, parent websites and District Parent Advisory Council;
- Specialized programs such as *DADS ALL IN* to increase father participation, *WELCOME* program to immediately reach out to newcomer families, *GET ON BOARD* to provide college tours to parents and *MENTORS ON CALL* a partnership with Big Brother and Big Sisters targeting middle school at risk children; and
- Professional development programs for staff such as *Customer Service 101* to provide training to front office staff to create a friendly and welcoming environment, *Action Team for Partnership* aimed at bringing together administrators, parents, community members, teachers and staff to build partnership between home and school; site-based consultations aimed at increasing parent involvement and customized parent training workshops based on school and parent needs.

Reason for Lease Amendment

RCCD has vacated the property and CNUSD now wishes to amend the lease, *Section 3.18.1 Sublease to Riverside Community College District*, to sublease to About Students Regional Consortium (Consortium). The Consortium is made up of educators from Riverside County school districts. Their primary goal is to maintain sustainability of adult education through ongoing collaboration, increase access and capacity to our communities, align efforts to provide transition services to higher education and the workplace, and enhance opportunities of outreach and support services. The Consortium members meet regularly and work together to provide activities designed to serve adult education. Some of those activities include: Introduction to College, Career Exploration, Workforce Preparation, and English Skills for the Workplace.

Therefore, Section 3.18.1 of the lease is being amended as follows:

Authorization to Sublease. Notwithstanding Section 3.18, Tenant may, with the written approval of the City Manager, sublease a portion of the leased premises to educational providers for the specific use defined in section 3.1, provided that it does not exceed the term of this Agreement. However, if at any time, tenant charges rent to a sublessee in an amount that exceeds the price per square foot set forth in Section 3.3.1, Tenant shall pay to landlord, in addition to the base rent, fifty percent (50%) of that portion of the rent charged to the sublessee that exceeds the price per square foot set forth in Section 3.3.1. The sublease between tenant and the sublessee shall be subject to and shall incorporate all terms and conditions set forth in this Agreement.

COMMITTEE ACTION:
Not applicable.

STRATEGIC PLAN:
The lease agreement is consistent with the City's Strategic Plan goal to *Actively Engage in Public and Private Partnerships to Provide Services and Amenities* because it provides a place of opportunity for a public or private enterprise to provide educational programs and services for various population types within the City.

FISCAL IMPACT:
Approval of this lease amendment will have no fiscal impact to the current terms of the Agreement. The lease rate was set at $0.25 per square feet with an annual 2% increase. The current rent is $3,825 per month (Annual total: $45,900). In the event CNUSD charges the sublessee more than the base rent established by the lease, the City will receive 50% of the exceeded amount.

ENVIRONMENTAL ANALYSIS:
The execution of this lease agreement is not a project under the California Environmental Quality Act, therefore, an environmental analysis was not required.

PREPARED BY: CYNTHIA LARA, ADMINISTRATIVE SERVICES MANAGER II

REVIEWED BY: JOANNE COLETTA, COMMUNITY DEVELOPMENT DIRECTOR

REVIEWED BY: MICHELE NISSEN, ASSISTANT CITY MANAGER

REVIEWED BY: KERRY D. EDEN, ASSISTANT CITY MANAGER/ADMINISTRATIVE SERVICES DIRECTOR

SUBMITTED BY: DARRELL TALBERT, CITY MANAGER

Exhibit 1 - First Amendment to Lease Agreement - Final Version
Exhibit 2 - First Amendment to Lease Agreement - Redline Version
Exhibit 3 - Original Lease Agreement

FIRST AMENDMENT TO
CITY OF CORONA – 152 E. SIXTH STREET LEASE AGREETMENT
(CORONA-NORCO UNIFIED SCHOOL DISTRICT)

1. PARTIES AND DATE.

This First Amendment to the City of Corona – 152 E. Sixth Street Lease Agreement ("First Amendment") is made and entered into this 6th day of February, 2019 by and between the City of Corona ("City") and Corona-Norco Unified School District ("Lessee"). City and Lessee are sometimes individually referred to as "Party" and collectively as "Parties" in this First Amendment.

2. RECITALS.

2.1 Agreement. City and Lessee entered into that certain City of Corona – 152 E. Sixth Street Lease Agreement dated October 7, 2015 ("Agreement"), whereby City agreed to provide lease space to Lessee in its property located at 152 E. Sixth Street, Corona, California (Assessor Parcel Number 117-191-014) ("Leased Premises").

2.2 First Amendment. City and Lessee desire to amend the Agreement for the first time to allow subleasing of a portion of the Leased Premises for the purpose of conducting and providing educational services and programs.

3. TERMS.

3.1 Authorization to Sublease. Section 3.18.1 of the Agreement is hereby deleted in its entirety and replaced with the following:

> "3.18.1 Authorization to Sublease. Notwithstanding Section 3.18, Tenant may, with the written approval of the City Manager, sublease a portion of the Leased Premises to educational providers for the Specific Use defined in section 3.1, provided that it does not exceed the Term of this Agreement. However, if at any time, Tenant charges rent to a sublessee in an amount that exceeds the price per square foot set forth in Section 3.3.1, Tenant shall pay to Landlord, in addition to the Base Rent, fifty percent (50%) of that portion of the rent charged to the sublessee that exceeds the price per square foot set forth in Section 3.3.1. The sublease between Tenant and the sublessee shall be subject to and shall incorporate all terms and conditions set forth in this Agreement."

3.2 Continuing Effect of Agreement. Except as amended by this First Amendment, all provisions of the Agreement shall remain unchanged and whenever the term

EXHIBIT 1

"Agreement" appears in the Agreement, it shall mean the Agreement as amended by this First Amendment.

3.3 Adequate Consideration. The Parties hereto irrevocably stipulate and agree that they have each received adequate and independent consideration for the performance of the obligations they have undertaken pursuant to this First Amendment.

3.4 Counterparts. This First Amendment may be executed in duplicate originals, each of which is deemed to be an original, but when taken together shall constitute but one and the same instrument.

[SIGNATURES ON FOLLOWING 2 PAGES]

LANDLORD'S SIGNATURE PAGE FOR

FIRST AMENDMENT TO
CITY OF CORONA – 152 E. SIXTH STREET LEASE AGREETMENT
(CORONA-NORCO UNIFIED SCHOOL DISTRICT)

CITY OF CORONA

By: ______________________ *Attest:* ______________________

Darrell Talbert
City Manager

Sylvia Edwards
City Clerk

APPROVED AS TO FORM:

By: ______________________

Dean Derleth
City Attorney

TENANT'S SIGNATURE PAGE FOR

FIRST AMENDMENT TO
CITY OF CORONA – 152 E. SIXTH STREET LEASE AGREETMENT
(CORONA-NORCO UNIFIED SCHOOL DISTRICT)

CORONA-NORCO UNIFIED SCHOOL DISTRICT

By: ____________________ Signature	By: ____________________ Signature
____________________ Name (Print)	____________________ Name (Print)
____________________ Title (Print)	____________________ Title (Print)

FIRST AMENDMENT TO
CITY OF CORONA – 152 E. SIXTH STREET LEASE AGREETMENT
(CORONA-NORCO UNIFIED SCHOOL DISTRICT)

1. PARTIES AND DATE.

This First Amendment to the City of Corona – 152 E. Sixth Street Lease Agreement ("First Amendment") is made and entered into this 16th day of January, 2019 by and between the City of Corona ("City") and Corona-Norco Unified School District ("Lessee"). City and Lessee are sometimes individually referred to as "Party" and collectively as "Parties" in this First Amendment.

2. RECITALS.

2.1 Agreement. City and Lessee entered into that certain City of Corona – 152 E. Sixth Street Lease Agreement dated October 7, 2015 ("Agreement"), whereby City agreed to provide lease space to Lessee in its property located at 152 E. Sixth Street, Corona, California (Assessor Parcel Number 117-191-014) ("Leased Premises").

2.2 First Amendment. City and Lessee desire to amend the Agreement for the first time to allow subleasing of a portion of the Leased Premises for the purpose of conducting and providing educational services and programs.

3. TERMS.

3.1 Authorization to Sublease. Section 3.18.1 of the Agreement is hereby deleted in its entirety and replaced with the following:

> "3.18.1 Authorization to Sublease. Notwithstanding Section 3.18, Tenant may, with the written approval of the City Manager, sublease a portion of the Leased Premises to educational providers for the Specific Use defined in section 3.1, ~~Riverside Community College District ("RCCD") to continue operating its economic development programs for a term determined by Tenant and RCCD~~ provided that it does not exceed the Term of this Agreement. However, if at any time, Tenant charges rent to ~~RCCD~~ a sublessee in an amount that exceeds the price per square foot set forth in Section 3.3.1, Tenant shall pay to Landlord, in addition to the Base Rent, fifty percent (50%) of that portion of the rent charged to ~~RCCD~~ the sublessee that exceeds the price per square foot set forth in Section 3.3.1. The sublease between Tenant and ~~RCCD~~ the sublessee shall be subject to and shall incorporate all terms and conditions set forth in this Agreement."

EXHIBIT 2

3.2 Continuing Effect of Agreement. Except as amended by this First Amendment, all provisions of the Agreement shall remain unchanged and whenever the term "Agreement" appears in the Agreement, it shall mean the Agreement as amended by this First Amendment.

3.3 Adequate Consideration. The Parties hereto irrevocably stipulate and agree that they have each received adequate and independent consideration for the performance of the obligations they have undertaken pursuant to this First Amendment.

3.4 Counterparts. This First Amendment may be executed in duplicate originals, each of which is deemed to be an original, but when taken together shall constitute but one and the same instrument.

[SIGNATURES ON FOLLOWING 2 PAGES]

LANDLORD'S SIGNATURE PAGE FOR

FIRST AMENDMENT TO
CITY OF CORONA – 152 E. SIXTH STREET LEASE AGREEMENT
(CORONA-NORCO UNIFIED SCHOOL DISTRICT)

CITY OF CORONA

By: ___________________________
Darrell Talbert
City Manager

Attest: ___________________________
Sylvia Edwards
City Clerk

APPROVED AS TO FORM:

By: ___________________________
Dean Derleth
City Attorney

TENANT'S SIGNATURE PAGE FOR

FIRST AMENDMENT TO
CITY OF CORONA – 152 E. SIXTH STREET LEASE AGREEMENT
(CORONA-NORCO UNIFIED SCHOOL DISTRICT)

CORONA-NORCO UNIFIED SCHOOL DISTRICT

By: ______________________________
Signature

____
Name (Print)

____
Title (Print)

By: ______________________________
Signature

____
Name (Print)

____
Title (Print)

CITY OF CORONA – 152 E. SIXTH STREET
LEASE AGREEMENT
(CORONA-NORCO UNIFIED SCHOOL DISTRICT)

1. PARTIES AND DATE

THIS LEASE AGREEMENT (hereinafter "Agreement") is entered into by and between THE CITY OF CORONA, a California municipal corporation (hereinafter "Landlord"), and Corona-Norco Unified School District (hereinafter "Tenant"). This Agreement shall become effective as of October 7, 2015. Tenant and Landlord are sometimes individually referred to as "Party" and collectively as "Parties" in this Agreement.

2. RECITALS

2.1 Property. Landlord is the owner of certain real property located at 152 E. Sixth Street, in the City of Corona, County of Riverside, State of California (Assessor Parcel Number 117-191-014) (the "Property").

2.2 Leased Premises. Tenant desires to lease the Property consisting of approximately 15,000 square feet as depicted in Exhibit "A" attached hereto and made a part of this Agreement and all furniture, fixtures and equipment on the Property (the "Leased Premises").

3. GENERAL LEASE TERMS

3.1 Right of Possession. Landlord hereby leases to Tenant and Tenant hereby leases from Landlord, the Leased Premises on the terms and conditions hereinafter set forth in this Agreement, for the specific use and purpose of conducting and providing educational services and programs ("Specific Use").

3.2 Term. The term of this Agreement shall commence on October 12, 2015 ("Commencement Date") and continue until October 31, 2025 unless terminated earlier as provided in Section 3.2.2 or Section 5 herein ("Term").

3.2.1 No Holdover. Tenant has no right to retain possession of the Leased Premises or any part thereof beyond the expiration or termination of this Agreement. Notwithstanding the foregoing, in the event that Tenant holds over Tenant shall continue to pay the Rent pursuant to Section 3.3. Nothing contained herein shall be construed as consent by Landlord to any holding over by Tenant.

3.2.2 Early Termination. Tenant may terminate this Agreement at any time after October 12, 2016 by providing sixty (60) days prior written notice to Landlord. In the event of termination pursuant to this Section 3.2.2, Tenant shall not be subject to the penalties set forth in Section 5.2.1 except that Landlord shall be entitled to recover from Tenant the unpaid Rent earned up to the date of termination. In the event of termination pursuant to this Section 3.2.2, Tenant shall not be entitled to any compensation, offset or deduction in Rent for any improvements made to the Leased Premises.

3.3 Rent. All monetary obligations of Tenant to Landlord under the terms of this Agreement (except for the Security Deposit) are deemed to be rent ("Rent").

EXHIBIT 3

3.3.1 Base Rent. As a component of Rent, Tenant shall pay to Landlord, Base Rent for leasing the Leased Premises, in the amount of Twenty-Five Cents ($0.25) per square foot or Three Thousand Seven Hundred Fifty Dollars ($3,750) per month, without offset or deduction ("Base Rent"). The first payment of Base Rent shall be due on the Commencement Date ("Rent Commencement Date"). If the Rent Commencement Date is not on the first (1st) day of a calendar month, then Tenant shall pay to Landlord, on or before the Rent Commencement Date, Tenant's pro rata share of the Base Rent for that partial month pro-rated on the basis of a thirty (30) day month. Subsequent monthly Base Rent payments shall be due and payable on the first day of each month following the first Base Rent payment. Payment of Base Rent shall be made to Landlord at its address stated herein or to such other persons or place as Landlord may from time to time designate in writing. Acceptance of a payment which is less than the amount then due shall not be a waiver of Landlord's rights to the balance of such Rent, regardless of Landlord's endorsement of any check so stating. Payments will be applied first to accrued late charges and attorney's fees, second to other outstanding charges or costs, and any remaining amount to Base Rent. Base Rent shall be increased by two percent (2%) each year on the anniversary of the Commencement Date.

3.3.2 INTENTIONALLY OMITTED.

3.4 INTENTIONALLY OMITTED.

3.5 Common Area Maintenance Charges. As of the Commencement Date, there are no fees or charges associated with the maintenance of common areas on the Property. However, in the event that fees or charges for the maintenance of common areas on the Property are imposed in the future, Landlord shall provide sixty (60) days advance written notice to Tenant of the amount and payment schedule for such fees or charges. Tenant shall pay any and all fees or charges for the maintenance of common areas during the Term of this Agreement. If such fees or charges are not separately billed to Tenant but rather are billed to and paid by Landlord, Tenant shall pay to Landlord its pro rata share of such fees or charges, as determined by Landlord, which may include a pro rata share of Landlord's cost in making such determination.

3.6 Late Charges. Tenant hereby acknowledges that late payment by Tenant to Landlord of any payment under this Agreement or any other sums due hereunder will cause Landlord to incur costs not contemplated by this Agreement, the exact amount of which will be extremely difficult to ascertain. Accordingly, if any payment, or any other sum due from Tenant to Landlord is not received by the Landlord within five (5) days after such amount is due, whether or not any notice of default or another notice has been given, Tenant shall pay a late fee equal to five percent (5%) of all delinquent amounts. The Parties hereby agree that such interest charges represent a fair and reasonable estimate of the costs Landlord will incur by reason of late payment by Tenant. Landlord's acceptance of payment of such fees shall not constitute a waiver of Tenant's default with respect to the overdue sum, or prevent Landlord from exercising any of its other rights and remedies under this Agreement. In the event that any check or other instrument of payment given by Tenant to Landlord is dishonored for any reason, the Landlord may charge a returned check fee, in addition to five (5) percent of the delinquent amount, if any.

3.7 Utilities; Janitorial Services. Tenant shall be solely responsible for all utilities and establishing utility service to the Leased Premises with all utility providers. Tenant shall pay directly to utility providers all amounts for electricity, gas, water, sewer, trash disposal, cable, telephone and other utility services used on or for the Leased Premises ("Utilities"). Tenant shall pay all initial deposits and fees, and all monthly service charges for the Utilities furnished to the Leased Premises during the Term of this Agreement. If any Utilities are not separately metered or billed to Tenant but rather are billed to and paid by Landlord, Tenant will pay to Landlord its pro rata share of the cost of such Utilities, as determined by Landlord, which may include a pro rata share of Landlord's cost in making such determination. Landlord will not be liable for any reason for any loss or damage resulting from an interruption or loss of service of the Utilities.

3.8 Obligation to Refrain from Discrimination. Tenant covenants and agrees for itself, its heirs, executors, administrators, and assigns, and all persons claiming under or through it, and this Agreement is made and accepted upon and subject to the following conditions: That there shall be no discrimination against or segregation of any person, or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12936.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955 and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the Leased Premises nor shall the Tenant, itself or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy, of tenants, lessees, subtenants, sublessees or vendees in the Leased Premises.

3.9 Waste and Nuisance. Tenant shall not commit any waste on or about the Leased Premises, nor commit or maintain any public or private nuisance on or about the Leased Premises. Tenant shall use its best efforts to prevent any third party from committing any waste on or about the Leased Premises, or from committing any public or private nuisance on or about the Leased Premises.

3.10 Compliance with Laws, Rules, Regulations. Tenant shall at all times comply with the requirements of local, state and federal laws, rules, orders and regulations now in force or which may hereinafter be in force ("Regulations"). In order to comply with the Regulations, Tenant shall obtain, at its sole cost and expense, all licenses, permits and approvals that the Regulations require for the use or operation of the Leased Premises. The Tenant shall maintain all licenses, permits and approvals throughout the Term of this Agreement.

3.11 Use of Leased Premises.

3.11.1 Tenant's Personnel and Invitees. Tenant shall be responsible for the use of the Property, including without limitation, the Leased Premises, by the Tenant and its owners, officers, employees, agents, guests, invitees, customers and others who enter the Property on behalf of or in connection with Tenant's presence or activities under this Agreement ("Tenant's Personnel and Invitees").

3.11.2 General Rule. Tenant shall use and occupy the Leased Premises only for the Specific Use and no other purpose. Changes in Specific Use of the Leased Premises must be submitted for approval by Landlord, prior to any change. Tenant shall also not occupy or use, or permit the Leased Premises or any part thereof to be occupied or used, for any unlawful or illegal business, use or purpose, nor for any business, use or purposes which is disreputable or extra-hazardous. Tenant shall immediately, upon discovery of any such unlawful, illegal, disreputable or extra-hazardous use, take all necessary steps, legal and equitable, to compel the discontinuance of such use and to oust and remove occupants or other persons guilty of such unlawful, illegal, disreputable or extra-hazardous use.

3.11.3 Sale and/or Use of Alcohol. Tenant agrees that it shall not allow for the sale or use of alcoholic beverages on the Leased Premises at any time, or in any manner, without first obtaining prior written consent of the Landlord allowing for such sale and/or use. Tenant's failure to strictly adhere to this provision shall result in Tenant immediately being declared in material breach of this Agreement, and shall result in an event of Default as provided in Section 5 herein.

3.11.4 No Smoking. Tenant agrees that it shall not allow the combustion of tobacco or any other substance in a cigar, cigarette, pipe or any similar smoking device in any area of the Leased Premises. In accordance with Chapter 8.02 of the Corona Municipal Code (Smoking Regulations In City Facilities and Vehicles), smoking shall be prohibited inside of, and within an outdoor area which is within 20 feet of a main exit, entrance or operable window of any building owned, leased or occupied by the Landlord. Tenant agrees that it shall take all reasonable steps to ensure that Tenant's Personnel and Invitees shall comply with this provision.

3.11.5 INTENTIONALLY OMITTED

3.11.6 Vehicle Parking. The Property is located within the Corona Mall South commercial center. The parking facilities for the Corona Mall South commercial center may be used by and are for the benefit of all property owners, tenants and business patrons of the Corona Mall South. Therefore, no parking area or stall may be dedicated to any property owner, tenant, business or person. Tenant and Tenant's Personnel and Invitees may park in the parking facilities around the Leased Premises. Said parking areas shall be used for parking by vehicles no larger than full-size passenger automobiles, pick-up trucks or sport utility vehicles. The Corona Mall South parking facilities are depicted in Exhibit "B", attached hereto and incorporated by reference.

3.12 Repairs and Maintenance.

3.12.1 Obligations of Tenant. Tenant shall keep the Leased Premises in good, clean condition and repair as set forth herein and in a clean and sanitary manner and shall surrender the same at termination hereof in as good condition as received, normal wear and tear excepted. Tenant shall be responsible for making all major repairs (i.e., water heater replacement, plumbing problems, electrical, cosmetic, etc.) and shall be responsible for any damages (including vandalism) caused by the negligence or misconduct of Tenant, Tenant's Personnel and Invitees. Landlord shall not maintain the Leased Premises during the term of this Agreement. Landlord shall not be required to pay for any upgrades, such as electrical, plumbing or air conditioning equipment or units or sign improvements, etc. required by or resulting from Tenant's use or occupancy of the Leased Premises. Landlord shall have no responsibility for any damages, losses, or liability arising from or relating to the damage or destruction of any portion of the Property, including fixtures, equipment, furniture and other personal property, as well as any damages, losses or liabilities arising form or related to the repair and maintenance of the roof.

3.12.2 INTENTIONALLY OMITTED.

3.12.3 Graffiti. In addition to any other maintenance obligation herein, Tenant shall be responsible for the prompt removal of any graffiti on the Leased Premises after Tenant is provided notice that graffiti is present thereon. Within forty-eight (48) hours after Tenant is provided notice that graffiti is present on the Leased Premises, Tenant shall remove any graffiti by either painting over the vandalized area with a paint that has been color-matched to the surface on which the paint is applied, or by use of solvents, detergents or water as appropriate. If such graffiti is not removed within the required forty-eight (48) hours by Tenant, Landlord shall have the right to enter on or upon the Leased Premises to remove the graffiti. Tenant shall reimburse any sum expended by Landlord to remove the graffiti. For assistance with graffiti remediation, the tenant may also report the graffiti to the City of Corona's Graffiti Hotline (currently, the telephone number is 951-278-3227).

3.12.4 Signs. All signs and graphics of every kind visible from public view corridors, or the exterior of the Property will be subject to Landlord's prior written approval, and will be subject to any applicable governmental laws, ordinances and design standards. Tenant must remove all signs and graphics prior to the termination of this Agreement, unless otherwise directed by Landlord.

3.13 Condition of Leased Premises.

3.13.1 As-Is. Tenant acknowledges that it has examined the Leased Premises and any common areas to which Tenant and its owners, officers, employees, agents, guests, invitees, customers and others who enter the Property and/or Leased Premises on behalf of or in connection with Tenant's presence or activities under this Agreement will have access, and agrees to take possession of the Leased Premises in an AS-IS condition. Tenant acknowledges and agrees that Landlord has made absolutely no representations, guarantees or warranties regarding the Leased Premises, nor has Landlord made representations, guarantees or warranties regarding whether the Leased Premises and improvements thereon comply with applicable covenants and restrictions of record, building codes, ordinances or statutes in effect at the commencement of this Agreement.

3.13.2 Certified Access Specialist Disclosure. As required by Civil Code Section 1938, in executing this Agreement Tenant is on notice that the Property, including the Leased Premises, has not undergone inspection by a Certified Access Specialist.

3.13.3 INTENTIONALLY OMITTED.

3.13.4 INTENTIONALLY OMITTED.

3.14 INTENTIONALLY OMITTED.

3.15 Damage or Destruction of Leased Premises. Unless as the result of negligence or intentional unlawful act of Tenant, if during the term of this Agreement, any portion of the Leased Premises shall be damaged by fire or other catastrophic cause, so as to render such portion of the Leased Premises untenable, the obligations under this Agreement may be suspended while such portion of the Leased Premises remains untenable. In the event of such damage, Tenant shall give Landlord notice of such untenable conditions and the Landlord shall elect in its sole discretion, whether to repair the Leased Premises or to cancel this Agreement with respect thereto. Landlord shall notify Tenant in writing of its election within thirty (30) days after service of notice by Tenant. In the event that Landlord elects not to repair the Leased Premises or portion thereof, this Agreement shall be deemed canceled as of the date the damage occurred with respect to the applicable portion(s).

3.16 Alterations, Additions and Improvements. Tenant may not make any alterations, improvements or additions in, on or about any of the Leased Premises, including but not limited to Tenant's occupied portion, without first submitting detailed plans and drawings of proposed work to Landlord, obtaining Landlord's prior written consent and obtaining building permits as required by the Corona Municipal Code, except as expressly provided for in this Agreement. Unless expressly provided for herein or consented to in writing by Landlord, Tenant and Tenant's Personnel and Invitees shall not attach or affix any item to the walls of the Property.

3.16.1 Fixtures. Should any alterations to the Leased Premises become fixtures under California law those items shall at once become a part of the realty and belong to Landlord. However, Landlord may, in its sole discretion, require Tenant to remove any alterations, fixtures, or other tenant improvements prior to vacating the Leased Premises. Tenant shall be responsible for repair for any damage caused by said removal.

3.16.2 No Liens. Tenant shall keep the Leased Premises free from any liens arising out of any work performed, materials furnished or obligations incurred by the Tenant, and Tenant shall be responsible for the removal of any such liens and all costs to remove same. Failure to remove any such liens within thirty (30) calendar days of written request by Landlord shall constitute a default of this Agreement.

3.16.3 Removal of Liens. At its election, but without having any obligation to do so, the Landlord may pay such liens not so removed by the Tenant and the Tenant shall, within ten (10) days following the receipt of written request from the Landlord, reimburse Landlord for all such costs incurred by Landlord with respect to the removal of such liens.

3.16.4 Required Interior Improvements. Tenant shall make the repairs or improvements to the Leased Premises as indicated in the attached Exhibit "C" during the Term of this Agreement. Until and unless Landlord has agreed in writing that Tenant has completed the following repairs and improvements to Landlord's satisfaction, Landlord shall be entitled to enter upon the Leased Premises at any time, without notice, to inspect the progress and condition of the repairs and improvements.

3.16.5 Exterior Facade Improvements. In addition to the improvements required by Section 3.16.4, Tenant may, at Tenant's option and sole cost and expense, remodel the exterior façade of the Leased Premises, subject to the requirements and deadlines set forth in this Section 3.16.5. Tenant shall submit architectural renderings to Landlord that depict the exterior façade improvements that Tenant proposes for the Leased Premises ("Exterior Façade Improvements") within sixty (60) days of the Commencement Date for review and approval by Landlord and the Landlord's Finance, Legislation and Economic Development Committee. Within one hundred twenty (120) days of the Commencement Date, Tenant shall submit plans and specifications and any other documentation required by the Corona Municipal Code for the Exterior Façade Improvements that are consistent with the architectural renderings approved by Landlord and the Landlord's Finance, Legislation and Economic Development Committee. Tenant shall obtain building permits for the Exterior Façade Improvements within ten (10) months of the Commencement Date. Tenant shall construct and complete the Exterior Façade Improvements pursuant to the approved architectural renderings and plans and specifications within eighteen (18) months of the Commencement Date. If Tenant completes the Exterior Façade Improvements within the deadlines established by this Section 3.16.5, the completion of the Exterior Façade Improvements shall be considered adequate compensation for Tenant's use of the Leased Premises and Landlord will waive and forego payment of the Base Rent for the remainder of the Term of this Agreement commencing on the first full month after the Exterior Façade Improvements are deemed complete by the Landlord. If Tenant does not complete the Exterior Façade Improvements within the deadlines established in this Section 3.16.5, Tenant shall be required to continue paying the Base Rent pursuant to Section 3.3.1 and all other terms and obligations of this Agreement shall remain in full force and effect.

3.16.6 Roof Improvements. Tenant shall replace the roof on the Leased Premises within three (3) years of the Commencement Date. Tenant shall obtain all permits and approvals required for the replacement of the roof on the Leased Premises.

3.17 Entry and Inspection. Except for in the case of an emergency, Tenant shall permit Landlord or Landlord's agents to enter the Leased Premises at all times upon reasonable prior oral or written notice for the purpose of inspecting the Leased Premises, for necessary repairs, restorations and replacements to the Leased Premises as set forth above, and for otherwise determining Tenant's compliance with this Agreement. In the case of an emergency, Landlord shall be permitted to immediately enter the Leased Premises, without any prior notice to Tenant. Landlord shall reasonably cooperate with Tenant in an effort to avoid disrupting Tenant's normal business activities.

3.18 No Assignment Allowed. Except as provided in Section 3.18.1, Tenant shall not sell, assign, sublease, mortgage, pledge, hypothecate or otherwise transfer this Agreement or any right therein, nor make any total or partial sale, assignment, sublease mortgage, pledge, hypothecation or transfer in any other mode or form of the whole or any part of the Leased Premises.

3.18.1 <u>Sublease to Riverside Community College District</u>. Notwithstanding Section 3.18, Tenant may sublease a portion of the Leased Premises to Riverside Community College District ("RCCD") to continue operating its economic development programs for a term determined by Tenant and RCCD provided that it does not exceed the Term of this Agreement. However, if at any time, Tenant charges rent to RCCD in an amount that exceeds the price per square foot set forth in Section 3.3.1, Tenant shall pay to Landlord, in addition to the Base Rent, fifty percent (50%) of that portion of the rent charged to RCCD that exceeds the price per square foot set forth in Section 3.3.1. The sublease between Tenant and RCCD shall be subject to and shall incorporate all terms and conditions set forth in this Agreement.

3.19 <u>Assumption of Risk, Waiver, and Landlord's Non-liability</u>. To the maximum extent allowed by law, except for Landlord's willful or actively negligent acts, Tenant assumes any and all risk of loss, damage or injury of any kind to any person or property which is in, on or about the Leased Premises. Tenant's assumption of risk shall include, without limitation, loss or damage caused by defects within the Leased Premises or any fixture therein, accident, fire or other casualty on the Leased Premises. To the maximum extent allowed by law, except for Landlord's willful or actively negligent acts, Tenant hereby waives all claims and demands against Landlord and its officials, officers, employees, volunteers and agents for injury to persons, damage to property or any other interest of Tenant sustained by Tenant or any person claiming to be Tenant resulting from any occurrence on or about the Leased Premises.

Tenant has been advised by its legal counsel concerning the content and effect of California Civil Code Section 1542, which provides:

> A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

Tenant hereby waives the benefits of Civil Code Section 1542 and all other state or federal statutes or judicial decisions of similar effect. The provisions of this Section shall survive the termination of this Agreement.

______ Tenant's Initials

3.20 <u>Indemnification</u>. To the fullest extent permitted by law, Tenant agrees to defend, indemnify and hold harmless Landlord and its officials, officers, employees, volunteers and agents (collectively, "Indemnified Parties") from and against any and all claims, suits, actions or other proceedings of every kind relating to or arising from Tenant's possession, use, occupancy, management, operation, repair, maintenance or control of the Leased Premises or common areas, or any portion thereof, specifically including, without limitation, any loss, action, damages, liability, or expense (including attorneys' fees) arising by reason of: (i) the death or injury of any person or persons, including Tenant or its owners, officers, employees, agents, guests, invitees, customers and others who enter the Property and/or Leased Premises on behalf of or in connection with Tenant's presence or activities under this Agreement, or by reason of the damage or destruction of any property, including property owned by Tenant or its owners, officers, employees, agents, guests, invitees, customers and others who enter the Property and/or Leased Premises on behalf of or in connection with Tenant's presence or activities under this Agreement, and caused or allegedly caused by either the condition of said premises, or some act or omission on the Leased Premises of the Tenant or its owners, officers, employees, agents, guests, invitees, customers and others who enter the Property and/or Leased Premises on behalf of or in connection with Tenant's presence or activities under this Agreement; (ii) the willful or negligent act or omission of Tenant or its owners, officers, employees, agents, guests, invitees, customers and others who enter the Property and/or Leased Premises on behalf of or in connection with Tenant's presence or activities under this Agreement, including without limitation any subtenants (if applicable); (iii) the breach, default, violation or nonperformance of this Agreement by Tenant; (iv) the Tenant's failure to comply with any requirement of local, state or federal law or any requirement imposed by Landlord or by any duly authorized governmental agency or political subdivision. Tenant must pay, satisfy and discharge any and all money judgments that may be recovered against any Indemnified Party in connection with the foregoing. Tenant's obligation hereunder shall survive termination or expiration of this Agreement, and shall not be restricted to insurance proceeds, if any, received by any Indemnified Party.

3.21 Duty to Defend. Upon written request from an Indemnified Party, Tenant shall defend (with counsel acceptable to that Indemnified Party, in the Indemnified Party's reasonable discretion, and at Tenant's sole cost and expense) any claim, suit, action or other proceedings covered by Section 3.23. Tenant shall pay or satisfy all reasonable costs, fees or expenses of any kind incident to such defense or incident to enforcing this defense and indemnity obligation, including, but not limited to, attorneys' fees, investigators' fees, litigation expenses, expert or other consultant fees, settlement payments, and amounts paid in satisfaction of any judgment, award or decree that may be rendered against an Indemnified Party. Tenant shall specifically and expressly be obligated to reimburse any Indemnified Party for the cost of any settlement paid by any Indemnified Party, whether paid for themselves or on behalf of another Indemnified Party, as part of any such claim, suit, action or other proceeding. Tenant's obligation hereunder shall survive termination or expiration of this Agreement, and shall not be restricted to insurance proceeds, if any, received by any Indemnified Party.

3.22 Subordination. This Agreement is and shall be subordinate to any reciprocal easement agreement, ground lease, facilities lease or other underlying lease and the lien of any mortgage or deed of trust and all renewals, modifications, consolidations, replacements and extensions of any of the foregoing, that may now exist or hereafter be executed by Landlord affecting the Property, or any part thereof, or Landlord's interest therein, without the necessity of executing any instrument to effectuate such subordination; provided, however, upon Landlord's request, Tenant, or Tenant's successor-in-interest, shall execute and deliver any and all instruments desired by Landlord evidencing such subordination in the manner requested by Landlord. Notwithstanding the foregoing, Landlord or the holder shall in is respective discretion, have the right to subordinate any such interests to this Agreement. If any ground lease or underlying lease terminates for any reason or any mortgage or deed of trust is foreclosed or conveyance in lieu of foreclosure is made for any reason, Tenant shall attorn to the successor-in-interest to Landlord, at the option of such successor-in-interest. The provisions of this Section shall be self-operative and no further instrument shall be required. Tenant agrees however, to execute and deliver, upon demand by Landlord and in the form requested by Landlord, any additional documents evidencing the priority or subordination of this Agreement.

3.23 Hazardous Materials Prohibited. The use, generation, storage or disposal of Hazardous Materials on the Leased Premises is strictly prohibited, and any such use, generation, storage, or disposal shall result in a default and termination of this Agreement. For the purpose of this Section, Hazardous Materials shall include, without limitation, substances defined as "hazardous substances," "hazardous materials," "toxic substances," "hazardous wastes," "extremely hazardous wastes," or "restricted hazardous wastes," or stated to be known to cause cancer or reproductive toxicity, under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. sections 9601, et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. sections 1801, et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. sections 6901, et seq.; the Federal Water Pollution Control Act, 33 U.S.C. sections 1317, et seq.; sections 25115, 25117, 25122.7, 25140, 25249.5, 25249.8, 25281, 25316 or 25501 of the California Health & Safety Code; or any substances so defined or stated in any of the regulations adopted and publications promulgated pursuant to said laws as they may be amended from time to time.

3.24 Taxable Possessory Interests. Tenant acknowledges that the execution of this Agreement for the Leased Premises creates a taxable possessory interest pursuant to Revenue Taxation Code Section 107, as amended from time to time, subjecting Tenant to pay any and all taxes levied on this interest in government owned real property. A taxable possessory interest exists when a person or entity has the right to a beneficial use of tax exempt, government owned real property whether Rent is paid or not. These possessory interest taxes are to be paid by Tenant directly to the County Tax Collector and shall be kept current, without delinquency. TENANT IS ADVISED TO CONTACT THE COUNTY ASSESSOR PRIOR TO ENTERING INTO THIS AGREEMENT FOR INFORMATION. All possessory taxes are assessed yearly as of January 1st of each year. If the payment of the taxes become delinquent, Landlord may consider the failure to pay taxes owed a breach of this Agreement and grounds for termination. The person or entity in actual or constructive possession of the property on the lien date is liable for the tax for the entire year. There is no provision for proration of the taxes. Upon termination of the occupancy and thereby the taxable possessory interest, the Tenant is still responsible for the remaining portion of the tax bill through the end of that year.

______ Tenant's Initials

3.25 Taxes. In addition to the possessory taxes described herein, Tenant shall pay as part of Rent during the term of this Agreement, without abatement, deduction, or offset, any and all real and personal property taxes, general and special assessments, and other charges (including any increase caused by a change in the tax rate or by a change in assessed valuation) of any description levied or assessed during the term of this Agreement by any governmental agency or entity on or against the Leased Premises, personal property located on or in the Leased Premises, and the leasehold estate created by this Agreement.

4. INSURANCE

4.1 Time for Compliance. This Agreement shall not commence until Tenant has provided evidence satisfactory to the Landlord that it has secured all insurance required under this Section.

4.2 Insurance Requirements. Tenant shall, at its expense, procure and maintain for the duration of this Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the possession, use, occupancy, management, operation, repair, maintenance or control of the Leased Premises by the Tenant and/or its officers, officials, agents, representatives, volunteers or employees.

4.2.1 Minimum Scope of and Limits of Coverage. Coverage shall be at least as broad as the latest version of the following: (A) General Liability: Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001); (B) Proof of Automobile Liability: Insurance business or personal auto coverage and (C) Workers' Compensation and Employer's Liability: Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance. Tenant shall maintain limits no less than: (A) General Liability: $1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with general aggregate limit is used, either the general aggregate limit shall apply separately to this Agreement/location or the general aggregate limit shall be twice the required occurrence limit; (B) Proof of business or personal Automobile Liability coverage for bodily injury and property damage; and (C) Workers' Compensation and Employer's Liability: Workers' compensation limits as required by the Labor

Code of the State of California. Employers Liability limits of $1,000,000 per accident for bodily injury or disease. If the Tenant maintains higher limits than the minimums shown above the Landlord requires and shall be entitled to coverage for the higher limits maintained by the Tenant.

4.2.2 Fire Legal Liability and Extended Coverage. Tenant shall also procure and maintain, at its own expense, for the duration of this Agreement fire legal liability and extended coverage insurance for Tenant's fixtures, goods, wares, or personal property on or in the Leased Premises.

4.2.3 Insurance Endorsements. The insurance policies shall contain the following provisions, or Tenant or the primary insured shall provide endorsements on forms supplied or approved by the Landlord to add the following provisions to the insurance policies:

(a) General Liability. The general liability policy shall be endorsed to state that: (A) the Landlord, its directors, officials, officers, employees, volunteers and agents shall be covered as additional insurers with respect to the possession, use, occupancy, management, operation, repair, maintenance or control of the Leased Premises by the Tenant and its officers, officials, agents, representatives, volunteers or employees; and (B) the insurance coverage shall be primary insurance with respect to the Landlord, its officials, officers, employees, volunteers and agents, or if excess, shall stand in an unbroken chain of coverage excess of the Tenant's scheduled underlying coverage. Any insurance or self-insurance maintained by the Landlord, its directors, officials, officers, employees, volunteers and agents shall be excess of the Tenant's insurance and shall not be called upon to contribute with it.

(b) Automobile Liability. No endorsement required.

(c) Workers' Compensation and Employers Liability Coverage. The insurer shall agree to waive all rights of subrogation against the Landlord, the City and their directors, officials, officers, employees, volunteers and agents for losses paid under the terms of the insurance policy which arise from work performed by the Tenant.

(d) All Coverages. Each insurance policy required by this Agreement shall be endorsed to state that: (A) coverage shall not be suspended, voided, or canceled except after thirty (30) days prior written notice has been given to the Landlord or ten (10) days if cancellation is due to non-payment of premium, provided that if a thirty (30) days' notice of cancellation endorsement is not available Tenant shall notify Landlord of this unavailability in writing and shall forward any notice of cancellation to the Landlord within two (2) business days from date of receipt by Tenant; and (B) any failure to comply with reporting or other provisions of the policies, including breaches of warranties, shall not affect coverage provided to the Landlord, its directors, officials, officers, employees, agents, and volunteers. Tenant's failure either to obtain an endorsement providing thirty (30) days prior written notice of cancellation endorsement or to forward the Landlord any notice of cancellation issued to Tenant shall be considered breach of contract.

4.2.4 Separation of Insureds; No Special Limitations. All insurance required by this Section shall contain standard separation of insureds provisions. In addition, such insurance shall not contain any special limitations on the scope of protection afforded to the Landlord, the City and their directors, officials, officers, employees, volunteers and agents.

4.2.5 Deductibles and Self-Insurance Retentions. Landlord may require that any deductibles or self-insured retentions must be declared to and approved by the Landlord. Tenant shall ensure that, at the option of the Landlord, either: (A) the primary insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the Landlord, its directors, officials, officers, employees and agents; or (B) the primary insured shall procure a bond guaranteeing payment of losses and related investigation costs, claims and administrative and defense expenses.

4.2.6 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating no less than A:IV, licensed and admitted to do business in California, and satisfactory to the Landlord.

4.2.7 Verification of Coverage. Tenant shall furnish Landlord with original certificates of insurance and endorsements affecting coverage required by this Agreement on forms satisfactory to the Landlord. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf, and shall be on forms provided by the Landlord if requested. All certificates and endorsements must be received and approved by the Landlord. The Landlord reserves the right to require complete, certified copies of all required insurance policies, at any time.

5. DEFAULT/ BREACH; REMEDIES

5.1 Default; Breach. A "Default" is defined as a failure by the Tenant to comply with or perform any of the terms, covenants, or conditions of this Agreement. A "Breach" is defined as the occurrence of one or more of the following Defaults, and the failure of Tenant to cure such Default within any applicable grace period:

5.1.1 Abandonment. The abandonment of the Leased Premises; or the vacating of the Leased Premises without providing a commercially reasonable level of security, or where the coverage of the property insurance required by this Agreement is jeopardized as a result thereof, or without providing reasonable assurances to minimize potential vandalism.

5.1.2 Failure to Pay. The failure of Tenant to make any payment of Rent or any Security Deposit required to be made by Tenant hereunder, whether to Landlord or to a third party, when due.

5.1.3 Failure to Provide Insurance. The failure of Tenant to provide reasonable evidence of insurance or to fulfill any obligation under this Agreement which endangers or threatens life or property, where such failure continues for a period of three (3) business days following written notice to Tenant.

5.1.4 Default. A Default by Tenant as to the terms, covenants, conditions or provisions of this Agreement, other than those described above, where such Default continues for a period of three (3) days after written notice.

5.1.5 Misrepresentation. The discovery by Landlord that any financial statement of Tenant given to Landlord was materially false.

5.1.6 Breach of Guarantor. If the performance of Tenant's obligations under the Agreement are guaranteed: (i) the death of a Guarantor, (ii) the termination of a Guarantor's liability with respect to this Agreement other than in accordance with the terms of such guaranty, (iii) a Guarantor's becoming insolvent or the subject of a bankruptcy filing, (iv) a Guarantor's refusal to honor the guaranty, or (v) a Guarantor's breach of its guaranty obligation on an anticipatory basis, and Tenant's failure, within thirty (30) days following written notice of any such event, to provide written alternative assurance or security, which, when coupled with the then existing resources of Tenant, equals or exceeds the combined financial resources of Tenant and the Guarantors that existed at the time of execution of this Agreement.

5.2 Remedies. If Tenant fails to perform any of its affirmative duties or obligations, Landlord may, at its option, perform such duty or obligation on Tenant's behalf, including but not limited to the obtaining of reasonably required bonds, insurance policies, or governmental licenses, permits or approvals. Tenant shall pay to Landlord an amount equal to 115% of the costs and expenses incurred by Landlord in such performance upon receipt of an invoice therefore. In the event of a Breach, Landlord may, with or without further notice or demand, and without limiting Landlord in the exercise of any right or remedy which Landlord may have by reason of such Breach, take any of the following actions:

5.2.1 Termination. Terminate Tenant's right to possession of the Leased Premises by any lawful means, in which case this Agreement shall terminate and Tenant shall immediately surrender possession to Landlord. In such event, Landlord shall be entitled to recover from Tenant: (i) the unpaid Rent which had been earned at the time of termination; (ii) the worth at the time of award of the amount by which the unpaid Rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that the Tenant proves could have been reasonably avoided; (iii) the worth at the time of award of the amount by which the unpaid Rent for the balance of the term after the time of award exceeds the amount of such rental loss that the Tenant's failure to perform its obligations under Agreement or which the ordinary course of things would be likely to result therefrom, including but not limited to the cost of recovering possession of the Leased Premises, expenses of reletting, including necessary renovation and alternation of the Leased Premises, reasonable attorneys' fees, and that portion of any leasing commission paid by Landlord in connection with this Agreement applicable to the unexpired term of this Agreement. The worth at the time of award of the amount referred to in provision (iii) of the immediately preceding sentence shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of the District within which the Leased Premises are located at the time of award plus one percent. Efforts by Landlord to mitigate damages caused by Tenant's Breach of this Agreement shall not waive Landlord's right to recover damages under any other Section of this Agreement.

5.2.2 Civil Code 1951.4. Have the remedy available under California Civil Code section 1951.4 by continuing the lease in effect after Tenant's breach and abandonment and recover Rent as it becomes due, in which event Tenant may sublet or assign, subject only to reasonable limitations. Acts of maintenance, efforts to relet, and/or the appointment of a receiver to protect the Tenant's interests, shall not constitute a termination of the Tenant's right to possession.

5.2.3 All Other Remedies. Pursue any other remedy now or hereafter available under the law or judicial decisions of the State of California. The expiration or termination of this Agreement and/or the termination of the Tenant's right to possession shall not relieve Tenant from liability under any indemnity provisions of this Agreement as to matters occurring or accruing during the term hereof or by reason of Tenant's occupancy of the Leased Premises.

5.3 Breach by Landlord. Tenant may terminate this Agreement upon Landlord's breach of any of its obligations under this Agreement and Landlord's failure to cure such breach within thirty (30) days after receipt of written notice from the Tenant or, if such cure cannot be completed within thirty (30) days, Landlord's failure to commence such cure within thirty (30) days after its receipt of written notice and thereafter diligently prosecute such cure to completion.

6. ENFORCEMENT OF AGREEMENT

6.1 Governing Law and Venue. This Agreement shall be governed by the laws of the State of California without regard to conflicts of laws principles. This Agreement shall be deemed to have been made in the County of Riverside, California, regardless of the order of the signatures of the Parties affixed hereto. Any litigation or other legal proceedings that arise under or in connection with this Agreement shall be conducted in a federal or state court located within or for the County of Riverside, California. Tenant consents to the personal jurisdiction and venue in federal or state court located within or for the County of Riverside, California and hereby waives any defenses or objections thereto including defenses based on the doctrine of forum non conveniens.

6.2 Default. In the event Tenant fails to comply with all the terms and conditions of this Agreement, in addition to any other remedy provided for herein or available at law or in equity, Tenant shall pay to Landlord all Deferred Rent within fifteen (15) days of Termination of this Agreement.

6.3 Waiver. No delay or omission in the exercise of any right or remedy of a non-defaulting Party on any default shall impair such right or remedy or be construed as a waiver. Landlord's consent or approval of any act by Tenant requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent to or approval of any subsequent act of Tenant. Any waiver by any Party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

6.4 Rights and Remedies are Cumulative. Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the Parties are cumulative and the exercise by any Party of one or more of such rights or remedies shall not preclude the exercise by that Party, at the same or different times, of any other rights or remedies for the same default or any other default by the other Party.

6.5 Legal Action. In addition to any other rights or remedies, any Party may take legal action, at law or at equity, to cure, correct or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain injunctive relief, or to obtain any other remedy consistent with the purposes of this Agreement.

6.6 Attorneys' Fees. If any Party commences an action against the other Party arising out of or in connection with this Agreement, the prevailing Party shall be entitled to recover reasonable attorneys' fees and costs of suit from the losing Party.

7. MISCELLANEOUS PROVISIONS

7.1 Construction; References; Captions. Since the Parties or their agents have reviewed this Agreement, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any Party. Any term referencing time, days or period for performance shall be deemed calendar days and not work days. All references to Tenant include all personnel, employees, agents, and subcontractors of Tenant, except as otherwise specified in this Agreement. All references to Landlord include its elected officials, officers, employees, agents, and volunteers except as otherwise specified in this Agreement. The captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content, or intent of this Agreement.

7.2 No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the Parties.

7.3 Notice. Any notice, demand, request, consent, approval, communication either Party desires or is required to give the other Party or any other person shall be in writing and either served personally, by facsimile transmission, email, or sent by prepaid, first-class mail to the address set forth below. Either Party may change its address by notifying the other Party of the change of address in writing. Notice shall be deemed communicated forty-eight (48) hours from the time of mailing if mailed as provided in this Section. Notices transmitted by facsimile transmission shall be deemed delivered upon telephone confirmation of receipt (confirmation report from fax machine is sufficient). Notices transmitted by electronic mail transmission shall be deemed delivered upon being sent, but only if no message of unavailability or undeliverability is received. If notice is deemed received on a Saturday, Sunday or legal holiday, it shall be deemed received on the next business day. Any notices required to be given by Landlord under this Agreement, including but not limited to those required pursuant to Section 5, shall be in lieu of, and not in addition to, the notices required by California's Unlawful Detainer Statutes (Civil Code of Procedure section 1161 et seq.).

Landlord:	Tenant:
Cynthia Lara Administrative Services Manager City of Corona 400 S. Vicentia Avenue Corona, CA 92882 Fax: (951) 736-2488 Email: cynthia.lara@ci.corona.ca.us	Andrew Sterner Administrative Director of Support Services Corona-Norco Unified School District 2820 Clark Avenue, Norco CA 928860 Fax: (951) 736-7199 Email: asterner@cnusd.k12.ca.us

7.4 Integrated Agreement. This Agreement contains all of the agreements of the Parties and all previous understanding, negotiations and agreements are integrated into and superseded by this Agreement.

7.5 Amendment. This Agreement may be amended at any time by the mutual consent of the Parties by an instrument in writing signed by both Parties.

7.6 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

7.7 Exhibits. All exhibits attached hereto are hereby incorporated by reference as if fully set out in the body of this Agreement.

7.8 Severability. In the event that any one or more of the phrases, sentences, clauses, paragraphs, or sections contained in this Agreement shall be declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences, clauses, paragraphs, or sections of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the Parties hereunder.

7.9 Authority. The persons executing this Agreement on behalf of the Parties hereto warrant that they are duly authorized to execute this Agreement on behalf of said Parties and that by so executing this Agreement the Parties hereto are formally bound to the provisions of this Agreement.

7.10 Independent Representation by Counsel. The Parties represent and declare that in executing this Agreement they rely solely upon their own judgment, belief and knowledge, and the advice and recommendations of their own independently-selected counsel, concerning the nature, extent and duration of their rights and claims hereunder, and that, except as provided herein, they have not been influenced to any extent whatsoever in executing this Agreement, by any representations, statements or omissions pertaining to any of the matters herein contained by any Party or by any persons representing any Party.

7.11 Binding Effect. This Agreement shall bind and inure to the benefit of the Parties and the Landlord's heirs, successors and assigns.

7.12 Memorandum of Lease. The Landlord may record in the Riverside County Recorder's Office this Agreement or a memorandum of this Agreement in a form approved by the City Attorney, which memorandum shall be lawfully executed by Tenant upon request by Landlord.

[SIGNATURES ON NEXT PAGE]

LANDLORD'S SIGNATURE PAGE FOR

CITY OF CORONA – 152 E. SIXTH STREET
LEASE AGREEMENT
(CORONA-NORCO UNIFIED SCHOOL DISTRICT)

CITY OF CORONA

By: ______________________
Darrell Talbert
City Manager

Attest: ______________________
Lisa Mobley
City Clerk

APPROVED AS TO FORM:

By: ______________________
Dean Derleth
City Attorney

TENANT'S SIGNATURE PAGE FOR

CITY OF CORONA – 152 E. SIXTH STREET
LEASE AGREEMENT
(CORONA-NORCO UNIFIED SCHOOL DISTRICT)

CORONA-NORCO UNIFIED SCHOOL DISTRICT

By: ______________________
Signature

Michael Lin
Name (Print)

Superintendent
Title (Print)

By: ______________________
Signature

Sherry Mata
Name (Print)

Deputy Superintendent
Title (Print)

EXHIBIT "A"

LEASED PREMISES

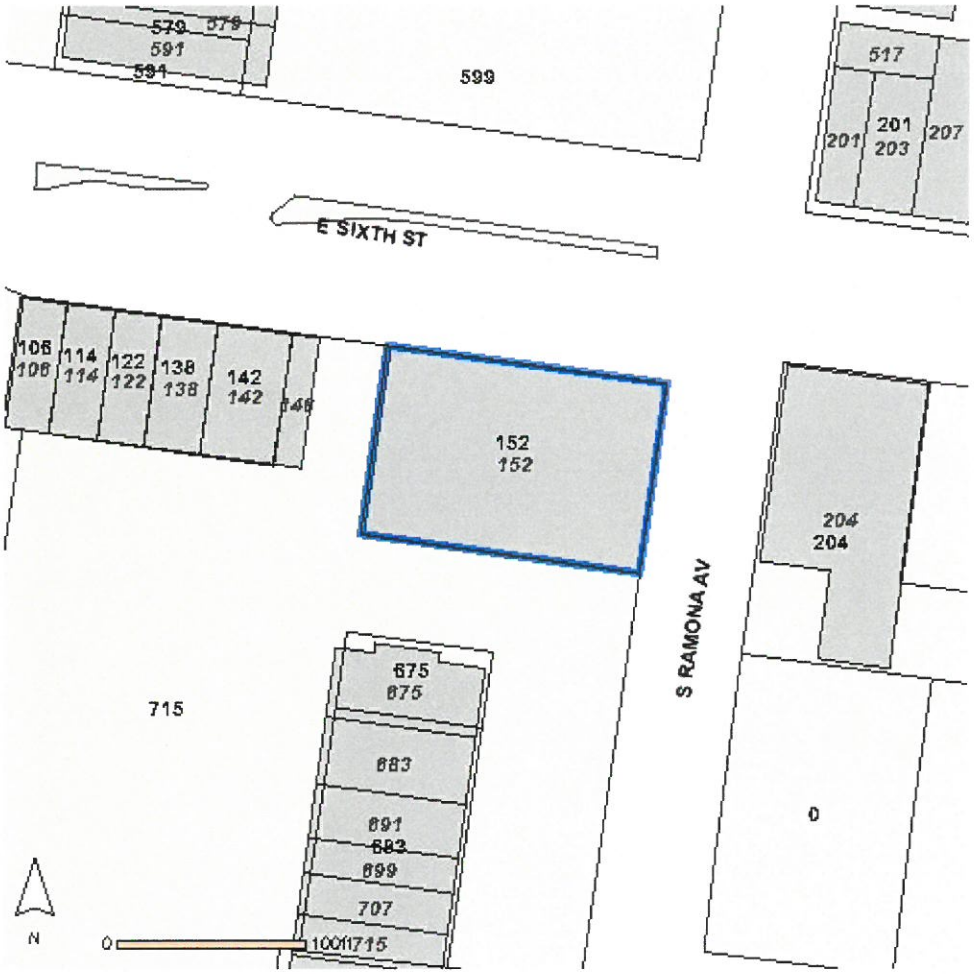

EXHIBIT "B"
CORONA MALL SOUTH PARKING FACILITIES

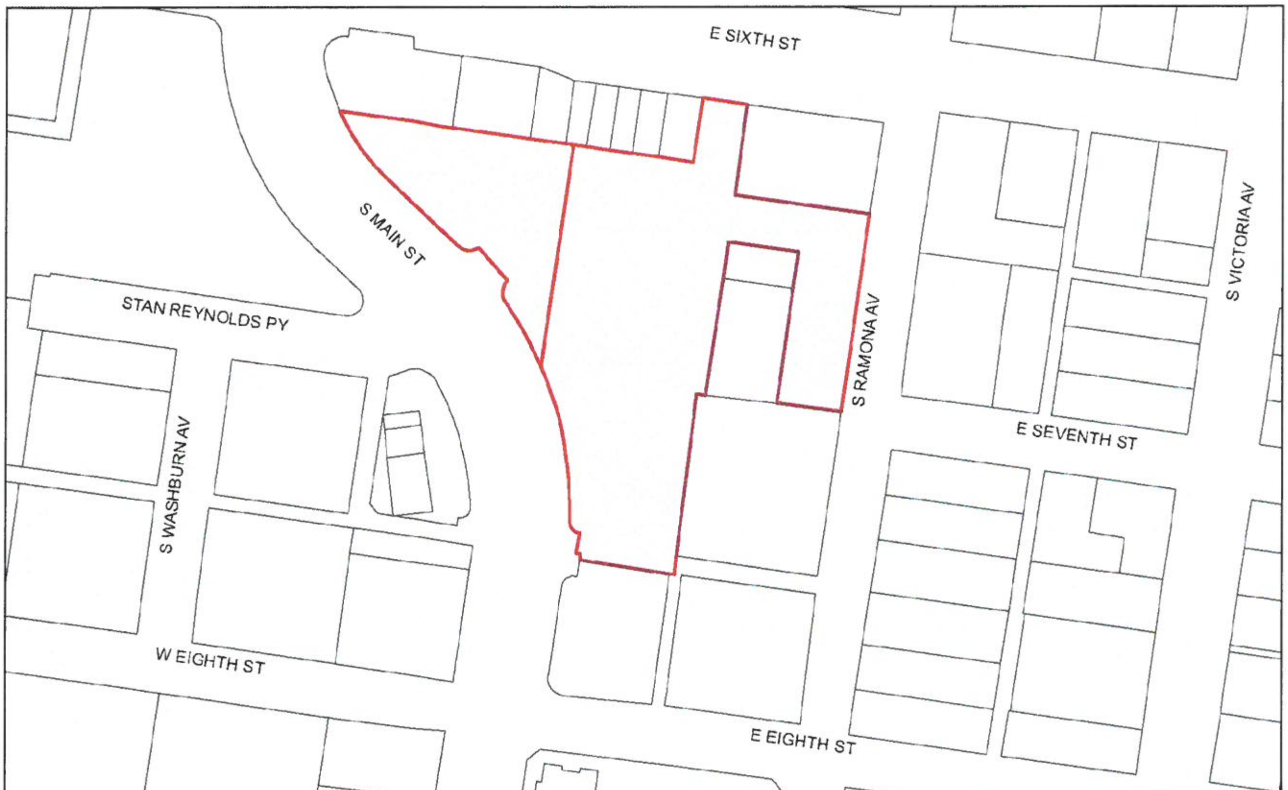

Exhibit B - Corona Mall South Parking Facilities

Date: 09/23/2015

Path: E:\amis\StandardAM\REDEVELOPMENT\Cynthia\CoronaMallSouthParking.mxd

EXHIBIT "C"

LANDLORD'S APPROVED IMPROVEMENTS & REPAIRS

All alterations, additions, improvements and repairs must comply with Section 3.17. The list below is a general description of improvements to be conducted. Final written approval will be provided by Landlord upon receipt of required plans, specifications, etc., as outlined in Section 3.17.

PARENT CENTER - 152 East Sixth Street, Corona

Estimated Costs

Parent Center (East Half)		
Interior Walls - Demo and Installation		
Includes repair to exterior decorative beams with rot	$	12,000.00
Interior Doors/Hardware and Windows	$	9,000.00
Interior Paint	$	4,500.00
Flooring Demo and Installation	$	12,000.00
Lighting Layout Changes	$	3,000.00
Outlets and Data Adjustments	$	8,500.00
Phone System	$	15,000.00
Lobby Counter and Door	$	6,500.00
Ceiling Hieght Adjustment in Childcare area	$	2,000.00
Ceiling Tile Replacement (east side)	$	1,800.00
Window Coverings - Roller Blinds (east side)	$	23,000.00
Intrusion Alarm	$	1,200.00
	$	98,500.00
Whole Building		
Exterior Window Replacment (Damaged or Etched - whole building)	$	12,500.00
Exterior Planters (Irrigation and Drought Tolerant Plants)	$	1,100.00
Exterior Paint (whole building)	$	17,000.00
Roofing Replacement (estimated 2-3 years left on life)	$	120,000.00
	$	150,600.00
Total	$	249,100.00