

# Attachment C

## LEASE SUMMARY

### **LEASE**

#### **TENANT**

ROYALE HEALTH CARE CENTER, Inc., a California Corporation

#### **COUNTY**

Health Care Agency, County of Orange

#### **LOCATION**

23228 Madero, Mission Viejo, California

#### **PREMISES**

Approximately 47,670 rentable square feet

#### **PARKING**

TENANT shall have the exclusive right, without charge, to use all of the 139 parking spaces on the Premises shall pay monthly for the parking stalls used as Additional Rent. COUNTY will also provide ADA designated spaces, located on the Premises.

#### **TERM**

The Lease shall commence on the first day after the close of escrow on COUNTY's acquisition of the Premises and will be terminating on June 30, 2027.

#### **TERMINATION OF PRIOR AGREEMENTS**

This Lease shall terminate and superseded any prior agreements between COUNTY and TENANT hereto covering all or any portion of the Premises including certain Lease dated March 20, 2001 and Sublease dated March 20, 2001 and Amended Sublease dated September 25, 2001.

#### **OPTION TO EXTEND TERM**

TENANT has the option to extend the term of the Lease for four (4) consecutive five (5) year terms, on the same terms and conditions. COUNTY shall have the sole discretion to extend the Term of this Lease under such terms and conditions as the Parties mutually agree upon.

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## **RENT**

The Parties agree that the services provided by Tenant pursuant to Clause 3 (USE) and the Service Agreement, meet the social needs of the population and directly benefit the Tenant's mission and goals. The Parties further agree that the services provide a valuable public purpose and are consistent and compatible with the mission of the County. The Parties also agree that the value of the services being provided pursuant to this Lease and the Service Agreement are compatible to the value of the Premises being provided by the County, and to the extent the services continue to be offered as stated above, there will be no fee for this Lease.

## **CONSTRUCTION**

No structures, improvements, or facilities shall be constructed, erected, altered, or made within the Premises without prior written consent of COUNTY. Any conditions relating to the manner, method, design, and construction of said structures, improvements, or facilities fixed by the COUNTY as a condition to granting such consent, shall be conditions hereof as though originally stated herein. Tenant may, at any time and at its sole expense, install and replace business fixtures and equipment constructed by Tenant and perform cosmetic internal alterations, within the Premises, without additional prior COUNTY consent.

## **REPAIR, MAINTENANCE, AND JANITORIAL SERVICES**

TENANT shall, to the satisfaction of COUNTY, keep and maintain, or cause to be kept and maintained, the Premises and all TENANT Improvements of any kind in place and used, occupied, or otherwise operated or maintained by the TENANT on the Premises prior to the Commencement Date, or which may be erected, installed, or made thereon by TENANT, during the Term or Extension Term of this Lease, in good condition and in substantial repair, provided that in the event (i) of substantial damage to any such TENANT Improvements it shall be at TENANT's option whether to repair or replace such improvements (provided that if the improvements are not to be repaired or replaced, then they shall be placed into a safe condition or removed), as provided in Clause 20 or (ii) TENANT ceases to use any improvements, it shall be at TENANT's option to not repair or replace any such improvement so long as the improvement is maintained in a safe condition or removed. Subject to the foregoing, it shall be TENANT's responsibility to take all steps necessary or appropriate to maintain such a standard of condition and repair.

TENANT shall keep the Premises clean and in good repair during any time which TENANT, its agents, or employees use the Premises at its sole cost and expense. Except as otherwise expressly set forth in this Lease, TENANT shall be responsible for all costs relating to the operation and maintenance of the Premises.

TENANT shall be solely responsible for all costs and expenses for any maintenance and repairs necessitated by the actions of TENANT, resulting in an extraordinary load imposed on underground utilities outside the Premises or contamination of Common Areas.

If TENANT fails to maintain or make repairs or replacements as required herein, COUNTY shall notify TENANT in writing of said failure. Should TENANT fail to correct the situation within five (5) days after receipt of written notice specifying the condition to be corrected (provided that such 5-day period may be extended accordingly if a longer time is necessary to correct the condition and

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TENANT promptly commences such cure and diligently prosecutes it to completion), COUNTY may make the necessary correction or cause it to be made and the cost thereof, including but not limited to the cost of labor, materials, equipment, and an administrative fee equal to fifteen percent (15%) of the sum of such items, shall be paid by TENANT within ten (10) days of receipt of a statement, including reasonable supporting documentation, of said cost from COUNTY. COUNTY may, at its sole option, choose other remedies available herein, or by law.

If TENANT receives an inspection notice or a deficiency notice following an inspection by any public or regulatory agency having jurisdiction, TENANT agrees to make any and all corrections in the manner required immediately upon receipt of by such notice. TENANT's failure to comply with the provisions of this Clause 16 shall constitute a TENANT Default and the COUNTY may proceed with any and all COUNTY Remedies as defined in Clause 30 (DEFAULTS AND REMEDIES) and this Lease shall be subject to termination at COUNTY's option.

TENANT shall have the obligation to maintain, supervise, and repair the Premises and Building as required to continually provide the day-to-day services consistent with Clause 3 (USE) and the Service Contract between the Parties, including but not limited to, fire extinguishers, pool maintenance and cleaning, janitorial, HVAC filter replacement, security services, laundry and stand-alone kitchen equipment, provided, that TENANT shall not be responsible for any COUNTY Obligations, as defined and described below in subsection (G). Additionally, TENANT shall be responsible for the following licensing and certifications: fire authority inspection, kitchen inspection, and pool inspection.

COUNTY shall be responsible for major repair and/or replacement of any capital improvements within the Premises, Building, and parking lot. COUNTY Obligations also include the responsibilities under contract with Orange COUNTY Public Works, including, trash removal, pest control, HVAC (except for filter replacement), landscaping, fire life safety (including kitchen hood fire suppression), emergency generator, backflow, boiler, parking lot, plumbing, electrical, and elevator. Additionally, COUNTY shall be responsible for the following licensing and certifications: emergency generator, elevator, and boiler. Notwithstanding the foregoing, TENANT is responsible for routine day-to-day maintenance.

### UTILITIES

COUNTY shall be responsible for and pay, prior to delinquency date, all charges for utilities supplied to the Premises, excluding telephone.

### INSURANCE

TENANT agrees to purchase all required insurance at TENANT's expense and to deposit with the COUNTY certificates of insurance, including all endorsements required herein, necessary to satisfy the COUNTY that the insurance provisions of this Lease have been complied with and to keep such insurance coverage and the certificates and endorsements therefore on deposit with the COUNTY during the entire term of this Lease.

Coverages Minimum Limits:

Commercial General Liability: \$1,000,000 per occurrence \$2,000,000 aggregate

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Automobile Liability including coverage for owned, non-owned and hired vehicles: \$1,000,000 limit per occurrence

Workers' Compensation Statutory: Employers' Liability Insurance \$1,000,000 per occurrence

Commercial Property Insurance on an "All Risk" or "Special Causes of Loss" basis

covering all, contents and any TENANT improvements including Business Interruption/Loss of Rents with a 12-month limit.

### OPERATIONAL REQUIREMENTS OF TENANT

TENANT shall at all times operate the Premises in a manner consistent with Clause 3 (USE) and the Service Agreement. TENANT shall operate the Premises in a manner similar to other comparable facilities in Southern California which offer similar services and amenities. TENANT shall, at its sole expense, take reasonable steps to provide security measures for the protection of persons and property within the Premises.

TENANT shall not permit:

1. Littering within the Premises.
2. Excessive noise emanating from the Premises.
3. Excessive light and glare from light fixtures within the Premises that could impact the safe operation of automobiles in the area.
4. Discharge or runoff of pollutants, including petroleum products, waste and debris from any source on the Premises into the waters within or adjacent to the Premises or other activities that are harmful to water quality.
5. TENANT shall immediately report any spillage, leakage, or discharge of any toxic, hazardous or polluting materials to the proper authorities.

Failure by TENANT to comply with this Clause shall result in TENANT Default and subject to the notice and cure periods set forth therein) and COUNTY shall have the right to exercise any remedy available to it by virtue of such TENANT Default in addition to any COUNTY Remedies defined in Clause 30 (DEFAULTS AND REMEDIES).

On-Site Management:

TENANT shall employ and designate to COUNTY a TENANT Manager who shall be responsible for the day-to-day operation and maintenance, cleanliness, and general order of the Premises. TENANT Manager shall be vested with the authority of TENANT with respect to the supervision over the operation and maintenance of the Premises, including the authority to enforce compliance by TENANT's agents, employees, subTENANTS, concessionaires, or licensees with the terms and conditions of this Lease and any and all rules and regulations adopted hereunder.

TENANT shall notify COUNTY in writing of the name of the manager currently so employed, as well as successor managers, in the manner as provided in the Clause 62 (NOTICES) . TENANT agrees to obey, abide by, and be in conformance with all applicable governmental codes, laws, rules and/or regulations, now or hereafter promulgated, concerning operations on the Premises.