

MANUAL CHANGE TRANSMITTAL

RW 0001 (REV 10/2007)

XX

R/W MANUAL CHANGE

RWMC- 231

PROCEDURAL HANDBOOK
(1984 Edition)

RWPH-__-__-__

TRANSMITTAL#__

TITLE:
PROPERTY MANAGEMENT

APPROVED BY:

MICHAEL J. RODRIGUES

DATE ISSUED:
JUN 17 2013

Page 1 of 1

SUBJECT AREA:
CHAPTER 11 – PROPERTY MANAGEMENT

ISSUING UNIT:
OFFICE OF REAL PROPERTY SERVICES

SUMMARY OF CHANGES: Revises Exhibits 11-EX-A, 11-EX-B, 11-EX-C, 11-EX-D, and 11-EX-39.

PURPOSE

This manual change revises the following exhibits to correct the 4-digit ZIP Code extension:

<u>Exhibit No.</u>	<u>Title</u>
11-EX-A	Residential Rental Agreement
11-EX-B	Lease Agreement
11-EX-C	Agricultural Lease Agreement
11-EX-D	Advertising Structure Agreement
11-EX-39	Collection Agency Transmittal

The correct ZIP Code to “P.O. Box 168019, Sacramento, CA” is: 95816-8019.

This change also updates the Web site addresses to the State Water Resources Control Board referenced in Exhibits 11-EX-B and 11-EX-C.

EFFECTIVE DATE

Immediately.

MANUAL IMPACT

- Remove the superseded pages and insert the attached pages in the Manual.
- Record the action on the Revision Record.

REVISION SUMMARY

<u>Chapter</u>	<u>Remove Old Pages</u>	<u>Insert New/Revised Pages</u>
	Remove the following in its entirety:	Replace with the following in its entirety:
11 - Exhibits	11-EX-A (REV 7/2007) 11-EX-B (REV 7/2007) 11-EX-C (REV 7/2007) 11-EX-D (REV 7/2007) 11-EX-39 (REV 12/2001)	11-EX-A (REV 6/2013) 11-EX-B (REV 6/2013) 11-EX-C (REV 6/2013) 11-EX-D (REV 6/2013) 11-EX-39 (REV 6/2013)

RESIDENTIAL RENTAL AGREEMENT

(Form #)

CONFIDENTIAL
This document contains personal information and pursuant to Civil Code 1798.21, it shall be kept confidential in order to protect against unauthorized disclosure.

EXHIBIT

11-EX-A (REV 6/2013)

Page 1 of 11

RESIDENTIAL RENTAL AGREEMENT

THIS RENTAL AGREEMENT is made this _____ day of _____, _____, between the State of California, Department of Transportation, hereinafter known as Department, and _____, hereinafter known as Tenant(s).

WITNESSETH

In consideration for the payment of the rent specified herein, Department hereby rents the property to Tenant(s) on the following covenants, terms, and conditions:

- 1) **DESCRIPTION:** The Department, in consideration of the payment of the rent hereinafter specified to be paid by the Tenant(s), and the covenants and agreements herein contained, does hereby rent, demise, and let unto Tenant(s) that certain property in the County of _____, State of California, the address of which is _____, and legally described as:

Including the following improvements:

- 2) **RENT:** Rental of the property is on a month-to-month basis, and Tenant(s) agrees to pay rent to the Department, in the amount of, _____, in advance, *on the first day of each month* so long as tenancy continues.

Rent payable or refundable hereunder for any period of time less than one month shall be determined by prorating the monthly rental herein specified based on a thirty-day (30-day) month.

Tenant(s) will pay the prorated rental of \$ _____, which represents _____ days, and thereafter at the rate and terms specified above.

- 3) **RECEIPT OF MONIES PAID:** Department acknowledges receipt of monies paid by Tenant(s) in the amount of \$ _____, for the following purposes:

Rent	\$	_____
Security	\$	_____

- 4) **SECURITY DEPOSIT:** Tenant(s) shall deposit with the Department \$ _____ as a guarantee for faithful performance of the conditions of this Agreement. The Department may use such amounts as are reasonably necessary to remedy Tenant's default in the payment of rent; to repair damages caused by Tenant(s), or by a guest or a licensee of the Tenant(s); to clean the premises, if necessary, upon termination of tenancy; and to replace or return personal property or appurtenances exclusive of ordinary wear and tear. If used toward rent or damages during the term of tenancy, Tenant(s) agrees to reinstate said total security deposit upon five (5) days' written notice delivered to Tenant(s) in person or by mail. The Department shall furnish the Tenant(s) with an itemized written statement of the basis for, and the amount of, any security received and the disposition of the security and shall return any remaining portion of the security to the Tenant(s) in accordance with California Civil Code Section 1950.5.

RESIDENTIAL RENTAL AGREEMENT (Cont.)

(Form #)

EXHIBIT

11-EX-A (REV 6/2013)

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5) PAYMENTS: Tenant(s) shall make payment to the Department’s mailing address or street location as indicated below:

Department of Transportation
Attention: Cashier
P.O. Box 168019
Sacramento, CA 95816-8019
Telephone Number _____

Department of Transportation
Attention: Cashier
1820 Alhambra Boulevard, 2nd Floor
Sacramento, CA 95816

Tenant(s) shall include the complete Tenancy Number, __-____-____-__, on the check or other form of payment.

6) LATE PAYMENT CHARGE: Tenant(s) hereby acknowledges that Tenant’s late payment to Department of rent and other sums due hereunder will cause Department to incur costs not contemplated by this Agreement, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges. Accordingly, if any installment of rent or any other sum due from Tenant(s) shall not be received by Department within ten (10) days after such amount shall be due, Tenant(s) shall pay to Department a late charge of \$_____. In no event shall the late charge exceed the maximum allowable by law. The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs Department will incur by reason of late payment by Tenant(s). The Department’s acceptance of such late charge shall in no event constitute a waiver of Tenant’s default with respect to such overdue amount, nor prevent Department from exercising any of the other rights and remedies granted hereunder.

7) DISHONORED CHECK CHARGE: Tenant(s) hereby agrees:

- a) That Tenant(s) shall pay to Department a fee of \$25.00 for the first dishonored check and \$35.00 for a second dishonored check.
- b) That if Tenant(s) has two (2) dishonored checks within any twelve (12) month period, the Department will no longer accept personal checks for payments due under this Agreement.

8) UTILITIES: Tenant(s) shall pay for all utilities, including utility deposits, except _____. Tenant(s) shall contact utility providers to request that utility service be established in Tenant’s name by _____, _____. In the event tenant(s) fail to establish service in tenant(s) name by above-mentioned date, this tenancy will be terminated.

In the event the Department pays any utility charge, the Department will review the utility charges at least annually or more often as needed, and with sixty-days (60-days) notice adjust the amount being charged Tenant for utilities accordingly.

9) RENTAL RATE REVIEW: The Department will review the rental rate annually and with proper notice adjust the rental rate accordingly.

RESIDENTIAL RENTAL AGREEMENT (Cont.)

(Form #)

EXHIBIT

11-EX-A (REV 6/2013)

Page 3 of 11

10) NOTICES: All Notices herein provided to be given, or which may be given, by either party to the other, shall be deemed to have been fully given when served personally, or when made in writing and mailed addressed as follows:

Department of Transportation <hr/> <p style="text-align: center;">Name</p> <hr/> <hr/> <hr/> <p style="text-align: center;">Address</p> <hr/> <p style="text-align: center;">Telephone Number</p>	Lessee: <hr/> <p style="text-align: center;">Name</p> <hr/> <hr/> <hr/> <p style="text-align: center;">Address</p>
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11) USE: Tenant(s) shall use the property for residential purposes only and not permit occupancy by more than _____ adults and _____ children. Tenant(s) and Tenant’s heirs or successors in interest shall not let or sublet the whole or any portion of the property nor assign this tenancy to a third party. Tenant(s) shall not commit or permit waste on the property and shall comply with all laws and ordinances concerning the property and the use.

12) CHANGE OF TENANTS: If at any time during this tenancy one or more of the undersigned Tenant(s) vacate the premises, the remaining Tenant(s) and the Department shall enter into a new rental agreement upon such terms and conditions as agreed between the parties. In the event such agreement cannot be reached within thirty days (30 days), either party may give notice of termination of the tenancy. The members of the tenancy created by this Agreement are jointly and severally responsible for rents and all other terms and conditions herein.

13) ASSIGNMENT AND SUBLETTING: Tenant(s) shall not assign or sublet this Agreement without Department’s written consent.

Any request by Tenant(s) to assign this Agreement shall be subject to the following:

- a) An assignment will only be allowed to a person or entity of equal or greater financial responsibility than Tenant(s).
- b) The proposed use must be the same or similar to that employed by Tenant(s).
- c) A written application from the proposed assignee is required. Tenant(s) will pay all charges incurred for verifying information in the application process.
- d) Department has the right to raise the rent to current market value upon Tenant’s exercise of a right to assign.
- e) Assignment does not relieve the Tenant(s) of any duties or obligations under the Agreement.
- f) Any assignment is not deemed consent to any subsequent assignment.

(NOTE: See *optional* Clauses 4 and 5 if subletting is permitted.)

RESIDENTIAL RENTAL AGREEMENT (Cont.)

(Form #)

EXHIBIT

11-EX-A (REV 6/2013)

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- 18) TERMINATION:** This Agreement shall be subject to cancellation and termination by either party at any time by giving the other party written notice. The Department shall give the Tenant(s) a thirty-day (30-day) or sixty-day (60-day) notice prior to the effective date of termination. The Tenant(s) shall give the Department notice in compliance with California Civil Code, Section 1946.1(b). In the event of such termination, any unearned rental paid by Tenant(s) shall be returned to Tenant(s) in accordance with the proration described in Clause 2 above.
- 19) VACATING THE PROPERTY:** Upon vacating the property, Tenant(s) agrees to leave same in as good condition as existed on the day possession was taken, allowing for ordinary and normal usage during occupancy; and to reimburse the Department for any damage done to the property caused by Tenant's occupation or tenancy other than that due to normal use. Tenant(s) shall not leave or allow to remain on the property any garbage, refuse, debris, or personal property. Tenant(s) will pay any removal costs incurred by the Department. On the date the property is vacated, Tenant agrees to deliver the property keys to the Department in person or at: _____.
- 20) RELOCATION PAYMENT:** Tenant(s) acknowledges the following: Tenant(s) commenced occupancy of the premises after Department acquired title to it, Department acquired the premises for a public project, Tenant(s) may be required to vacate the premises to allow construction of the public project, and Tenant(s) is not entitled to receive any payments under either the State or the Federal Uniform Relocation Assistance Act. (Government Code, Section 7260, et seq.; 42 United States Code, Section 4601, et seq.)
- 21) POSSESSORY INTEREST:** Tax bills inadvertently received by the Tenant(s) should be forwarded to the Department for processing.
- 22) RIGHT OF ENTRY:** Tenant(s) shall permit Department or its authorized agent to enter into and upon the property during normal business hours, subject to a twenty-four hour (24-hour) notice, for the following purposes: routine inspection, maintaining the property, installing protective or conservation devices and for showing the property to prospective purchasers and/or tenants. Department reserves its right, without notice, to enter Property in case of emergency or to prevent imminent harm to persons or property.
- 23) INSURANCE:** Department is self insured and will not keep the property insured against fire or any other insurable risk, and Lessee(s) will make no claim of any nature against Department by reason of any damage to Lessee's property in the event it is damaged or destroyed by fire or by any other cause.
- 24) INDEMNIFICATION:** Tenant(s) shall indemnify, defend, and hold the Department, its officers, agents and employees harmless from and against any loss, cost, or expense, including, but not limited to, attorney fees and court costs, resulting from any claim by any third party arising out of or connected to the actions of Tenant(s), notwithstanding the Department, its officers', agents' and employees' active or passive negligence, and/or regarding all acts and omission, including but not limited, to the willful misconduct or negligence of the Tenant(s).

Further, it is the parties intent that the indemnity provisions stated herein, apply to losses resulting from the Tenant's negligence or any cause other than the willful misconduct or sole negligence of the Department, its officers, agents or employees.

- 25) HAZARDOUS MATERIALS:** Hazardous materials are those substances listed in California Code of Regulations, Title 22, or those which meet the toxicity, reactivity, corrosivity or flammability criteria of Title 22 of the above Code, as well as any other substance which poses a hazard to health or environment.

Except as otherwise permitted in this Agreement, Tenant(s) shall not use, create, store or allow any such substances on the premises. Fuel stored in a motor vehicle for the exclusive use in such vehicle is excepted.

In no case shall Tenant(s) cause or allow the deposit or disposal of any such substance on the property described in the Preamble. However, household products necessary for routine cleaning and maintenance of the property may be kept in quantities reasonable for current needs.

Department, or its agents or contractors shall at all times have the right to go upon and inspect the property and the operations conducted thereon to assure compliance with the requirements herein stated. This inspection may include taking samples of substances and materials present for testing, and/or testing soils or underground tanks on the premises.

- 26) WATER POLLUTION CONTROL:** Tenant shall not allow the discharge of contaminated storm water runoff or unauthorized non-storm water discharges to any private or public storm water drainage systems, which may include but are not limited to: discharges of runoff containing chemicals, fuels, grease, oil, or other hazardous materials; discharges of pool or fountain water containing chlorine, biocides, or other chemicals and discharges of pool or fountain filter backwash water; discharges of sediment, pet waste, vegetation clippings, or other landscape or construction-related wastes; discharge of runoff from washing toxic materials from paved or unpaved areas; and discharge of materials such as litter, landscape debris, construction debris, or any federally banned pesticides.

In addition, Tenant shall comply with State and Federal water pollution control requirements, and those of municipalities, counties, drainage districts, and other local agencies regarding discharges of storm water and non-storm water to sewer systems, storm drain systems, or any watercourses under jurisdiction of the above agencies.

Tenant shall implement best management practices (BMPs) shown in the attached Residential Stormwater Pollution Prevention Fact Sheet applicable to Tenant's activities.

[RW instructions - Attach Residential Storm Water Fact Sheet to Agreement. Fact Sheet is in the RW Property Management and Airspace Storm Water Guidance Manual.]

In the event of conflict between the attached Fact Sheet and this Agreement, this Agreement shall control.

Department, or its agents or contractors, shall at all times have the right to go upon and inspect the premises and the operations conducted thereon to assure compliance with the requirements herein stated. This inspection may include taking samples of substances and materials present for testing, and/or the testing of sewer systems, storm drains, or watercourses on the premises.

- 27) PENAL CODE SECTION 290.4 NOTIFICATION:** The California Department of Justice, sheriff's departments, police departments serving jurisdictions of 200,000 or more and many other local law enforcement authorities maintain for public access a database of the locations of persons required to register pursuant to paragraph (1) of subdivision (a) of Section 290.4 of the Penal Code. The database is updated on a quarterly basis and a source of information about the presence of these individuals in any neighborhood. The Department of Justice also maintains a Sex Offender Identification Line through which inquiries about individuals may be made. This is a "900" telephone service. Callers must have specific information about individuals they are checking. Information regarding neighborhoods is not available through the "900" telephone service.
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RESIDENTIAL RENTAL AGREEMENT (Cont.)

(Form #)

EXHIBIT

11-EX-A (REV 6/2013)

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- 28) **WAIVER:** If any part of this Agreement is invalid by reason of law or governmental regulation, or if any provisions hereof are waived by the Department, the remaining portions of this Agreement shall remain in full force and effect. The receipt by the Department of rent with the knowledge of any breach of a provision of this Agreement shall not constitute a waiver of such breach.

- 29) **AMENDMENTS:** The terms of this Agreement may be amended or revised by written and signed memorandum from Department to Tenant(s), upon thirty (30) days notice in writing, and said memorandum shall become a part of the original agreement and shall operate with the same force and effect as the original agreement.

- 30) **PREVIOUS AGREEMENTS:** Any existing lease or rental agreement(s) between Tenant(s) and the Department (or its predecessor in interest) covering this property are terminated as of the effective date of this Agreement.

- 31) **LITIGATION COSTS:** In the event that a suit is necessary to enforce any of the provisions herein contained, or to recover possession of the premises, the prevailing party shall be entitled to reasonable attorney's fees in addition to costs and necessary disbursements.

- 32) **ENCUMBRANCES:** Tenant(s) shall not encumber the rented premises in any manner whatsoever.

- 33) **POSTING OF PROPERTY:** Department or its agents shall at all times have the right to serve or to post thereon any notice required or permitted by law for protection of any right or interest of the Department.

- 34) **HEADINGS:** The marginal or clause headings of this Agreement are not a part of this Agreement and shall have no effect upon the construction or interpretation of any part hereof.

BREACH OF ANY OF THE ABOVE COVENANTS, TERMS, AND CONDITIONS SHALL GIVE DEPARTMENT AUTHORITY TO IMMEDIATELY TERMINATE THIS AGREEMENT.

STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION

(Type Tenant's Name)

APPROVAL RECOMMENDED

(Type Tenant's Name)

By _____
(Type Right of Way Agent's Name)
Property Management

(Type Tenant's Name)

(Type Supervisor's Name)
(Type Supervisor's Title)

ADA Notice

For individuals with disabilities, this document is available in alternate formats. For information call (916) 654-5413 Voice, CRS: 1-800-735-2929, or write Right of Way, 1120 N Street, MS-37, Sacramento, CA 95814.

OPTIONAL CLAUSES

(TO BE INCLUDED IN ALL AGREEMENTS FOR RESIDENCES CONSTRUCTED PRIOR TO 1978)

1) LEAD-BASED PAINT:

This property was constructed prior to 1978 and may contain lead-based paint that may pose a serious health hazard, especially to children and pregnant women. A government pamphlet, "Protect Your Family from Lead in Your Home," explaining the potential health hazards resulting from exposure to such lead-based paint and the precautions you should take to avoid such health hazards, is attached and incorporated for your use.

(TO BE USED AS NECESSARY)

2) TENANT LIABILITY INSURANCE: Tenant(s) shall, at Tenant's expense, take out and keep in force during tenancy:

- a) General liability insurance, in a company or companies to be approved by the Department, to protect the Department, its officers, agents, and employees against any liability to the public incident to the use of, or resulting from injury to or death of, any person occurring in, or about, the property, in the combined amount of not less than five hundred thousand dollars (\$500,000) against all claims resulting from any one accident; or,
- b) Single limit coverage of not less than five hundred thousand dollars (\$500,000) for the required public liability insurance.

Said policies shall insure to the contingent liabilities, if any, of the Department, and the officers, agents, and employees of the Department and shall obligate the insurance carriers to notify the Department, in writing, not less than thirty (30) days prior to the cancellation thereof, or any other change affecting the coverage of the policies. Tenant(s) shall furnish to the Department, either a certified copy of each and every such policy or a fully executed "Certificate of Insurance with Endorsement for Lease of State-Owned Property" (Form RW 11-18) within not more than ten (10) days after the effective date of the policy. Tenant(s) agrees that, if Tenant does not keep such insurance in full force and effect, the Department may take out insurance and pay the premiums thereon, and the repayment thereof shall be deemed to be additional rental and payable as such on the next day upon which rent becomes due hereunder.

3) RENTAL OFFSET:

It is understood and agreed that in consideration of a rental offset of an amount not to exceed \$ _____, Tenant(s) agrees to: *(Describe work to be done)*.

[RW instructions - If rental offset work involves an *outdoor* activity that has the potential to pollute storm water, insert following sentence and attach appropriate Stormwater Pollution Prevention Fact Sheet (e.g., Trash Removal, General Maintenance, etc.) from the RW Property Management and Airspace Storm Water Guidance Manual - otherwise delete.]

In performing the work described above, Tenant shall implement best management practices shown in the attached Stormwater Pollution Prevention Fact Sheet(s) for: _____.

RESIDENTIAL RENTAL AGREEMENT (Cont.)

(Form #)

EXHIBIT

11-EX-A (REV 6/2013)

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Tenant(s) shall secure paid itemized bills covering materials used for the authorized work and forward them to the Department at the address specified in Clause 10, Notices, of this Agreement. Credit will only be allowed for the actual amount of the paid bills not to exceed the amount above. Tenant(s) will be paid for materials only and will not be paid for his/her labor or for the purchase of tools. Tenant(s) may not hire a third party contractor to perform the authorized work unless prior written permission from the Department is obtained.

It is further agreed that said work will be completed and paid bills received by the Department prior to _____, and that the rental credit will only be granted after inspection, by the Department, of the completed work.

(Give a detailed description of the work to be performed.)

4) (To be added to Agreement Clause 13—Assignment and Subletting—only where human habitation is permitted)

In the event the terms of this Agreement permit the subletting of portions of the property herein for human habitation, then Tenant(s) covenants and agrees to assume all the obligations and conditions to any subtenants, within the meaning of Sections 1941 and 1942 of the Civil Code.

Tenant(s) specifically waives as an obligation of Department the provisions of Sections 1941 and 1942 of the Civil Code, which read as follows:

“**1941.** Obligations of Lessor. The Lessor of a building intended for the occupation of human beings must, in the absence of an agreement to the contrary, put it into a condition fit for such occupation, and repair all subsequent dilapidation’s thereof, which render it untenable, except as are mentioned in Section 1929.”

“**1942.** If within a reasonable time after notice to the Lessor, of dilapidation’s which he ought to repair, he neglects to do so, the Lessee may repair the same himself, where the cost of such repair does not require an expenditure greater than one month’s rent of the premises, and deduct the expenses of such repairs from the rent, or the Lessee may vacate the premises, in which case he shall be discharged from further payment of rent, or performance of other conditions.”

5) (To be added where subleasing is permitted)

SUBTENANT REQUIREMENT: In the event the terms of this Agreement specifically permit subletting of all or a portion of the property herein, the following shall apply:

- a) Tenant(s) is required to furnish each new subtenant with two copies of Department’s form notice advising subtenant that no relocation payments will be made. Subtenant(s) will sign one copy and return it to Department.
- b) Tenant(s) to provide Department with a listing of all subtenants as required by Department.

6) INVENTORY: Tenant(s) acknowledges the premises are furnished in accordance with the attached inventory, Attachment _____, by initialing here: _____ *(Initials)*.

- 7) **LIABILITY AND PROPERTY DAMAGE INSURANCE:** Lessee(s) shall, at Lessee's expense, take out and keep in force during the full term of the tenancy:

General liability insurance providing coverage in the amount of one million dollars (\$1,000,000) per occurrence for Bodily Injury and Property Liability combined, in a company or companies to be approved by the Department, to protect Department, its officers, agents and employees against all claims, suits or actions of every name, kind, and description brought forth, or on account of, injuries to or death of any person occurring in or about the property or on account of damage to property incident to the use of, or resulting from, any and every cause occurring in or about the property which is the subject of this lease, including any and all claims, suits or actions for damage to vehicles on the property.

With respect to third-party claims against Lessee(s), Lessee(s) waives any and all rights to any type of express or implied indemnity against Department, its officers or employees.

It is the intent of the parties that Lessee(s) will indemnify, defend and hold harmless the Department, its officers and employees from any and all claims, suits or actions as set forth above regardless of the existence or degree of fault or negligence on the part of Department, Lessee(s), the officers or employees of either of these, other than the sole negligence of Department, its officers and employees.

Nothing in this lease is intended to create the public or any member thereof a third-party beneficiary hereunder, nor is any term or condition or other provision of the lease intended to establish a standard of care owed to the public or any member thereof.

Said policies shall name Department as an additional insured and shall inure to the contingent liabilities, if any, of Department and the officers, agents and employees of Department and shall obligate the insurance carriers to notify Department, in writing, not less than thirty (30) days prior to the cancellation thereof, or any other change affecting the coverage of the policies. Lessee(s) shall furnish to Department either a certified copy of each and every such policy or a fully executed "CERTIFICATE OF INSURANCE WITH ENDORSEMENT FOR LEASE OF STATE-OWNED PROPERTY" within not more than ten (10) days after the effective date of the policy. Lessee(s) agrees that if Lessee(s) does not keep such insurance in full force and effect, Department shall have the right to immediately terminate this lease.

- 8) **SECTION 8 HOUSING:** Department is renting the above-referenced property to Tenant for occupancy by Tenant's family with assistance for a tenancy under the Section 8 housing choice voucher program (voucher program) of the United States Department of Housing and Urban Development (HUD).

Department has entered into a Housing Assistance Payments Contract (HAP contract) with the local Public Housing Authority (PHA), _____, under the voucher program. Under the HAP contract, the PHA will make housing assistance payments to Department to assist Tenant in renting the property from Department.

Department has given the PHA a copy of the rental agreement, including any revisions agreed by Department and Tenant. Department certifies that the terms of the rental agreement are in accordance with all provisions of the HAP contract and that the rental agreement includes the voucher program tenancy addendum current at the time of execution of this Agreement.

LEASE AGREEMENT

(Form #)

CONFIDENTIAL
This document contains personal information and pursuant to Civil Code 1798.21, it shall be kept confidential in order to protect against unauthorized disclosure.

LEASE AGREEMENT

Tenancy Number _____

THIS LEASE is made and entered into this _____ day of _____, _____, at _____, California, by and between the State of California, Department of Transportation, hereinafter known as Department, and _____, hereinafter known as Lessee, whose address is _____, California.

WITNESSETH

1) **DESCRIPTION:** The Department, in consideration of the payment of the rent hereinafter specified to be paid by the Lessee(s), and the covenants and agreements herein contained, does hereby lease, demise, and let unto Lessee(s) that certain property in the County of _____, State of California, the address of which is _____, and legally described as:

Including the following improvements: (use attachment)

* Excepting (e.g., outdoor advertising signs, etc.)

2) **TERM:** This lease shall be for a term of ____ (____) years, commencing on the _____ day of _____, _____, and ending on the _____ day of _____, _____, with the right of cancellation and termination in both Department and Lessee(s) as hereinafter set forth.

3) **RENT:** The rent shall be paid by the Lessee(s) monthly, in advance, on the first (1st) day of each month during said term, in lawful money of the United States, as follows:

or

The rent shall be paid by the Lessee(s) annually, in advance, on the first (1st) day of the month identified in Clause 2 during said term, in lawful money of the United States, as follows:

Rent payable or refundable hereunder for any period of time less than one month shall be determined by prorating the monthly rental herein specified based on a thirty-day (30-day) month.

4) **RECEIPT OF MONIES PAID:** Department acknowledges receipt of monies paid by Lessee(s) in the amount of \$_____, for the following purposes:

Rent \$ _____
Security \$ _____

LEASE AGREEMENT (Cont.)

(Form #)

EXHIBIT

11-EX-B (REV 6/2013)

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5) **SECURITY DEPOSIT:** Lessee(s) shall deposit with Department \$_____ as a guarantee for faithful performance of the conditions of this Lease. Department may use such amounts as are reasonably necessary to remedy Lessee(s) default in the payment of rent; to repair damages caused by Lessee(s), or by a guest or a licensee of the Lessee(s); to clean the premises, if necessary, upon termination of tenancy; and to replace or return personal property or appurtenances exclusive of ordinary wear and tear. If used toward rent or damages during the term of tenancy, Lessee(s) agrees to reinstate said total security deposit upon five (5) days' written notice delivered to Lessee(s) in person or by mail. Department shall furnish the Lessee(s) with an itemized written statement of the basis for, and the amount of, any security received and the disposition of the security and shall return any remaining portion of the security to Lessee(s) in accordance with California Civil Code Section 1950.5.

6) **PAYMENTS:** All rental payments shall be made payable to the Department of Transportation. Lessee(s) shall make payment to Department's mailing address or street location as indicated below:

Department of Transportation
Attention: Cashier
P.O. Box 168019
Sacramento, CA 95816-8019
Telephone Number _____

Department of Transportation
Attention: Cashier
1820 Alhambra Boulevard, 2nd Floor
Sacramento, CA 95816

Lessee(s) shall include the complete Tenancy Number, ___-_____-____-___, on the check or other form of payment.

7) **LATE PAYMENT CHARGE:** Lessee(s) hereby acknowledges that late payment by Lessee(s) to Department of rent and other sums due hereunder will cause Department to incur costs not contemplated by this lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges. Accordingly, if any installment of rent or any other sum due from Lessee(s) shall not be received by Department within ten (10) days after such amount shall be due, Lessee(s) shall pay to Department a late charge of \$_____. In no event shall the late charge exceed the maximum allowable by law. The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs Department will incur by reason of Lessee's late payment. Acceptance of such late charge by Department shall in no event constitute a waiver of Lessee's default with respect to such overdue amount, nor prevent Department from exercising any of the other rights and remedies granted hereunder.

8) **DISHONORED CHECK CHARGE:** Lessee(s) hereby agrees:

- a) That Lessee(s) shall pay to Department a fee of \$25.00 for the first dishonored check and \$35.00 for a second dishonored check.
- b) That if Lessee(s) has two (2) dishonored checks within any twelve (12) month period, the Department will no longer accept personal checks for payments due under this Lease.

9) **UTILITIES:** Lessee(s) shall pay when due all utility and other charges accruing or payable, including utility deposits, in connection with Lessee(s) use of the property during the term of this lease. Lessee(s) shall contact utility providers to request that utility service be established in Lessee's name by _____, _____. In the event Lessee(s) fails to establish service in Lessee(s) name by above-mentioned date, this Lease will be terminated.

If the Department is paying any or all utility charges, and passing those costs on the Lessee(s), the Department will review the utility charges at least annually, or more often if needed, and with a sixty-day (60-day) notice adjust the amount being charged to Lessee for utilities accordingly.

10) NOTICES: All Notices herein provided to be given, or which may be given, by either party to the other, shall be deemed to have been fully given when served personally, or when made in writing and mailed addressed as follows: To Lessee(s) at the above-stated and to Department at:

Department of Transportation

(Address)

(Telephone Number)

The address to which the notices shall be mailed to either party shall be changed by written notice by either party to the other, but nothing herein shall preclude the giving of notice by personal service. Department shall also be able to serve notices by posting and subsequent mailing to Lessee(s).

11) USE: Lessee(s) shall use the property for the following purposes only:

- a) _____
- b) Lessee(s) shall not commit, suffer, or permit any waste on said property.
- c) Lessee(s) shall comply with all Federal, State, and local laws and ordinances concerning said property and the use thereof.
- d) Lessee shall not allow vehicle or equipment washing, fueling, maintenance or repair on the property, unless separately authorized by this lease agreement for industrial activity.

12) ASSIGNMENT AND SUBLETTING: Lessee(s) shall not assign or sublet this lease without Department's written consent.

Any request by Lessee(s) to assign this lease shall be subject to the following:

- a) An assignment will only be allowed to a person or entity of equal or greater financial responsibility than Lessee(s).
- b) The proposed use must be the same or similar to that employed by Lessee(s).
- c) A written application from the proposed assignee is required. Lessee(s) will pay all charges incurred for verifying information in the application process.
- d) Department has the right to raise the rent to current market value upon Lessee's exercise of a right to assign.
- e) Assignment does not relieve the Lessee(s) of any duties or obligations under the lease.
- f) Any assignment is not deemed a consent to any subsequent assignment.

(NOTE: See *optional* Clauses 3 and 4 if subletting is permitted.)

- 19) RELOCATION PAYMENT:** Lessee(s) acknowledges the following: Lessee(s) commenced occupancy of the premises after Department acquired title to it, Department acquired the premises for a public project, Lessee(s) may be required to vacate the premises to allow construction of the public project, and Lessee(s) is not entitled to receive any payments under either the State or the Federal Uniform Relocation Assistance Act. (Government Code, Section 7260, et seq.; 42 United States Code, Section 4601, et seq.)
- 20) POSSESSORY INTEREST:** Tax bills inadvertently received by Lessee(s) should be forwarded to Department for processing.
- 21) RIGHT OF ENTRY:** Lessee(s) shall permit Department or its authorized agent to enter into and upon the property during normal business hours, subject to a twenty-four hour (24-hour) notice, for the following purposes: routine inspection, maintaining the property, installing protective or conservation devices and for showing the property to prospective purchasers and/or tenants. Department reserves its right, without notice, to enter property in case of emergency or to prevent imminent harm to persons or property.
- 22) INSURANCE:** Department is self insured and will not keep the property insured against fire or any other insurable risk, and Lessee(s) will make no claim of any nature against Department by reason of any damage to Lessee's property in the event it is damaged or destroyed by fire or by any other cause.
- 23) LIABILITY AND PROPERTY DAMAGE INSURANCE:** Lessee(s) shall, at Lessee's expense, take out and keep in force during the full term of the tenancy:

General liability insurance providing coverage in the amount of one million dollars (\$1,000,000) per occurrence for Bodily Injury and Property Liability combined, in a company or companies to be approved by the Department, to protect Department, its officers, agents and employees against all claims, suits or actions of every name, kind, and description brought forth, or on account of, injuries to or death of any person occurring in or about the property or on account of damage to property incident to the use of, or resulting from, any and every cause occurring in or about the property which is the subject of this lease, including any and all claims, suits or actions for damage to vehicles on the property.

With respect to third-party claims against Lessee(s), Lessee(s) waives any and all rights to any type of express or implied indemnity against Department, its officers or employees.

It is the intent of the parties that Lessee(s) will indemnify, defend and hold harmless the Department, its officers and employees from any and all claims, suits or actions as set forth above regardless of the existence or degree of fault or negligence on the part of Department, Lessee(s), the officers or employees of either of these, other than the sole negligence of Department, its officers and employees.

Nothing in this lease is intended to create the public or any member thereof a third-party beneficiary hereunder, nor is any term or condition or other provision of the lease intended to establish a standard of care owed to the public or any member thereof.

Said policies shall name Department as an additional insured and shall inure to the contingent liabilities, if any, of Department and the officers, agents and employees of Department and shall obligate the insurance carriers to notify Department, in writing, not less than thirty (30) days prior to the cancellation thereof, or any other change affecting the coverage of the policies. Lessee(s) shall furnish to Department either a certified copy of each and every such policy or a fully executed "CERTIFICATE OF INSURANCE WITH ENDORSEMENT FOR LEASE OF STATE-OWNED PROPERTY" within not more than ten (10) days after the effective date of the policy. Lessee(s) agrees that if Lessee(s) does not keep such insurance in full force and effect, Department shall have the right to immediately terminate this lease.

24) INDEMNIFICATION: Lessee(s) shall indemnify, defend, and hold the Department, its officers, agents and employees harmless from and against any loss, cost, or expense, including, but not limited to, attorney fees and court costs, resulting from any claim by any third party arising out of or connected to the actions of Lessee(s), notwithstanding Department's, its officers', agents' and employees' active or passive negligence, and/or regarding all acts and omission, including but not limited, to the willful misconduct or negligence of the Lessee(s).

Further, it is the parties' intent that the indemnity provisions stated herein, apply to losses resulting from Lessee's negligence or any cause other than the willful misconduct or sole negligence of Department, its officers, agents or employees.

25) HAZARDOUS MATERIALS: Hazardous materials are those substances listed in California Code of Regulations, Title 22, Section 66261.126, Appendix X, or those which meet the toxicity, reactivity, corrosivity or flammability criteria of Title 22 of the above Code, as well as any other substance which poses a hazard to health or environment.

Except as otherwise permitted in this lease, Lessee(s) shall not use, create, store or allow any such substances on the premises. Fuel stored in a motor vehicle for the exclusive use in such vehicle is excepted.

In no case shall Lessee(s) cause or allow the deposit or disposal of any such substance on the leased property. However, household products necessary for routine cleaning and maintenance of the property may be kept on the leased premises in quantities reasonable for current needs.

Department, or its agents or contractors shall at all times have the right to go upon and inspect the leased premises and the operations conducted thereon to assure compliance with the requirements herein stated. This inspection may include taking samples of substances and materials present for testing, and/or testing soils or underground tanks on the premises.

(Insert if appropriate): The following substances may be present on the leased premises, provided that they are contained and used in accordance with all applicable local, State and Federal laws and regulations: (If needed, add "as well as the requirements set forth below":)

(List) (special quantity, storage, container, etc., requirements)

(If appropriate): Where hazardous waste is generated on site, the facility must be fully permitted by the California Department of Health Services, and all conditions of the permit must be complied with.

Breach of any of these covenants, terms, and conditions shall give Department authority to immediately terminate this lease. It is the intent of the parties hereto that Lessee(s) shall be responsible for and bear the entire cost of removal and disposal of hazardous materials or waste introduced to the premises during Lessee's period of use and possession as owner, operator or Lessee(s) of the property. Lessee(s) shall also be responsible for any cleanup and decontamination on or off the leased premises necessitated by such materials or waste.

Lessee(s) shall further hold the State, and any officer or employee, harmless from all responsibility, liability and claim for damages resulting from the presence or use of hazardous materials on the premises during Lessee's period of use and possession.

(To be added where one or more underground tanks are located on property:) Lessee(s) acknowledges receiving from Department a copy of Permit No. (s) _____ issued by (local agency), authorizing operation of the underground storage facility(ies) located on the leased premises, together with a copy of Sections 25286, 25294, 25295, 25298 and 25299 of the California Health and Safety Code. Lessee(s) hereby agrees to monitor the underground storage tank(s) as set forth in said permit(s) and agrees to abide by all local, State and Federal regulations governing underground storage tanks for hazardous materials/hazardous wastes.

- 26) WATER POLLUTION CONTROL:** Lessee shall not allow discharge of contaminated storm water runoff or unauthorized non-storm water discharges to private or public storm water drainage systems. Lessee shall comply with State and Federal water pollution control requirements, and those of municipalities, counties, drainage districts, and other local agencies regarding discharges of storm water and non-storm water to sewer systems, storm drain systems, or any watercourses under jurisdiction of the above agencies.

Lessee shall implement and maintain the best management practices (BMPs) shown in the attached Stormwater Pollution Prevention Fact Sheet(s) for: _____ [RW instructions - Insert title of applicable Fact Sheet(s) from the RW Property Management and Airspace Storm Water Guidance Manual - e.g., parking lot, retail, nursery, storage, etc. Attach Fact Sheet(s) to lease.] _____.

Lessee shall identify any other potential sources of storm water and non-storm water pollution resulting from Lessee's activities on the premises, which are not addressed by the BMPs contained in the attached Fact Sheet(s), and shall implement additional BMPs to prevent pollution from those sources. Additional BMPs may be obtained from the Right-of-Way Property Management and Airspace Storm Water Guidance Manual (RW Storm Water Manual) available for review at the Department's District Right of Way office or online at: <http://www.dot.ca.gov/hq/row/rwstormwater>. In the event of conflict between the attached Fact Sheet(s) and this Lease, this Lease shall control.

Lessee shall provide Department with the Standard Industrial Classification (SIC) code applicable to Lessee's facilities and activities on the lease premises. A list of regulated SIC codes may be found at the State Water Resources Control Board (SWRCB)'s Web site: http://www.waterboards.ca.gov/water_issues/programs/stormwater/sic.shtml. Other SIC codes may be found at: <http://www.osha.gov/pls/imis/sicsearch.html>.

Department, or its agents or contractors, shall at all times have the right to go upon and inspect the premises and the operations conducted thereon to assure compliance with the requirements herein stated. This inspection may include taking samples of substances and materials present for testing, and/or testing of sewer systems, storm drains, or watercourses on the premises.

- 27) GENERAL INDUSTRIAL PERMIT:** For any activities conducted on the lease premises listed in Attachment 1 to General Permit Order 97-03-DWQ (General Industrial Permit) issued by the State Water Resources Control Board (SWRCB), Lessee shall develop, implement and maintain a Storm Water Pollution Prevention Plan (SWPPP) covering those activities. Information on the General Industrial Permit is electronically available at the SWRCB Web site: http://www.waterboards.ca.gov/water_issues/programs/stormwater/gen_indus.shtml#indus. Lessee will address storm water and water quality protection by implementing appropriate best management practices (BMPs) described in the SWPPP. A copy of the SWPPP, including any updates, will be provided to the Department and also maintained on the lease premises.

Lessee shall also provide a copy of the following: Notice of Intent (NOI) or No Exposure Certification (NEC) filed with the SWRCB; Receipt Letter from SWRCB showing Waste Discharge Identification (WDID) Number; and Notice of Termination (NOT), if applicable. Lessee is solely responsible for compliance with the General Industrial Permit.

- 28) WAIVER:** If any part of this Lease is invalid by reason of law or governmental regulation, or if any provisions hereof are waived by Department, the remaining portions of this Lease shall remain in full force and effect. Department's receipt of rent with the knowledge of any breach of a provision of this Lease shall not constitute a waiver of such breach.
- 29) AMENDMENTS:** The terms of the lease may be, in writing, amended, revised, altered, or changed, by mutual consent of the parties hereto upon thirty (30) days' written notice. Any amendment, revision, alteration, or change shall operate with the same force and effect as the original agreement.
-

- 30) PREVIOUS AGREEMENTS:** Any existing Lease or Rental Agreement between Lessee(s) and Department (or its predecessor in interest) covering this property are terminated as of the effective date of this Lease.
- 31) LITIGATION COSTS:** In the event that a suit is necessary to enforce any of the provisions herein contained, or to recover possession of the premises, the prevailing party shall be entitled to reasonable attorney's fees in addition to costs and necessary disbursements.
- 32) HOLD OVER:** Should Lessee(s) hold over after the expiration of the term of this lease with Department's consent, express or implied, the tenancy shall be deemed to be a tenancy only from month to month, subject otherwise to all the terms and conditions of this lease so far as applicable.
- 33) NONDISCRIMINATION:** The Lessee(s), for themselves, their heirs, personal representatives, successors in interest, and assigns as a part of the consideration hereof, does hereby covenant and agree, as a covenant running with the land, that Lessee(s) shall maintain and operate any facilities on the land or services offered thereon in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in federally assisted programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.
- Lessee(s) also agrees that in the event of breach of any of the above nondiscrimination covenants, the State of California shall have the right to terminate the lease and to reenter and repossess said land and the facilities thereon and hold the same as if said lease had never been made or issued.
- 34) ENCUMBRANCES:** Lessee(s) shall not encumber the rented premises in any manner whatsoever.
- 35) ASSIGNMENT FOR BENEFIT OF CREDITORS, INSOLVENCY, OR BANKRUPTCY:** Appointment of a receiver to take possession of Lessee's assets, Lessee's general assignment for benefit of creditors, or Lessee's insolvency or taking or suffering action under the Bankruptcy Act is a breach of this lease and this lease shall terminate.
- 36) POSTING OF PROPERTY:** Department or its agents shall at all times have the right to serve or to post thereon any notice required or permitted by law for protection of any right or interest of the Department.
-

LEASE AGREEMENT (Cont.)

(Form #)

EXHIBIT

11-EX-B (REV 6/2013)

Page 9 of 13

37) HEADINGS: The marginal or clause headings of this lease are not a part of this lease and shall have no effect upon the construction or interpretation of any part hereof.

BREACH OF ANY OF THE ABOVE COVENANTS, TERMS, AND CONDITIONS SHALL GIVE EITHER PARTY AUTHORITY TO IMMEDIATELY TERMINATE THIS LEASE.

STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION

(Type Lessee's Name)

(Type Lessee's Name)

APPROVAL RECOMMENDED

By _____
(Type Right of Way Agent's Name)
Property Management

(Type Supervisor's Name)
(Type Supervisor's Title)

ADA Notice

For individuals with disabilities, this document is available in alternate formats. For information call (916) 654-5413 Voice, CRS: 1-800-735-2929, or write Right of Way, 1120 N Street, MS-37, Sacramento, CA 95814.

(OPTIONAL CLAUSES TO BE USED AS NEEDED)

1) (To be used per Section 11.04.03.00 - Lease Term)

CPI ESCALATION CLAUSE: The monthly rent provided for in lease clause _____ shall be subject to adjustment at the commencement of the _____ year of the term and every _____ year(s) thereafter, as follows:

The base for computing the adjustment is the Consumer Price Index for All Urban Consumers for _____, published by the United States Department of Labor, Bureau of Labor Statistics ("Index"), which is published for the period two months prior to the date of the commencement of the term ("Beginning Index"). If the Index published for the period two months prior to the adjustment date ("Adjustment Index") has increased over the Beginning Index, the monthly rent for the following _____ year period shall be set by multiplying the monthly rent set forth in lease clause _____ by a fraction, the numerator of which is the Adjustment Index and denominator of which is the Beginning Index. In no case shall the adjusted monthly rent be less than the monthly rent set forth in lease clause _____.

If the Index is changed so that the base year differs from that used as of the period two months prior to the date on which the term commences, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If the Index is discontinued or revised during the term, such other government index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the Index had not been discontinued or revised. In the event Department and Lessee(s) fail to agree on the selection of a replacement price index, the selection of the same shall be determined by the Presiding Judge of the Superior Court of the State of California in _____ County, and his decision shall be final and conclusive upon the parties.

*U.S. City Average, San Francisco/Oakland, San Diego or Los Angeles/Long Beach-whichever is most appropriate.

2) LEVEL OR GRADUATED RENT ESCALATION CLAUSE (Insert as Clause 3) (RENT)

Lessee(s) shall pay the rent monthly, in advance, on the _____ day of each month during said term, in lawful money of the United States, as follows:

- (when flat rate for full term of lease):
\$ _____ per month (year) from _____ through _____
- (when provisions for annual step increases):
\$ _____ per month (year) from _____ through _____
(use additional lines as necessary).

[NOTE: In case subletting is permitted, the agent will rewrite Clause 16 accordingly and add optional Clause 2 (below) to Clause 16 if human habitation is permitted. Also add optional Clause 3 (below) as a separate clause.]

3) (To be added to Lease Clause 12, Assignment and Subletting, only where human habitation is permitted)

In the event the terms of this lease permit the subletting of portions of the property herein for human habitation, then Lessee(s) covenants and agrees to assume all the obligations and conditions to any subtenants, within the meaning of Sections 1941 and 1942 of the Civil Code.

Lessee(s) specifically waives as an obligation of Department the provisions of Sections 1941 and 1942 of the Civil Code, which read as follows:

“1941. Obligations of Lessor. The Lessor of a building intended for the occupation of human beings must, in the absence of an agreement to the contrary, put it into a condition fit for such occupation, and repair all subsequent dilapidation’s thereof, which render it untenable, except as are mentioned in Section 1929.”

“1942. If within a reasonable time after notice to the Lessor, of dilapidation’s which he ought to repair, he neglects to do so, the Lessee may repair the same himself, where the cost of such repair does not require an expenditure greater than one month’s rent of the premises, and deduct the expenses of such repairs from the rent, or the Lessee may vacate the premises, in which case he shall be discharged from further payment of rent, or performance of other conditions.”

4) (To be added where subleasing is permitted) Clause 12

SUBTENANT REQUIREMENT: In the event the terms of this Lease specifically permit subletting of all or a portion of the property herein, the following shall apply:

- a) Lessee(s) is required to furnish each new Tenant with two copies of Department’s form notice advising that no relocation payments will be made. Lessee(s) will sign one copy and return it to Department.
- b) Lessee(s) to provide Department with a listing of all subtenants as required by Department.
- c) Lessee shall provide Department with the Standard Industrial Classification (SIC) code applicable to subtenant’s facilities and activities on the premises.
- d) If subtenant’s activities conducted on the premises are listed in Attachment 1 of General Permit Order 97-03-DWQ (General Industrial Permit) issued by the State Water Resources Control Board (SWRCB), Lessee shall provide Department with a copy of the following documents pertaining to subtenant’s activities: Notice of Intent (NOI) or No Exposure Certification (NEC) filed with the SWRCB; Receipt Letter from SWRCB showing Waste Discharge Identification (WDID) Number; Storm Water Pollution Prevention Plan (SWPPP), including any updates; and Notice of Termination (NOT), if applicable. A copy of subtenant’s SWPPP shall be maintained on the subleased premises.
- e) Lessee shall ensure that storm water best management practices (BMP) applicable to subtenant’s activities are implemented and maintained on the premises.

(Add the following subsection where there are inherited Tenants. See Exhibit 11-EX-23, page 6, for example of Exhibit A.)

- f) It is specifically agreed and understood that Lessee(s) shall not terminate the tenancy of the named Tenants in Exhibit A, which is hereby made a part of this Lease, without Department’s written approval, and will notify Department when said Tenants named in Exhibit A vacate the premises.
-

5) (To be included in all agreements for residences constructed prior to 1978)

LEAD-BASED PAINT: This property was constructed prior to 1978 and may contain lead-based paints that may pose a serious health hazard, especially to children and pregnant women. A government pamphlet, "Protect Your Family from Lead in Your Home," explaining the potential health hazards resulting from exposure to such lead-based paint and the precautions you should take to avoid such health hazards, is attached and incorporated for your use.

6) OFFSETS: It is understood and agreed that in consideration of a rental offset of an amount not to exceed \$ _____, Lessee(s) agrees to: *(Describe work to be done in detail).*

Lessee(s) shall secure paid itemized bills covering materials used for the authorized work and forward them to the Department at the address specified in Clause 10, Notices, of this Lease. Credit will only be allowed for the actual amount of the paid bills not to exceed the amount specified above. Lessee(s) will be paid for materials only and will not be paid for his/her labor or for the purchase of tools. Lessee(s) may not hire a third party contractor to perform the authorized work unless prior written permission from the Department is obtained.

[RW instructions - If rental offset work involves an *outdoor* activity that has the potential to pollute storm water, insert following sentence and attach appropriate Stormwater Pollution Prevention Fact Sheet (e.g., Trash Removal, General Maintenance, etc.) from the RW Property Management and Airspace Storm Water Guidance Manual - otherwise delete.]

In performing the work described above, Tenant shall implement best management practices shown in the attached Stormwater Pollution Prevention Fact Sheet(s) for: _____.

It is further agreed that said work would be completed and paid bills received by the Department prior to _____, and that the rental credit will only be granted after inspection by the Department, of the completed work.

7) INVENTORY: Lessee(s) acknowledges the premises are furnished in accordance with the attached inventory, Attachment _____, by initialing here: _____ *(Initials)*.

AGRICULTURAL LEASE AGREEMENT

(Form #)

CONFIDENTIAL

This document contains personal information and pursuant to Civil Code 1798.21, it shall be kept confidential in order to protect against unauthorized disclosure.

EXHIBIT

11-EX-C (REV 6/2013)

Page 1 of 13

AGRICULTURAL LEASE AGREEMENT

Tenancy Number _____

THIS LEASE is made and entered into this _____ day of _____, _____, at _____, California, by and between the State of California, Department of Transportation, hereinafter known as Department, and _____, hereinafter known as Lessee(s), whose address is _____, California.

WITNESSETH

1) **DESCRIPTION:** Department, in consideration of the payment of the rent hereinafter specified to be paid by the Lessee(s), and the covenants and agreements herein contained, does hereby lease, demise, and let unto Lessee(s) that certain property in the County of _____, State of California, containing _____ acres, more or less, as shown on the sketch attached hereto and made a part hereof, and legally described as follows:

Including the following improvements: (use attachment)

2) **TERM:** This Lease shall be for a term of ____ (____) years, commencing on the _____ day of _____, _____, and ending on the _____ day of _____, _____, with the right of cancellation and termination in both Department and Lessee(s) as hereinafter set forth.

3) **RENT:** The rent shall be paid by the Lessee(s) monthly, in advance, on the first (1st) day of each month during said term, in lawful money of the United States, as follows:

or

The rent shall be paid by Lessee(s) annually, in advance, on the first (1st) day of the month identified in Clause 2 during said term, in lawful money of the United States, as follows:

Rent payable or refundable hereunder for any period of time less than one month shall be determined by prorating the monthly rental herein specified based on a thirty-day (30-day) month.

4) **RECEIPT OF MONIES PAID:** Department acknowledges receipt of monies paid by Lessee(s) in the amount of \$_____, for the following purposes:

Rent \$ _____
Security \$ _____

AGRICULTURAL LEASE AGREEMENT (Cont.)

(Form #)

EXHIBIT

11-EX-C (REV 6/2013)

Page 2 of 13

5) **SECURITY DEPOSIT:** Lessee(s) shall deposit with Department \$_____ as a guarantee for faithful performance of the conditions of this Lease. Department may use such amounts as are reasonably necessary to remedy Lessee(s) default in the payment of rent; to repair damages caused by Lessee(s), or by a guest or a licensee of the Lessee(s); to clean the premises, if necessary, upon termination of tenancy; and to replace or return personal property or appurtenances exclusive of ordinary wear and tear. If used toward rent or damages during the term of tenancy, Lessee(s) agrees to reinstate said total security deposit upon five (5) days' written notice delivered to Lessee(s) in person or by mail. Department shall furnish Lessee(s) with an itemized written statement of the basis for, and the amount of, any security received and the disposition of the security and shall return any remaining portion of the security to Lessee(s) in accordance with California Civil Code Section 1950.5.

6) **PAYMENTS:** All rental payments shall be made payable to the Department of Transportation. Lessee(s) shall make payment to Department's mailing address or street location as indicated below:

Department of Transportation
Attention: Cashier
P.O. Box 168019
Sacramento, CA 95816-8019
Telephone Number: _____

Department of Transportation
Attention: Cashier
1820 Alhambra Boulevard, 2nd Floor
Sacramento, CA 95816

Lessee(s) shall include the complete Tenancy Number, __-_____-____-__, on the check or other form of payment.

7) **LATE PAYMENT CHARGE:** Lessee(s) hereby acknowledges that Lessee's late payment to Department of rent and other sums due hereunder will cause Department to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges. Accordingly, if any installment of rent or any other sum due from Lessee(s) shall not be received by Department within ten (10) days after such amount shall be due, Lessee(s) shall pay to Department a late charge of \$_____. In no event shall the late charge exceed the maximum allowable by law. The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs Department will incur by reason of late payment by Lessee(s). Department's acceptance of such late charge shall in no event constitute a waiver of Lessee's default with respect to such overdue amount, nor prevent Department from exercising any of the other rights and remedies granted hereunder.

8) **DISHONORED CHECK CHARGE:** Lessee(s) hereby agrees:

- a) That Lessee(s) shall pay to Department a fee of \$25.00 for the first dishonored check and \$35.00 for a second dishonored check.
- b) That if Lessee(s) has two (2) dishonored checks within any twelve (12) month period, the Department will no longer accept personal checks for payments due under this Lease.

9) **UTILITIES:** Lessee shall pay when due all utility and other charges accruing or payable, including utility deposits, in connection with Lessee(s) use of the property during the term of this lease. Lessee(s) shall contact utility providers to request that utility service be established in Lessee's name by _____, _____. In the event Lessee(s) fails to establish service in Lessee(s) name by above-mentioned date, this Lease will be terminated.

If the Department is paying any or all utility charges, and passing those costs on the Lessee(s), the Department will review the utility charges at least annually, or more often if needed, and with a sixty-day (60-day) notice adjust the amount being charged to Lessee(s) for utilities accordingly.

10) NOTICES: All Notices herein provided to be given, or which may be given, by either party to the other, shall be deemed to have been fully given when served personally, or when made in writing and mailed addressed as follows: To Lessee(s) at the above-stated and to Department at:

Department of Transportation

(Address)

(Telephone Number)

The address to which the notices shall be mailed to either party shall be changed by written notice by either party to the other, but nothing herein shall preclude the giving of notice by personal service. Department shall also be able to serve notices by posting and subsequent mailing to Lessee(s).

11) USE: Lessee(s) shall use the property for the following purposes only:

- a) _____
- b) Lessee(s) shall not commit, suffer, or permit any waste on said property.
- c) Lessee(s) shall comply with all Federal, State, and local laws and ordinances concerning said property and the use thereof.
- d) Lessee(s) shall cultivate, irrigate, fertilize, prune, and otherwise farm the property in accordance with approved practices of good husbandry and in accordance with the standard farming practices of the vicinity, and to keep any buildings, fences, irrigation or other farming facilities on the property in good repair.
- e) Lessee(s) shall not permit hunting on the premises.
- f) Lessee shall not allow vehicle or equipment washing, fueling, maintenance or repair on the property, unless separately authorized by this lease agreement for industrial activity.

12) ASSIGNMENT AND SUBLETTING: Lessee(s) shall not assign or sublet this lease without Department's written consent.

Any request by Lessee(s) to assign this lease shall be subject to the following:

- a) An assignment will only be allowed to a person or entity of equal or greater financial responsibility than Lessee(s).
- b) The proposed use must be the same or similar to that employed by Lessee(s).
- c) A written application from the proposed assignee is required. Lessee(s) will pay all charges incurred for verifying information in the application process.
- d) Department has the right to raise the rent to current market value upon Lessee's exercise of a right to assign.
- e) Assignment does not relieve the Lessee(s) of any duties or obligations under the lease.
- f) Any assignment is not deemed a consent to any subsequent assignment.

(NOTE: See *optional* Clause 3 if subletting is permitted.)

AGRICULTURAL LEASE AGREEMENT (Cont.)

(Form #)

EXHIBIT

11-EX-C (REV 6/2013)

Page 4 of 13

- 13) MAINTENANCE:** Lessee(s) shall keep property in a neat, clean, and orderly condition at all times during occupancy, including watering of shrubs and lawns (if applicable), and shall not permit rubbish, garbage, etc., to accumulate at any time.
- 14) CONDITIONS AND REPAIRS:** Lessee(s) shall not call on Department to make any improvements or repairs on the property of any nature whatsoever and agrees to keep the same in good order and condition at Lessee's own cost and expense.
- 15) ALTERATIONS:** Lessee(s) shall not make or suffer any alteration to be made in or on the property without Department's written consent.
- 16) TERMINATION:** This Lease shall be subject to cancellation or termination by either party at any time during the term hereof by giving the other party notice in writing at least _____ days next prior to the date when such termination shall become effective. The Department will refund to Lessee(s) any unused rent upon termination by either party prior to the Lease expiration date in Clause 2.
- 17) RELOCATION PAYMENT:** Lessee(s) acknowledges the following: Lessee(s) commenced occupancy of the premises after Department acquired title to it, Department acquired the premises for a public project, Lessee(s) may be required to vacate the premises to allow construction of the public project, and Lessee(s) is not entitled to receive any payments under either the State or the Federal Uniform Relocation Assistance Act. (Government Code, Section 7260, et seq.; 42 United States Code, Section 4601, et seq.)
- 18) VACATING THE PROPERTY:** At the expiration of the term, or any sooner termination of this lease, Lessee(s) agrees to quit and surrender possession of the property and its appurtenances to Department in as good order and condition as the property was delivered to the Lessee(s). Lessee(s) agrees to reimburse the Department for any damage done to the property caused by Lessee(s) occupation or tenancy excepting reasonable wear and tear and damage by the elements. Lessee(s) shall not leave or allow to remain on the property any garbage, refuse, debris, or personal property. Lessee(s) will pay Department any removal costs incurred by Department. On the date the property is vacated, Lessee(s) agrees to deliver the property keys to the Department in person or at: _____.
- 19) POSSESSORY INTEREST:** Tax bills inadvertently received by Lessee(s) should be forwarded to Department for processing.
- 20) RIGHT OF ENTRY:** Lessee(s) shall permit Department or its authorized agent to enter into and upon the property during normal business hours, subject to a twenty-four hour (24-hour) notice, for the following purposes: routine inspection, maintaining the property, installing protective or conservation devices and for showing the property to prospective purchasers and/or tenants. Department reserves its right, without notice, to enter property in case of emergency or to prevent imminent harm to persons or property.
- 21) INSURANCE:** Department is self insured and will not keep the property insured against fire or any other insurable risk, and Lessee(s) will make no claim of any nature against Department by reason of any damages to Lessee's property in the event it is damaged or destroyed by fire or by any other cause.
-

- 22) LIABILITY AND PROPERTY DAMAGE INSURANCE:** Lessee(s) shall, at Lessee's expense, take out and keep in force during the full term of the tenancy:

General liability insurance providing coverage in the amount of one million dollars (\$1,000,000) per occurrence for Bodily Injury and Property Liability combined, in a company or companies to be approved by the Department, to protect Department, its officers, agents and employees against all claims, suits or actions of every name, kind, and description brought forth, or on account of, injuries to or death of any person occurring in or about the property or on account of damage to property incident to the use of, or resulting from, any and every cause occurring in or about the property which is the subject of this lease, including any and all claims, suits or actions for damage to vehicles on the property.

With respect to third-party claims against Lessee(s), Lessee(s) waives any and all rights to any type of express or implied indemnity against Department, its officers or employees.

It is the intent of the parties that Lessee(s) will indemnify, defend and hold harmless the Department, its officers and employees from any and all claims, suits or actions as set forth above regardless of the existence or degree of fault or negligence on the part of Department, Lessee(s), the officers or employees of either of these, other than the sole negligence of Department, its officers and employees.

Nothing in this lease is intended to create the public or any member thereof a third-party beneficiary hereunder, nor is any term or condition or other provision of the lease intended to establish a standard of care owed to the public or any member thereof.

Said policies shall name Department as an additional insured and shall inure to the contingent liabilities, if any, of Department and the officers, agents and employees of Department and shall obligate the insurance carriers to notify Department, in writing, not less than thirty (30) days prior to the cancellation thereof, or any other change affecting the coverage of the policies. Lessee(s) shall furnish to Department either a certified copy of each and every such policy or a fully executed "CERTIFICATE OF INSURANCE WITH ENDORSEMENT FOR LEASE OF STATE-OWNED PROPERTY" within not more than ten (10) days after the effective date of the policy. Lessee(s) agrees that if Lessee(s) does not keep such insurance in full force and effect, Department shall have the right to immediately terminate this lease.

- 23) INDEMNIFICATION:** Lessee(s) shall indemnify, defend, and hold the Department, its officers, agents and employees harmless from and against any loss, cost, or expense, including, but not limited to, attorney fees and court costs, resulting from any claim by any third party arising out of or connected to the actions of Lessee(s), notwithstanding Department's, its officers', agents' and employees' active or passive negligence, and/or regarding all acts and omission, including but not limited, to the willful misconduct or negligence of the Lessee(s).

Further, it is the parties intent that the indemnity provisions stated herein, apply to losses resulting from Lessee's negligence or any cause other than the willful misconduct or sole negligence of Department, its officers, agents or employees.

24) HAZARDOUS MATERIALS: Hazardous materials are those substances listed in California Code of Regulations, Title 22, Section 66261.126, Appendix X, or those which meet the toxicity, reactivity, corrosivity or flammability criteria of Title 22 of the above Code, as well as any other substance which poses a hazard to health or environment.

Except as otherwise permitted in this Lease, Lessee(s) shall not use, create, store or allow any such substances on the premises. Fuel stored in a motor vehicle for the exclusive use in such vehicle is excepted.

In no case shall Lessee(s) cause or allow the deposit or disposal of any such substance on the leased property. However, household products necessary for routine cleaning and maintenance of the property may be kept on the leased premises in quantities reasonable for current needs.

Department, or its agents or contractors shall at all times have the right to go upon and inspect the leased premises and the operations conducted thereon to assure compliance with the requirements herein stated. This inspection may include taking samples of substances and materials present for testing and/or testing soils or underground tanks on the premises.

(Insert if appropriate): The following substances may be present on the leased premises, provided that they are contained and used in accordance with all applicable local, State and Federal laws and regulations: (If needed, add “as well as the requirements set forth below”):

(List) (special quantity, storage, container, etc., requirements)

(If appropriate): Where hazardous waste is generated on site, the facility must be fully permitted by the California Department of Health Services, and all conditions of the permit must be complied with.

Breach of any of these covenants, terms, and conditions shall give Department authority to immediately terminate this lease. It is the intent of the parties hereto that Lessee(s) shall be responsible for and bear the entire cost of removal and disposal of hazardous materials or waste introduced to the premises during Lessee’s period of use and possession as owner, operator or Lessee(s) of the property. Lessee(s) shall also be responsible for any cleanup and decontamination on or off the leased premises necessitated by such materials or waste.

Lessee(s) shall further hold the State, and any officer or employee, harmless from all responsibility, liability and claim for damages resulting from the presence or use of hazardous materials on the premises during Lessee’s period of use and possession.

(To be added where one or more underground tanks are located on property): Lessee(s) acknowledges receiving from Department a copy of Permit No.(s) _____ issued by (local agency), authorizing operation of the underground storage facility(ies) located on the leased premises, together with a copy of Sections 25286, 25294, 25295, 25298 and 25299 of the California Health and Safety Code. Lessee(s) hereby agrees to monitor the underground storage tank(s) as set forth in said permit(s) and agrees to abide by all local, State and Federal regulations governing underground storage tanks for hazardous materials/hazardous wastes.

- 25) WATER POLLUTION CONTROL:** Lessee shall not allow discharge of contaminated storm water runoff or unauthorized non-storm water discharges to private or public storm water drainage systems. Lessee shall comply with State and Federal water pollution control requirements, and those of municipalities, counties, drainage districts, and other local agencies regarding discharges of storm water and non-storm water to sewer systems, storm drain systems, or any watercourses under jurisdiction of the above agencies.

Lessee shall implement and maintain the best management practices (BMPs) shown in the attached Stormwater Pollution Prevention Fact Sheet(s) for: _____ [RW instructions - Insert title of Fact Sheet, e.g., agricultural or animal handling areas. Fact Sheets are contained in the RW Property Management and Airspace Storm Water Guidance Manual. Attach Fact Sheet to lease.] _____.

Lessee shall identify any other potential sources of storm water and non-storm water pollution resulting from Lessee's activities on the premises, which are not addressed by the BMPs contained in the attached Fact Sheet(s), and shall implement additional BMPs to prevent pollution from those sources. Additional BMPs may be obtained from the Right-of-Way Property Management and Airspace Storm Water Guidance Manual (RW Storm Water Manual) available for review at the Department's District Right of Way office or online at: <http://www.dot.ca.gov/hq/row/rwstormwater>. In the event of conflict between the attached Fact Sheet(s) and this Lease, this Lease shall control.

Lessee shall provide Department with the Standard Industrial Classification (SIC) code applicable to Lessee's facilities and activities on the lease premises. A list of regulated SIC codes may be found at the State Water Resources Control Board (SWRCB)'s Web site: http://www.waterboards.ca.gov/water_issues/programs/stormwater/sic.shtml. Other SIC codes may be found at: <http://www.osha.gov/pls/imis/sicsearch.html>.

Department, or its agents or contractors, shall at all times have the right to go upon and inspect the premises and the operations conducted thereon to assure compliance with the requirements herein stated. This inspection may include taking samples of substances and materials present for testing, and/or testing of sewer systems, storm drains, or watercourses on the premises.

- 26) GENERAL INDUSTRIAL PERMIT:** For any activities conducted on the lease premises listed in Attachment 1 to General Permit Order 97-03-DWQ (General Industrial Permit) issued by the State Water Resources Control Board (SWRCB), Lessee shall develop, implement and maintain a Storm Water Pollution Prevention Plan (SWPPP) covering those activities. Information on the General Industrial Permit is electronically available at the SWRCB Web site: http://www.waterboards.ca.gov/water_issues/programs/stormwater/gen_indus.shtml#indus. Lessee will address storm water and water quality protection by implementing appropriate best management practices (BMPs) described in the SWPPP. A copy of the SWPPP, including any updates, will be provided to the Department and also maintained on the lease premises.

Lessee shall also provide a copy of the following: Notice of Intent (NOI) or No Exposure Certification (NEC) filed with the SWRCB; Receipt Letter from SWRCB showing Waste Discharge Identification (WDID) Number; and Notice of Termination (NOT), if applicable. Lessee is solely responsible for compliance with the General Industrial Permit.

AGRICULTURAL LEASE AGREEMENT (Cont.)

(Form #)

EXHIBIT

11-EX-C (REV 6/2013)

Page 8 of 13

- 27) WAIVER:** If any part of this Lease is invalid by reason of law or governmental regulation, or if any provisions hereof are waived by Department, the remaining portions of this Lease shall remain in full force and effect. Department's receipt of rent with the knowledge of any breach of a provision of this Lease shall not constitute a waiver of such breach.
- 28) AMENDMENTS:** The terms of the lease may be, in writing, amended, revised, altered, or changed, by mutual consent of the parties hereto upon thirty (30) days' written notice. Any amendment, revision, alteration, or change shall operate with the same force and effect as the original agreement.
- 29) PREVIOUS AGREEMENTS:** Any existing Lease or Rental Agreement between Lessee(s) and Department (or its predecessor in interest) covering this property are terminated as of the effective date of this Lease.
- 30) LITIGATION COSTS:** In the event that a suit is necessary to enforce any of the provisions herein contained, or to recover possession of the premises, the prevailing party shall be entitled to reasonable attorney's fees in addition to costs and necessary disbursements.
- 31) HOLD OVER:** Should Lessee(s) hold over after expiration of the term of this Lease with Department's expressed or implied consent, the tenancy shall be deemed to be a tenancy only from year to year, subject otherwise to all of the terms and conditions of this Lease so far as applicable.
- 32) NONDISCRIMINATION:** Lessee(s), for himself, his heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree, as a covenant running with the land, that Lessee(s) shall maintain and operate any facilities on the land or services offered thereon in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in federally assisted programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.
- Lessee(s) also agrees that in the event of breach of any of the above nondiscrimination covenants, the State of California shall have the right to terminate the Lease and to reenter and repossess said land and the facilities thereon and hold the same as if said Lease had never been made or issued.
- 33) ENCUMBRANCES:** Lessee(s) shall not encumber the leased premises in any manner whatsoever.
- 34) ASSIGNMENT FOR BENEFIT OF CREDITORS, INSOLVENCY, OR BANKRUPTCY:** Appointment of a receiver to take possession of Lessee's assets, Lessee's general assignment for benefit of creditors, or Lessee's insolvency or taking or suffering action under the Bankruptcy Act is a breach of this lease and this lease shall terminate.
-

AGRICULTURAL LEASE AGREEMENT (Cont.)

(Form #)

EXHIBIT

11-EX-C (REV 6/2013)

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35) POSTING OF PROPERTY: Department or its agents shall at all times have the right to serve or to post thereon any notice required or permitted by law for protection of any right or interest of the Department.

36) HEADINGS: The marginal or clause headings of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part hereof.

BREACH OF ANY OF THE ABOVE COVENANTS, TERMS, AND CONDITIONS SHALL GIVE DEPARTMENT AUTHORITY TO IMMEDIATELY TERMINATE THIS AGREEMENT.

STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION

(Type Lessee's Name)

(Type Lessee's Name)

APPROVAL RECOMMENDED

By _____
(Type Right of Way Agent's Name)
Property Management

(Type Supervisor's Name)
(Type Supervisor's Title)

ADA Notice

For individuals with disabilities, this document is available in alternate formats. For information call (916) 654-5413 Voice, CRS: 1-800-735-2929, or write Right of Way, 1120 N Street, MS-37, Sacramento, CA 95814.

OPTIONAL CLAUSES

1) (To be used per Section 11.04.03.00 - Lease Term)

CPI ESCALATION CLAUSE: The monthly rent provided for in lease clause _____ shall be subject to adjustment at the commencement of the _____ year of the term and every _____ year(s) thereafter, as follows:

The base for computing the adjustment is the Consumer Price Index for All Urban Consumers for _____, published by the United States Department of Labor, Bureau of Labor Statistics ("Index"), which is published for the period two months prior to the date of the commencement of the term ("Beginning Index"). If the Index published for the period two months prior to the adjustment date ("Adjustment Index") has increased over the Beginning Index, the monthly rent for the following _____ year period shall be set by multiplying the monthly rent set forth in lease clause _____ by a fraction, the numerator of which is the Adjustment Index and denominator of which is the Beginning Index. In no case shall the adjusted monthly rent be less than the monthly rent set forth in lease clause _____.

If the Index is changed so that the base year differs from that used as of the period two months prior to the date on which the term commences, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If the Index is discontinued or revised during the term, such other government index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the Index had not been discontinued or revised. In the event Department and Lessee(s) fail to agree on the selection of a replacement price index, the selection of the same shall be determined by the Presiding Judge of the Superior Court of the State of California in _____ County, and his decision shall be final and conclusive upon the parties.

*U.S. City Average, San Francisco/Oakland, San Diego or Los Angeles/Long Beach-whichever is most appropriate.

2) LEVEL OR GRADUATED RENT ESCALATION CLAUSE (Insert as Clause 3) (RENT)

Lessee(s) shall pay the rent monthly, in advance, on the _____ day of each month during said term, in lawful money of the United States, as follows:

- (when flat rate for full term of lease):
\$_____ per month (year) from _____ through _____
- (when provisions for annual step increases):
\$_____ per month (year) from _____ through _____
(use additional lines as necessary).

[NOTE: In case subletting is permitted, the agent will rewrite Clause 16 accordingly and add optional Clause 2 (below) to Clause 16 if human habitation is permitted. Also add optional Clause 3 (below) as a separate clause.]

3) (To be added where subleasing is permitted) Clause 12

SUBTENANT REQUIREMENT: In the event the terms of this Lease specifically permit subletting of all or a portion of the property herein, the following shall apply:

- a) Lessee(s) is required to furnish each new Tenant with two copies of Department’s form notice advising that no relocation payments will be made. Lessee(s) will sign one copy and return it to Department.
- b) Lessee(s) to provide Department with a listing of all subtenants as required by Department.
- c) Lessee shall provide Department with the Standard Industrial Classification (SIC) code applicable to subtenant’s facilities and activities on the premises.
- d) If subtenant’s activities conducted on the premises are listed in Attachment 1 of General Permit Order 97-03-DWQ (General Industrial Permit) issued by the State Water Resources Control Board (SWRCB), Lessee shall provide Department with a copy of the following documents pertaining to subtenant’s activities: Notice of Intent (NOI) or No Exposure Certification (NEC) filed with the SWRCB; Receipt Letter from SWRCB showing Waste Discharge Identification (WDID) Number; Storm Water Pollution Prevention Plan (SWPPP), including any updates; and Notice of Termination (NOT), if applicable. A copy of subtenant’s SWPPP shall be maintained on the subleased premises.
- e) Lessee shall ensure that storm water best management practices (BMPs) applicable to subtenant’s activities are implemented and maintained on the premises.

(Add the following subsection where there are inherited Tenants. See Exhibit 11-EX-23, page 8, for example of Exhibit A.)

- f) It is specifically agreed and understood that Lessee(s) shall not terminate the tenancy of the named Tenants in Exhibit A, which is hereby made a part of this Lease, without Department’s written approval, and will notify Department when said Tenants named in Exhibit A vacate the premises.

4) OFFSETS: It is understood and agreed that in consideration of a rental offset of an amount not to exceed \$ _____, Lessee(s) agrees to: *(Describe work to be done in detail).*

Lessee(s) shall secure paid itemized bills covering materials used for the authorized work and forward them to the Department at the address specified in Clause 10, Notices, of this Lease. Credit will only be allowed for the actual amount of the paid bills not to exceed the amount specified above. Lessee(s) will be paid for materials only and will not be paid for his/her labor or for the purchase of tools. Lessee(s) may not hire a third party contractor to perform the authorized work unless prior written permission from the Department is obtained.

[RW instructions - If rental offset work involves an *outdoor* activity that has the potential to pollute storm water, insert following sentence and attach appropriate Stormwater Pollution Prevention Fact Sheet (e.g., Trash Removal, General Maintenance, etc.) from the RW Property Management and Airspace Storm Water Guidance Manual - otherwise delete.]

In performing the work described above, Tenant shall implement best management practices shown in the attached Stormwater Pollution Prevention Fact Sheet(s) for: _____.

It is further agreed that said work would be completed and paid bills received by the Department prior to _____, and that the rental credit will only be granted after inspection by the Department, of the completed work.

AGRICULTURAL LEASE AGREEMENT (Cont.)

(Form #)

EXHIBIT

11-EX-C (REV 6/2013)

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5) **INVENTORY:** Lessee(s) acknowledges the premises are furnished in accordance with the attached inventory, Attachment _____, by initialing here: _____ (*Initials*)

6) **(To be added when crops are affected by early termination) Clause 16**

Should the Department require possession of all or any portion of the property prior to termination of the Lease, before crops growing on the property have matured to a degree suitable for harvesting, or before Lessee(s) has had, in the exercise of reasonable diligence, an opportunity to harvest the crops, then Department shall refund to Lessee(s) that portion of the current year's rent paid under this Lease prorated on an acreage basis to that portion of the property that Lessee(s) is unable to harvest due to Department's reentry.

7) **PETS:** No birds, animals, or other pets shall be kept on the premises without the Department's prior written consent. The Department has approved no birds, animals, or other pets.

or

The Department has approved the following pets for occupancy on the property identified above:

Name: _____	Type: _____
Color: _____	Breed: _____
Size: _____	Age: _____

Pet Application has been completed and submitted to Department:	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
Pet Application has been approved:	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
Lessee(s) and Department have executed Pet Addendum:	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
Department has collected Pet Security Deposit:	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
Pet Insurance is required:	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
Lessee has submitted proof of Pet Insurance:	Yes <input type="checkbox"/>	No <input type="checkbox"/>	NA <input type="checkbox"/>

ADVERTISING STRUCTURE

This document contains personal information and pursuant to Civil Code 1798.21, it shall be kept confidential in order to protect against unauthorized disclosure.

AGREEMENT

(Form #)

ADVERTISING STRUCTURE AGREEMENT

THIS AGREEMENT is made this _____ day of _____, _____, at California, by and between the State of California, Department of Transportation (Department), and _____ (Tenant), _____ (*address of Tenant*), for the rental of property owned by the Department. This property is presently occupied by Tenant's existing advertising structure(s) located at _____ and described as: (*number, type, size, illumination, etc.*)

In consideration for the payment of the rent specified, the Department hereby rents the property to Tenant on the following covenants, terms, and conditions:

1) RATE AND TERM:

Initial Term: The rental of this property shall be for a term of _____ commencing on the _____ day of _____, _____, at a rate of \$ _____ for the period from _____ to _____ inclusive, and thereafter at a rate of \$ _____ a _____, payable in advance on the first day of each _____ beginning _____, _____. Payments are to be made to the Department of Transportation at _____.

(Add the following if the Agreement term is more than two years:)

The rental rate for the remaining term of this Agreement will be as follows:

- A. \$ _____ per year (month) for _____ through _____
- B. \$ _____ per year (month) for _____ through _____
- C. \$ _____ per year (month) for _____ through _____

Rent payable or refundable hereunder for any period of time less than one month shall be determined by prorating the monthly rental herein specified based on a thirty-day (30-day) month.

2) PAYMENT: Tenant shall make payment to the Department's mailing address or street location as indicated below:

Department of Transportation
Attention: Cashier
P.O. Box 168019
Sacramento, CA 95816-8019
Telephone Number _____

Department of Transportation
Attention: Cashier
1820 Alhambra Boulevard, 2nd Floor
Sacramento, CA 95816

Tenant shall include the complete Tenancy Number, __-____-____-__, on the check or other form of payment.

ADVERTISING STRUCTURE AGREEMENT (Cont.)

(Form #)

EXHIBIT

11-EX-D (REV 6/2013)

Page 2 of 4

- 3) **LATE PAYMENT CHARGE:** Tenant hereby acknowledges that late payment by Tenant to Department of rent and other sums due hereunder will cause Department to incur costs not contemplated by this Agreement, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges. Accordingly, if any installment of rent or any other sum due from Tenant shall not be received by Department within ten (10) days after such amount shall be due, Tenant shall pay to Department a late charge of \$ _____. In no event shall the late charge exceed the maximum allowable by law. The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs Department will incur by reason of Tenant's late payment. Department's acceptance of such late charge shall in no event constitute a waiver of Tenant's default with respect to such overdue amount, nor prevent Department from exercising any of the other rights and remedies granted hereunder.
- 4) **DISHONORED CHECK CHARGE:** Tenant hereby agrees:
- a) That Tenant shall pay to Department a fee of \$25.00 for the first dishonored check and \$35.00 for a second dishonored check.
 - b) That if Tenant has two (2) dishonored checks within any twelve (12) month period, the Department will no longer accept personal checks for payments due under this Agreement.
- 5) **USE:** Tenant shall use that portion of the herein described real property (together with rights of ingress and egress) for the purpose of maintaining, repairing, altering, and reconstructing the existing structure(s). No structure(s) in addition to that now existing on the property shall be constructed or placed thereon, nor shall any alteration or reconstruction of such existing structure(s) result in one of larger dimensions.
- 6) **HAZARDOUS MATERIALS:** Hazardous materials are those substances listed in California Code of Regulations, Title 22, Section 66261.126, Appendix X, or those which meet the toxicity, reactivity, corrosivity or flammability criteria of Article 11 of the above Code, as well as any other substance which poses a hazard to health or environment. Except as otherwise permitted in this Agreement, Tenant shall not use, create, store or allow any such substances on the premises. Fuel stored in a motor vehicle for the exclusive use in such vehicle is excepted.

In no case shall Tenant cause or allow the deposit or disposal of any such substance on the property. However, household products necessary for routine cleaning and maintenance of the property may be used on the premises.

Department, or its agents or contractors, shall at all times have the right to go upon and inspect the premises and the operations conducted thereon to assure compliance with the requirements herein stated. This inspection may include taking samples of substances and materials present for testing, and/or testing soils or underground tanks on the premises.

ADVERTISING STRUCTURE AGREEMENT (Cont.)

(Form #)

EXHIBIT

11-EX-D (REV 6/2013)

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- 7) **WATER POLLUTION CONTROL:** Tenant shall not allow discharge of contaminated storm water runoff or unauthorized non-storm water discharges to private or public storm water drainage systems. Tenant shall comply with State and Federal water pollution control requirements, and those of municipalities, counties, drainage districts, and other local agencies regarding discharges of storm water and non-storm water to sewer systems, storm drain systems, or any watercourses under jurisdiction of the above agencies.

Tenant shall implement and maintain the best management practices (BMPs) shown in the attached Stormwater Pollution Prevention Fact Sheet for Sign Boards and Billboards. Tenant shall identify any other potential sources of storm water pollution resulting from Tenant’s activities on the premises, which are not addressed by the BMPs contained in the attached Fact Sheet for Sign Boards/Billboards, and shall implement additional BMPs to prevent pollution from those sources.

[RW instructions - Attach Storm Water Fact Sheet for Sign Boards/Billboards to Agreement. Fact sheet is in the RW Property Management and Airspace Storm Water Guidance Manual.]

Additional BMPs may be obtained from the Right-of-Way Property Management and Airspace Storm Water Guidance Manual (RW Storm Water Manual) available for review at the Department’s District Right of Way office or online at: <http://www.dot.ca.gov/hq/row/rwstormwater>. In the event of conflict between the attached Fact Sheet and this Agreement, this Agreement shall control.

Department, or its agents or contractors, shall at all times have the right to go upon and inspect the premises and the operations conducted thereon to assure compliance with the requirements herein stated. This inspection may include taking samples of substances and materials present for testing, and/or the testing of sewer systems, storm drains, or watercourses on the premises.

- 8) **TERMINATION:** Either party may terminate this Agreement upon _____ days’ written notice, and in the event of termination, unearned rent paid by Tenant shall be refunded. Upon termination, Tenant shall remove the structure(s) from the property and surrender the property to the Department. If the structure(s) is/are not removed within ten (10) days after date of termination, it shall become the property of the Department to dispose of as it sees fit. It is mutually understood that the Tenant is not waiving any rights to compensation for structure removal.
- 9) **NONLIABILITY OF DEPARTMENT:** Tenant shall protect and hold Department’s officers and employees harmless from all claims for damages to persons or property by reason of the location or maintenance of Tenant’s agents, employees or workers.
- 10) **SUBLETTING:** Tenant shall not assign, sublet or otherwise transfer this Agreement, or any portion thereof, without first obtaining the Department’s written consent.
- 11) **PREVIOUS AGREEMENTS:** This Agreement shall cancel and terminate any existing Agreement between Tenant and Department (or its predecessor in interest) as of the effective date of this Agreement.
- 12) **POSSESSORY INTEREST:** The Tenant’s interest is subject to a possessory interest tax (tax) that may be imposed by the City or County. However, the Department is required to pay any such tax directly to the City or County on the Tenant’s behalf. The amount of rent charged the Tenant reflects the cost of this added responsibility to the Department.

Tax bills inadvertently received by the Tenant should be forwarded to the Department for payment.

ADVERTISING STRUCTURE AGREEMENT (Cont.)

(Form #)

EXHIBIT

11-EX-D (REV 6/2013)

Page 4 of 4

- 13) **NOTICES:** All notices to be given to Tenant shall be delivered personally or by sending a copy through the mail addressed to Tenant at the above address. All notices to be given to the State shall be delivered personally or sent to the Department at _____ or such other place as the Department may hereafter designate in writing.
- 14) **WAIVER:** If any part of the Agreement is invalid by reason of law or governmental regulation, or if any provisions hereof are waived by the Department, the remaining portions of this Agreement shall remain in full force and effect. The Department's receipt of rent with the knowledge of any breach of a provision of this Agreement shall not constitute a waiver of such breach.
- 15) **HEADINGS:** The marginal or clause headings of this Agreement are not a part of this Agreement and shall have no effect upon the construction or interpretation of any part hereof.
- 16) **AMENDMENTS:** The terms of this Agreement may be amended or revised at any time by written and signed memorandum between Tenant and the Department, and said memorandum shall become a part of the original Agreement and shall operate with the same force and effect as the original Agreement.
- 17) **LITIGATION COSTS:** In the event that a suit is necessary to enforce any of the provisions herein contained, or to recover possession of the premises, the prevailing party shall be entitled to reasonable Attorney's Fees in addition to costs and necessary disbursements.

BREACH OF ANY OF THE ABOVE COVENANTS, TERMS, AND CONDITIONS SHALL GIVE DEPARTMENT AUTHORITY TO IMMEDIATELY TERMINATE THIS AGREEMENT.

STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION

(Type Tenant's Name)

(Type Tenant's Name)

APPROVAL RECOMMENDED

By _____
(Type Right of Way Agent's Name)
Property Management

(Type Supervisor's Name)
(Type Supervisor's Title)

ADA Notice

For individuals with disabilities, this document is available in alternate formats. For information call (916) 654-5413 Voice, CRS: 1-800-735-2929, or write Right of Way, 1120 N Street, MS-37, Sacramento, CA 95814.

CONFIDENTIAL
This document contains personal information and pursuant to Civil Code 1798.21 it shall be kept confidential in order to protect against unauthorized disclosure.

**CALIFORNIA DEPARTMENT OF TRANSPORTATION
RIGHT OF WAY COLLECTION PLACEMENT DOCUMENT - CATEGORY B
FROM DISTRICT: _____ - R/W RENTAL ACCOUNT**

FORWARD TO: Division of Accounting, A/R Branch
Attn: (Your RWR Receivable Accountant)
Mail Station #33
P.O. Box 168019
Sacramento, CA 95816-8019

DATE SENT FROM DISTRICT

REQUIRED INFORMATION

VACANCY DATE _____ **AMOUNT DUE** \$ _____

DISTRICT & TENANCY # - - -

(Example: 01-xxxxxx-xxxx-xx)

DEBTOR #1
Name _____
LAST FIRST MIDDLE
SSN # _____ **Drivers License #** _____ **Date of Birth** _____
(if known) _____
(month/day/year)

DEBTOR #2
Name _____
LAST FIRST MIDDLE
SSN # _____ **Drivers License #** _____ **Date of Birth** _____
(if known) _____
(month/day/year)

DEBTOR #3
Name _____
LAST FIRST MIDDLE
SSN # _____ **Drivers License #** _____ **Date of Birth** _____
(if known) _____
(month/day/year)

CURRENT OR LAST KNOWN ADDRESS _____

HOME TELEPHONE # _____ **WORK TELEPHONE #** _____

HAS A JUDGMENT BEEN OBTAINED? Yes No **IF YES, DATE** _____
AMOUNT \$ _____

COMMENTS _____

AGENT'S NAME _____ **PUBLIC PHONE #** _____

REQUIRED ATTACHMENTS:

1. Copy of first and last page of Rental Agreement
2. Copy of Rental Application
3. New address documentation - relocation
4. Copy of collector's notes or efforts
5. Copy of Judgment
6. Copy of voided check and drivers license (if available)