

**AGREEMENT FOR LEASE OF SPACE
AT LA GRANADA ELEMENTARY SCHOOL**

By and Between

ALVORD UNIFIED SCHOOL DISTRICT

And

RIVERSIDE COUNTY SUPERINTENDENT OF SCHOOLS

Dated and Effective as of July 1, 2021

AGREEMENT FOR LEASE OF SPACE AT LA GRANADA ELEMENTARY SCHOOL

This Agreement for Ground Lease at La Granada Elementary School ("Agreement") is made effective as of July 1, 2021 ("Effective Date") by and between the Alvord Unified School District ("District") and the Riverside County Superintendent of Schools ("Superintendent"). The District and the Superintendent may be referred to herein individually as a "Party" and collectively as the "Parties."

RECITALS

A. The District owns and operates the La Granada Elementary School ("School"), which is located at 10346 Keller Avenue in the City of Riverside ("City"), County of Riverside ("County"), State of California. The Superintendent and District previously entered into a certain "Ground Lease Agreement" dated February 18, 1983 ("Original Agreement").

B. The Original Agreement provides for the Superintendent to construct, maintain, and use a permanent or portable building at the School, to be used for educational programs of the Riverside County Office of Education ("RCOE"). In accordance with the Original Agreement, the Superintendent constructed a permanent building at the School. The RCOE classroom building is 17,309 square feet and presently is comprised of four (4) classrooms, administration area, multi-purpose and therapy areas, bathrooms, support offices, outdoor playground area, and parking, inclusive, at the School, and is depicted in Exhibit "A" to this Agreement.

C. The Original Agreement B-99-18 provides that it will expire on October 20, 2037. However, because the facility will be remodeled during the 2021-2022 fiscal year, and serves the students in the area, the Superintendent and District agree that an extended lease will allow the Superintendent to effectively serve the students in the long term and allow the Superintendent to invest in the RCOE classroom building on an ongoing basis to ensure it meets standards. Thus, the purpose of this Agreement is to establish new terms and conditions for the Superintendent to lease from the District the ground at the School necessary to accommodate the RCOE classroom building, newly constructed staff parking lot, ("RCOE Building and Parking") and the special education and/or other educational programs and services to be provided by RCOE from time to time while this Agreement is in effect ("RCOE Programs").

Now, in consideration of the foregoing and of the Parties' respective rights and obligations as set forth herein, consideration that each Party acknowledges is adequate, the Parties hereby agree as follows:

AGREEMENT

PART 1: LEASE AND USE OF SPACE

Section 1.1 Lease of Space. Subject to the provisions of this Agreement, the District hereby leases to the Superintendent, and the Superintendent hereby leases from the District, the ground underlying the RCOE Building and Parking where it is presently located plus the newly constructed staff parking lot, and such airspace above that ground as necessary to accommodate the RCOE Building and parking ("Lease"). The Lease of such ground and airspace ("Leased Space") shall be exclusive to the Superintendent, excepting any and all utility and other subsurface facilities as may presently exist under the RCOE Building and Parking. The Lease shall be deemed and construed to authorize, in connection with the RCOE Programs and on a non-exclusive basis, the use of walkways, parking lots, and other common areas at the School by the Superintendent's staff and other representatives, students, parents, guardians, and others whose presence in connection with the RCOE Programs may be necessary and/or

appropriate. The District warrants that, subject to Superintendent's compliance with all material provisions of this Agreement, the Superintendent shall be entitled to and shall have quiet enjoyment of the Leased Space during the Agreement Term (defined in Section 4.1 herein).

Section 1.2 Rent. The Parties acknowledge and agree that the benefits to the Parties and to the public associated with the RCOE Programs being located at the School are good and adequate consideration for the Parties' respective rights and obligations pursuant to this Agreement. Therefore, the Superintendent shall not be required to pay rent in exchange for the Lease.

Section 1.3 Facility and Support Services. The Parties previously entered into a separate agreement providing for the District to provide certain custodial and grounds support services, utilities, and repairs of and for the RCOE Building and Parking and other facilities ("Facility and Support Services Agreement"). The Facility and Support Services Agreement shall remain in effect notwithstanding that the Parties have entered into this Agreement, and nothing in this Agreement shall be deemed or construed to supersede anything in the Facility and Support Services Agreement.

Section 1.4 Improvements and Encumbrances.

Subsection 1.4.1 District Consent Required. With the exception of the RCOE Building and Parking itself, the Superintendent shall not perform any work on the School, or make any improvements to the School, without the prior written consent of the District, which consent the District may deny, delay, or condition in its sole discretion. However, notwithstanding the foregoing, to the extent any work on the School, or improvements to the School, reasonably are necessary to permit continued and/or appropriate use of the RCOE Building and Parking (including, without limitation, work relating to Utility Services), the District shall not unreasonably deny, delay, or condition its consent.

Subsection 1.4.2 Liens and other Encumbrances. The Superintendent shall not (by lien, pledge, assignment, or any other means) encumber or permit the encumbrance of any portion of the School (excepting the RCOE Building and Parking), and the Superintendent shall pay the costs reasonably incurred by the District in connection with the removal or clearing of any encumbrance attributable to the Superintendent's failure to comply with this Section, including, without limitation, any attorneys' fees and expenses. At any time and from time to time, the District may: (i) post and/or record any notice of non-responsibility as it deems appropriate; and (ii) require that the Superintendent provide copies of lien releases and waivers obtained from contractors performing any duly-authorized work for the Superintendent in, on, or at the RCOE Building and Parking. However, no failure by the District to post or record any such notices of non-responsibility shall be deemed or construed to negate or otherwise limit the Superintendent's obligations or the District's rights pursuant to this Subsection.

Section 1.5 Substantial Damage or Destruction.

Subsection 1.5.1 Superintendent Election. If, as determined by the Superintendent, the RCOE Building and Parking is substantially damaged or destroyed, then, within 90 days of becoming aware that such damage or destruction has occurred, the Superintendent shall: (i) decide whether it will repair or reconstruct the RCOE Building and Parking; and (ii) give written notice to the District regarding such decision. If the District elects to repair or reconstruct the RCOE Building and Parking, the Superintendent shall pay all costs associated with such repair or reconstruction; provided that, to the extent the damage or destruction is attributable to the negligence or willful misconduct of the District or any of its officers, employees, students, volunteers, agents, or other representatives, the District shall reimburse the Superintendent on a proportionate basis.

Subsection 1.5.2 District Election. If the Superintendent decides not to repair or reconstruct the RCOE Building and Parking, then, within 60 days after receiving notice from the

Superintendent, the District shall: (i) decide whether it will repair or reconstruct the RCOE Building and Parking; and (ii) give written notice to the Superintendent regarding such decision. If the District provides notice stating that it has decided to repair or reconstruct the RCOE Building and Parking, then, upon receipt of the notice by the Superintendent, this Agreement shall terminate and all right, title, and interest in and to the RCOE Building and Parking shall automatically vest in the District. In such event, the Superintendent shall execute and deliver to the District a quitclaim deed, in recordable form, for the RCOE Building and Parking.

Subsection 1.5.3 Removal by Superintendent. If the District provides notice stating that it has decided not to repair or reconstruct the RCOE Building and Parking, the Superintendent, within 120 days after receiving notice from the District, shall: (i) cause the RCOE Building and Parking to be demolished, as necessary, and removed from the School; and (ii) leave the site where the RCOE Building was located in a reasonably safe condition. Upon completion by the Superintendent of such removal and other work, this Agreement shall terminate.

Section 1.6 Conveyance or Other Transfer of Interests.

Subsection 1.6.1 School. Except as required by law, if the District, at any time during the Agreement Term, conveys or otherwise transfers all or any portion of its interests in or to the School, or if any such interests are conveyed or otherwise transferred by operation of law, to any person or entity other than the Superintendent, this Agreement shall remain in full force and effect, and the transferee's rights shall be subject to this Agreement and all of Superintendent's rights as set forth herein.

Subsection 1.6.2 RCOE Building and Parking. Except as required by law, and except for purposes of financing by the Superintendent, the Superintendent may not, at any time during the Agreement Term, sell, assign, or otherwise transfer all or any part of its interest in this Agreement and/or the RCOE Building and Parking without the prior written consent of District, which consent the District shall not unreasonably deny, delay or condition.

PART 2: INSURANCE COVERAGE

Section 2.1 Superintendent Insurance. The Superintendent shall have in effect, in accordance with this Part 2 and at all times during the Agreement Term, each and all of the following policies of insurance ("Required Policies"):

- (i) **General Liability:** A policy of commercial general liability insurance ("General Liability Policy"), written on an occurrence basis, and providing coverage for damage to property and injury or death of persons that results from or occurs in connection with the acts and omissions (whether or not constituting negligence) of the Superintendent in connection with this Agreement. The General Liability Policy must include coverage for the contractual liability assumed by the Superintendent pursuant to Part 3 of this Agreement. The General Liability Policy provide coverage in an amount less than one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) aggregate.
- (ii) **Commercial Property Insurance:** A policy of commercial property insurance ("Property Policy") covering the RCOE Building and Parking that provides coverage at least as broad as ISO Causes of Loss – Special Form (i.e., ISO Form CP 10 30). The Superintendent in its sole discretion may elect to obtain endorsements to the Property Policy to obtain additional coverage, including, without limitation, coverage for breakage of glass, loss of business income, and extra expense.

The Property Policy must provide coverage for the full replacement cost of the RCOE Building and Parking, without requiring coinsurance or any coinsurance penalties.

- (iii) **Motor Vehicle Insurance:** A policy of liability insurance, written on an occurrence basis, that provides coverage for all motor vehicles owned, leased, rented, or used by the Superintendent in undertaking any activities pursuant to this Agreement ("Vehicle Policy"). The Vehicle Policy must provide coverage for vicarious liability incurred by the District as a result of the Superintendent's use of vehicles in connection with this Agreement. The Vehicle Policy must provide coverage for damage to property and/or injury to any person (including death) in an amount less than one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) aggregate.
- (iv) **Workers' Compensation Insurance:** A policy of workers' compensation insurance in compliance with Section 3700 *et seq.* of the Labor Code and all other applicable requirements, including, without limitation, any laws as may be enacted or amended from time to time. The Superintendent's workers' compensation insurance policy shall include a standard waiver of the insurer's rights of subrogation against the District.

Section 2.2 Insurer Standards. Notwithstanding the foregoing, the Superintendent, at any time during the Agreement Term, may cause the Required Policies to be issued by or through a public entity joint-powers insurance authority or cooperative of which the Superintendent is a member or contractee. Each of the Required Policies must have been issued by an insurer licensed to do business in the State of California and having an A.M. Best Company Rating of not less than an "A-" (A Minus) and Financial Size Category of not less than "VIII," and each insurer must continuously satisfy such criteria at all times during the Agreement Term.

Section 2.3 Evidence of Coverage. If not done already, then promptly upon execution of this Agreement, the Superintendent shall furnish to the District: (i) one or more certificates of insurance evidencing that the Required Policies are in full force and effect; and (ii) one or more endorsements to its Required Policies evidencing the status of the District as additional insureds in accordance with this Part 2.

Section 2.4 Continuity of Coverage. The Superintendent must maintain the Required Policies in full force and effect at all times during the Agreement Term, without any lapse in coverage, whether through the original or any renewal or replacement policies. The Superintendent must provide written notice to the District at least thirty days prior to any reduction in coverage limits of any of the Required Policies below the limits required by this Agreement, or any cancellation, termination or expiration without renewal of any of the Required Policies; provided that, in the event of any cancellation resulting from non-payment of premium, the Superintendent must provide written notice to the District not less than ten days prior to such cancellation.

Section 2.5 Minimum Coverage. The requirements for insurance coverage set forth in this Part 2 are to be deemed and construed as the minimum requirements for the insurance to be maintained by the Superintendent in connection with this Agreement. Notwithstanding anything to the contrary, the Superintendent may maintain such additional insurance coverage (such as personal property insurance) as the Superintendent determines in its business judgment is necessary to adequately protect the interests of itself and the District in connection with this Agreement and the Superintendent's ownership and use of the RCOE Building and Parking.

Section 2.6 District Insurance. The District shall have in effect during the Agreement Term such insurance coverage as the District determines in its business judgment is necessary to adequately

protect the interests of the Superintendent and the District in connection with this Agreement, which may include, without limitation, a policy of commercial property insurance covering the School and the RCOE Building and Parking.

PART 3: INDEMNIFICATION

Section 3.1 Indemnification by the Superintendent. The Superintendent shall indemnify, defend, and hold-harmless the District, the District's governing board and each member thereof, and the District's other officers, employees, agents, and other representatives (collectively, not including the District, the "District Representatives"), and each of them, with respect to any and all claims, demands, actions and other proceedings, losses, damages, judgments, costs and expenses (including, without limitation, attorneys' fees and other legal costs), and other liabilities of any nature whatsoever (each a "Liability" and, if more than one, the "Liabilities") that arise or are alleged to have arisen from the negligence or willful misconduct of the Superintendent or any of the Superintendent Representatives in connection with any of their activities pursuant to or in connection with this Agreement. However, the Superintendent shall not be responsible or liable pursuant to this Section to the extent any Liabilities are attributable to the negligence or willful misconduct of the District or any of the District Representatives, in which event the Parties shall be responsible and liable on a comparative basis.

Section 3.2 Indemnification by the District. The District shall indemnify, defend, and hold-harmless the Superintendent, the Riverside County Board of Education and each member thereof, and their respective other officers, employees, agents, and other representatives (collectively, not including the Superintendent, the "Superintendent Representatives"), and each of them, with respect to any and all Liabilities of any nature whatsoever that arise or are alleged to have arisen from the negligence or willful misconduct of the District or any of the District Representatives in connection with any of their activities pursuant to or in connection with this Agreement. However, the District shall not be responsible or liable pursuant to this Section to the extent any Liabilities are attributable to the negligence or willful misconduct of the Superintendent or any of the Superintendent Representatives, in which event the Parties shall be responsible and liable on a comparative basis.

Section 3.3 Statutory Liability. In the event a final judgment issued by a court of competent jurisdiction or, if applicable, a binding arbitrator's decision determines that this Agreement is an agreement within the scope of Government Code Section 895 and, in connection therewith, imposes liability on a Party solely by virtue of Government Code Section 895.2, that Party shall be entitled to reimbursement of any and all of the costs and expenses that it reasonably incurred in connection with such matter (including, without limitation, attorneys' fees and costs) from the responsible Party. In the event Government Code Sections 895 and/or 895.2 are altered or repealed, the requirements of this Section shall apply with respect to any similar, successor or superseding law that imposes liability on a Party consistent with provisions of Government Code Section 895.2 in effect as of the Effective Date.

Section 3.4 Insurance Not a Limitation on Liability. A Party's liability or responsibility pursuant to this Agreement shall not be deemed or construed to be limited to the coverage limits of any insurance maintained by that or the other Party (pursuant to this Agreement or otherwise) or by the amount of any proceeds of such insurance.

Section 3.5 Survival. With respect to circumstances, acts, omissions, and incidents that occur prior to termination of this Agreement, each Party's rights and obligations pursuant to this Part 3 shall survive such expiration or termination.

PART 4: TERM AND TERMINATION OF LEASE

Section 4.1 Term of Lease. The term of this Agreement ("Agreement Term") shall commence on the Effective Date and, unless earlier terminated in accordance with the terms herein, shall expire on the date that is twenty-five (25) years after the Effective Date. The Superintendent shall have the option to extend the Agreement Term for an additional period of twenty-five (25) years by giving written notice to the District. The term of the Lease shall be coterminous with the Agreement Term.

Section 4.2. Termination.

Subsection 4.2.1 Expiration of Agreement Term. This Agreement shall automatically terminate upon expiration of the Agreement Term or, if the Agreement Term has been extended, upon expiration of the extended Agreement Term in the absence of any further extension.

Subsection 4.2.2 Uncured Default. An Alleging Party may terminate this Agreement as the result of an uncured default by a Defaulting Party, in accordance with and subject to the provisions of Part 5 herein.

Subsection 4.2.3 Inability to Use RCOE Building and Parking. The Superintendent may terminate this Agreement if, as a result of any applicable law or governmental order or ruling, or because of programatic changes, RCOE is unable to use (or efficiently or feasibly use) the RCOE Building and Parking for purposes of any RCOE Programs. A termination pursuant to this Subsection shall be effective immediately upon delivery of written notice from the Superintendent to the District, or as of such later date as may be specified in the notice.

Subsection 4.2.4 Superintendent's Convenience. The Superintendent may terminate this Agreement, without need for cause, by giving written notice to the District. A termination pursuant to this Subsection shall be effective on the date that is one year following delivery of the notice from the Superintendent to the District, or as of such later date as may be specified in the notice.

Subsection 4.2.5 Other Reasons for Termination. The bases for termination of this Agreement set forth in this Section 4.2 are in addition to, and not in lieu of, any other bases set forth herein for termination of this Agreement.

Section 4.3 Disposition of RCOE Building and Parking.

Subsection 4.3.1 Superintendent Election and Notice. In connection with the termination of this Agreement, and except as provided in Subsection 1.5.3 herein, the Superintendent shall: (i) decide whether it will remove the RCOE Building and Parking from the School; and (ii) give written notice to the District regarding such decision. If this Agreement is being terminated pursuant to either Subsection 4.2.1 or Subsection 4.2.4 herein, the Superintendent shall provide such notice not less than 90 days prior to the effective date of the termination. If this Agreement is being or has been terminated pursuant to either Subsection 4.2.2 or Subsection 4.2.3 herein, the Superintendent shall provide such notice not later than 90 days following the effective date of the termination.

Subsection 4.3.2 Disposition. If the Superintendent elects to remove the RCOE Building and Parking, the Superintendent shall: (i) complete the removal within a reasonable time; (ii) repair any and all damage to the School that is attributable to the removal; (iii) leave the site where the RCOE Building and Parking was located in a reasonably safe condition; and (iv) pay all costs associated with such removal and any repair of damage to the School attributable to the removal. If the Superintendent elects not to remove the RCOE Building and Parking, then, upon receipt of the notice by the District, this Agreement shall terminate and all right, title, and interest in and to the RCOE Building and Parking shall automatically vest in the District. In such event: (i) the Superintendent shall execute and deliver to the District a quitclaim deed, in recordable form, for the RCOE Building and Parking; (ii)

the Superintendent shall cause the student capacity of the RCOE Building and Parking to be deleted from the Superintendent's total "existing school building capacity" for purposes of the Leroy F. Greene School Facilities Act of 1998 or, if applicable, any amended or successor law (in any case, the "State Funding Law"); and (iii) the District shall cause the student capacity of the RCOE Building and Parking to be added to the District's total existing school building capacity for purposes of the State Funding Law.

Subsection 4.3.3 District Election and Notice. Notwithstanding Subsection 4.3.2 herein, if, because of an uncured default by the Superintendent, the District has terminated this Agreement pursuant to Subsection 4.2.2 herein, then, within 60 days following the effective date of the termination, the District: (i) in its sole discretion, may elect to require that the Superintendent remove the RCOE Building and Parking from the School; and (ii) if it does require removal, shall give written notice to the Superintendent regarding such election. If the District requires removal of the RCOE Building and Parking in accordance with the foregoing, the Superintendent shall: (i) complete the removal within a reasonable time; (ii) repair any and all damage to the School that is attributable to the removal; (iii) leave the site where the RCOE Building and Parking was located in a reasonably safe condition; and (iv) pay all costs associated with such removal and any repair of damage to the School attributable to the removal.

Subsection 4.3.4 Removal after Termination. If, in accordance with any provision of this Agreement, the Superintendent is to remove the RCOE Building and Parking from the School after the Agreement has otherwise been terminated, the Agreement shall nonetheless remain in effect solely for purposes of such removal. For avoidance of doubt: (i) the Superintendent shall not in such situation be entitled to use the RCOE Building and Parking for purposes of any RCOE Programs; and (ii) the Superintendent shall maintain all Required Policies in full force and effect until the removal has been fully completed; and (ii) the Superintendent shall indemnify the District, as provided in Section 3.1 herein, with respect to any and all Liabilities that arise in connection with the removal.

Section 4.4 Survival of Provisions Following Termination. Each provision of this Agreement that expressly, or that by its nature and/or context, is intended to survive termination of this Agreement shall survive termination of this Agreement, including, without limitation: (i) Subsection 1.4.2; (ii) Subsection 1.5.2; (iii) Part 3; (iv) Subsection 4.3.4; and (v) Part 5.

PART 5: RESOLUTION OF DISPUTES

Section 5.1 Governing Law and Venue. This Agreement shall be interpreted and enforced in accordance with California law, notwithstanding any choice-of-law, conflict-of-law, or other provision of any federal, state, or other law. Any and each arbitration, mediation, action, or other proceeding that arises from this Agreement shall be initiated and conducted only in the County of Riverside, California.

Section 5.2 Force Majeure.

Subsection 5.2.1 Nonperformance Excused. Notwithstanding anything to the contrary, a Party ("Non-Performing Party") shall not be responsible or liable if it is delayed in performing, or fails to perform, any one or more of its obligations pursuant to this Agreement, nor shall any such delay or failure constitute a default by the Non-Performing Party, if and to the extent such delay or failure was caused by an event, occurrence, incident or situation that: (i) reasonably is beyond the control of the Non-Performing Party; and (ii) was not caused in whole or in part by any negligence or willful misconduct of the Non-Performing Party or any person or entity under the control of the Non-Performing Party (each a "Force Majeure Event"). Force Majeure Events may include, but are not limited to: (i) riots or similar civil disturbances; (ii) acts of war, terrorism, or sabotage; (iii) epidemics or other public health emergencies; (iv) acts of nature, including, but not limited to, earthquakes, floods,

and wildfires; (v) condemnation or other taking of all or any significant portion of property by any governmental entity with competent jurisdiction; and (vi) the appropriation or diversion of resources by order of any governmental entity with competent jurisdiction.

Subsection 5.2.2 Required Procedures. In each case that a Non-Performing Party cannot fully and/or timely perform as a result of a Force Majeure Event: (i) the Non-Performing Party must promptly give to the other Party written notice that describes in reasonable detail the particulars of such Force Majeure Event; (ii) the suspension of performance shall be of no greater scope and of no longer duration than is reasonably required to accommodate the Force Majeure Event; (iii) the Non-Performing Party shall proceed with reasonable diligence to remedy its inability to perform and shall provide reasonable periodic progress reports to the other Party describing actions taken to mitigate the effects of the Force Majeure Event; and (iv) the Non-Performing Party shall resume its performance as soon as reasonably possible and, when it does, shall give to the other Party written notice that performance has resumed.

Subsection 5.2.3 Extension of Agreement Term. No Force Majeure Event shall result in an extension of the Agreement Term unless the delay in performance or failure to perform: (i) prevents either of the Parties from realizing material benefits of this Agreement; and (ii) exceeds 180 consecutive days. Subject to the foregoing, the Agreement Term shall be extended by the number of days the Non-Performing Party is unable to fully or timely perform its obligations as a result of the Force Majeure Event.

Section 5.3 Notice of Default or Dispute. A Party alleging ("Alleging Party") that the other Party ("Defaulting Party") is in default of any of its material obligations set forth in this Agreement, then the Alleging Party may initiate available remedies by giving notice in writing to the Defaulting Party ("Notice of Default"). A Notice of Default must describe in reasonable detail all bases for the assertion that a default has occurred and the facts relevant to that assertion. If a dispute between the Parties arising from this Agreement does not relate to an alleged default or is not of such nature that a Party may give a Notice of Default, then the Party alleging the dispute (also an "Alleging Party") may give a written notice of the dispute ("Notice of Dispute") to the other Party (also a "Defaulting Party"). A Notice of Dispute must describe in reasonable detail all bases for the assertion that a dispute exists and the facts relevant to that assertion.

Section 5.4 Opportunity to Cure. So that the Defaulting Party will have an opportunity to cure, the giving of a Notice of Default or a Notice of Dispute shall be a condition precedent to the Alleging Party initiating the dispute resolution processes described in Sections 5.5 and 5.6 herein. If the Defaulting Party has not fully cured each default specified in a Notice of Default, or remedied each issue specified in a Notice of Dispute, within thirty days after receipt of such notice, the Alleging Party may initiate the informal dispute resolution process described in Section 5.5 herein.

Section 5.5 Informal Attempts to Resolve Disputes. Upon receipt by a Party of a Notice of Default or Notice of Dispute, the Parties shall attempt as provided in this Section to resolve the dispute as quickly and as amicably as possible, including, without limitation, any disputes as to the meaning of any provision of this Agreement, the validity of any determination or calculation required pursuant to this Agreement, or the rights or obligations of the Parties pursuant to this Agreement. Within a reasonable time, not in excess of fourteen calendar days, after receipt of a Notice of Default or a Notice of Dispute, the Parties shall commence attempts to informally resolve the dispute as required pursuant to this Section. Such attempts shall include good-faith, reasonable, and diligent efforts by both Parties to communicate and, if possible, to reconcile or compromise their respective positions. If, after making the attempts required pursuant to this Section over a period of at least thirty calendar days, the Parties cannot resolve a dispute, either Party may give written notice to the other Party that the attempts have

been unavailing and, therefore, have been terminated effective upon receipt of that notice by the other Party. The good-faith participation by a Party in attempts at informal dispute resolution pursuant to this Section shall be a condition precedent to the Party exercising any available remedy in response to the dispute, including, without limitation, initiation of arbitration pursuant to Section 5.6 herein.

Section 5.6 Binding Arbitration of Disputes. If a dispute between the Parties arises from this Agreement, then, subject to compliance with Sections 5.3 through 5.5, inclusive, herein, either Party may elect by written notice to the other Party to have the dispute resolved by arbitration in accordance with the American Arbitration Association (“AAA”) commercial arbitration rules. The Parties may agree, as provided in the AAA commercial arbitration rules, to mediate a dispute prior to arbitration. With respect to each dispute involving an amount in dispute that is less than \$250,000.00, and unless the Parties agree otherwise, the arbitration shall be heard and conducted by a single arbitrator. With respect to each dispute involving an amount in dispute that is \$250,000.00 or more, and unless the Parties agree otherwise, the dispute shall be heard and conducted by a panel of three arbitrators. Notwithstanding the AAA commercial arbitration rules or anything else, each arbitration initiated pursuant to this Section shall be subject to, and the arbitrator shall comply with, the requirements for arbitration set forth in Exhibit “B” attached to this Agreement. Each reference to “arbitrator” or “Arbitrator” in this Section and in Exhibit B shall mean either a single arbitrator or a panel of three arbitrators, as context requires. Subject to provisions of Exhibit B hereto, the judgment upon the arbitration award shall be final and binding upon the Parties and may be entered in any court having competent jurisdiction. Each arbitration conducted pursuant to this Section shall take place in the AAA office or facility in the City of Riverside, California, that is geographically closest to the School.

NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE “ARBITRATION OF DISPUTES” PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE “ARBITRATION OF DISPUTES” PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY.

WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES THAT ARE SUBJECT TO THE “ARBITRATION OF DISPUTES” PROVISION TO NEUTRAL ARBITRATION.

DISTRICT INITIALS

SUPERINTENDENT INITIALS

Section 5.7 Waiver of Consequential Damages/Limitation of Liability. Each Party hereby waives any and all claims against the other Party for consequential damages, lost profits, or punitive damages, whether based on common law, statute, equity or otherwise, that may arise from this Agreement. Except as provided by the California Government Code, in no event shall any board member, officer, employee, agent, or other representative of either Party have any personal liability for any claim, demand, action, loss, damage, or other liability that arises from this Agreement. The provisions of this Section shall survive the expiration of the Agreement Term or earlier termination of this Agreement.

PART 6: GIVING OF NOTICE

Section 6.1 General Requirements. Any and all notices required or permitted to be given pursuant to this Agreement (each a "Notice") must be set forth in writing and must be given or served in accordance with this Part 6. The requirements of this Part 6 shall not be deemed or construed to apply to: (i) communications between any of the Parties that are necessary or convenient for purposes of the day-to-day administration of this Agreement; or (ii) service of process in accordance with any applicable law or court rule.

Section 6.2 Methods of Delivery. Each Notice must be given via: (i) personal delivery (with signature of recipient and recipient's name legibly written on delivery receipt); (ii) registered or certified United States mail (postage pre-paid and return receipt requested); or (iii) FedEx, UPS, or other reliable, private delivery service (with signature of recipient obtained on electronic or other delivery receipt).

Section 6.3 Effect of Receipt. A Notice shall be deemed given or served only upon actual receipt by the addressee. However, if any Notice is delivered on any day that is not a business day (defined in Section 7.6 herein), or is delivered after 4:00 p.m. on a business day, the Notice shall be deemed to have been given or served as of 9:00 a.m. on the next subsequent business day. It shall not be necessary, in order for a Notice to be deemed to have been given or served, that the Notice be accepted or received upon delivery by the person to whose attention the Notice is directed in accordance with Section 6.4 herein, and acceptance or receipt by another employee of the Party receiving the Notice shall be sufficient. No Party may unreasonably refuse to accept delivery of any Notice in an attempt to avoid the giving or service of the Notice, and any such refusal by a Party shall be deemed and construed to be a material breach of such Party's obligations pursuant to this Agreement.

Section 6.4 Persons to Whom Notices Must be Sent. Notices must, as applicable, be addressed and delivered to the representative and address as specified below in this Section. A Party may change its address or other contact information by giving notice in accordance with this Part 6. Notices shall, as applicable, be addressed as follows:

To the Superintendent:
Riverside County Office of Education
Attn: Executive Director,
Operational Support Services
4383 Tequesquite Avenue
Riverside, CA 92502

To the District:
Alvord Unified School District
Attn: Executive Director,
Administrative Services
9KPC Parkway
Corona, CA 92879

PART 7: INTERPRETATION OF AGREEMENT

Section 7.1 Entire Agreement. This Agreement constitutes the entire understanding and agreement of and between the Parties with respect to the matters addressed herein, and all prior and contemporaneous agreements, representations and understandings of the Parties relating to such matters, whether oral or written, are hereby superseded and replaced.

Section 7.2 Amendments. This Agreement may be amended or otherwise modified only by means of written instrument that has been duly approved, signed, and delivered by both Parties.

Section 7.3 Fair and Reasonable Interpretations. Prior to execution and delivery of this Agreement, each Party: (i) has had unqualified opportunities to receive independent legal advice with respect to the advisability of executing this Agreement and the meaning of the provisions herein; and (ii) has participated in the negotiation of the terms set forth in this Agreement. Therefore, the provisions of

this Agreement shall be construed based on their fair and reasonable meaning, and not for or against a Party based on whether such Party or its legal counsel was primarily responsible for drafting this Agreement or any particular provision herein.

Section 7.4 Headings and Captions. The headings and captions set forth in this Agreement are for the convenience of the reader only and shall not be deemed or construed to establish, define, or limit the meaning of any provision herein.

Section 7.5 Recitals and Exhibits. Each Recital set forth at the beginning of this Agreement, and each Exhibit referenced herein and attached hereto, is hereby incorporated as an effective and operative provision of this Agreement.

Section 7.6 Meaning of "Days." Except as expressly provided in this Agreement in any particular case, each reference herein to a specific number of days shall be construed to mean consecutive calendar days, not business days. For purposes of this Agreement, "business day" means any day that is not: (i) a Saturday or Sunday; (ii) a federal or State of California holiday; or (iii) with respect to a Party's administrative staff, a furlough day mandated by the Party or any agency or department of the State of California.

Section 7.7 Waiver. A waiver by a Party of any provision of this Agreement shall be binding only if the waiver is set forth in writing and has been duly approved and signed by the waiving Party. Unless so specified in the written waiver, a waiver by a Party of any provision of this Agreement shall not constitute a waiver of any other provision(s) herein, similar or not, and shall not be construed as a continuing waiver. Except as waived in accordance with this Section, neither the failure by a Party at any time to require performance of any requirement of this Agreement, nor any forbearance or indulgence of the Party in regard to such requirement, shall in any manner affect the Party's right at a later time to enforce the same or any other provision of this Agreement.

Section 7.8 Severability. If a court of competent jurisdiction determines, for any reason, that any provision of this Agreement is invalid or unenforceable, such determination shall not invalidate or render unenforceable any other provision of this Agreement. In such event, the remaining provisions shall be interpreted, to the extent permitted by law, in a manner that is consistent with the intent and purpose underlying the invalid or unenforceable provision.

Section 7.9 No Third-Party Beneficiaries. The Parties have entered into this Agreement solely for their own benefit and purposes, and this Agreement shall not be deemed or construed to: (i) benefit any third party; (ii) create any right for any third party; or (iii) except as provided by law, provide a basis for any claim, demand, action or other proceeding by any third party.

PART 8: EXECUTION OF AGREEMENT

Section 8.1 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which, taken together, shall constitute one and the same instrument. Signature pages may be detached from counterpart originals and combined to physically form one or more copies of this Agreement bearing original signatures of both Parties.

Section 8.2 Due Authority. Each person that has signed this Agreement on behalf of a Party shall be deemed and construed to thereby represent and warrant that he or she has been duly authorized by such Party to sign, and thereby bind such Party to, this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement, as evidenced by the signatures of their duly authorized representatives below.

Alvord Unified School District

Riverside County Superintendent of Schools

By: _____
Kevin Emenaker, Executive Director,
Administrative Services

By: _____
Matt Snellings, Executive Director,
Operational Support Services

Date Signed: _____

Date Signed: _____

EXHIBIT "A"

**DEPICTION OF RCOE BUILDING AND PARKING AND
LOCATION OF RCOE BUILDING AND PARKING AT THE SCHOOL**

The RCOE Building and Parking is depicted below.



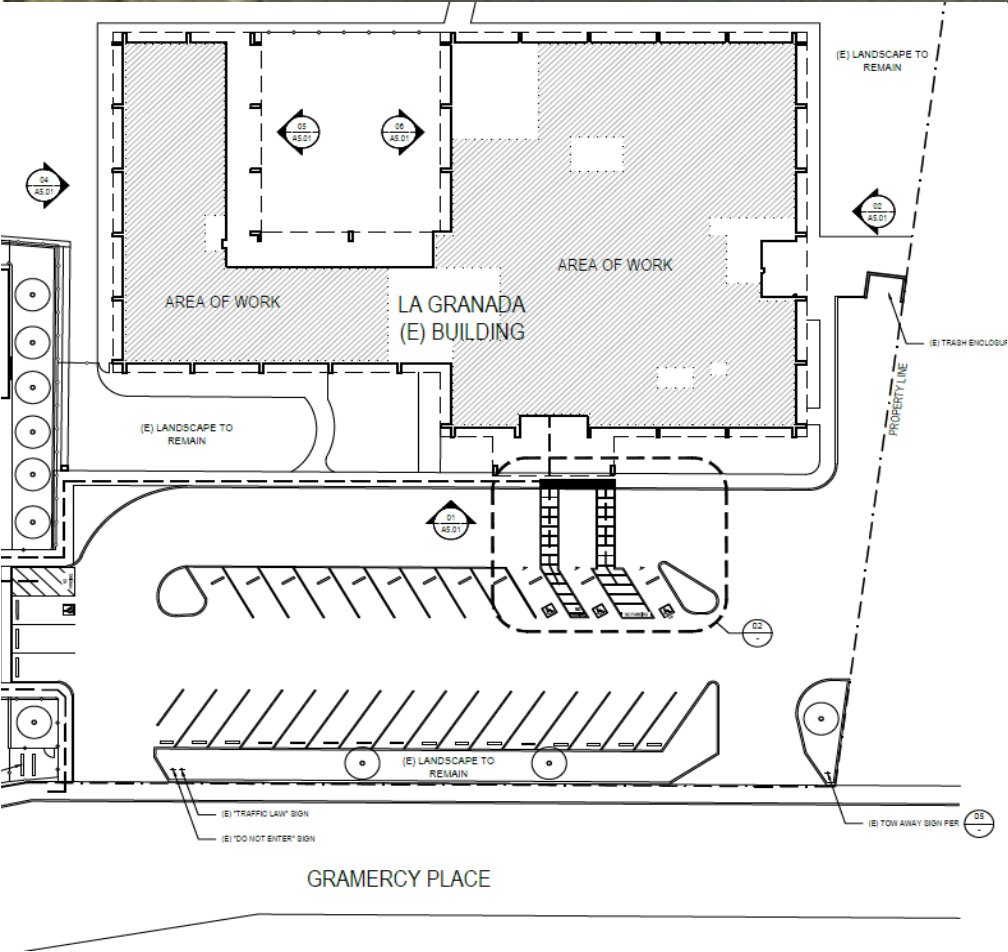


EXHIBIT "B"***REQUIREMENTS FOR ARBITRATION***

Section 1. Initiation of Arbitration. In the event a Party desires to initiate arbitration pursuant to Section 5.6 of the main body of this Agreement, such Party may do so by sending written notice of the intention to arbitrate by registered or certified mail to the other Party ("Arbitration Notice"). The Arbitration Notice must: (i) contain a description of the dispute; (ii) specify the dollar amount in dispute, if any; and (iii) specify the remedy sought from the other Party. With respect to any particular dispute or issue described in the applicable Notice of Default or Notice of Dispute, the Arbitration Notice must be served on the other Party not later than ninety (90) days following termination of informal attempts at dispute resolution pursuant to Section 5.5 of this Agreement, or the right to arbitrate or invoke any other remedies in connection with such dispute or issue, whether at law or equity, shall be deemed and construed as having been fully and forever waived and released.

Section 2. Selection of Arbitrator. Upon initiation of arbitration, the Parties shall attempt to agree as to the choice of the arbitrator who will arbitrate the Dispute ("Arbitrator") from among those listed on the AAA's panel of arbitrators. If a single Arbitrator is to hear and conduct the arbitration, and the Parties are unable to agree on an Arbitrator within a reasonable time, not in excess of thirty (30) days, after service of the Arbitration Notice, then: (i) the AAA, a reasonable time in advance of when the Parties are to select the Arbitrator, shall provide a list of five (5) arbitrators from its panel of arbitrators who are experienced and knowledgeable in the general subject matter of the Dispute; and (ii) each Party (taking turns with the other Party, and with the Party that initiated arbitration going first) may strike one of the listed arbitrators until only one arbitrator remains on the list; and (iii) the remaining arbitrator shall serve as the Arbitrator for purposes of the dispute. If a panel of three (3) Arbitrators is to hear and conduct the arbitration, and the Parties are unable to agree on such Arbitrators within a reasonable time, not in excess of thirty days, from service of the Arbitration Notice, then: (i) the AAA, a reasonable time in advance of when the Parties are to select the Arbitrators, shall provide a list of at least ten arbitrators from its panel of arbitrators who are experienced and knowledgeable in the general subject matter of the Dispute; and (ii) each Party (taking turns with the other Party, and with the Party that initiated arbitration going first) may strike one of the listed arbitrators until only three arbitrators remain on the list; and (iii) the remaining three arbitrators shall serve as the panel of Arbitrators for purposes of the dispute.

Section 3. Arbitration Submission Agreement. Upon selection of the Arbitrator, the Parties shall execute a submission agreement that meets the requirements of this Section, but otherwise in the form required by the Arbitrator. The submission agreement shall set forth: (i) procedures and rules to be followed in conducting the arbitration of the dispute; (ii) the rights and responsibilities of the Parties in connection with the arbitration; and (iii) the rules for arbitration set forth in Section 4 of this Exhibit B.

Section 4. Rules for Arbitration. Each arbitration shall be subject to the following rules:

- (i) The arbitration hearing shall commence as soon as practicable, but in no event later than sixty (60) days from the effective date of the submission agreement;
- (ii) Discovery in aid of arbitration shall be allowed in accordance with Code of Civil Procedure ("CCP") Section 1283.05, which is hereby incorporated into, made a part of, and made applicable to this Agreement pursuant to CCP Section 1283.1;
- (iii) The Arbitrator's permission shall not be required to take any deposition(s) or propound any written discovery to the extent reasonably related to the Dispute, but, upon request of a Party,

the Arbitrator shall rule as to whether the other Party is abusing or has abused rights of discovery and, if so, shall impose appropriate evidentiary exclusions, limitations, sanctions or other requirements on such other Party as a result thereof;

- (iv) All applicable evidentiary privileges and the work-product doctrine shall be available for purposes of the arbitration and arbitration hearing, and shall not be deemed to have been waived by entering into this Agreement, by entering into the submission agreement, or by any conduct or actions of the Parties undertaken to facilitate the arbitration;
- (v) Not less than fourteen days prior to commencement of the arbitration hearing, each Party must make a full disclosure to the other Party and the Arbitrator of: (1) all documents to be presented by such Party as evidence during the arbitration hearing; and (2) any witnesses to be called by such Party during the arbitration hearing;
- (vi) Except for purposes of impeachment, only documents and witnesses disclosed as provided in clause (v), above, may be presented and called during the arbitration hearing, or may be considered by the Arbitrator in reaching a decision;
- (vii) Not later than thirty days after an arbitration hearing has commenced, the Arbitrator shall have completed the arbitration proceedings and issued a written statement of decision that explains the factual and legal bases for the decision, and shall have delivered such statement of decision concurrently to the Parties and their respective legal counsel via registered or certified U.S. mail, return receipt requested;
- (viii) The Arbitrator's statement of decision must adhere to and apply the substance of any and all applicable federal and State statutory, regulatory and decisional (case) law, and if the Arbitrator fails to do so, the Arbitrator shall be deemed to have exceeded its powers and the decision shall be subject to vacation or correction pursuant to CCP Sections 1286.2 and 1286.6, respectively;
- (ix) If the Arbitrator's statement of decision requires or contemplates performance by a Party as directed in the statement of decision, the arbitration shall be deemed continued and the Arbitrator shall retain jurisdiction for purposes of resolving any subsequent dispute between the Parties as to such performance;
- (x) If the Parties settle a dispute prior to completion of the arbitration of the dispute, the Parties may terminate the arbitration by providing joint written notice to the Arbitrator (and neither Party shall unreasonably refuse to provide, or delay providing, such notice), but a Party may unilaterally terminate the arbitration only by providing to the Arbitrator a copy of a written settlement agreement applicable to the dispute that includes a provision for termination of the arbitration; and
- (xi) If a Party desires to file a petition to confirm, correct or vacate a decision of the Arbitrator, as permitted by Chapter 4 of Title 9 of the Code of Civil Procedure (commencing with Section 1285), then, notwithstanding anything else, the petition must be filed within thirty days following the receipt by the Party of the Arbitrator's statement of decision via registered or certified U.S. mail.

Section 5. Costs of Arbitration. Each Party shall be responsible for paying one-half (1/2) of the Arbitrator's fee and other costs of arbitration charged by AAA. Each Party shall be responsible for paying or shall otherwise bear its own costs in connection with arbitration, including, without limitation, attorneys' fees and expenses.

Section 6. Conflicting Provisions. In the event of a conflict between any provision of Section 5.6 of this Agreement and any provision of the AAA commercial arbitration rules, the provision in Section 5.6 of this Agreement shall govern. In the event of a conflict between any provision of the AAA commercial arbitration rules and any provision of this Exhibit B, the provision in this Exhibit B shall govern. In the event of a conflict between any provision of Section 5.6 of this Agreement and any provision of this Exhibit B, the provision in this Exhibit B shall govern.