

CHAPTER 11

PROPERTY MANAGEMENT TABLE OF CONTENTS

11.01.00.00	GENERAL
01.00	Responsibility
02.00	Delegations
03.00	Property Management Reference File (PMRF)
04.00	No Re-Rent Residential
04.01	No Re-Rent Nonresidential
05.00	Property Held for Future Purposes
06.00	Disbursement of Rental Income to Counties
07.00	Rental of State-Owned Properties to State Employees
08.00	Use of Bilingual Agents
09.00	Federal Participation in Revenue and Expenses
10.00	Other Applicable Federal Regulations
11.00	Title VI, Civil Rights Act
12.00	Right of Way Property System
13.00	Filming on State-Owned Property
14.00	Mobilehome Parks
11.02.00.00	CLOSURE PROCEDURE
01.00	General
02.00	Determination of Rentable Properties
03.00	Contact with Grantor and/or Tenant
04.00	Inspection of Property and Determination of Rental Rates
05.00	Procedures Upon Acquisition
06.00	Establishing New Accounts
07.00	Rental Filing System
08.00	New Property - Grantor Retains Improvements
09.00	Rental Period - Hardship Acquisition
11.03.00.00	PROPERTY INVENTORY
01.00	General
02.00	Inventory Disposal Record
03.00	Improvement Disposal Authorization
04.00	Improvements and Personal Property
05.00	Numbering of IDAs and IDRs
06.00	Active Inventory of Improvements File
07.00	Closed Inventory of Improvements File
08.00	Water Stock
09.00	Lost or Stolen Property

- 11.04.00.00 RENTAL RATES**
 - 01.00 General
 - 01.01 Rental Rate Increase Policy
 - 02.00 Rent Determinations
 - 02.01 Changing the Rental Rate Shown in the Appraisal
 - 03.00 Lease Term
 - 04.00 Escalation Clauses
 - 05.00 Local Rent Control
 - 06.00 Owners Retain Improvements

- 11.05.00.00 NONRESIDENTIAL RENTALS**
 - 01.00 Fair Market Rent Determinations
 - 01.01 Appraisal's Requirements
 - 02.00 Nominal Value Nonresidential Rentals
 - 03.00 Rental Grace Period on Business Properties
 - 04.00 Rental Rate Increases Prior to Appraisal
 - 05.00 Rental Rate Review
 - 06.00 Rental Rate Increase Policy

- 11.06.00.00 RESIDENTIAL RENTALS**
 - 01.00 General
 - 02.00 Annual Rental Rate Reviews
 - 02.01 Rental Rate Increases
 - 03.00 RAP Eligibility
 - 04.00 Appeals (RAP-Eligible Tenants Only)
 - 04.01 Grounds for Appeal and Approval Authority
 - 04.02 Appeals Hearing
 - 04.03 Extreme Financial Hardship
 - 05.00 Inherited Tenants
 - 06.00 Pet Policy

- 11.07.00.00 RENTAL PROCEDURES**
 - 01.00 General
 - 02.00 Marketing Plan
 - 03.00 Finder's Fees/Rental Incentives
 - 04.00 Advertising
 - 05.00 Showing Property
 - 06.00 Rental Application and Credit Report
 - 07.00 Guidelines for Selection of New Tenants
 - 08.00 Use of Cosigners
 - 09.00 Declined Applicants
 - 10.00 Executing the Rental Agreement
 - 11.00 Title VI Guidelines
 - 12.00 Lead-Based Paint and/or Hazards
 - 13.00 Initial Rent Collection
 - 14.00 Security Deposits
 - 14.01 Waivers/Reductions
 - 14.02 Refund

- 11.07.00.00 RENTAL PROCEDURES (Continued)**
 - 15.00 Utilities
 - 15.01 Responsibility for Utility Costs
 - 15.02 Notifying Utility Companies at Date of Recordation
 - 15.03 Payment of Utility Bills by the State
 - 15.04 Utility Deposits by Tenant
 - 16.00 Possessory Interest Tax
 - 17.00 Residential Property Occupancy and Vacancy Inspections
 - 18.00 Uses of Rental Agreement
 - 19.00 Courtesy Notice of Termination
 - 20.00 Rental Refunds
 - 20.01 Leases
 - 21.00 Notices
 - 22.00 Cancellation - Failure to Pay Rent
 - 23.00 Cancellation - Notice to Vacate For Reasons Other Than Failure to Pay Rent
 - 24.00 Cancellation - Breach of Covenant
 - 25.00 Departmental Use of State-Owned Property
 - 26.00 Termination Requirements

- 11.08.00.00 DELINQUENT ACCOUNTS**
 - 01.00 General
 - 02.00 Suggested Methods of Collection
 - 03.00 3-Day Notice to Pay Rent or Quit
 - 04.00 Method of Service of Notices
 - 05.00 Legal Remedies for Collection and Procedures
 - 06.00 Dishonored Checks
 - 07.00 Late Charges
 - 08.00 Vacated Delinquencies
 - 08.01 Amounts \$250 or Less
 - 08.02 Amounts Greater Than \$250

- 11.09.00.00 RENTAL INTERNAL CONTROLS**
 - 01.00 Policy
 - 02.00 Newly Acquired Property Closure Procedure
 - 02.01 Office Review
 - 02.02 Field Review
 - 03.00 Vacated Rentable Property
 - 03.01 Agent Activities
 - 03.02 Property Manager Activities
 - 04.00 Occupied Rentable Property
 - 04.01 Tenant Verification
 - 04.02 Confirming Process
 - 05.00 Non-Rentable Property
 - 06.00 Rental Accounting and Cash Handling
 - 06.01 New Accounts
 - 06.02 Rental Payments
 - 06.03 Receipts
 - 07.00 Termination of Rental Accounts
 - 08.00 Rental Offsets
 - 09.00 Non-Offsetting Maintenance

11.10.00.00 PROPERTY MAINTENANCE AND REHABILITATION

- 01.00 General
- 01.01 Storm Water Management
- 02.00 Asbestos and Lead Paint
- 03.00 Maintenance Expenditure Guidelines
- 03.01 Vacant and Non-Rentable Property
- 03.02 Rented State-Owned Property
- 04.00 Health and Safety Requirements
- 05.00 Exterior and Interior Appearance of Improved Properties
- 06.00 Field Inspections
- 07.00 Rodent and Pest Control
- 08.00 Smoke Detection Devices
- 08.01 Installation and Type of Detector
- 08.02 Battery-Operated Smoke Devices
- 09.00 Rehabilitation of Residential Property
- 09.01 Inspections
- 09.02 Specifications and Estimates
- 09.03 Public Works Contracts
- 09.04 Public Works Contracts Under State Contract Act
- 09.05 Occupied Housing
- 10.00 Rehabilitation and Maintenance on Historic Structures
- 11.00 Maintenance Performed by Service Contract
- 11.01 Inspections
- 11.02 Requesting Work
- 11.03 Multi-provider and Single Provider Service Contracts
- 11.04 CAL-Card Small Purchase Program
- 11.05 Non-Credit Card Process (Under \$5,000)
- 11.06 Submitting for Payment
- 11.07 Summary of Various Contract Processes
- 12.00 Draft Purchase Order (DPO)
- 13.00 Cash Expenditure Voucher (CEV)
- 14.00 Emergency Repairs
- 15.00 Rental Offsets
- 15.01 New Residential Tenants
- 15.02 Existing Residential Tenants

11.11.00.00 INSURANCE REQUIREMENTS FOR TENANTS

- 01.00 Policy
- 02.00 When Insurance Is Required
- 03.00 Family Day Care Facilities
- 04.00 How the State Is Protected
- 05.00 Fire Insurance on State-Owned Properties
- 06.00 Self-Insurance by Tenant or Lessee
- 07.00 Certificate of Insurance
- 08.00 Fire and Explosion in State-Owned Buildings

- 11.12.00.00 LEASING STATE-OWNED PROPERTY**
 - 01.00 General
 - 02.00 State Lease Forms
 - 03.00 Lease Rates
 - 04.00 Lease Preparation
 - 05.00 Lease Approval by Lessee
 - 06.00 Lease Approval by State
 - 07.00 Title VI Guidelines
 - 08.00 Lease Renewals
 - 09.00 Assignment of Lease
 - 10.00 Public Notice to Bidders
 - 11.00 Construction of Improvements by Lessee
 - 12.00 Leasing Excess Land
 - 13.00 Leasing to Highway Contractor
 - 14.00 Leasing to a City, County, or Special District Under S&H Code 104.7
 - 15.00 Lease Recordation
 - 16.00 Lease Cancellation
 - 16.01 Mutual Consent
 - 16.02 Lessee's Failure to Pay Rent
 - 16.03 Based on Right of Termination
 - 17.00 Materials Agreement for Removal of Materials
 - 18.00 Available Office Space

- 11.13.00.00 MASTER TENANCIES**
 - 01.00 General
 - 02.00 Lease Form
 - 03.00 The Master Tenant
 - 04.00 Factors to Consider
 - 05.00 Approval
 - 06.00 Documentation
 - 07.00 Minimum Acceptable Lease Rate
 - 08.00 Advertising Availability of Master Tenancy
 - 09.00 Bid Proposal Package
 - 10.00 Bid Opening and Award
 - 11.00 Commencement of Standard Lease Procedures
 - 12.00 Posting of Public Notice

- 11.14.00.00 OUTDOOR ADVERTISING SIGNS**
 - 01.00 General
 - 02.00 Prohibition Against New Signs
 - 03.00 Sign Site Rental Procedures and Rates
 - 04.00 Billboard Site Rental Schedules
 - 05.00 Advertising Structure Agreement
 - 06.00 Sign Rent Delinquencies

- 11.15.00.00 STATE AS LESSEE LEASES**
 - 01.00 General
 - 02.00 Procedures Upon Receiving Request
 - 03.00 Procedural Guidelines
 - 03.01 Americans with Disabilities
 - 03.02 State Fire Marshal Approval of Plans and Inspections
 - 03.03 Seismic Performance Requirements
 - 03.04 Standards for State Space
 - 03.05 Facility Plans and/or Drawings
 - 03.06 Energy Conservation
 - 03.07 Hazardous Materials Certification
 - 04.00 Lease Form
 - 04.01 Lease Execution
 - 04.02 Lease Extension
 - 04.03 Triple Net Leases
 - 05.00 Insurance
 - 06.00 Park and Ride Facility Leases
 - 07.00 Documentation for File
 - 08.00 Employee Time Charging

- 11.16.00.00 TRANSFERRING PROPERTIES TO CLEARANCE STATUS**
 - 01.00 Scheduling Rental Termination
 - 02.00 Transferring Properties to Clearance Status
 - 03.00 Property Manager Review
 - 04.00 Advanced Transfers to Clearance Status
 - 05.00 Direct Sale Pursuant to S&H Code Section 118.1

- 11.17.00.00 HAZARDOUS WASTE AND HAZARDOUS MATERIALS**
 - 01.00 Policy
 - 02.00 Definition
 - 03.00 General
 - 04.00 Inventory
 - 05.00 Underground Tanks
 - 06.00 Tank Removal Procedures
 - 07.00 Potential Surface Contamination
 - 08.00 Lease Clause for Nonresidential Properties and Information for Tenants

- 11.18.00.00 DEPARTMENT-OWNED EMPLOYEE HOUSING**
 - 01.00 Definition
 - 02.00 Policy
 - 03.00 Responsibilities
 - 04.00 Rental Rates
 - 05.00 Utilities
 - 06.00 Employee Housing Rental Agreement
 - 07.00 Payment of Rent
 - 08.00 Possessory Interest Tax
 - 09.00 Maintenance and Repairs
 - 10.00 Carpeting for Employee Housing
 - 11.00 Surplus Property
 - 12.00 Reporting Requirements
 - 13.00 Storm Water Requirements

11.00.00.00 - PROPERTY MANAGEMENT

11.01.00.00 - GENERAL

11.01.01.00 **Responsibility**

Region/District Property Management manages all property held for future transportation projects, excess properties, and employee housing. For project and excess properties, this includes maintaining an inventory of state-owned properties, inspecting properties for loss prevention, marketing rentable properties, establishing tenancies, collecting rents, arranging property maintenance, and terminating tenancies. For employee housing, this includes obtaining rental agreements and arranging property maintenance.

11.01.02.00 **Delegations**

All Property Management approvals have been delegated to the regions/districts in accordance with the Statewide Delegation Summary. (See Chapter 2, Statewide Delegation Matrix, Section 2.05.00.00.) Property Management staff have full delegation to operate and approve within the parameters outlined in this chapter and as shown in the delegation matrix. Any activities outside the scope of this manual or the delegation matrix shall be subject to Headquarters Right of Way (HQ R/W)'s approval. Approval may be conveyed in writing or electronically. The region/district shall maintain a copy of the approval in the rental file(s) to which it applies.

11.01.03.00 **Property Management Reference File (PMRF)**

PMRF memos are used to supplement and clarify the Property Management manual. Memos are numbered "PMRF-96-***" where "***" is the sequential number beginning with "1" each calendar year.

11.01.04.00 **No Re-Rent Residential**

As a general rule, no vacated residential units shall be rented on projects with current environmental clearances. Vacated improvements on such projects should be cleared immediately. If an environmentally cleared project is in the STIP or SHOPP and has programmed funds for normal right of way, the no re-rent policy is mandatory.

In addition, the district should consider establishing a residential no re-rent policy on other projects if a shortage of replacement housing exists, or may develop, or for other reasons, such as specified action in the Freeway Agreement or official local agency request. The recommendation should contain complete justification, with advantages and drawbacks, and detailed analysis on social and economic consequences. The analysis must recognize that improvements cannot be removed prior to environmental clearance of the project and must consider the effect of boarded vacant improvements upon the neighborhood.

Approval for establishing a no re-rent policy is as follows:

- Environmentally Cleared Projects - No approval is necessary. If the project is also in the STIP or SHOPP and has programmed funds for R/W activities, an exception to establishing a no re-rent policy requires a rental/clearance plan approved by the DD or authorized delegate.
- No Re-Rent Recommended in the R/W Stage RAP Study - Approval of the R/W Stage RAP Study constitutes approval to institute the policy, although separate written approval from the DD is required.
- No Re-Rent Recommendation Submitted Separately from R/W Stage RAP Study - Written approval from the DD is required.

11.01.04.01 **No Re-Rent Nonresidential**

The district may also implement a no re-rent policy for nonresidential property when conditions warrant. The justification and approval required are the same as outlined above.

11.01.05.00 **Property Held for Future Purposes**

Where improved property is acquired far in advance of scheduled construction and the DD or authorized delegate has approved an exception to the no re-rent policy, the policy of the Department of Transportation (Department) is:

- Keep the property occupied.
- Maximize rental revenue.
- Minimize adverse effects of right of way clearance on the community.
- Be a good neighbor.
- Demolish the improvements if necessary.

11.01.06.00 **Disbursement of Rental Income to Counties**

S&H Code Section 104.6 requires that 24% of all rents received from real property acquired for future state highway purposes shall be disbursed to the counties where the rental properties are located. Department policy is to code all properties in the Right of Way Property System (RWPS), Property Screen, TPR510M, with a “Y” in the “24% TO CO” field. The only exception to this policy is when the Department owns a mobile home, but not the land. In this case, an “N” will be entered into the “24% TO CO” field. Accounting is responsible for disbursing the funds to the counties in accordance with S&H Code Section 104.10. The 24% represents payment for taxes or assessments.

11.01.07.00 **Rental of State-Owned Properties to State Employees**

State employees, including employees of the Department, are eligible to rent state-owned properties provided their jobs do not involve managing the property, estimating or setting the rental rate, or performing other property management activities.

11.01.08.00 **Use of Bilingual Agents**

Every effort should be made to use bilingual Agents when working in areas where tenants are non-English speaking.

11.01.09.00 **Federal Participation in Revenue and Expenses**

23 CFR 710.403(d) states that acquiring agencies shall charge current fair market value or rent for the use or disposal of real property interests, including access control, if those real property interests were obtained with Title 23 of the United States Code funding. Exceptions to the general requirement for charging fair market value may be approved if determined to be in the overall public interest for social, environmental, or economic purposes, or nonproprietary governmental use. Written requests for exceptions shall be submitted in advance to FHWA (through HQ R/W) for approval.

The federal share of net income shall be used for activities eligible for funding under Title 23, in which case the state may retain rental and lease revenues without crediting federal accounts. Since rental and lease revenues are deposited into the State Transportation Fund, which is a Special Revenue Fund used primarily for Title 23 projects, the Department has met the intent of CFR 710.403(e). Furthermore, the Department is not required to track and report the expenditures from these revenues. Revenues should be coded as ineligible for federal reimbursement. (See Exhibit 11-EX-1, Letter to FHWA dated March 4, 1999.)

Under 23 CFR Part 710 Subpart D, property management costs continue to be eligible for federal participation until final project voucher. The Department has made a policy decision, however, that it will not seek federal reimbursement for property management costs (i.e., operating expense and support costs). Therefore, expenditures should be coded as ineligible for federal reimbursement.

11.01.10.00 Other Applicable Federal Regulations

Policies and procedures for managing real property acquired in connection with a federal-aid transportation project are contained in Title 23 CFR, Sections 710.201 through 710.203. The policies are applicable to all state and political subdivisions that manage real property acquired for transportation projects in which federal funds are used for any right of way costs.

11.01.11.00 Title VI, Civil Rights Act

Title VI of the 1964 Civil Rights Act forbids discrimination against any person in the United States because of race, color, or national origin by any agency receiving federal funds. See Manual Section 2.04.01.00 for additional information.

11.01.12.00 Right of Way Property System

Right of Way policy mandates use of the RWPS. See the RWPS Users Manual for additional information. A copy of the Manual is on the Right of Way Intranet under HQ Offices, Property Management, Property System Handbook.

11.01.13.00 Filming on State-Owned Property

Government Code Section 14998-14998.10 is known as the Motion Picture, Television, and Commercial Industries Act of 1984.

Government Code Section 14999.55 is known as the State Theatrical Arts Resources (STAR) Partnership.

Government Code Section 15363.60-15363.65 is known as the Film California First Program.

These various Government Codes established the regulations and guidelines in association with filming on state-owned property such as: The Director of the Film Office shall be the permitting authority for the use of state-owned property and state employee services for the purpose of making commercial motion pictures; allows production companies and other film industry companies to lease property owned by the State of California at no charge or below market rates; allows state agencies to be reimbursed for the film costs incurred including state employee costs, maintenance costs, electrical costs, etc., and directs state agencies to identify surplus properties that may be available for use.

Current Department policy asserts that the Department will not charge any production company working through the California Film Commission (Commission) a rental/lease charge for utilizing surplus property for filming. However, the Department will charge production companies for employee time including overtime charges and any miscellaneous costs. Production companies shall be responsible for any related costs, such as maintenance or electrical costs, that the state incurs because of filming at the property.

Whenever a production company contacts a Region/District, you will contact either the Commission or your local Film Liaisons in California, Statewide (FLICS) person to coordinate any activities. The Commission is responsible for issuing permits, collecting fees, and making sure insurance coverage is obtained.

The Regions/Districts' initial responsibility is to show the property to interested production company representatives. If the production company decides to use the property, the Agent involved will ensure Exhibit 11-EX-49, Department of Transportation, Division of Right of Way, STAR Program Agreement (Agreement), will be prepared. This will serve as the rental/lease agreement between the Department and a production company. Upon execution by both parties, the Agreement will be sent to the Commission for inclusion in their permit.

Once a production company has been approved to film on state-owned property, it is the responsibility, with the assistance of the Commission if needed, of the Region/District to have an agent(s) on site for monitoring purposes. The agent will be there to answer questions and make sure the production company is adhering to the requirements of the Agreement.

When properties identified as **historic** are to be used for filming, contact HQ R/W for additional requirements prior to making any commitments or the signing of any agreements.

11.01.14.00 Mobilehome Parks

The Region/District is encouraged to explore all options available to avoid the acquisition of mobilehome parks, even up to the selection of an alternate route. In the event that the Department acquires a mobilehome park, and the tenants own their own mobilehome, contact HQ immediately. Proper management of mobilehome parks is challenging, as they are governed by the Mobilehome Residency Law. Therefore, it is imperative that the Region/District work with HQ and Legal to ensure that the proper laws, regulations, and procedures are being followed.

11.02.00.00 - CLOSURE PROCEDURE

11.02.01.00 General

Upon execution of a R/W Contract or recordation of an FOC, the Acquisition Agent (or Condemnation Agent for an FOC) shall send an MOS, RW 8-12, to Property Management with a copy of the R/W Contract or FOC as appropriate. Property Management should assign the parcel to the Agent responsible for the territory. The Agent shall review and be familiar with the documents and the appraisal involved.

In the majority of cases where property is acquired under R/W Contract, there will be a period of time, usually three to six weeks, between receipt of these documents and close of escrow or recordation. Whenever possible, the Agent should contact the occupants prior to close of escrow to discuss the terms of rental occupancy. The Agent should read the R/W Contract carefully to determine any special conditions imposed that might affect, for example, the rental rate, term of occupancy, rental commencement date, or special disposition of acquired property.

Where property is acquired through an FOC, the Agent shall take immediate action to contact the occupants since rental commences on the day following recordation of the FOC.

11.02.02.00 Determination of Rentable Properties

Properties shall be considered rentable if re-rental is appropriate and there is a high probability that a tenant can be found. Pertinent factors to consider in determining rentability include topography, zoning, accessibility, lead time, availability of utilities, size and location of parcel, and condition and nature of improvements.

11.02.03.00 Contact with Grantor and/or Tenant

The Agent shall accomplish the following upon initial contact with the grantor or tenant:

- Determine existing rental rate, if any.
- Determine current rental period (e.g., rent paid monthly and due dates).
- Determine if rent is prepaid, up to and including what date.
- Determine who is responsible for payment of various utilities (water, gas, electricity, sewer, and garbage).
- Complete the Rental Application.
- Advise tenant of policies regarding security deposit, or transfer of deposit from grantor at time of close of escrow, and payment of first and last month of lease, if applicable.
- Advise tenant of period property will be available for rental or lease, and determine if tenant intends to stay.
- Inform tenant that all monthly rents are due on the first of the month, and advise tenant that prompt payment of rent is mandatory in all cases.
- Advise tenant about Possessory Interest Tax (see Section 11.07.16.00).

11.02.04.00 **Inspection of Property and Determination of Rental Rates**

The Agent shall thoroughly inspect all property, including improvements, prior to acquisition or as soon as possible after acquisition. This inspection enables the Agent to become familiar with the property for purposes of reviewing the rental rate set by Appraisals and to note and abate any hazardous conditions that may exist.

11.02.05.00 **Procedures Upon Acquisition**

The start tenancy date must be entered in the RWPS Tenancy Screen as soon as the Agent is notified that acquisition is complete.

11.02.06.00 **Establishing New Accounts**

Written agreements covering rental and lease of all state property are required. The standard forms listed below shall be used but may be modified, with approval of the DDC-R/W or delegated representative, to comply with actual conditions or when special situations arise.

TYPES OF AGREEMENTS	
Form No.	Type
11-EX-A	Residential Rental Agreement
11-EX-B	Lease Agreement (Commercial, Industrial)
11-EX-C	Agricultural Lease Agreement
11-EX-D	Advertising Structure Agreement

First, the Agent shall contact the RAP Unit to determine the RAP eligibility of each tenant occupying the property. The Agent shall then make any changes needed in the agreement to protect the tenant's RAP eligibility.

The Agent is responsible for seeing that agreements are processed promptly. The Agent shall have the tenant sign a minimum of two copies of the agreement and submit the agreement to the Property Manager for review before submitting it to the person authorized to execute on the state's behalf.

Each prospective tenant must complete a Residential Rental Application, RW 11-5.

The Agent is responsible for collecting the initial rent and security deposits. (See Exhibit 11-EX-2 for departmental cash handling procedures.)

11.02.07.00 **Rental Filing System**

A uniform Rental Filing System is necessary for accurate and proper control of rented properties. Each rental account file shall be kept by account number. If files become too large for one folder, additional ones shall be started. To provide a complete parcel rental history for each rental unit, all folders for one parcel shall be kept in one place; for example, in an accordion-type folder with the parcel number on it. The rental file shall be in chronological order and shall contain the items shown below.

RENTAL FILE CONTENTS	
<ul style="list-style-type: none">• R/W Contract• MOS• Rental Application• Credit Report (if applicable)• Rental Rate Documentation• Rental Agreement (executed copy)• Invoices or paid bills for repairs• Property Management Rental Account Diary, RW 11-7, or alternative form (use is not mandatory, but is strongly recommended)• Vacancy Report (if applicable)• FOC (if applicable)	

When property is vacated and then re-rented, the previous tenant's file shall be kept intact in the rental folder, current tenant data at the front. It is suggested that tabs be inserted in the file to indicate where the new tenancy data starts. Alternatively, the previous tenant's file may be kept separately in order by account number. The MOS, R/W Contract, and copy of the move-out inspection form (Page 2 of Exhibit 11-EX-56, Residential Property Occupancy and Vacancy Inspections) should be transferred to that new rental file with any other information that provides file continuity.

Each rental unit in a multiple unit parcel shall have its own rental unit number and may be filed in its own folder as long as all unit files are kept together under the parcel number.

11.02.08.00 **New Property - Grantor Retains Improvements**

Occasionally, the Department enters into a R/W Contract that permits the owner to retain improvements if they are relocated by a certain date. If improvements are occupied at close of escrow, an appropriate ground rental shall be charged until the improvements have been removed, unless the R/W Contract provides for rent-free occupancy of the land. The Agent should discuss unique situations or uncertainties with the Property Manager or authorized representative before making a commitment. (See also Section 11.04.06.00.)

11.02.09.00 **Rental Period - Hardship Acquisition**

On hardship acquisitions, grantors are required to vacate the property within 120 days from the date of close of escrow, provided replacement housing is available. The rental agreement is limited to a term of not more than 120 days, except in extreme cases where hardship would be compounded by requiring relocation within the 120-day period.

NOTES:

11.03.00.00 - PROPERTY INVENTORY

11.03.01.00 General

Each district shall keep its inventory of rentable and non-rentable properties in RWPS up to date and accurate.

Permanent easements, temporary construction easements, utility easements, employee housing, and other similar real property interests acquired or owned by the Department are not to be entered into the RWPS.

11.03.02.00 Inventory Disposal Record

The Acquisition Agent prepares the Inventory Disposal Record (IDR), RW 12-1, and assigns a Register Number when the MOS is prepared. (See Acquisition Chapter for additional information.)

11.03.03.00 Improvement Disposal Authorization

The Improvement Disposal Authorization (IDA), RW 12-2, is a formal request to the DD or authorized delegate for permission to dispose of state-owned improvements or personal property. Approval of the IDA is authority to proceed with disposition of the improvements as specified. No property shall be disposed of in a manner at variance with the approved IDA without prior approval of the DD or authorized delegate.

11.03.04.00 Improvements and Personal Property

For purposes of this inventory procedure, “improvements and personal property” means those structures, improvements, or personal property (such as furniture) whose disposal requires an IDA, RW 12-2. Miscellaneous items purchased as part of the real estate, such as TV antennas, air coolers, carpets, gasoline pumps, compressors, and drapes, are listed on the IDA. This applies whether the items are to be marketed, demolished, or transferred to another department or agency. Improvements such as landscaping and driveways that normally are destroyed in right of way cleanup contracts or by the road contractor as part of clearing and grubbing need not be listed.

Items of personal property purchased, such as furnishings, must also be shown. A Bill of Sale may be given an item number and copy attached to the IDR.

Whenever salvaged property is removed from state-owned parcels, it shall be placed in a secured area in district facilities. The Property Manager will keep the required inventory forms in a file to account for each item. The Property Manager shall be responsible for the secured area and the keys thereto.

11.03.05.00 Numbering of IDAs and IDRs

IDAs and IDRs carry the Parcel Number, Improvement Register Number, Expenditure Authorization Number, Co. Rte. and KP, and Federal-Aid Project Number. District filing is by Parcel Number.

11.03.06.00 Active Inventory of Improvements File

The district shall maintain a file of active IDRs. A copy of the IDA for a parcel is placed in the file when the IDR file is set up. When all improvements have been disposed of in accordance with the IDA and the “Disposal Record” section (back) of the IDR has been completed, these two documents are transferred to the parcel file.

When multiple IDAs are required to dispose of improvement items carried under one Register Number, the disposal information should be transcribed from the multiple reports to the original form. The original is filed in the permanent district records.

A copy of the Inventory and Disposal Record shall be retained until it is necessary to process the improvements for clearance and an Improvement Disposal Report file is set up.

When it has been certified that all improvements have been disposed of in accordance with the Improvement Disposal Report or Reports, and the "Disposal Record" section (back) of the Inventory Disposal Record is completed, the Improvement Disposal Report shall be transferred to a closed file. The original in the active file may be destroyed.

11.03.07.00 **Closed Inventory of Improvements File**

The closed inventory record form shall be part of the district's permanent records. As long as any items originally set up remain uncleared, however, the record must remain in the active file.

11.03.08.00 **Water Stock**

If appurtenant stock is acquired, it shall be held until the need for a water supply ceases. If it is not necessary to retain appurtenant water stock, the district shall submit the stock to the company secretary for cancellation.

In those cases involving excess land, the district must arrange for reissuance of the stock to the purchaser at the time of sale.

If non-appurtenant water stock is purchased, it shall be held until the need for a water supply ceases. It shall then be submitted to the water company for cancellation with immediate reimbursement to the state by the water company or reimbursement upon resale of the stock, at the water company's option.

If it is not necessary to purchase water stock, the district shall acquire the land without paying any consideration for the water stock.

Each district shall maintain an inventory and disposal record of water stock. The district shall inventory each acquired share or fractional share of water stock and keep a complete record of all water stock acquired.

After stock certificates are reissued in the state's name, the district shall forward them to the Division of Accounting for filing.

The state is subject to assessments whenever it holds such shares of mutual water company stock. Prior approval from the DD or authorized delegate is required before any assessment can be paid.

Mutual water company stock that is acquired in connection with acquisition of land for other than right of way purposes shall be processed as set forth in this section.

11.03.09.00 **Lost or Stolen Property**

The Agent reports all cases of lost or stolen properties as follows:

- Salvage or Contributory Value Less Than \$100 - no action necessary.
- Salvage or Contributory Value More Than \$100, less than \$1,000 - send notice to the District Security Coordinator with a courtesy copy to the Departmental Security Coordinator in Headquarters (see Exhibit 12-EX-01). Notification of local law enforcement is at the district's discretion.
- Salvage or Contributory Value More Than \$1,000 - send notice to the District Security Coordinator with a courtesy copy to the Departmental Security Coordinator and report to local law enforcement agency.

Notification to the District Security Coordinator should be sent no later than the first work day following discovery of the incident.

The IDR should be properly annotated concerning lost, stolen, or destroyed property.

11.04.00.00 - RENTAL RATES

11.04.01.00 General

Our policy is to charge fair market rent and to rent only to tenants willing and able to pay fair market rent. For definition of Fair Market Rent, see Section 11.04.02.00. Exceptions are made for:

- 1) Tenants whose rental rates are established by Right of Way Contract.
- 2) Residential tenants who qualify for the Affordable Rent Program. (See Exhibit 11-EX-3, Affordable Rent Tenants.)
- 3) Local rent control (see Section 11.04.05.00).
- 4) Social, environmental, or economic purposes or nonproprietary government use with FHWA's prior written approval.

The district shall set up all state-owned properties that are suitable for renting and are proposed for occupancy as rental accounts and shall charge rent as follows:

- **Property Improved with an Owner-Occupied Residential Unit** - Grantor's rental shall commence on the 16th day after the close of escrow or the day after the Order of Possession becomes effective.
- **Property Occupied by a Business** - A rental grace period (maximum of 60 days) may be granted to the tenant (former owner, inherited tenant) if circumstances warrant. The grace period may commence on the day after the close of escrow, or the day after the Order of Possession becomes effective, or at some other time during the lease term, depending on whether or not the business has a commitment to pay rent on a replacement site. See Relocation Assistance Chapter, Section 10.05.24.00, for further details.
- **All Other Classes of Property, Including Property Partially Tenant-Occupied** - Rentals shall commence on the day following close of escrow or the day after the Order of Possession becomes effective.
- **Exceptional Cases** - Adherence to rental rates established by executed R/W Contracts is required. Lease purchase sale of excess land to a tenant-buyer will provide for a lease at above market rate. See Excess Land Chapter, Section 16.05.14.00, for further details.

These provisions do not preclude longer free occupancy periods where necessary or desirable with the DDC-R/W's approval. The terms of either the R/W Contract or the transmittal memorandum must indicate, however, that the state is receiving a consideration for the extended rent-free occupancy.

The initial rental rate for all improved properties and rented unimproved properties is in the appraisal report.

- **Tenant-Occupied Properties** - The actual existing rental rate and the estimated fair market rental rate are shown.
- **Owner-Occupied Properties** - Only the fair market rental rate is shown. The rentals of similar properties shall be the basis for estimating the fair market rental rate.

11.04.01.01 Rental Rate Increase Policy

Department policy is to review rental rates annually and make the appropriate adjustments keeping in mind that a 60-day notice is required prior to raising rents. This applies to residential and nonresidential properties.

11.04.02.00 Rent Determinations

Property Management is responsible for establishing fair market rent determinations on residential properties. Property Management may request assistance from Appraisals, but must provide Appraisals with detailed information about the subject properties. For information and responsibilities for rent determinations on nonresidential properties, see Section 11.05.01.00 for guidance.

A fair market rent determination is an estimate of the amount of rent, which a parcel would command in the open market, if offered under the terms and conditions typical of the market for similar properties.

The rent determination shall be based on current rents being paid in the area for comparable property. An analysis of the comparable rental and other market data such as size, location, condition of property (exterior and interior), etc., will be completed. The subject properties and comparable data shall be viewed in the field and the comparable property will be inspected if available. Exhibit 11-EX-46, Documentation of Residential Fair Market Rental Rate, will be used for all rent determinations. The rent determination includes a signed statement that the agent has personally viewed and inspected the parcel. The rent determination shall also be signed by a Property Management Senior and placed in the rental file.

At minimum, a 48-hour notice will be given to the tenants prior to inspecting the property for rent determinations.

11.04.02.01 Changing the Rental Rate Shown in the Appraisal

Although Property Management will normally use the rental rate shown in the appraisal, it has the right to revise the rate if justified by more recent market data. If a change in the rental rate for residential properties is proposed, the Agent shall complete Exhibit 11-EX-46, Documentation of Residential Fair Market Rental Rate, and submit to the Property Manager or designee for approval. For nonresidential properties, the agent will complete Exhibit 11-EX-53, Nominal Value Nonresidential Rental Appraisal, and submit to the Property Manager or designee for approval. (See Section 11.05.04.00 for additional information in regard to nonresidential properties.) All documentation shall be filed in the rental folder.

11.04.03.00 Lease Term

At its discretion, the district may set the length of lease terms up to five years, provided rate adjustments are incorporated and 90-day (or less) cancellation clauses are included. Suggested guidelines are as follows:

- **The Property Is in an Active Market, Subject to Recent or Anticipated Property Value Increases** - Consideration should be given to keeping the term short (e.g., one year). The advantage is that the rent can be reappraised and adjusted with market changes; the disadvantage is that a yearly reappraisal and renewal are required.
- **Properties Are of Relatively Low Value (e.g., Agricultural and Nominal Leases) and the Market Is Stable** - Consideration should be given to a longer-term lease (e.g., 3-5 years). This reduces the need for annual reappraisal and lease renewal where little or no rental change is likely. In such a case, a rental adjustment lease clause may be omitted.
- **Other Leases (e.g., Commercial and Industrial) in a Stable Market** - Consideration should be given to a longer-term lease (e.g., 3-5 years). To keep up with the rental market, the lease should contain a provision for annual rental escalation. Examples include level or graduated rental step raises (based on projected market trends) and raises tied to a Consumer Price Index. (See page 9 of Exhibit 11-EX-B, Lease Agreement, for standard rent escalation clauses.)
Use of a flat rate must be justified and documented in the file or preapproved in writing by the DD or authorized delegate.

Where possible, all leases should be written with a short termination time (e.g., 90 days or less) to provide maximum flexibility. Leases with terminations longer than 90 days should be written on an exception basis only and must not conflict with project certification schedules. Similarly, multiyear leases must be written to avoid such conflict.

11.04.04.00 Escalation Clauses

The assigned Agent shall annually review each lease agreement containing a rental escalation clause. The Agent shall adjust the lease rate according to the terms of the agreement and notify the lessee. The rental file and the RWPS shall be appropriately documented. The Property Manager shall be responsible for reviewing the rental files and the RWPS to ensure compliance.

11.04.05.00 Local Rent Control

Occasionally, the rental rate policy that calls for rental increases under certain situations may be in conflict with local rental control. If the existing rental rate is substantially below the market rate and the proposed rate of increase exceeds the limits provided in a local rent control ordinance, the district should contact the local agency:

- To explain the need for bringing rents to market rate.
- To explain that once rents are at market rate, the limitations prescribed in the rent control ordinance will be observed.
- To attempt to get the local agency's concurrence.

If the local agency does not concur, the district shall comply with the local ordinance.

11.04.06.00 Owners Retain Improvements

If the R/W Contract requires the owner to remove retained improvements within a short time period (e.g., 90 days), a rental rate providing a current market return on the acquired property is charged. The rental rate shall not include a return on retained improvements. If the acquired land is of such size and irregular shape (e.g., narrow strips) that the market rental rate cannot be readily determined, the monthly rental rate may be set at one percent (1%) of the payment for the acquired property.

After the close of escrow, if any structural improvement retained by the grantor remains on the acquired property past the term agreed to, the district shall charge fair market rent for the use of the property purchased from the grantor. The agent should also check the Right of Way Contract for clauses pertaining to provisions agreed upon if such issue occurred. (For example, the right of the Department to sell or demolish the improvements remaining on State property.)

NOTES:

11.05.00.00 - NONRESIDENTIAL RENTALS

11.05.01.00 Fair Market Rent Determinations

Appraisals shall independently establish, review, and approve fair market rent for nonresidential properties with the following exceptions:

- Nominal value rentals up to \$200 per month or \$2,400 per year
- Oil and gas rights set by contract or other binding document
- Field offices and other properties being used by the Department
- Signboard sites
- Porter Bill park leases
- Residential master tenancy leases
- Bid leases
- Bike paths leased to public agencies
- Leases for agricultural, community garden, or recreational purposes under S&H Code Section 104.7
- Interim rent changes (see Section 11.05.04.00 below)

Property Management shall determine the actual rental rates and shall fully justify and document any adjustments from fair market.

11.05.01.01 Appraisal's Requirements

The Appraisal Branch prepares, reviews, and approves fair market rent determinations for all nonresidential properties except those noted above.

The service is provided upon written request from Property Management. These requests should be scheduled so as to give Appraisals as much lead time as possible, and will include the following information:

- A map of the property.
- Parcel number, county, route, post mile/kilometer post and property address.
- Improvements that belong to the tenant and should be excluded from consideration.
- Special items on the property, such as machinery or equipment. An inventory should be available if needed.
- Whether construction of improvements on the property will be permitted.
- Term of the proposed lease and estimated length of time property will be available for rent.

Rent determinations will be updated upon written request from Property Management.

11.05.02.00 **Nominal Value Nonresidential Rentals**

Many properties cannot be rented for more than nominal rent because of use, size, irregular shape and/or location. Nominal rent for this purpose is defined as \$2,400 per year (\$200 per month) or less.

At the Region/District's option, the Appraisal Branch staff or the Property Management Branch staff may be used for rent determinations on nominal value nonresidential rentals.

In these cases, Exhibit 11-EX-53, Nominal Value Nonresidential Rental Appraisal, is required. It should identify and describe the parcel, and summarize the data and analysis that lead to the appraiser's conclusion of fair market rent. The nominal rental conclusion should be stated as a specific rental amount. A map of the appraised property is required (8½" x 11" print is sufficient); photographs are recommended.

The rent determination should include a signed statement that the appraiser or property agent has personally viewed and inspected the parcel. The determination should also be signed by the function's Senior.

All nominal rents shall be supported by the use of comparables in the area or other available market data, such as the opinions of realtors or other experts. Consideration shall be given to:

- Length of time the property will be available.
- Market demand.
- Any savings in maintenance costs to the state.

Many parcels of vacant land require annual expenditures by the state for weed abatement and trash removal, and these expenditures can be passed on to lessees with nominal rent leases.

11.05.03.00 **Rental Grace Period on Business Properties**

See Relocation Assistance Chapter, Section 10.05.24.00, for information on rental grace periods.

11.05.04.00 **Rental Rate Increases Prior to Appraisal**

When Appraisals is unable to furnish the fair market rent for nonresidential properties on a timely basis, and where the existing rental rates are thought to be substantially below market, Property Management may establish interim rental rates based on the best available data. The interim rental rate must be documented in the property file.

When a rental rate is established without an appraisal determination, the Agent shall inform the lessee that the rental rate is temporary, pending an appraisal determination. A clause similar to the following should be included in the rental agreement or lease:

Lessee agrees that the rental rate of \$_____ per month/year set forth above is an interim rate for a period of at least six (6) months. The lessor will obtain an appraisal of the fair market rent for the leased property. Lessee agrees that lessor may adjust the rental rate based on the market rent appraisal by giving lessee sixty (60) days' prior notice.

11.05.05.00 **Rental Rate Review**

The Property Manager or designee shall review the rental rate on all nonresidential accounts annually and shall maintain an up-to-date sampling of fair market rental rates for similar properties in the vicinity of the state-owned properties. The exceptions are those rental rates that are determined by set increases such as CPI Index and those that are established in the rental agreement or lease for multiple years.

11.05.06.00 **Rental Rate Increase Policy**

See R/W Manual Section 11.04.01.01.

NOTES:

11.06.00.00 - RESIDENTIAL RENTALS

11.06.01.00 General

The Agent should fully inform tenants of:

- The Department's rental rate policy.
- Their responsibility to maintain the property.
- Title VI policies.

11.06.02.00 Annual Rental Rate Reviews

The Property Manager or designee shall annually review the rental rate on all residential accounts and those accounts where the rental rate is not set by agreement or lease and shall maintain an up-to-date sampling of fair market rental rates for similar properties in the vicinity of the state-owned properties.

A request for fair market rent determinations should be submitted to the Appraisal Branch, completing Exhibit 11-EX-45, Request for Rent Determination. Keep in mind the time frame should allow adequate time for Appraisals to complete the determinations and still allow for Property Management to issue a written 60-day notice of rental rate increase to the tenant.

When Appraisals are unable to furnish the fair market rent determinations for residential properties on a timely basis, Property Management may establish the rental rates. Exhibit 11-EX-46, Documentation of Residential Fair Market Rental Rate, or similar form of Region/District's choice will be completed and filed in such a manner and office location that it will be available to the District Property Manager and other personnel for possible reference. A copy will be kept in the rental file. The Region/District Property Manager or designee must approve Exhibit 11-EX-46, or similar form.

11.06.02.01 Rental Rate Increases

See R/W Manual Section 11.04.01.01.

11.06.03.00 RAP Eligibility

The RAP Unit determines the eligibility of existing tenants for relocation assistance and payments and provides this information to the Property Manager. Property Management should coordinate with the RAP Unit when RAP-eligible tenants vacate state-owned property.

11.06.04.00 Appeals (RAP-Eligible Tenants Only)

RAP-eligible tenants have the right to appeal the Department's "Property Management Practices," including rental rate increases. All appeals must be in writing and must be filed within 15 days from the date of the notice of rental increase. Tenants shall have the right of personal appearance.

The district shall inform RAP-eligible tenants of their right of appeal and sufficiently explain the appeal procedure so the tenants understand:

- Grounds for appeal.
- How to make the appeal in a timely manner.
- Appeal must be in writing.
- Their right to a personal appearance.

11.06.04.01 Grounds for Appeal and Approval Authority

RAP-eligible tenants may appeal rental rate increases when:

- They believe rental rates have been improperly established.
- They believe the Department's maintenance of the property is inadequate.
- They believe a rental rate increase will cause an extreme financial hardship.

A basic role of the Department in reviewing appeals is to determine that rental rates have been properly established and tenants have been thoroughly advised of the rental rate policy requiring fair market rent.

Extreme financial hardship appeals may be based on tenants' inability to pay increased rent because of unusual or excessive expenses. Other consumer or voluntary expenses of the appellant will not constitute grounds for reducing the new rental rate.

11.06.04.02 Appeals Hearing

All appeals will be to the DDC-R/W, who may appoint a single Hearing Officer or form a District Appeals Board to hear appeals and make recommendations for the DDC to consider in making a decision.

If a District Appeals Board is appointed, it shall consist of at least three members who will meet to hear appeals in a timely manner. Board members must be thoroughly familiar with the Department's rental rate policy and rental management procedures.

Appeals will be heard within 20 days after the appeal has been received. Bilingual services will be provided if necessary. Any person may be allowed to assist the appellant in making a presentation. This rental appeal procedure is a departmental administrative policy, however, and is not a legal hearing subject to legal procedures or arguments.

Prior to considering any appeal, the DDC-R/W, Hearing Officer, or Board shall be briefed on reasons for the appellant's rent increase, including pertinent comparable rentals.

All data furnished by the appellant and district staff shall be carefully reviewed to determine if the rental rate has been properly established. The appellant may be asked to provide additional information and to confirm data presented in the appeal.

Upon completion of the appeal hearing, the Hearing Officer or Board shall recommend to the DDC-R/W that the appeal be wholly granted, granted in part, or denied. The recommendation shall be by the Hearing Officer or by a majority vote of Board members, shall be in writing, and shall contain the basis for the recommendation.

The DDC-R/W shall make the final decision. The DDC's decision will be conveyed to the appellant in writing within ten working days after the hearing. Notification of the decision will include the reasons supporting the decision.

Appeals will be processed promptly in accordance with the preceding time frames. The scheduled rental rate increase will be deferred until the tenant has received notification of the results of the appeal. If the appeal is denied, the tenant is responsible for the rental increase from the effective date of the initial notice.

11.06.04.03 Extreme Financial Hardship

The intent of the financial hardship procedure is to provide tenant(s) a relief mechanism for a temporary period in recognition of extreme financial hardship circumstances resulting from a rental rate increase. It is not the Department's intent to assume continuing involvement in, or responsibility for, tenant financial affairs or to otherwise compromise the rental program on a long-term basis.

When the appeals process documents such an extreme financial hardship, the district's decision may provide for temporarily suspending the rental rate increase. This will enable the tenant to either resolve the hardship circumstance and thereafter continue in tenancy at the new rate, or to secure alternate housing and relocate from the Department's property. The recommended suspension should rarely exceed six months in duration. The policy should be thoroughly discussed with and understood by the tenant when the appeals process is initiated.

In considering appeals for exceptions, the DDC-R/W will consider all factors leading to the appeal to determine:

- If a true extreme financial hardship caused by the rental rate increase exists.
- If the extreme financial hardship is of a temporary or permanent nature.
- If relocation of the tenant to accommodations within their economic means is feasible.

The appellant shall be notified of the decision as outlined in the appeals procedure.

In all cases where an exception is granted, Accounting must be notified in time to make the new rental rate effective at the end of the exception period.

11.06.05.00 Inherited Tenants

An inherited tenant is one who was in occupancy at the time of the state's acquisition. Rent charged to inherited tenants whose rent at close of escrow is below fair market will be increased to fair market 60 days after close of escrow.

11.06.06.00 Pet Policy

Department policy is to discourage the occupancy of pets in Department-owned property. In the event a Region or District allows tenants to have pets, the following procedures must be followed:

- A pet application(s) (Exhibit 11-EX-51) for each pet must be completed by the tenant(s) and approved by the Department. The pet application(s) with approvals will be kept in the rental file.
- A Pet Addendum(s) (Exhibit 11-EX-52) for each pet must be executed by the tenant(s) and the Department. The Pet Addendum becomes a rider for the rental agreement or lease and shall be attached to such and kept in the rental file.
- A pet deposit will be collected from the tenant(s). The amount of the deposit should be equal to the risk associated with the pet but in no circumstances less than \$200. The deposit is refundable depending on the findings discovered during the move-out inspection.

It is the responsibility of the tenant(s) to adhere to all requirements of the Pet Addendum including, but not limited to, keeping the property (inside and outside) free from pet waste, not allowing the pet(s) to become a nuisance to neighbors, and preventing the pet(s) from damaging the Department-owned property. (Damage could be digging of holes in the yard, staining of carpet, chewing of fences, etc.)

If at any time during the tenancy, an agent discovers damage (in any form) caused by a pet(s), the damage will be repaired immediately at the sole expense of the tenant(s). If the pet deposit and/or security deposit is insufficient to cover the repair costs, the tenant(s) will be charged the difference. All payments must be made immediately or face immediate termination. If the pet deposit and/or security deposit is utilized during the term of the tenancy to remedy any situation, a new pet deposit and/or security deposit will be assessed to the tenant(s). If this situation occurs, a larger pet deposit may be warranted.

When completing a property inspection and pet(s) are present, the agent must include any pet information on the Residential Property Inspection, Exhibit 11-EX-54.

All policies and procedures listed above apply to inherited and existing tenants with pet(s).

Note: The Right of Way Property System (RWPS) guidelines for collecting and keeping track of a pet deposit are as follows:

- The pet deposit will become part of the security deposit.
- For existing tenants, an Adjustment Screen will need to be completed and sent to Accounting increasing the amount of the security deposit.
- For new or inherited tenants, the amount of the security deposit will be the sum of the security deposit and the pet deposit. The security deposit should not be reduced to accommodate the need for a pet deposit. These are two separate deposits, each with their own merit.
- A note should be made in the "Comments" Section of the Tenancy Screen that a pet deposit has been collected with the amount indicated.
- Department policy in regard to refunding pet deposits is the same as with security deposits. (See Section 11.07.12.03.) A pet deposit may be utilized only for damage caused by a pet, not delinquent rent or damage not caused by a pet.

11.07.00.00 - RENTAL PROCEDURES

11.07.01.00 **General**

The following sections specify procedures for renting vacated property that are in addition to those set forth in Subchapter 11.02.00.00, Closure Procedure.

11.07.02.00 **Marketing Plan**

Each district should maintain a Marketing Plan that should be updated annually in July. The Plan should list by project the number and types of properties estimated to become available for rent/lease in the coming fiscal year. The Plan should also indicate the manner in which the properties will be marketed along with estimated costs.

11.07.03.00 **Finder's Fees/Rental Incentives**

Finder's fees and rental incentives may be used when necessary to reduce the vacancy rate. A finder's fee is a rent credit given to an existing tenant as compensation for referring a prospective tenant to the state. A rental incentive is a rent credit given to a new tenant as an enticement to rent our property. A rental incentive should be used only as a last resort and may be spread over several months when used in a month-to-month rental agreement.

The RWPS Adjustment Request Screen is used to notify Accounting of any rent credit.

11.07.04.00 **Advertising**

Whenever the district uses newspaper advertisements, it shall comply with Public Contract Code Section 10115.13 relating to the use of certain advertising business enterprises. The Property Manager shall contact the Department's Business Enterprise Program prior to advertising and request a list of any certified media firms for the area. The findings and subsequent actions shall be documented.

- **Improved Properties** - The Agent should use newspaper advertisements for residences and other improved properties when necessary to attract tenants. Posting of improved properties with advertising signs may be desirable in some cases and is at the district's discretion. Posting is not desirable where, for example, it would invite vandalism.
- **Vacant Land** - Rentable vacant land shall be posted with advertising signs indicating the property is for rent. Exceptions are allowed only when posting would be unreasonable, uneconomical, invite dumping or vandalism, or conflict with local sign ordinances. In some cases, newspaper advertisements may be desirable for vacant land of high value.

11.07.05.00 **Showing Property**

Under no circumstances are prospective tenants to be given keys that enable them to inspect state property on their own. If several parcels are available and a prospective tenant is interested in seeing a number of them, the Agent should ask the person to view the properties and improvements from the exterior. Thereafter, the prospective tenant may set up an appointment with the Agent to inspect those of primary interest.

11.07.06.00 **Rental Application and Credit Report**

Before making a commitment to rent, the Agent shall have the prospective tenant complete Form RW 11-5, Residential Rental Application, or RW 11-6, Nonresidential Rental Application, and verify the information.

- **Credit Reporting Agency Used** - A satisfactory credit report must be received. The applicant(s) shall pay the actual costs of the credit report(s).
- **Credit Reporting Agency Not Used** - The Property Manager or authorized representative must make a diligent effort to verify the information on the Rental Application before committing to rent to the applicant.

11.07.07.00 **Guidelines for Selection of New Tenants**

Property Management is responsible for renting to qualified applicants only. The Agent shall review all applications and select the most qualified applicant based on available data. The decision shall be based on ability to pay rent and ability and willingness to maintain the property and improvements.

As a guideline in determining the applicant's ability to pay rent, the applicant's gross household income should equal or exceed four times the rental rate. The district may make exceptions to this guideline at its discretion, but it must document all exceptions and retain the documentation in the rental file. Examples of exceptions include good employment history, prior record of consistently paying rents, good credit report, etc. All these factors will determine an applicant's eligibility to rent from the Department.

One test of ability to pay rent is that the applicant's gross household income should equal or exceed four times the rental rate. The district may make exceptions to this procedure at its discretion, but it must document all exceptions and retain the documentation in the rental file. Examples of exceptions include good employment history and prior record of consistently paying rents.

Federal and state laws prohibit discrimination in housing accommodations against tenants because of race, gender, creed, color, religion, national or ethnic origin, age, marital status, or disability.

11.07.08.00 **Use of Cosigners**

Cosigners should not be used to qualify an applicant with insufficient income or credit.

11.07.09.00 **Declined Applicants**

If an applicant is denied housing, the applicant will receive the denial in writing and the reasons for denial stated.

If Property Management's decision to deny tenancy to an applicant is based wholly or in part on information contained in a credit report, California Civil Code Section 1785.20 requires the following:

1. Provide written notice of the adverse action to the applicant.
2. Provide the applicant with the name, address, and telephone number of the consumer credit reporting agency which furnished the report to Property Management.
3. Provide a statement that the Department's denial was based in whole or in part upon information contained in a consumer credit report.

4. Provide the applicant with a written notice of the following rights of the applicant:
 - A. The right of the applicant to obtain within 60 days a free copy of the applicant's consumer credit report from the consumer credit reporting agency identified pursuant to paragraph (2) and from any other consumer credit reporting agency which complies and maintains files on consumers on a nationwide basis.
 - B. The right of the applicant under Section 1785.16 to dispute the accuracy or completeness of any information in a consumer credit report furnished by the consumer credit reporting agency.

(See Exhibit 11-EX-4, Written Notice of Denial.)

11.07.10.00 **Executing the Rental Agreement**

All occupants 18 years of age or older must sign the rental agreement. (An exception could be students still living at home or living at home during the summer.) Under no circumstances are new tenants to take occupancy prior to signing the rental agreement and paying all monies due, such as security deposits and prorated rents.

The DDC-R/W or authorized representative may execute all residential and nonresidential rental agreements on the state's behalf.

11.07.11.00 **Title VI Guidelines**

The Agent will inform the state's tenants about the Department's policy and procedures under Title VI of the 1964 Civil Rights Act and will deliver a "Your Rights under Title VI & Related Laws" brochure at the time the rental agreement is signed.

11.07.12.00 **Lead-Based Paint and/or Hazards**

Section 4852d of Title 42 of the United States Code requires disclosure of information concerning lead upon transfer of residential property.

Section 4852d requires that the seller or lessor do the following:

- (A) provide the purchaser or lessee with a lead hazard information pamphlet, as prescribed by the Administrator of the Environmental Protection Agency under Section 406 of the Toxic Substances Control Act [15 USC § 2686];
- (B) disclose to the purchaser or lessee the presence of any known lead-based paint, or any known lead-based hazards, in such housing and provide to the purchaser or lessee any lead hazard evaluation report available to the seller or lessor; and
- (C) permit the purchaser or lessee a 10-day period (unless the parties mutually agreed upon a different period of time) to conduct a risk assessment or inspection for the presence of lead-based paint hazards.

The Department must also do the following:

- Include certain warning language in the rental agreement or lease.
- Have a complete and fully executed Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazard form, Exhibit 11-EX-48, on file.
- Retain signed acknowledgements in the file, as proof of compliance. Department guidelines dictate that we will keep signed acknowledgements in the rental file for as long as we keep the file.

11.07.13.00 **Initial Rent Collection**

When a new tenancy is created, one month's rent or the prorated amount due for the balance of the month shall be collected prior to the tenant's occupancy. Prorated amounts are based on a 30-day month. (See Exhibit 11-EX-5, Rent Proration Examples.)

11.07.14.00 **Security Deposits**

A security deposit shall be collected from new tenants, except for state's grantor, before tenancy commences. The security deposit is not a means of establishing a tenant's qualifications, but may be used to remedy any damages or defaults in rent payment.

Generally, tenants shall make a security deposit as follows:

- **Improved Unfurnished Property** - not to exceed an amount equal to two months' rent.
- **Improved Furnished Property** - not to exceed an amount equal to three months' rent.

11.07.14.01 **Waivers/Reductions**

In certain instances, the district may waive the requirement for collection of a security deposit or reduce the amount. Where the requirement is waived, the account file shall be fully documented. Acceptable conditions for a waiver or reduction are:

- In neighborhoods where improvements are in a state of decline and demand for rental units is relatively low, and where extensive efforts to rent have shown that the improvements are not sufficiently desirable to attract a renter who can make a security deposit.
- From a tenant inherited from state's grantor where a security deposit had not formerly been established and where the tenant is acceptable in all respects.
- From governmental agencies.
- For unimproved properties.

11.07.14.02 **Refund**

In all cases, the district shall furnish the tenant, by personal delivery or by first class mail, postage prepaid, a copy of an itemized statement indicating the basis for, and the amount of, any security deposit received and the disposition of the security deposit and shall return any remaining portion of the security deposit to the tenant(s) (see California Civil Code, Section 1950.5). The district must deliver any refund and the itemized statement within three weeks of the vacancy date.

In order to meet the three-week deadline, the Agent must submit the information to the Division of Accounting within five working days from the date of vacancy. It is the responsibility of the Agent to ensure the tenant(s) receives the itemized statement within the three weeks, preferably prior to the tenant(s) receiving a refund from the State Controller.

If the property is sold, the district, at its discretion, may return the security deposit to the tenant, less any lawful deductions, or transfer the deposit to the new owner. If transferred to the new owner, the district must notify the tenant in writing either by personal delivery or by certified mail. The tenant must be given an accounting of any deductions made and the new owner's name, address, and telephone number. If notice to the tenant is made by personal delivery, the tenant shall acknowledge receipt of such notice.

11.07.15.00 Utilities

Utilities generally include gas, water, sewer, telephone, electricity, and garbage service. Multiply these types of services by the number of utility companies involved and the number of properties a region/district maintains, and it is apparent that initiating, monitoring, and terminating utility services can be a considerable undertaking. The regions/districts, therefore, must adhere to the following guidelines, as well as develop additional procedures that address region/district problems and meet their specific needs.

11.07.15.01 Responsibility for Utility Costs

Tenants shall be solely responsible for all utilities including deposits. On an exception basis, there may be instances when it would be appropriate for the state to pay for electricity and gas, such as in a multiple residential unit where there is only one meter for supplying electrical or gas service for the property. If, however, individual meters are available, tenants should pay for their own utilities.

In those localities where the suppliers of water and sewer require the bill to go directly to the property owner, the regions/districts shall have those bills sent directly to the Department. The Department shall monitor those utility costs and charge the tenant the appropriate amount. This will require a clause in the rental or lease agreement which states the tenant is responsible for the actual cost of those utilities and the Department will notify the tenant of such costs on a regular basis.

Rental agreements must be specific about:

- Which utilities are assumed by the state and, therefore, are the state's responsibility.
- Which utilities are the tenant's responsibility and are to be paid directly to the utility company by the tenant.
- Which utilities are the tenant's responsibility but are collected from the tenant by the state and conveyed to the utility company.

It is imperative upon the Region/District to ensure adequate utility costs are being collected from the tenant. The agent may contact utility companies, housing agencies, or other data sources for estimated utility expenses for a particular area. Utility companies usually have information on average costs for their area based on number of rooms, number of occupants, etc. All utility justifications must be documented in the rental file.

Utility charges will be reviewed at least annually, earlier if needed, and adjustments made in accordance with the Utility Clause in the rental or lease agreement.

11.07.15.02 Notifying Utility Companies at Date of Recordation

Regions/districts should take special care transferring utility charges when an acquired parcel is recorded in the state's name. Problems encountered will vary from one area to another. Specific requirements, therefore, are brief and set forth general guidelines that shall be used to attain a reasonable degree of uniformity among regions/districts.

Prior to acquisition or as soon thereafter as possible, the Agent shall observe the utility requirements of the property and note the types of service in the rental file. The determination about which utilities the state will pay shall be based on information the Agent gathers while inspecting the property. If the state is responsible for payment of utilities, the region/district shall notify the appropriate companies in writing, specifying the date the deed was recorded in the state's name and the date the state will assume responsibility for the utility charges.

11.07.15.03 Payment of Utility Bills by the State

Whenever utility service is initiated in the state's name, or is transferred back into the state's name (e.g., when a tenant vacates rental property), the Agent shall request that the utility company send the initial bill directly to the region/district Property Management office. The Agent shall review the bill for accuracy and shall write the source, charge, EA, special designation, and agency object (x002) codes on the bill or attach a Receiving Record (Form 1226A) with the information. For residential rental property, the Agent shall also check to make sure the state is being charged a residential rate and not a commercial rate. The Agent shall forward the bill to the Division of Accounting, Accounts Payable, Utility Section, with a change of address request. Once Accounts Payable receives the bill, they will send the change of address to the utility company so future bills will be sent to Accounts Payable.

See Property Management Reference File #01-02, dated July 24, 2001, for further instructions.

On a quarterly basis, Accounts Payable will send a Utility Report to the regions/districts for verification.

11.07.15.04 Utility Deposits by Tenant

If a tenant is to assume responsibility for utility service, the Agent shall advise the tenant that:

- The utility company may require a deposit.
- If any problems occur as a result of the deposit, the problems are solely between the tenant and the utility company, as the state will not become involved.

11.07.16.00 Possessory Interest Tax

A tenant's interest is subject to possessory interest tax (PIT) imposed by the county. S&H Code Section 104.13 requires the Department to pay the PIT on behalf of its tenants directly to the city or county where the property is situated. Tenants should be instructed to send any PIT bill they receive to the region/district office for handling.

When the region/district receives any PIT bills, either from the tenant or directly from a county, they are instructed to send the PIT bill back to the county with a letter to explain S&H Code requirements concerning PIT. A sample letter may be found at Exhibit 11-EX-9, Sample Possessory Interest Tax Letter. The letter must include reference to S&H Code Sections 104.6, 104.10, and 104.13.

S&H Code Sections 104.6 and 104.10 require the Department to pay 24% of the rents collected to the county in which the property is situated and set forth when the payment must be made. S&H Code Section 104.13, subdivision (c), states that all funds distributed to a county pursuant to Section 104.10 shall be deemed to be in full or partial payment on the total possessory interest taxes due on the Department's property in the county held for future state highway needs but no longer needed for that purpose. If any amount transferred to a county pursuant to Section 104.10 in any year is less than the total possessory interest due on all the Department's property located in that county, the Department must promptly forward to the county the amount of the balance due.

See Section 11.01.06.00 for further information on the 24% payment to the counties.

11.07.17.00 Residential Property Occupancy and Vacancy Inspections

When a new tenant moves into a residential property, or when a newly acquired property has an inherited tenant, the tenant shall accompany the Agent on an inspection of the unit. Page 1 of Exhibit 11-EX-56, Residential Property Occupancy and Vacancy Inspections, shall be completed. All blanks must be filled in, noting “OK” or any deficiencies. The form is to be signed by the tenant and the Agent and a copy shall be given to the tenant.

Page 2 of 11-EX-56 shall be completed when the tenant moves out. If possible, the tenant should accompany the Agent during the inspection and sign the move-out form, which is the basis for deposit refunds or withholdings.

11.07.18.00 Uses of Rental Agreement

Exhibit 11-EX-A, Residential Rental Agreement, is to be used for month-to-month tenancies only for the following types of rentals:

- Single-family residential property.
- Multiple-family residential property.
- Occasionally, instead of a lease where commercial or industrial month-to-month tenancies are involved.
- Vacant land only when necessary to execute a lease or rental agreement. This applies to vacant land, other than agricultural, or land with improvements retained by the grantor. Exhibit 11-EX-A, Residential Rental Agreement, may be modified to comply with actual conditions or when special situations arise upon approval of the DDC-R/W or designee.

11.07.19.00 Courtesy Notice of Termination

The Department’s policy is to provide all tenants who are not eligible for relocation benefits an informal courtesy letter of the state’s intention to terminate their tenancies at least 90 days before the required termination date. This requirement does not alter the state’s authority to terminate on a 30-day or 60-day notice as provided in the standard rental agreement when such notice is absolutely necessary.

11.07.20.00 Rental Refunds

The district shall return any unearned rents to tenants who give proper notice and vacate the property in good condition. The rents owed for a partial month shall be prorated on a 30-day month basis in accordance with Exhibit 11-EX-5, Rent Proration Examples. Prorated rent cannot exceed the monthly rent. Tenant is responsible for rent covering the period of time up to, and including, the date of vacation. If property is vacated on the last day of the month, tenant is responsible for the entire month, and rent is not prorated regardless of the number of days in the month.

- **Tenant Has Paid Rent in Advance and Vacates the Premises on Their Own Volition Before the Rental Term Expires** - The district will make a refund for the difference between the amount paid in advance and the amount owed for the partial month, provided there is no delinquent rent, and the tenant has provided proper notice and is leaving the premises in good condition.
- **Tenant Has Paid Rent in Advance and Vacates the Premises at the State’s Request Before the Rental Term Expires** - A refund will be made for the difference between the amount paid in advance and the amount owed for the partial month.
- **Tenant Has Not Paid Rent in Advance and Vacates the Premises Before the Rental Term Expires** - The tenant will be responsible for the period of time up to, and including, the date that vacation of the premises was discovered or enforced. Every effort must be made to collect the amount due.

All requests to Accounting or adjustments to the account will be made utilizing the RWPS Adjustment Request Screen.

The district may waive the requirement that a tenant provide a termination notice when vacating property under a rental agreement.

11.07.20.01 **Leases**

Refunds will be made of rent collected for the period subsequent to the termination date of the lease. The termination date is determined pursuant to the notification of termination by the state or lessee as required by the lease.

11.07.21.00 **Notices**

The Department may use the following notices:

- 3-Day Notice to Pay or Quit, Form RW 11-11
- 3-Day Notice to Correct Breach of Covenant or Quit (Curable), Form RW 11-12
- 3-Day Notice to Quit for Breach of Covenant (Incurable), Form RW 11-13
- Notice of Termination of Tenancy and Notice to Quit, Form RW 11-10

Form RW 11-10, Notice of Termination of Tenancy and Notice to Quit, can be utilized as a 30-Day Notice or a 60-Day Notice. California Civil Code Section 1946.1(b) requires owners of **residential dwellings** giving notice to give notice at least 60 days prior to the proposed date of termination.

Section 1946.1(c) allows an owner of a residential dwelling to give notice at least 30 days prior to the proposed date of termination if the tenant has resided in the dwelling for less than one year.

Section 1946.1(d) allows for the owner of a residential dwelling to give notice at least 30 days prior to the proposed date of termination if all of the following are true:

1. The dwelling or unit is alienable separate from the title to any other dwelling unit.
2. The owner has contracted to sell the dwelling or unit to a bona fide purchaser for value and has established as escrow with a licensed escrow agent, as defined in Sections 17004 and 17200 of the Financial Code, or a licensed real estate broker, as defined in Section 10131 of the Business and Professions Code.
3. The purchaser is a natural person or persons.
4. The notice is given no more than 120 days after the escrow has been established.
5. Notice was not previously given to the tenant pursuant to this section.
6. The purchaser in good faith intends to reside in the property for at least one full year after the termination of the tenancy.

All nonresidential tenancies should receive a 30-day notice prior to termination.

11.07.22.00 **Cancellation - Failure to Pay Rent**

RW 11-11, 3-Day Notice to Pay Rent or Quit, shall be used to cancel a rental agreement or lease where the tenant is delinquent in rental payments. Notice shall be served upon the tenant as specified in Section 11.08.04.00.

If the tenant is eligible for relocation benefits, Property Management must notify the RAP Unit of the delinquency.

During the three-day period after service of the 3-day notice, the state must accept full payment of rent due when offered by the tenant. Acceptance of full rent due nullifies the 3-day notice. After the end of the three-day period, the state may refuse payment and continue with the eviction process. If payment is accepted after the three-day period, however, the notice is nullified. Entering the date of service of 3-day notice in the 3-Day Notice field of the RWPS Delinquent Tenancy Screen will electronically notify Accounting not to accept rent payments after the three-day period.

11.07.23.00 **Cancellation - Notice to Vacate For Reasons Other Than Failure to Pay Rent**

Where the tenant is not delinquent in their rent and the state wishes to terminate a rental agreement or lease that contains a 30-day or 60-day termination clause, RW 11-10, Notice of Termination of Tenancy and Notice to Quit, shall be used.

The notice shall be served in the manner described in Section 11.08.04.00. Refund policy is described above. The notice may be modified to provide for various lease termination requirements such as a longer time frame.

11.07.24.00 **Cancellation - Breach of Covenant**

When it is necessary to cancel a lease or rental agreement where the tenant has breached a covenant of the agreement with the state, RW 11-12, 3-Day Notice to Correct Breach of Covenant or Quit (Curable Breach), or RW 11-13, 3-Day Notice to Quit for Breach of Covenant (Incurable Breach), may be used.

Notice shall be served upon the tenant as specified in Section 11.08.04.00.

If the tenant is eligible for relocation benefits, Property Management must notify the RAP Unit of the breach.

Curable breaches include anything that can be cured or corrected by payment of money (e.g., late fees, deposits, insurance, and bonds) and may also include, for example, unapproved pets, excessive garbage or debris, and unauthorized use.

Incurable breaches cannot be cured once committed and include, for example, nuisance, committing waste and subleasing or assignment without prior state approval.

11.07.25.00 **Departmental Use of State-Owned Property**

Properties managed by Property Management may be used temporarily by other district functions if such use is within local government requirements. Although no rent will be charged, the user will be responsible for all maintenance costs, remodeling costs, and any costs necessary to return the property to its original condition.

11.07.26.00 **Termination Requirements**

California Civil Code Section 1950.5 requires the following process for residential tenancy, which began after January 1, 2003:

- Within a reasonable time after either party gave notice of termination, the landlord shall notify the tenant **in writing** of the tenant's option to request an initial inspection and to be present at that inspection. (Exhibit 11-EX-6, Landlord's Notice of Termination, when the Department gives notice; and Exhibit 11-EX-6B, Notice of Right to Inspection, when the tenant gives notice.)

- At a reasonable time, but no earlier than two weeks before the termination or the end of the rental agreement or lease, the landlord shall, upon the request of the tenant, make an initial inspection of the premises prior to any final inspection the landlord makes after the tenant has vacated the premises. (Exhibit 11-EX-6D, Initial Vacancy Inspection and Statement of Proposed Security Deductions.) This will allow the tenant an opportunity to remedy identified deficiencies in order to avoid deductions from the security deposit. The tenant's request does not have to be in writing; thus, it is mandatory to make a diary entry in reference to the tenant's desires.
- If the tenant requests an inspection, the parties shall attempt to schedule the inspection at a mutually acceptable date and time. The landlord shall give at least 48 hours' prior **written** notice of the date and time of the inspection. (Exhibit 11-EX-6C, Waiver of 48-Hour Notice of Initial Inspection.) This applies even if both parties have agreed to an acceptable date and time. The 48-hour prior written notice can be waived if both parties sign a written waiver.
- The landlord shall proceed with the inspection whether the tenant is present or not, unless the tenant previously withdrew his or her request for the inspection.
- Based on the findings of the inspection, the landlord shall give the tenant an itemized statement specifying repairs or cleaning that are proposed to be the basis of any deductions from the security deposit. (Exhibit 11-EX-6D, Initial Vacancy Inspection and Statement of Proposed Security Deductions.) This statement shall be given to the tenant, if the tenant is present for the inspection, or shall be left inside the premises if the tenant is not present for the inspection. (This statement is not to be confused with nor does it replace the requirement to furnish the tenant within three weeks an itemized statement indicating the basis for, and the amount of, any security deposit withheld.)
- The landlord may use the security deposit to remedy any situation that occurs after the initial inspection or was not identified during the initial inspection due to the presence of the tenant's possessions.
- If a tenant chooses not to request an initial inspection, the duties of the landlord are discharged. It is mandatory to make a diary entry indicating the tenant has not opted for an inspection.

11.08.00.00 - DELINQUENT ACCOUNTS

11.08.01.00 General

All rents shall be collected in accordance with the terms and conditions of the lease or rental agreement. Our standard monthly rental agreement provides that rent is due in advance on the 1st of the month. Rent not received by the 1st of the month is delinquent.

The agreement further provides that a late charge will be charged if the rent is not received by the 10th of the month. A postmark prior to the 10th of the month does not constitute receipt by the 10th of the month.

11.08.02.00 Suggested Methods of Collection

The Agent should notify the tenant personally by telephone or letter that rent is delinquent and must be paid. In many cases, the tenant will pay the rent after this contact and will be prompt in paying thereafter. If the tenant is delinquent again the following month, however, the Agent shall send a strongly worded letter. If the Agent elects to enter into a payment plan agreement, the agreement shall be in writing and approved by the Branch Chief (Senior level or above). If the tenant fails to make a payment plan payment, a 30-day or 60-day notice will be served immediately. No further payment plans or compromises will be offered. Payment plans are not to be used as a regular way of doing business, but for those exceptional cases where payment plans are warranted.

If a tenant has been delinquent for three consecutive months, terminating the tenancy may be in order even though the rent is eventually paid each month. If the situation warrants, vacancy may be requested prior to this time. The Property Manager shall make this decision.

11.08.03.00 3-Day Notice to Pay Rent or Quit

If rent is not paid immediately after the contacts and letter, the Agent shall serve a 3-day notice demanding that the tenant pay the total rent delinquency within three days or vacate the property. The 3-day notice should cover the current month's rent, plus any previous period of delinquency that may still be unpaid. The Agent shall immediately start eviction proceedings upon expiration of the three days (see Form RW 11-11, 3-Day Notice to Pay Rent or Quit). The Agent shall send copies of eviction notices and other related documents to Headquarters Cashiering to stop acceptance of payment. Partial or total acceptance of payment will forfeit the legal effect of the 3-day notice.

If a tenant is chronically delinquent but not currently delinquent, a 30-day or 60-day notice terminating the tenancy may be in order (see RW 11-10, Notice of Termination of Tenancy and Notice to Quit). If a 30-day or 60-day notice is served after a 3-day notice has been served, the legal effect of the 3-day notice is lost.

A 3-Day Notice to Pay or Quit and a Notice of Termination of Tenancy and Notice to Quit may be served concurrently. This process may be used when you want to collect some money from the tenant but still wish to proceed with an eviction. Even though money is accepted, thus forfeiting the legal effect of the 3-Day Notice to Pay or Quit, it does not cancel the Notice of Termination of Tenancy and Notice to Quit.

See Section 11.07.21.00, Notices, for additional information and requirements in regard to serving notices to vacate or to terminate the tenancy.

11.08.04.00 Method of Service of Notices

The landlord's right to serve a 3-day notice to pay rent or quit is provided for in Code of Civil Procedures (CCP) Section 1161. The 3-day notice is served to the delinquent tenant for the total amount of unpaid rent as of the day of service.

Service of a 3-day notice or a 30/60-day notice is governed by CCP Section 1162 and shall be made as follows:

- By delivering a copy to the tenant personally.
- If he or she is absent from his or her place of residence, and from his or her usual place of business, by leaving a copy with some person of suitable age and discretion at either place, and sending a copy through the mail addressed to the tenant at his or her place of residence.
- If such place of residence and business cannot be ascertained, or a person of suitable age or discretion cannot be found, then by affixing a copy in a conspicuous place on the property, and also delivering a copy to a person there residing, if such person can be found; and also sending a copy through the mail addressed to the tenant at the place where the property is situated. Service upon a subtenant may be made in the same manner. The effective start date of the 3-day notice is one day following the postmark date.
- Service of a notice on a corporation differs slightly in that the notice must be served on a corporate officer or an authorized agent of the corporation who will accept on behalf of the corporation.

For practical purposes, “a person of suitable age and discretion” should be over 18 years of age.

Ordinary mail may be used when mailing copies of notices. To substantiate service, the server shall execute a proof of service by posting and shall place a copy in the rental file. As an alternative, the tenant’s copy may be sent certified mail, in which case the Agent does not need to sign a proof of service. The certified mail receipt shall be placed in the rental file.

The Agent shall make a diligent effort to effect personal service since that is the most effective and uncomplicated method of service.

NOTE: If the tenant is eligible for relocation benefits, region/district policy may require that the RAP Unit serve the notice. At the least, Property Management must coordinate service with the RAP Unit to ensure the tenant is advised of their continuing rights in regard to relocation assistance. See Chapter 10, Relocation Assistance.

The Agent shall send copies of a 3-day notice, eviction notice, or any other related documents to Headquarters Cashiering to stop acceptance of payment. Partial or total acceptance of payment will forfeit the legal effect of the notice.

11.08.05.00 Legal Remedies for Collection and Procedures

Various legal procedures are available to Agents for specific purposes. Agents should bear in mind, however, that they are not attorneys and shall obtain all legal advice and interpretations from Legal.

The state shall resort to legal proceedings to effect rent collection and/or eviction of delinquent tenants because of nonperformance of contractual obligations, usually nonpayment of rent. In addition, unlawful detainers are sometimes necessary for property clearance to meet certification dates. General procedures are outlined in Exhibit 11-EX-7, District Right of Way Procedure: Vacating Premises - Unlawful Detainer Action. Since procedures may vary from one judicial district to the next, it is incumbent upon Agents to discover the general requirements for their areas of responsibility.

11.08.06.00 Dishonored Checks

If a tenant/lessee has a dishonored check returned to the Department for any reason, payment is considered not received. There will be a \$25 fee automatically charged to the account for the first dishonored check and a \$35 fee charged for the second dishonored check in a 12-month period. If tenant/lessee fails to submit an acceptable replacement payment by the 10th of the month, the account will be considered delinquent and a late fee will be assessed.

If tenant/lessee has two dishonored checks within any 12-month period, the Department will no longer accept personal checks on that tenancy.

11.08.07.00 **Late Charges**

A late charge shall be assessed if the full amount of rent is not received on or before the 10th of each month. The late charge covers damages resulting from breach of the lease or rental agreement. The amount is determined by using 6% of the monthly rent as a guideline and shall not exceed 10%. The amount is entered in the late payment clause in the rental/lease agreement. Late charges may be waived for government agencies.

NOTE: The 6% figure is based on the figure relating to mortgages or deeds of trust in the California Civil Code and is generally used by the property management industry. The 10% figure is related to the maximum rate of interest in California chargeable by most persons (voluntary usury).

11.08.08.00 **Vacated Delinquencies**

When a delinquent tenant vacates and does not leave a forwarding address, the district has 15 calendar days to conduct an investigation to locate the former tenant before further collection efforts proceed. The district does not, however, have to wait until the end of the 15 days to submit the account to the Division of Accounting, R/W Accounts Receivable.

The following are sources of information that may lead to the former tenant's whereabouts:

- Certified mail with return receipt requested sent to the tenant's last address.
- Utility companies that show transfer of service.
- Banks, places of employment, or other references that may be listed on the tenant's rental application.
- Labor union affiliations, depending upon the tenant's profession.
- Department of Motor Vehicles, using driver's license number, California ID number, or car license number from the application.

As soon as a delinquent tenant vacates, the district should process the vacated tenancy through the RWPS Adjustment Screen. Within 15 days, the district should refer the account to Accounting for write-off or for referral to the collection agency for further collection efforts.

11.08.08.01 **Amounts \$250 or Less**

If the delinquent amount is \$250 or less, the district forwards completed Form RW 11-25, Authorization to Write Off or Adjust Accounts Receivable Bill, to Accounting and requests write-off of the account through the RWPS Adjustment Screen. The write-off request should include a brief justification (e.g., collection efforts are not cost effective based on Board of Control guidelines).

Accounting will immediately write off the account. If the delinquent amount is over \$100 and the delinquent tenant's Social Security Number is known, Accounting will submit the account to the Franchise Tax Board (FTB) for two successive years only. However, the Intercept Program is for intercepting refunds of Personal Income Tax accounts only and cannot be used for corporations or partnerships.

If all or a portion of the delinquent amount is collected, either through the FTB Intercept Program or from the vacated tenant, Accounting will reestablish the receivable account.

11.08.08.02 Amounts Greater Than \$250

If the delinquent amount is greater than \$250, the district prepares an Exhibit 11-EX-39, Collection Agency Transmittal, and forwards it to Accounting with the required documentation listed below. The vacancy date and amount due will be of critical importance if the collection agency pursues legal action against the debtor, and the district is responsible for ensuring the accuracy of this information. In addition, the district must enter the date the collection package is forwarded to Accounting on the Delinquent Tenancy Screen (TPR521M) in RWPS.

- Copy of first and last pages of rental agreement
- Copy of rental application
- New address documentation
- Copy of note about efforts to collect
- Copy of judgment
- Copy of voided check
- Copy of driver's license or California identification card

Accounting will verify the amount owed and forward the collection package to the collection agency under contract to the Department. In addition, Accounting will submit accounts with Social Security Numbers to FTB under terms of its Intercept Program.

Once an account is referred to the collection agency, Accounting takes on all responsibility for the account and makes all further contact with the collection agency. Any calls or letters from the delinquent tenant should be referred to the collection agency for response. **Under no circumstances should the district enter into a repayment plan with the delinquent tenant.**

In accordance with terms of the contract, the collection agency will submit a monthly report to Accounting showing the status of all accounts referred to them for collection. Accounting will forward a copy of the report to HQ R/W to be shared with the districts.

Under terms agreed to among the collection agency, Accounting and HQ R/W, Accounting will write off accounts that are deemed to be uncollectable. If all or a portion of the delinquent amount is subsequently collected, Accounting will reestablish the receivable account.

11.09.00.00 - RENTAL INTERNAL CONTROLS

11.09.01.00 Policy

To protect the integrity of the Department's rental assets and to protect employees handling those assets from accusations of fraud, the following control activities shall be performed for each acquired property. These activities shall be fully documented in the rental file to facilitate audit and management review.

- Information on newly acquired property shall be entered in RWPS as soon as the information is available.
- Improved non-rentable properties shall be inspected at least once a month.
- The rental file shall contain justification for classifying any property as non-rentable.
- Unimproved non-rentable and occupied rentable properties shall be inspected at least once a year.
- Vacated rentable properties shall be inspected within 15 days of any vacancy and at least once a month thereafter. Vacated rentable properties are those having more than a remote chance of being rented for a reasonable time prior to construction.
- Rentable occupied properties shall be subject to a confirming process of tenant interviews and tenant letters.

The sections below contain descriptions of major steps in the internal control process. The Property Manager or designee shall perform many of the specified control activities (such as inspections and reviews). The designee must be a R/W Agent at the associate level or above but must not, however, be the Agent assigned rental management duties for the specific property/rental account.

11.09.02.00 Newly Acquired Property Closure Procedure

11.09.02.01 Office Review

Upon execution of a R/W Contract or recordation of an FOC, the Acquisition Agent (or Condemnation Agent for an FOC) shall send an MOS, RW 8-12, to Property Management with a copy of the R/W Contract or FOC as appropriate. The parcel should be assigned to the Agent responsible for the territory. The Agent shall review and be familiar with the documents and the appraisal involved.

11.09.02.02 Field Review

In the majority of cases where property is acquired under R/W Contract, there will be a period of time, usually 3 to 6 weeks, between receipt of these documents and close of escrow or recordation. Whenever possible, the Agent should contact the occupants prior to close of escrow to discuss the terms of rental occupancy. The Agent should read the R/W Contract carefully to determine any special conditions imposed that might affect, for example, the rental rate, term of occupancy, rental commencement date, or special disposition of acquired property. The Agent should notify the occupants of obligations to comply with all federal, state and local laws and ordinances, including those for storm water, and of the availability of storm water education and outreach guidance materials.

Where property is acquired through an FOC, the Agent shall take immediate action to contact the occupants since rental commences on the day following recordation of the FOC.

11.09.03.00 Vacated Rentable Property

The Property Manager or designee shall inspect all vacated rentable properties within 15 days after vacancies occur or are discovered and not less than once a month thereafter. The inspections shall be documented on the vacancy report in the rental file. At least annually, one of the inspections shall be done concurrently with a maintenance inspection and documented as required under Section 11.10.06.00.

11.09.03.01 Agent Activities

When a tenant vacates, the Agent shall thoroughly inspect and secure the property as soon thereafter as possible. Prior arrangements shall be made to obtain the keys from the vacating tenant. Upon receipt of the keys, the Agent shall accomplish the following:

- Inspect the property and, when necessary, prepare a request to have trash removed, improvements boarded up, hazardous conditions abated, or necessary maintenance performed.
- Perform an inventory of all items purchased by the state and place appropriate documentation in the rental file.
- Determine whether the property should be boarded up to provide protection against vandalism and theft.
- Report any lost or stolen property in accordance with procedures in Section 11.03.09.00.
- Prepare the necessary accounting documents to close the tenant's file.

11.09.03.02 Property Manager Activities

The Property Manager or designee shall complete the first verification of vacancy status within 15 days after vacancy occurs and shall discuss each vacated rentable property not less than once a month with the Agent. Monthly field reviews shall be made to assure that the properties are still vacant. Every effort should be made to rent those properties. Documentation of office and field reviews shall be kept in district files for audit.

11.09.04.00 Occupied Rentable Property

Field inspections of occupied properties shall be made at least annually to ensure the properties are maintained as well as or better than other properties in the neighborhood. Section 1954 of the California Civil Code (Civil Code) allows a landlord to enter the dwelling unit in case of emergency, to make necessary or agreed repairs, decorations, alterations or improvements, supply necessary or agreed services, or exhibit the dwelling unit to prospective or actual purchasers, mortgagees, tenants, workers, or contractors or to make an inspection pursuant to subdivision (f) of California Civil Code Section 1950.5, when the tenant has abandoned or surrendered the premises, or pursuant to court order. Except in cases of emergency or when the tenant has abandoned or surrendered the premises, entry may not be made during other than normal business hours unless the tenant consents to an entry during other than normal business hours at the time of entry. The landlord shall give the tenant "reasonable" notice in writing of his or her intent to enter and enter only during normal business hours. The notice shall include the date, approximate time, and purpose of the entry. The notice may be personally delivered to the tenant, left with someone of a suitable age and discretion at the premises, or, left on, near, or under the usual entry door of the premises in a manner in which a reasonable person would discover the notice. Twenty-four (24) hours shall be presumed to be reasonable notice in absence of evidence to the contrary. The notice may be mailed to the tenant. Mailing of the notice at least six days prior to an intended entry is presumed reasonable notice in the absence of evidence to the contrary. See Section 1954 of the Civil Code for further requirements.

In addition, Right of Way manages its properties consistent with cities/counties that have municipal separate storm sewer systems (also known as MS4s) and the objectives of the Department's Storm Water Management Plan (SWMP). Leased properties are inspected to ensure tenants are maintaining properties in a neat and orderly manner, with no illicit discharges, and with proper storage of materials. Leases with certain types of industrial activity must have coverage under the State Water Resource Control Board's General Industrial Permit, and the tenant is required to provide documentation of such coverage. Observing lease activities during inspection, along with the tenant's Standard Industrial Classification (SIC) Code, will help determine whether such coverage is needed. The storm water inspection should be conducted at the same time as the regular property inspection.

Upon completion of the field inspection, a copy of the completed inspection form will be offered to the tenant/lessee. The inspection forms for residential and nonresidential leases are as follows:

- Exhibits 11-EX-54 (Residential Property Inspection) and 11-EX-54SW (Residential Storm Water Inspection), or
- Exhibits 11-EX-55 (Non-Residential Property Inspection) and 11-EX-55SW (Non-Residential Storm Water Inspection).

11.09.04.01 Tenant Verification

Occupied rentable property shall be subject to a confirming process consisting of tenant interviews and letters to tenants to verify occupancy dates, rental rates, and deposits. The Division of Accounting and District Right of Way shall conduct this process on a sample basis shortly after tenancy commences.

Accounting shall send confirmation letters to newly inherited and re-rental tenants by using the sampling formula below:

- 100% for the first 10 new tenants each month.
- 20% of all new tenants over 10 each month.

Accounting will compare responses against rental records to confirm data and shall retain responses for audit purposes. Accounting will refer any unreconciled accounts and nonresponses to the Property Manager for personal verification.

The Property Manager or designee will personally verify the data with each tenant when there is an unreconciled item or nonresponse and shall document verification in the rental file.

11.09.04.02 Confirming Process

Occupied rentable property shall be subject to a confirming process consisting of tenant interviews and letters to tenants to verify occupancy dates, rental rate, and deposits. The Division of Accounting will conduct this process on a sample basis shortly after a tenancy commences or when any changes are made to an existing tenancy.

Accounting will compare responses against rental records to confirm data and shall retain responses for audit purposes. Accounting will refer any unreconciled accounts and nonresponses to the Senior Right of Way Agent in Property Management (Senior) for personal verification.

The Senior will personally verify the data with each tenant when there is an unreconciled item or nonresponse and shall document verification in the rental file.

11.09.05.00 **Non-Rentable Property**

All non-rentable properties must be continuously accounted for and periodically inspected in the field to assure continued vacancy. New agents shall be advised of all non-rentable properties within their areas of responsibility.

Districts shall conduct field inspections of non-rentable properties to determine their condition and reevaluate their status and shall retain documentation of these inspections in the district files. Unimproved properties shall be inspected at least yearly, and improved properties shall be inspected at least monthly. These inspections may be combined with required maintenance inspections, which shall be documented as required under Section 11.10.06.00.

11.09.06.00 **Rental Accounting and Cash Handling**

11.09.06.01 **New Accounts**

At the time a new tenancy is created, one month's rent or the prorated amount due for the balance of the month shall be collected. A security deposit shall also be collected prior to commencement of tenancy in accordance with Section 11.07.12.00.

11.09.06.02 **Rental Payments**

As standard procedure, tenants shall submit rental payments directly to Accounting. Only in unforeseen and emergency situations (e.g., tenant being served a 3-day notice to pay or quit, or having a medical or financial condition that prevents the tenant from paying the rent according to the terms and conditions of the rental agreement) may an Agent accept payment from a tenant in accordance with the following procedures:

- **Check/Money Order** - Endorse and mail (by overnight courier if possible) to Accounting at the following address:
 Department of Transportation
 Attention Cashiering Deposits, MS #58
 P. O. Box 168019
 Sacramento, CA 95816-8019
- **Cash** - Convert the currency and coins to a money order or cashier's check. Endorse the money order or cashier's check and immediately forward to Accounting at the above address.

All checks/money orders received by the offices via incoming mail, dropped off at the counter by customer, or received by an Agent must be endorsed immediately upon receipt. The endorsement is stamped on the back of the check/money order as close to the top as possible, above the endorsement signature line.

The District Cashier should be used only as a last resort.

If the tenancy account is not set up in the RWPS, the check, money order, or cash must be deposited in Account 84 (Suspense Account). The tenancy account shall be created as soon as the information is available. Upon creating the tenancy account, any monies deposited in Account 84 must be transferred to the tenancy account immediately by completing an Adjustment Screen.

11.09.06.03 **Receipts**

As a good business practice, Cash Receipts (Form FA 285) shall be issued to record receipt of (1) cash or currency or (2) check or money order in all instances. District R/W employees must request cash receipt books from the District Cashier.

Refer to “Cash Handling Policy” memorandum dated August 18, 1995 (Exhibit 11-EX-2) and “Cash Receipt Book Procedures” dated December 1998 (Exhibit 11-EX-2A) for additional information on completing Cash Receipts, Form FA 285.

11.09.07.00 **Termination of Rental Accounts**

The district shall use the RWPS Adjustment Request Screen to terminate accounts, to authorize refunds of rent or security deposits, and to notify Accounting of amounts to be charged for damages.

11.09.08.00 **Rental Offsets**

Rental offsets are allowed for work done by tenants with prior written approval from the Property Manager (Senior) or Supervisor, depending on the offset amount. Work done under rental offset must be inspected by the Department to assure it has been completed in a satisfactory manner. See Section 11.10.16.00 for detailed information.

11.09.09.00 **Non-Offsetting Maintenance**

Contractors hired by the state perform non-offsetting maintenance. The Property Manager must approve receipts and bills for non-offsetting maintenance using the RWPS Maintenance Module.

NOTES:

11.10.00.00 - PROPERTY MAINTENANCE AND REHABILITATION

11.10.01.00 General

All property shall be maintained in a safe and hazard-free condition. Nonresidential property repairs shall be limited to major items such as roofs, structural weaknesses, main sewer lines, electrical deficiencies, and water service pipes to fixtures. Residential rental properties will be maintained in a manner that reflects credit on the state and enhances local community values. Certain repairs must be performed on residential property to derive appropriate rental income, improve community relations, and conform to existing laws and ordinances.

As a general rule, the tenant shall be required to provide normal yard care (watering, mowing, weeding, and trash and junk removal). Tenant's failure to provide such care is a justifiable reason for terminating tenancy.

Under Health and Safety Code Sections 17980.6, 17980.7, and 17980.8, the state has a specific legal obligation to keep the premises in a condition fit for human occupancy. If necessary repairs require the tenant to relocate, the state must pay reasonable relocation costs. See R/W Manual Section 10.10.00.00 and contact District RAP Unit for assistance.

Displaced tenants must be given written notice of the first right to reoccupy the property after it is rehabilitated.

The state is also responsible for reasonable and actual costs to the enforcement agency that issued the citation, including the agency's cost to abate the nuisance if the state does not do so in compliance with the citation and applicable code sections.

11.10.01.01 Storm Water Management

Properties shall be managed to prevent the discharge of pollutants into storm water drainage systems. Property Management will use standardized lease language that addresses storm water pollution prevention by the lessee/tenant in new and renewed leases. The lease language requires the implementation of storm water best management practices (BMPs) that are activity specific and elimination of illicit connections and illegal discharges to the storm drain system. Storm water education and outreach materials that include storm water pollution prevention fact sheets will be provided to the lessee/tenant. The fact sheets contain the BMPs that are applicable to the lessee's activities.

Lessees are required to comply with all federal, state and local storm water laws and ordinances. This would include operators of certain industrial activities to obtain coverage under the General Permit for Storm Water Discharges Associated with Industrial Activity (General Industrial Permit) issued by the State Water Resources Control Board (SWRCB). The District will maintain a list of leases with industrial activities that require coverage under the General Industrial Permit. Lessees with coverage under the General Industrial Permit should provide the District with a copy of the following: Notice of Intent (or No Exposure Certification) filed with the SWRCB; Receipt Letter with Waste Discharge Identification (WDID) number; SWPPP prepared in compliance with the General Industrial Permit.

The Department's Statewide Storm Water Permit and Storm Water Management Plan (SWMP) cover transportation corridors, facilities and activities (including employee housing at maintenance stations) within the Department's municipal separate storm sewer system (MS4). Except for employee housing, Property Management leases are on lands held for future construction or excess lands. Therefore, rather than the Department's MS4, these properties generally discharge to local agency municipal separate storm sewer systems (local MS4) and are subject to their storm water requirements. However, Property Management manages its properties consistent with local MS4s by inspecting properties to ensure lessees comply with the terms of their lease, maintain the property and use storm water best management practices.

Refer to the Right-of-Way Property Management and Airspace Storm Water Guidance Manual for storm water pollution prevention BMP fact sheets, guidance materials and compliance procedures.

11.10.02.00 Asbestos and Lead Paint

Removal, disposal, or disturbance of asbestos and lead-based paint in conjunction with maintenance of property shall be in compliance with all state and federal requirements. If Property Management suspects the presence of such materials, it shall obtain surveys prior to starting any maintenance that would disturb the materials. Regarding lead-based paint, special attention should be given to residential properties constructed prior to 1978 since lead-based paint was widely used prior to that time. Standard property maintenance contract clauses specify how the contractor should deal with these materials.

11.10.03.00 Maintenance Expenditure Guidelines

11.10.03.01 Vacant and Non-Rentable Property

All vacant and non-rentable properties shall be maintained in a manner that will reflect credit on the state and preserve local community values. In essence, this means that all state-owned properties shall be maintained as well as or better than other properties in the neighborhood.

All vacant and non-rentable properties shall be kept free of safety or health risks. This may include fencing of the property, boarding up doors and windows, installing outdoor lighting such as sensor lighting, etc. Where appropriate, the hiring of private security services may be warranted.

11.10.03.02 Rented State-Owned Property

Maintenance expenditures by the state shall be governed as follows:

- **Commercial or Industrial Lease (11-EX-B)** - Major repairs only shall be made to the roof, main sewer lines, and water service pipes to fixtures. Tenants shall do all interior work at their own expense. Deviation from this policy will be allowed only when it would be in the state's best interest with the DD's or authorized delegate's approval prior to start of work.
- **Master Tenancy Agreement (11-EX-23)** - For "Master Tenant Controlled Units," the state shall make no improvements or repairs of any nature whatsoever. Deviation from this policy will be allowed only when it would be in the state's best interest with the DD's or authorized delegate's approval prior to start of work.
- **Agricultural Lease (11-EX-C)** - The state shall make no improvements or repairs of any nature whatsoever. Deviation from this policy will be allowed only when it would be in the state's best interest with the DD's or authorized delegate's approval prior to start of work.
- **Advertising Structure Agreement (11-EX-D)** - The state will make no repairs and perform no maintenance whatsoever on the advertising structure.
- **Rental Agreement, Month-to-Month Tenancy (11-EX-A)** - Maintenance expenditures will be governed by exercising judgment at the region/district level that is commensurate with good business practices and within the limits set forth in this chapter of the R/W Manual. Some of the more common maintenance and repair services the state should provide include, but should not be limited to, exterior and interior painting, yard maintenance, and repair or replacement of plumbing, electrical facilities, roofs, windows, heaters, and built-in appliances.

11.10.04.00 Health and Safety Requirements

Exterior Areas

All state property shall be maintained in a clean and orderly condition so as not to detract from the general appearance of the neighborhood. If this condition is not met, the Agent shall investigate further and implement one or more of the following corrective measures to improve the property's appearance:

- Perform weed abatement.
- Remove dead and diseased trees.
- Remove litter and post proper signs.
- Eliminate or reduce safety hazards; e.g., by filling or capping wells; filling holes, caves, and ponds; and erecting barricades where necessary.
- Remove attractive nuisances such as abandoned cars, refrigerators, and freezers.
- Post proper signs to reduce trespassing such as illegal parking or storage.

If the property is tenant-occupied and its appearance does not meet neighborhood standards, the Agent shall immediately notify the tenant verbally and in writing that the unsuitable conditions must be corrected (see Exhibit 11-EX-8, Correction Notice - Unsuitable Conditions).

When it is necessary to clear weeds or diseased trees or to correct an unsafe or unsanitary condition, Property Management may enter into a service contract with a local municipality or private contractor for performance of the necessary work. Refer to the Service Contracts Manual for additional information on service contracts.

Interior Areas

Any property condition that may affect health and safety of occupants should be investigated as soon as possible. If a tenant notifies Right of Way (R/W) of an adverse condition affecting health and safety, R/W will inspect the property no later than the next business day. Certain situations, such as those involving hazardous materials, structural problems, mold, etc., will require hiring a professional with expertise to inspect and report on the nature and extent of the problem, and provide recommendations to remedy the situation.

If a tenant notifies R/W of a health and safety issue, the district should send the tenant a letter confirming the outcome of the agent's and, if applicable, the professional's inspection and how the problem, if any, will be resolved. If the inspection did not reveal a problem, the district should still send a written response to the tenant confirming the outcome of the inspection. All such investigations, resolutions, if any, and communications with the tenant must be documented in the property file.

11.10.05.00 Exterior and Interior Appearance of Improved Properties

Agents must thoroughly inspect all vacant or occupied properties to ensure the properties are being maintained properly to preserve the neighborhood's appearance. In particular, Agents shall observe conditions outlined in the table entitled "Inspection of Improved Properties." Whenever adverse conditions are found, the Agent shall investigate and take appropriate corrective action.

INSPECTION OF IMPROVED PROPERTIES	
Occupancy	Areas of Concern
Tenant-Occupied Property Exterior	<ul style="list-style-type: none"> • Yard areas should be properly watered, mowed, and weeded and should generally reflect a clean and orderly condition. • There should be no broken windowpanes or boarded-up windows. • Painted surfaces shall not be peeling or greatly discolored, and the stucco, wood, or concrete block should not be deteriorating. • The roof should not be segregating, sagging, or leaking. • There should be no structural deficiencies such as broken stairs, ceilings, garage doors, or fences. • Swimming pools should be properly maintained. • Window and door screens should look presentable. • TV antennas should be erect and securely fastened.
Tenant-Occupied Property Interior	<ul style="list-style-type: none"> • All interior areas shall be maintained in a clean and orderly fashion so that full compliance with health and safety codes is evident. • There should be no broken electrical or plumbing fixtures or damaged appliances. • Interior areas should not show signs of water damage, water leaks, excessive moisture or mildew or other similar problems. • There should be no indications of rodents, pests or other similar problems. • The walls and ceilings should not be damaged and the paint, wallpaper, or paneling should not be noticeably deteriorating. • Floors, floor coverings, doors, cabinets, custom drapes, venetian blinds, heaters, and air conditioners should not be damaged or allowed to noticeably deteriorate.
Unoccupied Property That Will Be Re-Rented	All the physical conditions outlined above under “Tenant-Occupied Property - Exterior” and “Tenant-Occupied Property - Interior.”
Unoccupied Property That Will Not Be Re-Rented	<p>All the physical conditions outlined above under “Tenant-Occupied Property - Exterior” that are pertinent to preserving neighborhood appearance and values.</p> <p>The Agent should continue to inspect and supervise maintenance of the property until the Clearance and Demolition Unit assumes responsibility for clearance of improvements. Following clearance, Property Management is still responsible for inspection and maintenance of the unimproved property until it is turned over to Construction or sold as excess.</p> <p>If there is a known vandalism problem in the neighborhood, it may be advisable to board up the improvements if such action does not demote the general neighborhood appearance, does not create unfavorable public opinion, and has proven to deter vandalism.</p>

11.10.06.00 Field Inspections

Since nearly all state-owned property purchased for future highway use or related purposes is acquired considerably in advance of scheduled clearance requirements, sound management practices dictate that the state perform some replacement, rehabilitation, and maintenance to meet acceptable neighborhood standards. Additionally, the properties are to be managed in a manner that prevents the discharge of pollutants to storm water drainage systems and waterways. Consequently, field inspections by state personnel provide the method to achieve and maintain a desirable community relationship, and identify needs for property maintenance. Inspections also identify lessee activities that have potential to discharge pollutants into storm drainage systems. All Property Management Agents shall be responsible for periodically inspecting and documenting every rental account under their control.

DOCUMENTING INSPECTIONS		
Type of Property	Form	Explanation
Residential	11-EX-54, Residential Property Inspection, and 11-EX-54SW, Residential Storm Water Inspection	A checklist for interior and exterior inspections that is used for viewing the property, recording observations about its condition, and documenting any storm water concerns. All blanks are to be filled in and comments are to be made when deficiencies are noted. Tenants' comments and concerns are to be solicited and noted on the back of the form. Date of inspection must be entered into RWPMS. Copies of the inspection forms are to be signed by the supervisor and maintained in the file. A log shall be kept of the inspections noting all deficiencies and shall be used to document correction of deficiencies of residential properties.
Nonresidential	11-EX-55, Non-Residential Property Inspection, and 11-EX-55SW, Non-Residential Storm Water Inspection	Used to document inspections of rental properties on a periodic basis as part of the state's maintenance control program, record pertinent observations about the exterior and interior appearances of the properties, and document any storm water concerns. In addition to observations, the Agent shall record the rental account number, address of the property inspected, date of inspection, possible recommended maintenance, and date work completed. Date of inspection must be entered into RWPMS. These check sheets shall be filed in a master binder, one for each Agent, numerically by rental account number. Each master binder shall be filed in the district's Property Management office so it will be readily available for the Property Manager or other interested parties to review.
<p>Note: If a tenant notifies R/W of a health and safety issue, the district should send the tenant a letter confirming the outcome of the inspection and how the problem, if any, will be resolved. If the inspection did not reveal a problem, the district should still send a written response to the tenant confirming the outcome of the inspection. All such investigations, resolution, if any, and communications with the tenant must be documented in the property file.</p>		

Required frequency of field inspections is indicated below.

- **Agent** - Field inspections of all properties shall be made at least annually to ensure the properties are maintained as well as or better than other properties in the neighborhood.
- **Property Manager** - Field inspections or reviews by the Property Manager or authorized representative shall be performed at least annually to ensure the rental properties are maintained as well as or better than other properties in the neighborhood. Additionally, field inspections shall be performed at least annually to ensure rental properties are maintained to prevent storm water pollution. The Property Manager shall document inspections with any necessary comments on the inspection forms.

11.10.07.00 Rodent and Pest Control

Property maintenance inspections shall include a determination on whether rodent and pest control is necessary and shall be documented on:

- 11-EX-54, Residential Property Inspection.
- 11-EX-55, Non-Residential Property Inspection.
- 11-EX-56, Residential Property Occupancy and Vacancy Inspections.

Local health authorities or other qualified persons may make the inspections. Rodent and pest control measures shall be documented in the file.

If it is determined that extermination services are needed, assistance may be obtained from local health authorities or from licensed exterminators.

Contracts for exterminator services are subject to approval by Headquarters Maintenance to assure that no unauthorized chemicals are used on state property. (See Service Contracts Manual for further details.)

Property Management will prepare a Receiving Record when bills/invoices are received from the contractor and forward to Accounting for payment.

11.10.08.00 Smoke Detection Devices

Property Management is responsible for having approved smoke detectors installed in every occupied residential unit in accordance with Health and Safety Code, Section 13113.7 and Section 13113.8.

11.10.08.01 Installation and Type of Detector

All smoke detectors:

- Will be of the ionization type. According to the Fire Marshal's Office, the photoelectric type requires more maintenance.
- Will be hard-wired (110-120 volts AC).
- Must be of a type approved and listed by the State Fire Marshal. A monthly updated list is available at all State Fire Marshal offices.

- Must be installed in accordance with manufacturer's instructions, State Fire Marshal regulations, and applicable local codes and ordinances.
- Must be installed by a properly licensed person or company. The installer must obtain the required permits and have the work inspected by the proper local authority.
- Will be inspected by the Agent or a qualified contractor at least annually to ensure proper operation. Any needed repairs or maintenance shall be performed by a qualified person.

To ensure access to the rental unit, written notice will be given to the tenant at least 24 hours prior to installation and inspection.

All present rental agreements will contain or be amended to contain the Smoke Detection Clause when installation is completed.

11.10.08.02 Battery-Operated Smoke Devices

A battery-operated smoke detector may be substituted for a hard-wired detector where:

- A rental unit has six months or less left before it is permanently vacated, or
- The rental unit is located in a remote area, especially if the source of electric power is a generator or is subject to frequent outages.

All batteries must be changed annually at the time of the annual field inspection. The Agent should note the date the battery was changed on the Residential Property Inspection form, 11-EX-54. The above exceptions must be permitted by code or law and, when possible, the installation must be done by a properly licensed person or company that obtained the required permits and had the work inspected by the proper local authority.

11.10.09.00 Rehabilitation of Residential Property

The Department's policy is to upgrade and maintain housing at standards that meet the most recent edition of the Uniform Housing Code of the International Conference of Building Officials. Rehabilitation standards shall include safety and energy saving devices such as smoke detectors, ceiling insulation, and weather stripping. This rehabilitation policy shall apply to residential rental property on routes where construction is not imminent.

11.10.09.01 Inspections

The first step in the rehabilitation process is a code inspection to determine whether housing units are in compliance with the Uniform Housing Code. Inspections may be performed by qualified district personnel or under contract with local building inspectors. Each inspection will be documented in writing with a clear description of the property's condition and recommendations for work required to bring the property up to code.

Qualified district personnel or local building inspectors should also be used to monitor the contractor's work while it is being done and upon completion.

11.10.09.02 Specifications and Estimates

Qualified district personnel or licensed contractors shall prepare a description of work with specifications and cost estimates. Certain restrictions may prohibit a contractor who is hired as a consultant from bidding on a subsequent contract that he/she recommended, suggested, required, etc., in the consulting contract. When requesting a consulting service contract, inform DPAC of any follow-up contract that will be based on the recommendations or other end product of the consulting contract. (Note that general information gathering on commonly accepted industry practices is allowed. See Section 11.10.11.00.)

11.10.09.03 Public Works Contracts

Depending on scope of work, a project may require a public works contract. A public works contract is “an agreement for the erection, construction, alteration, repair, or improvement of any public structure, building, road, or other public improvement of any kind.” The type of work it covers is explained in Chapter 9 of the Caltrans Service Contracts Manual. As defined in Section 9.1.1 of the Service Contracts Manual, whole roof replacements, initial (first time) painting, replacement of heating/air conditioning systems, parking lot resurfacing, sidewalk repair, etc., are covered by public works contracts. Contact an analyst in the Division of Procurement and Contracts (DPAC) for more information if you are not sure what type of contract would be appropriate for your project. (Also, see Section 11.10.11.00 for a description of service contracts.)

Prior to requesting a public works contract, Property Management shall prepare a package for approval by the DDC. The package should include the following information:

- Description of work.
- Plans and specifications.
- Written estimate of cost.
- Economic justification. At a minimum, the economic justification should contain estimates of the property’s value in its present condition and its value after rehabilitation.
- Reasons why the work is necessary.
- Verification that funds are available.
- Status of the project for which the property was acquired, e.g., being held for construction or being considered for rescission with dates.

11.10.09.04 Public Works Contracts Under State Contract Act

Public Works projects that exceed a certain total cost as determined by the Department of Finance are subject to the State Contract Act (Public Contract Code 10100, et seq.) and will be handled as major contracts. The Department of Finance adjusts this cost limit every two years. Contact DPAC to find out whether your project will fall under the State Contract Act. Requests for contracts subject to the State Contract Act should be submitted to DPAC, who will determine if they or another office should process the request. Occasionally, Department of General Services might be involved, but DPAC will determine when this is necessary.

The package described in Section 11.10.09.03 and specifically the plans, specifications, and written estimate of cost must be approved by the DD or authorized delegate prior to requesting a contract that is covered under the State Contract Act.

11.10.09.05 Occupied Housing

Rehabilitation of occupied housing should be done only under the following circumstances:

- For minor interior work.
- With the tenant's prior consent.
- After an asbestos survey indicates there are no health and safety concerns due to the presence of asbestos.
- There are no other health and safety concerns that may arise while the rehabilitation work is being done.

If health and safety factors are involved or if extensive interior rehabilitation is needed, temporary or permanent relocation of tenants to other accommodations, preferably to other state rental property, should be considered. Pursuant to Government Code Section 7265.3, a public entity may make payments in the amounts it deems appropriate, and may provide advisory assistance under this chapter, to a person who moves from a dwelling, or who moves or discontinues his business, as a result of impending rehabilitation or demolition of a residential or commercial structure, or enforcement of building, housing, or health codes by a public entity, or because of systematic enforcement pursuant to Section 37924.5 of the Health and Safety Code, or who moves from a dwelling or who moves or discontinues a business as a result of a rehabilitation or demolition program or enforcement of building codes by the public entity, or because of increased rents to result from such rehabilitation or code enforcement. Property Management should contact the District RAP Unit for assistance.

11.10.10.00 Rehabilitation and Maintenance on Historic Structures

Public Resources Code Section 5024 requires all state agencies to inventory all agency-owned structures over 50 years old to identify and protect those that are historic. Property Management is responsible to ensure that all structures subject to provisions of Section 5024 are adequately and appropriately maintained.

All maintenance and rehabilitation work on Department-owned historic structures shall be performed in a manner to protect and preserve the characteristics that qualified the structures for listing. Plans and specifications for maintenance and rehabilitation activities shall be submitted to the District Environmental Branch for processing to the State Historic Preservation Officer (SHPO) for review and approval prior to undertaking any such work. The District Environmental Branch shall submit these plans and specifications to the Chief, Architectural and Historic Studies Section, Headquarters Environmental Analysis, for processing to SHPO.

11.10.11.00 Maintenance Performed by Service Contract

It is important to distinguish between work that can be done under a service contract and work that requires a public works contract (Section 11.10.09.03). Legal has determined that minor on-call repair and maintenance services (required on an as-needed basis to provide a practical means of maintaining state-owned rental housing or state facilities in a safe and habitable condition) are not defined as public works, and may be obtained using service contracts. Such services include electrical, plumbing, minor carpentry to replace broken stairs or windows, repainting, heating and air conditioning repairs, roof repair, etc. The specific repairs do not lend themselves to the preparation of plans and specifications, nor is it known at the time the contract is advertised and awarded when the services will be performed. Contact an analyst in the Division of Procurement and Contracts (DPAC) for more information if you are not sure what type of contract would be appropriate for your needs.

DPAC prepares and processes all service contracts upon receipt of a completed Service Contract Request (Form ADM-0360) from R/W. Except for emergency work, all maintenance contracts are subject to competitive bidding. Since considerable time is required to prepare, advertise and award the contract, it is recommended that the completed ADM-0360 be sent well in advance of the date the services will be needed. Contact DPAC for more information on the length of time required to process a service contract.

General information gathering from companies regarding common industry practices, rate structures, general costs, billing methods, etc., in order to create a scope of work is acceptable. However, care should be given to not put words in a company representative's mouth, and then turn around and use these in the preparation of a scope of work, or to give a representative privileged information (and not make it available to all potential bidders) which could then be used by that company when it tenders a bid on the contract. It is neither legal nor ethical to tailor a scope of work or contract to a specific party. Any contact with a company representative requesting information on cost estimates, billing methods, etc., offers the possibility that the company or other bidder may at some point in the future protest a decision not in their favor.

It is recommended that if a company representative is contacted for the purpose of learning what the commonly accepted standards or practices in that industry are, the representative is advised that 1) the Department is soliciting publicly available (i.e., not proprietary) information to prepare a statement of work on a potential contract, and 2) the representative, by providing such information, will not preclude the company from bidding on future contracts. It is also recommended that more than one company be contacted for this information. (Note that certain restrictions may apply if a contractor is hired under a consulting service contract. See Section 11.10.09.02.)

Property maintenance contractors can be obtained using the types of contracts and methods described elsewhere in this section.

11.10.11.01 Inspections

Type of Inspections:

Small: An agent shall inspect all maintenance issues before, during, and after the work has been completed and document all findings in the rental file. Meeting with the contractor prior to the start of any work is highly recommended. This will allow the agent to ask any questions and communicate Department policy. Payment to the contractor cannot be made until the work has been inspected and completed satisfactorily.

Medium: An agent shall inspect all maintenance issues before, during, and after the work has been completed and document all findings in the rental file. Meeting with the contractor prior to the start of any work is highly recommended. This will allow the agent to ask any questions and communicate Department policy. Payment to the contractor cannot be made until the work has been inspected and completed satisfactorily.

Inspections for work requested and work in progress or completed should be accomplished in accordance with the guidelines in the following table entitled "Inspection Guidelines for Service Contracts." When work is completed by the contractor, an Agent, other than the person ordering the work, should inspect the work according to the table.

INSPECTION GUIDELINES FOR SERVICE CONTRACTS

(These guidelines also apply to services obtained by other methods discussed elsewhere in this section (e.g., CAL-Card, etc.). However, rental offsets will require on-site inspection of all jobs regardless of size.)

Size of Job	Estimated Cost	Examples	Type of Inspection
Small repairs	Less than \$500	<ul style="list-style-type: none"> - Change a faucet - Mow a lawn - Fix a window 	Confirmation with tenant by phone that the job has been completed adequately. Managers should order random inspections to assure small repairs are done satisfactorily. However, any repair to remedy a health and safety issue must be inspected by an Agent regardless of cost.
Medium repairs	Less than \$1,000	<ul style="list-style-type: none"> - Paint partially - Install flooring - Repair cabinet - Repair roof 	An Agent shall inspect the work before and after the job is done.
Large repairs	Over \$1,000	<ul style="list-style-type: none"> - Repaint entire interior or exterior of house - Install new flooring and carpeting - Repair roof 	An Agent other than the Agent assigned shall inspect work before, during, and after the job is done. It may not be possible to detect bad workmanship after the job has been completed when much of the work is no longer visible. Where certain stages of work require inspection before the next stage commences, the contract must state this condition of approval and payment upon full inspection. Payment to the contractor cannot be made until the work has been inspected and completed satisfactorily.

11.10.11.02 Requesting Work

If maintenance work is required, the Agent shall enter a full description of the job, including cost estimate, on the RWPS Maintenance Request Screen and submit it to the Property Manager or authorized person for approval.

Upon approval of the request, the Agent shall file a hard copy of the Maintenance Request Screen in the rental folder.

11.10.11.03 **Multi-provider and Single Provider Service Contracts**

Contracts can be written for on-call services as needed over the duration of the contract or for a single, specific job. An on-call service contract can have multi-providers (if approved by DPAC) or a single provider. A contract for a single, specific job will only have a single provider. Right of Way contract managers are urged to use single providers rather than multi-providers. If a multi-provider contract is absolutely needed, check with DPAC to see if multi-providers will be allowed before submitting a contract request (Form 360). When a contractor's bill is received on a multi-provider or single provider contract, the Agent shall update the Maintenance Request Screen itemizing the work done and indicating the appropriate charges. Where services are provided on an hourly rate basis, the contractor shall submit a copy of the Contractor's Time Reporting Sheet (RW 11-23) with the employee's information, classification, and hours reported. This form will be attached to the final invoice to process payment. Two copies of the Maintenance Request Screen must be submitted to Accounting for payment in accordance with Section 11.10.11.06.

11.10.11.04 **CAL-Card Small Purchase Program**

Through the DGS CAL-Card Small Purchase Program, Department authorizes cardholders to make approved small purchases of goods and services with VISA bankcards within certain limits. Cardholders must comply with all existing procurement and contract statutes, laws, rules, accounting guidelines, regulations, policies, and procedures. See the Department CAL-Card Handbook for limitations and detailed instructions, available on the DPAC Intranet. Information on general liability insurance requirements, Worker's Compensation, and verification of Trades Contractor License is also explained in the CAL-Card Handbook.

Property Management uses the CAL-Card primarily for procurement of services, and such usage must be in compliance with the Public Contract Code. Therefore, the CAL-Card limits for services are \$4,999.99 per fiscal year for the same type of service with the same vendor. Although bids are not required, it is recommended that more than one contractor (preferably three) be contacted in order to find the best value.

When using the CAL-Card for property maintenance, it is very important to distinguish between procurement of merchandise and procurement of services, particularly if the procurement is a combination of parts and labor. If labor exceeds 50% of the total cost, the procurement is considered a service. If, on the other hand, parts are 50% or more of the total cost, the procurement is considered merchandise.

Prior to procuring maintenance services using CAL-Card, the Agent shall complete an Original Purchase Request (ADM 1415) and submit it for budgetary control and approval to the Senior in charge of R/W Property Management. The completed Purchase Request is submitted to the CAL-Card cardholder so charges can be made and services obtained. The cardholder retains a copy of the Purchase Request, credit card receipt, and any other backup documentation for verification and post audit by Department or DGS. To process payment under CAL-Card, a complete package must be received in Accounting by the 8th of each month. The package consists of:

- Original Purchase Request Form (ADM 1415)
- Original Charge Slip and/or Sales Invoice
- Original VISA dispute form entitled "Cardholder Statement of Questioned Item," Form CSQI-RO494, if necessary.

- Original Cardholder Statement of Account (SOA) signed on the back by the Cardholder and approving official.
- Original STD. 204, Payee Data Record (unless already on file)
- Drug-free Workplace Certification, STD. 21 form (unless already on file)
- Two copies of the Maintenance Request Screen. (Accounting will return one copy with schedule information.)

11.10.11.05 Non-Credit Card Process (Under \$5,000)

The non-credit card process (Form ADM-3015, Service Agreement Under \$5,000) may be used for maintenance services where the CAL-Card is not accepted or where employees do not have access to a credit card. The aggregate amount of the Service Agreement cannot exceed \$4,999.99, and the term over which services are to be provided cannot extend beyond two years in length. See instructions on Form ADM-3015 and information in the CAL-Card Handbook. Although bids are not required, it is recommended that more than one contractor (preferably three) be contacted in order to find the best value.

The following package must be submitted to Accounting to pay the contractor's invoice:

- Original completed Purchase Request (ADM 1415)
- Original Invoice
- Original Receiving Record (FA-1226A) or two copies of the Maintenance Request Screen
- Original STD. 204, Payee Data Record (unless already on file)
- Drug-free Workplace Certification, STD. 21 form (unless already on file)

11.10.11.06 Submitting for Payment

Maintenance Requests, Contracts, Cash Expenditure Vouchers, Draft Purchase Orders, Statements of Account, Purchase Requests, and other coded documents must be properly coded (Object 7058) so Accounting can accurately charge the property maintenance expenditures to the appropriate project EA. Upon completion of any of these documents, Property Management will sign, date, and forward the document to Accounting for processing.

On rare occasions, the Division of Maintenance will perform work on a rental account and will complete the appropriate document, in which case Maintenance shall contact Property Management for proper coding information. Maintenance shall forward the document to Property Management for review to ensure proper coding.

To keep track of Maintenance Requests and other documents sent to Accounting for processing, an Agent or inspector shall enter the maintenance data into RWPS in a timely manner and file a copy of the document in a separate file or binder. If for any reason Accounting fails to return a copy of the Maintenance Request or other document to Property Management within two weeks, the Property Manager must follow up with Accounting to determine the cause of the delay.

After Accounting processes the Maintenance Request or other coded document, the reviewer shall use a copy of the Maintenance Request, TRAMS Multipurpose Posting Tag, or other document showing the coding information to ensure the coding provided to Accounting was not changed during processing. The Accounting information should be entered on the Maintenance Request Screen and then filed.

Government Code Section 927-927.12 is known as the Prompt Payment Act (Act). The intent of the Act is to have state agencies pay properly submitted, undisputed invoices within 45 days of receipt, or automatically calculate and pay the appropriate late payment penalties as specified in the Act. To avoid late payment penalties, the state agency has 30 calendar days to submit a correct claim schedule to the Controller, and not more than 15 calendar days for the Controller to issue the warrant. If the state agency does not submit the claim schedule to the Controller within 30 days, the state agency will be responsible for the late payment penalties. If the state agency submits the claim schedule to the Controller within 30 days and the Controller does not issue a warrant within 15 days, the Controller is responsible for the late payment penalties.

11.10.11.07 **Summary of Various Contract Processes**

A brief summary of the various contract processes discussed above is included in Exhibit 11-EX-10, Summary of Contract Processes.

11.10.12.00 **Draft Purchase Order (DPO)**

Draft Purchase Orders (Form DAS OBM-1024) may be used for minor purchases of supplies and materials needed for maintenance of state-owned properties. Generally, the state's tenant or state personnel will use or install the items purchased.

A DPO may be used subject to the following limitations:

- To pay for goods or services not to exceed \$200 (including tax and freight). This limit can be increased to \$500 under special circumstances. Consult with Accounting for details.
- Transaction must be "face-to-face" (do not mail).

A DPO shall **NOT** be used when any of the following conditions apply:

- In other than "face-to-face" transactions.
- To purchase items available in either Department warehouses or DGS warehouses.
- To purchase items covered by existing contracts.
- To purchase items costing less than \$5, except in rare emergency situations.
- To pay for future services, such as advance rent.
- To circumvent proper service contract procedures, such as splitting purchases of service.
- To pay for items in violation of current departmental directives, such as eye examinations when safety glasses are required.

Maintenance personnel may use a DPO, subject to the above limitations, to purchase materials needed to repair employee housing. The Maintenance Superintendent for each territory should have access to the draft forms. Upon completion of repairs, Maintenance will contact Property Management for proper coding information and send the DPO to Property Management to review coding. Property Management will place a copy of the DPO in the proper account file and forward the document to Accounting for processing.

To track DPOs sent to Accounting for processing, the Property Manager shall maintain either a log of such documents in process or a copy of the document in a separate file or binder. If Accounting fails to return the DPO or other document to Property Management within two weeks, the Property Manager must follow up with Accounting to determine the cause of the delay.

11.10.13.00 Cash Expenditure Voucher (CEV)

The CEV, Form FA-0202, may be used for “after-the-fact” reimbursement for purchase of supplies or materials needed to maintain state-owned properties. Property Management personnel should use the CEV when they are in the field and discover a maintenance problem that requires immediate attention.

Material needed for repairs can be purchased with employees’ own funds (up to a limit of \$50 including tax) for which they will be reimbursed by check by presenting a CEV to Accounting. The CEV should be filled out in triplicate and given to Accounting along with applicable receipts.

The CEV may also be used to expedite repairs for employee housing by requesting Maintenance employees to purchase the materials necessary for repairs with their own funds and to submit a CEV to Property Management for processing through Accounting.

11.10.14.00 Emergency Repairs

When the Agent determines that an emergency condition exists, the pre-inspection may be dispensed with in the interest of expediting emergency repairs. The Agent shall take whatever steps necessary to have the corrective work performed as soon as possible.

It is the agent’s responsibility to determine if the extent of a maintenance deficiency classifies as an emergency situation. This will be accomplished by physically inspecting the property and evaluating the conditions for health and safety concerns. When the agent determines that an emergency condition exists, corrective measures will be scheduled within 24 hours.

If the emergency condition is an immediate threat to the health or safety of any tenant, the Region/District may move the tenant to alternative housing. Alternate housing includes other Department owned housing or commercial lodging. If commercial lodging is used, the tenant must submit receipts for reimbursement. The maximum amount of reimbursement to the tenant will be restricted to the State per diem guidelines for lodging. If Department owned housing is used as a temporary residence for any tenant, under no circumstances will the tenant be allowed to remain in the replacement residence without going through the qualification process.

11.10.15.00 Rental Offsets

Occasionally, rental offsets may be appropriate for certain repairs or maintenance. However, such offsets should only be used as an exception and not routinely. There are other alternatives to using a rental offset that are discussed elsewhere in this section [e.g., service contracts, CAL-Card and non-credit card (Form ADM-3015) processes, etc.] and those should be considered first. Work done by rental offset should not be in conflict with existing maintenance contracts.

Rental offsets should be limited to minor repairs and maintenance, or emergency repairs for health and safety reasons. Examples of situations where offsets are not appropriate include remodeling a kitchen/bathroom, re-roofing, installing new flooring and carpeting, painting the entire house, and other major repairs or rehabilitation. Also inappropriate for rental offsets would be any work that may involve contact with hazardous materials.

The Department does not pay the tenant for their labor or for purchase of tools. The tenant will only be reimbursed for materials.

Generally, a tenant cannot hire a contractor to do the work and receive an offset. This violates our contracting policy. However, on occasion, a tenant may need to hire a licensed contractor for emergency repair. Any contractor performing a job in which the total cost of the project, including labor and materials, is \$500 or more, must be licensed by the Contractors State License Board in the specialty for which he or she is contracting. Even if work is less than \$500, a licensed contractor should be used for any electrical, gas, plumbing, or other work that must be done according to code.

Rental offsets of \$1,000 or less may be approved by the Property Manager (Senior). Rental offsets more than \$1,000 must be approved by the Property Management Supervising R/W Agent or above. The reason for using a rental offset must be documented in the file. Rental offsets are subtracted from the region/district's 058 Account for property maintenance, so sufficient funding should be available before using a rental offset.

The general procedures below apply when a rental offset is used to provide maintenance for new or existing residential tenants.

When a need for minor maintenance work is indicated, the Agent shall inspect the property and complete a cost estimate. The Agent will determine the amount of the rental offset based on prevailing prices in the area and local rental management practices. The Agent shall prepare the appropriate document as follows:

- **New Tenants** - Insert completed clause into rental agreement and obtain prospective tenant's signature(s).
- **Existing Tenants** - Prepare letter of understanding and obtain tenant's signature(s).

The Agent shall submit the signed document, along with the maintenance cost estimate and the reason a rental offset is being used, to the person authorized to approve such expenditures. Before any work commences, the Property Manager (Senior) or Supervising R/W Agent shall approve the amount of the allowance. Upon approval, the Agent shall file the document in the rental folder, log the proposed work, and inform the tenant to proceed with the work.

When the tenant has completed the work, a Property Management Agent, other than the person authorized to amend the rental agreement, shall inspect the property to verify and document satisfactory completion before the tenant's account is finally credited with the amount of the rental offset. Inspection standards for maintenance work accomplished through the contract process shall also apply to work performed with offsets, except that all offset work must be inspected by the Department, no matter how small.

After inspection and acceptance of the work, the Agent shall procure from the tenant, when applicable, all pertinent and properly receipted itemized statements obtained from vendors. The Agent shall complete an RWPS Adjustment Request Screen, which results in a credit to the tenant's account and posts the amount against the 058 Property Maintenance Account. Total amount spent on offsets is shown on the RWPS Contract Screen for contract number "Offsets."

An offset shall be credited only to a tenant in occupancy of the property on which the maintenance work is performed. In other words, tenant "A" living in property "A" **cannot** receive an offset for work performed on property "B."

11.10.15.01 **New Residential Tenants**

Where property has become run-down and certain minor repairs are required to secure a new tenant, it may be appropriate to grant a rental offset by inserting a clause in the rental agreement for materials necessary to accomplish specified work.

The clause inserted in the initial rental agreement shall be written as follows:

It is understood and agreed that in consideration of a rental offset of an amount not to exceed \$_____, Tenant agrees to: (Describe Work To Be Done).

Tenant shall secure paid itemized bills covering materials used for the authorized work and forward them to the Department of Transportation at _____. Credit will only be allowed for the actual amount of the paid bills not to exceed the amount above. Tenant will be paid for materials only and will not be paid for his/her labor or for the purchase of tools. Tenant 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 of Transportation prior to _____, and that the rental credit will only be granted after inspection, by the State, of the completed work.

11.10.15.02 **Existing Residential Tenants**

In some instances, sound management practices dictate granting a rental offset to the tenant to achieve a degree of efficiency and economy, as well as to expedite performance of certain emergency repairs and repairs of a minor nature. The tenant and the state shall sign a letter of understanding before the tenant performs any repair work. The letter of understanding should specify that the tenant will be paid for materials only (based on paid itemized bills) and will not be paid for his/her labor or the purchase of tools. The letter shall also state that the tenant may not hire a third party contractor to perform the authorized work unless prior written permission from the Department is obtained.

NOTES:

11.11.00.00 - INSURANCE REQUIREMENTS FOR TENANTS

11.11.01.00 Policy

Tenants and lessees shall be required to obtain personal injury liability insurance in most leases and rental agreements where extraordinary liability features are present. Insurance shall be in the amount of \$1,000,000 per occurrence for Bodily Injury and Property Damage Liability combined. Personal liability coverage for single-family residential properties with swimming pools may be limited to combined coverage of \$500,000. These amounts may be increased for high-risk uses.

11.11.02.00 When Insurance Is Required

Refer to the table entitled “Guidelines for Personal Injury, Liability, and Property Damage Insurance” to determine the need for insurance.

Although not required by the guidelines, insurance should also be required for specific situations with high-risk uses. For example:

- Large agricultural operations involving heavy equipment.
- Multi-residential properties with swimming pools.
- Properties fronting on rivers or lakes.

In such cases, the district determines the necessity for insurance. Insurance is generally required when the property is used for purposes that involve employees, visitors, or customers who could be subject to accidents and injuries.

11.11.03.00 Family Day Care Facilities

Use of a state-owned residential unit as a family day care home, as opposed to a school, does not fall under the commercial/business lease category requiring high insurance coverage.

Health and Safety Code Section 1597.531, however, does set minimum levels of mandatory liability insurance or bond coverage for family day care homes. In lieu of liability insurance or bond, a day care provider may maintain a file of signed affidavits informing parents the day care home does not carry the liability insurance or bond.

In addition, if the provider does not own the premises, the affidavits shall state that parents have been informed the property owner’s liability insurance, if any, may not provide coverage for losses arising out of, or in connection with, the day care operation. In these instances, the district should request the tenant to provide copies of the affidavits.

GUIDELINES FOR PERSONAL INJURY, LIABILITY, AND PROPERTY DAMAGE INSURANCE

<i>Type of Use</i>	<i>Required</i>	
	<i>Yes</i>	<i>No</i>
PUBLIC AGENCIES:		
Self-insured		X*
Not Self-insured	X	
PUBLIC UTILITIES:		
Self-insured		X*
Not Self-insured	X	
RESIDENTIAL:		
SFR		X
SFR with Pool	X	
Multi-residential		X
Multi-residential with Pool	X	
Master Tenancy Residential Apartments and Mobile Home Park	X	
COMMERCIAL/INDUSTRIAL:		
Large Corporations with Self-insurance (Ralston Purina, etc.)		X*
Parking - Private (For Lessee employees)	X	
Parking - Public	X	
Sales (Retail, Wholesale)	X	
Restaurants, Bars	X	
Offices - All Types	X	
Warehouses/Storage-Inside	X	
Storage-Outside - Equipment, RVs, Boats, etc.	X	
Service Stations	X	
Manufacturing	X	
Oil and Gas Subsurface Rights		X
Oil Well with Surface Rights	X	

<i>Type of Use</i>	<i>Required</i>	
	<i>Yes</i>	<i>No</i>
COMMERCIAL/INDUSTRIAL: (Continued)		
Drainage Ponds	X	
Access Rights for Cafes, etc.		X
Motels - Master Tenancy	X	
Services (Barbershops, Beauty Parlors, Cleaners, etc.)	X	
Repairs - Auto, Appliances, etc.	X	
AGRICULTURAL:		
Grazing - Cows, Horses, Sheep, Llamas, Goats		X
Crops - Row Crops, Orchards, Vineyards, Dry Farming		X
Sales - Fruits, Vegetables, Christmas Trees, etc.	X	
Community Gardens		X
SIGNBOARDS:		
On Premise		X
Off Premise		X
OTHER:		
Recreational (Golf Driving Range, Tennis Clubs, Skateboard Parks, Bike Paths)	X	
Road Approach		X
Landscaping		X
Parks	X	
Park and Ride Lots	X	
Porter Bill Parks	X	
Churches	X	

* with self-insurance clause in lease.

11.11.04.00 **How the State Is Protected**

When the district determines that public liability insurance protection is required for the state's benefit, the liability and property damage insurance clause (11-EX-B, Lease Agreement, Clause 23) shall be inserted in the rental agreement or lease making it mandatory for the tenant or lessee to provide the state with the specified amounts of public liability insurance and naming the state as an added insured. When the rental or lease agreement is signed, the district shall give the tenant RW 11-18, Certificate of Insurance With Endorsement for Lease of State-Owned Property, for documentation of required insurance coverage. The tenant or lessee's insurance carrier shall complete this form and return it to the state as soon as possible. It need not be returned prior to or accompany the signed rental agreement or lease, but the insurance policy **shall be in force before occupancy**.

The Certificate of Insurance form from the tenant or lessee's insurance carrier is kept in the rental file with the rental agreement or lease.

11.11.05.00 **Fire Insurance on State-Owned Properties**

Although the Department does not normally secure fire insurance on properties acquired for future freeway use, fire insurance may be appropriate for high value, high-risk properties purchased far in advance of highway construction. Examples of high-risk properties include bars, motels, hotels, and restaurants. The amount of fire insurance placed on a property should take into account the value of the improvements only and should not be based on the appraised value of the entire property.

In addition, Government Code Section 11007.1 permits the Department to authorize insurance against damage or destruction by fire when it has acquired title to the realty and leases the property to the former owner. The Government Code, which is quoted below, requires the former owner to request this coverage, to lease back the property for more than a six-month period, and to pay the premiums.

“The Department of Transportation, when it has acquired title to any real property for highway purposes and leases such property for commercial or business uses to the former owner for a term exceeding six months, may secure insurance against the risk of damage or destruction by fire where the former owner requests this coverage and the premium therefore is included in the rental agreed to be paid.”

The loss payee of the fire insurance policy shall be the State of California. The lessee shall be responsible for furnishing the state with a certified copy of each and every policy within not more than ten days after the effective date of the policy. Exhibit 11-EX-12, Liability, Property Damage and Fire Insurance, shows approved clauses requiring the lessee to provide the state with fire insurance on the property.

11.11.06.00 **Self-Insurance by Tenant or Lessee**

Some large corporations and public entities regularly self-insure. If the lessee decides to provide the required insurance by self-insuring, the Property Manager should request documentation from the lessee showing that the lessee regularly self-insures and has adequate assets. In addition, the clause below must be included in the lease in place of the standard liability insurance clause in 11-EX-B (Liability, Property Damage and Fire Insurance, Clause 23) and 11-EX-C (Agricultural Lease Agreement, Clause 22).

LIABILITY AND PROPERTY DAMAGE INSURANCE:

Lessee will self-insure during the entire term of the within tenancy and will defend, indemnify and hold harmless the Lessor, its officers, agents, and employees from all claims, suits or actions of every name, kind and description, brought forth, or on account of, injuries to or death of any person or damage to property, including any claims, suits or actions for damage to vehicles on the property which is the subject of this lease, occurring in, or about, said property.

With respect to third-party claims against the Lessee, the Lessee waives any and all rights to any type of expressed or implied indemnity against the Lessor, its officers or employees.

It is the intent of the parties that the Lessee will defend, indemnify and hold harmless the Lessor, 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 the Lessor, the Lessee, the officers or employees of either of these, other than its officers and employees.

Nothing in this lease is intended to make 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.

11.11.07.00 **Certificate of Insurance**

The State's Standard Certificate of Insurance, RW 11-18, Certificate of Insurance with Endorsement for Lease of State-Owned Property, may be used in lieu of a certified copy of the original policy; no other form of Certificate of Insurance is acceptable.

11.11.08.00 **Fire and Explosion in State-Owned Buildings**

Whenever a fire or explosion takes place in a state-owned property, the district should call the nearest State Fire Marshal office (see state Telephone Directory). The caller should be prepared to identify location, type of property, and extent of damages, if known. The Fire Marshal will decide whether to make a formal investigation.

Rebuilding or repairing damage caused by the fire may begin without delay whether or not an investigation is made.

11.12.00.00 - LEASING STATE-OWNED PROPERTY

11.12.01.00 General

The following types of properties shall normally be leased:

- Commercial
- Industrial
- Agricultural
- Income residential where the state is seeking a master tenant

11.12.02.00 State Lease Forms

The state's standard lease is Exhibit 11-EX-B, Lease Agreement, which should be used for leasing all commercial and industrial properties. For income residential properties where the state is seeking a master tenant, use Exhibit 11-EX-23, Master Tenancy Lease Agreement. For agricultural property, use Exhibit 11-EX-C, Agricultural Lease.

11.12.03.00 Lease Rates

With few exceptions, lease rates shall be based on comparable market rates.

11.12.04.00 Lease Preparation

The district shall prepare the lease in quadruplicate. Forward or deliver to lessee two originals for signature and one copy for the lessee's file, and retain one copy in the rental file. Lessee will return both originals to the Department for execution. Once the Department has executed both originals, one fully executed original will be forwarded or delivered to lessee and one will remain in the rental file.

11.12.05.00 Lease Approval by Lessee

The lease shall be approved by the individual(s) or, if appropriate, the authorized officer(s) of the company or corporation. The lessee's title or capacity to approve the lease shall appear beneath lessee's signature. If the lessee is a corporation that has a seal, the seal may be affixed to the lease near the signature(s) of the corporate officer(s) approving the lease.

11.12.06.00 Lease Approval by State

The DD or authorized delegate is authorized to execute all residential and nonresidential rental agreements and non-airspace leases. Legal must approve rental agreements and leases on nonstandard forms prior to execution on the Department's behalf.

11.12.07.00 Title VI Guidelines

The Agent will inform the State's tenants about the Department's policy and procedures under Title VI of the 1964 Civil Rights Act and will deliver a "Your Rights Under Title VI & Related Laws" brochure at the time the lease is executed.

11.12.08.00 **Lease Renewals**

Report RWM 540, Reminder Report, will alert Property Management of leases that are due to expire. Upon receiving the report, the Agent shall:

- Review and inspect the property.
- Determine if the current lease rate is still the market rate.
- Check to see if the present tenant is interested in renewing the lease.

If the lessee does not want to renew the lease, the lead time will give Property Management an opportunity to re-rent the property with minimal loss of rental income.

If the lessee wants to continue leasing, the lease may be renewed or modified using Exhibit 11-EX-G, Lease Renewal. Confirm that the most current standard language has been incorporated into the lease renewal agreement, including storm water and other provisions. Lessee's signature on the renewal shall be identical to the signature format on the original lease, and the state shall execute in the same manner as a new lease.

11.12.09.00 **Assignment of Lease**

Circumstances may occur when a lessee wishes to sell their business and the state finds it beneficial to permit assignment of the lease. The state has the option to refuse or accept (but cannot unreasonably withhold approval) the proposed assignee as a responsible party who is able to fulfill the lease obligations for the balance of the lease period. The district shall require the proposed assignee to complete a rental application and shall investigate thoroughly to determine if the proposed assignee is acceptable.

If the proposed assignee is acceptable, the lessee shall sign the "Assignment of Lease" section of Exhibit 11-EX-H, Assignment of Lease, as assignee. The state shall execute "Consent to Assignment of Lease" section of the form in the same manner as the original lease, and shall process the "Assignment of Lease" in the same manner as the original lease.

11.12.10.00 **Public Notice to Bidders**

It may be advantageous for the district to use the public bidding process to accomplish leasing of certain types of property. The suggested format presented in Exhibit 11-EX-14, Notice to Bidders, may be modified to fit any type of property being offered for lease.

11.12.11.00 **Construction of Improvements by Lessee**

The district may consider leasing future right of way for development of improvements where such development will not result in a relocation assistance problem or obligation to the state, but will result in a net profit to the state or other public benefit.

Such leases should include many of the clauses contained in a standard airspace development lease. (Refer to Airspace Chapter 15.) In particular, clauses for condemnation, insurance requirements, design and location controls, and rental rate adjustments based on the Consumer Price Index should be considered for inclusion in development leases. Such leases shall also include a termination clause, a performance bond and/or other provisions to ensure timely removal of improvements at no expense to the state.

Property Management shall submit all such leases involving construction of aboveground structures to the DD or authorized delegate for **prior** approval.

11.12.12.00 **Leasing Excess Land**

Property Management shall obtain approval from the Excess Land Section before any excess land is committed to a lease. This is important because a lease affecting excess land may or may not be complimentary to the sale of the parcel. When excess land is leased, Property Management should forward a copy of the lease to the Excess Land Section for its files.

11.12.13.00 **Leasing to Highway Contractor**

Where excess vacant or improved parcels are available in the vicinity of a highway project, the district may enter into a lease with the highway contractor during the period of the project. The lease should be on standard lease Exhibit 11-EX-B, Lease Agreement, which usually covers uses such as construction yards and haul roads. The lease rate will be the fair market rent as in other state leases. Absolutely no advance commitment shall be made to any bidding highway contractor, as this would tend to give that contractor an advantage over other contractors competing for the project.

To avoid violations of any necessary access control lines and to ensure safe access to and from leased property, the lease must contain provisions specifying exactly where the contractor may gain access to and from the leased property and where the contractor may **NOT** gain access to and from the leased property. Before finalizing the lease, District Right of Way will obtain the District Permit Engineer's approval of the lease.

11.12.14.00 **Leasing to a City, County, or Special District Under S&H Code 104.7**

S&H Code Section 104.7 requires the Department, when requested by a city, county, or special district, to provide information regarding, and shall lease the property if the following conditions exist. The property must be:

- Unoccupied and unimproved.
- Held for future highway purposes (does not include rescinded routes or excess land held for study).
- Located within the boundaries of the city, county, or special district.

Property determined by the Department to have commercial, industrial, or residential use, as the most feasible or best use is not eligible for this program.

The city, county, or special district may use the leased property first for agricultural and community garden purposes, and second for recreational purposes, on terms and conditions not unreasonably inhibiting the use of the property, including, but not limited to, assumption of liability and installation and removal of improvements.

The lease shall be for one dollar (\$1) per year for not less than one year and shall be renewable.

The city, county, or special district may sublease the property for agricultural, community garden, or recreational purposes subject to the following constraints:

- Upon prior written notification to the Department.
- May proceed with the sublease unless disapproved by the Department within ten working days after the notice is sent to the Department.

- First priority for a sublease shall be given to the owner of property contiguous to the leased land.
- May charge rental fees at least sufficient to pay its administrative costs.
- All money received under a sublease, less administrative costs, shall be transmitted to the Department for deposit in the State Highway Account.

Exhibit 11-EX-15, City, County, or Special District Lease, shall be used for all these types of transactions.

11.12.15.00 **Lease Recordation**

Under most circumstances, a lease where the state is lessor shall not be recorded. Recordation would serve to cloud title of the property and could require a quitclaim deed to clear title at a later date.

11.12.16.00 **Lease Cancellation**

All state leases shall contain provisions that the state shall have the right to cancel the lease upon giving specific notice without other qualifications or reasons.

11.12.16.01 **Mutual Consent**

Occasions may arise when it is to the mutual benefit of the state and lessee to cancel a lease that is in force. This shall be accomplished by using Exhibit 11-EX-I, Cancellation of Lease. The lease cancellation shall be signed by both parties and shall be processed in the same manner as the lease.

11.12.16.02 **Lessee's Failure to Pay Rent**

When the lessee is delinquent in rental payments, RW 11-11, 3-day Notice to Pay Rent or Quit, shall be used by the state. Such notice shall be served upon the lessee in the manner specified in Section 11.08.04.00.

Procedures set forth in Chapter 10, Relocation Assistance, apply when canceling tenancy of a lessee who is eligible for relocation payments.

Money that the lessee has on deposit with the state may be retained and applied toward the delinquency that exists. The deposit shall not be credited toward the delinquency, however, until after the lessee has vacated the property, leaving it in a satisfactory condition acceptable to the state.

11.12.16.03 **Based on Right of Termination**

The standard lease provides for cancellation and termination of the lease by either party. When the lessee is not delinquent in rent and the state wishes to cancel the lease, RW 11-10, Notice of Termination of Tenancy and Notice to Quit, shall be used.

11.12.17.00 **Materials Agreement for Removal of Materials**

Occasionally, the state may find it desirable to have materials removed from state property for use as fill on a state highway project. When materials can be removed without decreasing the property value more than the estimated value of the material to be obtained, the district may enter into a Materials Agreement with a contractor.

The material removed shall not create a hazard or an eyesore in the area. The finished elevations after removal of material shall blend with the adjoining property. To ensure desirable results are achieved, the District Environmental Branch must be contacted for advice and recommendation before a Materials Agreement is negotiated.

No Materials Agreement shall be made or proposed with any contractor until after award of the highway construction contract. An alternative would be to indicate in the contract specifications that a specified amount of material is available at a certain location so all prospective bidders have knowledge of it.

See Exhibits 11-EX-16, Materials Agreement, and 11-EX-17, Materials Agreement, for sample formats of Materials Agreements.

11.12.18.00 **Available Office Space**

Right of Way should notify the District Facilities Manager when office space is available for lease. The District Facilities Manager will notify DGS, through the Departmental Facilities Manager in the Administrative Service Center, that office space is available. If DGS has other state tenants who might be interested in the space, they will notify the Department. It is not necessary to hold the property off the market for DGS during the notification period.

NOTES:

11.13.00.00 - MASTER TENANCIES

11.13.01.00 General

Right of Way staff shall manage all rental properties that do not require special consideration. Use of a master tenancy lease is appropriate for managing properties under the conditions listed below:

- Motels, hotels, and rooming houses where a high level of service to tenants is required. California Code of Regulations, Section 42 of Title 25, states a manager, janitor, housekeeper, or other responsible person shall reside on the premises when there are 12 or more guest rooms.
- Certain residential, commercial, or industrial properties located in areas where management by local residents is the only effective way to obtain cooperation of individual tenants in upkeep of the property.
- Residential apartment properties (containing 16 or more apartments). California Code of Regulations, Section 42 of Title 25, states a manager, janitor, housekeeper, or other responsible person shall reside on the premises when there are 16 or more apartments.

11.13.02.00 Lease Form

Exhibit 11-EX-23, Master Tenancy Lease Agreement, will be utilized for all master tenancy leases. This is a standard lease and not all clauses will apply to all situations. Formulate a lease that will be in the best interest of the Department using all of, some of, or any additional clauses. Keep in mind any additions, deletions, revisions, and/or changes should be approved by Legal prior to use.

11.13.03.00 The Master Tenant

A master tenant is the state's lessee of income residential, commercial, or industrial property capable of being sublet into two or more rental units. Master tenants are obtained through negotiations or by successful bid on an advertised lease for a particular property. As lessee, the master tenant assumes complete responsibility for management, control, and maintenance of the leased property, subject to all the terms and conditions of the lease.

11.13.04.00 Factors to Consider

The major benefit derived from a master tenancy is that the master tenant theoretically assumes all problems associated with the rental property while providing the state with appropriate rental income from the leased property.

The determination on whether a parcel will be leased to a master tenant should be based on several factors including, but not limited to:

- Difficulty in managing a large furnished apartment, motel, or rooming house where the state does not purchase the furniture and various utilities are supplied to the units from a single meter.
- Long distance between the district office and the property.
- Potential loss of income to the state due to high vacancy factors.
- Management problems such as handling of trash service, night-lights, and swimming pools.

11.13.05.00 **Approval**

The DD or authorized delegate is authorized to approve all master tenancy leases.

11.13.06.00 **Documentation**

The agent preparing the proposed master tenancy agreement shall provide the following documentation to the DD or authorized delegate approving the lease:

- Brief description of the property, condition, and number of units.
- Reasons why master tenancy is the best form of property management.
- A statement specifying that an interior and exterior inspection of the property has been performed, what conditions require correction, and who will perform the work.
- A statement that notices signed by individual tenants will be obtained to confirm the non-RAP eligibility of the tenancy and a statement that the building will be posted with such a notice. A system for monthly review of changes in tenancy and receipt of signed non-RAP eligibility statements for all new tenants must be established.
- A statement that district staff will perform interior and exterior inspections semiannually and that the master tenant will correct conditions of disrepair or the tenancy will be terminated.

Master tenancy agreements may be written for varying lengths of time at the district's discretion. The agreements should be written for time periods that are commensurate with district clearance schedules, which are generally controlled by certification dates. On occasion, the normal length of a lease (one-year) may be extended to encourage a master tenant to take over certain property. For example, extension is appropriate when the master tenant needs a longer time to recover anticipated costly expenses incurred in rehabilitating property at lease onset.

11.13.07.00 **Minimum Acceptable Lease Rate**

The district should establish a minimum acceptable lease rate prior to advertising for bids for a master tenancy or prior to negotiating a master tenancy directly with a grantor. In determining the lease rate, consideration should be given to the following:

- Physical condition of the property.
- Location within the community.
- Type of tenants.
- Present or future market demands within the area for the type of rental.

11.13.08.00 **Advertising Availability of Master Tenancy**

The district should maintain a list of prospective master tenants, including referrals, interested persons who have made inquiries, and past master tenants who have performed satisfactorily.

The availability of a specific master tenancy agreement should be advertised in metropolitan newspapers as well as local newspapers serving the area where the property is located. The advertisement should announce:

- Availability of the lease.
- Type and number of units.
- Expected length of tenancy.
- Date the property will be available for inspection.

The ad should request interested parties to phone or write the district for a brochure or flyer with the particulars as well as bidding requirements and procedures.

11.13.09.00 **Bid Proposal Package**

Bid proposal packages that are mailed to interested parties shall contain items that are compatible with the proposed lease. See the table entitled “Items Included in Bid Proposal Package” on the following page and Exhibits 11-EX-18 through 11-EX-24 for a complete bid proposal package.

11.13.10.00 **Bid Opening and Award**

Bid proposals shall be opened and read publicly at the time and date specified in the “Notice to Bidders and Interested Parties.”

Although the lease will normally be awarded to the highest responsible bidder, the state reserves the right to refuse any and all bids. The district shall retain the bids and deposits of the highest responsible bidder and the second highest responsible bidder until the successful high bidder has complied with all the terms contained in the “Terms of Auction” notice. When these terms have been met to the district’s satisfaction, the district shall return the second highest bidder’s deposit and mail a letter reporting the bid results to all unsuccessful bidders (see Exhibit 11-EX-26).

11.13.11.00 **Commencement of Standard Lease Procedures**

Processing and handling of the master tenancy agreement is identical to the standard leasing procedures for other state-owned property. Refer to Subchapter 11.12.00.00 for details.

11.13.12.00 Posting of Public Notice

After final approval of the lease, the district shall post a public notice sign on all residential properties under a master tenancy agreement (see Exhibit 11-EX-27). The sign shall be readily visible to prospective tenants and shall advise that all persons commencing tenancy on the premises after the date indicated shall not be eligible for relocation assistance payments as provided in Government Code Sections 7260 through 7274. The date to be inserted on the sign shall be the date the state obtains legal possession of the premises. Posting of this public notice sign is mandatory and is in addition to the requirement that the lessee furnish each new tenant with a written notice with the same information.

ITEMS INCLUDED IN BID PROPOSAL PACKAGE		
Item	Form/Exhibit	Description
Notice to Bidders and Interested Parties	Exhibit 11-EX-18	This notice sets forth the address of the lessor; indicates date and time sealed bids shall be opened; and makes specific remarks about allowing only one bid from any one person, corporation, or firm.
Terms of Auction	Exhibit 11-EX-19	This details the required amount of money to be submitted with the bid, the manner in which payment is to be made, where payments are to be received, and the amount of security deposit required as a guarantee that the required maintenance shall be performed. It also sets forth the maintenance requirements that shall be met by the successful bidder and the time limit allowed for work to be accomplished.
List of Tenants in Possession	Exhibit 11-EX-20	This sheet lists by address the tenants in possession with their corresponding rental rates and number of bedrooms. It also has information in regard to the utilities for which the Master Tenant is responsible. The list of tenants in possession is actually incorporated into the lease.
Inventory	Exhibit 11-EX-21	This inventory shows by apartment or rental unit certain features or improvements for which the master tenant shall be held accountable. Such items as drapes, garbage disposals, wall-to-wall carpeting and built-in range and oven are included.

ITEMS INCLUDED IN BID PROPOSAL PACKAGE (Continued)		
Item	Form/Exhibit	Description
Bid Proposal	Exhibit 11-EX-22	<p>The proposal form shall be fully executed by the bidder, who is responsible for completing the following:</p> <ul style="list-style-type: none"> • Address of the property. • Monthly lease rate willing to pay. • Signature with printed name and date. The “Important Notice” portion sets forth how the bid is to be signed in the event the bidder is a corporation, partnership, or firm. • Bidder’s telephone number, business address, or home address for refunding money to unsuccessful bidders. • The bid proposal shall be accompanied by the first month’s rent, as bid and it shall be paid in the manner set forth in the “Terms of Auction.” Failure to do so in the manner described is basis for rejection of the bid. <p>To be considered, the bid proposal, in proper order, shall be received at the District Office by the time specified in the “Notice to Bidders.”</p>
Rental Application	Form RW 11-5	The completed form shall be submitted at the time the bid proposal is submitted. The form is used by Property Management to determine the bidder’s financial responsibility.
Sample Lease Agreement	Exhibit 11-EX-23	This is a sample master tenancy agreement that may be modified as needed and approved by Legal.
Bid Proposal Mailing Envelope	Exhibit 11-EX-24	This envelope shall be marked for return to Property Management and identified as a sealed bid for a particular property. The date and time of the bid opening shall also be indicated.

NOTES:

11.14.00.00 - OUTDOOR ADVERTISING SIGNS

11.14.01.00 General

Rental of existing outdoor advertising signs shall be handled like any other new rental account. Property Management shall receive the MOS and the R/W Contract for the sign interest on the acquired parcel.

11.14.02.00 Prohibition Against New Signs

New outdoor advertising signs shall not be permitted on state-owned properties under any circumstances, regardless of whether the properties are considered excess or are being held for future highway use.

11.14.03.00 Sign Site Rental Procedures and Rates

All sign site rentals shall be prorated as of the day following the date the deed to the state is recorded or the day following the date the state secures legal possession, whichever occurs first. The R/W Contract shall provide that the sign company prorates rental payments to both the state and to the state's grantor. Should the sign be located partially within the right of way and partially on the remainder, the state's rental agreement shall reflect only the amount of money payable to the state.

Billboard site rental rates shall be based on the Billboard Site Rental Schedules (Exhibit 11-EX-28, Billboard Site Rental Schedule) or the existing rental rate, whichever is greater.

11.14.04.00 Billboard Site Rental Schedules

The type of billboard and the number of advertising sign faces in place on a site determine the billboard site rental rates, by multiplying the advertising rate by the appropriate percentage shown on Exhibit 11-EX-28, Billboard Site Rental Schedule. Determination of rental rates shall be documented in the rental account file.

Outdoor advertising companies publish advertising rates for Poster Panels and Urban "Rotates." The rates are normally published for each calendar year, but may be changed more often. Current rates for posters or rotating bulletins may be obtained by asking the sign company for a rate card for the type and location of the sign involved.

Locations in the rate books are general in nature, such as Los Angeles Metro Market, San Francisco, and Oakland/San Jose Metro Market. Examples of published advertising rate formats are shown on Exhibit 11-EX-29, Advertising Rate Card Examples.

Site rental rates are determined by multiplying the advertising rate times the percentage shown on the Billboard Site Rental Schedules (Exhibit 11-EX-28, Billboard Site Rental Schedule) for each advertising sign face on a site as shown in Exhibit 11-EX-29, Advertising Rate Card Examples.

11.14.05.00 **Advertising Structure Agreement**

The sign owner shall be required to sign Exhibit 11-EX-D, Advertising Structure Agreement, in triplicate. The agreement shall be executed on the state's behalf in accordance with Section 11.12.06.00.

Historically, advertising rates used to determine sign site rental rates have increased in much larger yearly increments than increases indicated by consumer price indexes. The standard lease term for an Advertising Structure Agreement, therefore, is two years. If a sign company wishes to enter into an agreement for more than two years, a clause should be included in the agreement to increase the rent 10% per year after the first 2 years. This ensures a reasonable increase in the rental rate during the extended term.

New advertising structure agreements shall not extend for more than five-year periods without prior DD or authorized delegate approval.

11.14.06.00 **Sign Rent Delinquencies**

Delinquencies that occur on sign rentals shall be treated the same as any other type of rental delinquency.

11.15.00.00 - STATE AS LESSEE LEASES

11.15.01.00 General

Property Management may receive requests to rent or lease privately owned properties or facilities for state highway purposes. Properties or facilities may include, but not be limited to, real property, trailers, or portable buildings.

S&H Code Section, 104(d), allows the Department to acquire, either in fee or in any lesser estate or interest, any real property including offices, shops, or storage yards, which it considers necessary for state highway purposes. Government Code, Section 11005, limits this authority by stating, “this section does not apply to the acquisition or hiring by the Department of Transportation of real property in fee or in any lesser estate or interest for highway purposes, **but does apply to the hiring by that department of office space in any office building.**”

Should Property Management receive a request for office space located in an office building, the request should be returned to the sender with a memorandum stating that Right of Way has no legal authority to enter into such leases and the request should be submitted to the Region/District Facilities personnel.

The majority of requests for these types of facilities will come from Construction to be utilized by resident engineers and their staffs for field facilities.

11.15.02.00 Procedures Upon Receiving Request

All requests for “state highway purpose” facilities shall be in writing and shall be signed by the District Division Chief of the office requesting the facility. All requests shall be sent to the DDC-R/W at least 120 days prior to the required occupancy date.

Property Management’s first responsibility, upon receipt of a written request for field facilities, is to verify that there are no State-owned properties that can be utilized for said purpose. State-owned property may include vacant land and/or properties with improvements. State-owned property includes all properties owned by the Department and any other State agency.

The final decision whether or not the requestor occupies state-owned facilities will be made by Property Management. If utilizing State-owned property is deemed appropriate, a Memorandum of Understanding, 11-EX-57, will need to be signed and acknowledged by the District Division. The District Division should notify Right of Way immediately when they no longer need to utilize the property. However, it is also Right of Way’s responsibility to follow up with the Division annually to make sure they are still utilizing property. The project EA (under which the property is being utilized) should not be closed out until the property has been returned to Right of Way. Region/District Property Management is still responsible to inspect the property annually.

If no suitable state-owned property is available, Property Management will canvass privately owned properties and/or facilities for acceptable accommodations. When rental market data on available space in the desired area has been gathered and the requesting office accepts Property Management’s recommendation, the Agent shall begin the negotiations for lease or rental of the selected property.

11.15.03.00 Procedural Guidelines

Only Right of Way Staff shall negotiate with the owners for the lease of field facilities, provided they are for state highway purposes.

Only field employees, e.g., Construction and Surveys, assigned to the project will occupy the space.

When the District enters into a rental agreement or lease for field facilities, the following guidelines must be adhered to:

- Americans with Disabilities Act
- State Fire Marshal Approval of Plans and Inspections
- Seismic Performance Requirements
- State Administrative Manual Standards for State-Occupied Space
- Facility Plans and/or Drawings
- Energy Conservation
- Hazardous Materials Certification

11.15.03.01 Americans with Disabilities

The Americans with Disabilities Act (ADA) guarantees equal opportunity for individuals with disabilities in public and private sector services and employment. Title II of ADA specifies that a public agency may not, directly or through contractual arrangements, make selections, in determining the location of facilities, that have the effect of excluding or discriminating against persons with disabilities.

Department policy is that all facilities that are occupied by State employees, whether the facility is owned, rented or leased by the State, shall be in compliance with all ADA requirements. This includes full access for disabled employees, consultants, contractor employees and the public. Field facilities shall be such, as no one will be denied the opportunity to perform work or do business at the facility. **There are no exemptions or exceptions to this policy.**

ADA standards generally include requirements pertaining to functioning of wheelchairs in relation to site grading, parking lots, walks, ramps, entrances width of doors, floors, toilet facilities, signs, and other miscellaneous requirements.

The Department has adopted the Department of Rehabilitation's *Americans with Disabilities Act Access Guide: Survey Checklist* as the document for determining compliance with ADA. Agents are to utilize this Guide when determining if a facility is in compliance with ADA requirements.

Current regulations are found in the California Administrative Code, Title 24, State Building Standards and the Americans with Disabilities Act.

11.15.03.02 State Fire Marshal Approval of Plans and Inspections

Health and Safety Code, Section 13108, specifies that the State Fire Marshal (SFM) prepare and adopt building standards relating to fire protection in the design and construction of the means of egress and the adequacy of exits from, and the installation and maintenance of fire alarm and fire extinguishment equipment or systems in, any state institution or other state-owned building or in any state-occupied building and submit those building standards to the State Building Standards Commission for approval pursuant to the provisions of Chapter 4 (commencing with Section 18935) of Part 2.5 of Division 13 of the Streets and Highways Code.

Right of Way's policy is that the SFM is required to review and approve plans, prior to the execution of any lease, when the Department of Transportation (the Department) is locating into an existing building and there **will be tenant improvements** prior to occupation. District Property Managers are responsible for ensuring that appropriate SFM review of plans and/or inspections are accomplished prior to execution of all leases and that such information is contained in Form RW 11-27, State Fire Marshal Checklist. Form RW 11-28, Plan Approval Request, must accompany all plans to the SFM. See Exhibit 11-EX-31, Memorandum from California State Fire Marshal to the Department, dated August 10, 2001, outlining the requirements for the submittal of plans to the SFM.

If tenant improvements are not necessary, SFM plan review is not required. However, when a plan review is not required, a field inspection will be performed by the SFM to review, among other items, the exiting systems and possible hazardous conditions.

Trailers or portable buildings do not require the submittal of plans or an inspection. The Region/District must determine that applicable exiting requirements are met (for example, no padlocks or hasp-type fasteners are used on exit doors). Storage buildings or covered parking structures do not require a review or inspection by the SFM.

11.15.03.03 **Seismic Performance Requirements**

Right of Way's policy is that all facilities considered for state lease must be evaluated for the ability to meet a reasonable level of seismic performance, prior to the execution of any lease.

In order to determine if a building has met a reasonable level of seismic performance, the agent must complete Form RW 11-29, Seismic Screening Checklist. If the Seismic Screening Checklist results in a score of 20 or above, a Certification of Structural Evaluation, Form RW 11-30, must be completed. An independent licensed structural engineer must complete the Certification. This is the responsibility of the landlord. (See Form RW 11-31, Letter to Landlord.)

11.15.03.04 **Standards for State Space**

Prior to initiating negotiations for field facilities, Right of Way must verify the number of State employees who are going to occupy the facility. Once the number of occupants is verified, the standards for state space set forth in State Administrative Manual (SAM), Section 1321.14 (Exhibit 11-EX-42), must be adhered to.

Examples of space allocations are:	Supervisors	96-125 sq ft
	Engineers	80-100 sq ft
	Clerical	40-75 sq ft

The allowances are maximum guidelines that can be modified as necessary to meet specific job requirements. Detailed documentation is required when allowance modifications are made.

Right of Way should always avoid renting more space than is necessary, but it should rent sufficient space to accommodate staff, equipment, laboratory facilities, and meeting/conference rooms.

11.15.03.05 **Facility Plans and/or Drawings**

Facility site plans are required for all State as Lessee (SAL) leases. See Memorandum from California State Fire Marshal to the Department, dated August 10, 2001, for the specific requirements. The site plans must be attached to the Lease and kept in the file.

11.15.03.06 **Energy Conservation**

Executive Order D-16-00, Exhibit 11-EX-43, established a state sustainable building goal for all state buildings, including all leased property. The goal is "to site, design, deconstruct, construct, renovate, operate, and maintain state buildings that are models of energy, water, and material efficiency; while providing healthy, productive and comfortable indoor environments and long-term benefits to Californians."

For specific guidelines, recommendations, and information, refer to Web site <http://www.calrecycle.ca.gov/greenbuilding/basics.htm>.

11.15.03.07 Hazardous Materials Certification

Asbestos material in buildings comes in two forms: friable and nonfriable. Friable asbestos is defined as any material containing greater than 1% asbestos by weight that, when dry, can be crushed, pulverized or reduced to powder by hand pressure. This would typically be pipe wrapping, insulation, or fireproofing. Nonfriable asbestos is generally considered nonhazardous and is typically vinyl asbestos floor tile or asbestos roofing felts and shingles.

Current state policy dictates that all buildings built before calendar year 1980 must be certified in writing to be “Free from hazards from Asbestos Containing Material (ACM).” The certification must be provided by an Industrial Hygienist certified by the American Board of Industrial Hygiene (ABIH) or an Environmental Protection Agency (EPA) Asbestos Hazard Emergency Response Act (AHERA) Certified Inspector. If the building was constructed subsequent to calendar year 1980, a photocopy of the Occupancy Certificate issued by the city or county building department is all that is required. The Occupancy Certificate must be provided prior to the execution of the lease.

When referring to leased space in regard to asbestos, leased space includes common public areas, building maintenance and equipment areas, and plenums in the same heating, ventilating, and air conditioning zone and telephone closets.

Leased space with asbestos present may be considered. The lessor, however, must comply with the requirements stated above. The lease agreement must hold the lessor responsible for control of nonfriable ACM and ACM that has been enclosed or encapsulated, including an appropriate operations and maintenance program.

Also, current state policy dictates that all buildings built before calendar year 1980 must be certified as free of hazard from Lead Containing Materials (LCM). Paint chip samples must be collected by California Department of Health Services (DHS) Lead Certified Project Designer for laboratory analysis to determine lead content. Web site for your assistance is: <https://www.epa.gov/lead/protect-your-family-lead-your-home-1>.

These requirements are to be completed by the lessor prior to the lease execution by the State.

11.15.04.00 Lease Form

The renting or leasing of field facilities for the Department’s use shall be accomplished as follows:

- **Permanent Buildings and Trailer Pads** - Exhibit 11-EX-30, State as Lessee Lease Agreement, shall be used. Significant modifications shall be approved by Legal prior to the execution of said lease.
- **Relocatable Buildings or Trailers** - The standard lease or rental agreement used by the relocatable building or trailer company may be used with additional clauses from Exhibit 11-EX-30, State as Lessee Lease Agreement, when appropriate. The lease/rental agreement shall include provisions for initial setup, maintenance during the lease term, and removal at the end of the lease. If utilized, the company’s lease should be reviewed by Legal prior to the execution of said lease.

A clear and complete description of the property should be included on the lease form under Description, including physical address, square footage, and type of facility (e.g., light industrial, strip mall, residential, etc.).

11.15.04.01 **Lease Execution**

The DD or authorized delegate is authorized to execute all SAL agreements. There will be two original copies of the lease executed by all parties. The recommendation for approval of the DDC of the requesting function shall be shown on the lease.

11.15.04.02 **Lease Extension**

The Region/District may extend the term of existing leases.

11.15.04.03 **Triple Net Leases**

Triple net leases that require the State to pay for the lessor's future increased expenses for the leased property, such as taxes, insurance, utilities, and debt service, shall be avoided. Prospective lessors should be advised to include such items in their proposed rental rate.

11.15.05.00 **Insurance**

In obtaining a lease for field facilities, the Region/District may be faced with the lessor's demand that the state provide insurance coverage, either by paying a monthly fee to the lessor's insurance carrier or by purchasing its own policy. There are two types of insurance to be considered: (1) fire and hazard, and (2) liability.

The State is self-insured for all liability (including bodily injury and property damage) as well as any tort (such as fire and physical damage caused by one of our employees) affecting private property. The state's ability to insure itself is provided in Government Code, Section 11007.1-11007.74. If the owner would like written confirmation, contact Department of General Services (DGS), Office of Insurance and Risk Management, and request a letter of "Public Liability and Workers Compensation Insurance" on their letterhead.

Although there is no need to furnish insurance policy coverage on SAL leases, there may be instances when an owner will not accept our self-insurance status and will insist on coverage provided by an insurance policy. In those cases, the Department has the flexibility to obtain such policy coverage if it is the only way to secure the field facility. It may be prudent to renegotiate rental terms if purchase of an insurance policy is required.

DGS can obtain quotes for required fire and hazard coverage and secure a policy if requested. The cost of securing a policy is usually much less than paying the lessor's insurance carrier for the required coverage and may be available through a single policy. Insurance and Risk Management has provided a form, Exhibit 11-EX-32, to assist in obtaining fire and hazard coverage. The form should be completed and sent to DGS for cost quotations and purchase of appropriate policy coverage.

11.15.06.00 **Park and Ride Facility Leases**

S&H Code, Section 147, authorizes the Department to enter into agreements and leases with private owners for use of existing parking facilities or to develop parking facilities for the Park and Ride program. Typical examples are shopping centers and church parking lots.

The District Ridesharing Coordinator is responsible for the Program. Since *no rent is paid* for use of the facilities, the coordinator usually handles the entire transaction with a standard use agreement with no Right of Way involvement.

Legal recommends that the Department use a lease rather than an agreement if the State agrees to provide improvements such as paving, fencing, and lighting. In this case, the coordinator will request Property Management to prepare a lease. (See Exhibit 11-EX-33 for a typical Park and Ride lease.) Since the State is lessee, the lessor may require changes in the typical lease. The local Legal office must approve any changes.

Since there is no rent, the lease is executed at the Region/District level. Note that the Region/District Ridesharing Coordinator’s approval is required on the Archive copy. The procedures in the following table should be followed when acquiring Park and Ride leases for Traffic System Management.

PARK & RIDE PROCEDURES	
Function	Procedures
Acquisition	Receive an appraisal of the fair market rent.
	Prepare a Lease Agreement using Exhibit 11-EX-33. Property Management should review and approve the lease, and the local Legal office must approve any changes in the standard lease.
	Pay the fair market rent for the entire lease term in advance in a lump sum by R/W Contract.
	Send a short-form MOS and Claim Schedule to HQ R/W, Acquisition Branch.
	Enter parcels in IRWS.
Property Management	Review the lease prepared by Acquisition prior to presenting it to the lessor.
	Forward a copy of the executed lease to HQ R/W, Property Management Branch.

11.15.07.00 Documentation for File

Right of Way’s file should contain the following documentation:

- A copy of the written request for field facilities.
- Right of Way’s determination on the suitability of the facilities for proposed use.
- For permanent buildings or trailer parks, include comparability of the rental rate to rates for similar facilities in the immediate area. List comparables, briefly discuss the investigation, and compare major characteristics to the subject property.
- For relocatable buildings or trailers, document informal bids and the reasons the successful bidder was chosen. Documentation shall consist of such items as rental rate, company name and location, and setup, maintenance, and removal costs. The successful bidder should be chosen based on a combination of factors such as low bid, past performance, services provided, and location of the company in relation to the site.
- Parking, services, and utilities available, if any.
- Statement that no suitable state-owned facilities are available.

- The following certification by the Agent securing the lease:

It is hereby certified that this lease is in accordance with Government Code, Section 11005, and does not constitute hiring of office space in an office building within the meaning of the code.

The procedures in this section also apply to lease amendments and renewals.

11.15.08.00 **Employee Time Charging**

Time spent by Right of Way sourced personnel to provide services to other district functions must be properly coded to ensure the charges are billed correctly. Specifically, when Right of Way personnel are requested to secure leases for field facilities for Construction's resident engineers, Construction must supply appropriate charge information.

NOTES:

11.16.00.00 - TRANSFERRING PROPERTIES TO CLEARANCE STATUS

11.16.01.00 Scheduling Rental Termination

After determining a practical and orderly clearance schedule, Property Management shall coordinate the following activities with the RAP Unit:

- Inform the RAP Unit in writing within two days of the first knowledge of a RAP eligible vacating state-owned property.
- Provide a courtesy 90-Day Letter for noneligible RAP tenants, in accordance with provisions of Section 11.07.19.00.
- Ensure that all noneligible RAP tenants occupying premises leased under master tenancy are informed they are not eligible for relocation assistance payments.
- Coordinate sale of excess land or building improvements with the RAP Unit to ensure that occupants are provided with required RAP notices and receive any relocation payments due.

Property Management shall request the following services from the RAP Unit as necessary:

- Service of a Letter of Intent to Vacate on each tenant eligible for relocation assistance payments. Property Management will supply the names, addresses, and other information for the affected tenants and type of notice to be served (see Exhibit 11-EX-34, Service of a Letter of Intent to Vacate). This notice will be served in accordance with RAP instructions and the status of the tenant's RAP eligibility (see Exhibit 11-EX-35, Letter of Intent to Vacate-90). A copy of the Letter of Intent to Vacate that was served shall be returned to Property Management to confirm the effective date of the notice.
- Service of a Notice to Vacate on the above eligible tenants. A copy of the notice showing the date service was made shall be returned to Property Management as verification of service and notification of the effective date of termination (see Exhibit 11-EX-44, Notice of Termination of Tenancy and Notice to Quit).

Depending on district policy, either Property Management personnel or RAP personnel may serve the Letter of Intent to Vacate and the Notice to Vacate when tenants ineligible for relocation assistance payments are involved.

In most cases where state-owned property is voluntarily vacated and the length of time remaining before regular scheduled clearance is too short to provide a reasonable period for re-renting, the parcel shall be immediately transferred to clearance status for disposal.

11.16.02.00 Transferring Properties to Clearance Status

The Agent is responsible for thoroughly inspecting and securing the state's property as soon as it becomes vacant and shall make prior arrangements to obtain keys from the vacating tenant. If the vacant property shall not be re-rented, the Agent shall follow the procedures below after receiving the keys:

- Inspect the property, noting possible hazards, vandalism, trash, or personal property left on the premises.
- If personal property is found on the property, the Agent is directed to follow the statutory procedures that are set forth in California Code of Civil Procedure Section 1174 and Civil Code Sections 1980-1991. Should the Agent need assistance in interpreting these provisions of California law, the Agent may consult with Legal for additional advice.

- Inventory all items purchased by the state and document the rental file.
- Determine whether or not the property should be boarded up to protect against vandalism and theft.
- When necessary, submit a service request to the proper maintenance personnel to have trash removed, improvements boarded up, or hazardous conditions abated.
- Arrange for termination or transfer of utility services into state's name. Notify Division of Accounting, Accounts Payable, Utility Section, of changes in utility billing as necessary.

11.16.03.00 **Property Manager Review**

The Property Manager shall review all improved rental properties that are transferred to clearance status and shall perform the following functions:

- Verify that entries made in RWPS are correct and complete.
- Check the parcel rental folder for accuracy of dates and type of activity from close of escrow to date of transfer to clearance status.
- Verify that improvement inventory documentation has been properly maintained and all state-owned items are accounted for.
- When fully satisfied that the improvements should be transferred to clearance status for disposition, affix initials or signature to the vacancy report to approve the transfer.
- Route the parcel rental folder to clerical staff to prepare the utility removal letter for the Agent's signature (see Exhibit 11-EX-36, Utility Removal Letter), ensuring that a copy is sent to Division of Accounting, Accounts Payable, Utility Section. After the utility removal letter has been prepared and mailed, place the parcel rental folder in a "Hold for Clearance" file.
- Route a copy of the vacancy report found in the parcel rental folder to Clearance staff to serve notice that certain improvements are now available for immediate clearance.

11.16.04.00 **Advanced Transfers to Clearance Status**

Occasionally, it is necessary to remove improvements prior to normal clearance scheduling because one or more of the following conditions exist:

- Retention of substandard improvements that cannot be economically rehabilitated would constitute a health or safety hazard.
- Improvements have been damaged to the point that it is no longer economically feasible to restore them to rentable standards.
- A local government agency has condemned the improvements.

In most cases, the above criteria are equally applicable to removal of improvements from rescinded routes or excess land.

A financial analysis prepared by a qualified person and approved by the DDC-R/W shall be attached to the improvement disposal report for disposal of any residential improvements. Comments and recommendations must indicate that the project is environmentally cleared or contain a documented statement about the emergency nature of the removal.

11.16.05.00 **Direct Sale Pursuant to S&H Code Section 118.1**

In accordance with S&H Code Section 118.1, under certain conditions commercial property made excess because it is on a rescinded route or downscoped project must be offered for sale first to the state's tenant. The tenant must have made authorized capital improvements valued in excess of \$5,000 at their expense. Upon Excess Land's request, Property Management will identify all eligible properties. For further details, see Excess Land Chapter 16.

NOTES:

11.17.00.00 - HAZARDOUS WASTE AND HAZARDOUS MATERIALS

11.17.01.00 Policy

The Department's policy is to consider fully all aspects of potential hazardous waste sites ensuring that adequate protection is afforded to employees, workers, and the community prior to, during, and after construction. Property Management must be aware of all potential and confirmed sites and any use of hazardous materials on future rights of way. The district must monitor these sites, terminate leases where required, and consider potential clearance of wastes when planning for right of way certification dates.

11.17.02.00 Definition

A material is hazardous if it poses a threat to human health or the environment. Hazardous materials may be any of a large group of the products listed below. (A partial list is contained in the California Code of Regulations, Title 22, Section 66261.126, Appendix X.)

- Flammable
- Reactive (subject to spontaneous explosion or flammability)
- Corrosive
- Toxic
- Radioactive

The term "hazardous waste" applies to the storage, deposit, contamination, etc., of a hazardous material that has escaped or been discarded or abandoned and that may be defined in general terms as being any of the above.

11.17.03.00 General

The Department strives to identify, investigate, and clean up sites at the earliest opportunity during the project development process. Occasionally, these activities may not be accomplished prior to Property Management involvement.

Under a *normal* project development sequence, the entire process is completed in accordance with governmental hazardous waste requirements. Project Development is the lead unit for the identification, investigation, and cleanup process. Right of Way assists by obtaining necessary rights to enter for testing purposes and by negotiating cleanup agreements prior to acquisition.

On projects where the normal sequence cannot be followed, Right of Way assists in identifying potential hazardous waste sites and initiates the cleanup process for all **MINOR** hazardous waste problems not requiring a Hazardous Waste Management Plan, such as underground tanks or hazardous material businesses. All investigative work is done under the administrative and technical control of the District Hazardous Waste Coordinator (HWC) with concurrence of the Department's Hazardous Waste Management Branch, Office of Project Planning and Design. If at any time a formal Hazardous Waste Management Plan is required, Project Development assumes the lead role.

11.17.04.00 Inventory

Property Management must inventory all properties under its control that have been identified as potential hazardous waste sites, including those with underground tanks. The District HWC should maintain a tracking system for all district sites. Until the properties are cleared and the projects are certified for construction, Property Management must monitor all acquired properties, specifically any that have a potential for becoming hazardous waste sites.

11.17.05.00 Underground Tanks

The State Underground Storage Tank Law is contained in Chapter 6.7, Division 20, Health and Safety Code, and Underground Tank Regulations, Subchapter 16, Chapter 3, Title 23, California Administrative Code. These sections include Health and Safety Code Sections 25286, 25294, 25295, 25298 and 25299.

All underground tanks must be covered by permits issued by the local regulatory agency, and the owner of the property is responsible for obtaining the permit. Examples of such permits are “permit to store a hazardous material” and “permit to operate a hazardous material storage tank.”

Underground tanks on state property should be removed as soon as possible. All inactive tanks shall be removed immediately. Active tanks shall be removed as soon as the property can be vacated. An alternative, in some cases, is to obtain a right to enter and remove the tanks and then consider continuance of the lease.

The DD or authorized delegate must approve any exceptions to the above as current regulations for monitoring underground tanks require a substantial expenditure by the Department to comply with installation and operation of leak detection equipment. Only new tanks or those constructed since January 1984 and that meet all current requirements and regulations will be considered for possible retention or installation. The lessee is responsible for permits and all costs for monitoring the system. If a new tank is allowed, a provision for removal and cleanup by lessee at expiration of lease must be included.

11.17.06.00 Tank Removal Procedures

The HWC will obtain the name of the local agency official responsible for underground tanks. Since the contractor must obtain the required permits for operating or closure of all existing tanks from the local permitting agency, this information must be included in the removal contract. Also, any contract for tank removal **MUST** include provisions for barricades and cleanup.

Prior to any tank removal, Right of Way must initiate an agreement with the tenant in occupancy and the owner of the property. While Project Development and the project manager have basic responsibility for removal of all tanks, those which have no or only minor leakage can be removed under contracts initiated by Right of Way. These contracts must be approved by the HWC and must contain all the clauses approved by the Office of Service Contracts. Nonleaking tanks may have a minor deposit of product under the tank that can be cleaned up during a tank removal contract. If the leak is major, a Hazardous Waste Management Plan may be required and will be prepared under the direction of Project Development.

11.17.07.00 Potential Surface Contamination

Many properties have the potential for hazardous waste contamination. Examples include service stations and bulk plants, paint companies, machine shops, plating companies, light and heavy industrial manufacturing, dry cleaning establishments, fertilizer companies, junkyards, auto wrecking yards, and muffler shops. Right of Way must notify the HWC in writing when a property may contain either hazardous waste or asbestos containing materials (ACM). Right of Way should request from the HWC:

- An opinion on whether or not hazardous materials are being used or are present on the site.
- An assessment of the risk involved if hazardous materials are present or are being used by the tenant, given the tenant's activities, equipment, handling and storage methods.
- A recommendation as to what storm water best management practices (BMPs) should be implemented to eliminate potential pollutants in storm water discharges from the property.
- A recommendation regarding what periodic inspections, if any, are necessary to ensure that use of any hazardous material does not result in a future hazardous waste problem.

The HWC will inspect each site and determine that:

- No testing is necessary and will make a statement that no hazardous waste is present; or
- Further investigation is necessary and proceed to hire a consultant to determine if hazardous waste actually exists; or
- There is no hazardous waste present, but hazardous materials are present and being used. The HWC will include recommendation on what future inspections, BMPs, and/or other controls, if any, may be required.

If no hazardous waste or material exists, the district should continue tenancy with amendment of lease to include the hazardous waste clause.

If hazardous waste exists and the lessee's operation is causing the waste, the district should notify the lessee to cease such action and terminate the lease. The district should initiate further steps to determine who is responsible for cleanup and when cleanup will take place. Cooperation with the HWC, Legal, and Project Development may be required. The DD or authorized delegate must approve any new lease or lease renewal for a parcel confirmed to contain a hazardous waste.

If no hazardous waste exists but hazardous materials are being used, the risk of allowing the operation to continue with possible cleanup costs and project delays must be weighed against net rent, community impact, and any positive factors. Justification for continuing the lease or rental must be documented and retained in the file.

Where there is a potential for hazardous waste and project certification date is within a three-year period, Right of Way must request the HWC to give a priority review so that any site confirmed to have a hazardous waste will not cause a delay in clearance and subsequent R/W Certification.

Removal of improvements that contain asbestos (e.g., siding and insulation) should be coordinated with the HWC. See R/W Manual Section 12.03.07.00 for additional information.

11.17.08.00 **Lease Clause for Nonresidential Properties and Information for Tenants**

Exhibit 11-EX-B, Lease Agreement, contains a clause covering hazardous materials. This clause shall be included in all existing and future nonresidential leases and rental agreements except signboard sites and oil and gas leases, and where in the district's judgment hazardous waste problems are extremely unlikely. This exception may include vacant land uses, agricultural uses where chemicals such as fertilizers, herbicides and insecticides are used but not stored or mixed on the property, grazing uses, recreational uses such as parks and ball fields, and some commercial uses. The districts should take a conservative approach to these exceptions and should watch for any changes in use that could involve hazardous materials.

The hazardous waste clause should be included in revising all nonresidential leases, without waiting for renewal, for any accounts that are not excluded; i.e., properties where hazardous waste problems are extremely unlikely.

A list of hazardous materials from the California Code of Regulations, Title 22, Section 66261.126, Appendix X, is extensive and useful, but it should not be considered all inclusive. Agents may obtain a copy of this list and should refer all questions relating to classification of substances to the District HWC. Each nonresidential tenant shall be provided with a copy of this list.

Additional information contained in California Health and Safety Code Sections 25286, 25294, 25295, 25298, and 25299 may also be obtained from the HWC. Tenants of properties with underground tanks shall be provided with a copy of these sections.

Use of the hazardous waste clause and the tenant's listing of hazardous materials asked to be permitted should give the Property Manager notice of potential problems. Before any lease or rental is entered into with a new tenant, however, the Property Manager must inquire into the specific type of use proposed and consider the risk, with advice as needed.

11.18.00.00 - DEPARTMENT-OWNED EMPLOYEE HOUSING

11.18.01.00 Definition

California Code of Regulations (CCR), Department of Personnel Administration (DPA) Rule Section 599.644 describes state-owned housing as houses, apartments, dormitories, mobile homes, trailers, mobile home pads and trailer spaces. *Employee housing* refers to those facilities that are located at maintenance stations and are owned and maintained by the California Department of Transportation (Department).

11.18.02.00 Policy

Employee housing is considered at maintenance stations only when necessary for direct support of the station and is limited to crewmembers assigned to the station and their immediate family.

See Deputy Directive DD-18, Employee-Occupied Caltrans-Owned Housing (Exhibit 11-EX-37), for complete policy and procedures.

11.18.03.00 Responsibilities

DDs and Program Managers for HQ R/W and Maintenance share responsibility for employee housing in accordance with DD-18. Additional information on roles and responsibilities is included in the January 26, 1995 memorandum entitled "Employee-Occupied Caltrans-Owned Housing" (PSEP 1243) from the Division of Accounting.

11.18.04.00 Rental Rates

Employees will pay fair market rental rates for employee housing, consistent with collective bargaining unit agreements, as follows:

- All new employee-tenants will be charged fair market rents.
- The state will raise existing rental rates paid by employees up to 25% each year up to fair market value.

11.18.05.00 Utilities

It is the Department's policy *not to* furnish utilities for employee housing. Exceptions to this policy may be considered on an individual basis and require approval of the Maintenance Program Manager.

All employee housing units will be equipped with separate tanks and/or meters for fuel and electricity.

At locations where commercial electricity and fuel are not available or fuel is supplied by the maintenance station and no meters have been installed, the employee shall reimburse the state at the same rate charged by the nearest public utility company or fuel supplier. District Right of Way shall obtain estimates of fair and reasonable average monthly charges for such units.

If meters have been installed, the Maintenance Supervisor will read the meters monthly and Accounting will bill the employee-tenants.

If water is not metered to the employee housing unit, employees will be charged a flat monthly rate in accordance with Department of Personnel Administration Rule 599.642 as shown below:

	<u>Housekeeping</u>	<u>Non-Housekeeping</u>
Class 1	\$3.50 per month	\$1.75 per month
Class 2	\$5.50 per month	\$2.75 per month

***Housekeeping** - units of 501 square feet or more that contain regular cooking facilities.*

***Non-Housekeeping** - units that do not contain regular cooking facilities and all units of 500 square feet or less.*

***Class 1** - within 25 miles of and not more than 40 minutes' travel time, one way, from a community with a year-round population of 2,500 or more.*

***Class 2** - all other areas.*

The rental agreement for each unit shall specify utilities to be paid directly by the employee to commercial suppliers. If the maintenance station supplies utilities, the rental agreement shall specify the method of reimbursement by the employee.

11.18.06.00 **Employee Housing Rental Agreement**

Use of the Employee Housing Rental Agreement (Exhibit 11-EX-J) is mandatory for occupancy of employee housing units. Rental agreements are not required for dormitory occupants.

11.18.07.00 **Payment of Rent**

Rent is payable monthly in arrears by payroll deduction in accordance with DPA rules. District Maintenance initiates Miscellaneous Deduction Change Report (Controller's Form 650) to establish a payroll deduction for a new account or to change a rental. The original is sent to the Controller's Office with copies to Accounting, Personnel, and Right of Way. Deduction Code 011 is used for rent, and a monthly report for Deduction Code 011 is available by district from the Controller's Office. Accounting and District Right of Way should use this report to monitor rental rates and income for employee housing.

Accounting is responsible for maintaining a list with employee's name, amount deducted for rent, and amount for utilities for each employee housing unit.

District Maintenance is responsible for notifying Accounting, Personnel, and Right of Way if there is a new occupant or an employee is leaving.

11.18.08.00 **Possessory Interest Tax**

The tenant's interest in employee housing is subject to a possessory interest tax that the city or county may impose. Any tax payment shall not reduce rent due the Department and shall be the tenant's responsibility.

11.18.09.00 **Maintenance and Repairs**

Employee housing units shall be maintained in a safe and habitable condition. The maintenance standards for Department's rental properties contained in this chapter shall apply to employee housing and procedures for inspections and maintenance contracting shall be followed. Rental offsets shall not be used for employee housing.

Because of the distance of some housing units from urban areas, it may be difficult to have repairs done by contractors. In these cases, maintenance station personnel may be able to purchase materials and perform the repair work. Costs of work done in this manner shall be documented in the rental file.

It is the responsibility of the Division of Maintenance to authorize and allocate funds necessary for the maintenance and repair of employee housing facilities. When it is necessary to perform maintenance or repairs, Right of Way will contact Maintenance to obtain the correct EA.

11.18.10.00 **Carpeting for Employee Housing**

The purchase of rugs or carpeting for employee housing shall be in accordance with DGS Carpet Specifications that are in effect at the time quotations are sought. In addition, purchase must be in compliance with existing procurement statutes, regulations, policies, and procedures. For a copy of the specifications or additional information, contact the Purchase Branch in the Administrative Service Center.

11.18.11.00 **Surplus Property**

When employee housing is no longer required for maintenance station staff due to a change in the station's mission or availability of private housing, the housing shall be eliminated by transferring the property to District Right of Way for disposal. These houses should be vacant when they are transferred to Right of Way. If occupied, however, Maintenance shall request Right of Way to terminate tenancies.

11.18.12.00 **Reporting Requirements**

CCR, DPA Rule Section 599.640-648 requires Departments with state-owned properties to 1) establish processes and procedures to annually assess the fair market value of their properties and 2) report the employees' taxable income associated with employer-provided housing to the State Controller's Office.

California Code of Regulations Section 599.644(c) of Title 2 states, "At the direction of the Department of Personnel Administration, and pursuant to its delegation of such statutory authority, the appointing powers shall review the monthly rental and utility rates every year and report the rates to the Department of Personnel Administration." The Department has the responsibility to submit the following information to DPA annually:

- County Code
- Street Address
- Current Rents Name
- Occupancy Date
- Fair Market Value
- Percent of Increase from Last Survey
- If Utilities Are Included in Rent
- Property Name
- Residence Type and Residence Number
- Renters Classification
- Monthly Rent
- Date of Fair Market Value Appraisal
- Monthly Utility Rate

HQ will send out a request to the Regions/Districts for the annual survey along with instructions and other pertinent information.

11.18.13.00 **Storm Water Requirements**

Because employee housing is located at maintenance stations, it is covered by the Department's Statewide Storm Water Permit and Storm Water Management Plan (SWMP). Storm water guidance discussed elsewhere in this chapter is applicable to employee housing.

CHAPTER 11

Property Management Table of Contents

FORMS

<u>Form No.</u>	<u>Title</u>
RW 11-1	Hold for Future Use
RW 11-2	Hold for Future Use
RW 11-3	Hold for Future Use
RW 11-4	Hold for Future Use
RW 11-5	Residential Rental Application
RW 11-6	Non-Residential Rental Application
RW 11-7	Property Management Rental Account Diary
RW 11-8	Hold for Future Use
RW 11-9	Hold for Future Use
RW 11-10	Hold for Future Use
RW 11-11	3-Day Notice to Pay Rent or Quit
RW 11-12	3-Day Notice to Correct Breach of Covenant or Quit (Curable Breach)
RW 11-13	3-Day Notice to Quit for Breach of Covenant (Incurable Breach)
RW 11-14	Hold for Future Use
RW 11-15	Hold for Future Use
RW 11-16	Hold for Future Use
RW 11-17	Hold for Future Use
RW 11-18	Certificate of Insurance With Endorsement for Lease of State-Owned Property
RW 11-19	Hold for Future Use
RW 11-20	Hold for Future Use
RW 11-21	Hold for Future Use
RW 11-22	Hold for Future Use
RW 11-23	Contractor's Time Reporting Sheet
RW 11-24	Income Certification
RW 11-25	Authorization to Write Off or Adjust Accounts Receivable Bill
RW 11-26	Hold for Future Use
RW 11-27	State Fire Marshal Checklist
RW 11-28	Plan Approval Request
RW 11-29	Seismic Screening Checklist
RW 11-30	Certification of Structural Evaluation
RW 11-31	Structural Evaluation Request
RW 11-32	Plan Review Application

RESIDENTIAL RENTAL APPLICATION

RW 11-5 (REV 9/2005)

PERSONAL INFORMATION NOTICE

Pursuant to the Federal Privacy Act (P.L. 93-579) and the Information Practices Act of 1977 (Civil Code Sections 1798, et seq.), notice is hereby given for the request of personal information by this form. The requested personal information is voluntary. The principal purpose of the voluntary information is to facilitate the processing of this form. The failure to provide all or any part of the requested information may delay processing of this form. No disclosure of personal information will be made unless permissible under Article 6, Section 1798.24 of the IPA of 1977. Each individual has the right upon request and proper identification, to inspect all personal information in any record maintained on the individual by an identifying particular. Direct any inquiries on information maintenance to your IPA Officer.

THE LAW PROHIBITS DISCRIMINATION IN HOUSING - DISCRIMINATION BASED ON RACE, COLOR, RELIGION, SEX, MARITAL STATUS, NATIONAL ORIGIN OR ANCESTRY IN THE SALE, RENTAL, OR LEASING OF HOUSING, ACCOMMODATIONS IS PROHIBITED BY THE CALIFORNIA FAIR HOUSING ACT, HEALTH AND SAFETY CODE, SECTION 35700 AND TITLE VI OF THE 1964 CIVIL RIGHTS ACT (42 U.S.C. 2000d, et seq.). If you believe that you have experienced discrimination in the rental of State housing, please contact the Department of Fair Employment and Housing.

COMPLETE ALL ITEMS - PLEASE PRINT

Proposed Occupants	Birthdate	Proposed Occupants	Birthdate
(1)		(3)	
(2)		(4)	

PROPOSED OCCUPANT (1)

Name: _____ Social Security: _____

Home Phone: _____ Driver's License No.: _____

Address-Number and Street, City, Zip	Landlord Name	Phone	From	To
Present:				
Previous:				
Next Previous:				

	PRESENT EMPLOYMENT	PRIOR EMPLOYMENT
Employer:		
Business Address:		
Business Phone:		
Name/Title of Supervisor:		
How Long?		

Current Salary: Weekly \$ _____ Monthly \$ _____ Or Annual \$ _____

NAME OF _____	ADDRESS: _____	Chk. Acct. No.: _____
		Savgs Acct. No.: _____
NAME OF _____	ADDRESS: _____	Chk. Acct. No.: _____
		Savgs Acct. No.: _____

FINANCIAL OBLIGATIONS

Payments To:	Address:	Amount:

Vehicle:	Make:	Model:	Year:	License No.:	State:

Will you have any waterbeds? _____

Why are you vacating your present place of residence? _____

RESIDENTIAL RENTAL APPLICATION (Cont'd)

RW 11-5 (REV 9/2005)

PROPOSED OCCUPANT (1) - Continued

Father's Name:		Mother's Name:		
In Case of Emergency, Notify:	Address: Number / Street/ City/, State /, Zip Code	Phone		Relationship
(1)				
Personal Reference:	Address: Number / Street/ City/, State/, Zip Code	Phone	Occupation	Length of Acquaintan
(1)				
(2)				

PROPOSED OCCUPANT (2)

Name: _____ Social Security: _____

Home Phone: _____ Driver's License No.: _____

Address-Number and Street, City, Zip	Landlord Name	Phone	From	To
Present:				
Previous:				
Next Previous:				

	PRESENT EMPLOYMENT	PRIOR EMPLOYMENT
Employer:		
Business Address:		
Business Phone:		
Name/Title of Supervisor:		
How Long?		

Current Salary: Weekly \$	Monthly \$	Or Annual \$
NAME OF BANK:	ADDRESS:	Chk. Acct. No.: _____ Savgs Acct. No.: _____
NAME OF BANK:	ADDRESS:	Chk. Acct. No.: _____ Savgs Acct. No.: _____

FINANCIAL OBLIGATIONS

Payments To:	Address:	Amount:			
Vehicle:	Make:	Model	Year:	License No.	State

Will you have any waterbeds? _____

Why are you vacating your present place of residence? _____

NOTICE TO APPLICANTS DESIRING TO RENT DEPARTMENT OF TRANSPORTATION PROPERTIES

ONLY STATE EMPLOYEES ARE AUTHORIZED TO REPRESENT THE DEPARTMENT OF TRANSPORTATION. COMMISSIONS OR FEES ARE NOT CHARGED. REAL ESTATE BROKERS, SALESMEN, OR NON-STATE EMPLOYEES ARE NOT AUTHORIZED TO REPRESENT THE DEPARTMENT OF TRANSPORTATION IN THE RENTAL OF STATE-OWNED PROPERTIES.

Your attention is directed to the following conditions with which each tenant will be expected to comply:

1. All rents pertaining to State-owned properties are due and payable on the first day of the month and, in any event, must be received by the Department of Transportation Accounting Office no later than the tenth day of each month. Failure to comply with this requirement will make it mandatory that the tenant be requested to vacate.
2. Any property rented after the first day of the month will necessitate an advance rental payment prorated on a 30-day month. A deposit equivalent to one month's rent may be required.
NOTE: A deposit is a sum of money that is to be held by the Department of Transportation during the occupancy of the tenant and should not at any time be construed as advance rent. Said deposit is recoverable when tenant vacates the property provided that:
 - a) Tenant notifies the State of their intention to vacate the property. Said notice shall be in writing and contain tenant's forwarding address.
 - b) The property is left in a good and livable condition, wear and tear due to normal use and occupancy excepted.
 - c) There is no unpaid rent due the State for the use of the property.
The State will refund any monies owed to tenant according to California Civil Code Section 1950.05.
3. The initial payment at the time of renting the property shall include the deposit, if required, and any pro-rated rents due for the balance of the rental period.
4. If the property being rented is a single family residence, the tenant will be required to maintain the yard area, particularly the lawn, in a manner consistent with neighborhood standards or tenant will be asked to vacate said property.

Section 7(a)(1) and (b) of the Federal Privacy Act of 1974 (Pub.L. 93.5.79) provides:

"It shall be unlawful for any Federal, State or Local Government Agency to deny to any individual any right, benefit, or privilege provided by law because of such individual's refusal to disclose his/her social security account number."

"Any Federal, State, or Local Government Agency which requests an individual to disclose his/her social security account number shall inform that individual whether that disclosure is mandatory or voluntary, by what statutory or other authority such number is solicited, and what uses will be made of it."

The Department of Transportation's authority for requesting disclosure is Streets and Highways Code Section 104.6, which reads:

"The Department is authorized to lease any lands which are held for State Highway purposes and are not presently needed therefore on such terms and conditions as the Director may fix and to maintain and care for such property in order to secure rent therefrom."

The Social Security Number will be used to (1) trace delinquent tenants who have vacated without leaving a forwarding address, and (2) enable the State Controller to collect delinquent rent by the offset procedure required by State Administrative Manual Sections 8072.3, 8790.7 and 10510, as authorized by Government Code Section 12419.5.

The following guidelines for selecting a tenant will include but not be limited to the following:

- The intent and ability of applicant to pay rent.
- The willingness of applicant to maintain the property and improvements.
- The applicant's gross income should equal or exceed four times the rental rate.
- The obtaining of a successful credit report on applicant(s).
- The ability to verify the information contained in this rental application.

NOTICE: This property may be demolished by the Department for highway purposes. The Department will provide you with a sixty-day (60-day) notice prior to demolition.

RW 11-6 (REV 07/2007)

COMPLETE ALL ITEMS-PLEASE PRINT
(Co-Applicants complete separate forms.)

PERSONAL INFORMATION NOTICE

Pursuant to the Federal Privacy Act (P.L. 93-579) and the Information Practices Act of 1977 (Civil Code Sections 1798, et seq.), notice is hereby given for the request of personal information by this form. The requested personal information is voluntary. The principal purpose of the voluntary information is to facilitate the processing of this form. The failure to provide all or any part of the requested information may delay processing of this form. No disclosure of personal information will be made unless permissible under Article 6, Section 1798.17 of the IPA of 1977. Each individual has the right upon request and proper identification, to inspect all personal information in any record maintained on the individual by an identifying particular. Direct any inquiries on information maintenance to your IPA Officer.

BUSINESS

BUSINESS NAME	<input type="checkbox"/> Sole Proprietorship	YEARS IN BUSINESS	FEDERAL ID NUMBER	MORTGAGE PAYMENT <i>(per month)</i>	RENT PAYMENT <i>(per month)</i>
	<input type="checkbox"/> Partnership		APPLICATION DATE		
<input type="checkbox"/> Corporation					
CURRENT BUSINESS ADDRESS <i>(Street, City, State, ZIP Code)</i>				YEARS	MONTHS
CURRENT LANDLORD NAME	BUSINESS TELEPHONE	FORMER LANDLORD NAME	BUSINESS TELEPHONE		
FORMER BUSINESS ADDRESS <i>(Street, City, State, ZIP Code)</i>				YEARS	MONTHS
STANDARD INDUSTRIAL CLASSIFICATION (SIC) CODE(s) <i>(for activities conducted on the lease premises)</i>	SIC CODE DESCRIPTION <i>(describe each SIC code if more than one are applicable)</i>				

GIVE BRIEF NARRATIVE DESCRIPTION OF OPERATIONS AND ACTIVITIES THAT WILL TAKE PLACE ON THE LEASE PREMISES

WILL LEASE ACTIVITIES REQUIRE COVERAGE UNDER GENERAL PERMIT ORDER 97-03-DWQ (GENERAL INDUSTRIAL PERMIT) ISSUED BY STATE WATER RESOURCES CONTROL BOARD (SWRCB)? <input type="checkbox"/> YES <input type="checkbox"/> NO	IF GENERAL INDUSTRIAL PERMIT IS REQUIRED, HAS WASTE DISCHARGE IDENTIFICATION (WDID) NUMBER BEEN OBTAINED FROM SWRCB? <input type="checkbox"/> YES <input type="checkbox"/> NO IF YES, PROVIDE WDID#:
--	---

If lease activities will require coverage under the General Industrial Permit, Applicant will be required to provide a copy of the following information as a condition of the lease:

- Notice of Intent (NOI) or No Exposure Certification (NEC) filed with the SWRCB.
- Receipt Letter from SWRCB showing Waste Discharge Identification Number.
- Storm Water Pollution Prevention Plan (SWPPP) covering lease activities.

NON-RESIDENTIAL RENTAL APPLICATION

RW 11-6 (REV 07/2007)

Business Assets

Please attach financial statements for the past two (2) years. (If self-employed or retired, attach financial statements and/or income tax returns.)

I certify that I have never filed for bankruptcy and have no accounts past due.

APPLICANT'S SIGNATURE			DATE	
In Case of Emergency Notify:	Home Address	Home Phone	City	Relationship
1.				
2.				
Local Personal References	Home Address	Home Phone	Occupation	Length of Acquaintance
1.				
2.				

Sections 7(a)(1) and (b) of the Federal Privacy Act of 1974 (Public Law 93.5.79) provide:

"It shall be unlawful for any Federal, State or Local Government Agency to deny to any individual any right, benefit, or privilege provided by law because of such individual's refusal to disclose his/her social security account number."

"Any Federal, State or Local Government Agency which requests an individual to disclose his/her social security account number shall inform that individual whether that disclosure is mandatory or voluntary, by what statutory or other authority such number is solicited, and what uses will be made of it."

The Department of Transportation's authority for requesting disclosure is Streets and Highways Code Section 104.6, which reads:

"The Department is authorized to lease any lands which are held for State Highway purposes and are not presently needed therefore on such terms and conditions as the Director may fix and to maintain and care for such property in order to secure rent therefrom."

The Social Security Number will be used to (1) trace delinquent tenants who have vacated without leaving a forwarding address; and (2) enable the State Controller to collect delinquent rent by the offset procedure required by State Administrative Manual Sections 8072.3, 8790.7 and 10510, as authorized by Government Code Section 12419.5.

Applicant represents that statements made above are true and correct and hereby authorizes verification of references including, but not limited to, the obtaining of a credit report and agrees to furnish additional credit references on request. Applicant acknowledges receipt of notification of the provisions of the Federal Privacy Act of 1974 and consent thereof.

I CERTIFY THAT I HAVE READ THE NOTICE TO APPLICANTS DESIRING TO RENT DEPARTMENT OF TRANSPORTATION PROPERTIES AND AGREE TO THE CONDITIONS SET FORTH.

The undersigned makes application to rent nonresidential property designated at address below for the rental fee and upon approval of this application agrees to sign a rental or lease agreement and to pay all sums due before occupancy.

RENTAL PROPERTY ADDRESS	RENTAL FEE
APPLICANT'S SIGNATURE	DATE

3-DAY NOTICE TO PAY RENT OR QUIT

RW 11-11 (REV 9/2005)

TO: _____

and all other persons in possession of the premises described as:

ADDRESS: _____
(Street) (Unit No.)
_____ (City) (State) (Zip)
_____ (County)

PLEASE TAKE NOTICE that the rent is now due and payable on the above described premises which you currently hold possession of.

YOUR RENTAL ACCOUNT is delinquent in the amount itemized as follows:

RENTAL PERIOD _____	RENT DUE _____
RENTAL PERIOD _____	RENT DUE _____
RENTAL PERIOD _____	RENT DUE _____
	TOTAL RENT DUE _____

YOU ARE HEREBY REQUIRED, within three (3) days after service of this notice upon you, to pay said rent or to remove from said premises and deliver up to the State of California, Department of Transportation (Department), the possession of the said premises within said three (3) days. If you fail to do so, the Department will institute legal proceedings against you to recover possession of the premises, and to seek judgment for the rent owed through the expiration date of this notice, with damages for each day of occupancy after that date plus costs and attorney's fees.

YOU ARE FURTHER NOTIFIED that by this notice the Department elects to and does hereby declare a forfeiture of said agreement if said rent is not paid in full within the said three (3) days.

YOU MAY MAKE PAYMENT TO:

Department of Transportation
ATTN: Casier
P.O. Box 168019
Sacramento, CA 95816-3819
Telephone Number: _____

Department of Transportation
ATTN: Casier
1820 Alhambra Boulevard, 2nd Floor
Sacramento, CA 95816

**STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION**

By: _____

Dated and Served _____ day of _____, _____

By: _____

**3-DAY NOTICE TO CORRECT BREACH OF COVENANT OR QUIT
(CURABLE BREACH)**

RW 11-12 (2/96)

Account No.: _____

TO: _____
(Tenant)

(Tenant)

(Street) (Apt. No.)

(City) (State) (Zip)

County of _____

Tenant(s) in Possession and to any other persons in possession:

PLEASE TAKE NOTICE that you are in breach of the agreement under which you hold possession of the above-described premises as follows:

(Explain explicitly and concisely the breach of covenant and refer to the specific clause or paragraph of the Agreement which is to be corrected. Do not prepare a long explanation or add any extraneous information.)

You are hereby required to correct the above specified breach of covenant of your agreement within three (3) days after service of this notice or you must vacate the subject premises and return the premises to the undersigned (State of California, Department of Transportation) or the State will institute legal proceedings against you to recover possession of the premises and to recover rents and damages as provided by law.

Dated this _____ day of _____, 19____.

Served _____, 19____.

By _____

**STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION**

By _____

Account No.: _____

TO: _____
(Tenant)

(Tenant)

(Street) (Apt. No.)

(City) (State) (Zip)
County of _____

Tenant(s) in Possession and to any other persons in possession:

PLEASE TAKE NOTICE that you are in breach of the agreement under which you hold possession of the above-described premises as follows:

(Explain explicitly and concisely the breach of covenant and refer to the specific clause or paragraph of the Agreement which is to be corrected. Do not prepare a long explanation or add any extraneous information - one sentence may do.)

You are hereby required to remove from and deliver up possession of said premises to the undersigned State of California, Department of Transportation within three (3) days after service of this notice or the State will institute legal proceedings against you to recover possession of the premises, to declare a forfeiture of the Agreement and to recover rents and damages as provided by law.

Dated this _____ day of _____, 19____.

Served _____, 19____.

By _____

STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION

By _____

STATE OF CALIFORNIA - DEPARTMENT OF TRANSPORTATION
CERTIFICATE OF INSURANCE WITH ENDORSEMENT
FOR LEASE OF STATE-OWNED PROPERTY
RW 11-18 (2/96)

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

DATE

This is to certify that the following described insurance, and endorsement are in force with named insurer for the period and limits shown on behalf of following named lessee:

CERTIFICATE

NAME OF LESSEE

BUSINESS ADDRESS

TYPE OF BUSINESS

LOCATION COVERED

NAME OF INSURER

POLICY NUMBER

POLICY DATES

KIND OF INSURANCE

BODILY INJURY AND PROPERTY DAMAGE LIABILITY

General Liability

\$1,000,000 per occurrence for Bodily Injury and Property Damage Liability combined.

Upon request, insurer shall furnish State a certified copy of the policy within fifteen days.

ENDORSEMENT

Required special endorsement to be added to policy (signature below is certification that the policy does contain this endorsement):

1. State of California, its officers, employees, and servants are included as additional insured but only insofar as operations at the above-named lease location are concerned;
2. The insurer will not cancel or reduce the insured's coverage without 30 days' prior written notice to State at the following address:

BUSINESS ADDRESS

This certificate or verification of insurance is not an insurance policy and does not amend, extend or alter the coverage afforded by the policies listed herein. Notwithstanding any requirement, term, or condition of any contract or other document with respect to which this certificate or verification of insurance may be issued or may pertain, the insurance afforded by the policies described herein is subject to all the terms, exclusions and conditions of such policies.

WRITTEN SIGNATURE

AGENCY OR COMPANY NAME

BUSINESS ADDRESS

CITY, STATE, ZIP CODE

BUSINESS PHONE

INCOME CERTIFICATION

RW 11-24 (Rev. 7/2000)

PERSONAL INFORMATION NOTICE

Pursuant to the Federal Privacy Act (P.L. 93-579) and the Information Practices Act of 1977 (Civil Code Sections 1798, et seq.), notice is hereby given for the request of personal information by this form. The requested personal information is voluntary. The principal purpose of the voluntary information is to facilitate the processing of this form. The failure to provide all or any part of the requested information may delay processing of this form. No disclosure of personal information will be made unless permissible under Article 6, Section 1798.24 of the IPA of 1977. Each individual has the right upon request and proper identification, to inspect all personal information in any record maintained on the individual by an identifying particular. Direct any inquiries on information maintenance to your IPA Office.

INCOME CERTIFICATION - PROPERTY MANAGEMENT

TO: STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION	RENTAL ACCT. NO.	RENTAL DATE
1. FULL NAME OF APPLICANTS	2. HOME PHONE NO.	3. DATE OF INITIAL OCCUPANCY
4. ADDRESS OF STATE RENTAL PROPERTY	5. APPLICANT'S OCCUPATION _____ 6. CO-APPLICANT'S OCCUPATION _____	
7. APPLICANT'S EMPLOYER AND ADDRESS PHONE NO.	8. CO-APPLICANT'S EMPLOYER AND ADDRESS PHONE NO.	
APPLICANT'S SOCIAL SECURITY NO.	CO-APPLICANT'S SOCIAL SECURITY NO.	

9. HOUSEHOLD INCOME DURING LAST 12 MONTHS

NAME	RELATIONSHIP	GROSS WAGES OR SALARY	RETIREMENT		BENEFITS PAYMENT			TOTAL LAST 12 MONTHS (SUM OF ALL ENTRIES)	EXPECTED INCOME NEXT 12 MONTHS	CALTRANS REVIEW
			SOCIAL SECURITY	OTHER	DISABILITY	UNEMPLOYMENT	PUBLIC ASSISTANCE			
	9. TOTAL							(A)	(B)	

EXCLUDE INCOME BUT NOT NAMES OF MINORS (CHILDREN UNDER 18 YEARS OF AGE OR FULL-TIME STUDENTS THAT LIVE AT HOME).

INCOME CERTIFICATION (Cont.)

RW 11-24 (Rev. 7/2000)

<p>10. OTHER INCOME</p> <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:70%;"></td> <td style="width:15%; text-align: center;">TOTAL LAST 12 MONTHS</td> <td style="width:15%; text-align: center;">EXPECTED INCOME NEXT 12 MONTHS</td> </tr> <tr> <td>(A) GROSS OVERTIME PAY, COMMISSIONS, FEES, TIPS AND BONUSES</td> <td></td> <td></td> </tr> <tr> <td>(B) NET INCOME FROM OPERATION OF A BUSINESS OR PROFESSION</td> <td></td> <td></td> </tr> <tr> <td>(C) PERIODIC PAYMENTS FROM ANNUITIES, INSURANCE POLICIES, PENSIONS, OR DEATH BENEFITS</td> <td></td> <td></td> </tr> <tr> <td>(D) ALIMONY AND CHILD SUPPORT</td> <td></td> <td></td> </tr> <tr> <td>(E) WORKERS' COMPENSATION</td> <td></td> <td></td> </tr> <tr> <td>(F) MILITARY PAY (INCLUDING REGULAR, RESERVE, SPECIAL PAY AND/OR ALLOWANCES)</td> <td></td> <td></td> </tr> <tr> <td>(G) VETERAN PAYMENTS OR BENEFITS</td> <td></td> <td></td> </tr> <tr> <td>(H) OTHER (PLEASE SPECIFY)</td> <td></td> <td></td> </tr> <tr> <td>(I) TOTAL 10(A) THROUGH 10(H)</td> <td></td> <td style="text-align: center;">(I)</td> </tr> </table> <p>12. TOTAL ANNUAL INCOME</p> <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:50%;">(A) ENTER TOTAL FROM LINE 9(B) _____</td> <td style="width:50%;">(C) ENTER TOTAL FROM LINE 11(D) _____</td> </tr> <tr> <td>(B) ENTER TOTAL FROM LINE 10(I) _____</td> <td>(D) TOTAL ANNUAL INCOME _____</td> </tr> </table> <p>13. TOTAL MONTHLY GROSS INCOME</p> <p style="margin-left: 40px;">LINE 12(D) ÷ 12 = \$ _____</p>		TOTAL LAST 12 MONTHS	EXPECTED INCOME NEXT 12 MONTHS	(A) GROSS OVERTIME PAY, COMMISSIONS, FEES, TIPS AND BONUSES			(B) NET INCOME FROM OPERATION OF A BUSINESS OR PROFESSION			(C) PERIODIC PAYMENTS FROM ANNUITIES, INSURANCE POLICIES, PENSIONS, OR DEATH BENEFITS			(D) ALIMONY AND CHILD SUPPORT			(E) WORKERS' COMPENSATION			(F) MILITARY PAY (INCLUDING REGULAR, RESERVE, SPECIAL PAY AND/OR ALLOWANCES)			(G) VETERAN PAYMENTS OR BENEFITS			(H) OTHER (PLEASE SPECIFY)			(I) TOTAL 10(A) THROUGH 10(H)		(I)	(A) ENTER TOTAL FROM LINE 9(B) _____	(C) ENTER TOTAL FROM LINE 11(D) _____	(B) ENTER TOTAL FROM LINE 10(I) _____	(D) TOTAL ANNUAL INCOME _____	<p>11. NET HOUSEHOLD ASSETS</p> <p>(A) VALUE OF ASSETS</p> <p>(1) EQUITY IN REAL PROPERTY _____</p> <p>(2) SAVINGS ACCOUNTS _____</p> <p>(3) STOCKS AND BONDS _____</p> <p>(4) LOANS OR ACCOUNTS RECEIVABLE _____</p> <p>(5) OTHER CAPITAL INVESTMENTS _____</p> <p style="margin-left: 40px;">OR ASSETS _____</p> <p>TOTAL VALUE OF ASSETS (A) _____</p> <p>(B) ACTUAL INCOME ON ASSETS (LAST 12 MONTHS)</p> <p>(1) INTEREST AND DIVIDENDS _____</p> <p>(2) NET INCOME FROM RENTAL OF REAL OR PERSONAL PROPERTY _____</p> <p>(3) NET INCOME FROM OTHER CAPITAL INVESTMENTS _____</p> <p>TOTAL ACTUAL INCOME FROM ASSETS (B) _____</p> <p>(C) 10% OF LINE (A) IF OVER \$5,000 (C) _____</p> <p>(D) ELIGIBLE INCOME (D) _____</p> <p style="margin-left: 40px;">IF ASSETS (LINE A) ARE \$5,000 OR LESS, ENTER AMOUNT FROM 11(B). IF ASSETS (LINE A) ARE GREATER THAN \$5,000, ENTER GREATER OF 11(B) OR 11(C).</p>
	TOTAL LAST 12 MONTHS	EXPECTED INCOME NEXT 12 MONTHS																																	
(A) GROSS OVERTIME PAY, COMMISSIONS, FEES, TIPS AND BONUSES																																			
(B) NET INCOME FROM OPERATION OF A BUSINESS OR PROFESSION																																			
(C) PERIODIC PAYMENTS FROM ANNUITIES, INSURANCE POLICIES, PENSIONS, OR DEATH BENEFITS																																			
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(G) VETERAN PAYMENTS OR BENEFITS																																			
(H) OTHER (PLEASE SPECIFY)																																			
(I) TOTAL 10(A) THROUGH 10(H)		(I)																																	
(A) ENTER TOTAL FROM LINE 9(B) _____	(C) ENTER TOTAL FROM LINE 11(D) _____																																		
(B) ENTER TOTAL FROM LINE 10(I) _____	(D) TOTAL ANNUAL INCOME _____																																		
<p><i>I (We) certify, under the penalties of perjury, that our average monthly gross income, including salaries, wages, tips, commissions, rents, royalties, dividends, interest, profits, pensions and annuities, irrespective of expenses and voluntary or involuntary deductions, is correctly stated above. I (We) understand that this information may be used in connection with a Federal-aid highway project. I (We) understand that inquiries may be made by Caltrans to verify the statements herein.</i></p>																																			
<p>APPLICANT'S SIGNATURE AND DATE</p>		<p>CO-APPLICANT'S SIGNATURE AND DATE</p>																																	
<p>NAME OF CALTRANS INTERVIEWER</p>		<p>DATE OF INTERVIEW</p>																																	

PRESCRIBED NOTICE TO ACCOMPANY REQUEST FOR PERSONAL INFORMATION

The applicant, whose signature appears above, understands this information is being collected by the California Department of Transportation. The California Information Practices Act of 1977 requires that all persons be informed of the purposes and uses to be made of information solicited. The following is furnished to explain the reason why the information is requested and the general uses to which that information may be utilized.

AUTHORITY: Streets and Highways Code Section 104.6 of the State of California.

PURPOSE: The information requested is considered relevant and necessary to determine entitlement to the benefit for which you are applying under the Property Management Affordable Rent Program.

USES: The information will be used to determine eligibility for maximum benefits allowable.

EFFECTS OF NOT PROVIDING INFORMATION: Disclosure of the information is voluntary. However, if you are eligible for the Affordable Rent Program, failure to provide the requested income information will disqualify you for the Program. Your rent will be the fair market rent and will not be based on your income.

If you do provide income information and it is determined by the Department to be incorrect, you will be disqualified from the Affordable Rent Program. Your rent will also increase immediately to the fair market rent

STATE OF CALIFORNIA • DEPARTMENT OF TRANSPORTATION
AUTHORIZATION TO WRITE OFF OR ADJUST
ACCOUNTS RECEIVABLE BILL
RW 11-25 (REV 12/2001)

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.

DISTRICT & TENANCY # - - -
(Example: 01-xxxxxx-xxxx-xx)

VACATE DATE: _____

RIGHT OF WAY RENTALS

DEBTOR: _____ DATE: _____

AMOUNT DUE: \$ _____
AMOUNT TO BE CANCELED: \$ _____

WRITE-OFF
 ADJUSTMENT

REASON: (Supporting documents must be attached)

REQUESTED BY: _____

DISTRICT RIGHT OF WAY APPROVAL (if applicable):
DATE: _____ APPROVED BY: _____

DIVISION OF ACCOUNTING APPROVAL:
DATE: _____ APPROVED BY: _____

TRANSACTION(S) PROCESSED:

ADJUSTMENT LOG #: _____ - _____ - _____ - _____

		AMOUNT
		\$
		\$
		\$
		\$

STATE FIRE MARSHAL CHECKLIST

RW 11-27 (NEW 4/2002)

- Plan indicates floor level, i.e., Floor 1 of 3
- All rooms labeled/numbered for easy reference
- Identified all rooms within space (office, conference room, closet, etc.)
- Complete address provided
- Location of all fire extinguishers shown
- All fire-rated corridors, stair enclosures, exit balconies, and exit passageways are marked with fire rating
- Indicated location of new construction and inserted appropriate statement
- Provided scale
- Size and fire rating of door assembly for new doors stated
- Door hardware within lease space identified
- Egress routes to the exterior identified
- Location and rating of occupancy separations clearly shown
- Use of adjacent space stated on plans
- Location of any hazardous area within or adjacent to the building shown
- Areas of lease space and exit systems with emergency lighting are shown or stated
- Location of exit signs shown
- Whether or not an automatic sprinkler system is present noted
- Show that elevator openings located above the lowest elevator landing are separated from fire-rated corridors by labeled 20-minute door assemblies

Right of Way Agent

DATE

PLAN APPROVAL REQUEST

RW 11-28 (REV 9/2005)

To: **Office of the State Fire Marshal**
Construction Services Program
707 Third Street, 6th Floor
West Sacramento, CA 95605

Date:

File #:

From: Department of Transportation

Subject: PLAN APPROVAL REPORT

Attached are two (2) copies of floor plans, with notes added to the plans for your review and approval.

Project Location:

Anticipated Construction Start Date:

Contact Person: <i>(Include name, address, telephone number)</i>	PHONE

APPROVED	
STATE FIRE MARSHAL	DATE:
Comments:	

SEISMIC SCREENING CHECKLIST

RW 11-29 (NEW 4/2002)

File # _____ Total Building Sq. Ft. _____ Total Lease Sq. Ft. _____

1. **Retrofit since 1976** YES NO
No further screening required if documentation of retrofit is provided

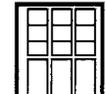
2. **Age of Building & Type of Construction**

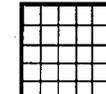
	Pre 1933	1933 to 1976	Post 1976	SCORE
Tilt-Up	8	8	1	
Masonry	10	6	1	
Reinforced Concrete	7	5	1	
Wood Frame	3	2	1	
Steel	4	3	1	

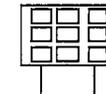
3. **Height of Building in Stories**
Maximum number of stories allowable for screening is 6. Assign one point per story 1-6 _____

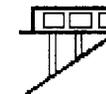
4. **Seismicity**
Assign points as indicated for counties as grouped in a, b, & c below.
- (a) 12 points in Los Angeles, West 1/3 of San Bernardino, Contra Costa, Riverside, Santa Clara, Alameda, Ventura, San Francisco, Marin 12 _____
 - (b) 9 points in Sonoma, Santa Barbara, San Mateo, Orange, San Diego, Inyo, San Luis Obispo, Napa, Kern, Monterey, Solano, Humbolt, Mendecino 9 _____
 - (c) 3 points to all other counties not listed above 3 _____

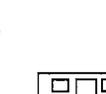
5. **Configuration (vertical)**
- 
5


8

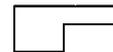

7

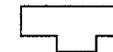

10

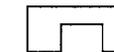

7

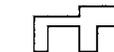

1
- All other configurations 1 _____

6. **Configuration (plan view)**
- 
1


6


7


7


7
- _____

7. **Visible Defects**
Subject scoring: 10 points maximum assignable for all defects observed. The following list is of typical things to look for.
- a. Dry rot; look for water stains on ceiling tiles and walls
 - b. Damaged foundations; look for large cracks and misalignment
 - c. Sagging or shifted beams; look for bowing in center, check for position (parallel) to other members
 - d. Titled walls or columns
 - e. Corrosion of steel; look for rust, flaking, etc. Check for water stains
 - f. Cracks greater than 1/8" in masonry or concrete
 - g. Check for any material that crumbles (wood, plaster, concrete, etc.) 10 _____

TOTAL SCORE OF 20 OR ABOVE REQUIRES STANDARD SEISMIC CERTIFICATION TOTAL _____

CERTIFICATION OF STRUCTURAL EVALUATION

RW 11-30 (NEW 4/2002)

Address

File #:

- Preparer certifies that the structure located at address above has been evaluated and meets a seismic performance level as set forth in FEMA 178.
- Preparer certifies that the structure located at address above has been evaluated and meets a seismic performance level to at least 75% of the current Uniform Building Code.

Documentation of this evaluation will be retained by preparer and shall be available to the State upon request.

The results of this evaluation show that the subject facility: Will
meet the above referenced performance objectives. Will Not

Name: _____

Firm: _____

Telephone: _____

License No: _____

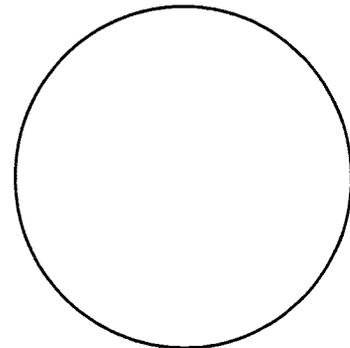
Expiration Date: _____

Signature: _____

Date: _____

Comments:

Affix stamp here



Date:

File #:

Dear _____ :

Current state policy dictates that all facilities considered for state lease must be evaluated for the ability to meet a reasonable level of seismic performance.

Our initial screening process indicates that a structural evaluation performed by an independent licensed structural engineer will be required for your facility. The enclosed certification form must be completed by the engineer and returned with all appropriate supporting documentation to this office prior to execution of a lease.

Please initiate action to obtain the above-described certification at the earliest possible date so we can proceed with leasing activity for your facility. All expenses incurred in obtaining the subject certification are to be borne by the lessor.

Should you have any questions regarding this policy as it relates to leasing, please contact me at

Sincerely,

Right of Way Agent

PLAN REVIEW APPLICATION

RW 11-32 (NEW 9/2005)

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.

PLAN REVIEW APPLICATION

(Must be submitted with all plans, specifications and deferred approvals)

Please Print or Type

AGENCY: _____

PROJECT NAME: _____

PROJECT ADDRESS: _____

COUNTY: _____

ESTIMATED CONTRACT COST: _____

BID DATE: _____ CONTRACT START DATE: _____

CONTACT PERSON: _____

TELEPHONE NUMBER: _____ FAX NUMBER: _____

FIRM OR AGENCY: _____

ADDRESS: _____

COMMENTS: _____

SFM USE ONLY

DATE RECEIVED: _____

SFM FILE #: _____

PCA#: _____

CHAPTER 11

Property Management Table of Contents

EXHIBITS

<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-E	Rental Agreement Amendment
11-EX-F	Rental Offset Agreement
11-EX-G	Lease Renewal
11-EX-H	Assignment of Lease (Where State Is Lessor)
11-EX-I	Cancellation of Lease
11-EX-J	Employee Housing Rental Agreement
11-EX-1	Letter to FHWA Dated March 4, 1999
11-EX-2	Department Cash Handling Policy
11-EX-2A	Cash Receipt Book Procedures
11-EX-3	Affordable Rent Tenants
11-EX-4	Written Notice of Denial
11-EX-5	Rent Proration Examples
11-EX-6	Landlord's Notice of Termination
11-EX-6B	Notice of Right to Inspection
11-EX-6C	Waiver of 48-Hour Notice of Initial Inspection
11-EX-6D	Initial Vacancy Inspection and Statement of Proposed Security Deductions
11-EX-7	District Right of Way Procedure: Vacating Premises, Unlawful Detainer Actions
11-EX-7A	Proof of Service Notice
11-EX-7B	Unlawful Detainer Request
11-EX-8	Correction Notice - Unsuitable Conditions
11-EX-9	Sample Possessory Interest Tax Letter
11-EX-10	Summary of Contract Processes
11-EX-11	Guidelines for Personal Injury, Liability and Property Damage Insurance
11-EX-12	Liability, Property Damage and Fire Insurance
11-EX-13	Recommendation and Approval Form for Archive Copy of Lease
11-EX-14	Notice to Bidders
11-EX-15	City, County, or Special District Lease
11-EX-16	Materials Agreement (Sample Format)
11-EX-17	Materials Agreement (Sample Format)
11-EX-18	Notice to Bidders and Interested Parties
11-EX-19	Terms of Auction
11-EX-20	List of Tenants in Possession

<u>Exhibit No.</u>	<u>Title</u>
11-EX-21	Inventory
11-EX-22	Bid Proposal
11-EX-23	Master Tenancy Lease Agreement
11-EX-24	Bid Proposal Mailing Envelope (Sample)
11-EX-25	Notice to Tenant (Relocation Payments Not Forthcoming to New Tenants)
11-EX-26	Bid Results - Unsuccessful Bidders
11-EX-27	Public Notice (Sign for Master Tenancy)
11-EX-28	Billboard Site Rental Schedules
11-EX-29	Advertising Rate Card Examples
11-EX-30	State As Lessee Lease Agreement
11-EX-31	Approval of Plans for Temporary Field Offices (Fire Marshal Guidelines)
11-EX-32	Office of Insurance and Risk Management-DGS (Insurance Log)
11-EX-33	Lease Agreement-Park and Ride Lot
11-EX-34	Service of Notice to Vacate (Notice to RAP Unit)
11-EX-35	Letter of Intent to Vacate—90
11-EX-36	Utility Removal Letter (Example)
11-EX-37	DD-18 - Employee-Occupied Caltrans-Owned Housing
11-EX-38	Gross Income for the Purpose of Calculating Affordable Rent
11-EX-39	Collection Agency Transmittal
11-EX-40	Statutory Notice to Former Tenant of Right to Reclaim Abandoned Property
11-EX-41	Statutory Notice to Person Other Than Former Tenant of Right to Reclaim Abandoned Property
11-EX-42	State Space Allowances Standards
11-EX-43	Executive Order D-16-00
11-EX-44	Notice of Termination of Tenancy and Notice to Quit
11-EX-45	Request for Rent Determination
11-EX-46	Documentation of Residential Fair Market Rental Rate
11-EX-47	Uninhabitable Conditions
11-EX-48	Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards
11-EX-49	Department of Transportation, Division of Right of Way, STAR Program Agreement
11-EX-50	Modular Lease Agreement
11-EX-51	Pet Application
11-EX-52	Pet Addendum
11-EX-53	Nominal Value Nonresidential Rental Appraisal
11-EX-54	Residential Property Inspection
11-EX-54SW	Residential Storm Water Inspection
11-EX-55	Non-Residential Property Inspection
11-EX-55SW	Non-Residential Storm Water Inspection
11-EX-56	Residential Property Occupancy and Vacancy Inspections
11-EX-57	Memorandum of Understanding for Utilizing State-Owned Property

DEPARTMENT OF TRANSPORTATION

ACCOUNTING SERVICE CENTER
P. O. BOX 168043 - SUITE - EX
SACRAMENTO, CA 95816-8043
PHONE (916) 227-9293
FAX (916) 227-9173



March 4, 1999

Mr. William O. Todd
Right of Way Officer
Federal Highway Administration
980 9th Street, Suite 400
Sacramento, CA 95814-2724

Dear Mr. Todd:

Public Law 105-178, the Transportation Equity Act for the 21st Century, Section 1303, provides that "the Federal Share of the net income from the revenues obtained by the State under subsection (a) shall be used by the State for projects eligible under this title". Caltrans desires to use the Federal share of the revenues on Title 23 projects and provides the following information:

1. The State Transportation Fund is a Special Revenue Fund used primarily for Title 23 Projects.
2. All the Federal share of revenue from sales and leases is deposited in this fund.
3. The amount expended by Caltrans for Title 23 projects exceeds \$2.5 billion annually.
4. The Federal share of the revenue from sales and leases is approximately \$6.6 million annually.

Therefore, since the amount of the revenue is substantially less than the amount of expenditures, Caltrans has met the intent of Public Law 105-178 and therefore will not be required to track and report the expenditures from these revenues by project.

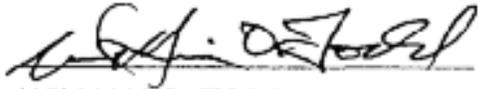
If you have any questions regarding this matter, please call Andy Rosehill at (916) 227-9869.

Sincerely,

A handwritten signature in cursive script that reads "Maria H. Cornelius".

MARIA H. CORNELIUS, Chief
Office of Accounts Receivable
And Program Accounting

I CONCUR:



WILLIAM O. TODD
Right of Way Officer
Federal Highway Administration

DATE: 3/8/99

c : ARosehill, ASC
 JPeterson, ASC
 AJDodd, ASC
 DShields, RWay
 DTeece, FHWA

State of California
M e m o r a n d u m
FA PC/LAN-V

Business, Transportation and Housing Agency

To: _____ Date: August 18, 1995

From: **DEPARTMENT OF TRANSPORTATION**
ACCOUNTING SERVICE CENTER

Subject: **Cash Handling Policy**

This memorandum is being sent out to remind you of the requirements and responsibilities when handling cash. All cash received which is defined as State money must be deposited in a State bank account immediately. **Therefore, it is imperative that you and your employees be aware of the proper channels and procedures to follow when handling cash. Please ensure that all of your employees are aware of this policy.**

Anyone receiving cash which meets the definition of State money (e.g. Right of Way rental receipts, proceeds from auctions, encroachment permits, jury duty fees, publications, sales of scrap metal, proceeds from employees to clear travel advances, etc.) must immediately turn the cash over to a cashier either in the District or Headquarters for deposit into the proper State bank account. If cash is received in a field location in the form of a check, it should be mailed on the same day received (overnight courier, if possible) to the Headquarters Cashier's Office at the following address:

Department of Transportation
P. O. Box 168019
Sacramento, CA 95816-8019
Attention: Cashiering Management Section

If currency and/or coins are received in a location distant from a cashier's office, the money must be converted by purchase of a money order or a cashier's check, then immediately forwarded to a cashier's office. The cost of a money order or a cashier's check cannot be deducted from the amount remitted, but the purchaser can submit a **Local Request for Materials, Services or Equipment**, form ADM-0423, for reimbursement from a Petty Cash Fund or a **Travel Expense Claim**, form FA-0302.

If you are receiving cash or checks and you are not part of one of the following offices: Cashiering, Right of Way Property Management, Plans and Bids Counter, Transportation Permits Branch, Encroachment Permits Branch, Central Publication Distribution Unit or one of the mail rooms statewide you need to contact **Frank Garcia**, immediately.

Should you have any questions or concerns about cash handling policies, please contact Frank Garcia of my staff at 227-8877 or CALNET 498-8877.


LAWRENCE TOM, Interim Director
Accounting Service Center

cc: AAPierce
District Cashiers

CASH RECEIPT BOOK PROCEDURES

(Form #)

**CASH RECEIPT BOOK
December 1998****BACKGROUND:**

Cash receipt books are used to ensure the identification of all cash collections, safeguard cash from loss, theft or fraud, and verify the timely deposit of cash. **Cash receipt books must be safeguarded and controlled.**

ISSUANCE OF CASH RECEIPT BOOKS:

For users to obtain a cash receipt book:

- HQ employees: Request cash receipt books from HQ Cashiering.
- District employees: Request cash receipt books from the District Cashier.

Each employee issued a Cash Receipt Book is personally accountable for that Receipt Book.

PROCEDURES FOR CASH RECEIPT BOOK HOLDERS:

Employees must account for both the used and unused receipts.

Cash Receipts (Form FA 285) are issued for the following transactions:

- To record receipt of coin and/or currency
- To record receipt of check/money order when requested by payer

The cash receipt book holder will complete the information at the top of the cash receipt: LOCATION, DATE, RECEIVED FROM, AND AMOUNT.

Indicate in the appropriate box on the cash receipt the form of payment: coin or currency, check, or money order. If check or money order, write the check/money order number in the space provided.

Provide the appropriate information in the IN PAYMENT OF. Identify what the payment is for (e.g., rent for tenancy number xx-xxxxxx-xxxx-xx).

The cash receipt must be signed by the cash receipt book holder at the **BY** line located near the bottom of the receipt.

DISTRIBUTION OF COPIES OF CASH RECEIPTS:

The distribution of the three-part receipt is as follows:

- WHITE copy is given to the payer.
- PINK copy stays in the book.
- YELLOW copy is sent to Cashiering with the payment.

When a cash receipt is voided or spoiled, write “VOID” in big letters across the receipt. **DO NOT DESTROY A VOID RECEIPT. LEAVE ALL VOID RECEIPTS IN THE BOOK.**

CASH RECEIPT BOOK PROCEDURES (Cont.)

(Form #)

EXHIBIT

11-EX-2A (NEW 8/2003)

Page 2 of 2

RETURNING CASH RECEIPT BOOKS:

Cash receipt books will be returned when:

- THE BOOK HOLDER SEPARATES FROM STATE SERVICE
- THE BOOK HOLDER TRANSFERS TO ANOTHER DISTRICT OR DIVISION
- THE BOOK HOLDER NO LONGER IS INVOLVED IN COLLECTING REMITTANCES
- THE LAST RECEIPT IN THE BOOK IS USED
- NO LATER THAN ONE YEAR AFTER THE RECEIPT BOOK ISSUE DATE

The Cash Receipt Book shall be given to the Cashier.

ANNUAL RECALL/RECONCILIATION:

Annually, HQ Cashiering will request managers, supervisors and district cashiers to recall cash receipt books outstanding for more than one year. This general recall occurs during the month of December. Cash receipt book holders shall exchange these books for new books.

AFFORDABLE RENT TENANTS

(Form #)

AFFORDABLE RENT TENANTS

The California Legislature has declared the availability of affordable residential housing is of vital statewide importance and state agencies, including the Department of Transportation (Department), have a responsibility to use the power vested in them to meet the housing needs of all economic segments of the community. Accordingly, the Department sets forth herein the Affordable Rent Program by which the Department can consider affordability when adjusting rents for current residential tenants who are economically disadvantaged. The Affordable Rent Program is intended to protect existing low-income tenants from large rental rate increases, which may otherwise result in their current rental unit becoming unaffordable. For new tenants, rent will be set at fair market rates.

Eligible Tenants

In order to qualify for the Affordable Rent Program, tenants must:

1. Be in occupancy as of December 31, 2012;
2. Not be eligible for RAP; and
3. Have an Annual Income not exceeding 120% of the county median household income as identified in accordance with the Department of Housing and Community Development's annual publication of Official State Income Limits, adjusted for the size of household, published pursuant to Health and Safety Code section 50093.

Rental Rate

The rental rate charged to qualifying affordable tenants is 25% of the gross monthly household income for tenants who began renting the unit on or before March 3, 1981, or 30% of the gross monthly income for tenants who began renting the unit after March 3, 1981. In no case shall the rent in the Affordable Rental Program exceed the fair market rent.

Annual Review

The district will review the income of tenants qualifying for affordable rent annually. Eligibility for affordable rent will be lost if tenant fails to provide complete and accurate income information. Once eligibility for affordable rent is lost, it can never be regained. Appropriate rental rate increases will be made if tenant's income has increased since the previous Income Certification, including an increase to fair market if tenant's income exceeds 120% of median income.

The district will use Form RW 11-24, Income Certification, to document household income in accordance with Income Guidelines below. The combined income of all occupants will be considered. Income should be verified using W-2 forms, income tax returns, letters, or discussions with employers and others. Income documentation obtained for RAP purposes may be substituted if current and complete. All income information is personal and controlled by the California Information Practices Act.

When the district requests income information, it should fully inform tenants of the department's rental rate policy and procedure and the possibility that rent may be increased. Tenants shall receive, by personal service, a 60-day notice of increased rent justified by changes in income.

AFFORDABLE RENT TENANTS (Cont.)

(Form #)

Annual Review (Continued)

When an affordable rent tenancy is based on more than one income-producing tenant, eligibility for affordable rent will be terminated if any one of the income-producing tenants vacates and is replaced by a new member. Rent for the entire household will then be scheduled to fair market rent.

If tenants refuse to supply requested income information, the district will increase rent to fair market with no right of appeal. Documentation of refusal will be kept in the file.

If a tenant provides questionable income information:

1. The district shall inform tenant in writing by certified mail or personal delivery of the affordable rent policy; why information is believed to be incorrect; what if anything, tenant can provide to prove the information is correct; and that rent will be raised to fair market if tenant fails to respond by a certain date (two weeks).
2. If tenant is not responsive within specified time, the district shall personally serve tenant with 60-day written notice that rent will be increased to fair market.
3. The district shall review and verify tenant-provided information.

Median Income Determination

The State Department of Housing and Community Development publishes income limits annually and posts them on the Internet at <http://www.hcd.ca.gov>.

Income Guidelines

Affordability is based on Annual Income from all tenants age 18 years or older living in the household. Children up to age of 23, who are enrolled in school full-time including college, will not be included in determining income. Income will be verified using W-2 forms, state and federal income tax returns, pay stubs, and any other financial documentation relevant to income. When current tenants do not submit complete and accurate supporting financial documentation, they will be charged fair market rent.

Included as Income:

Annual family income shall include all payments from all sources received by the family head (even if temporarily absent) and each additional member of the family household who is not a minor, except for items specifically excluded as income below. Income shall include, but not be limited to:

1. Gross amount, before payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips, and bonuses.
 2. Net income from operation of a business or profession or from rental or real or personal property. (For this purpose, expenditures for business expansion or amortization of capital indebtedness shall not be deducted to determine net income from a business.)
 3. Interest and dividends.
-

AFFORDABLE RENT TENANTS (Cont.)

(Form #)

EXHIBIT

11-EX-3 (REV 6/2016)

Page 3 of 4

4. Full amount of periodic payments received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts.
5. Payments in lieu of earnings, such as unemployment and disability compensation, workers' compensation, and severance pay.*
6. Public assistance payments. If the payment includes an amount specifically designated for shelter and utilities that the public assistance agency can adjust according to actual cost of shelter and utilities, the amount of public assistance income to be included as income shall consist of:
 - Amount of allowance or grant excluding amount specifically designated for shelter and utilities, **plus**
 - Maximum amount the public assistance agency could, in fact, allow the family for shelter and utilities.
7. Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from persons not residing in the dwelling.
8. All regular pay, special pay, and allowances of a member of the armed forces (whether or not living in the dwelling) who is head of the family, or their spouse.*
9. If a family has net family assets in excess of \$5,000, income shall include actual amount of income, if any, derived from all net family assets, or 10% of the value of all such assets, whichever is greater. For purposes of this section, net family assets mean value of equity in real property, savings, stocks, bonds, and other forms of capital investments. Value of necessary items such as furniture and automobiles shall be excluded.

*See exclusions below.

Excluded as Income:

1. Casual, sporadic, or irregular gifts.
 2. Amounts that are specifically for or in reimbursement of medical expenses.
 3. Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and workers' compensation), capital gains, and settlements for personal or property losses.
 4. Amount of educational scholarships paid directly to the student or the educational institution and amount the government pays to a veteran for use in meeting costs of tuition, fees, books, and equipment. Any portion of such scholarships or payments to veterans not used for these purposes that are available for subsistence are included in income.
 5. Special pay to head-of-family service personnel who are away from home and exposed to hostile fire.
 6. Relocation payments made pursuant to federal, state, or local relocation law.
-

AFFORDABLE RENT TENANTS (Cont.)

(Form #)

7. Foster child care payments.
8. Value of coupon allotments for purchase of food pursuant to the Food Stamp Act of 1964 that is in excess of amount actually charged the eligible household.
9. Payments received pursuant to participation in the following volunteer programs under the ACTION Agency:
 - National volunteer antipoverty programs, which include VISTA, service learning programs, and special volunteer programs.
 - National older-American volunteer programs for persons aged 60 and over, which includes retired senior volunteer programs, Foster Grandparent Program, and Older American Community Services Program; National Volunteer Program to Assist Small Business Experience; Service Corps of Retired Executives (SCORE); and Active Corps of Executives (ACE).

Rent Standards

Rent charged to tenants who qualify for the Affordable Rent Program will be the Affordable Rent Level. Any rent increase made under the provisions of the Affordable Rent Program shall be limited as follows: if current rent is below the Affordable Rent Level, there will be annual 10% rent increases until actual rent equals the affordable rent level. In no case shall the rent in the affordable rent program exceed fair market rent.

Tenants in the Affordable Rent Program who are paying rent above their Affordable Rent Level will have their rent reduced to their Affordable Rent Level. This rent reduction will be the first full month following the effective date of these regulations and not before.

If a tenant qualifies for the Affordable Rent Program, and then moves into a different Caltrans property (after December 31, 2012), they will no longer qualify for the Affordable Rent Program. Tenants need to be in occupancy as of December 31, 2012.

WRITTEN NOTICE OF DENIAL

(Form #)

(Print on District Letterhead)

(Type Date)

Your application for tenancy with the Department of Transportation has been denied for the following reason(s):

- Property desired not suitable for intended use.
- Insufficient income.
- Insufficient employment information.
- Information on your credit report.
- Other.

If the denial is based on information on your credit report, you have the following rights:

- The right to obtain within sixty days (60 days) a free copy of your credit report from the consumer credit reporting agency utilized or from any other consumer credit reporting agency which compiles and maintains files on consumers on a nationwide basis.
- The right to dispute the accuracy or completeness of any information in a consumer credit report furnished by the consumer credit reporting agency.

Name, address, and telephone number of consumer credit reporting agency utilized:

* List names, addresses, and telephone numbers of other consumer credit reporting agencies, if applicable.

Sincerely,

(Type Agent's Name)
Senior Right of Way Agent
Department of Transportation

RENT PRORATION EXAMPLES

(Form #)

Instructions:

All prorations of rent and utilities, when applicable, will be based on a 30-day month to determine a daily rate, regardless of the number of days in the month.

Examples of how to calculate rent and rental refunds for partial months are included in this exhibit.

If a tenancy starts on the first day of the month or is vacated on the last day of the month, *no proration is necessary*, regardless of the number of days in the month.

Prorated rent for a partial month cannot exceed the monthly rent.

Use the following steps to determine rent proration:

Step 1: Determine daily rate: $\frac{\text{Monthly rent}}{30 \text{ days}} = \text{Daily rate}$

Step 2: Determine number of days for which tenant owes rent. If tenancy is starting, include the start date in the number of days counted. If tenant is vacating, include the vacate date in the number of days counted.

Step 3: Daily rate x number of days for which tenant owes rent = Prorated rent owed.

Step 4: (Only for tenancies being vacated)
Monthly rent paid in advance minus prorated rent owed = rent reimbursed.

RENT PRORATION EXAMPLES (Cont.)

(Form #)

EXHIBIT

11-EX-5 (REV 1/2007)

Page 2 of 4

EXAMPLE #1 – MONTHS WITH 31 DAYS

Start Tenancy

Monthly Rent - \$500

Month - March (31 days)

Start Date - 17th

Agent sends an Adjustment Request Screen (TRP543M) to Accounting with 3/17/06 as the start date.

Step 1: Determine daily rate: $\$500 \div 30 \text{ days} = \16.67 per day

Step 2: Determine number of days tenant owes rent, including start date. If tenancy starts on 3/17/06, tenant owes rent for 15 days in March, which includes start date.

Step 3: Multiply the daily rate times the number of days tenant owes rent:
 $\$16.67 \times 15 \text{ days} = \250.05 rent owed

Vacated Tenancy

Monthly Rent - \$500

Month - March (31 days)

Vacate Date - 30th

Agent sends an Adjustment Request Screen (TRP543M) to Accounting with 3/30/06 as the vacate date.

Step 1: Determine daily rate: $\$500 \div 30 \text{ days} = \16.67 per day

Step 2: Determine number of days tenant owes rent, including vacate date. If tenancy is vacated on 3/30/06, tenant owes rent for 30 days in March, which includes vacate date.

Step 3: Multiply the daily rate times the number of days tenant owes rent:
 $\$16.67 \times 30 \text{ days} = \500.10 . However, prorated rent cannot exceed monthly rent. Therefore, tenant owes \$500.

Step 4: Subtract rent owed for partial month from rent paid in advance:

\$500.00	monthly rent paid in advance
<u>-500.00</u>	rent owed for 30 days
\$ 0.00	rent reimbursed

EXAMPLE #2 – MONTHS WITH 30 DAYS

Start Tenancy

Monthly Rent - \$500

Month - June (30 days)

Start Date - 23rd

Agent sends an Adjustment Request Screen (TRP543M) to Accounting with 6/23/06 as the start date.

Step 1: Determine daily rate: $\$500 \div 30 \text{ days} = \16.67 per day

Step 2: Determine number of days tenant owes rent, including start date. If tenancy starts on 6/23/06, tenant owes rent for 8 days in June, which includes start date.

Step 3: Multiply the daily rate times the number of days tenant owes rent:
 $\$16.67 \times 8 \text{ days} = \133.36 rent owed

Vacated Tenancy

Monthly Rent - \$500

Month - June (30 days)

Vacate Date - 1st

Agent sends an Adjustment Request Screen (TRP543M) to Accounting with 6/1/06 as the vacate date.

Step 1: Determine daily rate: $\$500 \div 30 \text{ days} = \16.67 per day

Step 2: Determine number of days tenant owes rent, including vacate date. If tenancy is vacated on 6/1/06, tenant owes rent for 1 day in June, which includes vacate date.

Step 3: Multiply the daily rate times the number of days tenant owes rent:
 $\$16.67 \times 1 \text{ day} = \16.67 rent owed

Step 4: Subtract rent owed for partial month from rent paid in advance:
\$500.00 monthly rent paid in advance
- 16.67 rent owed for 1 day
\$483.33 rent reimbursed

RENT PRORATION EXAMPLES (Cont.)

(Form #)

EXHIBIT

11-EX-5 (REV 1/2007)

Page 4 of 4

EXAMPLE #3 – FEBRUARY - 28 DAYS **(Leap year – Same procedure, except month has 29 days.)**

Start Tenancy

Monthly Rent - \$500

Month - February (28 days)

Start Date - 25th

Agent sends an Adjustment Request Screen (TRP543M) to Accounting with 2/25/06 as the start date.

Step 1: Determine daily rate: $\$500 \div 30 \text{ days} = \16.67 per day

Step 2: Determine number of days tenant owes rent, including start date. If tenancy starts on 2/25/06, tenant owes rent for 4 days, which includes start date.

Step 3: Multiply the daily rate times the number of days tenant owes rent:
 $\$16.67 \times 4 \text{ days} = \66.68 rent owed

Vacated Tenancy

Monthly Rent - \$500

Month - February (28 days)

Vacate Date - 27th

Agent sends an Adjustment Request Screen (TRP543M) to Accounting with 2/27/06 as the vacate date.

Step 1: Determine daily rate: $\$500 \div 30 \text{ days} = \16.67 per day

Step 2: Determine number of days tenant owes rent, including vacate date. If tenancy is vacated on 2/27/06, tenant owes rent for 27 days, which includes vacate date.

Step 3: Multiply the daily rate times the number of days tenant owes rent:
 $\$16.67 \times 27 \text{ days} = \450.09 rent owed

Step 4: Subtract rent owed for partial month from rent paid in advance:

\$500.00	monthly rent paid in advance
<u>-450.09</u>	rent owed for 27 days
\$ 49.91	rent reimbursed

(Print on District Letterhead)

(Type Date)

(File Reference)

To: _____
Tenant(s) in Possession

Take notice that you are hereby required to quit and deliver to the State of California, Department of Transportation (Department), possession of the State-owned rental property now held and occupied by you, or held and sublet by you, being the property described in your rental agreement as:

Said property is to be surrendered to the Department on or before (*enter date*) _____ which includes, but not limited to, receipt of all keys.

This Notice is intended as a [*insert one of the following: thirty-day (30-day) or sixty-day (60-day)*] written notice to quit for the purpose of terminating your tenancy referenced above.

The following is to be inserted if this is a residential tenancy. The information below only pertains to residential tenancies.

Based on this notice, you have the option of requesting an initial inspection of the property. The purpose of such an initial inspection as provided in California Civil Code, Section 1950.5 is to allow you an opportunity to remedy identified deficiencies, in order to avoid deductions from the security deposit. Such inspections are to take place at a reasonable time, but not earlier than two weeks before the termination of the tenancy. You have the right to be present during such an initial inspection.

If you desire an initial inspection, please contact me at the address or telephone number below so that a mutually convenient time for the inspection may be set. No initial inspection will be scheduled without your request.

(Type Agent's Name)
Right of Way Agent
(Type Address)
(Type Telephone Number)

Dated and served this _____ day of _____, _____

By _____

NOTICE OF RIGHT TO INSPECTION

(Form #)

(Print on District Letterhead)

(Type Date)

(File Reference)

To: *(Tenant's name, as listed in the current tenancy agreement)*
Tenant(s) in Possession

As you have given notice to the Department of Transportation (Department) to terminate your above-referenced tenancy on *(enter date)* , it is the responsibility of the Department to inform you that you are entitled to request an initial inspection of the property.

The purpose of such an initial inspection as provided in California Civil Code, Section 1950.5 is to allow you an opportunity to remedy identified deficiencies, in order to avoid deductions from the security deposit. Such inspections are to take place at a reasonable time, but not earlier than two (2) weeks before the termination of the tenancy. Under the statute, you have a right to be present if you wish during such an initial inspection.

If you desire an initial inspection, please contact me at the address or telephone number below so that a mutually convenient time for the inspection may be set. No initial inspection will be scheduled without your request.

(Type Agent's Name)

Right of Way Agent

(Type Address)

(Type Telephone Number)

INITIAL VACANCY INSPECTION AND STATEMENT OF PROPOSED SECURITY DEDUCTIONS

(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-6D (NEW 7/2005)

Page 1 of 2

This INITIAL VACANCY INSPECTION AND STATEMENT OF PROPOSED SECURITY DEDUCTIONS form is for your protection, as well as the Department's. When the inspection has been completed, you will either receive a copy personally, or a copy will be left inside the property.

INITIAL VACANCY INSPECTION

TENANT	ADDRESS AND UNIT	ACCOUNT NO.	MOVE-OUT DATE
		PETS: No. Kind	

ITEMS	CONDITION		ITEMIZED SECURITY DEDUCTIONS
	Satisfactory	Unsatisfactory	
EXTERIOR			
Walls and Windows			
Stairs and Porches			
Roof, Gutters and Downspouts			
Screens and Vents			
Garage, Garage Door and Driveway			
Other			
YARD			
Landscaping and Fencing			
Other			
INTERIOR			
Kitchen			
Walls and Ceilings			
Flooring and Baseboards			
Doors and Locks			
Fixtures and Appliances			
Electrical and Lighting			
Living, Dining and Family Rooms			
Walls and Ceilings			
Flooring and Baseboards			
Doors and Locks			
Electrical and Lighting			
Bedrooms			
Walls and Ceilings			
Flooring and Baseboards			
Doors and Locks			
Electrical and Lighting			
Bathrooms			
Walls and Ceilings			
Flooring and Baseboards			
Electrical and Lighting			
Fixtures			
Toilet and Shower			
Smoke Alarms Operable			
Heating and Thermostats			
Other			

**DISTRICT RIGHT OF WAY PROCEDURE: VACATING
PREMISES, UNLAWFUL DETAINER ACTIONS**

(Form #)

**DISTRICT RIGHT OF WAY PROCEDURE:
VACATING PREMISES, UNLAWFUL DETAINER ACTIONS****Introduction**

This procedure is intended as a **guide** to the steps necessary for the California Department of Transportation (Department) to have property vacated. Two scenarios are addressed here: (1) Department needs to re-assume control of the property, and (2) Department needs the tenants/occupants removed for failure to pay rent.

This is only a **guide**; each district has internal procedures that must be followed. These instructions outline a core of tasks necessary to efficiently accomplish the goal of vacating property.

The process is simple where the tenants and occupants comply with notices to vacate; but, it may be complex when they do not comply, requiring court action to resolve. Recent changes in court jurisdiction, or what each court may decide, have moved Unlawful Detainer (eviction) actions from Small Claims Court, where an attorney is not required, to the Municipal Court, where an attorney must represent Department. That means Right of Way Agents who previously were delegated authority to represent Department may no longer do so. An attorney from Legal must handle all court documents and appearances.

When court action is required, time is of the essence. Completing each document accurately is critical to Unlawful Detainer court proceedings. Failure to completely and accurately fill out and sign the notices and documents will likely result in additional court appearances by the attorney or a dismissal of the action, thus requiring the process to begin again. These errors are costly to the Department.

Accordingly, Right of Way and Legal formulated this procedure through a joint effort to ensure proper and expedient handling of vacating property. If there are questions, **contact Legal immediately** for assistance.

UNLAWFUL DETAINER ACTIONS - EVICTION PROCESS		
	Steps	Action
1.	Preliminary	Right of Way contacts tenant to discuss delinquent balance and its resolution. When an informal attempt to collect the balance fails, the eviction process may begin. This procedure is identical to the 30- or 60-Day Notice for vacating premises where Department re-assumes control of the property.
2.		Right of Way prepares a 3-Day Notice to Pay Rent or Quit or a 30- or 60-Day Notice To Vacate for EACH OCCUPANT of the premises (court's requirement). IMPORTANT NOTE: Accounting and Right of Way records must be reconciled prior to serving the 3-Day Notice. The total amount due from tenant must be accurate to the first of the month prior to service.
3.		Right of Way prepares a Proof of Service or Proof of Mailing for the Notice after EACH OCCUPANT of the premises has been served. These forms must be signed and dated.

**DISTRICT RIGHT OF WAY PROCEDURE: VACATING
PREMISES, UNLAWFUL DETAINER ACTIONS (Cont.)**
(Form #)

UNLAWFUL DETAINER ACTIONS - EVICTION PROCESS (Continued)		
	Steps	Action
4.		Right of Way should follow established district procedures for entering the information into the RWPS and notify Accounting NOT to accept rent payments. If rent payment is accepted, the eviction procedure must be terminated.
5.		Time periods for response/payment by occupants before legal action is taken: <ul style="list-style-type: none"> • Personal Service - 4 or 34 calendar days from service, including the day of service. • Posted and Mailed or Substitute Service - 11 or 41 calendar days from service, including the day of service.
6.		Should the occupants respond to being served, Right of Way attempts to negotiate a settlement for the total amount due. A Stipulated Judgment is prepared if the negotiations are successful and the agreed-upon amount is collected in no greater than 12 months. ALL PAYMENTS MUST BE CASH, CASHIER'S CHECK, OR MONEY ORDER. Personal checks, third-party checks, and paychecks are unacceptable.
7.	Process for Court Action	If the occupants fail to respond after the above time periods expire, Right of Way prepares a request for Unlawful Detainer action.
8.		Right of Way prepares and sends a package containing the following documents to the Deputy Chief Counsel of the Department's Legal Office that serves the district in which the property is located. <ol style="list-style-type: none"> a) Unlawful Detainer Memorandum summarizing history of tenancy. b) Copy of the 3-Day Notice to Pay Rent or Quit for each person served. c) Original signed and dated Proof of Service or Proof of Mailing for the Notice for each person served. d) Copy of memo to Accounting advising that payments are not to be accepted. e) Original rental agreement and all amendments. f) Rental diary, if any. g) A copy of current Municipal Court Local Rules (rules that apply solely to that county's courts obtained from the Clerk of the Court) if Legal has not already been provided with a copy.

DISTRICT RIGHT OF WAY PROCEDURE: VACATING PREMISES, UNLAWFUL DETAINER ACTIONS (Cont.)

(Form #)

UNLAWFUL DETAINER ACTIONS - EVICTION PROCESS (Continued)		
	Steps	Action
9.	Document Preparation by Legal for Filing by Right of Way	<p>Legal provides to Right of Way for filing with the County’s Municipal Court:</p> <p>A minimum of 8 copies of Summons and verified Complaint with a list of all defendants to be served, for distribution as follows:</p> <ul style="list-style-type: none"> • One for Municipal Court • One for Department’s file • One for Legal’s file • One for “Original” • Two for each listed defendant (one for personal service or two for Posting and Mailing Service) • Two for the Claim of Right to Possession (one for personal service or two for Posting and Mailing Service) <p>Claim of Right to Possession - two for any unknown persons claiming to live there (one for personal service or two for Posting and Mailing Service). This is necessary for giving notice to unnamed occupants.</p> <p>Warrant for payment of service for each listed defendant and a warrant for service on the Claim of Right of Possession. (Check with the Sheriff’s Department to obtain amount for service fees.)</p>
10.	District Procedure for Filing in Court and Serving Defendants	<p>Right of Way signs the verification for the complaint and files the above documents in Municipal Court, Civil Department.</p>
11.		<p>Upon completion, Right of Way takes the filed, stamped, and signed documents to the Sheriff’s Department for serving (and the warrant/payment). Retains the original Summons and a copy of the Complaint for the file and sends an endorsed copy to Legal.</p>

**DISTRICT RIGHT OF WAY PROCEDURE: VACATING
PREMISES, UNLAWFUL DETAINER ACTIONS (Cont.)**
(Form #)

UNLAWFUL DETAINER ACTIONS - EVICTION PROCESS (Continued)		
	Steps	Action
12.	Follow-up After Filing and Delivering to Sheriff for Service	<p>Time periods for response by tenant/occupants before further action takes place:</p> <ul style="list-style-type: none"> • Service on Occupants/Defendants - Wait 4 working days to receive Proof of Service from the Sheriff's Office. If not received, call to determine when it was served. • Response to Service by Occupants/Defendants - Wait 5 days from the date each was served, then call the Municipal Court Clerk to determine whether a response has been filed by each defendant. <p>If response has not been received 5 or 35 calendar days after being served, a Default Judgment may be filed. Contact Legal so the Default Judgment may be prepared and filed immediately.</p>
13.		Right of Way files the original Summons for each occupant/defendant with the original Proof of Service completed, signed, and dated at the Municipal Court where the action was initially filed. Legal prepares an Application and a Writ of Execution and files it 2 or 3 days after the Default Judgment is received by the Court.
14.		Right of Way files the Writ of Execution with the Municipal Court where it was originally filed. When approved by the court, Right of Way delivers the Writ of Execution to the Sheriff's Office for completion of the eviction process.
15.	Eviction Scheduling	The Sheriff's Office should be asked to contact Right of Way when the date is scheduled for eviction. Since the Sheriff's Department will not forcibly enter the premises, Right of Way should arrange for a locksmith to be present at the scheduled time in case entry is barred.

PROOF OF SERVICE NOTICE

(Form #)

REGARDING PROPERTY AT:

The undersigned served Notice as follows:

1. Name of Tenant:
2. Person served and title:
3. Person with whom left, their title or relationship to person served:
4. **Date and time of delivery:**
5. Address: *(city and state served)*
 Home: _____
 Business: _____
6. Manner of service: (check proper box)
 - Posting of property - by affixing copy in conspicuous place and thereafter mailing to tenant(s) at property address (see above).
 - Personal Service - by personally delivering copies to the person served. (CCP 415.10)
 - Substituted Service - by leaving copies at the dwelling house, usual place of abode, or usual place of business of the person served in the presence of competent member of the household or a person apparently in charge of their office or place of business at least 18 years of age who was informed of the general nature of the papers, and thereafter mailing (by first-class mail, postage prepaid) copies to the person served at the place where copies were left. (CCP 415.20(b))
7. At the time of service, I was at least 18 years of age and not a party to this action.

(Agent's Name)
Right of Way Agent

PROOF OF SERVICE BY MAIL

On _____ *(date)*, after service on the above party at the above address (property) was made, I served the attached Notice upon tenant(s) by placing a true copy thereof served enclosed in a sealed envelope with postage thereon prepaid for First Class or Certified Mail in the United States at _____ (city), California, to the above address.

(Agent's Name)
Right of Way Agent

Dated

UNLAWFUL DETAINER REQUEST

(Form #)

State of California

Business, Transportation and Housing Agency

M e m o r a n d u m

To: BRUCE A. BEHRENS
CHIEF COUNSEL

Date:

Attention: Eugene Bonnstetter
Assistant Chief Counsel

File:

From: **DEPARTMENT OF TRANSPORTATION**
Right of Way Property Management Branch
District

Subject: Unlawful Detainer

District ____ requests your office to prepare an unlawful detainer:

1. Name of Tenant(s):
2. Names of Others Occupying Property (*over the age of 18*):
3. Address of Property:
4. Start Tenancy Date:
5. Type of Agreement:
6. Original Rental Rate:
7. Rental Rate Increase From Original Signed Agreement:
8. New Amount Paid (*current rent*):
9. Date of Rental Rate Increase:
10. Amount of Delinquent Rent Due (*not including late charges*):
11. Type of Notice Served:
12. If 3-Day Notice Served, Amount Shown on Notice:
13. Date of Service:
14. Is Property Required for Highway Construction? Yes No
15. Are Tenants RAP Eligible? Yes No
16. Attachments:
17. Comments:

(Agent's Name)
Right of Way Agent

(Senior's Name)
Property Management Branch

(Telephone Number)

(Telephone Number)

CORRECTION NOTICE - UNSUITABLE CONDITIONS

(Form #)

**Print on District Letterhead*

February 1, 1996

03-Sac-80-PM 1.4
Parcel 12345
Account:
Rentals

Mr. John Doe
1420 Hudson Street
Sacramento, CA 95816

Dear Mr. Doe:

An inspection of the above-referenced property revealed that the yard area is not being properly maintained. In accordance with terms of your rental agreement, Paragraph 5, your immediate attention to putting this area in a clean and orderly condition will be appreciated. Please do not make this a continuing problem.

Thank you for your cooperation.

Sincerely,

G. J. Smith
Right of Way Agent

GJS:jt

SAMPLE POSSESSORY INTEREST TAX LETTER

11-EX-9 (8/2013)

(Form #)

(Print on District Letterhead)

September 8, 2005

Merced County Tax Collector
Ms. Sally Smith
2222 M Street
Merced, CA 95340-3780

Dear Ms. Smith:

The Department of Transportation (Department) is in receipt of a delinquent property tax notice for Parcel Number XXX-XXX-XXX-000 in the name of Jane Jones for a property address at XXX Parsons Avenue, Merced, CA. In accordance with Streets and Highways Code, Sections 104.6 and 104.10, the Department is obligated to pay each county twenty-four percent (24%) of the rental revenue from properties it owns within that county. This fixed payment is intended to compensate counties for the loss of revenues, such as property taxes and assessments, they would otherwise receive if the properties were in private ownership.

The provisions of Streets and Highways Code Section 104.13 direct the Department to act as agent for payment for possessory interest taxes due from persons to whom the Department leases property. Subdivision (c) of Section 104.13 states that all funds distributed to a county pursuant to Streets and Highways Code Section 104.10 shall be deemed to be in full or partial payment on the total possessory interest taxes due on the property. Each year, the Department sends the county the annual Section 104.10 payment and a Right of Way Receivables Report (Form RWR410C) listing the tenancies that represent the payment. These two mailings usually occur in or around the month of November. The Department is requesting that the county not send any possessory interest tax bills to the Department, its tenants or lessees unless the bills are accompanied by substantiation that the Section 104.10 payment to the county was not sufficient to cover the amount of the possessory interest tax for that year. I thank you for your cooperation in this matter. If you have any questions, please contact Robert Brown, Senior Right of Way Agent, by telephone at XXX-XXX-XXXX.

Sincerely,

ROBERT BROWN
Senior Right of Way Agent

SUMMARY OF CONTRACT PROCESSES

(Form #)

SUMMARY OF CONTRACT PROCESSES			
Process	Suitability	Examples	Comments
Public Works Contract		Whole roof replacement, replacement of heating/air conditioning systems, initial (first time) painting, parking lot resurfacing, sidewalk repair, etc.	Required if work fits definition of a public works project, i.e., the erection, construction, alteration, repair or improvement of any public structure, building, road, or other public improvement of any kind.
Multi-provider, On-call Service Contract	State rental units are geographically concentrated. Before submitting a Form 360 (Service Contract Request), check with DPAC to see if multi-providers will be allowed for your contract. (Single provider contracts should be used whenever possible, rather than multi-provider contracts.)	Best suited for continuous or routine maintenance services such as plumbing, electrical, gardening, painting, roof repair, septic tank and cesspool pumping, pest control, trash and garbage removal, weed abatement, etc.	When contract work is needed, the contract manager will call the contractor with the lowest hourly, daily, weekly, monthly, square foot, etc., rate. When the contractor with the lowest rate is unable to accept additional work or is unavailable to respond within the time frame requested, the next contractor on the list of approved contractors will be called based upon the bid rate submitted. Documentation of refusal or lack of availability to work by any low-bid contractor should be maintained by the contract manager.
Single-provider, On-call Service Contract	State rental units are geographically concentrated.	Best suited for continuous or routine maintenance services such as plumbing, electrical, gardening, painting, roof repair, septic tank and cesspool pumping, pest control, trash and garbage removal, weed abatement, etc.	A single provider is used to complete all maintenance work requests and task orders for the duration of the contract (can be a multi-year contract). This type of contract is also suitable for renting equipment.

SUMMARY OF CONTRACT PROCESSES (Cont.)

(Form #)

EXHIBIT

11-EX-10 (REV 7/2007)

Page 2 of 2

SUMMARY OF CONTRACT PROCESSES (Continued)			
Process	Suitability	Examples	Comments
Single-provider, One-time Service Contract	State rental units are geographically scattered and there is not a sufficient concentration of State rental units in any one area to justify use of on-call service contracts, or service is required infrequently.		Contract is advertised for a single, specific job.
CAL-Card	There is no existing service contract covering the same type of service for the subject area. Cost cannot exceed \$4,999.99 per service and, if repetitive in nature, cannot exceed the aggregate amount of \$4,999.99 per fiscal year for the same type of service with the same vendor. Work may not be split to circumvent expenditure limitations.		Payments with CAL-Card are useful for expediting maintenance work because process procedures have been simplified. Although bids are not required, users should contact more than one contractor (preferably three) to find the best value. See CAL-Card Handbook on the DPAC Intranet for more information.
Non-Credit Card Process (Form ADM-3015, Service Agreement Under \$5,000)	This method is used when a service supplier does not accept CAL-Card or when a Cardholder is not available. The aggregate amount of the service agreement cannot exceed \$4,999.99 and the term over which services are to be provided cannot extend beyond two years in length. Work may not be split to circumvent expenditure limitations.		Although bids are not required, users should contact more than one contractor (preferably three) to find the best value. See instructions on Form ADM-3015 and the CAL-Card Handbook on the DPAC Intranet for more information.

**GUIDELINES FOR PERSONAL INJURY, LIABILITY AND
PROPERTY DAMAGE INSURANCE**

(Form #)

Type of Use	Required	
	Yes	No
PUBLIC AGENCIES:		
Self Insured		X*
Not Self Insured	X	
PUBLIC UTILITIES:		
Self Insured		X*
Not Self Insured	X	
RESIDENTIAL:		
SFR		X
SFR with Pool	X	
Multi-Residential		X
Multi-Residential with Pool	X	
Master Tenancy Residential Apartments and Mobile Home Park	X	
COMMERCIAL/INDUSTRIAL:		
Large Corporations with Self Insurance (Ralston Purina, etc.)		X*
Parking—Private (For Lessee employees)	X	
Parking—Public	X	
Sales (Retail, Wholesale)	X	
Restaurants, Bars	X	
Offices—All Types	X	
Warehouses/Storage-Inside	X	
Storage-Outside-Equipment, RV's, Boats, etc.	X	
Service Stations	X	
Manufacturing	X	
Oil & Gas Subsurface Rights		X
Oil Well w/Surface Rights	X	

Type of Use	Required	
	Yes	No
Drainage Ponds	X	
Access Rights for Cafes, etc.		X
Motels—Master Tenancy	X	
Services (Barber Shops, Beauty Parlors, Cleaners, etc.)	X	
Repairs—Auto, appliances, etc.	X	
AGRICULTURAL:		
Grazing—Cows, Horses, Sheep, Llamas, Goats		X
Crops—Row Crops, Orchards, Vineyards, Dry Farming		X
Sales—Fruits, Vegetables, Xmas Trees, etc.	X	
Community Gardens		X
SIGNBOARDS:		
On Premise		X
Off Premise		X
OTHER:		
Recreational (Golf Driving Range, Tennis Clubs, Skateboard Parks, Bike Paths)	X	
Road Approach		X
Landscaping		X
Parks	X	
Park 'n Ride Lots	X	
Porter Bill Parks	X	
Churches	X	

* with self insurance clause in lease.

LIABILITY, PROPERTY DAMAGE AND FIRE INSURANCE

(Form #)

LIABILITY, PROPERTY DAMAGE AND FIRE INSURANCE: Lessee shall, at Lessee's expense, take out and keep in force during the within tenancy:

- (A) Public liability insurance in a company or companies to be approved by the Lessor, to protect Lessor, 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 which is the subject of this lease in an amount of not less than \$500,000, to defend, indemnify and hold harmless the Lessor, its officers, agents and employees against all claims, suits or actions of one person and in the amount of not less than \$1,000,000 to defend, indemnify and hold harmless the Lessor, its officers, agents and employees against the claims, suits or actions of two or more persons resulting from any one accident; and
- (B) Property damage insurance or other insurance in a company or companies to be approved by the Lessor to protect Lessor, its officers, agents and employees against all claims, suits or actions of every name, kind and description brought forth 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, in an amount not less than \$300,000 to defend, indemnify, and hold harmless the Lessor, its officers, agents and employees; or
- (C) Single limit coverage of not less than \$1,000,000 to protect, defend, indemnify, and hold harmless the Lessor, its officers, agents and employees from all claims, suits or actions of every name, kind and description brought forth or on account of injuries to or death of any person or damage to property including any claims, suits or actions for damage to vehicles on the property which is the subject of this lease occurring in or about said property.
- (D) Fire insurance on the buildings in an amount of not less than \$_____ against loss of the buildings by fire or other causes. The State of California shall be shown as a loss payee on said policy.

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

It is the intent of the parties that the Lessee will indemnify, defend and hold harmless the Lessor, 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 the Lessor, the Lessee, the officers or employees of either of these, other than the sole negligence of the Lessor, 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 the Lessor as an additional insured and shall inure to the contingent liabilities, if any, of the Lessor, and the officers, agents, and employees of Lessor and shall obligate the insurance carriers to notify Lessor, in writing, not less than fifteen (15) days prior to the cancellation thereof, or any other change affecting the coverage of the policies. Lessee shall furnish to Lessor, either a certified copy of each and every such policy or a fully executed "Certificate of Insurance for Lease of State-Owned Property" and a fully executed "State-Owned Property Endorsement" within not more than ten (10) days after the effective date of the policy. Lessee agrees that, if Lessee does not keep such insurance in full force and effect, Lessor shall have the right to immediately terminate this lease.

Recommendation and Approval Form for Archive Copy of Lease

STATE AS LESSOR

(Forms RW 11-2, RW 11-3, RW 11-4, and RW 11-19)

The Director of each District is authorized to execute leases on behalf of the Department. The District Director is also permitted to delegate this authority, in writing, to subordinates.

The District Director or delegatee is authorized to approve or execute the following Rental Agreements and Non-Airspace Leases:

- 1) All residential Rental Agreements, regardless of the rental rate.
- 2) All Leases and nonresidential Rental Agreements when the rental rates do not exceed \$1,000 per month and the term is five (5) years or less.
- 3) Other Leases and Rental Agreements on property held for State transportation purposes and excess land where:
 - a) Unaltered Standard Lease Agreement or Rental Agreement forms are utilized or a Caltrans attorney has approved a nonstandard form prior to execution on behalf of the Department; and
 - b) The Agreement contains a provision for annual rental escalation using standard clauses if term is three (3) years or more; and
 - c) Rental rate is less than \$5,000 per month and within 10% of the appraised fair market rental rate. (Any variance from appraised rate must be justified in writing by the district.); and
 - d) Term is five (5) years or less; and
 - e) A copy of the Agreement is forwarded to the Right of Way and Asset Management Program for post-audit purposes.

RECOMMENDED FOR APPROVAL

**STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION**

By _____
(District Personnel Authorized
to Recommend Approval)

By _____
(Name)
District Director (or authorized
representative - show title)

All other nonresidential Leases and Rental Agreements shall be forwarded to the Right of Way and Asset Management Program with a transmittal memorandum requesting approval and execution.

RECOMMENDED FOR APPROVAL

By _____
District Director (or authorized
representative - show title)

**STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION**

RIGHT OF WAY & ASSET MANAGEMENT PROGRAM

By _____
(Name)
Program Manager
Right of Way and Asset Management

By _____
Senior Right of Way Agent
Office of Property Management
Right of Way & Asset Management Program

Approved as to Form and Procedure:

Attorney

Recommendation and Approval Form for Archive Copy of Lease
STATE AS LESSEE (ACQUISITION LEASE)
(Exhibit 11-EX-30)

1) Rental Rate of \$5,000 or less per month for a term not exceeding five (5) years

RECOMMENDED FOR APPROVAL

None needed on Archive Copy unless lease is for Office of Construction. In that case, show recommendation as follows:

STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION

RECOMMENDED FOR APPROVAL

By _____
Deputy District Director, Construction
(or authorized representative - show title)

By _____
(Name)
District Director (or authorized
representative - show title)

2) Rental Rate in excess of \$5,000 per month or term exceeding five (5) years; **non-standard Lease Agreement**

RECOMMENDED FOR APPROVAL

By _____
District Director (or authorized
representative - show title)

STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION

By _____
Deputy District Director, Construction
(or authorized representative - show title)

By _____
(Name)
Program Manager
Right of Way and Asset Management

(Use only if lease is for Office of Construction)

RIGHT OF WAY & ASSET MANAGEMENT PROGRAM

By _____
Senior Right of Way Agent
Office of Property Management
Right of Way & Asset Management Program

Approved as to Form and Procedure:

Attorney

NOTICE TO BIDDERS

(Form #)

03-Sac-5-30.0

Parcel 17606

EA 061759

03407--911036

**NOTICE TO BIDDERS
FOR THE LEASE OF AGRICULTURE LAND
LOCATED APPROXIMATELY 7 MILES NORTH OF SACRAMENTO**

SEALED BIDS will be received at the office of the District Property Manager, Department of Transportation, District 03, 725 "D" Street, Marysville, California, until 10:00 a.m., Friday, July 2, 1982, at which time they will be publicly opened and read for the two-year lease of the following agriculture land. Bids may then be increased orally by a minimum of 10 percent of the highest written bid.

Property is located on the east side of road at the intersection of Interstate 5 and E1 Centro Road, north of Sacramento. SEE ATTACHED MAP FOR FURTHER DETAILS.

**MINIMUM SUGGESTED BID \$20.00 PER ACRE
REQUIRED DEPOSIT \$3,000.00**

Property is zoned agriculture and is presently set up for rice farming. Ample water is available from the Natomas Central Mutual Water Company. Land assessments will be paid by the State; water charges will be the responsibility of lessee.

The parcel totals 530.61 acres ±.

The State reserves the right to reject any and all bids.

Additional information may be obtained from the State of California, Department of Transportation, Division of Right of Way, Property Management Section, 725 "D" Street, Marysville, California, Telephone 743-5421, Extension 307, or contact G. J. Smith, 1100 South River Road, West Sacramento, Telephone 445-7880.

No bid shall be received unless made upon the form attached hereto and furnished for that purpose by the Department of Transportation.

All bids shall be presented as aforesaid under sealed cover by 10:00 a.m., July 2, 1982, and should be accompanied by cash, cashier's check, or certified check payable to the "Department of Transportation" in the amount of the required deposit. No bid shall be considered unless such cash, cashier's check or certified check is enclosed therewith as a proposal of guarantee. Checks accompanying bids not accepted will be promptly returned. **PERSONAL OR BUSINESS CHECKS WILL BE ACCEPTED.**

On or before August 1, 1982, the successful Bidder is hereby required to deposit with the said Department of Transportation at either of the above addresses, cash, cashier's check, or certified check in the amount sufficient to bring a total of one-half (1/2) the total yearly rent for the total parcel. The balance of the yearly rent shall be paid upon harvest of the crop on said parcel. In no case shall it be later than November 1st of the respective crop year.

Successful bidder will be required to execute an Agricultural Lease with the Department of Transportation for a period of two years. A SAMPLE COPY OF LEASE IS ATTACHED FOR INFORMATION PURPOSES.

NOTICE TO BIDDERS (Cont'd)

(Form #)

EXHIBIT

11-EX-14

PAGE 2 OF 5

If high bidder for the Lease fails to deposit the money, pay the balance due, or execute the Lease, the State shall have the right, at its option, to terminate or cancel the implied Lease. Upon the exercise of such right, all rights of proposed lessee in the subject property granted by the implied Lease shall cease and all moneys paid to State under the subject implied Lease terms, up to the time of the breach, shall be retained to offset the actual damages sustained by State as a direct and proximate result of said breach of implied Lease. Lease may then be awarded to second highest bidder without recourse of first bidder.

The parcel is being divided into three separate pieces for accounting purposes. Please see attached map for identification. Bid shall be based, however, on total acreage (530.61 acres \pm).

Bids should be addressed to the Department of Transportation, P.O. Box 911, Marysville, California 95901, in sealed envelope plainly marked "R/W BID FOR AGRICULTURE LAND LEASE TO BE OPENED JULY 2, 1982, 10:00 A.M."

**STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION
DISTRICT DIRECTOR OF TRANSPORTATION**

NOTICE TO BIDDERS (Cont'd)

(Form #)

EXHIBIT

11-EX-14

PAGE 3 OF 5

NOTE: TO ELIMINATE POSSIBLE ACCIDENTAL OPENING OF BID ENVELOPES PRIOR TO THE ADVERTISED TIME OF THE BID OPENING, IT IS VERY IMPORTANT THAT THE NOTICE BELOW BE AFFIXED TO THE OUTSIDE OF THE ENVELOPE ENCLOSING THE BID.

----- cut here -----

SEALED BID

Mr. T. R. Jackson
District Property Manager
Department of Transportation
725 "D" Street
Marysville, California 95901

ATTENTION:

Division of Right of Way
Property Management Section
R/W Bid for Agricultural Land Lease to be Opened
10:00 A.M., July 2, 1982

NOTICE TO BIDDERS (Cont'd)
(Form #)

EXHIBIT
11-EX-14
PAGE 4 OF 5

PERSONAL INFORMATION NOTICE

Pursuant to the Federal Privacy Act (P.L. 93-579) and the Information Practices Act of 1977 (Civil Code Section 1798, et seq.), notice is hereby given for the request of personal information by this form. The requested personal information is voluntary. The principal purpose of the voluntary information is to facilitate the processing of this form. The failure to provide all or any part of the requested information may delay processing of this form. No disclosure of personal information will be made unless permissible under Article 6, Section 1798.24 of the IPA of 1977. Each individual has the right, upon request and proper identification, to inspect all personal information in any record maintained on the individual by an identifying particular. Direct any inquiries on information maintenance to your IPA Officer.

03-Sac-5-30.0
Parcel 17606
EA 061759
03407--911036

**PROPOSAL FOR LEASING OF AGRICULTURAL LAND
IN SACRAMENTO COUNTY**

**TO: STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION**

Attention: T.R. Jackson, District Property Manager
Department of Transportation
725 "D" Street
Marysville, California 95901

The undersigned herewith offers, pursuant to Notice to Bidders for the leasing of agricultural land dated _____, 19____, and subject to the terms and conditions of proposed form, Agricultural land in the County of Sacramento, California, for the term of two (2) years at the rental rate of \$_____ per year for the 530.61 acres ±. One half of the total yearly rent for the total parcel to be paid before August 1, 1982. Balance of the yearly rent to be paid upon the harvest of the crop on said parcel. In no case shall it be later than November 1 of the respective crop year. The second year's rent shall be paid as follows: One-half on or before August 1, 1983, the balance of the yearly rent to be paid upon the harvest of the crop on said parcel.

There is tendered herewith _____ check, payable to the State of California, in the sum of \$3,000.00 as a guarantee of the faithful execution of the lease in the event the same is awarded to the undersigned.

It is further understood that the amount of \$3,000.00 deposit shown above will be kept by the State only in the event that the undersigned is the successful bidder.

DATED: _____, California, this _____ day of _____, 19____.

BIDDER: _____

BIDDER'S ADDRESS: _____

BIDDER'S TELEPHONE NO.: _____

(Attach Map of Property to be leased)

CITY, COUNTY, OR SPECIAL DISTRICT LEASE

(Form #)

CITY, COUNTY, OR SPECIAL DISTRICT LEASE
[Interim Use of Highway Property For Purposes Under Streets and Highways Code 104.7
(Agricultural, Community Garden, or Recreational)]

THIS LEASE, 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

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

for the term of (*not less than one year*) commencing on the _____ day of _____, _____, and ending on the _____ day of _____, _____, with the right of cancellation and termination in both Department and Lessee as hereinafter set forth, at the total rental of one dollar (\$1.00) per year, payable to the Department of Transportation, State of California, at _____, California, in lawful money of the United States of America, in advance.

The Department and Lessee hereby agree to the following covenants, terms and conditions:

- 1) **RENT:** Lessee shall pay rent as hereinbefore provided, and shall pay when due all utility and other charges accruing or payable in connection with Lessee’s use of the property during the term of this Lease.
- 2) **USE:** Lessee shall:
 - a) Use the property for the following purposes only: (agriculture, community garden, or recreation);
 - b) Not commit, suffer or permit any waste on the property and comply with all State laws, local ordinance or other governmental regulations concerning the property and the use thereof;
 - c) Permit Department or its agents to enter on the property at any reasonable time to inspect same;
 - d) Not permit hunting on the premises;
 - e) Not allow vehicle or equipment washing, fueling, maintenance or repair on the property.

[RW instructions - Optional clause “f)” to be used as needed; otherwise delete.]

- f) 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.

3) TERMINATION:

- a) This Lease shall be subject to cancellation or termination by either party at any time after the first year by giving the other party notice in writing at least ninety days (90 days) prior to the date when termination shall become effective.
- b) Should the Lessee hold over after the expiration of the term of this Lease with the consent of the Department, expressed or implied, the tenancy shall be deemed to be a tenancy only from month to month; subject otherwise to all of the terms and conditions of this Lease so far as applicable.

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- 4) **NOTICES:** All notices to be given to Lessee shall be delivered personally or be sending a copy through the mail addressed to Lessee at the address above stated. All notices to be given to the Department shall be delivered personally or sent to the State of California, Department of Transportation, at _____, or such other place as the Department may designate in writing.
 - 5) **MAINTENANCE:** Lessee 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.
 - 6) **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.
 - 7) **INSURANCE:** Department will not keep the property insured against fire or any other insurable risk, and Lessee 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.
 - 8) **PREVIOUS AGREEMENTS:** Any existing Lease or Rental Agreements between Lessee and Department (or its predecessor in interest) covering this property are terminated as of the effective date of this Lease.
 - 9) **NONLIABILITY OF DEPARTMENT:** Nothing in the provisions of this Lease Agreement is intended to create duties or obligations to or rights in third parties not parties to this Lease Agreement or affect the legal liability of either party to the Lease Agreement by imposing any standard of care respecting the duties and obligations under this Lease Agreement different from the standard of care imposed by law. It is understood and agreed that this Lease Agreement is made upon the express condition that State of California and any officer or employee thereof is to be free from all responsibility, liability, claims, suits or actions of every name, kind and description, brought for or on account of injury of any person or persons, including Lessee, or to property of any kind whatsoever and to whomsoever belonging, including Lessee, occurring on or about the premises, or from any cause or causes resulting from the operations and/or use of the premises, or the sidewalks adjacent thereto, by Lessee, Lessee's agents, customers, business invitees and/or any persons acting on Lessee's behalf. It is also understood and agreed that Lessee shall defend, indemnify and save harmless State of California, all officers and employees thereof, from all liability, claims, suits or actions of every name, kind and description brought for or on account of injuries to or death of any person or damage to property arising from any aforesaid cause or causes during the term of this Lease Agreement. Lessee waives any and all rights to any type of express and implied indemnity against State of California, its officers or employees. It is the intent of the parties that Lessee will indemnify and hold harmless State of California, its officers or employees from any and all claims, suits or actions as set forth above regardless of the existence or degree of fault, whether active or passive, primary or secondary, on the part of State of California, other than its sole negligence.
 - 10) **NONDISCRIMINATION:** The Lessee, for him/herself, his/her 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 in the event facilities are constructed, maintained, or otherwise operated on the said property described in this Lease, for a purpose for which a Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, the Lessee shall maintain and operate such facilities and services 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 Federal-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 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.

11) 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.

12) LIABILITY INSURANCE: Lessee shall, at Lessee's expense, take out and keep in force during the within 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 the Lessee, the Lessee waives any and all rights to any type of express or implied indemnity against the Department, its officers or employees.

It is the intent of the parties that the Lessee 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 the Department, the Lessee, the officers or employees of either of these, other than the sole negligence of the 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 the Department as an additional insured and shall inure to the contingent liabilities, if any, of the Department, and the officers, agents, and employees of Department and shall obligate the insurance carriers to notify Department, in writing, not less than thirty days (30 days) prior to the cancellation thereof, or any other change affecting the coverage of the policies. Lessee 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 agrees that if Lessee does not keep such insurance in full force and effect, Department shall have the right to immediately terminate this Lease.

13) 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 Lease, Lessee 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 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.

- 14) 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 for: _____.

[RW instructions - Insert title of applicable Fact Sheet – e.g., “Agricultural” or “Parks and Recreation.” Attach Fact Sheet to lease. Fact Sheet(s) are in the RW Property Management and Airspace Storm Water Guidance Manual.]

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, 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 and this Lease, this Lease 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.

- 15) ASSIGNMENT:** Lessee shall not assign or sublet this lease without Department’s written consent.

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

- a) Proposed assignee must be a city, county or special district in which the property is located.
- b) The proposed use must be the same or similar to that employed by Lessee.
- c) A written application from the proposed assignee is required.
- d) Assignment does not relieve the Lessee of any duties or obligations under the lease.
- e) Any assignment is not deemed consent to any subsequent assignment.

- 16) SUBLETTING:** Lessee may sublease the property for agricultural, community garden or recreational purposes upon prior written notification to Department, and may proceed with the sublease unless it is disapproved by Department within ten (10) working days after such notice is sent to Department.

Should Lessee sublease the property, the first priority for a sublease shall be given to the owner of property contiguous to the leased land.

In subletting the property, Lessee may charge rental fees at least sufficient to pay its administrative costs. All money received by Lessee under a sublease, less administrative costs, shall be transmitted to Department for deposit in the State Highway Account.

- 17) 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 is required to furnish each new Tenant with two copies of Department's form notice advising that no relocation payments will be made. Lessee will sign one copy and return it to Department.
 - b) Lessee to provide Department with a listing of all subtenants as required by Department.
 - c) Lessee shall ensure that storm water best management practices (BMPs) applicable to Subtenant's activities are implemented and maintained on the premises.
- 18) ALTERATIONS:** Lessee shall not make or suffer any alteration to be made in or on the property without Department's written consent.
- 19) RELOCATION PAYMENT:** Lessee acknowledges the following: Lessee commenced occupancy of the premises after Department acquired title to it, Department acquired the premises for a public project, Lessee may be required to vacate the premises to allow construction of the public project, and Lessee 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) VACATING THE PROPERTY:** At the expiration of the term, or any sooner termination of this lease, Lessee 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. Lessee agrees to reimburse 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 shall not leave or allow to remain on the property any garbage, refuse, debris, or personal property. Lessee will pay Department any removal costs incurred by Department. On the date the property is vacated, Lessee agrees to deliver the property keys to Department in person or at: _____.
- 21) POSSESSORY INTEREST:** Tax bills inadvertently received by Lessee should be forwarded to Department for processing.
- 22) RIGHT OF ENTRY:** Lessee 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) 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.
- 24) ENCUMBRANCES:** Lessee shall not encumber the leased premises in any manner whatsoever.
- 25) 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.
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CITY, COUNTY, OR SPECIAL DISTRICT LEASE (Cont.)

(Form #)

EXHIBIT

11-EX-15 (REV 7/2007)

Page 6 of 6

26) 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 Department.

27) 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)

APPROVAL RECOMMENDED

(Type Lessee's Name)

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

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

03-Sac,Pla-80-11.7 / 18.0
0.0 / 3.4

MATERIALS AGREEMENT—No. 444
No. 1982
(Year)

Acquired as Parcels 6871-A and 21413

MATERIALS AGREEMENT

THIS AGREEMENT, dated July 16, 1982, by and between the State of California, acting by and through the Department of Transportation, hereinafter called "State" and A. Teichert and Son, Inc., hereinafter called "Contractor."

WHEREAS, the Contractor and the State have heretofore entered into Contract No. 03-093814 for the construction of State Highway in Sacramento and Placer Counties near Sacramento, between near Madison Avenue to Douglas Boulevard, Roseville.

WHEREAS, Contractor desires to obtain material for incorporation in said construction from State's hereinafter described property, and,

WHEREAS, State is willing to permit Contractor to obtain material for such purposes from said property.

NOW, THEREFORE, THE PARTIES AGREE as follows:

State hereby authorizes Contractor to enter upon State-owned property shown on the attached map as Exhibit A and made a part hereof, for the purposes of excavating and removing therefrom the material for incorporation in the work performed under said construction contract. This material is to be removed in conjunction with the removal of material from the Allgeier-Bergantz property, MA No. 441, as described in the plan set forth in a letter dated July 3, 1982 from A. Teichert and Son, Inc., and attached hereto and made a part of hereof as Exhibit B. No modification of the proposal shall be permitted without specific approval of the Division of Right of Way of the Department of Transportation, District 03, Marysville.

NOW, THEREFORE, it is agreed:

(1) State makes no express nor implied guarantee as to the quantity and quality of material that may be obtained, produced, or extracted, nor as to the extent of processing that may be necessary to produce the material conforming to the requirements set forth in Contract No. 03-093814 hereinabove mentioned.

(2) Ingress and Egress to the material sites set forth in Exhibit A shall be over haul roads and bridges as necessary, to be constructed at the sole expense of the Contractor. Further, that the location of these haul roads and bridges shall be approved by Highways' Resident Engineer for said Highway construction project.

(3) Contractor will remove material from this site pursuant to the plan proposed as set forth in A. Teichert and Son, Inc.'s letter of July 9, 1982 and attached as Exhibit B.

(4) Subject to any State, Federal or local ordinances or regulations, Contractor may erect, operate and maintain such equipment and plant at the site as may be necessary for handling, sorting and processing said material. Contractor may also erect a concrete plant for the use of processing material for use on Contract No. 03-093814.

MATERIALS AGREEMENT (Cont'd)

(Form #)

EXHIBIT

11-EX-16

PAGE 2 OF 4

(5) Contractor shall remove all equipment from the site upon completion of its operations.

(6) Contractor shall (1) remove the top soil to a depth of approximately 1' from the areas of excavation and stockpile prior to the removal of any fill material, (2) the stockpiled top soil will be replaced uniformly over those areas from which material is removed immediately following completion of the excavation required for the removal of the fill material, (3) the stockpiled top soil shall be replaced in a neat and presentable manner in order to provide a presentable appearance of the entire property which shall be left in pseudonatural manner with proper slopes and drainage in a manner satisfactory to the State.

(7) Contractor agrees to hold the State of California, the Director of Transportation, and all officers and employees of the Department of Transportation, harmless from all claims for injury to persons or damage to property resulting from Contractor's operations or use of the above material sites and ingress and egress routes.

(8) Contractor shall conform to the rules and regulations pertaining to safety established by the California Division of Industrial Safety.

(9) Contractor agrees to pay the State a royalty of 7-1/2¢ per cubic yard, or 5¢ per ton of material removed from said property. Material to be paid for shall be measured as per Section 19-7.04 of the Standard Specifications and as determined by Highways' Resident Engineer for said Highway Construction Project and the Special Provisions set forth in Contract No. 03-093814. Payment to the State will be based on the same method of measurement as used in determining payment to the Contractor for weight of material removed. The Contractor further agrees that the State may deduct the amount thereof from any monies due or that may become due the Contractor under the above referenced contract.

(10) This Agreement shall be in effect from the date hereof until acceptance of the Highway Construction Project No. 03-093814 by the State, or until sooner terminated by mutual consent between the State and the Contractor.

IN WITNESS WHEREOF, this Agreement has been executed.

APPROVAL RECOMMENDED BY

(Contractor)

District Division Chief, Right of Way

By (Title of Officer)

**STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION**

District Director of Transportation

EXHIBIT A

(Attach Map Showing Property Covered by Agreement)

03-Sac-50-6.4 / 12.0

MATERIALS AGREEMENT NO. 446

No. 1982

(Year)

Acquired As Parcels 11988 and 11989

AGREEMENT

(To be executed for removal of material from State-owned property)

THIS AGREEMENT, dated October 5, 1982, by and between the State of California, acting by and through the Department of Transportation, hereinafter called "State," and Guy F. Atkinson Company, hereinafter called "Contractor."

WHEREAS, the Contractor and the State have entered into Contract No. 03-037454 for the construction of State Highway in Sacramento County, near Sacramento from Mayhew OH to 0.3 Miles West of Sunrise Boulevard, Sacramento,

WHEREAS, Contractor desires to obtain material for incorporation in said construction from State's hereinafter described property, and,

WHEREAS, State is willing to permit Contractor to obtain material for such purposes from said property.

NOW, THEREFORE, THE PARTIES AGREE as follows:

State hereby authorizes Contractor to enter upon State-owned property shown on the attached map as Exhibit "A" and made a part hereof, for the purposes of excavating and removing therefrom the material for incorporation in the work performed under said construction contract. This material is to be removed in conjunction with the removal of material from the Bradshaw Investors, a limited partnership, (William Cummings, General Partner) property located southerly of the State-owned property until a copy of the Agreement between the Contractor and said Bradshaw Investors, a limited partnership, is presented to the State.

NOW, THEREFORE, it is agreed:

(1) State makes no express nor implied guarantee as to the quantity and quality of material that may be obtained, produced, or extracted, nor as to the extent of processing that may be necessary to produce the material conforming to the requirements set forth in Contract No. 03-037454 hereinabove mentioned.

(2) Ingress and egress to the material sites set forth in Exhibit "A" shall be over haul roads and bridges as necessary, to be constructed at the sole expense of the Contractor. Further, that the location of these haul roads and bridges shall be approved by Highways' Resident Engineer for said Highway construction project.

(3) Subject to any State, Federal or Local ordinances or regulations, Contractor may erect, operate and maintain such equipment and plant at the site as may be necessary for handling, sorting and processing said material.

(4) Contractor shall remove all equipment from the site upon completion of its operation.

SAMPLE MATERIALS AGREEMENT (Cont'd)

(Form #)

EXHIBIT

11-EX-17

PAGE 2 OF 2

(5) Contractor may remove material down to the elevation of 64' except along the most easterly property line of the State property shown on Exhibit "A", where material shall be removed no closer than a location which would allow the establishment of a minimum slope of 3:1, the uppermost part of such slope shall be rounded and no closer than 5' to the property line and be left in a pseudonatural manner. Any cut which may be made adjacent to the freeway right of way line along the arc of the southeast quadrant of said freeway shall also be made a minimum of 3:1 slope.

(6) Contractor agrees to hold the State of California, Department of Transportation, and all officers and employees of the Department of Transportation, harmless from all claims for injury to persons or damage to property resulting from Contractor's operations or use of the above.

(7) Contractor shall conform to the rules and regulations pertaining to safety established by the California Division of Industrial Safety.

(8) Contractor agrees to pay the State a royalty of 10¢ per cubic yard for material removed from said property. Material to be paid for shall be measured as per Section 19-7.04 of the Standard Specifications and as determined by the Highway Resident Engineer field volumetric measurement. The Contractor further agrees that the State may deduct the amount thereof from any monies due or that may become due the Contractor under the above-referenced contract.

(9) This agreement shall be in effect from the date hereof until acceptance of the Highway Construction Project No. 03-037454 by the State, or until sooner terminated by mutual consent between the State and the Contractor.

IN WITNESS WHEREOF, this Agreement has been executed.

APPROVAL RECOMMENDED BY

(Contractor)

District Division Chief, Right of Way

By (Title of Officer)

**STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION**

District Director of Transportation

NOTICE TO BIDDERS AND INTERESTED PARTIES

(Form #)

SEALED PROPOSALS WILL BE RECEIVED AT THE OFFICE OF:

Department of Transportation
Property Management Section
120 South Spring Street
Los Angeles, California

UNTIL:

November 23, 1982—10:30 a.m.
At which time they will be publicly opened and read

FOR:

MASTER TENANCY—30 Unit Apartment Complex
3621-53 West 120th Street
Inglewood, California
Lease Period—Approximately 2 years
To Commence February 1, 1983

in accordance with the terms and conditions of this Notice to Bidders and proposed lease form attached hereto.

The Department of Transportation reserves the right to reject any or all bids, and the right to cancel the lease which may result therefrom, at any time the service is considered unsatisfactory.

The State also reserves the right to re-bid the Master Tenancy at the expiration of the lease period.

The award of the lease, if awarded, will be to the highest responsible bidder whose proposal complies with all the requirements. More than one proposal from an individual, partnership, firm, corporation, or combination thereof, will not be considered. Reasonable grounds for believing that any bidder is interested in more than one proposal will cause the rejection of all proposals in which the bidder is interested.

It shall be the responsibility of the bidder that all sealed proposals and/or bids be received in Room 406 at 120 South Spring Street, Los Angeles, California, prior to 10:30 a.m., November 23, 1982.

No proposal or bid will be accepted after 10:30 a.m., November 23, 1982.

TERMS OF AUCTION

(Form #)

Inglewood, Calif.

Deposit of two (2) months rent covering the first and last months of the leasehold will be required as follows:

CASH, CASHIER'S CHECK, MONEY ORDER or CERTIFIED CHECK in the amount of the first month's rent as bid will be required to be made at the time of the auction. The last month's rent in CASH, CASHIER'S CHECK, MONEY ORDER or CERTIFIED CHECK must be paid within five (5) days, Sundays included and holidays excluded.

All payments must be made at 120 South Spring Street, Room 370, Los Angeles, California, 90012, in CASH, CASHIER'S CHECK, MONEY ORDER or CERTIFIED CHECK payable to the order of the Department of Transportation.

In the event the high bidder fails to pay the balance due in the time specified, that bidder shall forfeit all his rights as such bidder including deposit made.

The State of California reserves the right to reject any and all bids and to cancel the Lease at any time prior to the execution of said Lease by the State. In the event of cancellation of the Lease by the State, all monies deposited shall be refunded without payment of interest. In the event of cancellation by the high bidder, all monies deposited shall be retained by the State as costs and damages.

The State of California will require that one (1) coat of exterior vinyl stucco paint be applied to stucco surfaces on north and west wall of garage at 3633 West 120th Street. Apply one (1) coat of exterior vinyl stucco paint to stucco surfaces on west wall of garage at 3641 West 120th Street. Sand and scrape loose and peeling paint from garage door at 3649 West 120th Street. Apply two (2) coats of exterior trim paint to wooden surfaces of garage door. Replace all cracked or broken window panes. Any broken or missing screen wire or frames are to be replaced on all windows, doors and air vents.

Clean all trash from laundry rooms and replace doors where they are broken or missing. This work is to be completed within ninety (90) days from the inception of the Master Tenancy Agreement, and the property must be kept in good condition throughout the term of the Lease. All work performed must be inspected and approved by the Property Manager or authorized representative.

All work must be completed and approved by the Property Manager within ninety (90) days from Lease inception, or the Lease may be canceled at the State's discretion.

A security deposit of CASH, CASHIER'S CHECK, MONEY ORDER, or CERTIFIED CHECK in the amount of \$300.00 to guarantee the performance of the repair work and Paragraphs 2, 6, and 7 of the Lease shall be paid within five (5) days, Sundays included and holidays excluded. Said security deposit shall be held by the State for the term of the Lease, without payment of interest.

LIST OF TENANTS IN POSSESSION

(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-20 (REV 7/2005)

3621-53 West 120th Street
Inglewood, California

EXHIBIT "A"

The State of California will require that the Master Tenant cannot raise the existing rates on tenants shown on Exhibit "A" during the term of the lease without written approval of the Lessor. Reference is also made to Clause 4 of the lease wherein it is specifically agreed and understood that the Lessee shall not terminate the tenancy of the tenants who will be named in an exhibit made a part of the lease, without written approval of the Lessor, and will notify the Lessor when said tenants named on Exhibit "A" vacate the premises.

Address	Apt. No.	Tenant	Rental	No. of Bedrooms
3621	1	Vacant	\$ 75.00	Single
3621	2	M. Morris	105.00	1
3621	3	E. Davis	105.00	1
3621	4	M. Smith	130.00	2
3621	5	Vacant	75.00	Single
3621	6	A. Cerral	85.00	Single
3625	1	M. Wagner	105.00	1
3625	2	J. Ebel	100.00	1
3625	3	A. Brown	130.00	2
3629	1	Vacant	105.00	1
3629	2	R. Douglas	105.00	1
3629	3	E. Gaar	132.50	2
3633	1	H. Baker	100.00	1
3633	2	C. King	100.00	1
3633	3	M. Moore	137.50	2
3637	1	J. West	100.00	1
3637	2	G. Pierson	105.00	1
3637	3	A. Palmieri	132.50	2
3641	1	Q. Parramou	105.00	1
3641	2	S. Carter	100.00	1
3641	3	E. Davis	130.00	2
3645	1	de la Cruz	100.00	1
3645	2	Y. Gray	100.00	1
3645	3	C. Manson	137.50	2
3649	1	E. Coakley	100.00	1
3649	2	F. Fenderson	100.00	1
3649	3	C. Barrett	132.50	2
3653	1	M. Thomas	100.00	1
3653	2	R. Gannigan	105.00	1
3653	3	J. de Hoop	125.00	2

All rents are due the 1st of the month.

Master Tenant pays utilities in accordance with Clause 3 of Master Tenancy Lease Agreement.

INVENTORY

(Form #)

3621-53 West 120th Street
Inglewood, California

3621 West 120th Street

Apt. 1 Unfurnished
2 Unfurnished
3 Unfurnished

3625 West 120th Street

Apt. 1 Garbage Disposal
2 Garbage Disposal
3 Garbage Disposal
Venetian Blinds in Five Windows

3629 West 120th Street

Apt. 1 Garbage Disposal
2 Garbage Disposal
Wall-to-Wall Carpeting in One Bedroom, Living Room, and Hall
Drapes in Living Room
3 Garbage Disposal
Wall-to-Wall Carpeting in Two Bedrooms, Living Room, and Hall
Drapes in Living Room

3633 West 120th Street

Apt. 1 Garbage Disposal
2 Wall-to-Wall Carpeting in Living Room and Hall
Drapes in Living Room
3 Garbage Disposal

3637 West 120th Street

Apt. 1 Garbage Disposal
2 Garbage Disposal
3 Garbage Disposal

3641 West 120th Street

Apt. 1 Garbage Disposal
2 Wall-to-Wall Carpeting in Living Room, Bedroom and Hall
Garbage Disposal
3 Wall-to-Wall Carpeting in Living Room and Two Bedrooms
Garbage Disposal

INVENTORY (Cont'd)
(Form #)

EXHIBIT
11-EX-21
PAGE 2 OF 2

3645 West 120th Street

Apt.	1	Garbage Disposal
	2	Garbage Disposal
	3	Garbage Disposal

3649 West 120th Street

Apt.	1	Garbage Disposal
	2	Garbage Disposal Drapes in Living Room
	3	Garbage Disposal Drapes in Living Room Wall-to-Wall Carpeting in Living Room, Two Bedrooms and Hall

3653 West 120th Street

Apt.	1	Garbage Disposal
	2	Garbage Disposal
	3	Garbage Disposal

BID PROPOSAL

(Form #)

**PROPOSAL TO THE STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION**

For _____

The undersigned, as bidder, warrants by execution of this proposal that the only persons or parties interested in this proposal as principals are those named herein; that this proposal is made without collusion with any other person, firm or corporation and he declares that he has carefully examined the Notice to Bidders and the proposed form of Lease and is familiar with all of the provisions therein, and he proposes and agrees, if this proposal is accepted, that he will contract or lease the property described therein from the State of California on a monthly basis at a rental of _____ a month

IMPORTANT NOTICE: If bidder or other interested person is a corporation, state legal name of corporation, and names of the president, secretary, treasurer and manager thereof. If a co-partnership, state true name of firm and names of all co-partners composing the firm; if an individual, state first and last names in full.

Bidder _____ Date _____

By _____
(Must be signed)

Telephone _____

Business Address _____

MASTER TENANCY 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-23 (REV 7/2007)

Page 1 of 9

MASTER TENANCY LEASE AGREEMENT

THIS LEASE, made this ____ day of _____, _____, at _____, California, by and between the State of California, Department of Transportation, hereinafter known as Department, and _____, hereinafter known as Lessee, of _____.

WITNESSETH

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

including the following improvements:

for the term of _____, commencing on the ____ day of _____, _____, and ending on the ____ day of _____, _____, with the right of cancellation and termination in both Department and Lessee as hereinafter set forth, at the total rental of \$_____, payable to the "Department of Transportation," in lawful money of the United States, in monthly installments of \$_____, in advance, on the first day of each and every month thereafter; excepting that receipt is hereby acknowledged by the Department of the sum of \$_____ from the Lessee, in payment for the prorated first, second, and last month's rental under this Lease. Lessee shall deposit an additional amount with the Department of \$_____ as a guarantee for faithful performance of the conditions of this Agreement. 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, or by a guest or a licensee of the Lessee, 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 agrees to reinstate said total security deposit upon five (5) days' written notice delivered to Lessee in person or by mail. No later than two (2) weeks after the Lessee has vacated the premises, the Department shall furnish the Lessee 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 Lessee.

All rental payments shall be delivered to the Department of Transportation at _____.

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

- LATE PAYMENT CHARGE:** Lessee hereby acknowledges that late payment by Lessee to Department for 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 shall not be received by Department within ten (10) days after such amount shall be due, Lessee 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. 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.

MASTER TENANCY LEASE AGREEMENT (Cont.)

(Form #)

EXHIBIT

11-EX-23 (REV 7/2007)

Page 2 of 9

2. DISHONORED CHECK CHARGE: Lessee hereby agrees:

- a) That Lessee 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 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.

3. UTILITIES: Lessee shall pay when due, all water, sewer, electric, gas, and other lighting, heating, and power rents and charges accruing or payable in connection with said property during the term of this Lease.

4. USE:

- a. Lessee shall use the property for the following purpose only: _____.
- b. Lessee shall not commit, suffer, or permit any waste on said property and shall comply with all State laws and local ordinances concerning said property and the use thereof.

5. RIGHT OF ENTRY: Lessee shall permit Department or its agents to enter upon the property at any reasonable time to inspect same and for the purpose of showing the property to prospective purchasers or lessees.

6. TERMINATION: This Lease shall be subject to cancellation and 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.

It is specifically agreed and understood that the Lessee shall not terminate the tenancy of the named lessees on Exhibit "A," which is hereby made a part of this Lease, without written approval of the Department, and will notify the Department when said lessees named on Exhibit "A" vacate the premises.

7. 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 the Lessee at the address above stated and to Department c/o Department of Transportation, _____ . 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 contained shall preclude the giving of notice by personal service. Department shall also be able to serve notices by posting and subsequent mailing to Lessee. Whenever the leased premises or any portion thereof is needed by Department for clearance for freeway construction or any other purpose, Lessee shall permit Department to serve timely notices of termination of occupancy and notices to vacate on the Lessees of the leased premises or the portion thereof needed by Department. Whenever a lessee vacates the premises as a result of receiving said notice of termination or notice to vacate, Department will make a pro rata reduction in the rental rate under this Lease to account for the loss of income received by Lessee from the Lessee who has vacated. Lessee shall furnish Department with the names and addresses of those lessees whom the Department must vacate in order to effect the clearance.

8. CONDITION AND REPAIRS: Lessee shall not call on Department to make any improvements or repairs on the property, but Lessee hereby specifically covenants and agrees to keep the property in good order and condition at Lessee's cost and expense. Lessee further agrees to provide an adequate number of garbage and trash receptacles in clean condition and good repair.

Lessee shall perform all acts or work in connection with rehabilitation maintenance or repairs, if any, as required by the Terms of Auction within the time limits set forth therein.

Lessee agrees that the exterior and interior of said premises shall be maintained in a manner commensurate with privately owned properties in the neighborhood. That during the term of said Lease, or ninety (90) days prior to the expiration of said term, the Department may designate certain painting, repairs or rehabilitation maintenance work to be performed by the Lessee, at Lessee's expense, to maintain this standard. In the event the Lessee fails to comply with said notice within ninety (90) days, the Department may cause such rehabilitation maintenance work to be performed with the cost thereof being paid from the security deposit established to guarantee such maintenance.

- 9. ASSIGNMENT AND SUBLETTING:** Lessee shall not assign or sublet this Lease, and shall not make or suffer any alteration to be made in or on the property without the written consent of the Department, provided, however, if the leased property includes a building improvement adaptable to subletting into separate units, Lessee may let or sublet such units, but not otherwise.

It is specifically understood and agreed that the Lessee shall not raise the existing rates on lessees named on Exhibit "A" during the term of the Lease without written approval of the Department.

Lessee 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 dilapidations thereof, which render it untenable, except as are mentioned in Section nineteen hundred and twenty-nine."

"1942. If within a reasonable time after notice to the Lessor, of dilapidations 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 expense of such repair 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."

- 10. 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.
- 11. VACATING THE PROPERTY:** At the expiration of the term, or any sooner termination of this Lease, Lessee shall 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, reasonable wear and tear and damage by the elements excepted.
- 12. HOLD OVER:** Should the Lessee hold over after the expiration of the term of this Lease with the consent of the Department, 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.
- 13. FIRE INSURANCE:** Department will not keep the property insured against fire or any other insurable risk, and Lessee 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.
- 14. PREVIOUS AGREEMENTS:** In the event there is any existing lease or rental agreement between Lessee and Department (or its predecessor in interest) covering the property, it is agreed and understood that this Lease shall cancel and terminate said prior Lease or Rental Agreement as of the effective date of this Lease.
-

- 15. RELOCATION PAYMENT:** No Relocation Payment will be made to Lessee by Department except as provided by law.

Lessee shall furnish each person who commences tenancy after the effective date of this Lease with two copies of the Department's form notice advising that no relocation payments will be made. One copy of such notice shall be acknowledged by the Lessee and returned to Department by the Lessee. Should Department be obligated to pay any Lessee benefits under the Uniform Relocation Assistance Act (Government Code §7260, et seq.) as a result of Lessee's failure to notify such Lessee (1) that the premises are owned by the State of California, Department of Transportation, and (2) that such Lessee is not eligible to receive relocation assistance, Lessee shall reimburse Department for the amount expended in providing such Lessee with benefits. The failure of Lessee to make payment to Department under the provisions of this paragraph within thirty (30) days of the date of billing therefor by Department shall constitute a breach of this Lease.

- 16. POSSESSORY INTEREST:** The Lessee'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 behalf of the Lessee. The amount of rent charged the Lessee reflects the cost of this added responsibility to the Department.

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

- 17. NONLIABILITY OF DEPARTMENT:** Nothing in the provisions of this Lease Agreement is intended to create duties or obligations to or rights in third parties not parties to this Lease Agreement or affect the legal liability of either party to the Lease Agreement by imposing any standard of care respecting the duties and obligations under this Lease Agreement different from the standard of care imposed by law.

It is understood and agreed that this Lease Agreement is made upon the express condition that State of California and any officer or employee thereof is to be free from all responsibility, liability, claims, suits or actions of every name, kind and description, brought for or on account of injury to any person or persons, including Lessee, or to property of any kind whatsoever and to whomsoever belonging, including Lessee, occurring on or about the premises, or from any cause or causes resulting from the operations and/or use of the premises, or the sidewalks adjacent thereto, by Lessee, Lessee's agents, customers, business invitees and/or any persons acting on Lessee's behalf. It is also understood and agreed that Lessee shall defend, indemnify and save harmless State of California, all officers and employees thereof, from all liability, claims, suits or actions of every name, kind and description brought for or on account of injuries to or death of any person or damage to property arising from any aforesaid cause or causes during the term of this Lease Agreement.

Lessee waives any and all rights to any type of express and implied indemnity against State of California, its officers or employees.

It is the intent of the parties that Lessee will indemnify and hold harmless State of California, its officers or employees from any and all claims, suits or actions as set forth above regardless of the existence or degree of fault, whether active or passive, primary or secondary, on the part of State of California, other than its sole negligence.

- 18. LIABILITY AND PROPERTY DAMAGE INSURANCE:** Lessee shall, at Lessee's expense, take out and keep in force during the within 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 the Lessee, the Lessee waives any and all rights to any type of express or implied indemnity against the Department, its officers or employees.

It is the intent of the parties that the Lessee 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 the Department, the Lessee, the officers or employees of either of these, other than the sole negligence of the 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 the Department as an additional insured and shall inure to the contingent liabilities, if any, of the 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 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 agrees that if Lessee does not keep such insurance in full force and effect, Department shall have the right to immediately terminate this Lease.

- 19. NONDISCRIMINATION:** The Lessee, or 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 in the event facilities are constructed, maintained, or otherwise operated on the said property described in this Lease for a purpose for which a Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, the Lessee shall maintain and operate such facilities and services 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.

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.

- 20. 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 Lessor, the remaining portions of this Agreement shall remain in full force and effect. The receipt by the Lessor of rent with the knowledge of any breach of a provision of this Agreement shall not constitute a waiver of such breach.
- 21. ENCUMBRANCES:** Lessee shall not encumber the leased premises in any manner whatsoever.
- 22. 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.
-

23. 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 Lease, Lessee 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 cause or allow the deposit or disposal of any such substance on the lease 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 lease 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.

24. WATER POLLUTION CONTROL:

(Use the following four paragraphs if property will be used for RESIDENTIAL purposes. If master tenancy is for NON-RESIDENTIAL use, see Optional Clauses for the NON-RESIDENTIAL storm water paragraphs.)

Lessee 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, 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 best management practices (BMPs) shown in the attached Residential Stormwater Pollution Prevention Fact Sheet.

[RW instructions - Attach Residential 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 Lease, this Lease 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.

MASTER TENANCY LEASE AGREEMENT (Cont.)

(Form #)

EXHIBIT

11-EX-23 (REV 7/2007)

Page 7 of 9

- 25. **POSTING OF PROPERTY:** Department or its agents shall at all times have the right to go upon and inspect the leased property and to serve or to post thereon any notice required or permitted by law for protection of any right or interest of Department.
- 26. **AMENDMENTS:** Anything herein contained to the contrary notwithstanding, this Lease may be terminated, and the provisions of this Lease may be, in writing, altered, changed or amended by mutual consent of the parties hereto.
- 27. **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.

Exhibit A (Example)

3621-53 West 120th Street, Inglewood, California

Address	Apt. No.	Lessee	Rental	No. of Bedrooms
3621	1	Vacant	\$ 75.00	Single
3621	2	M. Morris	105.00	1
3621	3	E. Davis	105.00	1
3621	4	M. Smith	130.00	2
3621	5	Vacant	75.00	Single
3621	6	A. Cerral	85.00	Single
3625	1	M. Wagner	105.00	1
3625	2	J. Ebel	100.00	1
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3633	2	C. King	100.00	1
3633	3	M. Moore	137.50	2
3637	1	J. West	100.00	1
3637	2	G. Pierson	105.00	1
3637	3	A. Palmieri	132.50	2
3641	1	Q. Parramou	105.00	1
3641	2	S. Carter	100.00	1
3641	3	E. Davis	130.00	2
3645	1	de la Cruz	100.00	1
3645	2	Y. Gray	100.00	1
3645	3	C. Manson	137.50	2
3649	1	E. Coakley	100.00	1
3649	2	F. Fenderson	100.00	1
3649	3	C. Barrett	132.50	2
3653	1	M. Thomas	100.00	1
3653	2	R. Gannigan	105.00	1
3653	3	J. de Hoop	125.00	2

ADA Notice

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OPTIONAL CLAUSES TO BE USED AS NEEDED

(NON-RESIDENTIAL master tenancies - substitute the following Paragraph 24. and add Paragraph 25.)

24. 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 storm 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.

In order to prevent the discharge of pollutants, spilled or leaked fluids, and any other wastewater into the storm water drainage system, Lessee shall not allow vehicle or equipment washing, fueling, maintenance and repair on the premises, unless separately authorized by this lease agreement for industrial activity.

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, office, 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 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.swrcb.ca.gov/stormwtr/>. 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 the testing of sewer systems, storm drains, or watercourses on the premises.

25. 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.swrcb.ca.gov/stormwtr/industrial.html>. 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.

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.

**RENTALS
SEALED BID FOR:**

**3621 - 53 West 120th Street
Inglewood, California**

**To be Opened in Room 406 at
10:30 A.M., January 24, 1973**

**Department of Transportation
P.O. Box 2304 Terminal Annex
120 South Spring Street
Los Angeles, California 90051**

NOTICE TO TENANT

(Form #)

Any person commencing tenancy at _____

(Print Complete Address)

after _____, 19____ will NOT be eligible for Relocation Assistance Payments as provided in Government Code Sections 7260 through 7274.

The projected date of displacement by the State is _____, 19____, for any person intending to occupy the rental unit described above unless eviction is undertaken at an earlier date for one or more of the following reasons:

- (1) Failure to pay rent.
- (2) Performance of a dangerous, illegal act in the unit.
- (3) Material breach of the rental agreement and failure to correct breach within a reasonable time following notice.
- (4) Maintenance of a nuisance and failure to abate within a reasonable time following notice.
- (5) The eviction is required by State or local law and cannot be prevented by reasonable efforts on the part of the landlord.

The undersigned tenant acknowledges receipt of the above Notice.

Signature

Date

Signature

Date

**Print on District Letterhead*

(Current Date)

03-Sac-80-PM 1.4
Parcel 12345
9521 Folsom Blvd.

Mr. John Doe
4534 June Way
Sacramento, California 95825

Dear Mr. Doe:

This is to notify you of the results of the bid opening for the Master Tenancy at 9251 Folsom Boulevard, Sacramento.

The bid opening was held at 2:00 P.M., October 20, 1981. The high bidder was Phoenix Fellowship, Inc. with a bid of \$555 per month. There were a total of six bids.

Thank you for your interest and your bid on this property.

Sincerely,

G. J. Smith
Sacramento Area
Property Manager

cc: J. R. Thomas

GJS:jt

Public Notice

Any person commencing tenancy in these premises after _____, 19____, will NOT be eligible for Relocation Assistance Payments as provided in Government Code Sections 7260 through 7274.

State of California

Department of Transportation
Telephone No.

Not to scale

Sign to be a minimum of 2' X 2'

Per Advertising Face

Standard Poster Panel	15% of Advertising Rate
8 Sheet Poster Panel	15% of Advertising Rate
Painted Bulletin	15% of Advertising Rate
Urban "Rotate"	16.67% of Advertising Rate

Definitions

Standard Poster Panel

A structure built on one or more posts embedded in the ground or attached to the wall of a building which is designed to support a flat surface of 300 square feet upon which printed advertising or other messages occupying about 200 square feet of advertising surface are pasted to the panel.

8 Sheet Poster Panel

Similar to a standard poster panel in that the advertising messages are pasted to the panel. However, they are much smaller in size, the normal dimensions being approximately 6' x 12'.

Painted Bulletin

A structure built on one or more posts embedded into the ground or attached to the wall or roof of a building, which is designed to support one or more flat surfaces upon which at least one advertising or other message is painted in whole or substantial part.

Urban "Rotate"

Painted bulletins which always have full illumination and the advertising facing sections are in modular form, designed and constructed to be moved from one structure to another on a periodic basis. The standard size is 14' x 48', but they are often larger and may have special embellishment features, such as cutouts, special lighting effects, freestanding letters, neon and space extensions to cover the advertisement of a specific product. The structures are usually steel and always have two back decks designed and constructed to State and local safety standards so that working crews can have easy and safe access to the back of the facing sections during the rotation process. They are generally found in urban areas in more desirable locations at points of maximum advertising exposure. Their advertising message is most often of a national product or of regional interest.

Advertising Rate Card Examples

1. Standard Poster Panels

SIZE	UNILL. PANELS	ILLUM. PANELS	TOTAL PANELS	SPACE COST PER MONTH
* 100	10	50	60	\$29,899
95	10	48	58	28,861
90	9	45	54	27,105
85	9	43	52	25,871
80	8	40	48	23,919
75	8	38	46	22,881
70	7	35	42	21,112
65	7	33	40	20,066
60	6	30	36	18,096
55	6	28	34	17,050
50	5	25	30	15,080
45	5	23	28	14,175
40	4	20	24	12,186
35	4	18	22	11,129
30	3	15	18	9,140
25	3	13	16	8,092
20	2	10	12	6,093
15	2	8	10	5,036
10	1	5	6	3,047

2. 8-Sheet Posters

San Francisco/Oakland

Population: 1,200,000

GRP'S	Panels	Daily Circulation	Monthly Rate
SHOWING			
*100	150	1,200,000	\$13,500.00
75	113	900,000	\$10,080.00
50	75	600,000	\$6,750.00
25	38	300,000	\$3,420.00

3. Rotating Bulletins

MARKET OR PLAN

Painted Bulletin Monthly Rate

San Francisco Bay Area Plan (Includes inter-city rotation between San Francisco, Oakland-East Bay and San Jose Markets)	\$2110.00
San Francisco Metropolitan Market	\$2110.00
Oakland-East Bay Metropolitan Market	\$2110.00
San Jose Metropolitan Market	\$2110.00
Sacramento Metropolitan Market	\$1775.00

SHOWINGS

Advertising on poster panels, both standard and 8-sheet, are usually sold by showings, which include various numbers of sign panels. The showing number indicates the amount of advertising coverage an advertising campaign can be expected to receive. Example No. 1 illustrates showings from 10 to 100 at the left side of the rate card, under "size". Example No. 2 illustrates showings from 25-100 at the left side of the rate card under "GRP'S" (Gross Rating Points, daily).

* One hundred (100) showings are to be used to determine the advertising rate per sign panel.

ADVERTISING RATE DETERMINATIONS		
Type	Process	Example
Standard Poster Panels	<p>Advertising rates for illuminated poster panels are higher than rates for unilluminated panels. This difference must be recognized in site rental rates. However, rate cards do not usually indicate amounts for illuminated or unilluminated panels (see Example #1).</p> <p>Therefore, advertising rates should be determined as follows:</p> <p>1. Advertising rates for illuminated and unilluminated sign panels should be requested from the advertising company when the rate card is obtained.</p> <p>2. If the company will not provide this breakdown, the rates should be determined as follows:</p> <p>Divide the space cost per month by the total PANELS in the 100 SHOWING (SIZE column). This will give you the average sign panel rate per month. Then:</p> <ul style="list-style-type: none"> - average sign panel rate per month x 0.80 = unilluminated advertising rate per month. - average sign panel rate per month x 1.04 = illuminated advertising rate per month. <p>This will provide a typical breakdown for illuminated vs. unilluminated signs.</p>	<p>(Refer to No. 1)</p> <p>Key</p> <p>(1) Total advertising cost per month for the 100 showing</p> <p>(2) Total panels in the 100 showing</p> <p>(3) Average sign panel advertising rate per month.</p> <p>(1) $\\$29,899 \div (2) 60 = (3) \\498.32</p> <p><i>Unilluminated Advertising Rate</i></p> <p>(A) Average sign panel rate per month x 0.80 = (B) Unilluminated Advertising Rate (A) $\\$498.32 \times 0.80 = (B) \\398.65</p> <p><i>Illuminated Advertising Rate</i></p> <p>(A) Average sign panel rate per month x 1.04 = (B) Illuminated Advertising Rate (A) $\\$498.21 \times 1.04 = (B) \\518.25</p> <p>Once the advertising rate has been determined (illuminated or unilluminated), then the site rental rate may be determined.</p> <p>Key</p> <p>(A) Unilluminated advertising rate per sign panel (B) Unilluminated site rental rate per month (C) Illuminated advertising rate per sign panel (D) Illuminated site rental rate per month.</p> <p><i>Site Rental Rates</i></p> <p>Unilluminated sign: (A) $\\$398.65 \times 15\% = (B) \\59.80 rounded to \$60/month</p> <p>Illuminated sign: (C) $\\$518.25 \times 15\% = (D) \\77.74 rounded to \$78/month</p>

ADVERTISING RATE DETERMINATIONS		
Type	Process	Example
8-Sheet Poster Panels	Divide the monthly advertising rate by the number of sign PANELS in the 100 showing (GRP's) column (Example #2) to get the monthly advertising rate per sign face. Then - Monthly Advertising Rate x 15% = Monthly Site Rental Rate.	<p>Key</p> <p>(1) Total monthly advertising rate</p> <p>(2) Number of sign panels in the 100 SHOWING (GRPS column)</p> <p>(3) Monthly advertising rate per sign face</p> <p>(4) Site rental rate per month.</p> <p>Advertising Rate figures from Example #2</p> <p>(1) \$13,500 ÷ (2) 150 = (3) 90 x 15% = (4) \$13,500/month</p>
Urban "Rotates"	Monthly Advertising Rate x 16.67% = Monthly Site Rental Rate	<p>(Refer to #3, Rotating Bulletins)</p> <p>Monthly Rate x Schedule % = Monthly Rental Rate</p> <p>\$2,110 x 16.67% = \$351.74</p> <p>Rounded \$352/month</p>
Painted Bulletins	<p>Advertising rates on painted bulletins are not normally published. A determined effort should be made to obtain the monthly cost of advertising on each sign. These rates may be obtained from the Outdoor Advertising Company.</p> <p>However, if the company will not divulge the advertising rate, it may be obtained for the advertiser. Once this rate has been determined and confirmed, site rental rates will be set at 15 percent of the rate without adjustment for discounts or vacancy factor. In cases where the monthly rental for advertising cannot be determined, it can be estimated based upon knowledge of advertising rates for similarly located billboards of the same size and the site rental rates will be 15 percent of the estimate. If a billboard has not contained advertising, the estimate should be made as if the billboard were used. If the owner complains about paying rent on a vacant billboard, consideration should be given to its removal from the site.</p>	

STATE AS LESSEE LEASE AGREEMENT

LEASE COVERING PREMISES LOCATED AT:

PREAMBLE: THIS LEASE is made and entered into pursuant to Government Code, Section 11005 and Streets and Highways Code, Section 104 by and between _____, hereinafter called the Lessor, without distinction as to number or gender, and the State of California, Department of Transportation, hereinafter called the Department;

WITNESSETH

- 1) **DESCRIPTION:** The Lessor hereby leases unto the Department and the Department hereby hires from the Lessor those certain premises with the appurtenances situated in the City of _____, County of _____, State of California, and more particularly described as follows:

(Insert description)

- 2) **TERM:** The term of this lease shall commence on _____, _____, and shall end on _____, _____, with such rights of termination as may be hereinafter expressly set forth.
- 3) **TERMINATION:** Either party may terminate this lease at any time during the term hereof by giving written notice to the other party at least _____ days prior to the date when such termination shall become effective.
- 4) **HOLDING OVER:** In the event the Department remains in possession of the premises after the expiration of said term or any extension thereof with the consent of the Lessor, the tenancy shall be construed to be month to month, subject to thirty (30) days termination by either party, and shall otherwise be on the terms and conditions herein specified, so far as applicable. If the Department fails to vacate the premises within the notice period and remains for an extended period, additional rent shall be paid and prorated on a thirty (30) day month, based on the actual number of days the Department occupies the premises following the effective date of termination.
- 5) **RENEWAL:** Lessor hereby agrees that this lease may be renewed for an additional _____ [set forth period(s)] _____; the extended term to begin on the first day after the expiration of the initial term of this lease. Department's option of renewing this lease shall be exercised, in writing, by certified mail to Lessor at least sixty (60) days prior to the expiration date of this lease. The terms and conditions of the renewal lease shall be the same as the terms and conditions of this lease except that rental for the renewal lease shall be \$_____.

STATE AS LESSEE LEASE AGREEMENT (Cont.)

(Form #)

EXHIBIT

11-EX-30 (REV 7/2005)

Page 2 of 11

6) **RENT:** Rental shall be paid by Department in arrears on the last day of each month during said term as follows:

Rental payable hereunder for any period of time less than one month shall be determined by prorating the monthly rental herein specified based on a thirty (30) day month. Rental shall be paid to Lessor at the address specified in Paragraph 6 or to such other address as the Lessor may designate by a notice in writing. Lessor shall send all rent bills to the Department at the address specified in Paragraph 7:

If the premises are not complete pursuant to Paragraph 19 by the date shown in Paragraph 2, it is understood and agreed by and between the parties that, at the Department's sole option, the dates shown in Paragraph 2 and the dates and dollar amounts shown in Paragraphs 2 and 5 and the dates and dollar amounts shown in this paragraph may be adjusted to the first of the month following the Department's acceptance of the completed premises, such acceptance shall not unreasonably be withheld. If the Department exercises this option, it is agreed the Department will complete unilaterally an amendment to the lease to revise the herein above stated dates. Any accrued rents for the period of time prior to the unilaterally adjusted commencement date will be paid in accordance with Paragraph 5.

7) **NOTICES:** All notices and correspondence 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 made in writing and deposited in the United States mail, postage prepaid and addressed as follows:

To the Lessor:

And to the Department:

DEPARTMENT OF TRANSPORTATION

Rental warrants shall be made payable to:

(Show payee and address)

Nothing herein contained shall preclude the giving of any such written notice by personal service. The address to which notices and correspondence shall be mailed to either party may be changed by giving written notice to the other party.

8) **SERVICES, UTILITIES AND SUPPLIES:** Lessor shall furnish to Department, during the lease term, at Lessor's sole cost, the following services and utilities (List):

Example:

Janitorial service, including but not limited to, regular cleaning of office areas and rest rooms, toilet supplies, and waste disposal.

All utilities except telephone.

In the event of failure by the Lessor to furnish any of the above services or supplies in a satisfactory manner, the Department may furnish the same at its own cost; and, in addition to any other remedy the Department may have, may deduct the amount thereof, including Department's administrative costs, from the rent that may then be, or thereafter become due hereunder.

- 9) **REPAIR AND MAINTENANCE:** During the lease term, the Lessor shall keep the leased premises together with appurtenances, rights, privileges, and easements belonging or appertaining thereto, in good repair and tenantable condition, including the maintenance of the plumbing, heating, electrical, air conditioning and ventilating equipment and fixtures to the end that all such facilities are kept in an operative condition except in case of damage arising from the act or negligence of the Department's agents, invitees or employees. Maintenance shall include but is not limited to furnishing and replacing electrical light fixture ballasts and air conditioning and ventilating equipment filter pads.

In case Lessor shall, after notice in writing (which includes letter, memorandum, signed and dated note, e-mail message and or telephone facsimile) from the Department requiring the Lessor to comply with the requirements of this paragraph in regard to a specific condition, fail, refuse, or neglect to comply herewith, or in the event of any emergency constituting a hazard to the health or safety of the Department's employees, property, or invitees, it shall then be lawful for the Department, in addition to any other remedy the Department may have, to make such repair at its own cost and to deduct the amount thereof from the rent that may then be or thereafter become due hereunder. This deduction may be in addition to any penalties incurred for delay in repairs caused by the Lessor, as stated previously within this lease section.

- 10) **ALTERATIONS:** The Department shall have the right, only with Lessor's consent, to make alterations, attach fixtures and erect additions, structures or signs in or upon the leased premises, provided such activities do not damage the building, or other Lessor's buildings appearances or interfere or harm other Lessor's buildings or right of way (ingress or egress). Such fixtures, additions, structures, or signs so placed in or upon or attached to the premises under this lease or any extension hereof shall be and remain the property of the Department and may be removed therefrom by the Department prior to the termination or expiration of this lease or any renewal or extension hereof, or within a reasonable time thereafter. (*List Department alterations, if known.*)

The Department shall also have the right to erect a radio transmitter antenna upon the leased premises. Said antenna shall remain the property of the Department and may be removed therefrom by the Department prior to the termination of this lease.

Upon termination of the lease, such structures, etc., above mentioned may be removed by Department after repairs to buildings, etc., are made, wherever they had been positioned.

- 11) **ASSIGNMENT AND SUBLETTING:** The Department shall not assign this lease without prior written consent of the Lessor, but shall, in any event, have the right to sublet the leased premises.
- 12) **QUIET POSSESSION:** The Lessor agrees that the Department, while keeping and performing the covenants herein contained, shall at all times during the existence of this lease peaceably and quietly, have, hold, and enjoy the leased premises, without suit, trouble or hindrance from the Lessor, or any person claiming under Lessor.
- 13) **INSPECTION:** The Lessor reserves the right to enter and inspect the leased premises at reasonable times, and to render services and make any necessary repairs to the premises.
-

- 14) DESTRUCTION:** If the leased premises are totally destroyed by fire or other casualty, this lease shall terminate. If such casualty shall render ten (10) percent or less of the floor space of the leased premises unusable for the purpose intended, Lessor shall effect restoration of the premises as quickly as is reasonably possible, but in any event within thirty (30) days.

In the event such casualty shall render more than ten (10) percent of such floor space unusable but not constitute total destruction, Lessor shall forthwith give notice to Department of the specific number of days required to repair the same. If Lessor under such circumstances shall not give such notice within fifteen (15) calendar days after such destruction, or if such notice shall specify that such repairs will require more than ninety (90) days to complete from date such notice is given, Department, in either such event, at its option, may terminate this lease or, upon notice to Lessor, may elect to undertake the repairs itself, deducting the cost thereof from the rental due or to become due under this lease and any other lease between Lessor and Department.

In the event of any such destruction other than total, where the Department has not terminated the lease as herein provided, or pursuant to the terms hereof has not elected to make the repairs itself, Lessor shall diligently prosecute the repair of said premises and, in any event, if said repairs are not completed within the period of thirty (30) days for destruction aggregating the ten (10) percent or less of the floor space, or within the period specified in Lessor's notice in connection with partial destruction aggregating more than ten (10) percent, the Department shall have the option to terminate this lease or complete the repairs itself, deducting the cost thereof from the rental due or to become due under this lease and any other lease between Lessor and Department.

In the event the Department remains in possession of said premises though partially destroyed, the rental as herein provided shall be reduced by the same ratio as the net square feet the Department is thus precluded from occupying bears to the total net square feet in the lease premises. "Net square feet" shall mean actual inside dimensions and shall not include public corridors, stairwells, elevators, and rest rooms.

It is understood and agreed that the Department or its agent has the right to enter its destroyed or partially destroyed leased facilities no matter what the condition. At the Department's request, the lessor shall immediately identify an appropriate route through the building to access the Department leased space.

- 15) FAIR EMPLOYMENT PRACTICES:** The provisions of the California Fair Employment Practices Act (Government Code §12900 et seq., and the regulations promulgated thereunder) are hereby incorporated herein by reference and made a part hereof as completely and fully as if set out at length herein.

- 16) PEACEFUL SURRENDER:** Upon termination or expiration of this lease, the Department will peaceably surrender to the Lessor the leased premises in good condition as when received, reasonable use and wear thereof and damage by earthquake, fire, public calamity, by the elements, by act of God, or by circumstances over which Department has no control or for which Lessor is responsible pursuant to this lease, excepted.

The Department shall have no duty to remove any improvement or fixture placed by it on the premises or to restore any portion of the premises altered by it, save and except in the event Department elects to remove any such improvement or fixture and such removal causes damage or injury to the demised premises, and then only to the extent of any such damage or injury.

- 17) SUBROGATION WAIVED:** To the extent authorized by any fire and extended coverage insurance issued to Lessor on the herein demised premises, Lessor releases the Department from liability for loss or damage covered by said insurance and waives subrogation rights of the insurer.
-

STATE AS LESSEE LEASE AGREEMENT (Cont.)

(Form #)

EXHIBIT

11-EX-30 (REV 7/2005)

Page 5 of 11

18) TIME OF ESSENCE: Time is the essence of this lease, and the terms and provisions of this lease shall extend to and be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the respective parties hereto. All of the parties shall be jointly and severally liable hereunder.

19) LESSOR IMPROVEMENTS TO BE MADE: It is agreed that the Lessor, AT THE Lessor's expense, will make the following improvements before this lease becomes effective:

20) PARKING: Lessor, at Lessor's sole cost and expense, shall provide _____ parking spaces, as assigned to the Department. Said parking spaces will be arranged and maintained so as to provide unobstructed access to each parking space at any time. In addition to any assigned parking spaces, Department and its invitees shall have equal access to common spaces provided to all tenants on a first-come, first-served basis.

Trucks, cars, and other mobile equipment under the control of the Department or Department's employees shall not be parked in such a manner as to obstruct other leased properties, appearances, or right of way or reduce their business exposure to their public trade. Lessor agrees to have other lessees also observe these courtesies to the Department's vehicles.

21) CODE COMPLIANCE: The premises shall conform to all local zoning laws, ordinances, California Code of Regulations (CCR) Title 24, local building code or the current Uniform Building Code, whichever is more demanding in its requirements.

Premises shall also conform to regulations and orders of the State Department of Industrial Relations and the Occupational Safety and Health Act (OSHA) and shall meet the requirements of the State Fire Marshal's regulations. Lessor shall furnish certification from the local Fire Marshal that quarters comply with local fire regulations or CCR Title 19, as appropriate. If fire, safety, or health hazards are detected either before or after occupancy by the Department, Lessor shall correct them at Lessor's sole cost and expense.

22) SERVICE COMPANIES: Within fifteen (15) days after occupancy of the leased premises by the Department, Lessor shall provide the Department with the name, address, and telephone number of an agency or persons convenient to the Department as a local source of service regarding the Lessor's responsibilities under this lease as to repairs, maintenance, and servicing of the premises and any or all related equipment, fixtures, and appurtenances.

23) NO ORAL AGREEMENTS: It is mutually understood and agreed that no alterations or variations of the terms of this lease shall be valid unless made in writing and signed by the parties hereto, and that no oral understanding or agreement not incorporated herein shall be binding on any of the parties hereto.

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

STATE AS LESSEE LEASE AGREEMENT (Cont.)

(Form #)

EXHIBIT

11-EX-30 (REV 7/2005)

Page 6 of 11

25) DVBE PARTICIPATION REQUIREMENT: Lessor hereby represents and certifies that it has fully complied with all Disabled Veteran Business Enterprise (DVBE) participation goals or has made good faith efforts, as the case may be, as required by Public Contract Code, Section 10115 et seq., and further agrees that the Department or its designees will have the right to review, obtain, and copy all records pertaining to the contract. Lessor agrees to provide the Department or its designee access to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees and inspecting and copying such books, records, accounts, and other material that may be relevant to a matter under investigation for the purpose of determining compliance with this requirement. Lessor further agrees to maintain such records for a period of three (3) years after final payment under the contract.

IN WITNESS WHEREOF, this lease has been executed by the parties hereto as of the date hereafter affixed.

By: _____

Date: _____

Lessor

**STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION**

By: _____

Title: _____

Date: _____

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 IF NEEDED)

Note: The following are optional clauses, any of which a Lessor **might require**. These are furnished in the interest of Department uniformity and acceptability. It is not intended that you “volunteer” the use of the clauses. However, if the Lessor requires any of these clauses in the Lease, it is preferable to use the Department’s version rather than the Lessor’s.

1) INDEMNIFICATION: Nothing in the provisions of this lease agreement is intended to create duties or obligations to or rights in third parties to this lease agreement or affect the legal liability of either party to the lease agreement by imposing any standard of care respecting the duties and obligation, under this lease agreement different from the standard of care imposed by law.

It is understood and agreed that this lease agreement is made upon the express condition that Lessor is to be free from all responsibility, liability, claims for damages by reason of injury to any person or persons, including employees of the Department, or property of any kind whatsoever and to whomsoever belonging, including Department, from any cause or causes resulting from the operations and/or use of the premises, by Department, its agents, customers, business invitees and/or any persons acting on Department’s behalf. It is also understood and agreed that Department shall defend, indemnify and save harmless Lessor from all liability, claims, suits or actions of every name, kind and description brought for or on account of injuries to or death of any person or damage to property arising from any aforesaid cause or causes during the term of this lease agreement.

It is understood and agreed that this lease agreement is made upon the express condition that Lessee, State of California, is to be free from all responsibility, liability, claims for damages by reason of injury to any person or persons, including employees of the Lessor, or property of any kind whatsoever and to whomsoever belonging, including Lessor, from any cause or causes not resulting from the operations and/or use of the premises, by Lessee, its agents, customers, business invitees and/or any persons acting on Lessee’s behalf. It is also understood and agreed that Lessor shall defend, indemnify and save harmless Lessee from all liability, claims, suits or actions of every name, kind and description brought for or on account of injuries to or death of any person or damage to property not arising from any aforesaid cause or causes during the term of this lease agreement.

2) 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 immediately preceding the date of the commencement of the term (Beginning Index). If the Index published for the period immediately preceding 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 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 immediately preceding 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 Lessor and Lessee 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.

- 3) NOTICE OF COMPLETION AND ACCESS TO PREMISES DURING CONSTRUCTION:** Lessor shall notify the Department in writing by certified mail of the date the leased premises will be completed and ready for occupancy at least thirty (30) days prior thereto. Such notice shall be in a condition precedent to the accrual of rent hereunder, except, however, that if the Department occupies the premises prior to the receipt of such notice or prior to the expiration of the notice period of such notice, rental shall commence to accrue as of the date of occupancy.

Following execution of this lease, and not more than sixty (60) days prior to completion of construction and occupancy under this lease, Department or its contractors or other representatives shall have the right to enter the premises for the purpose of installing certain equipment such as, but not limited to, furniture and electrical telecommunications cabling and equipment.

Department agrees to indemnify and hold Lessor harmless from and against any claims, damages, or other injury suffered by Lessor as a result of the work to be performed pursuant to this right to enter the premises prior to Department's acceptance and occupancy of the premises. Lessor agrees to indemnify and hold Department and its agents, contractors or other representatives harmless from and against any claims, damages, injury or other harm suffered by reason of the negligence or other wrongful act of Lessor or any of Lessor's agents, contractors, or other representatives.

In no event shall the exercise of this right of entry be construed to cause an acceleration of the occupancy date of this lease or the obligation of the Department to pay rent.

Lessor and Department shall each make all reasonable efforts to ensure that the respective construction and installation work is scheduled in such a manner to not interfere with or delay the other.

In the event that one or the other party causes a delay in the other party's work, such injured party shall be compensated in the following manner:

Delays caused by the Lessor:

Credit the Department a compensating day of delay in the occupancy date and corresponding day of delay in payment of rent.

Delays caused by the Department:

Credit the Lessor a compensating day of payment of rent from the actual date of occupancy.

Compensation will be in one-day increments.

The parties agree that this shall be the sole remedy for delay, in that the calculation of damages in any other manner is too uncertain and not susceptible of accurate determination.

Optional Clauses to Use With Clause 3

- 4) EARLY OCCUPANCY:** Lessor agrees that if the leased premises are not ready for occupancy prior to the completion date specified above in Paragraph _____, Department may elect to occupy the premises on the earliest date practical after its receipt of the herein required completion notice. The rent payable for any such early occupancy the Department shall be at the rate of \$_____ per month, and shall be prorated on a daily basis for any partial month.
-

STATE AS LESSEE LEASE AGREEMENT (Cont.)

(Form #)

EXHIBIT

11-EX-30 (REV 7/2005)

Page 9 of 11

- 5) **CONFORMITY TO EXHIBITS:** Occupancy of the leased premises by the Department shall not relieve Lessor in any respect from full compliance at all times with aforesaid Exhibits ____ and _____. It is further understood and agreed that any installation not in conformity with said Exhibits ____ and _____ shall be immediately corrected by the Lessor at Lessor's sole cost and expense. In the event Lessor shall, after notice in writing from the Department requiring the Lessor to comply with the requirements of this paragraph in regard to specified condition, fail, refuse or neglect to remedy such condition, Department may terminate this lease without further obligation, or as to such specified condition, at its option and in addition to any other remedy the Department may have, withhold rent due and bring the leased premises into conformity with said Exhibits at its own cost including Department's administrative costs, if any, and deduct the amount thereof from the rent that may then be or thereafter become due hereunder.
-

PROPOSED ASBESTOS STATE AS LESSEE LEASE CLAUSE

- 1) **ASBESTOS:** Lessor hereby warrants and guarantees that the space leased to the Department, common public areas, building maintenance and equipment areas, telephone closets, and plenums in the same heating, ventilating and air conditioning zone, are either free of Asbestos Containing Construction Material (ACCM) (as defined under Section 6501.8 of the California Labor Code) or where asbestos has been identified, said material has been properly treated as required by law and said leased space is certified as safe for occupancy. In the event construction of the building, wherein the leased premises are located, was completed prior to 1979, the Lessor shall provide the Department with certification that the areas referred to above are free from ACCM, or that any identified ACCM has been properly treated as required by law and said leased premises are certified as safe for occupancy prior to the execution of this lease.

Certification shall be in the form of an ACCM survey report prepared by a qualified Industrial Hygienist, who shall be certified by the American Board of Industrial Hygiene (ABIH) or an Environmental Protection Agency (EPA) - Asbestos Hazard Emergency Response Act (AHERA) certified inspector. Bulk samples of suspected ACCM shall be analyzed by a laboratory certified by the Department of Health Services and recognized by the EPA's Quality Assurance Program using the Polarized Light Microscopy (PLM) method. Existing vinyl asbestos floor tile is acceptable if, in the opinion of the Department, it is not in damaged or deteriorated condition.

If at any time during the term of this lease, or any extension or renewal thereof, untreated ACCM is discovered within the space described above, or airborne ACCM is found to be entering the Department leased space from any other area within the building or buildings in which the Department leased space is located, the Lessor shall immediately, and at Lessor's sole cost and expense, cause the removal or lawful treatment of all ACCM that is determined to be affecting the Department leased space.

All removal or treatment work as required by the Department shall be performed by a licensed contractor certified by the Contractors State License Board and registered with the Division of Occupational Safety and Health (DOSH).

Additionally, Lessor shall be responsible for any and all direct or indirect costs associated with the removal or treatment of the above-described ACCM which includes, but is not limited to, actual costs to the Lessor for ACCM removal or treatment, all required reports monitoring before, during, and after removal or treatment; in effect all costs borne by the Lessor that in any way associated with the removal or treatment of ACCM from the Lessor's building. Copies of the air monitoring reports shall be furnished to the Department together with certification that the area is free of ACCM; or that any identified ACCM has been properly treated as required by law, and the area is certified as safe for occupancy.

If it is determined by the Department that for safety reasons its employees be relocated at any time prior to or during the removal or treatment of the ACCM, the Lessor shall provide comparable accommodating space (at no cost to the Department) throughout the removal process. The Lessor specifically agrees to pay for all costs associated with this move or reimburse the Department, if the Department paid for this cost, all reasonable administrative costs, moving costs of furniture, and data processing and telephone equipment.

STATE AS LESSEE LEASE AGREEMENT (Cont.)

(Form #)

EXHIBIT

11-EX-30 (REV 7/2005)

Page 11 of 11

In the event, after written notice is provided by the Department, the Lessor fails, refuses, or neglects to diligently pursue removal or lawful treatment of the above-described ACCM, the Department may effect such removal or treatment; and in addition to any other remedies it may have, deduct all reasonable costs of such removal or treatment and all costs associated in any way with the removal or treatment of the above-described ACCM from the rent that may then be or thereafter become due throughout the term of this lease.

In addition to any other remedies it may have, in the event the Lessor fails to diligently pursue removal or lawful treatment of ACCM, as required by the Department, the Department may, by notice in writing, terminate this lease, and be relieved of any obligations hereunder. In the event that the Department so terminates this lease, Lessor shall be liable to the Department for all expenses, losses, and damages reasonably incurred by the Department as a result of such termination; including but without being limited to additional rental which it will be necessary to pay for available similar replacement facility over what would have been the remaining balance of the lease term plus any option periods, costs, and costs of moving furniture and data processing and telephone equipment.

The Lessor shall indemnify, defend, and hold the State of California and its officers and employees harmless from and against any and all losses, damages, judgments, expenses, (including court costs and reasonable attorney fees), or claims whatsoever, arising out of, or in any way connected with or related to, directly or indirectly, the presence of ACCM within the Department-leased space or the building in which the leased premises are located.

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.

**APPROVAL OF PLANS FOR TEMPORARY FIELD OFFICES
(FIRE MARSHAL GUIDELINES)**

(Form #)

State of California

The Resources Agency

M e m o r a n d u m

To: D. Gene Mattocks, Chief
California Department of Transportation
Division of Right of Way
1120 N. Street, Room 5100
Sacramento, California 95814

Date: August 10, 2001

Telephone: (916) 445-8196

FAX: (916) 323-9822

Internet Address: www.fire.ca.gov

From: **Office of the State Fire Marshal**

Construction Services Program
P.O. Box 944246
Sacramento, CA 94244-2460

Subject: **APPROVAL OF PLANS FOR TEMPORARY FIELD OFFICES**

Approximately eleven years ago the State Fire Marshal began reviewing plans submitted directly by the California Department of Transportation for space leased for temporary field facilities. This program was established to handle those facilities exempted from review by the Real Estate Services Division, Professional Services Branch, and Studio 2.

The Following guidelines are intended to assist your leasing agents, and to help us expedite the plan review process:

1. Provide plans which show proposed space and complete exiting system to the exterior. Identify use of all rooms within space (office, conference, etc.).
2. Provide address, suite number, etc. on plans.
3. Show location of fire extinguishers.
4. Mark all fire-rated corridors stair enclosures, exit balconies, and exit passageways with fire rating.
5. Indicate location of new construction and add the following note to plans:

Construction of interior partitions shall be consistent with building type construction.

6. Provide scale.

**APPROVAL OF PLANS FOR TEMPORARY FIELD OFFICES
(FIRE MARSHAL GUIDELINES) (Cont.)**
(Form #)

EXHIBIT
11-EX-31 (REV 4/2002)
Page 2 of 3

D. Gene Mattocks, Chief
California department of Transportation
August 10, 2001
Page 2 of 3

7. For new doors, state size and fire rating of door assembly.

Note:

Fire-rated doors are required to be self-closing, or automatic-closing and positive-latching.

8. Identify door hardware within lease space and egress routes to the exterior. Knobs are not permitted. Deadbolts may be permitted in some locations. Where deadbolts are present, indicate type (keyed or thumb latch), whether there is any other latching hardware on that door, and whether or not there is a sign above door stating: **DOOR TO REMAIN UNLOCKED WHENEVER THE BUILDING IS OCCUPIED.**
9. Clearly show location and rating of occupancy separations.
10. State on plans use or adjacent space. Occupancy separations may be required. If adjacent space is vacant, and could be used for other than office space, add the following note to plans:
- Occupancy separations shall be provided where required by the California Building Code.
11. Note location of any hazardous areas within or adjacent to the building.
12. Show location and/or state which areas of lease space and exit system are provided with emergency lighting. Emergency lighting is required where exit system serves an occupant load of 100 or more. [CBC 1003.2.9.2]
13. Show location of exit signs. Exit signs are required where two exits are required and shall be approved self-luminous type or illuminated by emergency power. [CBC 1003.2.8.2]
14. Note whether or not the building is provided with an automatic sprinkler system.
15. Show that elevator openings located above the lowest elevator landing are separated from fire-rated corridors by labeled 20-minute door assemblies.

**APPROVAL OF PLANS FOR TEMPORARY FIELD OFFICES
(FIRE MARSHAL GUIDELINES) (Cont.)**

(Form #)

EXHIBIT

11-EX-31 (REV 4/2002)

Page 3 of 3

D. Gene Mattocks, Chief
California department of Transportation
August 10, 2001
Page 3 of 3

The above information shall be provided in the form of two copies of floor plans, with notes added to the plans. Please do not submit correspondence between the building representative and your department.

Please note that approval of plans is not required when Caltrans wishes to locate facilities in existing buildings, and will not make tenant improvements. A field inspection, however, is required. It is also not necessary to submit plans on job site trailers.

If you have any questions, please do not hesitate to call Deputy John Woods at (916) 445-8196.

Thank you for your cooperation in our mutual efforts to provide a fire-safe environment for the occupants of these facilities.

Sincerely,



John Woods
Senior Deputy State Fire Marshal

JW/sg

OFFICE OF INSURANCE AND RISK MANAGEMENT- DGS

District & Project EA	Address or Location of Temporary Field Office	Size of Trailer or Other Facility	Name of Vendor/Lessor & Complete Address	Proposed Term of Lease (Yrs.)

THIS LEASE, made and entered into this _____ day of _____, 19____, by and between _____, hereinafter called the Lessor, without distinction as to number or gender, and the State of California, acting by and through the Director of the Department of Transportation hereinafter called the State;

WITNESSETH

- 1) **DESCRIPTION:** The Lessor hereby leases unto the State and the State hereby hires from the Lessor that certain property situated in the City of _____, County of _____, State of California, and more particularly described as follows:

(Example: A "Park and Ride Lot" comprising 50 automobile parking spaces in the lower parking lot at St. William's Catholic Church shown as Attachment "A" and made a part of this lease, including the following improvements: None--Blacktop parking area only.)

- 2) **TERM:** The term of this lease shall commence on _____, 19____, and shall end on _____, 19____, with such rights of termination as may be hereinafter expressly set forth.

- 3) **RENT:** The rent shall be as follows:

(Example: The total rental of \$-0- (zero dollars) shall consist of resurfacing and striping the lower parking lot at St. William's Catholic Church. Said resurfacing shall take place in the 1985/86 State fiscal year at no cost to Lessor. The area to be resurfaced is .38 acre (16,552 ± s.f.). Resurfacing material shall be 10 foot A.C. surfacing.)

- 4) **USE:**

- a) Lessee shall use the property for the following purposes only:
The specified "Park and Ride" staging area may be used as parking lot by persons traveling in carpools or other ridesharing vehicles. State will, at its own expense, place signs and painted stripes, with Lessor's advance approval, to designate the specified staging area. Upon termination of this Agreement, State will remove the signs and obliterate the stripes.
 - b) Lessee shall not commit, suffer, or permit any waste on said property and shall comply with all State laws and local ordinances concerning said property and the use thereof.
 - c) Lessee may use Lessor's property surrounding the premises for vehicle and pedestrian ingress and egress and circulation for persons in carpools as shown in Attachment.
 - d) Trucks, cars and other mobile equipment under the control of Lessee or private owners shall not be parked in such a manner as to obstruct access to or circulation on the property, nor to detract from appearances or utility.
 - e) Lessor agrees that Lessee, keeping and performing the covenants and agreements herein contained on the part of Lessee to be kept and performed, shall at all times during the existence of this lease peaceably and quietly, have, hold and enjoy the leased premises, without suit, trouble or hindrance from Lessor, or any person claiming under Lessor.
-
-

LEASE AGREEMENT—PARK AND RIDE LOT (Cont'd)
(Form #)

EXHIBIT
11-EX-33
PAGE 2 OF 4

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-
- 5) **RIGHT OF ENTRY:** Lessee shall permit Lessor or its agents to enter upon the property at any reasonable time to inspect same.
 - 6) **TERMINATION:** This lease shall be subject to cancellation and termination by Lessee at any time during the term hereof by giving the Lessor notice in writing at least 130 days prior to the date when such termination shall become effective.
 - 7) **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 the Lessor at the address above stated and to Lessee c/o Department of Transportation, _____ . The address to which the notices shall be mailed to either party may be changed by written notice by either party to the other, but nothing herein shall preclude the giving of notice by personal service. Lessee shall also be able to serve notices by posting and subsequent mailing to Lessor.
 - 8) **CONDITION AND REPAIRS:** The State will provide reasonable maintenance for the designated staging area and improvements thereon. Lessor agrees to notify State promptly of defects in parking areas which could give rise to third party injury or damage, even though State may make periodic inspections of the premises.
 - 9) **ASSIGNMENT AND SUBLETTING:** Lessee shall not assign or sublet this lease, and shall not make or suffer any alteration to be made in or on the property without the written consent of the Lessor.
 - 10) **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.
 - 11) **VACATING THE PROPERTY:** At the expiration of the term, or any sooner termination of this lease, Lessee shall quit and surrender possession of the property and its appurtenances, to Lessor in as good order and condition as the property was delivered to the Lessee, reasonable wear and tear and damage by the elements excepted.
 - 12) **PREVIOUS AGREEMENTS:** In the event there is any existing lease or rental agreement between Lessee and Lessor (or its predecessor in interest) covering the property, it is agreed and understood that this lease shall cancel and terminate said prior lease or rental agreement as of the effective date of this lease.
 - 13) **GOVERNMENTAL CHARGES:** Lessee will have no obligation to pay any taxes, assessments, or governmental charges against the premises.
 - 14) **INDEMNIFICATION:** Nothing in the provisions of this lease agreement is intended to create duties or obligations to or rights in third parties to this lease agreement or affect the legal liability of either party to the lease agreement by imposing any standard of care respecting the duties and obligations under this lease agreement different from the standard of care imposed by law.

It is understood and agreed that this lease agreement is made upon the express condition that Lessor is to be free from all responsibility, liability, claims for damages by reason of injury to any person or persons, including employees of the State, or property of any kind whatsoever and to whomsoever belonging, including State, from any cause or causes resulting from the operations and/or use of the premises, by State, its agents, customers, business invitees and/or any persons acting on State's behalf. It is also understood and agreed that State shall defend, indemnify and save harmless Lessor from all liability, claims, suits or actions of every name, kind and description brought for or on account of injuries to or death of any person or damage to property arising from any aforesaid cause or causes during the term of this lease agreement.

It is understood and agreed that this lease agreement is made upon the express condition that Lessee, State of California, is to be free from all responsibility, liability, claims for damages by reason of injury to any person or persons, including employees of the Lessor, or property of any kind whatsoever and to whomsoever belonging, including Lessor, from any cause or causes not resulting from the operations and/or use of the premises, by Lessee, its agents, customers, business invitees and/or any persons acting on Lessee's behalf. It is also understood and agreed that Lessor shall defend, indemnify and save harmless Lessee from all liability, claims, suits or actions of every name, kind and description brought for or on account of injuries to or death of any person or damage to property not arising from any aforesaid cause or causes during the term of this lease agreement.

- 15) **LIABILITY INSURANCE:** Lessee will, at all times during the term of this agreement, take out and keep in force at its own expense, (a) public liability insurance to protect Lessee and Lessor, their 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 caused by or resulting from the installation, maintenance or use of said "Park and Ride" area, in the amount of not less than \$1,000,000 to indemnify against the claim of one person, and in the amount of not less than \$1,000,000 against the claims of more than one person resulting from any one occurrence; (b) property damage liability insurance to protect Lessee and Lessor, their officers, agents and employees against any liability for damage to property, including property of Lessor, caused by or resulting from the installation, maintenance, or use of said "Park and Ride" area in the amount of not less than \$1,000,000 for each occurrence.
- 16) **LOSS OR DAMAGES TO PROPERTY:** Lessee assumes responsibility to correct any losses or damages to property of Lessor caused (or resulting) from installation, maintenance, or use of Lessor's property as a "Park and Ride" area to a limit of \$10,000, but not to exceed the amount to replace damaged property and materials with those of like kind and quality.
- 17) **WAIVER:** If any part of this lease is invalid by reason of law or governmental regulation, or if any provisions hereof are waived by Lessor, the remaining portions of this lease shall remain in full force and effect.
- 18) **ENCUMBRANCES:** Lessee shall not encumber the leased premises in any manner whatsoever.
- 19) **AMENDMENTS:** Anything herein contained to the contrary notwithstanding, this lease may be terminated, and the provisions of this lease may be, in writing, altered, changed or amended by mutual consent of the parties hereto.
- 20) **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.

(On Archive Copy Only)

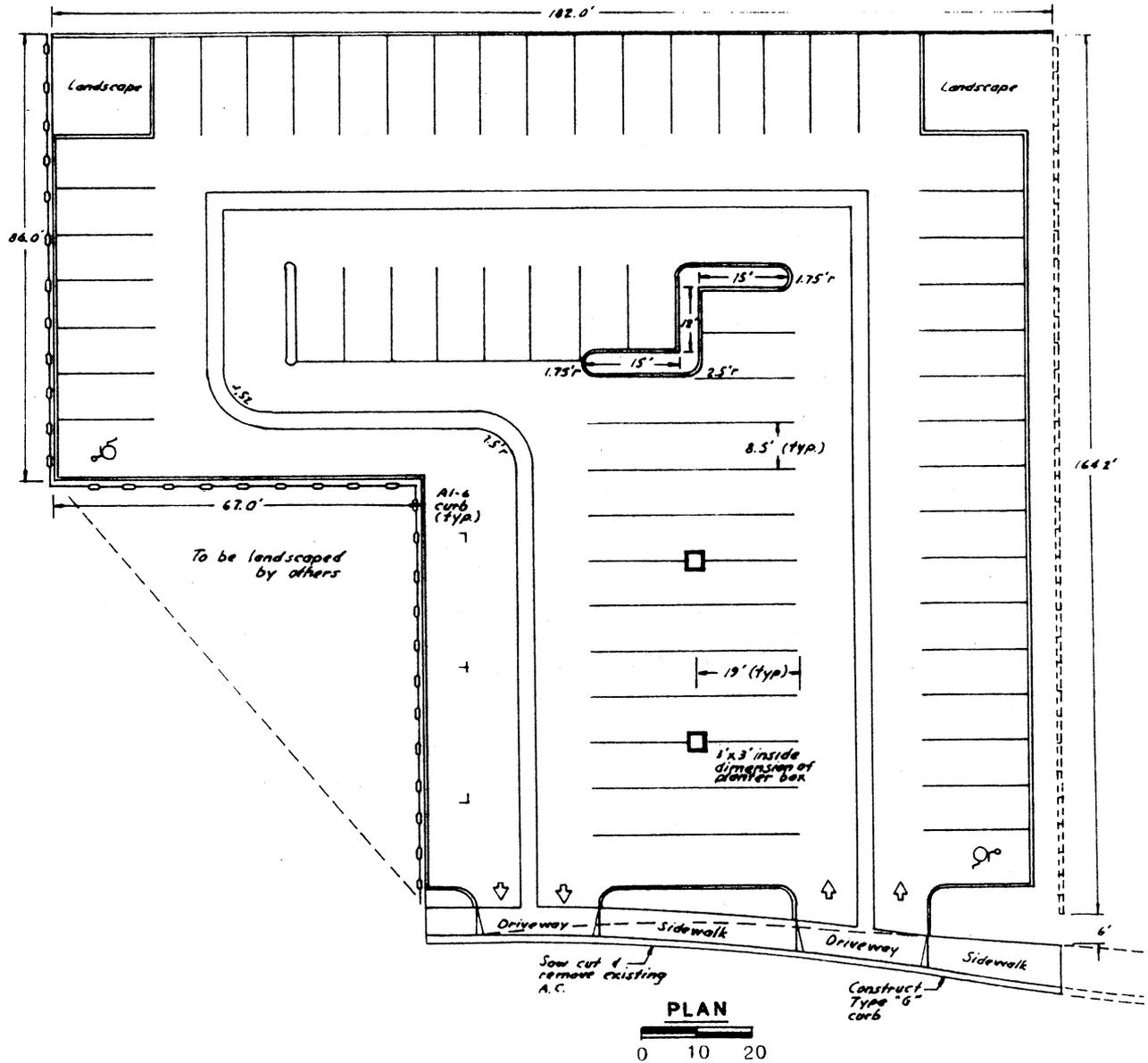
Recommended for
Approval
By _____
(Name)
District Ridesharing
Coordinator

(LESSOR)

STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION

By _____
(Name)

DISTRICT DIRECTOR
(or Authorized Representative—Show Title)



ATTACHMENT "A"
PARK AND RIDE LEASE
ST. WILLIAM'S CHURCH

SERVICE OF NOTICE TO VACATE (NOTICE TO RAP UNIT)

11-EX-34 (REV 7/2005)

(Form #)

State of California
DEPARTMENT OF TRANSPORTATION

Business, Transportation and Housing Agency

M e m o r a n d u m**To:** R/W Relocation Assistance Unit**Date:** December 14, 1982**Attn:** Mr. R. Smith**Project:** 03-Sac-80**From:** R/W Property Management**Subject:** Service of Notice to Vacate

It is requested that a ninety-day (90-day) Notice be served to the following tenants:

<i>03-Sac-80 EA</i>	<i>R/W Number</i>	<i>Tenant's Name</i>	<i>Address of Property</i>	<i>Letter Served</i>	<i>T. N. Served</i>
4832	20118	Mr. & Mrs. Keith Newman	Box 1247, Rt. 6 Nielsen Lane Sacramento	1-20-82	VAC
	20122	Mr. & Mrs. R. L. Nielsen, Jr.	Box 1248, Rt. 6 Nielsen Lane Sacramento	1-25-82	5-4-82
	20020	Talone Packing Company	1210 West Washington Sacramento (Commercial Lease served on Galen Conkle at 418 West 5th St., Sacramento)	1-20-82	

LETTER OF INTENT TO VACATE—90

(Form #)

(Print on District Letterhead)

March 19, 1982

File: 03-Sac-80
0.0/1.9
R/W 16866

Handyman of California, Inc.
135 Highland Avenue
Sacramento, CA 95814

Gentlemen:

The Department of Transportation must soon remove the building that you occupy so we can clear the right of way for highway construction. It will not be necessary for you to vacate immediately. You will have **AT LEAST** ninety days (90 days) after you receive this notice before we would serve a formal Notice of Termination of Tenancy and Notice to Quit.

This letter is given so you will have ample time to find replacement property. If you desire assistance in finding a replacement, please contact the Relocation Assistance Branch at the telephone number or mailing address shown below.

It may be more than ninety days (90 days) before the Notice of Termination of Tenancy and Notice to Quit is issued to you, but any such notice will contain a specific date by which you must vacate.

For assistance, contact: Relocation Assistance Unit
Telephone: _____

Office Address: _____

Agent

Date

**Print on District Letterhead*

December 2, 1998

03-SAC-99-1.1/5.0
Property No. 030345-0002
03450 - 078949

City of Sacramento
Water Department
Post Office Box 351
Sacramento, CA 95816

To Whom It May Concern:

The Department of Transportation requests termination of utility service to the property described below. Please remove meters and your other related equipment as these premises will not be occupied again. It is the State's intention to arrange for the removal of improvements at this location in the near future.

Property Address: 3486 Franklin Boulevard, Sacramento

Utility Account No: 3455-7652-3486

NOTE: Unless the State makes a request in writing, please do not reestablish service at this address.

If you have any questions, please call me at 530-741-5139.

Sincerely,

AGENT'S NAME
Right of Way Agent

c: ASC, Accounts Payable, Utility Section

DEPUTY DIRECTIVE

Number: DD-1R

Refer to
Director's Policy: 08-Freeway System
Management
11-Caltrans' Workforce
12-Optimize Departmental Resources

Effective Date: 3-18-94

Supersedes: P88-02

Title: Employee-Occupied Caltrans-Owned
Housing

POLICY

Employee-occupied Caltrans-owned housing is considered at maintenance stations only when it is necessary for the direct support of the station's mission. Occupancy of Caltrans' employee housing is limited to crew members assigned to the station and their immediate family. Employee housing is managed to ensure Caltrans receives benefits for resources expended while meeting the maintenance needs of the transportation system.

DEFINITION/ BACKGROUND

"Employee housing" is limited to housing or trailers, owned by Caltrans, used to house employees and their families while fulfilling Caltrans' needs. Dormitories and trailer pads are not considered employee housing.

In locations where maintenance stations are isolated, housing Caltrans' employees on State premises improves response capabilities for emergency situations and reduces the risk of theft or vandalism.

RESPONSIBILITIES

District Directors:

- Annually, review Caltrans employee housing to ensure it conforms with criteria in the "Guidelines for Employee-occupied Caltrans-owned Housing". Within 30 days of annual review, develop and forward an implementation schedule of any changes, to the Chief, Division of Maintenance.
- Ensure disposal of employee housing not meeting criteria in the "Guidelines for Employee-occupied Caltrans-owned Housing" or request exceptions as needed to meet Caltrans' transportation needs.
- Ensure that all occupied employee housing is maintained according to the State's habitability standards set forth in Chapter 708 of "Caltrans' Right of Way Property Management Procedural Handbook" and employees abide by the terms of their "Employee Housing Rental Agreements".

Deputy Directive
Number DD-18
Page 2

- Establish fair market rental rates for employee housing, provide housing availability studies, perform economic alternatives analyses and ensure that employees are charged fair market rates for occupied employee housing.
- Issue the Employee Housing Rental Agreement to employees occupying Caltrans-owned housing.

The Chief, Division of Maintenance:

- Develops and maintains the "Guidelines for Employee-occupied Caltrans-owned Housing".
- Reviews and approves/denies exception requests for employee-occupied Caltrans-owned housing.
- Reviews and approves District schedules for implementing changes to employee housing.
- Authorizes and allocates maintenance improvement funds for employee housing.
- Works in coordination with the Office of Labor Relations on housing issues negotiation through the collective bargaining process.

The Chief, Division of Right of Way:

- Develops statewide procedures and criteria for disposal and/or occupancy of Caltrans-owned housing.
- Assists District Directors in determining fair market rental rates, conducting housing availability studies, and disposal of unnecessary employee housing.

Chief, Office of Labor Relations:

- In coordination with the Chief, Division of Maintenance, negotiates housing issues through the collective bargaining process.
- Investigates and responds to employee housing grievances which arise during the term of the collective bargaining agreement.

Employees:

- Abide by terms of the Employee Housing Rental Agreement and this policy.

Deputy Directive
Number DD-18
Page 3

APPLICABILITY

All Caltrans employees involved with employee-occupied Caltrans-owned housing activities.

A handwritten signature in cursive script, appearing to read "R. P. Weaver", written over a horizontal line.

R. P. WEAVER
Interim Chief Deputy Director

Distribution: B

GUIDELINES FOR EMPLOYEE OCCUPIED CALTRANS-OWNED HOUSING (EMPLOYEE HOUSING)

March 1, 1994

OVERVIEW

Employee occupied state-owned housing (employee housing) is established for direct support of the maintenance station mission. This housing is managed in a manner that will insure Caltrans is receiving benefits for resources expended while providing adequate support to meet the maintenance needs of the transportation system.

It is Caltrans objective to minimize the establishment of new, additional or replacement employee housing, and to eliminate existing employee housing that is not consistent with these guidelines.

Employee housing not in conformance with these guidelines shall be eliminated by transferring the property and/or improvement to an appropriate right of way account for disposal in accordance with approved procedures.

Exceptions to these guidelines will be approved on a case-by-case basis by the Chief, Division of Maintenance.

CRITERIA

The following criteria shall apply to employee housing:

- Employee housing will not be provided at maintenance stations within urbanized areas.
- When maintenance stations are located in isolated rural areas that are at least 25 miles from available and affordable private housing, employee housing may be considered to improve response capabilities for emergency situations. Alternatives to employee housing are to be evaluated and documented.
- Occupancy shall be limited to crew members assigned to the station and their immediate family.
- Employee housing is not to be provided as a term or condition of employment.
- No new tenants shall be placed in employee housing until each facility has been reviewed for conformance with these housing guidelines.
- If a housing unit is vacant for more than one year, it will be presumed not needed and will be subject to disposal.

- Security measures such as alarm systems should be evaluated prior to the establishment of new, additional or replacement employee housing for security purposes.
- Employees will pay fair market rental rates for occupied State-owned housing, consistent with existing collective bargaining agreements.
- All new tenants will be charged current fair market rental rates.
- Consistent with collective bargaining unit agreements, the State will raise rental rates paid by employees up to 25 percent each year up to fair market value.
- Where employees are currently paying utility charges to the State, the State may raise utility charges each year for employee housing up to 8 percent of the rates in effect as of June 30, 1991.

DEFINITIONS

Desired response time:

Response within 30 minutes of notification.

Employee occupied state-owned housing (employee housing):

Single family residence, duplex or mobile home owned by the State of California and furnished for the purpose of accommodating employees and their families. Dormitories and trailer pads are not considered employee housing.

Fair market rental rates:

Rates established by the Districts using guidelines developed by the Division of Right of Way.

Housing availability studies:

Studies performed to determine if there is housing available for rent or for sale within twenty-five (25) road miles of maintenance stations.

**GROSS INCOME FOR THE PURPOSE OF
CALCULATING AFFORDABLE RENT**

"Gross income" shall mean the anticipated income of a person or family for the twelve-month period following the date of determination of income. If the circumstances are such that it is not reasonably feasible to anticipate a level of income over a twelve-month period, a shorter period may be used subject to a redetermination at the end of such a period. "Income" shall consist of the following:

1. Except as provided in subdivision 2, all payments from all sources received by the family head (even if temporarily absent) and each additional member of the family household who is not a minor, shall be included in the annual income of a family. Income shall include, but shall not be limited to:
 - A. The gross amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips, and bonuses;
 - B. The net income from operation of a business or profession or from rental of real or personal property (for this purpose, expenditures for business expansion or amortization of capital indebtedness shall not be deducted to determine the net income from a business);
 - C. Interest and dividends;
 - D. The full amount of periodic payments received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts;
 - E. Payments in lieu of earnings, such as unemployment and disability compensation, workers' compensation, and severance pay, but see subdivision 2C;
 - F. Public Assistance. If the public assistance payment includes an amount specifically designated for shelter and utilities which is subject to adjustment by the public assistance agency in accordance with the actual cost of shelter and utilities, the amount of public assistance income to be included as income shall consist of:
 1. The amount of the allowance or grant exclusive of the amount specifically designated for shelter and utilities, plus
 2. The maximum amount which the public assistance agency could, in fact, allow for the family for shelter and utilities.
 - G. Periodic and determinable allowances such as alimony and child support payments, and regular contributions or gifts received from persons not residing in the dwelling;
 - H. All regular pay, special pay, and allowances of a member of the armed forces (whether or not living in the dwelling) who is head of the family, or their spouse, but see subdivision 2E.

Where a family has net family assets in excess of \$5,000, income shall include the actual amount of income, if any, derived from all of the net family assets, or 10 percent of the value of all such assets, whichever is greater. For purposes of this section, net family assets means value of equity in real property, savings, stocks, bonds, and other forms of capital investment. The value of necessary items such as furniture and automobiles shall be excluded.

**GROSS INCOME FOR THE PURPOSE OF CALCULATING
AFFORDABLE RENT (Cont'd)**

(Form #)

EXHIBIT

11-EX-38 (New 6/98)

Page 2 of 2

2. The following items shall not be considered as income:
 - A. Casual, sporadic, or irregular gifts;
 - B. Amounts which are specifically for or in reimbursement of the cost of medical expenses;
 - C. Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and workers' compensation), capital gains, and settlement for personal or property losses;
 - D. Amounts of educational scholarships paid directly to the student or to the educational institution, and amounts paid by the government to a veteran for use in meeting the costs of tuition, fees, books, and equipment. Any amounts of such scholarships or payments to veterans not used for the above purposes which are available for subsistence are to be included in income;
 - E. The special pay to a serviceman head of a family away from home and exposed to hostile fire;
 - F. Relocation payments made pursuant to Federal, State, or local relocation law;
 - G. Foster child care payments;
 - H. The value of coupon allotments for the purchase of food pursuant to the Food Stamp Act of 1964 which is in excess of the amount actually charged the eligible household;
 - I. Payments received pursuant to participation in the following volunteer programs under the ACTION Agency:
 1. National volunteer antipoverty programs, which include VISTA, service learning programs, and special volunteer programs.
 2. National older American volunteer programs for persons aged 60 and over, which include retired senior volunteer programs, Foster Grandparent Program, and Older American Community Services Program; National Volunteer Program to Assist Small Business Experience; Service Corps of Retired Executives (SCORE); and Active Corps of Executives (ACE).
-

STATUTORY NOTICE TO FORMER TENANT OF RIGHT TO RECLAIM ABANDONED PROPERTY

(Form #)

NOTICE OF RIGHT TO RECLAIM ABANDONED PROPERTY
CIVIL CODE SECTION 1984

To: _____ (name of former tenant)
_____ (address of former tenant)

After you vacated the premises at _____ (address of premises, including room or apartment number, if any), the following personal property remained:

(insert description of all personal property that remained)

You may claim this property at _____ (address where property may be claimed or stored). Unless you pay the reasonable cost of storage for all the above-described property, and take possession of the property to which you claim, not later than _____ (insert date not less than 15 days after notice is personally delivered or, if mailed, not less than 18 days after notice is deposited in the mail), this property may be disposed of pursuant to Civil Code Section 1988.

(Select one of the following statements, as applicable.)

If you fail to reclaim the property, it will be sold at a public sale after notice of the sale has been given by publication. You have the right to bid on the property at this sale. After the property is sold and the cost of storage, advertising, and sale is deducted, the remaining money will be paid over to the county. You may claim the remaining money at any time within one year after the county receives the money. (to be used if property is believed worth \$300.00 or more)

Because this property is believed to be worth less than \$300.00, it may be kept, sold, or destroyed without further notice if you fail to reclaim it within the time indicated above. (to be used if property is believed worth less than \$300.00)

(Signature of Agent)
Department of Transportation

Dated: _____

(Type or print name of Agent)

Department of Transportation

(Telephone)

(Address)

**STATUTORY NOTICE TO PERSON OTHER THAN FORMER
TENANT OF RIGHT TO RECLAIM ABANDONED PROPERTY**

(Form #)

NOTICE OF RIGHT TO RECLAIM ABANDONED PROPERTY
CIVIL CODE SECTION 1985

To: _____ (name of non-tenant)
_____ (address of non-tenant)

After _____ (name of former tenant) vacated the premises at _____ (address of premises, including room or apartment number, if any), the following personal property remained:

(insert description of all personal property that remained)

If you own any of this property, you may claim it at _____ (address where property may be claimed or stored). Unless you pay the reasonable cost of storage for all the above-described property, and take possession of the property to which you are entitled, not later than _____ (insert date not less than 15 days after notice is personally delivered or, if mailed, not less than 18 days after notice is deposited in the mail), this property may be disposed of pursuant to Civil Code Section 1988.

(Signature of Agent)
Department of Transportation

Dated: _____

(Type or print name of Agent)

Department of Transportation

(Telephone)

(Address)

The following table delineates the maximum space allowances and space types for each job category. The allowances indicate net square feet and do not include space for circulation and special requirements. These allowances are general guidelines and can be modified as necessary to meet specific job requirements.

State Space Allowances Standards		Maximum Net Square Feet By Space Type				
Job Category	Examples of Typical Job Titles	*CF Private	*CF Open	*CF Group	*MSF Open	*MSF Group
Executive	Cabinet Secretary, Agency Administrator, Board Chairperson, Department Director, Commissioner	300				
Administrators	Deputy Director, Assistant Director, Executive Secretary, Department/Division Chief, Branch/Office Chief, Board Member	200				
Managers	Bureau Chief, Deputy or Assistant Chief, Section Head	150				
	Department Administrative Officer or Fiscal Officer, Middle Managers	150	150		112	
Supervisors	Supervisor of large unit (10 or more)		125		96	
	Supervisor of small unit (9 or less), Asst. Unit Supervisor, First-line Supervisors		110		96	
Attorneys	Attorney	150	100	100	80	80
Technical Professionals	Architect, Engineer			100	80	80
Working Professionals	Analyst, Accountant, Social Service Worker, Business Service Worker, Correctional Officer, Referee		100	100	64	64
Clerical Supervisors	Clerical Supervisors		75		64	
Clericals	Account Clerk, Office Technician, Office Assistant, Stock Clerk		75	60	64	40

Definition of Terms:

- CF Conventional Furniture; Freestanding furniture used to make up a workstation, whether in traditional open office design.
- MSF Modular Systems Furniture; System of interconnecting acoustical panels and hang-on components used to make up a workstation. Used in open office design.
- PRIVATE One person, individual, hardwall constructed office for classifications indicated.
- OPEN Office design with a minimum of private offices. Emphasizes flexibility of reconfiguration, uses MSF or screens and conventional furniture.
- GROUP Hardwall constructed office with two or more persons sharing the working area. Used with compatible work functions.

Appendix 1:
GOVERNOR'S EXECUTIVE ORDER D-16-00

Executive Order

**EXECUTIVE DEPARTMENT
STATE OF CALIFORNIA**



EXECUTIVE ORDER D-16-00

by the

Governor of the State of California

WHEREAS, California is committed to providing leadership on energy, environmental and public health issues by implementing innovative and resource-efficient public building design practices and other state government programs that improve the lives of California's 34.5 million residents; and

WHEREAS, the state invests approximately two billion dollars (\$2,000,000,000) annually for design, construction and renovation, and more than six hundred million dollars (\$600,000,000) annually for energy, water, and waste disposal at state-funded facilities; and

WHEREAS, a building's energy, water, and waste disposal costs are computed over a twenty-five year period, or for the life of the building, and far exceed the first cost of design and construction; and

WHEREAS, an opportunity exists for the State of California to foster continued economic growth and provide environmental leadership by incorporating sustainable building practices into the state capital outlay and building management processes; and

WHEREAS, sustainable building practices utilize energy, water, and materials efficiently throughout the building life cycle; enhance indoor air quality; improve employee health, comfort and productivity; incorporate

environmentally preferable products; and thereby substantially reduce the costs and environmental impacts associated with long-term building operations, without compromising building performance or the needs of future generations; and

WHEREAS, the widespread adoption of sustainable building principles would result in significant long-term benefits to the California environment, including reductions in smog generation, runoff of water pollutants to surface and groundwater sources, the demand for energy, water and sewage treatment services, and the fiscal and environmental impacts resulting from the expansion of these infrastructures; and

WHEREAS, it is critical that my Administration provide leadership to both the private and public sectors in the sustainable building arena;

NOW, THEREFORE, I, GRAY DAVIS, Governor of the State of California, by virtue of the power and authority vested in me by the Constitution and statutes of the State of California, do hereby establish a state sustainable building goal and issue this order to become effective immediately:

The sustainable building goal of my administration is to site, design, deconstruct, construct, renovate, operate, and maintain state buildings that are models of energy, water, and materials efficiency; while providing healthy, productive and comfortable indoor environments and long-term benefits to Californians.

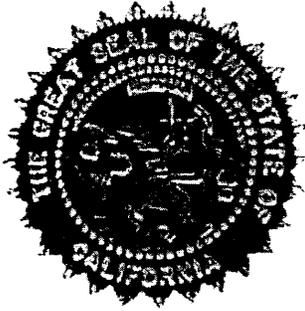
The Secretary for State and Consumer Services (hereinafter referred to as "the Secretary") shall facilitate the incorporation of sustainable building practices into the planning, operations, policymaking, and regulatory functions of State entities. The objectives are to implement the sustainable building goal in a cost effective manner, while considering externalities; identify economic and environmental performance measures; determine cost savings; use extended life cycle costing; and adopt an integrated systems approach. Such an approach treats the entire building as one system and recognizes that individual building features, such as lighting, windows, heating and cooling systems, or control systems, are not stand-alone systems.

In carrying out this assignment, the Secretary shall broadly consult with appropriate private sector individuals and public officials, including the Director of the Department of Finance; the Secretary of Business, Transportation, and Housing; the Secretary for Education; the Secretary for Environmental Protection; the Secretary of Health and Human Services; and the Secretary for Resources. The Secretary shall submit a report to the Governor within six months of the date of this order, containing a recommended strategy for incorporating sustainable building practices into development of State facilities including leased property.

Thereafter, on an annual basis, the Secretary shall report on the activities and on the efforts of all State entities under the Governor's jurisdiction to implement the Governor's sustainable building strategy. The Secretary shall devise a method for compiling such information and reporting it to the Governor and the Legislature.

All State entities under the Governor's jurisdiction shall cooperate fully with the Secretary and provide assistance and information as needed. The Regents of the University of California, Boards of Governors of Community College Districts, Trustees of the California State Universities, the State Legislature, and all Constitutional Officers are encouraged to comply with the Executive Order.

Nothing in this Order shall be construed to confer upon any state agency decision-making authority over substantive matters within another agency's jurisdiction, including any informational and public hearing requirements needed to make regulatory and permitting decisions.



IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 2nd day of August

Gray Davis

2000.
Governor of California

ATTEST:

Bill Jones

Secretary of State

NOTICE OF TERMINATION OF TENANCY AND NOTICE TO QUIT

(Form #)

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

11-EX-44 (NEW 7/2005)

Dist., Co., Rte., P.M.

Tenancy No. _____

To: _____
(Tenant's Name)

(Tenant's Address)

NOTICE IS HEREBY GIVEN that, pursuant to the election given to the undersigned Lessor by the provisions of Paragraph _____ of the rental agreement dated _____, _____, between you and said Lessor, under which you hold possession of the premises described hereinafter, said Lessor has elected to terminate said tenancy as of [THIRTY (30) DAYS or SIXTY (60) DAYS] AFTER SERVICE UPON YOU OF THIS NOTICE, and you are hereby required to quit and deliver up possession of said premises to the State of California, Department of Transportation (Department), on or before the [thirtieth (30th) day or sixtieth (60th) day] after service upon you of this Notice. If you fail to do so, the Department will institute legal proceedings against you to recover possession of said premises, and to declare a forfeiture of said agreement and to recover TREBLE RENTS and DAMAGES.

The said premises are described as follows:

(Street Number and Street Name)

(City and Zip Code)

**STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION**

By _____
(Name)

(Title)

SERVED:

DATED and SERVED _____, _____

By _____
(Name)

(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.

DOCUMENTATION OF RESIDENTIAL FAIR MARKET RENTAL RATE

(Form #)

The following rental properties have been investigated and, in the opinion of the undersigned, are comparable to the subject parcel(s) listed below. Consideration was given to size, living area, rooms, bedrooms, baths, condition, location and general desirability, etc.

(Check one) SFR Apartment Mobile Home Duplex Triplex Fourplex

* Subject(s)

Address	Property Number	Current Rent (Before Offsets)
_____	_____	\$ _____
_____	_____	\$ _____

Comparable Data:

	Address	Sq Ft	Rooms	Bdrms	Baths	Current Rent	Date Verified
1.	_____	_____	_____	_____	_____	\$ _____	_____
2.	_____	_____	_____	_____	_____	\$ _____	_____
3.	_____	_____	_____	_____	_____	\$ _____	_____
4.	_____	_____	_____	_____	_____	\$ _____	_____

Comments: (such as, utilities included in rental rate or not, garages) _____

Considering the above data and the length of time of availability and other special factors due to State ownership, the estimated fair market rental rate for the subject(s) as of _____ is:

\$ _____ **per month**

Investigation and estimate by: _____
Name Date

Approved by: _____
Property Manager Date

* Include only properties with same major characteristics such as number of bedrooms, baths, size, and condition, etc. Attach a separate list of subjects if needed.

UNINHABITABLE CONDITIONS

11-EX-47 (NEW 7/2005)

(Form #)

The following is excerpted from “California Tenants, a Guide to Residential Tenants’ and Landlords’ Rights and Responsibilities,” a pamphlet published by the State Department of Consumer Affairs. The requirements below directly correspond with those set forth in Civil Code Sections 1941.1 and 1941.3, Health and Safety Code Section 13113.7, and Health and Safety Code Sections 17900-17995.

A dwelling may be considered uninhabitable (unlivable) if it substantially lacks any of the following:

- Effective waterproofing and weather protection of roof and exterior walls, including unbroken windows and doors.
- Plumbing facilities in good working order, including hot and cold running water, connected to a sewage disposal system.
- Gas facilities in good working order.
- An electric system, including lighting, wiring, and equipment, in good working order.
- Clean and sanitary buildings, grounds, and appurtenances (for example, a garden or a detached garage), free from debris, filth, rubbish garbage, rodents, and vermin.
- Adequate trash receptacles in good repair.
- Floors, stairways, and railing in good repair.

In addition to these requirements, each rental unit must have **all** of the following:

- A working toilet, wash basin, and bathtub or shower. The toilet and bathtub or shower must be in a room, which is ventilated and allows privacy.
 - A kitchen with a sink that cannot be made of an absorbent material such as wood.
 - Natural lighting in every room through windows or skylights. Windows in each room must be able to open at least halfway for ventilation, unless a fan provides mechanical ventilation.
 - Safe fire or emergency exits leading to a street or hallway. Stairs, hallways, and exits must be kept litter-free. Storage areas, garages, and basements must be kept free of combustible materials.
 - Operable deadbolt locks on the main entry doors of rental units, and operable locking or security devices on windows.
 - Working smoke detectors in all units of multi-unit buildings, such as duplexes and apartment complexes. Apartment complexes also must have smoke detectors in common stairwells.
-
-

**DEPARTMENT OF TRANSPORTATION, DIVISION OF
RIGHT OF WAY, STAR PROGRAM AGREEMENT**

(Form #)

**DEPARTMENT OF TRANSPORTATION
DIVISION OF RIGHT OF WAY
STAR PROGRAM AGREEMENT**
(To be attached to Film Commission Permit)

Property Address: _____

Property Number: -

Historic: Yes No

Rehabilitated: Yes No

1. If the property is identified above as Historic and Rehabilitated, alterations including painting **will not be permitted**. This restriction includes, but is not limited to, the interior and exterior of the property and to features such as landscaping, walkways, driveways, etc.

If the property is identified above as Historic but not Rehabilitated, then all requests to perform any alteration including painting must be submitted in writing to the Right of Way Film Coordinator who will submit the request to the District Environmental Branch for review. The Production Company prior to the commencing of any alterations must receive written approval from the Department of Transportation (Department). The alterations may require monitoring by both Right of Way and Environmental in order to ensure compliance.

If the property identified above is not Historic, then all requests to perform any alteration must be submitted in writing to the Right of Way Film Coordinator who will submit the request to the Senior Right of Way Agent in Property Management for review. The Production Company prior to the commencing of any alterations must receive written approval from the Department. The alterations will require monitoring by Right of Way in order to ensure compliance.

2. The Right of Way Film Coordinator and a Production Company manager shall conduct a physical inspection of the property and complete an inspection report prior to this agreement being executed. Both parties will sign the inspection report as acknowledgment of its content in regard to the condition of the property at time of occupancy. Also, upon the completion of the project, same parties shall conduct a physical inspection and compare the inspection report, noting any changes, damages, etc., to the property. The inspection report will act as a record for any damage claim made by the Department. Both parties will again sign the inspection report as acknowledgment and agreement of its content.
3. Nails or any other objects that shall pierce walls, ceilings, baseboards, moldings, etc., shall not be used unless prior written approval is granted.
4. All floors including stairs, carpet, linoleum, tile, etc., shall be protected with layout board.

**DEPARTMENT OF TRANSPORTATION, DIVISION OF
RIGHT OF WAY, STAR PROGRAM AGREEMENT (Cont.)**

(Form #)

EXHIBIT

11-EX-49 (REV 7/2007)

Page 2 of 4

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5. The Production Company shall obtain and keep in force general liability insurance providing coverage in the amount of one million dollars (\$1,000,000) per occurrence for Bodily Injury and Property Liability combined, to protect the Department, its officers, agents and employees against all claims, suits or actions of every name, kind, and descriptions 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. Said policy(s) shall name the State of California as an additional insured.
 6. Production Company shall deposit two thousand dollars (\$2,000), [one thousand dollars (\$1,000) for qualified students], with the California Film Commission, for each property identified above.
 7. Production Company agrees to leave said property in same condition as existed on the day possession was taken and to reimburse the Department for any damage done to the property, caused by Production Company or its agents, employees, officers, etc., including leaving garbage, refuse, or debris on property.

Said deposit in Clause 6, may be applied to offset the Department's actual costs associated with repairing damages to the property and all costs incurred by the Department for cleanup of the property.

When the deposit is insufficient to cover the costs related to damages and cleanup, the Production Company shall pay the Department the balance of funds necessary to satisfy said costs within thirty days (30 days) after the Department has submitted an itemized letter of costs to the Production Company. If Production Company fails to reimburse the Department within the stated thirty-day (30-day) period, the Department shall file a claim with the Production Company's insurance carrier for the balance of funds owed the Department.

8. The Department shall provide a minimum of one representative per property. The representative will be responsible for opening and closing the property for the Production Company and to be present during the agreed upon time periods specified at the end of this agreement.
 9. All special effects and/or stunts shall be reviewed and approved by the State Fire Marshal (SFM) prior to submitting a request for approval to the Department. Approval by the SFM does not guarantee approval by the Department. The Department will respond in writing within twenty (20) business days from receipt of a request to utilize special effects and/or stunts.
 10. Tie-ins and the use of electrical services are not allowed. Production Company is to provide all equipment to perform the operations necessary to complete their activities.
 11. Production Company shall provide restroom facilities (honeywagon, port-a-potty, etc.).
 12. Smoking is not allowed inside any Department owned property, unless specifically utilized for filming purposes.
 13. Alcohol and/or controlled substances are not allowed on Department owned property.
 14. Production Company shall receive prior written approval from the Department, for all vehicles on said property.
 15. Production Company shall secure all local (city, county, etc.) permits prior to executing this agreement. Production Company is responsible for abiding by all local, state and federal ordinances and requirements.
-

**DEPARTMENT OF TRANSPORTATION, DIVISION OF
RIGHT OF WAY, STAR PROGRAM AGREEMENT (Cont.)**

(Form #)

EXHIBIT
11-EX-49 (REV 7/2007)
Page 3 of 4

16. **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, Production Company 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 Production Company 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 kept on the 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 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.

17. **WATER POLLUTION CONTROL:** Production Company shall not allow discharge of contaminated storm water runoff or unauthorized non-storm water discharges to private or public storm water drainage systems. Production Company 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.

In order to prevent the discharge of pollutants, spilled or leaked fluids, and any other wastewater into the storm water drainage system, Production Company shall not allow vehicle or equipment washing, fueling, maintenance and repair on the premises.

In order to prevent the discharge of pollutants to storm water resulting from contact with hazardous material, Production Company shall not allow the storage or stockpile of hazardous material on the premises.

Production Company shall implement and maintain the best management practices (BMPs) shown in the attached Stormwater Pollution Prevention Fact Sheet for General Land Use.

[RW instructions - Attach Fact Sheet for General Land Use to agreement. Fact Sheet is in the RW Property Management and Airspace Storm Water Guidance Manual.]

Production Company shall identify any other potential sources of storm water and non-storm water pollution resulting from Production Company's activities on the premises, which are not addressed by the BMPs contained in the attached Fact Sheet, 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 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 testing of sewer systems, storm drains, or watercourses on the premises.

**DEPARTMENT OF TRANSPORTATION, DIVISION OF
RIGHT OF WAY, STAR PROGRAM AGREEMENT (Cont.)**

(Form #)

EXHIBIT

11-EX-49 (REV 7/2007)

Page 4 of 4

18. Production Company shall provide a representative as the Department's point of contact for all communications between the Production Company and the Department.

19. The Department reserves the right to terminate this agreement immediately if Production Company fails to comply with any part of this agreement. The Department will notify the Production Company in writing upon cause for termination.

Department Representative

Tenant Representative

Telephone Number

Telephone Number

Date

HOURS OF OPERATION: _____ AM | PM to _____ AM | PM

NUMBER OF DAYS: _____

MODULAR LEASE AGREEMENT

(Form #)

Site Location: _____

Lease No. _____

MODULAR LEASE AGREEMENT

THIS LEASE, made and entered into by and between _____, known as Lessor, without distinction as to number or gender, and the State of California, Department of Transportation, known as Lessee:

WITNESSETH

DESCRIPTION: The Lessor, in consideration of the payment of the rent hereinafter specified to be paid by the Lessee, and the covenant and agreements herein contained, does hereby lease, trailer(s) and/or relocatable, modular and/or prefabricated structure(s) described below together with stairs, railings, furniture and other items attached or appurtenant thereto (hereinafter referred to collectively as the "Equipment") to Lessee.

Model Size: _____
Delivery Date: _____
Set-Up Charge: _____

Serial Number: _____
Delivery Charge: _____
Return Charge: _____

1) **TERM:** This Lease shall be for a term of _____(s), commencing on the ____ day of _____, _____, and shall end on the ____ day of _____, _____, with such rights of termination as may be hereinafter set forth.

2) **RENT:** The rent shall be paid by the Lessee, monthly, in arrears, on the last day of each month during said terms as follows:

Monthly rent \$ _____

Warrant payable to: _____

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. Rental rate shall be paid to the Lessor at the address specified in Clause 7 or to such other address as the Lessor may designate by a notice in writing. Lessor shall send all rent bills to the Lessee at the address specified in Clause 7.

3) **RENEWAL OPTION:** Lessor hereby agrees that this Lease may be renewed for _____ additional years the extended term to begin on the first day after the expiration of the initial term of this Lease. Lessee's option of renewing this Lease shall be exercised in writing at least sixty days (60 days) prior to the expiration date of this Lease. The terms and conditions of the renewal lease may be amended by mutual agreement of the Lessor and Lessee. The rental rate is subject to negotiations and may be amended by mutual agreement of the Lessor and Lessee.

4) **LESSOR IMPROVEMENTS TO BE MADE:** Pursuant to this Lease, Lessor shall make the following improvements to the Equipment:

In the event Lessor completes said improvements and said improvements are suitable and ready for the State's occupancy set forth in Clause 1, the Lease shall commence on that date. However, in the event Lessor fails to complete said improvements and said improvements are not suitable and ready for the State's occupancy set forth in Clause 2, the Lease shall commence as of the date such improvements are completed and said Equipment is delivered and set up. Lessor shall make all reasonable efforts to ensure that said improvements are completed on the date set forth in Clause 1.

- 5) **TERMINATION:** This Lease shall be subject to cancellation and termination by either party at any time during the term hereof by giving the other party notice in writing, specified in Clause 6, at least sixty days (60 days) prior to the date when such termination shall become effective.
- 6) **HOLD OVER:** Should Lessee hold over after the expiration of the term of this Lease with Lessor's consent, express or implied, the tenancy shall be deemed to be a tenancy from month to month, subject otherwise to all the terms and conditions of this Lease so far as applicable.
- 7) **NOTICES:** All notices and correspondence 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 to the addresses listed below:

Lessor:

Lessee:

Invoices to Lessee:

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. Lessor shall also be able to serve notices by posting and subsequent mailing to Lessee.

- 8) **DELIVERY, SETUP AND RETURN:** Lessor shall deliver and set up the Equipment at the location specified above. Upon delivery, Lessee agrees to inspect and accept the Equipment. The Equipment is deemed finally accepted at the time of delivery unless Lessee notifies Lessor of a defect/deficiency in writing within 48 hours. Lessee is responsible for providing clear access to the set-up site for delivery of the Equipment, by standard delivery methods. Lessee is also responsible for providing clear access surrounding the site for setup of the Equipment by standard set-up methods. If Lessee fails to provide clear access, then Lessee shall pay for any resulting additional delivery and return charges.

The Equipment shall remain so set-up at said location, and shall not be moved to a new location without the prior written consent of the Lessor.

At the conclusion of the lease term, Lessee shall, at his expense, prepare the Equipment for dismantle. Preparing the equipment for dismantle includes, but is not limited to, removing all customer-owned furniture, office equipment, etc., disconnecting all utilities and removing any items that may hinder the dismantle of the Equipment, by standard dismantle methods. The Lessee is also responsible for providing clear access for the pickup and return delivery of the Equipment from the set-up site, by standard return delivery methods. Lessee is responsible for all damages or other needed work to return the equipment to the condition in which it was provided, except normal wear and tear. Any additional charges will be billed by Lessor and submitted to Lessee for payment within thirty days (30 days) of return date.

- 9) **REPAIR, MAINTENANCE AND SUPPLIES:** Lessor shall, throughout the term of this Lease, repair structural, mechanical, or plumbing defects in the Equipment (excluding fire extinguishers, fuses/breakers and light bulbs). Lessor shall have no liability for the repair of any defect or condition resulting from Lessee's relocation of the Equipment, utilities connection, alteration of the Equipment, use of the Equipment for a purpose for which it was not intended, vandalism, misuse of the Equipment arising from the act or negligence of the Lessee, employees or agents.

In case Lessor shall, after notice in writing from the Lessee, requesting repair or maintenance, fail, refuse, or neglect to comply herewith, or in the event of an emergency constituting a hazard to the health or safety of the Lessee, employees or agents, it shall then be lawful for the Lessee, in addition to any other remedy the Lessee may have, to make such repair at its own cost and deduct the amount thereof from the rent that may be or thereafter become due hereunder.

- 10) **ALTERATIONS:** The Lessee shall not make any alterations, modifications, additions, or improvements to the Equipment without the written consent of the Lessor. In addition, the Lessee has the right, with Lessor's consent, to attach fixtures, additions, structures, or signs, provided such activities do not damage Equipment.

Lessee reserves the right to erect a radio transmitter antenna after notifying Lessor in writing. Said antenna shall remain the property of the Lessee and will be removed therefrom by the Lessee prior to return by Lessor.

- 11) **ASSIGNMENT:** The Lessee shall not assign, convey, or transfer this Lease without prior written consent of the Lessor, which will not be unreasonably withheld. Lessor may, at its option and without the prior approval of Lessee, transfer, convey or assign its interest or any part thereof, in and to this Lease.

- 12) **QUIET POSSESSION:** The Lessor agrees that the Lessee, while keeping and performing the covenants herein contained, shall at all times during the existence of this Lease peaceably and quietly, have, hold and enjoy the leased premises, without suit, trouble or hindrance from the Lessor, or any person claiming under Lessor.

- 13) **INSPECTION:** The Lessor reserves the right to enter and inspect the leased premises at reasonable times, after reasonable notice to Lessee, and to render services and make any necessary repairs to the premises.

- 14) **DESTRUCTION:** If the leased premises are totally destroyed by fire or other casualty, this lease shall terminate. If such casualty shall render ten (10) percent or less of the floor space of the leased premises uninhabitable for the purpose intended, Lessor shall effect restoration of the premises as quickly as is reasonably possible, but in any event within thirty days (30 days).

In the event such casualty shall render more than ten (10) percent of such space unusable but not constitute total destruction; Lessor shall forthwith give notice to State of the specific number of days required to repair the same. If Lessor, under such circumstances shall not give such notice within fifteen (15) calendar days after such destruction, or if such notice shall specify that such repairs will require more than ninety days (90 days) to complete from date such notice is given, State, in either such event, at its option, may terminate this Lease, or, upon notice to Lessor, may elect to undertake repairs itself, deducting the cost thereof from the rental due or to become due under this Lease or any other Lease between Lessor and State.

In the event the State remains in possession of said premises though partially destroyed, the rental as herein provided shall be reduced by the same ratio as the net square feet the State is thus precluded from occupying bears to the net square feet in the leased premises. "Net square feet" shall mean actual inside dimensions and shall not include public corridors, stairwells, elevators, and rest rooms.

15) SUBROGATION WAIVED: To the extent authorized by any fire and extended coverage insurance issued to the Lessor on the herein demised premises, Lessor releases the Lessee from liability for loss or damage covered by said insurance and waives subrogation rights of the insurer.

16) INDEMNIFICATION: Nothing in the provisions of this lease agreement is intended to create duties or obligations to or rights in third parties to this lease agreement or affect the liability of other party to the lease agreement by imposing any standard of care respecting the duties and obligation, under this lease agreement different from the standard of care imposed by law.

It is understood and agreed that this lease agreement is made upon the express condition that Lessor is to be free from all responsibility, liability, claims for damages by reason of injury to any person or persons, including employees of the Lessee, or property of any kind whatsoever and to whomsoever belonging, including Lessee, from any cause or causes resulting from the operations and/or use of the premises, by Lessee, its agents, customers, business invitees and/or any persons acting on the Lessee's behalf. It is also agreed that Lessee shall defend, indemnify and save harmless Lessor from all liability, claims, suits or actions of every name, kind and description brought for or on account of injuries to or death of any person or damage to property arising from any aforesaid cause or causes during the term of this lease agreement.

It is understood and agreed that this lease agreement is made upon the express condition that Lessee, is to be free from all responsibility, liability, claims for damages by reason of injury to any person or persons, including employees of the Lessor, or property of any kind whatsoever and to whomsoever belonging, including Lessor, from any cause or causes not resulting from the operations and/or use of the premises, by Lessee, its agents, customers, business invitees and/or persons acting on Lessee's behalf. It is also understood and agreed that Lessor shall defend, indemnify and save harmless Lessee from all liability, claims suits, or actions of every name, kind and description brought for or on account of injuries to or death of any person or damage to property not arising from any aforesaid cause or causes during the term of this lease agreement.

17) INSURANCE: The Lessee is self-insured for motor vehicle, aircraft liability and general liability. The general liability program is administered by the State Attorney General. The Lessee and its employees (as defined in Section 810.2 of the Government Code) are insured for any tort liability that may develop through carrying out official activities, including state official operations on non-State owned property.

It is understood and agreed upon by the Lessor and Lessee that the Lessee is not required to obtain additional insurance coverage with regard to this Lease.

18) HAZARDOUS MATERIALS: Lessor hereby warrants and guarantees that the Equipment, are either free of Asbestos Containing Construction Material (ACCM) (as defined under Section 6501.8 of the California Labor Code) or where asbestos has been identified, said material has been properly treated as required by law and Equipment is certified as safe for occupancy. The certification shall be in the form of an ACCM survey report prepared by qualified Industrial Hygienist, who shall be certified by the American Board of Industrial Hygiene, or an Environmental Protection Agency Asbestos Hazard Emergency Response Act certified inspector.

19) CODE COMPLIANCE: The Equipment, recognized by the State of California, Department of Housing and Community Development as "Commercial Modular" building must conform with applicable provisions of the California Health and Safety Code, Division 13, Part 2, Section 18028 and the California Code of Regulations (CCR) Title 25, Chapter 3.

MODULAR LEASE AGREEMENT (Cont.)

(Form #)

EXHIBIT

11-EX-50 (NEW 7/2005)

Page 5 of 5

Unless otherwise agreed to, Lessor will provide, to the extent of Lessor's scope of work, Lessee with commonly accepted (by State or local officials) installation, utility connection, handicap access detail for review by this Site Location's controlling building official (State or local). Lessor will perform any requirements in excess of the commonly accepted documents at Lessee's expense and direction.

Premises shall also conform to regulations and orders of the State Department of Industrial Relations and the Occupational Health and Safety Act (OSHA) and shall meet the requirements of the State Fire Marshal's regulations. Lessor shall furnish certification from the local representative of the State Fire Marshal that quarters comply with local fire regulations or CCR Title 19, as appropriate. If fire, safety, or health hazards are detected either before or after occupancy by the State, Lessor shall correct them at their sole cost and expense.

20) STANDARD PROVISIONS: Time is of the essence of each and every provision of this Lease. Failure of Lessor to enforce any term of condition of this Lease shall not constitute a waiver of subsequent default by Lessee, nor shall it, in any manner, affect the rights of Lessor to enforce any of the provisions hereunder. The invalidity or unenforceability of any provision of this Lease shall not affect the validity or enforceability of any other provision. This Lease shall be governed by and construed in accordance with the laws of the State of California. This Lease, including any initialed amendments and attachments and schedules hereto, constitute the entire agreement between Lessor and Lessee and may not be amended, altered or modified except by a document in writing signed by both the Lessor and Lessee.

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 Lessor's Name)

(Type Lessor's Name)

APPROVAL RECOMMENDED

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

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

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

PET APPLICATION

(Form #)

Attach a photo of each pet. The application will automatically be denied if there are no photos of each pet attached.

Name of Pet Owner

Home Phone

Work Phone

Address of where pet will reside: _____

PET INFORMATION:

Please list all pets separately.

Pet's Name	Type/Breed	Age	License or ID Number	Sex	Neutered/ Spayed

PET REFERENCE:

Veterinarian

Address

Phone

YOUR PREVIOUS RESIDENCE:

Name of Landlord or Resident Manager (Check one)

Address

Phone

RENTER'S OR HOMEOWNER'S INSURANCE:

Agency

Address

Phone

I have read and understand the policies related to keeping pets in this rental property, and I and members of my household promise to fully comply.

Signature of Pet Owner

Date

Approved By
(Type Title)

Date

PET ADDENDUM

(Form #)

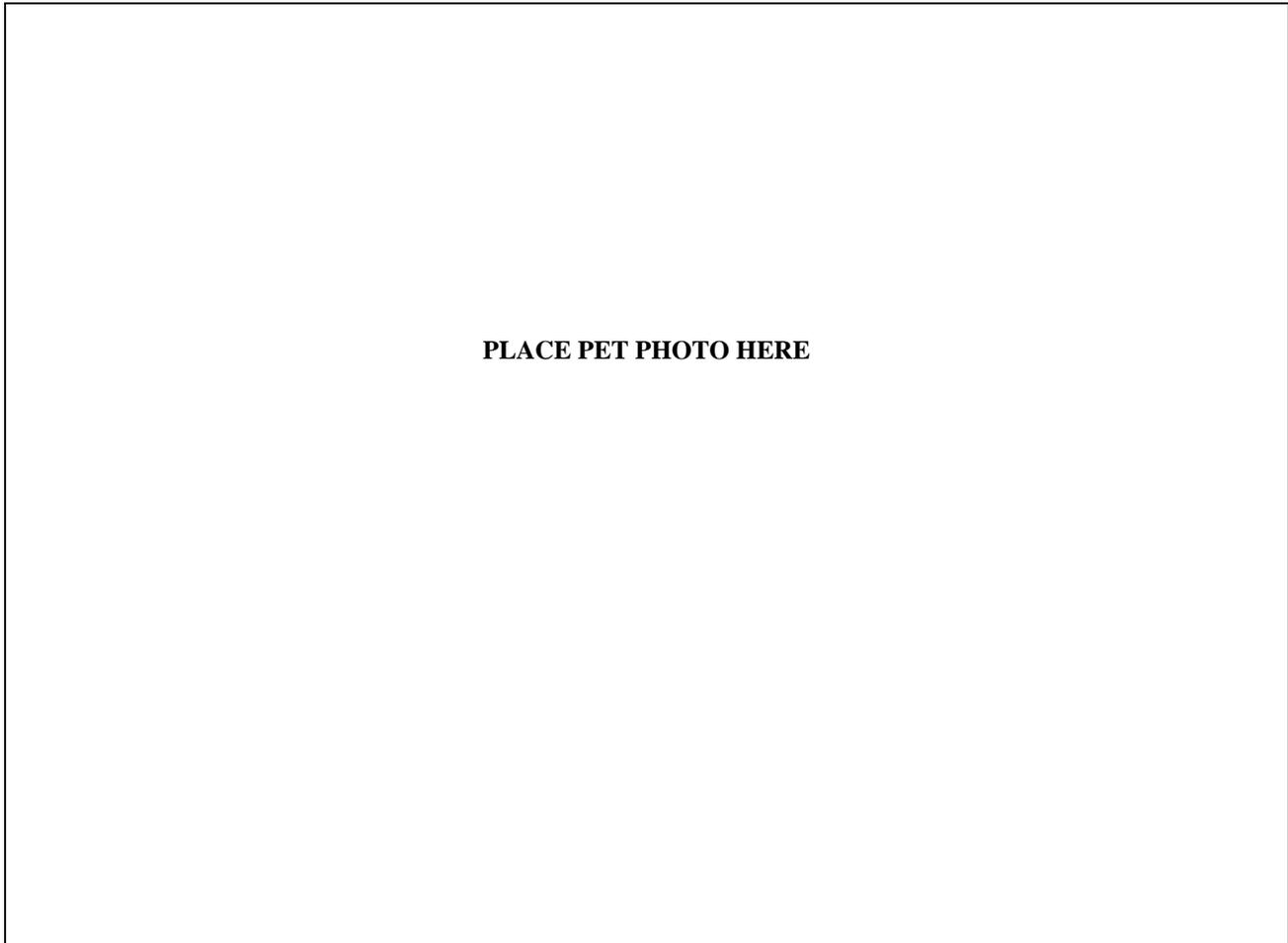
PET ADDENDUM TO RENTAL AGREEMENT _____

This pet addendum is an amendment to the Rental Agreement identified and dated _____, _____, between the State of California, Department of Transportation (Department), and _____ (Tenant), covering the rental property described as:

PET INFORMATION:

Type (Dog, cat, bird, etc.)	Breed	Color	Number	Age
-----------------------------	-------	-------	--------	-----

Insurance Carrier	Policy Number
-------------------	---------------



1. Tenant will provide the Department with a written copy of proof of insurance prior to any occupancy by the pet(s).

PET ADDENDUM (Cont.)

(Form #)

EXHIBIT

11-EX-52 (NEW 7/2005)

Page 2 of 3

2. Tenant must have completed a Pet Application Form and has been granted permission by the Department to keep the pet(s) specified above.
 3. Pets shall not be kept, bred, or used for any commercial purpose.
 4. Pet(s) must be confined to the rental property identified above, and must not be allowed to roam free. Pet(s) in transit are to be carried, restrained by a leash, or placed in an animal carrier.
 5. Tenant agrees that any damage to the exterior or interior of the premises, grounds, flooring, walls, trim, finish, tiles, carpeting, or any stains, etc., caused by the pet(s) will be the full financial responsibility of the Tenant. If because of any such stains, etc., said damage is such that it cannot be removed, then Tenant hereby agrees to pay the full expense of replacement.
 6. No pet(s) shall be allowed to become a nuisance or create any unreasonable disturbance. Examples of nuisance behavior are, but not limited to:
 - a. Pets whose unruly behavior causes personal injury or property damage.
 - b. Pets who make noise continuously and/or incessantly for a period of ten (10) minutes or intermittently for two (2) hours or more to the disturbance of any person at any time of day or night.
 - c. Pets who relieve themselves on walls or floors.
 - d. Pets who exhibit aggressive or other dangerous or potentially dangerous behavior.
 - e. Pets who are conspicuously unclean or parasite infested.
 7. Tenant will provide adequate and regular veterinary care.
 8. Tenant will provide pet(s) with ample food and water, and will not leave pet unattended for any undue length of time.
 9. Tenant will diligently maintain cleanliness of litter boxes as well as pet sleeping and feeding areas. Tenant will keep yard free of animal waste at all times.
 10. That, if there is reasonable cause to believe an emergency situation exists with respect to the pet(s), and if efforts to contact the resident and emergency caretaker are unsuccessful, the Department or the Department's agent(s) may contact the local animal control authority and assist its staff in entering the property including going inside any dwelling. Examples of an emergency situation include, but are not limited to, suspected abuse, abandonment, fire or other disaster, or any prolonged disturbance. If it becomes necessary for the pet(s) to be boarded, any and all costs incurred will be the sole responsibility of the Tenant.
 11. Tenant will be responsible for the pet(s) of guests who visit the property identified above. Such pet(s) are subject to the same restrictions as Tenant's pet(s). Pet(s) that are not owned by the Tenant and identified above are forbidden from staying in the property identified above unless the Department grants specific written authorization.
 12. Tenant agrees to indemnify, hold harmless, and defend the Department or the Department's agent(s) against all liability, judgments, expenses (including attorney's fees), or claims by third parties for any injury to any person or damage to property of any kind whatsoever caused by the Tenant's pet(s).
 13. That if a dispute arises out of this contract that cannot be settled through negotiation, the Department and Tenant agree first to try in good faith to settle the dispute by mediation administered either by a local mediator or by the American Arbitration Association under its commercial mediation rules. If the parties cannot agree on which agency shall administer the mediation, the _____'s (Tenant or Department) choice shall govern.
-

PET ADDENDUM (Cont.)

(Form #)

EXHIBIT

11-EX-52 (NEW 7/2005)

Page 3 of 3

- 14. That the Tenant will permit the Department to professionally treat the premises, including grounds (if any), for fleas and ticks, and clean all carpets when Tenant vacates the property. The contractors used will be the Department's contractors, and the cost will be competitive and borne by the Tenant.

BREACH OF ANY OF THE ABOVE COVENANTS, TERMS, AND CONDITIONS SHALL GIVE DEPARTMENT AUTHORITY TO IMMEDIATELY TERMINATE ABOVE-MENTIONED RENTAL 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)

**NOMINAL VALUE NONRESIDENTIAL
RENTAL APPRAISAL**

(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-53 (NEW 7/2005)

AR #

REG/DIST

CO

RTE

KP (PM)

PROPERTY #

DATE:

TO:

FROM:

SUBJECT: Nominal Value Nonresidential Rental Appraisal

\$ _____
Annual or Monthly Rental Rate

DATE OF VALUE:

PROPERTY IDENTIFICATION:

PROPERTY DESCRIPTION:

ZONING AND HIGHEST AND BEST USE:

PARCEL VALUATION AND ANALYSIS:

LIST OF COMPARABLE RENTALS:

ADDRESS	AREA	ZONING and USE	IMP	TERMS	VERIF DATE	RENT RATE
---------	------	-------------------	-----	-------	---------------	--------------

OTHER PERTINENT DATA:

INSTRUCTIONS FOR COMPLETION OF EXHIBIT 11-EX-53

DATE:

TO: **Property Management Supervising Agent**

FROM: **Either Property Management or Appraisal Senior Agent**

SUBJECT: Nominal Value Nonresidential Rental Appraisal \$ _____
Nominal Rent is defined as \$2,500 or less per year. Annual or Monthly Rental Rate

DATE OF VALUE: **This should be the date that the Rental Agreement expires.**

PROPERTY IDENTIFICATION: **Address or location.**

PROPERTY DESCRIPTION: **Include information such as: vacant or improved, topography, exposure, current use, etc.**

ZONING AND HIGHEST AND BEST USE: **Include reasoning supporting conclusion of highest and best use.**

PARCEL VALUATION AND ANALYSIS: **Show calculations and provide reasoning for concluded value, including unit of comparison (\$/acre, \$/house, \$/sq ft).**

LIST OF COMPARABLE RENTALS:

<u>ADDRESS</u>	<u>AREA</u>	<u>ZONING and USE</u>	<u>IMP</u>	<u>TERMS</u>	<u>VERIF DATE</u>	<u>RENT RATE</u>
----------------	-------------	---------------------------	------------	--------------	-----------------------	----------------------

**Indicate whether or not the comparables are improved, including fencing.
Indicate whether or not any terms differ from the subject property. Items such as length of agreement, shared uses, multiple uses, etc., should be detailed under "Other Pertinent Data."**

OTHER PERTINENT DATA:

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.

1. TENANCY NO.		2. ADDRESS / LOCATION OF PROPERTY		
3. CITY		STATE CA	4. ZIP CODE	5. CONTACT PHONE NO.
6. TENANT CONTACT (NAME)		7. MAILING ADDRESS (if different)		8. CELL PHONE NO.

TYPE OF PROPERTY	SFR	MULTI	MOBILE	YEAR BUILT
NUMBER OF OCCUPANTS	ADULTS	CHILDREN	TOTAL	
PETS	NUMBER	DOGS	CATS	OTHER

INDICATE CONDITION AS: Satisfactory Unsatisfactory

INTERIOR	L	D	K	T	BATH	BEDROOMS	OTHER	EXTERIOR
FLOORS								Building: ___ Walls ___ Windows ___ Screens ___ Vents ___ Porches ___ Stairs ___ Roof ___ Trim ___ Gutters ___ Electrical (Panel) ___ Paint Other _____ Garage: ___ Walls ___ Windows ___ Doors ___ Roof Other _____ Grounds: ___ Lawn ___ Shrubs ___ Fence ___ Driveway ___ Walks ___ Gates ___ Litter/Garbage/Debris ___ Pet Waste Other _____
WALLS								
CEILINGS								
PLUMBING								
ELECTRIC								
HEATING								
APPLIANCE								
FIXTURES								
PAINT*								
OTHER								
CARPETS								
SMOKE ALARMS: Operable? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> None Battery Changed? <input type="checkbox"/> Yes Date: _____ <input type="checkbox"/> No								
Comments (additional page if required): *If peeling/chipped paint indicated – ACTION REQUIRED see supervisor								
PROBABLE CAUSE OF NOTED DEFICIENCIES: <input checked="" type="checkbox"/> applicable ___ Normal wear and tear ___ Tenant abuse or neglect ___ Deferred maintenance ___ Other _____ ___ Pet(s) (Explain in Comments section.) Indication: Peeling or Chipped Paint* Yes ___ No ___ Indication: Rodent(s) ___ Pest(s) ___ Mildew Control Needed? Yes ___ No ___ Tenant concurs? Yes ___ No ___ (See Comments.) ___ Other _____								

SIGNATURE OF AGENT MAKING INSPECTION		DATE OF INSPECTION
NAME OF TENANT ACCOMPANYING AGENT		
SUPERVISOR'S REVIEW:	FORM REVIEWED BY	DATE
	DISPOSITION	

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.

RESIDENTIAL STORM WATER INSPECTION

I. PROPERTY INFORMATION

1. TENANCY NO.		2. ADDRESS / LOCATION OF PROPERTY		
3. CITY		STATE CA	4. ZIP CODE	5. AREA SQ FT <input type="checkbox"/> ACRE <input type="checkbox"/>
6. TENANT CONTACT (NAME)		7. MAILING ADDRESS (if different)		8. CONTACT PHONE NO.
9. LEASE START DATE		10. LEASE EXPIRATION DATE _____; or MONTH-TO-MONTH <input type="checkbox"/>		
11. PROPERTY TYPE - <input type="checkbox"/> SINGLE FAMILY DWELLING <input type="checkbox"/> MULTI-FAMILY DWELLING <input type="checkbox"/> MOBILE HOME				

12. ENTITY RESPONSIBLE FOR STORM WATER DRAINAGE SYSTEM (e.g., County of / City of / Caltrans)

II. ACTIVITY / BMP ASSESSMENT: Note outdoor activities conducted and BMPs implemented.

Photos Yes No Number of Photos _____

				Implementation Effectiveness*	
					Needs Improvement
<input type="checkbox"/> Vehicle Washing.					
1. Is vehicle washing performed over a pervious surface (lawns, gravel)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
2. Is vehicle wash water contained on the property to minimize pollutants from entering the storm water streams?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
3. Is wash water runoff allowed to enter the storm water system?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
4. Is water turned off when not actively washing down vehicle?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
5. Are degreasing activities conducted off-site at a facility set up for such activity?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
6. Are safer alternative soaps and cleaners in use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
<input type="checkbox"/> Vehicle Maintenance.					
1. Is vehicle maintenance performed under a cover to reduce exposure of materials to rain? (Circle covering type used) Garage Carport Canopy Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
2. Is the vehicle maintenance area kept relatively free of staining (oil, grease, etc.)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
3. Are drip pans and containers used in areas where drips or leaks may occur?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
4. Are used oil and oil filters, antifreeze, batteries, fluids, etc., properly stored?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		

RESIDENTIAL STORM WATER INSPECTION (Cont.)

(Form #)

EXHIBIT

11-EX-54SW (NEW 7/2007)

Page 2 of 4

				Implementation Effectiveness*	
					Needs Improvement
<input type="checkbox"/> Parking Areas. 1. Are parking areas adequately maintained (significant cracking, deterioration)? 2. Are parking areas kept free of trash and litter? 3. Are parking areas swept or vacuumed regularly and is wash down prohibited unless wash water is contained and disposed of properly? 4. Are parking areas kept relatively free of staining (oil, grease, paint, etc.)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
<input type="checkbox"/> Landscape Maintenance. 1. Are non-vegetated surfaces covered to prevent erosion? 2. Are pesticides and fertilizers used only as needed and stored properly? 3. Are areas swept regularly and is wash down by hosing prohibited unless wash water is contained and disposed of properly? 4. Are landscape clippings collected and disposed of properly? 5. Are irrigation systems designed to prevent runoff?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
<input type="checkbox"/> Outdoor Storage of Materials. 1. Are covers used to protect all potential sources of pollution stored outside? (Circle covering type used) Plastic Roof Canopy Other 2. Are hazardous materials (if permitted in rental agreement) stored in properly designed containers? 3. Are paved areas kept relatively free of staining (oil, grease, paint, etc.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
<input type="checkbox"/> Waste Handling and Disposal. 1. Are wastes segregated and separated? 2. Are waste materials recycled whenever possible? 3. Are animal wastes properly handled? 4. Is trash storage area designed to prevent storm water runoff? 5. Are waste dumpsters/trash cans covered?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
<input type="checkbox"/> Cleaning Patios, Walkways, Driveways. 1. Are areas swept regularly and is wash down by hosing prohibited unless wash water is contained and disposed of properly? 2. Is wash water runoff allowed to enter the storm water system?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
<input type="checkbox"/> Swimming Pools and Spas. 1. Is excess pool water discharged to the sanitary sewer? 2. Is pool filter wash water discharged in a permeable area or into the sanitary sewer? 3. Are pool chemicals used, stored and disposed of properly?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
<input type="checkbox"/> Building Maintenance. 1. Are materials used for cleaning and maintenance (cleansers, bleach, etc.) stored properly? 2. Are safer alternative products used whenever possible? 3. Are areas swept regularly and is wash down by hosing prohibited unless wash water is contained? 4. Is household hazardous waste recycled or disposed of properly?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
<input type="checkbox"/> Illicit Connections/Illegal Discharges. 1. Are any illicit connections present? 2. Is illegal dumping or uncontrolled spillage/discharge occurring?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		

* SATISFACTORY: BMPs (including source control BMPs) are used and are effective.

NEEDS IMPROVEMENT: No BMPs used and storm water pollution likely/Some BMPs used but not effective/Structural BMPs necessary to improve pollution prevention. *Provide Comments Below*

RESIDENTIAL STORM WATER INSPECTION (Cont.)

(Form #)

EXHIBIT

11-EX-54SW (NEW 7/2007)

Page 3 of 4

III. BMP ASSESSMENT

13. Observations/Comments: _____

Corrective Action/Due Date: _____

14. Observations/Comments: _____

Corrective Action/Due Date: _____

15. Observations/Comments: _____

Corrective Action/Due Date: _____

- IV. 16. NON-STORM WATER DISCHARGES:**
- None observed / no evidence of / no sources noted
 - Sources observed, but BMPs in place
 - Sources observed, no BMPs in place, but no discharge
 - Observed discharges / evidence of discharges / no BMPs

Report any observed illicit connections and illegal/unknown discharges to the District NPDES Storm Water Coordinator.

V. STORM WATER EDUCATION AND OUTREACH MATERIALS

17. HAVE TENANTS RECEIVED GENERAL TRAINING FOR MANAGING RUNOFF FROM SITE?	<input type="checkbox"/> NO	<input type="checkbox"/> YES
HAVE STORM WATER EDUCATION AND OUTREACH MATERIAL BEEN RECEIVED BY THE TENANTS?	<input type="checkbox"/> NO	<input type="checkbox"/> YES

VI. CONCLUSIONS

18. COMMENTS/RECOMMENDATIONS (Describe any non-storm water discharges, unsatisfactory conditions or work needed):

RESIDENTIAL STORM WATER INSPECTION (Cont.)

(Form #)

EXHIBIT

11-EX-54SW (NEW 7/2007)

Page 4 of 4

19. CORRECTIVE ACTIONS

 NONE CORRECT DEFICIENCIES NOTED ABOVE IN TIME FRAME INDICATED. FACILITY BMP INFORMATION PROVIDEDFOLLOW-UP INSPECTION REQUIRED? NO YES YES, WITHIN 30 DAYS AFTER _____ YES, TO BE SCHEDULED WITHIN NORMAL FREQUENCY**VII. INSPECTION INFORMATION**

20. INSPECTOR NAME (Printed)	21. DATE OF INSPECTION	22. TIME OF INSPECTION
INSPECTOR SIGNATURE		
23. REASON FOR INSPECTION: <input type="checkbox"/> Initial <input type="checkbox"/> Scheduled <input type="checkbox"/> Follow-up <input type="checkbox"/> Response to Complaint		
NAME OF TENANT(S) ACCOMPANYING INSPECTOR 1. _____ 2. _____	SIGNATURE(S) - TENANT RECEIVED FORM 1. _____ 2. _____	
NAME(S) OF OTHERS ACCOMPANYING INSPECTOR (IF ANY) 1. _____ 2. _____	SUPERVISOR'S REVIEW FORM REVIEWED BY: _____ DATE: _____ DISPOSITION: _____ _____	

**FIELD OBSERVATIONS
HELPFUL HINTS FOR STORM WATER INSPECTIONS****AREAS AND ACTIVITIES WITH POTENTIAL TO SPILL HAZARDOUS FLUIDS**

- SPILL KITS AVAILABLE IF NEEDED
- SPILL RESPONSE AGENCY PHONE NUMBERS CLEARLY POSTED
- MATERIAL SAFETY DATA SHEETS AVAILABLE FOR PRODUCTS

VEHICLE WASHING

- VEHICLES WASHED IN DESIGNATED AREA
- VEHICLE WASHED OVER PERVIOUS SURFACE TO PREVENT DISCHARGES TO STORM DRAIN
- SAFER ALTERNATIVE PRODUCTS IN USE
- WATER TURNED OFF WHEN NOT ACTIVELY WASHING VEHICLE

VEHICLE MAINTENANCE

- VEHICLE MAINTENANCE AND REPAIR OCCURS INDOORS OR UNDER CANOPY
- DRIP PANS AVAILABLE
- STAINS OR OTHER SIGNS OF POLLUTANTS NOT OBSERVED
- USED OIL AND OIL FILTERS, ANTIFREEZE, BATTERIES, FLUIDS, ETC., STORED PROPERLY
- SPILLS OR LEAKS SPOT CLEANED AS NEEDED

PARKING AREAS

- PARKING AREAS FREE OF SIGNIFICANT CRACKING, DETERIORATION
- PAVED AREAS SWEEPED DOWN AND NOT HOSED OFF
- TRASH AND LITTER REMOVED FREQUENTLY
- SPILLS OR LEAKS SPOT CLEANED AS NEEDED

LANDSCAPE MAINTENANCE

- SOIL EROSION NOT OBSERVED
- GROUNDS FREE OF LITTER
- PAVED AREAS SWEEPED DOWN AND NOT HOSED OFF
- IRRIGATION SYSTEMS DESIGNED TO PREVENT RUNOFF
- USE OF PESTICIDES AND FERTILIZERS ONLY AS NEEDED

OUTDOOR STORAGE OF MATERIALS

- HAZARDOUS MATERIALS LABELED, COVERED, AND CONTAINED
- STORAGE AREA COVERED AND FREE OF LITTER
- GENERAL GOOD HOUSEKEEPING OBSERVED

WASTE HANDLING AND DISPOSAL

- WASTE MATERIALS BEING RECYCLED
- WASTE CONTAINERS COVERED TO PREVENT STORM WATER RUNOFF/RUN-ON
- AREA SWEEPED DOWN ON REGULAR BASIS
- AREA FREE OF STAINS OR OTHER SIGNS OF POLLUTANTS GOING INTO STORM DRAIN SYSTEM
- WASTE CONTAINERS IN GOOD CONDITION FREE FROM LEAKS
- GENERAL GOOD HOUSEKEEPING OBSERVED

CLEANING PATIOS, WALKWAYS, DRIVEWAYS

- PAVED AREAS SWEEPED DOWN AND NOT HOSED OFF
- TRASH AND LITTER REMOVED FREQUENTLY
- SPILLS OR LEAKS SPOT CLEANED AS NEEDED

SWIMMING POOLS AND SPAS

- EXCESS POOL WATER DISCHARGED TO SANITARY SEWER
- POOL FILTERS WASHED OVER PERMEABLE SURFACES
- POOL CHEMICALS LABELED, COVERED, AND CONTAINED

BUILDING MAINTENANCE

- BUILDING/IMPROVEMENT MATERIALS PROPERLY STORED
- DUST AND PARTICULATES SWEEPED UP AND PLACED IN WASTE CAN
- HOUSEHOLD HAZARDOUS WASTE RECYCLED OR DISPOSED OF PROPERLY
- PAVED AREAS SWEEPED DOWN AND NOT HOSED OFF
- SAFER ALTERNATIVE PRODUCTS IN USE

STORM WATER EDUCATION AND OUTREACH

- ACTIVITY APPLICABLE BMP TIP SHEETS AVAILABLE
- STORM WATER EDUCATIONAL AND OUTREACH MATERIALS AVAILABLE

ILLCIT CONNECTIONS/ILLEGAL DISCHARGES

- SIGNS OF ILLICIT CONNECTIONS TO STORM WATER CONVEYANCE SYSTEM(S)
 - SIGNS OF ILLEGAL/UNKNOWN DISCHARGE OBSERVED GOING FROM THE LEASE PREMISES ONTO ADJACENT PROPERTY OR INTO THE STREET
 - SIGNS OF ILLEGAL/OR UNKNOWN DISCHARGE OBSERVED COMING FROM ADJACENT PROPERTY ONTO THE LEASE PREMISES
 - STAINED PAVEMENT IN AREAS NEAR OR SURROUNDING CATCH BASIN OR STORM WATER OUTFALL
-
-

NON-RESIDENTIAL STORM WATER INSPECTION

(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-55SW (NEW 7/2007)

Page 1 of 5

NON-RESIDENTIAL STORM WATER INSPECTION

I. FACILITY INFORMATION

1. TENANT / FACILITY NAME		2. TENANCY NO.	3. AREA SQ FT <input type="checkbox"/> ACRE <input type="checkbox"/>	
4. ADDRESS / LOCATION OF PROPERTY		5. CITY	STATE CA	6. ZIP CODE
7. TENANT CONTACT (NAME)	8. MAILING ADDRESS (if different)		9. CONTACT PHONE NO.	
10. LEASE START DATE	11. LEASE EXPIRATION DATE _____; or MONTH-TO-MONTH <input type="checkbox"/>			
12. PROPERTY TYPE - <input type="checkbox"/> COMMERCIAL <input type="checkbox"/> INDUSTRIAL <input type="checkbox"/> TELECOMMUNICATIONS <input type="checkbox"/> PARKING <input type="checkbox"/> OTHER: _____				
13. STANDARD INDUSTRIAL CLASSIFICATION (SIC) CODE _____				
14. SIC CODE DESCRIPTION _____				
15. FACILITY COVERED UNDER GENERAL INDUSTRIAL STORM WATER PERMIT? <input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> N/A				
15a. FACILITY'S INDUSTRIAL WASTE DISCHARGE IDENTIFICATION (WDID) NO. _____ <input type="checkbox"/> N/A				
15b. DOES FACILITY HAVE A CURRENT SWPPP ON-SITE? <input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> N/A				
16. FACILITY COVERED UNDER OTHER STORM WATER / WASTE WATER PERMIT? <input type="checkbox"/> YES <input type="checkbox"/> NO				
17. PERMIT TYPE _____				
18. PERMIT NUMBER _____				
19. ENTITY RESPONSIBLE FOR STORM WATER DRAINAGE SYSTEM (e.g., County of / City of / Caltrans) _____				

NON-RESIDENTIAL STORM WATER INSPECTION (Cont.)

(Form #)

EXHIBIT

11-EX-55SW (NEW 7/2007)

Page 2 of 5

II. ACTIVITY / BMP ASSESSMENT: Note outdoor activities conducted and BMPs implemented.

Photos Yes No Number of Photos _____

				Implementation Effectiveness*	
					Needs Improvement
<input type="checkbox"/> Vehicle or Equipment Fueling. (If allowed by lease.)					
1. Is fueling area designed to prevent run-on of storm water and runoff of spills?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
2. Are employees trained in proper fueling, cleanup, and spill response procedures?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
3. Are absorbent materials readily available for small spills?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
4. Is fueling area inspected regularly for spills and/or leaks?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
<input type="checkbox"/> Vehicle or Equipment Washing/Steam Cleaning. (If allowed by lease.)					
1. Is designated wash area used?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
2. Is wash area equipped with clarifier and connected to sanitary sewer?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
3. Is designated wash area designed with complete containment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
4. Is clarifier or oil/water separator maintained regularly? Is maintenance documented?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
<input type="checkbox"/> Vehicle or Equipment Maintenance and Repair. (If allowed by lease.)					
1. Is maintenance performed in designated area?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
2. Is equipment kept clean, no build-up of oil and grease?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
3. Are drip pans and containers used in areas where drips or leaks may occur?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
4. Are used oil and oil filters, antifreeze, batteries, fluids, etc., recycled?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
<input type="checkbox"/> Outdoor Loading/Unloading of Materials.					
1. Are delivery vehicles parked so spills and leaks can be contained?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
2. Is the loading/unloading area covered to reduce exposure of materials to rain?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
3. Is loading/unloading area designed to prevent storm water run-on?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
4. Are storm drain inlets covered during transfer of materials?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
<input type="checkbox"/> Outdoor Storage of Materials/Products/Equipment.					
1. Are covers used to protect all raw materials, by-products, finished products and containers stored outside? (Circle covering type used) Plastic Roof Canopy Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
2. Are chemicals, drums, or bagged materials on pallets or similar method that keep them off the ground?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
3. Are hazardous materials (if permitted in lease) stored in properly designed containment areas?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
4. Are spill containment pallets used?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
5. Are drip pans and containers used in areas where drips or leaks may occur?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
6. Are berms, curbs, or other structures in place to minimize pollutants from entering the storm water system?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		

NON-RESIDENTIAL STORM WATER INSPECTION (Cont.)

(Form #)

EXHIBIT

11-EX-55SW (NEW 7/2007)

Page 3 of 5

				Implementation Effectiveness*	
					Needs Improvement
<input type="checkbox"/> Waste Handling and Disposal.					
1. Are materials recycled whenever possible?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
2. Are wastes segregated and separated?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
3. Is storage area designed to prevent storm water runoff?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
4. Are waste dumpsters covered?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
<input type="checkbox"/> Building and Grounds Maintenance.					
1. Are pesticides and fertilizers used and stored properly?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
2. Are areas swept regularly and is wash down by hosing prohibited unless wash water is contained?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
3. Are contained wash water, sweepings and sediments disposed of properly?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
4. Are materials used in repair and minor remodeling (paints, etc.) stored properly?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
5. Are paved surfaces adequately maintained (minimal crumbling asphalt or concrete)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
6. Are safer alternative products used whenever possible?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
<input type="checkbox"/> Park and Landscape Maintenance.					
1. Are non-vegetated surfaces covered to prevent erosion?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
2. Are pesticides and fertilizers used only as needed and stored properly?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
3. Are areas swept regularly and is wash down by hosing prohibited unless wash water is contained?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
4. Are landscape clippings collected and disposed of properly?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
5. Are irrigation systems designed to prevent runoff?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
<input type="checkbox"/> Agricultural.					
1. Are pesticides and fertilizers used and stored properly?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
2. Are areas of exposed/disturbed soil properly managed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
3. Are irrigation systems designed to prevent runoff?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
4. Is maintenance performed in designated area?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
<input type="checkbox"/> Parking Lots.					
1. Are parking areas adequately maintained (minimal cracking, deterioration)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
2. Are parking areas kept free of trash and litter?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
3. Are parking areas swept or vacuumed regularly and is wash down prohibited unless wash water is contained and disposed of properly?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
4. Are parking areas kept relatively free of staining (oil, grease, etc.)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
<input type="checkbox"/> Erodible Surface Areas.					
1. Are areas of exposed/disturbed soil properly managed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
2. Do any landscaped areas require re-vegetation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
<input type="checkbox"/> Illicit Connections/Illegal Discharges.					
1. Are any illicit connections present?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
2. Is illegal dumping or uncontrolled spillage/discharge occurring?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		

* SATISFACTORY: BMPs (including source control BMPs) are used and are effective.
 NEEDS IMPROVEMENT: No BMPs used and storm water pollution likely/Some BMPs used but not effective/Structural BMPs necessary to improve pollution prevention. *Provide Comments Below*

NON-RESIDENTIAL STORM WATER INSPECTION (Cont.)

(Form #)

EXHIBIT

11-EX-55SW (NEW 7/2007)

Page 4 of 5

III. BMP ASSESSMENT

20. Observations/Comments: _____

Corrective Action/Due Date: _____

21. Observations/Comments: _____

Corrective Action/Due Date: _____

22. Observations/Comments: _____

Corrective Action/Due Date: _____

- IV. 23. NON-STORM WATER DISCHARGES:**
- None observed / no evidence of / no sources noted
 - Sources observed, but BMPs in place
 - Sources observed, no BMPs in place, but no discharge
 - Observed discharges / evidence of discharges / no BMPs

Report any observed illicit connections and illegal/unknown discharges to the District NPDES Storm Water Coordinator.

V. STORM WATER EDUCATION AND OUTREACH MATERIALS

24. DO EMPLOYEES RECEIVE GENERAL TRAINING FOR MANAGING RUNOFF FROM SITE?	<input type="checkbox"/> NO	<input type="checkbox"/> YES
DO EMPLOYEES RECEIVE SPECIFIC TRAINING FOR PREVENTING POLLUTION AND CONTROLLING RUNOFF FROM SITE (BMP IMPLEMENTATION)?	<input type="checkbox"/> NO	<input type="checkbox"/> YES
ARE TRAINING RECORDS AND EDUCATIONAL MATERIALS AVAILABLE FOR REVIEW?	<input type="checkbox"/> NO	<input type="checkbox"/> YES

VI. CONCLUSIONS

25. COMMENTS/RECOMMENDATIONS (Describe any non-storm water discharges, unsatisfactory conditions or work needed):

NON-RESIDENTIAL STORM WATER INSPECTION (Cont.)

(Form #)

EXHIBIT

11-EX-55SW (NEW 7/2007)

Page 5 of 5

26. CORRECTIVE ACTIONS

NONE CORRECT DEFICIENCIES NOTED ABOVE IN TIME FRAME INDICATED.

FACILITY BMP INFORMATION PROVIDED

FOLLOW-UP INSPECTION REQUIRED? NO YES

YES, WITHIN 30 DAYS AFTER _____ YES, TO BE SCHEDULED WITHIN NORMAL FREQUENCY

VII. INSPECTION INFORMATION

27. INSPECTOR NAME (Printed)	28. DATE OF INSPECTION	29. TIME OF INSPECTION
------------------------------	------------------------	------------------------

INSPECTOR SIGNATURE

30. REASON FOR INSPECTION: Initial Scheduled Follow-up Response to Complaint

NAME OF TENANT(S) ACCOMPANYING INSPECTOR 1. _____ 2. _____	SIGNATURE(S) - TENANT RECEIVED FORM 1. _____ 2. _____
--	---

NAME(S) OF OTHERS ACCOMPANYING INSPECTOR (IF ANY) 1. _____ 2. _____	SUPERVISOR'S REVIEW FORM REVIEWED BY: _____ DATE: _____ DISPOSITION: _____ _____
---	---

FIELD OBSERVATIONS
HELPFUL HINTS FOR STORM WATER INSPECTIONS

AREAS AND ACTIVITIES WITH POTENTIAL TO SPILL**HAZARDOUS FLUIDS***

- SPILL KITS AVAILABLE IF NEEDED
- SPILL RESPONSE AGENCY PHONE NUMBERS CLEARLY POSTED
- MATERIAL SAFETY DATA SHEETS AVAILABLE FOR PRODUCTS

VEHICLE OR EQUIPMENT FUELING*

- FUELING AREA COVERED OR SLOPED AWAY FROM DRAINS TO PREVENT RUN-ON/RUNOFF
- SPILLS OR LEAKS SPOT CLEANED AS NEEDED
- SPILL ABSORBENT AVAILABLE AND DISPOSED OF PROPERLY
- "NO TOPPING-OFF" SIGNS POSTED
- OVERFLOW PROTECTION AVAILABLE IF NEEDED
- EMPLOYEES TRAINED ON PROPER FUELING AND CLEANUP PROCEDURES
- GENERAL GOOD HOUSEKEEPING OBSERVED

VEHICLE OR EQUIPMENT WASHING/STEAM CLEANING*

- VEHICLES WASHED IN DESIGNATED AREA
- WASH AREA BERMED TO PREVENT DISCHARGES TO STORM DRAIN
- SAFER ALTERNATIVE PRODUCTS IN USE
- WASH WATER COLLECTED AND DISCHARGED TO SANITARY SEWER
- TRASH RECEPTACLES AVAILABLE TO PREVENT LITTER

VEHICLE OR EQUIPMENT MAINTENANCE AND REPAIR*

- VEHICLE MAINTENANCE AND REPAIR OCCURS INDOORS OR UNDER CANOPY
- DRIP PANS AVAILABLE
- MATERIAL STORAGE HANDLING AREAS ENCLOSED OR COVERED
- STAINS OR OTHER SIGNS OF POLLUTANTS NOT OBSERVED
- HAZARDOUS MATERIALS LABELED, COVERED AND CONTAINED (e.g., AUTO FLUIDS, PAINTS, SOLVENTS, GREASE)
- SPILLS OR LEAKS SPOT CLEANED AS NEEDED
- EMPLOYEES TRAINED ON PROPER CLEANUP AND DISPOSAL PROCEDURES
- GENERAL GOOD HOUSEKEEPING OBSERVED

OUTDOOR LOADING/UNLOADING OF MATERIALS

- MATERIAL LOADING/UNLOADING AREAS ENCLOSED OR COVERED
- LOADING AND UNLOADING CONDUCTED IN DRY WEATHER IF NOT COVERED
- LOADING AND UNLOADING AREA BERMED OR SLOPED TO CONTAIN SPILLAGE
- NO DISCHARGE TO STORM DRAIN
- DRIP PANS AVAILABLE TO CAPTURE LIQUID LEAKS

OUTDOOR STORAGE OF MATERIALS/PRODUCTS/EQUIPMENT

- HAZARDOUS MATERIALS LABELED, COVERED, AND CONTAINED*
- STOCKPILED MATERIALS COVERED
- NO SIGNS OF EXCESSIVE LEAKING FROM STORED EQUIPMENT
- DRIP PANS AVAILABLE TO CAPTURE EQUIPMENT LEAKS
- STORAGE AREA FREE OF LITTER
- GENERAL GOOD HOUSEKEEPING OBSERVED

WASTE HANDLING AND DISPOSAL

- RECYCLABLE MATERIALS BEING RECYCLED
- WASTE CONTAINERS COVERED TO PREVENT STORM WATER RUNOFF/RUN-ON
- DRIP PANS AVAILABLE TO CAPTURE GREASE WHEN TRANSFERRED
- AREA SWEEPED DOWN ON REGULAR BASIS
- AREA FREE OF STAINS OR OTHER SIGNS OF POLLUTANTS GOING INTO STORM DRAIN SYSTEM
- WASTE CONTAINERS IN GOOD CONDITION FREE FROM LEAKS
- GENERAL GOOD HOUSEKEEPING OBSERVED
- NO LITTERING SIGNS POSTED

BUILDING AND GROUNDS MAINTENANCE

- VEGETATION LEFT IN PLACE WHERE POSSIBLE
- SOIL EROSION NOT OBSERVED
- GROUNDS FREE OF LITTER
- PAVED AREAS SWEEPED DOWN AND NOT HOSED OFF
- SAFER ALTERNATIVE PRODUCTS IN USE
- TRASH RECEPTACLES AVAILABLE TO PREVENT LITTER
- MINIMAL USE OF PESTICIDES AND FERTILIZERS

PARK AND LANDSCAPE MAINTENANCE

- SOIL EROSION NOT OBSERVED
- GROUNDS FREE OF LITTER
- PAVED AREAS SWEEPED DOWN AND NOT HOSED OFF
- IRRIGATION SYSTEMS DESIGNED TO PREVENT RUNOFF
- USE OF PESTICIDES AND FERTILIZERS ONLY AS NEEDED

AGRICULTURAL

- VEGETATION LEFT IN PLACE WHERE POSSIBLE
- VEGETATION LEFT IN PLACE DURING FALLOW YEARS
- SOIL EROSION MINIMIZED
- USE OF PESTICIDES AND FERTILIZERS ONLY WHEN REQUIRED
- ANIMAL WASTE MANAGEMENT PROGRAM IN USE
- IRRIGATION SYSTEMS DESIGNED TO PREVENT RUNOFF

PARKING LOTS

- PAVED AREAS SWEEPED DOWN AND NOT HOSED OFF
- TRASH RECEPTACLES AVAILABLE TO PREVENT LITTER
- SPILLS OR LEAKS SPOT CLEANED AS NEEDED

ERODIBLE SURFACE AREAS

- PRESERVE NATURAL VEGETATION
- VEGETATION LEFT IN PLACE WHERE POSSIBLE
- SOIL EROSION NOT OBSERVED
- CHEMICAL STABILIZATION OR GEOSYNTHETICS IN USE ON BARE GROUND
- PAVED AREAS SWEEPED REGULARLY

ILLICIT CONNECTIONS/ILLEGAL DISCHARGES

- SIGNS OF ILLICIT CONNECTIONS TO STORM WATER CONVEYANCE SYSTEM(S)
- SIGNS OF ILLEGAL/UNKNOWN DISCHARGE OBSERVED GOING FROM THE LEASE PREMISES ONTO ADJACENT PROPERTY OR INTO THE STREET
- SIGNS OF ILLEGAL/OR UNKNOWN DISCHARGE OBSERVED COMING FROM ADJACENT PROPERTY ONTO THE LEASE PREMISES
- STAINED PAVEMENT IN AREAS NEAR OR SURROUNDING CATCH BASIN OR STORM WATER OUTFALL

EMPLOYEE STORM WATER MANAGEMENT TRAINING

- ACTIVITY APPLICABLE BMP TIP SHEETS POSTED
- TRAINING RECORDS AVAILABLE FOR REVIEW
- EMPLOYEES OBSERVED CONDUCTING WORK CONSISTENT WITH BMPs

*IF SUCH ACTIVITIES OR MATERIALS ARE PERMITTED IN THE LEASE.

STATE OF CALIFORNIA • DEPARTMENT OF TRANSPORTATION
**RESIDENTIAL PROPERTY OCCUPANCY
 AND VACANCY INSPECTIONS**
 (Form #)

CONFIDENTIAL
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EXHIBIT
 11-EX-56 (REV 11/2016)
 Page 1 of 2

We would like to welcome you as a new resident in our rental property. This RESIDENTIAL PROPERTY OCCUPANCY AND VACANCY INSPECTIONS form is for your protection, as well as the Department's. When the form has been completed, you will be asked to sign to acknowledge the condition of the property, and you will be given a copy. The original will be retained in the Department's files and will be used when you vacate to document the condition of the premises at that time. Semiannual inspections will also be conducted to assess the condition of the property during your occupancy so we can ascertain any deficiencies and maintain the property in a habitable condition. You should be aware that under California Civil Code Section 190.5, your deposit money is refundable only to the extent not used for cleaning, damage, or back rent.

MOVE IN

TENANT	ADDRESS & UNIT	ACCOUNT NO.	MOVE-IN DATE
		PETS: No. Kind	

ITEMS	CONDITION		COMMENTS on Unsatisfactory
	Satisfactory	Unsatisfactory	
EXTERIOR			
Walls & Windows			
Stairs & Porches			
Roof, Gutters & Downspouts			
Screens & Vents			
Garage, Garage Door & Driveway			
Paint*			
Other			
YARD			
Landscaping & Fencing			
Other			
INTERIOR			
Kitchen			
Walls & Ceilings			
Flooring & Baseboards			
Doors & Locks			
Fixtures & Appliances			
Electrical & Lighting			
Living, Dining & Family Rooms			
Walls & Ceilings			
Flooring & Baseboards			
Doors & Locks			
Electrical & Lighting			
Bedrooms			
Walls & Ceilings			
Flooring & Baseboards			
Doors & Locks			
Electrical & Lighting			
Bathrooms			
Walls & Ceilings			
Flooring & Baseboards			
Electrical & Lighting			
Fixtures			
Toilet & Shower			
Smoke Alarms Operable			
Heating & Thermostats			
Paint*			
Other			

*If peeling/chipped paint indicated – ACTION REQUIRED see supervisor

INDICATION: RODENT **PEST** **CONTROL NEEDED: YES** **NO**

I hereby acknowledge that the above is an accurate statement of the condition of the unit at the time of my taking occupancy. I further understand that I shall be required to deliver the unit in the same condition at the termination of my tenancy or to pay for any costs incurred by the Department to restore the unit to its condition at the time I took possession of the unit, normal wear and tear excepted.

Tenant(s) _____ Date _____

Move-in Inspection Performed by _____ Date _____

**RESIDENTIAL PROPERTY OCCUPANCY
AND VACANCY INSPECTIONS (Cont.)**
(Form #)

EXHIBIT
11-EX-56 (REV 11/2016)
Page 2 of 2

MOVE OUT

TENANT	ADDRESS & UNIT		ACCOUNT NO.		MOVE-OUT DATE
			PETS: No.	Kind	
ITEMS	CONDITION		COMMENTS on Unsatisfactory		
	Satisfactory	Unsatisfactory			
EXTERIOR					
Walls & Windows					
Stairs & Porches					
Roof, Gutters & Downspouts					
Screens & Vents					
Garage, Garage Door & Driveway					
Paint*					
Other					
YARD					
Landscaping & Fencing					
Other					
INTERIOR					
Kitchen					
Walls & Ceilings					
Flooring & Baseboards					
Doors & Locks					
Fixtures & Appliances					
Electrical & Lighting					
Living, Dining & Family Rooms					
Walls & Ceilings					
Flooring & Baseboards					
Doors & Locks					
Electrical & Lighting					
Bedrooms					
Walls & Ceilings					
Flooring & Baseboards					
Doors & Locks					
Electrical & Lighting					
Bathrooms					
Walls & Ceilings					
Flooring & Baseboards					
Electrical & Lighting					
Fixtures					
Toilet & Shower					
Smoke Alarms Operable					
Heating & Thermostats					
Paint*					
Other					

*If peeling/chipped paint indicated – ACTION REQUIRED see supervisor

INDICATION: RODENT **PEST** **CONTROL NEEDED: YES** **NO**

I hereby acknowledge that the above is an accurate statement of the condition of the unit at the time of my vacating occupancy. I further understand that I shall be required to deliver the unit in the same condition at the termination of my tenancy or to pay for any costs incurred by the Department to restore the unit to its condition at the time I took possession of the unit, normal wear and tear excepted.

Tenant(s) _____ Date _____

Move-out Inspection Performed by _____ Date _____

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.

MEMORANDUM OF UNDERSTANDING FOR UTILIZING STATE-OWNED PROPERTY

(Form #)

M e m o r a n d u m

*Serious drought.
Help save water!*

To: _____
Name

Date: _____

Title (Deputy District Director)

Tenancy No: _____

Division

From: _____
Name

Right of Way Title

Subject: MEMORANDUM OF UNDERSTANDING AND AGREEMENT BETWEEN D- [] RIGHT OF WAY REAL PROPERTY SERVICES AND (DIVISION NAME) TO UTILIZE STATE-OWNED LAND AND BUILDINGS PURCHASED FOR FREEWAY/HIGHWAY PROJECTS

It is understood and agreed that Employee's Name, Title (Telephone Number) of Division Name will be utilizing State-owned land and/or building(s) purchased for freeway/highway projects located at (address, EA, county, route & PM) effective _____.

It is agreed that prior to Division Name taking possession of the subject land/building, D- [] Right of Way Real Property Services will conduct an inspection of the premises. A Division Name representative may accompany the Real Property Services Agent on this inspection if they wish to be present.

It is understood and agreed that Division Name will be responsible for maintenance, utilities, cost of repairs and general upkeep of the State-owned land and/or building(s) from the effective date of tenancy in possession through the date of vacating the subject parcel/building.

It will be the responsibility of Employee's Name from Division Name to notify District [] Right of Way Real Property Services a minimum of 60 days in advance of vacating the subject land/building.

It is agreed that District [] Right of Way Real Property Services will conduct an on-site inspection of the subject land/building prior to Division Name vacating the subject parcel/building.

RESIDENTIAL RENTAL AGREEMENT

(Form #)

CONFIDENTIAL
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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)

Page 2 of 11

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/> <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/> <p style="text-align: center;">Address</p>
--	---

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)

Page 5 of 11

- 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.
-

RESIDENTIAL RENTAL AGREEMENT (Cont.)

(Form #)

EXHIBIT

11-EX-A (REV 6/2013)

Page 7 of 11

- 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)

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)

Page 9 of 11

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)

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 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)

Page 9 of 13

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)

Page 12 of 13

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)

Page 3 of 4

- 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.

RENTAL AGREEMENT AMENDMENT

(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-E (NEW 7/2005)

RENTAL AGREEMENT AMENDMENT

DISTRICT AND TENANCY NUMBER: __-____-____-__

THIS RENTAL AGREEMENT AMENDMENT is made this _____ day of _____, _____, at _____, California, between the landlord, the State of California, Department of Transportation (Department), and the undersigned (Tenant).

WITNESSETH

WHEREAS, Department and Tenant did on the _____ day of _____, _____, enter into that certain Rental Agreement identified as Tenancy No. _____, covering property described in said Rental Agreement, the term of which continues on a month-to-month basis.

NOW, THEREFORE, it is hereby mutually understood and agreed by and between the Department and the Tenant that the Rental Agreement referred to above shall be amended to reflect a rental rate increase from \$_____ to \$_____ per month, effective _____, _____.

FURTHERMORE, the first paragraph of said Rental Agreement is hereby modified as follows:

“...and thereafter at the rate of \$_____ a month, payable monthly in advance on the first day of each month beginning _____, _____.”

All other terms and conditions of said Rental Agreement and subsequent amendments thereto shall remain unchanged.

IN WITNESS WHEREOF, the parties hereto have executed this Rental Agreement Amendment the day and year first above written.

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

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RENTAL OFFSET AGREEMENT

(Form #)

CONFIDENTIAL

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EXHIBIT

11-EX-F (NEW 7/2005)

RENTAL OFFSET AGREEMENT

DISTRICT AND TENANCY NUMBER: __-____-____-__

THIS RENTAL OFFSET AGREEMENT is made this _____ day of _____, _____, at _____, California, between the landlord, the State of California, Department of Transportation (Department), and the undersigned (Tenant).

It is understood and agreed upon that in consideration of a rental offset (credit), an amount not to exceed \$_____, Tenant agrees to:

(give a detailed description of the work to be performed)

If offset amount is not based on a firm written bid, Tenant shall secure PAID bills covering the work specified above. Tenant shall furnish the Department, by mail or in person, said PAID bills. The offset will only be allowed for the actual amount of the PAID bills.

It is further agreed upon, that said work will be completed and PAID bills furnished to the Department no later than _____(date). The rental offset will not be granted until the Tenant completes the work and the Department approves the completed work.

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

INSPECTED AND APPROVED

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

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

Date: _____

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.

LEASE RENEWAL

(Form #)

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

11-EX-G (NEW 7/2005)

LEASE RENEWAL

Dist., Co., Rte., P.M.
Account No. _____

THIS LEASE RENEWAL made this _____ day of _____, _____, at _____, California, by and between the State of California, Department of Transportation, Lessor, and _____, Lessee, of _____.

WITNESSETH

WHEREAS, Lessor and Lessee did on the _____ day of _____, _____, enter into that certain lease agreement identified as Account _____, covering land in the County of _____, State of California, commonly known as _____ (Street address, or geographic description), as more particularly described in said lease, the term of which lease expires on the _____ day of _____, _____, and

WHEREAS, it is mutually desired and agreed to extend the lease for a further period of time,

NOW, THEREFORE, it is hereby mutually agreed to extend the term of said Lease for a period of _____ years commencing on the _____ day of _____, _____, and ending on the _____ day of _____, _____, under the same terms, covenants and conditions contained in said Lease, except as modified by this instrument which said terms, covenants, and conditions are by this reference incorporated herein.

Sample Modifications

- I. Paragraph 1, on Page 2, is hereby modified that the rental due for the term of the extension granted herein shall be at the rate of \$500 per month.
- II. Paragraph 4, on Page 3, is hereby modified to the extent that cancellation and termination by either party during the term of the extension granted herein shall be in writing at least sixty (60) days next prior.

All other terms and conditions remain unchanged.

IN WITNESS WHEREOF, the parties hereto have executed this Lease Renewal the day and year first above written.

By: _____
(Title)

By: _____
(Title) (Lessee)

("Recommendations and Approval" to be Placed on Archive copy only--see Exhibit 11-EX-13.)

**STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION**

(Title) (Lessor)

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ASSIGNMENT OF LEASE

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11-EX-H (NEW 7/2005)

(Where State Is Lessor)

(Form #)

ASSIGNMENT OF LEASE

FOR VALUE RECEIVED, the undersigned _____, lessee, does hereby sell, transfer and assign unto _____ all his right, title and interest in and to that certain lease number _____ made and entered into on the _____ day of _____, _____, by and between the State of California, Department of Transportation, as lessor, and _____, as lessee, covering that certain real property located at _____, in the City of _____, County of _____, State of California.

FURTHER, said lessee does hereby sell, transfer and assign to _____ all right, title and interest in and to that certain sum of _____ dollars (\$_____) deposited by said lessee with the State of California, Department of Transportation, in accordance with the terms and conditions of that certain lease hereinabove referred to.

Dated: _____, _____.

Lessee and Assignor

ASSUMPTION OF LEASE *

FOR VALUE RECEIVED, the undersigned _____ (person assuming the Lease) accepts the foregoing assignment of that certain lease number _____ made and entered into on the _____ day of _____, _____, by and between the State of California, Department of Transportation, as lessor, and _____, as lessee, covering that certain real property located at _____, in the City of _____, County of _____, State of California, and such acceptance hereby irrevocably binds Assignee, heirs and personal representatives to the faithful performance of all of the terms and conditions of that certain lease hereinabove referred to, and _____ hereby expressly assume all of the covenants, terms and conditions thereof.

Dated: _____, _____.

Assignee of Lease

CONSENT TO ASSIGNMENT OF LEASE *

The State of California, Department of Transportation, does hereby consent to the assignment to of that certain lease number _____ made and entered into on the _____ day of _____, _____, by and between the State of California, Department of Transportation, as lessor, and _____, as lessee, covering that certain real property located at _____, in the City of _____, County of _____, State of California.

**STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION**

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CANCELLATION OF LEASE

(Form #)

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11-EX-I (NEW 7/2005)

CANCELLATION OF LEASE

WHEREAS, the parties hereto entered into a lease on _____ covering that certain _____, in the City of _____, County of _____, State of California, described as:

for the term of one year commencing _____, _____, and ending _____, _____; and

WHEREAS, it is now mutually desired to cancel said lease, said cancellation to be effective as of _____, _____:

NOW, THEREFORE, said lease is hereby canceled and terminated and each party is hereby released from any and all obligations thereunder.

Dated: _____, _____.

**STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION**

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EMPLOYEE HOUSING RENTAL AGREEMENT

(Form #)

PERSONAL INFORMATION NOTICE

Pursuant to the Federal Privacy Act (P.L. 93-579) and the Information Practices Act of 1977 (Civil Code Section 1798, et seq.), notice is hereby given for the request of personal information by this form. The requested personal information is voluntary. The principal purpose of the voluntary information is to facilitate the processing of this form. The failure to provide all or any part of the requested information may delay processing of this form. No disclosure of personal information will be made unless permissible under Article 6, Section 1798.24 of the IPA of 1977. Each individual has the right, upon request and proper identification, to inspect all personal information in any record maintained on the individual by an identifying particular. Direct any inquiries on information maintenance to your IPA Officer.

EMPLOYEE HOUSING RENTAL AGREEMENT

This rental agreement is made this _____ day of _____, _____, by and between the State of California, Department of Transportation (Department), and _____ (Tenant), an employee of the Department, for the rental of property described as:

at a rental of \$_____ for the period from _____ to _____, inclusive, and thereafter at a rental of \$_____ a month, payable monthly in arrears by payroll deduction. In consideration for the payment of the rent specified above, the Department hereby rents the property to Tenant on the following covenants, terms, and conditions:

- 1) **TERM:** Rental of the property is on a month-to-month basis, and Tenant agrees to pay rent to the Department by monthly salary deduction.
- 2) **UTILITIES:** Tenant shall pay promptly when due all utility bills that are the responsibility of the employee and shall hold the Department harmless therefrom. In the event property is on a common utility system, the monthly charges will be in accordance with the Department of Personnel Administration, Rule 599.642. (Found in California Code of Regulations.) Said charges will be added to the monthly rent and are in addition to the monthly rental rate.

Tenant shall contact utility providers to request that utility service be established in Tenant's name by _____, _____(Date).

- 3) **USE:** Tenant shall use the property for residential purposes only. Tenant shall not let or sublet the whole or any portion of the property, assign this tenancy to a third party, conduct any commercial business, or make or suffer any alterations in or on property without first obtaining the written consent of the Department.
- 4) **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 a thirty-day (30-day) or sixty-day (60-day) notice prior to the effective date of the termination. The Tenant shall give the Department notice in compliance with California Civil Code, Section 1941.1(b). Upon notice to vacate, Tenant agrees to leave the property in as good condition as existed on the day possession of the property was taken, allowing for ordinary and normal usage during occupancy; and shall reimburse the Department for any damage done to property, caused by Tenant's occupation or tenancy, other than that due to normal use.

EMPLOYEE HOUSING RENTAL AGREEMENT (Cont.)

(Form #)

EXHIBIT

11-EX-J (REV 7/2007)

Page 2 of 4

5) MAINTENANCE:

- a) Tenant shall keep the interior and exterior of the property in a neat, clean, and orderly condition at all times during occupancy including mowing and watering of lawns and trimming and watering of shrubs, and shall not permit rubbish, tin cans, garbage, etc., to accumulate at any time and shall comply with all State laws and local ordinances concerning property and the use thereof. Necessary yard tools will be furnished by the Tenant.
- b) Normal and emergency maintenance and repair of septic tanks, plumbing, roofs, gas and water facilities, electric fixtures, and other major structural items will be the responsibility of the Department. The Department will also be responsible for painting when required and deemed necessary by the Department.
- c) Repair of damage resulting from Tenant neglect, such as broken windows, doors or other fixtures, will be the responsibility of the Tenant. In addition, Tenant will be responsible for minor repairs, the replacement of minor items such as light bulbs and faucet washers and unnecessary painting or alterations done for Tenant's own benefit. All alterations must have the prior written approval of the Department.
- d) Maintenance, repairs and inspection of protective devices such as smoke alarms, burglar alarms, etc., installed on the rented property are the Tenant's responsibility and the Department assumes no responsibility for the functioning of said devices.

6) PETS: It will be Tenant's responsibility to see that pets do not disturb the inhabitants of adjacent residences, especially during nighttime hours. Pets will be confined and not allowed to run free. Tenant will be responsible for all damage caused by pets. Approved pets are: _____.

7) PREVIOUS AGREEMENTS: Any existing lease or rental agreements between Tenant and the Department covering this property are terminated as of the effective date of this rental agreement.

8) INSURANCE: The Department will not keep the property insured against fire, or any other insurable risk.

9) POSSESSORY INTEREST TAX: The Tenant's interest is subject to a possessory interest tax that the City or County may impose. Any tax payment shall not reduce any rent due the Department hereunder and shall be the responsibility of the Tenant.

10) 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.

11) 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 the Tenant at the above-stated and to Department at:

Department of Transportation

_____ (Name)

_____ (Address)

_____ (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. The Department shall also be able to serve notices by posting and subsequent mailing to the Tenant.

EMPLOYEE HOUSING RENTAL AGREEMENT (Cont.)

(Form #)

EXHIBIT

11-EX-J (REV 7/2007)

Page 3 of 4

12) RIGHT OF ENTRY: Tenant shall permit the Department or its authorized agent to enter into and upon the property at reasonable times for the following purposes: routine inspection, maintaining the property, installing protective or conservation devices and for the purpose of showing the property to prospective purchasers or tenants. The Department will give Tenant a twenty-four hour (24-hour) notice for above-mentioned entry.

13) 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 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 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 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.

14) WATER POLLUTION CONTROL: Tenant shall not allow 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 Stormwater Pollution Prevention 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.

EMPLOYEE HOUSING RENTAL AGREEMENT (Cont.)

(Form #)

EXHIBIT

11-EX-J (REV 7/2007)

Page 4 of 4

15) 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.

16) 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.

17) AMENDMENT: 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.

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

**STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION**

TENANT(S)

By _____

SS# _____

SS# _____

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