

PROPERTY MANAGEMENT AGREEMENT
(California Tower Building, 3737 Main Street)

This PROPERTY MANAGEMENT AGREEMENT (this "**Agreement**") is dated as of this ____ day of _____, 2025 (the "**Effective Date**"), between the CITY OF RIVERSIDE AS THE SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF RIVERSIDE (the "**Successor Agency**"), a public entity, and REALICORE LLC, a California limited liability company, doing business as REALICORE REAL ESTATE GROUP (the "**Property Manager**").

The Successor Agency currently owns that certain real property and improvements located at 3737 Main Street, Riverside, California 92501, commonly known as the California Tower Building and as more particularly described in Exhibit "A" attached hereto and incorporated herein (the "**Property**"). The Successor Agency desires to engage the Property Manager to manage, lease, operate, and maintain the ground floor retail and office space of the Property (the "**Ground Floor**").

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. **COMMENCEMENT AND TERMINATION OF THIS AGREEMENT.**

1.1. Commencement and Termination. The Property Manager's duties and responsibilities under this Agreement shall begin on the Effective Date and shall continue for an initial term of one (1) year, unless earlier terminated as provided in Section 10. The term of this Agreement may be extended, upon mutual written consent of the parties, for four (4) additional one-year periods not to exceed a total of five (5) years.

2. **PROPERTY MANAGER'S RESPONSIBILITIES.**

2.1. Status of the Property Manager. The Successor Agency and the Property Manager do not intend to form a joint venture, partnership or similar relationship. Instead, the parties intend that the Property Manager shall act solely in the capacity of an independent contractor for the Successor Agency. Nothing in this Agreement shall cause the Property Manager and the Successor Agency to be joint venturers or partners and neither shall have the power to bind or obligate the other party by virtue of this Agreement, except as expressly provided in this Agreement. Nothing in this Agreement shall deprive or otherwise affect the right of either party to own, invest in, manage, or operate, or to conduct business activities which compete with, the Ground Floor.

2.2. Property Management. The Property Manager shall manage, lease, operate, and maintain the Ground Floor in an efficient, economic, and satisfactory manner and shall manage the performance of everything reasonably necessary for the proper operation of the Ground Floor for the Successor Agency's tenants thereof, subject to (a) applicable governmental requirements and (b) the terms and provisions of this Agreement, and in accordance with the Approved Budget (as defined below). At the expense of the Successor Agency, the Property Manager shall keep the Ground Floor clean and in good repair, shall order and supervise the completion of such repairs as may be required and shall generally do and perform, or cause to be

done or performed, all things necessary, required or desirable for the proper and efficient management, leasing, operation, and maintenance of the Ground Floor, provided the Successor Agency, in a manner reasonably satisfactory to the Property Manager, makes available to the Property Manager sufficient sums to pay the costs thereof. The Property Manager shall perform all services in a diligent and professional manner and in accordance with the Approved Budget.

2.3. Employees/Independent Contractors of the Property Manager. The Property Manager shall employ, directly or through third party contractors (for example, an employee leasing company or on-site property manager), at all times, a sufficient number of capable employees and/or independent contractors to enable the Property Manager to properly, adequately, safely and economically manage, lease, operate, and maintain the Ground Floor. All matters pertaining to the supervision of such employees shall be the responsibility of the Property Manager. All salaries and benefits and the positions of employees of the Property Manager who perform work in connection with the Ground Floor shall be in accordance with the Approved Budget (as defined in Section 2.5).

2.4. Compliance with Laws and Other Matters

2.4.1. The Property Manager shall make reasonable efforts to comply with, and cause the Ground Floor to be in compliance with, any deed of trust, mortgage or other loan documents evidencing loans secured by the Property as have been provided to Property Manager (the "Loan Documents"), and all applicable governmental requirements related to the performance of its duties hereunder, ordinances, rules, regulations, and requirements. The Property Manager may implement such procedures with respect to the Ground Floor as the Property Manager may deem advisable for the more efficient and economic management and operation thereof. The Property Manager shall pay from the Operating Account (defined in Section 6.2) expenses incurred to remedy violations of laws; provided, if such expenses cause the Ground Floor expenses to exceed the Approved Budget, the Property Manager shall obtain the Successor Agency's consent prior to paying such expenses. However, the Property Manager shall not be obligated to remedy violations of law if sufficient funds are not available in the Operating Account or if the Successor Agency does not provide sufficient additional funds to do so.

2.4.2. The Property Manager shall furnish the Successor Agency, promptly after receipt, any notice of violation of any governmental requirement or order issued by any governmental entity, any notice of default from the holder of any mortgage or deed of trust encumbering the Ground Floor, or any notice of termination or cancellation of any insurance policy.

2.5. Budget and Operating Plan.

2.5.1. Approved Budget: The Property Manager will prepare and submit to the Successor Agency an initial capital and operating budget for the management, leasing, operation, maintenance, including any repairs and improvements, of the Ground Floor for the initial term of this Agreement. The Budget shall be presented on a monthly, accrual basis. The Budget shall also be subject to the approval of the Successor Agency; however, until the Successor Agency approves any new Budget, the then-current Budget shall remain in effect. The

capitalized term "Budget" used herein shall refer to the most recent budget prepared by the Property Manager and approved by the Successor Agency (the "**Approved Budget**"). The Property Manager shall provide the Successor Agency with such information regarding the Budget as may be, from time to time, reasonably requested by the Successor Agency. The Property Manager may at any time submit a revised budget to the Successor Agency, which shall become effective only after the Successor Agency's approval.

2.5.2. The Property Manager shall charge all expenses to the proper account as specified in the Approved Budget, provided that the Property Manager may reallocate savings from one line item to other line items, for the benefit of the Successor Agency.

2.5.3. Approved Operating Plan. Together with the submission of the Budget, the Property Manager shall submit to the Successor Agency an operating plan for the general operation of the Ground Floor, including a proposed list of repairs and improvements needed for the Ground Floor and plan for the general management, leasing, operation, and maintenance of the Ground Floor for the initial term of this Agreement. The Operating Plan shall be subject to the Successor Agency's approval, and the capitalized term "Operating Plan" used herein shall refer to the most recent Operating Plan prepared by the Property Manager and approved by the Successor Agency (the "**Approved Operating Plan**"). The Property Manager may submit a revised Operating Plan to the Successor Agency at any time which shall become effective only after the Successor Agency's approval.

2.5.4. The Property Manager shall at all times operate the Ground Floor in accordance with the Approved Budget and the Approved Operating Plan.

2.6. Collection of Rents and Other Income. The Property Manager shall bill all the tenants and shall make reasonable efforts to collect all the monthly rent payments and other charges, including any possessory interest taxes due and payable from any tenant or from others for services provided in connection with the Ground Floor. The Property Manager shall deposit all monies so collected in the Operating Account unless directed otherwise by the Successor Agency.

2.7. Repairs and Maintenance. The Property Manager shall maintain the building structure, appurtenances and grounds of the Ground Floor, other than areas which are the responsibility of the tenants, including, without limitation, all repairs, cleaning, painting, decorations and alterations, for example electrical, plumbing, carpentry, masonry, and such other routine repairs as are necessary or reasonably appropriate in the course of maintaining the Ground Floor (subject to the limitations of this Agreement). The Property Manager shall pay actual and reasonable expenses for materials and labor for such purposes from the Operating Account and in accordance with the Approved Budget provided that any single expenditure (i) in excess of \$25,000 must be supported by obtaining a minimum of three (3) written bids; (ii) between \$2,500 and \$25,000 must be supported by obtaining a minimum of two (2) written bids; and (iii) approved by the Successor Agency. The Property Manager shall take reasonable precautions against fire, vandalism, burglary, and trespass to the Ground Floor.

2.8. Prevailing Wage. Pursuant to Section 1771 of the California Labor Code, the Property Manager and all vendors are required to pay the general prevailing rates of per diem

wages, overtime and holiday wages as determined by the Director of the Department of Industrial Relations and implemented by Resolution No. 13346 of the City Council of the City of Riverside. The Director's determination of prevailing wage rates is available on-line at www.dir.ca.gov/dlsr/DPreWageDetermination.htm, and is referred to and made a part hereof as though fully set forth herein. Per Senate Bill 854 (2014), the Property Manager and all vendors shall register with the Department of Industrial Relations in order to bid and perform public works projects. The Property Manager and all vendors on all public works projects shall submit electronic certified payrolls to the Labor Commissioner and the City unless excused from this requirement. The Property Manager is aware of and stipulates that the Property Manager will also comply with the following sections of the California Labor Code:

- a. Section 1775 prescribing sanctions for failure to pay prevailing wage rates;
- b. Section 1776 requiring the making, keeping and disclosing of detailed payroll records and prescribing sanctions for failure to do so;
- c. Section 1777.5 prescribing the terms and conditions for employing registered apprentices;
- d. Section 1810 providing that eight hours of labor shall be a day's work;
- e. Section 1813 prescribing sanctions for violations of the provisions concerning eight-hour workdays and forty-hour work weeks; and
- f. Sections 1725.5 and 1771.1 requiring all general contractors and subcontractors to be registered with DIR. Registration can be accomplished through the DIR website by using this link: <http://www.dir.ca.gov/Public-Works/PublicWorks.html>.

2.9. Capital Expenditures. The Property Manager shall not make any capital expenditures without first obtaining written consent from the Successor Agency.

2.10. Service Contracts, Supplies and Equipment.

2.10.1. The Property Manager may enter into or renew any customary contract for cleaning, maintenance, repairing or servicing the Ground Floor or any of the constituent parts of the Ground Floor (including contracts for security or other protection, extermination, landscaping, architects or engineering services) contemplated by the Approved Budget and the Approved Operating Plan with any unrelated third party with the prior written consent of the Successor Agency; provided such contracts are terminable on thirty days' notice and are on terms reasonable in the local market. Each such service contract shall be in the name of the Property Manager, as an agent of the Successor Agency, and be assignable to the transferee of the Successor Agency.

2.10.2. If this Agreement terminates pursuant to Section 10, the Property Manager, at the option of the Successor Agency, shall assign to the nominee of the Successor

Agency all the Property Manager's interest in the service agreements pertaining to the Ground Floor.

2.10.3. At the expense of the Successor Agency and in accordance with the Approved Budget, the Property Manager shall purchase, provide, and pay for all needed janitorial and maintenance supplies, tools and equipment, restroom and toilet supplies, light bulbs, paints, and similar supplies necessary for the efficient and economical operation and maintenance of the Ground Floor, including outdoor furniture. Such supplies and equipment shall be the property of the Successor Agency. All such supplies, tools, and equipment shall be delivered to and stored within the Ground Floor of the Property and shall be tracked and used only in connection with the management, leasing, operation, and maintenance of the Ground Floor (the "**Successor Agency's Assets**"). An ongoing tracking list of the Successor Agency's Assets must be included in the monthly report for the Successor Agency in Microsoft Excel format.

2.10.4. The Property Manager shall make reasonable efforts to purchase all goods, supplies or services at the lowest cost reasonably available from reputable sources in the metropolitan area where the Ground Floor is located. In making any contract or purchase, the Property Manager shall make reasonable efforts to obtain favorable discounts for the Successor Agency and all discounts, rebates or commissions under any contract or purchase order made hereunder shall inure to the benefit of the Successor Agency. The Property Manager shall make payments under any such contract or purchase order to enable the Successor Agency to take advantage of any such discount if the Successor Agency provides sufficient funds therefor.

2.11. Taxes and Mortgages. The Property Manager, unless otherwise requested, shall obtain and verify bills for real estate and personal property taxes, general and special real property assessments including possessory interest taxes and other like charges (collectively "**Taxes**") which are, or may become, liens against the Property. The Property Manager may appeal such Taxes with the Successor Agency's prior written consent. The Property Manager shall report any such Taxes to the Successor Agency that materially exceed the amounts contemplated by the Approved Budget prior to the Property Manager's payment thereof. The Property Manager, if requested by the Successor Agency, will cooperate to prepare an application for correction of the assessed valuation to be filed with the appropriate governmental agency. The Property Manager shall pay, within the time required to obtain discounts, from funds provided by the Successor Agency or from the Operating Account, all utilities, Taxes and payments due under each lease, mortgage, deed of trust or other security instrument, if any, affecting the Ground Floor. To the extent such payments are in accordance with the Approved Budget and the Approved Operating Plan (as either may be revised from time to time), the Property Manager may make any such payments without the approval of the Successor Agency.

2.12. Tenant Relations and Compliance. The Property Manager will use its best efforts to develop and maintain good relations with the tenants of the Ground Floor. At all times during the term hereof, the Property Manager shall use its best efforts to retain existing tenants in the Ground Floor. The Property Manager shall make reasonable efforts to secure compliance by the tenants with the terms and conditions of their respective leases.

2.13. Miscellaneous Duties. The Property Manager shall (a) maintain at the Property Manager's office address as set forth in Section 12.1 and readily accessible to the Successor Agency, or at one of the Property Manager's centralized accounting locations, orderly files containing rent records, insurance policies, leases and subleases, correspondence, receipted bills and vouchers, bank statements, canceled checks, deposit slips, debit and credit memos, and all other documents and papers pertaining to the Ground Floor or the operation thereof; (b) provide information about the Ground Floor necessary for the preparation and filing by the Successor Agency of income or other tax returns required by any governmental authority, including annual statements, annual audits, and other information reasonably requested by the Successor Agency; (c) consider and record tenant service requests in systematic fashion showing the action taken with respect to each, and thoroughly investigate and report to the Successor Agency in a timely fashion with appropriate recommendations all complaints of a nature which might have a material adverse effect on the Ground Floor or the Approved Budget; (d) supervise the moving in and out of tenants and subtenants; arrange, to the extent possible, the dates thereof to minimize disturbance to the operation of the Ground Floor and inconvenience to other tenants or subtenants; and render an inspection report, an assessment for damages and a recommendation on the disposition of any deposit held as security for the performance by the tenant under its lease with respect to each premises vacated; (e) check all bills received for the services, work and supplies ordered in connection with maintaining and operating the Ground Floor and, except as otherwise provided in this Agreement, pay such bills when due and payable and in accordance with the Approved Budget; and (f) not permit the use of the Ground Floor for any purpose that might void any policy of insurance held by the Successor Agency or which might render any loss thereunder uncollectible. All such records are the property of the Successor Agency and will be delivered to the Successor Agency upon request.

2.14. Right to Subcontract Property Management Functions. The Property Manager reserves the right, subject to the Successor Agency's approval, to subcontract some or all the property management functions described herein to local property managers and certain other parties. However, except as expressly provided herein, the fees to be paid to the Property Manager under this Agreement are inclusive of fees payable to such third parties.

2.15. Out of Scope Work. Out of Scope Work is defined as any work not specifically outlined in this Agreement and is as further described in Exhibit "B", attached hereto and incorporated herein by reference. The Property Manager shall only perform this work at the request of the Successor Agency and will only be compensated for Out of Scope Work by separate written agreement with the Successor Agency.

3. INSURANCE.

3.1. Workers' Compensation Insurance. By executing this Agreement, the Property Manager certifies that the Property Manager is aware of and will comply with Section 3700 of the Labor Code of the State of California requiring every employer to be insured against liability for workers' compensation or to undertake self-insurance before commencing any of the work. The Property Manager shall carry the insurance or provide for self-insurance required by California law to protect said the Property Manager from claims under the Workers' Compensation Act.

Prior to the Successor Agency's execution of this Agreement, the Property Manager shall file with the Successor Agency either (1) a certificate of insurance or self-insurance evidencing that such insurance is in effect, or that the Property Manager is self-insured for such coverage; or (2) a certified statement that the Property Manager has no employees, and acknowledging that if the Property Manager does employ any person, the necessary certificate of insurance will immediately be filed with the City.

Contractor's workers' compensation carrier shall be authorized to transact insurance business in the State of California with a policy holder's rating of "A-" or higher and a Financial Class VII or larger.

3.2. Commercial General Liability and Automobile Liability Insurance. Prior to the Successor Agency's execution of this Agreement, the Property Manager shall secure, and shall thereafter maintain until termination of this Agreement, such commercial general and automobile liability insurance as shall protect the Property Manager from claims for damages for personal injury, including accidental death, as well as from claims for property damage which may arise from, or which may concern operations under this Agreement.

All liability insurance shall be issued by an insurance company or companies authorized to transact liability insurance business in the State of California with a policy holder's rating of A or higher and a Financial Class of VII or larger and shall cover (1) commercial general liability for both bodily injury (including death) and property damage, including but not limited to aggregate products, aggregate operations, and contractual liability, and (2) automobile liability covering bodily injury (including death) and property damage, with the following respective minimum limits:

Commercial General	\$1,000,000 per occurrence \$2,000,000 aggregate
Automobile	\$1,000,000 per accident, combined single limit

Coverage: Coverage shall be as broad as the following.

Commercial General Liability. Insurance Services Office Commercial General Liability Coverage (occurrence Form CG 0001). This coverage shall include:

- a. Broad form property damage in any case where the Contractor has any property belonging to the Successor Agency in the Contractor's care, custody, or control,
- b. Blanket contractual liability,
- c. Products and completed operations coverage.

If Commercial General Liability Insurance or other form with a general aggregate limit or products-completed operations limit is used, the general aggregate limit and products-completed operations aggregate limit shall be twice the required occurrence limit.

Automobile Liability. Coverage shall be at least as broad as the following:

Coverage (Form CA 0001), covering Symbol 1 (any auto) or Symbols 8 and 9 (hired and non-owner autos). This coverage shall include:

Coverage for owned, non-owned, and hired automobiles

3.3 Additional Requirements. Original certificates of insurance along with additional insured endorsement reasonably acceptable to the Successor Agency, evidencing the coverage required by this Agreement for both commercial general and automobile liability, shall be filed with the Successor Agency and shall include the Successor Agency as an additional insured solely with regard to claims arising out of this Agreement. The policy or policies shall be in the usual form of public liability insurance, but shall also include the following provisions:

Solely for Services performed by and on behalf of the Property Manager for the City of Riverside as the Successor Agency to the former Redevelopment Agency, it is agreed that the City of Riverside, the City of Riverside as the Successor Agency to the former Redevelopment Agency, and its respective officers and employees are added as additional insureds under the Commercial General Liability and Automobile Liability policies.

The Commercial General Liability insurance policy shall also comply with the following provisions:

a. Policies shall include premises/operations, products completed operations, broad form contractual, personal injury, and broad form property damage.

b. The policy shall be endorsed to waive any right of subrogation against the Successor Agency and its subcontractors, employees, officers, agents and directors for work performed under this Agreement.

c. If policies are written on a claims made basis, the certificate should so specify, and the policy must continue in force for one year after completion of the project. The retroactive date of the coverage must also be listed.

d. The policy shall specify that the insurance provided by the Property Manager will be considered primary and not contributory to any other insurance available to the Successor Agency. The Property Manager shall provide Form No. CG 20010413 to the Successor Agency.

e. The Property Manager shall notify the Successor Agency within ten (10) days prior to the expiration, termination or cancellation of any insurance required herein.

f. The insurance set forth in this Agreement must be always maintained during the term of this Agreement.

3.4 Errors and Omissions Insurance. Prior to the Successor Agency's execution of this Agreement, the Property Manager shall obtain and shall thereafter maintain during the term of this Agreement, errors and omissions/professional liability insurance in the minimum amount of \$1,000,000 per claim and aggregate.

3.5 Reporting. The Property Manager shall investigate and submit, as soon as reasonably possible, a written report to the insurance carrier and the Successor Agency as to all accidents, claims for damage relating to the ownership, operation and maintenance of the Ground Floor, any damage to or destruction of the Ground Floor and the estimated costs of repair thereof, and prepare and file with the insurance company in a timely manner required reports in connection therewith. The Property Manager shall, with the Successor Agency's prior written consent, settle all claims against insurance companies arising out of any policies, including the execution of proofs of loss, the adjustment of losses, signing and collection of receipts and collection of money.

3.6 Additional Insurance. Any insurance obtained by the Property Manager for its own account, and not for the benefit of the Successor Agency, or the Ground Floor, shall be at the Property Manager's own expense and any insurance payments shall be for the Property Manager's sole benefit.

3.7 Contractor's and Subcontractor's Insurance. The Property Manager shall require all contractors and subcontractors entering upon the Ground Floor to perform services to have insurance coverage at the contractor's or subcontractor's expense, in the following minimum amounts: (a) workers' compensation - statutory amount; (b) employer's liability (if required) - \$1,000,000; and (c) comprehensive general liability insurance, including comprehensive auto liability insurance covering the use of all owned, non-owned and hired automobiles, with bodily injury and property damage limits of \$1,000,000 per occurrence consistent with the provisions of Section 3.2 above. The Property Manager shall obtain and keep on file a certificate of insurance which shows that each contractor and subcontractor is so insured.

3.8 Waiver of Subrogation. To the extent available at commercially reasonable rates, all insurance policies required hereunder by contractors and sub-contractors shall contain language whereby the insurance carrier thereunder waives any right of subrogation it may have with respect to the Successor Agency or Property Manager.

4. FINANCIAL REPORTING AND RECORD KEEPING.

4.1. Books of Accounts. The Property Manager shall maintain adequate and separate books and records for the Ground Floor with the entries supported by sufficient documentation to ascertain their accuracy with respect to the Ground Floor. Such books and records shall contain a separate accounting of all items of income and all items of expenses for the Ground Floor. The Successor Agency agrees to provide the Property Manager any information reasonably requested by the Property Manager to carry out its services hereunder. The Property Manager shall maintain such books and records at the Property Manager's office set forth in Section 12.1. The Property Manager shall ensure such control over accounting and financial transactions as is necessary to protect the Successor Agency's Assets from theft, error

or fraudulent activity by the Property Manager's employees. The Property Manager shall bear losses arising from such instances, including, without limitation, the following: (a) theft of the Successor Agency's Assets by the Property Manager's employees, principals, or officers or those individuals associated or affiliated with the Property Manager; (b) overpayment or duplicate payment of invoices arising from either fraud or gross negligence, unless credit is subsequently received by the Successor Agency; (c) overpayment of labor costs arising from either fraud or gross negligence, unless credit is subsequently received by the Successor Agency; (d) overpayment resulting from payment from suppliers to the Property Manager's employees or associates arising from the purchase of goods or services for the Ground Floor; and (e) unauthorized use of the Ground Floor by the Property Manager or Property Manager's employees or associates.

4.2. Financial Reports. On or before the 15th day after the end of each calendar month, the Property Manager shall furnish the Successor Agency with a report of all transactions occurring during such prior month (the "**Monthly Financial Report**"). The Monthly Financial Report must show all leases, collections, delinquencies, uncollectible items, vacancies and other matters pertaining to the management, leasing, operation, and maintenance of the Ground Floor or as requested by the Successor Agency. The Property Manager also shall deliver to the Successor Agency within sixty (60) days of (a) the close of a calendar year and/or (b) the termination of this Agreement, a balance sheet for the Ground Floor. The statement of income and expenses, the balance sheet, and all other financial statements and reports shall be prepared on an accrual basis and in compliance with all reporting requirements relating to the operations of the Ground Floor. The monthly submittal to the Successor Agency must also include an electronic report showing the income and expenses of the prior month and the Successor Agency's Assets in Microsoft Excel format.

4.3. Supporting Documentation. The Property Manager shall maintain and make available at the Property Manager's office, as set forth in Section 12.1, or at one of the Property Manager's centralized accounting locations, copies of the following: (a) all bank statements, bank deposit slips, bank debit and credit memos, canceled checks, and bank reconciliations; (b) detailed cash receipts and disbursement records; (c) detailed trial balance for receivables and payables and billed and unbilled revenue items; (d) rent roll of tenants; (e) paid invoices with before and after pictures (or copies thereof); (f) summaries of adjusting journal entries as part of the annual accounting process; (g) supporting documentation for payroll, payroll taxes and employee benefits for the Property Manager's employees; (h) appropriate details of accrued expenses and property records; (i) information regarding the operation of the Ground Floor necessary for the Successor Agency's records; (j) market study of competition (quarterly only); (k) the Successor Agency's Assets; and (l) tenants' security deposits. In addition, the Property Manager shall deliver to the Successor Agency the Monthly Financial Report with copies of the documents described in (a) (statements and reconciliations only), (b), (c), (d), (e), (h), (k), and (l) above by the 15th of each month.

5. **RIGHT TO AUDIT.** The Successor Agency and its representatives may, upon reasonable notice to the Property Manager, examine all books, records and files maintained for the Successor Agency by the Property Manager. The Successor Agency may perform any audit or investigations relating to the Property Manager's activities at any office of the Property Manager if such audit or investigation relates to the Property Manager's activities for the

Successor Agency. Should the Successor Agency discover defects in internal control or errors in record keeping, the Property Manager shall undertake all due diligence to correct such discrepancies upon discovery, including reimbursements of expenses to the Successor Agency within fourteen (14) days of the Successor Agency's notification of such discrepancy. The Property Manager shall inform the Successor Agency in writing of the action taken to correct any audit discrepancies.

6. **BANK ACCOUNTS.**

6.1. **Bank Accounts.** The Property Manager shall establish and maintain, in reputable banks or financial institutions designated by the Property Manager and approved by the Successor Agency, separate bank accounts in trust for, or in the name of, the Successor Agency (the "**Bank Accounts**"). Subject to any applicable loan documents, all moneys collected from, or in connection with, the Ground Floor shall be deposited in the Bank Accounts. Any bank accounts maintained by a third-party property manager shall be designated as a real estate trust account or shall be in trust for, or in the name of, the Successor Agency.

6.2. **Operating Account.** The Property Manager shall be permitted to deposit and make withdrawals from a master Bank Account (such master account together with and any interest earned thereon, shall hereinafter be referred to as the "**Operating Account**"). The Property Manager shall maintain the Operating Account so that an amount at least as great as the budgeted expenses for the month is in the Operating Account as of the first of each month. The Property Manager shall pay from the Operating Account the operating expenses of the Ground Floor and any other payments relating to the Ground Floor as required by this Agreement and in accordance with the Approved Budget. If more than one bank account is necessary to operate the Ground Floor, each account shall have a unique name.

6.3. **Security Deposit Account.** The Property Manager shall open a separate account at a reputable bank or financial institution to deposit all security deposits received from the Successor Agency's tenants. The Property Manager shall maintain such account in accordance with applicable law. The Property Manager shall use the account only to maintain security deposits on behalf of the Successor Agency. The Property Manager shall inform the bank or financial institution to hold the funds in trust for the Successor Agency. The Property Manager shall maintain detailed records of all security deposits deposited and allow the Successor Agency or its designee(s) access to such records. The Property Manager shall return such deposits to any tenant in the ordinary course of business in accordance with the terms of the applicable lease and applicable law, and as determined and directed by the Successor Agency. A list of security deposits must be included in the monthly report in Microsoft Excel format.

6.4. **Access to Account.** As authorized by signature cards, representatives of the Property Manager shall have access to and may draw upon all funds in the accounts described in Sections 6.1, 6.2 and 6.3 without the approval of the Successor Agency to accomplish the Property Manager's responsibilities as described in Section 2, but in accordance with the Approved Budget, Approved Plan, and this Agreement.

7. **PAYMENTS OF EXPENSES.**

7.1 **Costs Eligible for Payment from Operating Account.** The Property Manager shall pay, in accordance with the Approved Budget, all expenses of the management, leasing, operation, maintenance, and repair of the Ground Floor directly from the Operating Account or shall be reimbursed by the Successor Agency, subject to the conditions set forth in Sections 2.5 and 2.8 including the following: (a) cost to correct the violation of any governmental requirement relating to the leasing, use, operation, repair, and maintenance of the Ground Floor, or relating to the rules, if such cost is not the result of the Property Manager's gross negligence or willful misconduct; (b) actual and reasonable cost of making all repairs, decorations and alterations if such cost is not the result of the Property Manager's gross negligence or willful misconduct; (c) cost incurred by the Property Manager in connection with all service agreements; (d) cost of collection of delinquent rents collected by a collection agency or attorney; (e) unlawful detainer fees of attorneys; (f) cost of capital expenditures subject to the restrictions in Section 2.9 and in this Section; (g) cost of utilities; (h) cost of supplies, tools, and equipment required for use at the Ground Floor; (i) property and project management compensation set forth in Section 9; (j) the cost of tenant improvements to the Ground Floor as approved by the Successor Agency; (k) broker's commissions; (l) debt service; (m) the cost of services, contractors and insurance; (n) reimbursement of the Property Manager's out-of-pocket costs and expenses to the extent not prohibited by Section 8 below and as further set forth in Exhibit "B"; and (o) cost of services provided by the Property Manager to oversee and manage Out-of-Scope Work from time to time.

7.2 All other amounts not directly related to the Ground Floor or the Successor Agency shall not be paid out of the Operating Account or reimbursed by the Successor Agency.

7.3 **Operating Account Deficiency.** If there are not sufficient funds in the Operating Account to make any such payment, the Property Manager shall notify the Successor Agency, if possible, at least thirty (30) days prior to any delinquency so that the Successor Agency has an opportunity to deposit sufficient funds in the Operating Account to allow for such payment prior to the imposition of any penalty or late charge.

8. **PROPERTY MANAGER'S COSTS NOT TO BE REIMBURSED.**

8.1. **Non-reimbursable Costs.** The following expenses or costs incurred by or on behalf of the Property Manager in connection with the management, leasing, operation, and maintenance of the Ground Floor shall be at the sole cost and expense of the Property Manager and shall not be paid or reimbursed by the Successor Agency's Operating Account: (a) cost attributable to losses arising from gross negligence, fraud or willful misconduct on the part of the Property Manager and the Property Manager's associates or employees; (b) cost of insurance purchased by the Property Manager for its own account and personal assets; (c) the Property Manager's cost of overhead, salaries, employees' related expenditures, and other items except as expressly provided in Section 7.1; and other costs unrelated to the Ground Floor.

8.2. **Litigation.** The Property Manager will be responsible for and hold the Successor Agency harmless from all fees, costs, expenses, and damages relating to disputes with

employees for workers' compensation (to the extent not covered by insurance), discrimination or wrongful termination, including legal fees and other expenses.

9. **COMPENSATION**

9.1. **Property Management Fee.** The Successor Agency shall pay the Property Management Fee monthly in arrears. The Property Manager shall receive, for its services in managing the Ground Floor in accordance with the terms of this Agreement, a monthly management fee (the "**Property Management Fee**"), of FOUR THOUSAND FOUR HUNDRED DOLLARS (\$4,400.00) per month for the first year and the subsequent years shall increase by two percent (2%) per year. The Property Management Fee shall be payable monthly, following calculation thereof, upon submission of a monthly statement, in arrears from the Operating Account or from other funds provided by the Successor Agency. Upon termination of this Agreement, the parties will prorate the Property Management Fee on a daily basis to the effective date of such cancellation or termination. If the Property Manager engages local property managers or other parties to provide property management services in accordance with Section 2.14, the Property Manager shall be obligated to pay such third parties, it being intended that the Property Management Fee shall be inclusive of such third-party fees.

9.2. **Project Management Fee.** The Property Manager, shall receive, for its project management services of capital/special projects/construction management performed in accordance with the terms of this Agreement as Out-of-Scope Work, a project management fee which shall be equal to the following (the "**Project Management Fee**");

- (i) For projects having a total cost of less than \$50,000: eight percent (8%) of the total cost of the project.
- (ii) For projects having a total cost of \$50,000 or more: six percent (6%) of the total cost of the project.

The Project Management Fee must be approved by the Successor Agency in writing prior to commencement of any construction work by a contractor. For purposes of this Agreement, "cost of construction" shall include: all labor and supervision costs; costs of materials and supplies; contract price for all construction work performed by general contractors and subcontractors; fees, taxes or other charges levied by governmental or quasi-governmental agencies in connection with the issuance of all authorizations, approvals, licenses and permits necessary to undertake construction of the project; costs of all equipment and fixtures provided for in drawings and specifications; concrete, welding and other testing expenses; all architectural and engineering fees or costs; and attending and presenting at City Council and Countywide Oversight Board meetings as needed.

- (a) **Duties as a Project Manager (Capital Improvements):** The Property Manager shall act as project manager for capital improvements only when authorized by the Successor Agency in writing in advance of performance of construction work and as set forth in the Approved Budget or approved by the Successor Agency and all extraordinary repair and maintenance to the Ground Floor as approved by the Successor Agency in advance of the performance of the

extraordinary repair and maintenance work. As project manager, the Property Manager shall (i) review and recommend for approval or disapproval by the Successor Agency all plans and specifications for any authorized construction (which review shall include a determination of whether such plans and specifications comply with the Successor Agency's building rules, regulations and standards); (ii) if required by the Successor Agency, solicit competitive bids (any single expenditure of more than \$2,500 must be supported by a minimum of three (3) written bids) and review such bids with the Successor Agency; (iii) if requested by the Successor Agency, enter into contracts on behalf of the Successor Agency, as the Successor Agency's agent, in form and content satisfactory to the Successor Agency, with the bidders approved by the Successor Agency; (iv) schedule and coordinate the performance of all authorized construction (including oversight or administration of required inspections); (v) ensure that adequate insurance coverage is maintained consistent with the requirements of the Successor Agency; (vi) obtain, review and recommend for approval or disapproval by the Successor Agency all draw requests and lien waivers from the general contractor and all subcontractors; (vii) obtain or cause to be obtained all permits required for the construction and occupancy of the Ground Floor; and (viii) provide progress reports to the Successor Agency from time to time or as may be requested by the Successor Agency.

(b) Duties as Project Manager (Tenant Improvements): The Property Manager shall act as project manager for any tenant alterations and improvements to be performed by the Successor Agency only when authorized by the Successor Agency in writing in advance of the performance of such work. The Property Manager shall (i) review and recommend for approval or disapproval by the Successor Agency all plans and specifications for any authorized tenant construction (which review shall include a determination of whether such plans and specifications comply with the Successor Agency's building rules, regulations and standards); (ii) solicit competitive bids (any single expenditure of more than \$2,500 must be supported by a minimum of three (3) written bids); (iii) if requested by the Successor Agency, enter into contracts on behalf of the Successor Agency as the Successor Agency's Agent, in form and content satisfactory to the Successor Agency, with the successful bidders; (iv) schedule, coordinate and supervise the performance of such alterations and improvements from inception to completion (including oversight or administration of required inspections); (v) obtain and review all draw requests and lien waivers from the general contractors and all subcontractors; (vi) obtain or cause to be obtained all permits required for the construction and occupancy of the Ground Floor; and (vii) ensure that adequate insurance coverage is provided consistent with each tenant's lease prior to commencement of any such alterations or improvements. With respect to alterations and improvements not provided for in tenant leases, the Property Manager is authorized to review and consent to such work provided that (i) such alterations and improvements are made at the tenant's expense in accordance with all applicable laws and ordinances, (ii) such alterations and improvements do not affect the structure of the Ground Floor and do not

unreasonably interfere with building services to other tenants, and (iii) conform to the specifications and limitations of the Ground Floor.

(c) For its project management services under either subsections (a) or (b) of Section 9.1 above, the Property Manager shall receive the Project Management Fees. The Project Management Fees shall be paid upon the Successor Agency's receipt of each drawing request made by the Property Manager based upon the project costs subject to that drawing request.

10. **TERMINATION.** The parties shall have the right to terminate this Agreement as provided below.

10.1. **Termination by the Successor Agency.** The Successor Agency shall have the right to terminate this Agreement upon thirty (30) days' prior written notice to the Property Manager for any reason or cause.

10.2. **Termination by the Property Manager.** The Property Manager shall have the right to terminate this Agreement upon one hundred eighty (180) days' prior written notice to the Successor Agency for any reason or cause.

10.3. **Termination on Sale.** This Agreement shall automatically terminate upon the sale of the entire Property or any portion thereof (as to such portion only) without payment of any fee, unless the Successor Agency enters into a lease for the Ground Floor.

10.4. **Final Accounting.** Within forty-five (45) days after the expiration or earlier termination of this Agreement for any reason, the Property Manager shall deliver to the Successor Agency the following: (a) a final accounting, setting forth the balance of income and expenses on the Ground Floor as of the date of termination; (b) any balance or monies of the Successor Agency or tenant security deposits held by the Property Manager with respect to the Ground Floor; and (c) all materials and supplies, keys, books and records, contracts, leases, receipts for deposits, unpaid bills and other papers or documents which pertain to the Ground Floor, whether stored as computer files, in electronic form, on paper or otherwise. For a period of thirty (30) days after such expiration or cancellation for any reason other than the Successor Agency's default, the Property Manager shall be available, through its senior executives familiar with the Ground Floor, to consult with and advise the Successor Agency or any person or entity succeeding to the Successor Agency as the owner or operator of the Ground Floor or such other person or persons selected by the Successor Agency regarding the operation and maintenance of the Ground Floor. In addition, the Property Manager shall cooperate with the Successor Agency in notifying all tenants of the Ground Floor of the expiration or termination of this Agreement and shall use reasonable efforts to cooperate with the Successor Agency to accomplish an orderly transfer of the operation and management of the Ground Floor to a party designated by the Successor Agency. The Property Manager shall receive its monthly Property Management Fee for such services. The Property Manager shall, at its cost and expense, promptly remove all signs wherever they are located, indicating that it is the Property Manager and replace and repair any damage resulting therefrom. Termination of this Agreement shall not release either party from liability for failure to perform any of the duties or obligations as expressed herein and required to be performed by such party for the period prior to the termination.

11. **CONFLICTS.** The Property Manager shall not deal with or engage, or purchase goods or services from, any subsidiary or affiliated company of the Property Manager in connection with the management of the Ground Floor.

12. **NOTICES.**

12.1. **Notices.** All notices, demands, consents, approvals, reports and other communications provided for in this Agreement shall be in writing and shall be given to the Successor Agency or the Property Manager at the address set forth below or at such other address as they may specify hereafter in writing:

Landlord: City of Riverside as the Successor Agency to the
Former Redevelopment Agency of the City of Riverside
Attn: The Successor Agency
Community & Economic Development Department
3900 Main Street
Riverside, CA 92522

Property Manager: Realicore LLC
dba Realicore Real Estate Group
Attn: David Friedman
395 N. E Street, Suite 104
San Bernardino, CA 92401

Such notice or other communication may be delivered by a recognized overnight delivery service providing a receipt, facsimile transmission or mailed by United States registered or certified mail, return receipt requested, postage prepaid if deposited in a United States Post Office or depository for the receipt of mail regularly maintained by the post office. Notices sent by overnight courier shall be deemed given one (1) business day after mailing; notices sent by registered or certified mail shall be deemed given two (2) business days after mailing; and notices sent by facsimile transmission shall be deemed given as of the date sent (if sent prior to 5:00 p.m. (Eastern time) and if receipt has been acknowledged by the operator of the receiving machine).

13. **MISCELLANEOUS.**

13.1. **Assignment.** The Property Manager may not assign this Agreement without the prior written consent of the Successor Agency, which consent may be withheld in the Successor Agency's sole and absolute discretion.

13.2. **Gender.** Each gender shall include each other gender. The singular shall include the plural and vice versa.

13.3. **Amendments.** Each consent, waiver, amendment, addition or deletion to this Agreement shall not be effective unless approved by the parties hereto in writing.

13.4. **Governing Law; Venue; Attorneys' Fees.** This Agreement shall be governed by and construed in accordance with the internal laws of the State of California without

regard to any choice of law rules. Any action relating to or arising out of this Agreement shall be tried in Riverside County. In the event either party hereto shall bring suit to enforce any term of this Agreement or to recover any damages for and on account of the breach of any term or condition of this Agreement, it is mutually agreed that each party will bear their own attorneys' fees and costs.

13.5. Headings. All headings are only for convenience and ease of reference and are irrelevant to the construction or interpretation of any provision of this Agreement.

13.6. Representations. The Property Manager represents and warrants that it is or shall be prior to entering into any transaction fully qualified and licensed, to the extent required by law, to manage and lease real estate and perform all obligations assumed by the Property Manager hereunder. The Property Manager shall make reasonable efforts to comply with all such laws now or hereafter in effect.

13.7. Indemnification by Property Manager. The Property Manager shall indemnify, defend and hold the Successor Agency and its shareholders, officers, directors, and employees harmless from any and all claims, demands, causes of action, losses, damages, fines, penalties, liabilities, costs and expenses, including reasonable attorneys' fees and court costs, sustained or incurred by or asserted against the Successor Agency which arise out of its gross negligence, fraud or willful misconduct of the Property Manager, its agents or employees or the Property Manager's breach of this Agreement, except those which arise from the Successor Agency's gross negligence, fraud or willful misconduct. If any person or entity makes a claim or institutes a suit against the Successor Agency on a matter for which the Successor Agency claim the benefit of the foregoing indemnification, then (a) the Successor Agency shall give the Property Manager prompt notice thereof in writing; (b) the Property Manager may defend such claim or action by counsel of its own choosing provided such counsel is reasonably satisfactory to the Successor Agency; (c) neither the Successor Agency nor Property Manager shall settle any claim without the other's written consent and (d) this subsection shall not be construed to release the Successor Agency or Property Manager from any liability to the other for a breach of any of the covenants agreed to be performed under the terms of this Agreement.

13.8. Limitation of Liability. As used in this Agreement, the "Property Manager" means only Realicore LLC. No principal, manager, member, officer, director, employee, or partner (general or limited) of the Property Manager shall have any personal liability under any provision of this Agreement. If the Property Manager defaults in the performance of any of its obligations under this Agreement or otherwise, the Successor Agency shall look solely to the Property Manager's assets, and not to the assets, interest, or rights of any principal, manager, member, officer, director, employee, or partner (general or limited) of the Property Manager for satisfaction of the Successor Agency's remedies. In any event, the Property Manager's total liability hereunder, regardless of the nature of the claim made against the Property Manager shall not exceed the greater of (i) the total annual Property Management Fee actually paid to the Property Manager, or (ii) the available proceeds of any applicable insurance policy or policies the Property Manager is required to maintain under this Agreement.

13.9. Complete Agreement. This Agreement shall supersede and take the place of any and all previous agreements entered into between the parties with respect to the management of the Ground Floor.

13.10. Severability. If any provisions of this Agreement or application to any party or circumstances shall be determined by any court of competent jurisdiction to be invalid and unenforceable to any extent, the remainder of this Agreement, where the application of such provisions or circumstances other than those as to which it is determined to be invalid or unenforceable shall not be affected thereby, and each provision hereof shall be valid and shall be enforced to the fullest extent permitted by law.

13.11. No Waiver. The failure by any party to insist upon the strict performance of, or to seek remedy of, any one of the terms or conditions of this Agreement or to exercise any right, remedy, or election set forth herein or permitted by law shall not constitute or be construed as a waiver or relinquishment for the future of such term, condition, right, remedy or election, but such item shall continue and remain in full force and effect. All rights or remedies of the parties specified in this Agreement and all other rights or remedies that they may have at law, in equity or otherwise shall be distinct, separate and cumulative rights or remedies, and no one of them, whether exercised or not, shall be deemed to be in exclusion of any other right or remedy of the parties.

13.12. Binding Effect. This Agreement shall be binding and inure to the benefit of the parties and their respective successors and assigns.

13.13 Enforcement of Property Manager's Rights. In the enforcement of its rights under this Agreement, the Property Manager shall not seek or obtain a money judgment or any other right or remedy against any shareholders or disclosed or undisclosed principals of the Successor Agency.

13.14 Nondiscrimination. During the Property Manager's performance of this Agreement, the Property Manager shall not discriminate on the grounds of race, religious creed, color, national origin, ancestry, age, physical disability, mental disability, medical condition including the medical condition of Acquired Immune Deficiency Syndrome (AIDS) or any condition related thereto, marital status, genetic information, gender, gender identity, gender expression, sex or sexual orientation, in the selection and retention of employees and subcontractors and the procurement of materials and equipment, except as provided in Section 12940 of the California Government Code. Further, the Property Manager agrees to conform to the requirements of the Americans with Disabilities Act in the performance of this Agreement.

13.15 Business Tax. The Property Manager understands that the work performed under this Agreement constitutes doing business in the City of Riverside, and the Property Manager agrees that it will register for and pay a business tax pursuant to Chapter 5.04 of the Riverside Municipal Code and keep such tax certificate current during the term of this Agreement.

13.16 Ratification. This Agreement is subject to the approval and ratification by the Successor Agency, Countywide Oversight Board, and State Department of Finance. In the

event one of these entities fail to approve this Agreement, there shall be no liability on the part of the Successor Agency, and this Agreement shall become null and void and of no further force and effect.

13.17 Counterparts. This Agreement may be executed in counterparts, each of which, when taken together shall be deemed one fully executed original.

13.18 Digital and Counterpart Signatures. Each party to this Agreement intends and agrees to the use of digital signatures that meet the requirements of the California Uniform Electronic Transactions Act (Civil Code §§ 1633.1, et seq.), California Government Code § 16.5, and California Code of Regulations Title 2 Division 7 Chapter 10, to execute this Agreement. The parties further agree that the digital signatures of the parties included in this Agreement are intended to authenticate this writing and to have the same force and effect as manual signatures for purposes of validity, enforceability, and admissibility. For purposes of this section, a "digital signature" is defined in subdivision (d) of Section 16.5 of the Government Code and is a type of "electronic signature" as defined in subdivision (h) of Section 1633.2 of the Civil Code. This Agreement may be executed in any number of counterparts, each of which will be an original, but all of which together will constitute one instrument. Each certified or authenticated electronic copy of an encrypted digital signature shall be deemed a duplicate original, constituting one and the same instrument and shall be binding on the parties hereto.

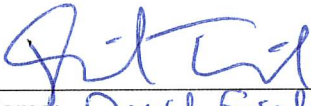
[SIGNATURES ON FOLLOWING PAGE.]

IN WITNESS WHEREOF, the parties hereto have executed this Property Management Agreement the date and year first above written.

THE CITY OF RIVERSIDE, AS SUCCESSOR
AGENCY TO THE FORMER REDEVELOPMENT
AGENCY OF THE CITY OF RIVERSIDE,
a public entity

REALICORE LLC, a California limited
liability company, doing business as
REALICORE REAL ESTATE GROUP

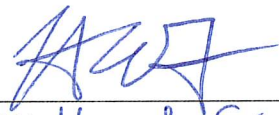
By: _____
City Manager, on behalf of the
Successor Agency to the Former
Redevelopment Agency of the
City of Riverside

By: 
Print Name: David Friedman
Title: Managing Member

and

ATTESTED TO:

By: _____
City Clerk, on behalf of the
Successor Agency to the Former
Redevelopment Agency of the
City of Riverside

By: 
Print Name: Howard Friedman
Title: Managing Member

CERTIFIED AS TO AVAILABILITY OF FUNDS:

By: 

Chief Financial Officer

APPROVED AS TO FORM:

By: 

Successor Agency General Counsel

EXHIBIT "A"

LEGAL DESCRIPTION

EXHIBIT "A"
LEGAL DESCRIPTION

Address: 3737 Main Street
A.P.N.: 213-262-006

That certain real property located in the City of Riverside, County of Riverside, State of California, described as follows:

That portion of Block 7, Range 7, of the Town of Riverside, as shown by map on file in Book 7, Page 17 of Maps, Records of San Bernardino, California, described as follows:

BEGINNING at the Northeast corner of said Block 7;

Thence Southerly along the Westerly line of Main Street to the Southeast corner of said Block 7;

Thence Westerly along the Northerly line of Eight Street (currently University Avenue), a distance of 150 feet to the Easterly line of an Alley;

Thence Northerly along the Easterly line of said Alley to the Southerly line of Seventh Street (currently Mission Inn Avenue);

Thence Easterly along the Southerly line of said Seventh Street, a distance of 150 feet to the **POINT OF BEGINNING**.

This description was prepared by me or under my direction in conformance with the requirements of the Professional Land Surveyors Act.


 10/26/23 Prep. C.S.
Eswin O. Vega, P.L.S. 9164 Date



EXHIBIT "B"

OUT-OF-SCOPE SERVICES

EXHIBIT "B"
California Tower Building
3737 Main Street

OUT-OF-SCOPE WORK

Occasionally, Realicore to provide the following additional services as requested by the Successor Agency, which may include, but not limited to, capital and tenant improvement projects/special projects/construction management ("Out-of-Scope Work"):

a. Onboarding Existing Tenants

- i. Pricing: One-time fee of \$250.00 per tenant
- ii. Services Included: Realicore will collect, update, and upload all current tenant information and documents onto its online portal. Realicore will also educate tenants on how to use and navigate the portal.

b. End-of-Year Accounting Reconciliation and Budget Planning

- i. Pricing: One-time fee of \$175.00 per tenant
- ii. Services Included: Reconciliation of all NNN and CAM fees, billing and collection of all underpaid NNN and CAM fees, submission of all vendor W-9 forms, submission of final accounting to the Successor Agency, and budget planning and projections for the following year.

c. Termination of Lease Agreements and Off-Boarding of Tenants

- i. Pricing: One-time fee of \$175.00 per tenant
- ii. Services Included: Conduct a final accounting and transfer all tenant information, documentation, rent, deposits, and vendor details to the Successor Agency.

d. Evictions

- i. Prelitigation Pricing: One-time fee of \$250.00 for prelitigation preparation
- ii. Court Appearance Pricing: One-time fee of \$250.00 per court appearance by Realicore employee
- iii. Eviction Attorney Cost: Cost to be approved and paid by the Successor Agency

e. Special Events

- i. Realicore shall provide support for Special Events held by the City of Riverside, including, but not limited to, the annual Downtown Festival of Lights. This Out-of-Scope Work shall include seasonal decorations of the Property, including the food court and common areas.
- ii. Realicore must provide an estimate and obtain approval for each job. With any single expenditure between \$2,500.00 and \$25,000, Realicore must provide the Successor Agency with a minimum of two (2) written

bids and obtain approval prior to commencement.

f. Special Projects/Construction Management

- i. Realicore to provide construction management relating to the improvements of the Ground Floor, including the food court and common areas.
- ii. Realicore must provide an estimate and obtain approval for each job. With any single expenditure between \$2,500.00 and \$25,000, Realicore must provide the Successor Agency with a minimum of two (2) written bids and obtain approval prior to commencement. For any single expenditure over \$25,000, Realicore must provide the Successor Agency with a minimum of three (3) written bids and obtain approval prior to commencement
- iii. Realicore is entitled to a Project Management Fee which shall be equal to the following:
 - For projects having a total cost of up to \$50,000: eight percent (8%) of the total cost of the project.
 - For projects having a total cost of more than \$50,000: six percent (6%) of the total cost of the project.

g. Retail and Office Leasing - Realicore to facilitate the leasing of vacant spaces on the Ground Floor of the Property by providing the following:

- i. Advertising, marketing, and listing of vacant spaces at the Property in the MLS database, including a virtual tour, photo gallery, and promotional video as deemed necessary.
- ii. Initiating contacts with real estate brokers regarding vacant spaces.
- iii. Meeting with prospective tenants to show vacant spaces to prospective tenants.
- iv. Providing access to the suites as needed.
- v. Advising prospective tenants on Proposal submission to the Successor Agency.
- vi. Advising the Successor Agency on lease terms.
- vii. Recommending the Successor Agency on potential tenant improvements.
- viii. Negotiating lease terms with prospective tenants.
- ix. Conducting credit reports, bank reference checks, and other pertinent information on prospective tenants.
- x. Present prospective tenants and make a recommendation on the most qualified tenant suited for the vacant space.

h. Leasing Pricing: Commission of up to five percent (5%) of the gross lease value, excluding any options to extend. This commission to be split evenly with the

tenant's broker, if applicable. Fifty percent (50%) of the commission will be earned upon obtaining the approval of the City Council, Countywide Oversight Board and California Department of Finance, execution of the lease, successful collection of rent, and the deposit. The remaining fifty percent (50%) will be earned on the date Realicore delivers the premises to the new lessee.

- i. **Services Included:** Hiring professionals for the creation of marketing content, which includes professional photographs, aerial images, and as-is floor plans. Responsibilities also encompass the costs of advertising and marketing, showing the space to prospective tenants, screening applicants, negotiating lease terms, executing the lease, collecting rent, depositing any associated fees, providing a Certificate of Insurance, meeting with the Successor Agency staff, attending the City Council meetings as needed, and completing the move-in inspection.
- ii. **Not Included:** Cost to prepare the space in a condition suitable for showing and project management fees of any tenant improvements required by the Successor Agency before the start of the new lease.
- iii. **Lease Renewal Pricing:** One-time fee of up to \$500.00 upon successful lease renewal of an existing tenant (excluding term extensions allowed in the existing lease agreement).
- iv. **Services Included:** Our team will negotiate a new lease with the current tenant, focusing on balancing tenant retention by achieving market-rate rents, all while following the Successor Agency's guidance.

i. Reimbursables only if the following apply:

- i. Costs of utilities turned on in Realicore's name to be able to show vacant spaces
- ii. Costs of filing any legal paperwork on behalf of the Successor Agency
- iii. Any work performed by Realicore employees outside of Regular Work Hours between 9 AM and 5 PM, Monday through Friday, excluding federal and state-recognized holidays, will be billed at the following hourly rates: a) Property Management Staff: \$95 per hour and b) Accounting Staff: \$150 per hour