

Project: 1103 East Clark Avenue, SM
APN: 103-110-013
Folio: 003536
Agent: CS

LEASE AGREEMENT

THIS LEASE AGREEMENT is made by and between the

COUNTY OF SANTA BARBARA, a political subdivision of the State of California, hereinafter referred to as "COUNTY,"

and the

MINSON COMPANY, a limited partnership, of which Stuart A. Bartleson and Bartecknon, a limited partnership, are the general partners, hereinafter referred to as "LESSOR,"

with reference to the following:

WHEREAS, LESSOR is the owner of the property and improvements commonly known as the Oak Knolls Village Shopping Center, located on the corner of Bradley Road and Clark Avenue in the Orcutt area of the City of Santa Maria, County of Santa Barbara, State of California, more particularly described as Assessor's Parcel Number 103-110-013, shown as the slashed area on *Exhibit "A, Page 1"* attached hereto and incorporated herein by reference (hereinafter "Property"), and

WHEREAS, COUNTY and LESSOR desire to enter into an Agreement (hereinafter "Agreement") for the purpose of leasing a portion of the Property to COUNTY.

NOW THEREFORE, in consideration of the premises, and the mutual covenants and conditions contained herein, the COUNTY and LESSOR agree as follows:

1. **ADMINISTRATION AND ENFORCEMENT**: The provisions of this Agreement shall be administered and enforced for COUNTY by the General Services Department/Support Services Division.
2. **LEASED PROPERTY**: LESSOR hereby leases to COUNTY and COUNTY hereby takes from LESSOR, a portion of the building identified as Suite A, located at 1103 East Clark Avenue, Santa Maria, California, consisting of approximately 867 square feet of commercial office space, as shown on the floor plan marked *Exhibit "B, Page 1"* attached hereto and incorporated herein by reference (hereinafter "Premises").

3. **USE/PURPOSE:** The Premises shall be used exclusively for County Office space and will be staffed by COUNTY personnel and visited by the general public having business with COUNTY.
4. **TERM:** The term of this Agreement shall be for a period of five (5) years, commencing on January 1, 2008, ("Commencement Date") and expiring on December 31, 2012, subject to such provisions for termination and extension as contained herein.
5. **EXTENSION AND RENEWAL OF LEASE:** Provided COUNTY is in compliance with all terms and conditions of this Agreement and conditioned upon the following: 1) Initial Lease is not in monetary or non-monetary default nor has LESSOR had to issue more than 3 Three Day Notices to Pay Rent or Quit during the initial 5-year period; 2) There are no plans in process at the Planning and Building Department of Santa Barbara County for a major remodel of the Property, the overall building at 1103 E. Clark, or the specific Premises that would make COUNTY'S space obsolete; or 3) The building at 1103 E. Clark wherein the Premises are located, has not deteriorated to the point that a condemnation, tear down or expensive corrective remodel would be in order, COUNTY is hereby granted one (1) option to renew this Agreement from and after the expiration of the then current term, which option shall be for a period of five (5) years. COUNTY, through the Director of General Services, or designee, may exercise said option to renew by providing written notice to LESSOR at least one hundred twenty (120) days prior to the expiration of the then-current term.

Option Period: January 1, 2012 – December 31, 2017

In the event COUNTY exercises said option, the rental rate during the option period shall be based upon the rent during the then current term as adjusted by the increase in the Consumer Price Index, as provided in Section 7.C, Base Rent Adjustment, herein.

6. **HOLDING OVER:** Should COUNTY occupy the Premises after the expiration date of this Agreement, or any extension thereof with the expressed or implied consent of LESSOR, such possession shall be construed to be a tenancy from month-to-month and COUNTY shall pay LESSOR for such tenancy at the monthly rate in effect on the expiration date. This month-to-month tenancy may be terminated upon thirty (30) days written notice from either party given at any time.

7. **RENT/NNN:**

A. **Base Rent:** COUNTY shall pay the sum of ONE THOUSAND THREE HUNDRED AND 00/100 DOLLARS (\$1,300.00) per month, beginning on the Commencement Date, and shall be payable in advance on or before the first (1st) day of each and every month thereafter, except as provided herein. Upon execution and delivery of this Agreement, COUNTY shall have 30 days to pay LESSOR rent for the first month of the Lease term. LESSOR shall execute and return such forms as COUNTY may require for processing the request for rent payments so that rent may be paid in a timely manner thereafter. The rent due for any period which is for less than one (1) calendar month shall be prorated based upon a thirty (30) day month.

B. **Late Rent Charge:** COUNTY further agrees to pay a late charge equal to ten percent (10%) of the monthly rental for all rents received after the 10th of the month during the term hereof. Rent sent by mail must have arrived in LESSOR'S office by the 10th to be exempt from late fees.

COUNTY understands that LESSOR does not send out monthly bills for the rent yet it is nonetheless due as detailed above.

C. **Base Rent Adjustment:** The rent provided in Section 7.A, Base Rent, herein above, shall be subject to an annual Consumer Price Index (CPI) adjustment. On the first anniversary of the Commencement Date, and on each and every anniversary of that date, the monthly rent hereunder shall be increased from the monthly rent payable during the immediately preceding year of the term by the same percentage which the CPI (as hereinafter defined) has increased during the year immediately preceding said next scheduled adjustment, except that such yearly increase shall not be more than four percent (4%).

Solely for the purpose of computing the percentage increase by which the rental payment for the next succeeding year of the term shall be adjusted, the month of **October** immediately preceding the date of that next scheduled increase shall be considered the ending month of the previous year of the term.

The CPI, to which reference is made in this section, is the Index issued by the United States Department of Labor, Bureau of Labor Statistics, Consumer Price Index, All Urban Consumers, Los Angeles-Anaheim-Riverside area, All Items, Base Index 1982-1984=100, or if the Index shall no longer be published, then any successor or comparable index which is mutually acceptable to the parties to this Agreement.

D. **Operating Costs (NNN):** COUNTY shall pay to LESSOR as additional rental hereunder COUNTY'S pro-rata share of all expenses of said common and parking area facilities. COUNTY'S pro-rata share of expenses shall be that portion of all such expenses which is equal to the proportion thereof which the number of square feet of floor area of the Premises bears to the total number of square feet of floor area in the entire Property.

It is understood and agreed that the expense of said common and parking area facilities as used herein shall include, but not be limited to, all sums expended by LESSOR (excluding LESSOR'S overhead) concerning said common and parking area facilities and all general maintenance and repair surfacing, painting, restriping, cleaning, sweeping, and janitorial services, including trash pick-up, directional signs and other markers, lighting and other utilities, landscaping and ornamental planting, taxes and assessments, adequate public liability insurance (under which COUNTY will be named as additional insured) and all other things necessary to keep and maintain said common and parking area facilities in a state of good and sanitary order, condition and repair. LESSOR shall keep and maintain accurate and detailed records of all expenses of said common and parking area facilities and the same shall upon demand be made available at reasonable times at the office of the LESSOR for the inspection by COUNTY. Common facilities are due when billed. Common facilities payments not received within thirty (30) days of the date of billing are subject to a late payment charge equal to ten percent (10%) of the amount billed.

"Floor Area" means, separately with respect to each building on the Property and separately with respect to each area leased by any particular lease executed by LESSOR (including COUNTY'S premises), the aggregate of the actual number of square feet of area within the exterior faces of the exterior walls except party walls as to which the center thereof, instead of the exterior faces thereof, shall be used and except that the exterior building line shall be used as to all exterior entrances of all floors.

LESSOR is allowed up to but not to exceed a 10% management fee for the administration of the common areas.

Notwithstanding the above, COUNTY'S amount of NNN shall be fixed at \$.20 cents per foot per month for the first year and then an adjustment will be made on the anniversary of each year plus or minus actual NNN whereupon a payment or reimbursement will be made one to another.

8. **TENANT IMPROVEMENTS:** LESSOR shall make or have made the tenant improvements listed on *EXHIBIT "B, Page 2"*, attached hereto and by reference made a part hereof, and identified on the floor plan marked *EXHIBIT "B, Page 1"*, attached hereto and by reference made a part hereof.

9. **MAINTENANCE AND REPAIR:**

A. **One Year Warranty** Beginning on the Commencement Date and running for one (1) year, LESSOR shall warranty the condition of the Premises, including but not limited to all pre-existing conditions pursuant to this Agreement, against all defects in labor and materials and shall promptly, upon notice from COUNTY, remedy any defects. LESSOR shall not, however, be required to remedy damage caused by negligence or misconduct of COUNTY, its agents, officers, employees, or clients

B. **Shared Maintenance and Repair** Upon the expiration of such warranty, LESSOR and COUNTY agree to perform maintenance and repair to the Premises and appurtenances as said responsibilities are set forth in *Exhibit "C"*, attached hereto and incorporated herein by reference.

1. **LESSOR'S Responsibilities** LESSOR shall keep the Premises in good order and repair as LESSOR'S responsibilities are set forth in *Exhibit "C"*. LESSOR shall, upon receipt of notice from COUNTY that maintenance or repair work is required, perform or cause to be performed such maintenance, and repair work in a competent, expeditious, and workman-like manner and in such a way as to cause the least inconvenience and disruption to COUNTY.

LESSOR shall have thirty (30) days after notice from COUNTY to make repairs and/or provide maintenance pursuant to this Section, except that LESSOR shall make repairs immediately (within one (1) workday) if the nature of the problem presents a hazard or emergency. If LESSOR does not make repairs within the time limitations specified, COUNTY may make such repairs and submit a bill to LESSOR for reimbursement of actual costs. If the bill remains unpaid by LESSOR sixty (60) days following submission, COUNTY may withhold the amount of such costs from future rent payments until COUNTY is fully reimbursed.

2. **COUNTY'S Responsibilities:** COUNTY shall, at its sole expense, keep the Premises in good order, condition and repair as said responsibilities are set forth in *Exhibit "C"*, but excluding any items which are the responsibility of LESSOR pursuant to this Section. COUNTY, in keeping the Premises in good order, condition and repair, shall exercise and perform good maintenance practices.

10. **UTILITIES AND JANITORIAL SERVICES:** COUNTY shall be responsible to order and pay all charges for gas and electricity, janitorial, and cable and communication services provided to the Premises.

11. **DELAY IN POSSESSION:** LESSOR agrees to use its best commercially reasonable efforts to deliver possession of the Premises to COUNTY by the Commencement Date. If, despite said efforts, LESSOR is unable to deliver possession as agreed, LESSOR shall not be subject to liability therefor, nor shall such failure affect the validity of this Agreement. COUNTY shall not, however, be obligated to pay rent or perform its other obligations until it

receives possession of the Premises. If possession is not delivered within 60 days after the Commencement Date, COUNTY may, at its option, by notice in writing within 10 days after the end of such 60 day period, cancel this Agreement, in which event the parties shall be discharged from all obligations hereunder. If such written notice is not received by LESSOR within said 10 day period, COUNTY'S right to cancel shall terminate.

Nothing in this section limits COUNTY'S right to pursue any and all remedies otherwise available at law or in equity.

12. **PARKING AND COMMON AREA/FACILITIES RULES:** LESSOR covenants that the common and parking areas as shown on the attached *Exhibit "D"* attached hereto and incorporated herein by reference, shall be kept intact and available for the non-exclusive use of COUNTY during the full term of this Agreement or any extension of the term hereof. LESSOR reserves the right to change the entrance, exits, traffic lanes, and the boundaries and locations of such parking area or areas, provided, however, that anything to the contrary notwithstanding contained in this section, said parking area or areas shall at all times provide parking space for not less than 300 vehicles.

COUNTY, for the use and benefit of COUNTY, its agents, employees, and guests, shall have the non-exclusive right in common with LESSOR, and other present and future owners, tenants, and their agents, employees, customers, licensees and subtenants, to use said common and parking areas during the entire term of this Agreement, or any extension thereof, for ingress and egress, roadway, sidewalk and automobile parking.

COUNTY, in the use of said common parking areas, agrees to comply with such reasonable rules and regulations as the LESSOR may adopt from time to time for the orderly and proper operation of said common and parking areas.

COUNTY shall adhere to and be bound by the rules set forth by LESSOR for all tenants of the Property as outlined on *Exhibit "E"* attached hereto and incorporated herein by reference. Any violation of said rules shall constitute a breach of this Agreement.

13. **ALTERATIONS:** COUNTY shall have access to the roof for installation, access, and maintenance of communications equipment. It is expressly understood by COUNTY that such communications equipment shall not interfere with any existing or proposed cell phone equipment, and that the frequencies of any such equipment shall be subject to approval by LESSOR. COUNTY agrees that, after occupancy, no alterations or improvements shall be constructed on the Premises without the prior written consent of LESSOR, which consent shall not be unreasonably withheld. LESSOR reserves the right to post notices of nonresponsibility on the Premises.

COUNTY shall keep the Premises and the Property in which the Premises are situated free from any liens arising out of any work performed, material furnished, or obligation incurred by COUNTY.

14. **PROPERTY SUPPLIED BY COUNTY:** It is understood and agreed that COUNTY may install additional equipment and systems, such as, but not limited to data and telephones. COUNTY shall pay the cost of all equipment, installation, maintenance, and monthly charges for said internal systems. All such equipment and systems shall remain the property of COUNTY and shall be removed by COUNTY upon termination of this Agreement. COUNTY shall the Premises to as near as possible to their condition at occupancy, reasonable wear and tear excepted.

15. **QUIET ENJOYMENT:** LESSOR covenants that COUNTY, on performing the provisions of this Agreement, shall have peaceable and quiet enjoyment of the Premises. LESSOR further covenants that it will not deliberately interfere or permit others acting subsequently through or under LESSOR, including other tenants or contractors of LESSOR, to interfere with COUNTY'S peaceful possession or use of the Premises.

16. **COMPLIANCE WITH THE LAW:** COUNTY and LESSOR shall comply with all applicable federal, state, county, and municipal laws, statutes, rules, ordinances, and regulations in effect during the term or any part of the term hereof regulating the use of the Premises.

17. **PROPERTY TAXES/ASSESSMENTS:** COUNTY agrees to pay COUNTY'S pro rata share of all property taxes and assessments which may be levied or assessed against the Property. In addition to all rentals herein reserved the COUNTY shall pay to LESSOR its share of the property taxes and assessment levied upon and assessed against the Premises for each year of the term of this Agreement, including the improvements thereon shall have been fully assessed for taxes as completed Premises by the County Assessor's Office. Such increase in taxes shall be payable as set forth below and upon receipt by COUNTY of a statement in writing from LESSOR setting forth the amount of such tax increase.

Taxes on the Premises shall be apportioned according to the floor area of the Premises, as it relates to the total floor area of the building or buildings, as the case may be, for which a separate assessment shall be made (e.g. Building # 1), and which building (or buildings) includes the Premises.

COUNTY shall be required to pay each year only the amount of such annual installments or portion thereof constituting a tax increase (with appropriate proration for any partial year) and shall have no obligation to continue such payments after the termination of this Agreement. LESSOR shall amortize the annual taxes into the monthly NNN billing.

18. **INDEMNIFICATION:** COUNTY shall defend, indemnify and save harmless the LESSOR, its officers, agents and employees from any and all claims, demands, damages, costs, expenses (including reasonable attorney's fees), judgments or liabilities arising out of this Agreement or occasioned by the performance or attempted performance of the provisions hereof; including, but not limited to, any act or omission to act on the part of the COUNTY, its agents or employees except those claims, demands, damages, costs, expenses (including attorney's fees), judgments or liabilities resulting solely from the negligence or willful misconduct of the LESSOR.

LESSOR shall defend, indemnify and save harmless the COUNTY, its officers, agents and employees from any and all claims, demands, damages, costs, expenses (including reasonable attorney's fees), judgments or liabilities arising out of this Agreement or occasioned by the performance or attempted performance of the provisions hereof; including, but not limited to, any act or omission to act on the part of the LESSOR, its agents or employees except those claims, demands, damages, costs, expenses (including attorney's fees), judgments or liabilities resulting solely from the negligence or willful misconduct of the COUNTY.

COUNTY shall notify LESSOR immediately in the event of any accident or injury arising out of or in connection with this Agreement.

19. **COUNTY SELF INSURED:** LESSOR understands and acknowledges that the COUNTY is permissively self insured for Workers Compensation. Documentation of self insurance as authorized by the State of California will be provided if requested.

COUNTY is self insured for General and Automobile Liability Insurance. Documentation will be provided to LESSOR evidencing the \$500,000 self insured retention by the COUNTY and the remaining coverage evidenced by a Certificate of Insurance for Excess Liability Coverage up to \$1,000,000. COUNTY shall provide Fire Legal Liability coverage in the amount of \$50,000 as part of the General Liability Policy.

20. **MUTUAL WAIVER OF SUBROGATION RIGHTS:** COUNTY and LESSOR hereby waive any rights each may have against the other on account of any loss or damage suffered by COUNTY or LESSOR, as the case may be, to their respective property arising from any risk generally covered by "all risk" property insurance; and the parties each, on behalf of their respective insurance companies insuring the property of either COUNTY or LESSOR against any such loss, waive any right of subrogation that either may have against the other, as the case may be.

21. **NON-DISCRIMINATION:** LESSOR shall comply with COUNTY laws, rules and regulations regarding nondiscrimination as such are found in the Santa Barbara Code and as such may from time to time be amended. These provisions are incorporated herein as if they were fully set forth.

Noncompliance with provisions of this section shall constitute a material breach of this Agreement and in addition to any other remedies provided by law, COUNTY shall have the right to terminate this Agreement and the interest hereby created without liability therefore.

22. **AMERICANS WITH DISABILITIES ACT** - On January 26, 1992, new regulations under Title III of the Americans with Disabilities Act ("ADA") became effective. The provisions of ADA may require certain modifications, architectural barrier removal if readily achievable, or steps to make the facilities and goods and/or services provided therein available to the disabled by readily achievable alternative methods, in the shopping center. In that event, without intending to suggest that any modifications or barrier removal efforts are required or mandated by ADA, any such modifications shall be made as follows:

LESSOR agrees to be responsible for the costs of compliance and all other costs associated with the Americans with Disabilities Act ("ADA") and any other laws and regulations affecting or relating to access for the disabled to the common area of the shopping center only, in accordance with the provisions of Section 12, **PARKING AND COMMON AREA/FACILITIES RULES**, if required, including, but not limited to, creating designated accessible parking spaces, installing ramps, making curb cuts in sidewalks and entrances, making exterior doors more accessible, eliminating anything that would impede entry by the disabled onto the common areas of the Premises and the shopping center where the Premises are located, and any other structural changes or capital improvements thereto.

COUNTY agrees to be responsible for the costs of compliance and all other costs associated with ADA and any other laws and regulations affecting or relating to access for the disabled to the Premises, if required, including, but not limited to, internal door and bathroom modifications, providing communications devices such as TDD's, telephone handset amplifiers, assistive listening devices and rearranging temporary or movable structures, such as furniture, equipment and shelves.

LESSOR further agrees to defend, indemnify and hold harmless COUNTY, and all its' officers, employees and agents from any and all liability, loss, penalty, claims, damages, injury, death or expense, including court costs and attorney's fees, arising out of or connected in any way with any obligations of LESSOR under this paragraph.

COUNTY further agrees to defend, indemnify and hold harmless LESSOR and LESSOR'S lenders, if any, and all their officers, employees, agents, assigns and/or successors, and each of them, from any and all liability, loss, penalty, claims, damages, injury, death or expense, including court costs and attorney's fees, arising out of or connected in any way with any obligations of COUNTY under this paragraph.

23. **NOTICES**: Any notice to be given to either party, by the other, shall be in writing and shall be served, either personally or by first class mail to the following:

COUNTY: County of Santa Barbara
Support Services Division
1105 Santa Barbara Street, 2nd Floor
Santa Barbara, CA 93101-6065,
Attn: R. Carlentine, SR/WA, Real Property Manager
Tel: 568-3078
Fax: 568-3249

LESSOR: Bartleson Companies
1157 E. Clark Avenue, Suite C
Santa Maria, CA 93455
Attn: Bill Evans, general partner
Tel: 937-2081
FAX: 937-1362

All notices hereunder shall be in writing and shall be deemed to have been given on the date delivered, if personally delivered, or if mailed, then on the first business day following the date on which it is mailed, postage prepaid, addressed to the address specified above, or to such other address designated by the party as provided for herein.

24. **DEFAULT**: Except as otherwise specified herein, should either party at any time be in default hereunder with respect to any material covenant contained herein, the nondefaulting party shall give notice to the defaulting party specifying the particulars of the default and the defaulting party shall promptly commence remedial action to cure the default. Should such default continue uncured for a period of thirty (30) calendar days from such notice, this Agreement shall terminate at the option of the non-defaulting party unless the cure of such default shall reasonably take more than thirty (30) calendar days in which case the defaulting party shall proceed with all due speed to cure the default and shall have a reasonable time to effectuate its cure.

25. **REMEDIES**: In the event of a default or breach, either party may exercise any right or remedy at law or in equity which such party may have by reason of such default or breach.

26. **TERMINATION:** This Agreement shall terminate and all rights of COUNTY shall cease and COUNTY shall quietly and peacefully deliver to LESSOR, possession and interest in the Premises and upon such delivery, shall be relieved of all future liability:

A. Upon expiration of the term as provided in Section 4, TERM; or

B. Upon discrimination by LESSOR in violation of Section 21, NONDISCRIMINATION; or

C. Upon the failure of either party to satisfy, observe, or perform any of the covenants, conditions, or reservations set forth in this Agreement and the expiration of the cure period as provided in Section 24, DEFAULT.

27. **ENTRY AND INSPECTION:** COUNTY shall permit LESSOR and his agents to enter into and upon the Premises after first giving notice to COUNTY five (5) business days in advance for the purpose of inspecting the same or for the purpose of maintaining the building in which said Premises are situated, or for the purpose of making repairs, alterations or additions to any other portion of said building, including the erection and maintenance of such scaffolding, canopy, fences and props as may be required, for the purpose of posting notices of non-liability for alterations, additions or repairs. This also includes having the building or any portion thereof tented for the purpose of fumigating the building for several days for various pests. LESSOR shall be permitted to do any of the above without any rebate of rent and without any liability to COUNTY for any loss of occupation or quiet enjoyment of the premises hereby occasioned. COUNTY shall permit LESSOR at any time within 100 days prior to the expiration of this Agreement to place upon said Premises any usual or ordinary "For Lease" and during such 100 day period, LESSOR or his agents may enter upon said Premises and exhibit same to prospective tenants.

28. **ABANDONMENT:** COUNTY shall not vacate or abandon the Premises at any time during the term of this Agreement and if COUNTY shall abandon, vacate, or surrender said Premises, any personal property belonging to COUNTY and left on the Premises more than thirty (30) days after termination of this Agreement shall be deemed abandoned, at the option of the LESSOR.

29. **ASSIGNMENT/SUBLETTING:** COUNTY shall not assign this Agreement or any interest therein, and shall not sublet the Premises or any part thereof, or any right or privilege appurtenant thereto, or permit any other person (the agents, employees and guests of COUNTY excepted) to occupy or use the Premises, or any portion thereof, without first obtaining the written consent of LESSOR. Said consent shall not be unreasonably withheld. LESSOR'S consent to an assignment or sublease may be "reasonably withheld" because of: 1) Negative past credit factors. 2) Lack of business experience. 3) A duplicate business or near duplicate business disrupting the overall center's market mix. 4) Another tenant's exclusivity agreement. 5) Lack of start-up capital.

Consent by LESSOR to one assignment, subletting, occupation or use by another person shall not be deemed to be a consent to any subsequent assignment, subletting, occupation or use by another person. Consent to an assignment shall not release the COUNTY from liability for the continued performance of the terms and provisions on the part of COUNTY to be kept and performed, unless LESSOR specifically releases the COUNTY from said liability. Any assignment or subletting without the prior written consent of LESSOR shall be void, and shall, at the option of LESSOR, terminate this Agreement.

30. **SALE OF PREMISES BY LESSOR:** In the event of any sale of the premises by

LESSOR, LESSOR shall be and is hereby entirely freed and relieved of all liability under any and all of its covenants and obligations contained in or derived from this Agreement, arising out of any act, occurrence or omission occurring after the consummation of such sale; and the purchaser, at such sale or any subsequent sale of the Premises, shall be deemed, without any further agreement between the parties or their successors in interest or between the parties and any such purchaser, to have assumed and agreed to carry out any and all of the covenants and obligations of the LESSOR under this Agreement.

31. **DESTRUCTION OF THE PREMISES:** If the Premises are totally destroyed by fire or any other cause, this Agreement, at the option of COUNTY, shall terminate.

If a loss renders any portion of the Premises unusable, COUNTY may choose to remain or may terminate this Agreement by written notice to LESSOR. Should COUNTY choose to remain, LESSOR shall promptly repair the Premises within ninety (90) days of the casualty.

If COUNTY chooses to remain in possession of the Premises despite partial destruction, the rent provided in this Agreement shall be reduced by the same percentage that usable floor space has been reduced until the destroyed section is rebuilt to its condition prior to the casualty.

32. **SUCCESSORS IN INTEREST:** This Agreement and the covenants contained herein shall be binding upon and inure to the benefit of the respective parties and to any organization into which LESSOR may be merged.

33. **AGENCY DISCLOSURE:** LESSOR acknowledges that the General Services Department, Facilities Services Division, of the COUNTY is the agent for the COUNTY exclusively, and is neither the agent for LESSOR, nor a dual agent in this transaction.

34. **CAPTIONS:** The title or headings to the sections of this Agreement are not a part of this Agreement, and shall have no effect upon the construction or interpretation of any part hereof.

35. **SEVERABILITY:** If any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provision shall be deemed severable from the remaining provisions hereof, and such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

36. **CERTIFICATION OF SIGNATORY:** Signatories for the parties represent and certify that they are authorized to sign on behalf of their respective party and that no additional signatures are required to carry out the activities contemplated herein.

37. **AMENDMENTS:** This Agreement may only be amended by written consent of the parties.

38. **EXECUTION IN COUNTERPARTS:** This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the parties shall preserve undestroyed, shall together constitute one and the same instrument.

39. **FACSIMILE SIGNATURES:** In the event that the parties hereto utilize facsimile transmitted documents which include signatures, such documents shall be accepted as if they bore original signatures provided that documents bearing ORIGINAL SIGNATURES are provided within seventy-two (72) hours of transmission of the facsimile, except that funds shall not be released upon a facsimile signature nor shall facsimile signed documents be accepted for recordation by the Clerk Recorder of the County.

40. **CONSTRUCTION:** The parties agree that each party and its respective counsel have reviewed and approved this Agreement to the extent that each party in its sole discretion has desired, and that any rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement. The terms and conditions of this Agreement embody the parties' mutual intent, and this Agreement shall not be construed more liberally in favor of, nor more strictly against any party hereto.

41. **ENTIRE AGREEMENT:** The parties to this Agreement intend that their negotiations, conversations and statements made prior to execution of this Agreement are fully integrated and expressed herein, and no such negotiations, conversations and statements shall be deemed to create rights or obligations other than those stated herein.

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Project: 1103 East Clark Avenue, SM
APN: 103-110-013
Folio: 003536
Agent: CS

IN WITNESS WHEREOF, COUNTY and LESSOR have executed this Agreement to be effective on the date executed by COUNTY.

"COUNTY"
COUNTY OF SANTA BARBARA

ATTEST:
MICHAEL F. BROWN
CLERK OF THE BOARD

By: _____
Chair, Board of Supervisors

By: _____
Deputy Clerk


Date: _____

"LESSOR"
MINSON COMPANY, a Limited Partnership
STUART A. BARTLESON, General Partner
BARTECKNON, a Limited Partnership, General Partner

By: _____
Stuart A. Bartleson - Minson Company

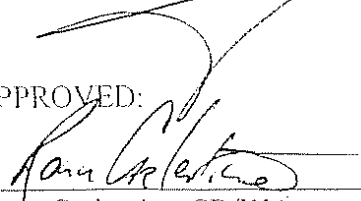
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Bill Evans - Bartecknon

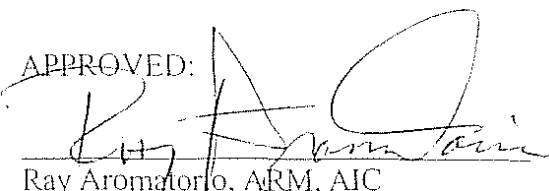
APPROVED AS TO FORM:
STEPHEN SHANE STARK
COUNTY COUNSEL

By: 
Deputy

APPROVED AS TO FORM:
ROBERT W. GEIS, CPA
AUDITOR-CONTROLLER

By: 

APPROVED:

Ronn Carlentine, SR/WA
Real Property Manager

APPROVED:

Ray Aromatorlo, ARM, AIC
Risk Program Administrator

Project: 1103 East Clark Avenue, SM
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COUNTY OF SANTA BARBARA


ATTEST:
MICHAEL F. BROWN
CLERK OF THE BOARD

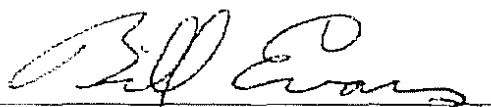
By: _____
Chair, Board of Supervisors

By: _____
Deputy Clerk

Date: _____

"LESSOR"
MINSON COMPANY, a Limited Partnership
STUART A. BARTLESON, General Partner
BARTECKNON, a Limited Partnership, General Partner

By: 
Stuart A. Bartleson - Minson Company

By:  11/29/07
Bill Evans - Bartecknon

APPROVED AS TO FORM:
STEPHEN SHANE STARK
COUNTY COUNSEL

APPROVED AS TO FORM:
ROBERT W. GEIS, CPA
AUDITOR-CONTROLLER

By: _____
Deputy

By: _____

APPROVED:

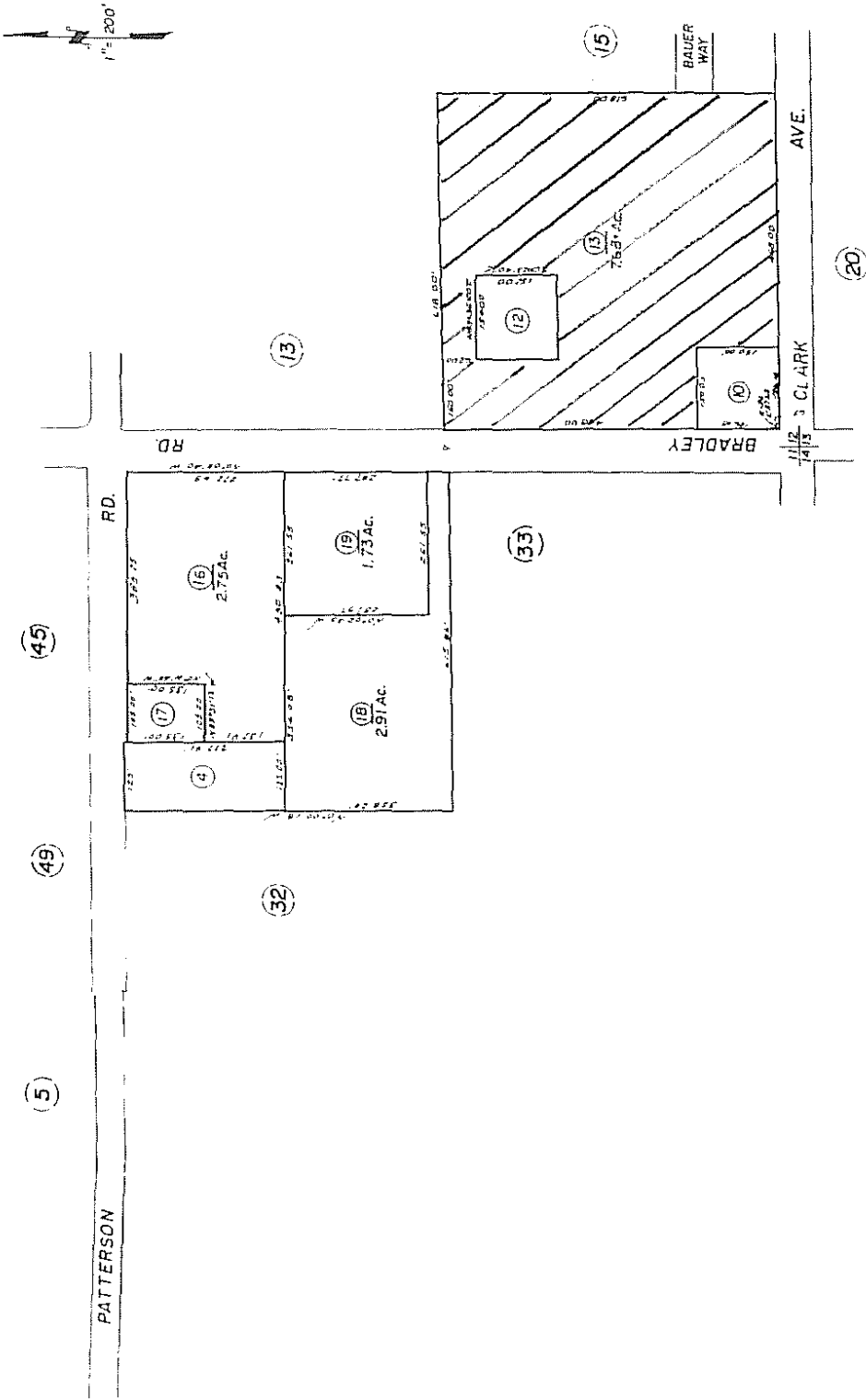
APPROVED:

Ronn Carlentine, SR/WA
Real Property Manager

Ray Aromatorio, ARM, AIC
Risk Program Administrator

POR. SE 1/4 SEC. 11, T. 9 N., R. 34 W., S. B. B. & M.

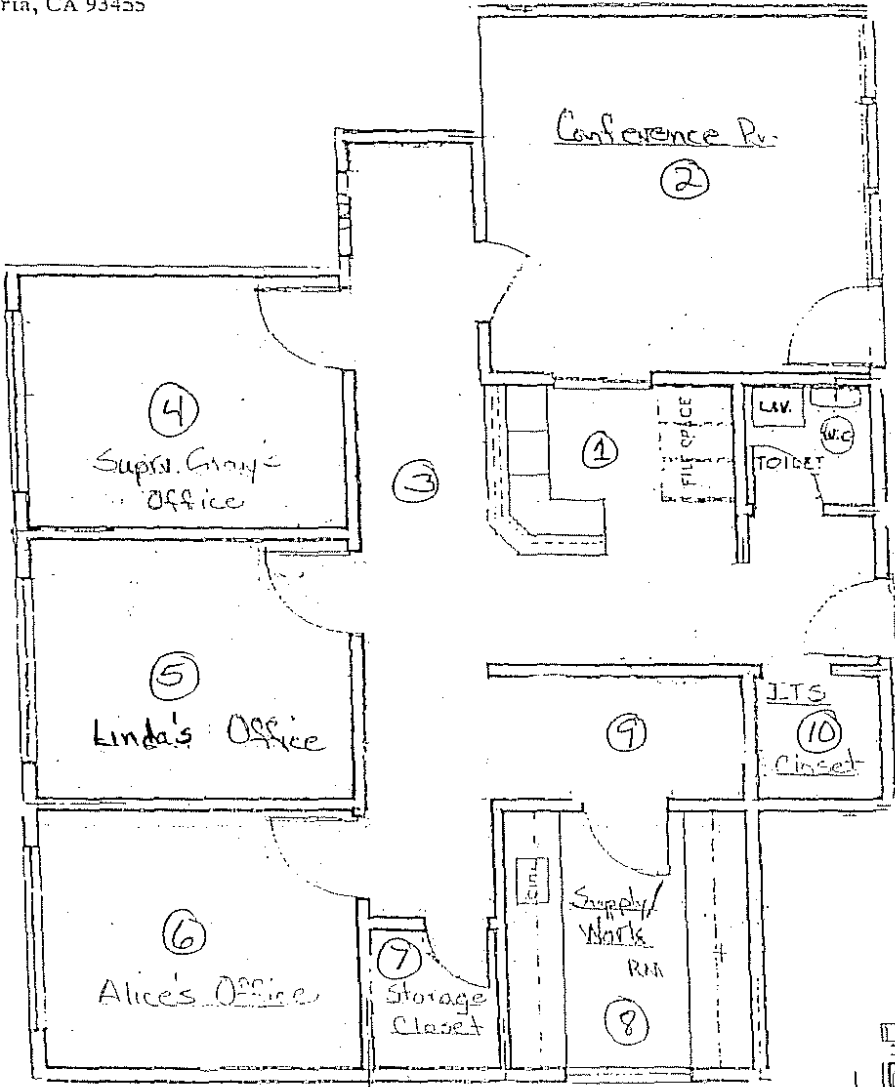
103-11



Assessor's Map Bk. 103 - Pg. 11
County of Santa Barbara, Calif.

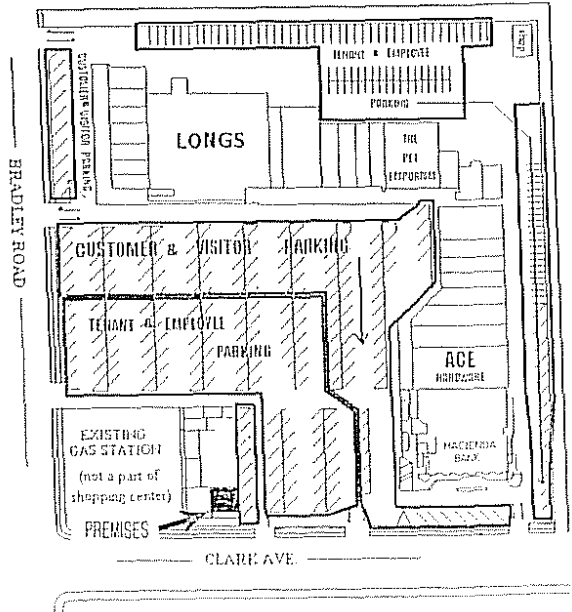
1/22

NOTE - Assessor's Block Numbers Shown in Ellipses
Assessor's Parcel Numbers Shown in Circles.

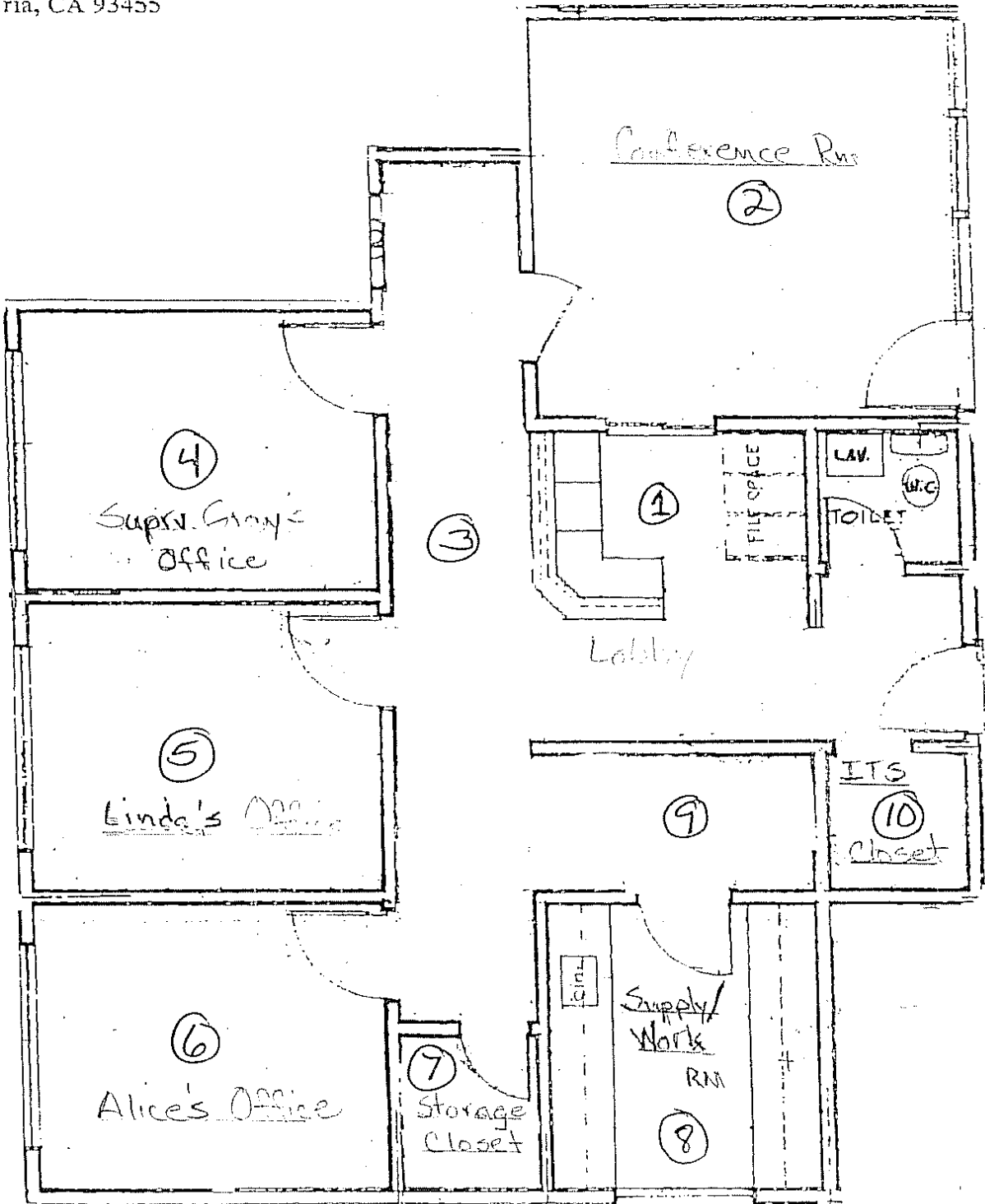


PREMISES

OAK KNOLLS NORTH PARKING



1103 E. Clark Ave., Ste. A
Santa Maria, CA 93455



TENANT IMPROVEMENTS

- ✓ Area #1: remove cabinets and reception counter, paint and carpet
- ✓ Area #2: close/fill-in opening between areas #1 and #2, new paint and carpet, recessed lighting and vertical Levolor, or similar, blinds (sectioned for each window)
- ✓ Area #3: new paint and carpet, and recessed lighting fixtures
- ✓ Areas #4, #5 and #6: new paint and carpet, vertical Levolor, or similar, blinds, new lighting fixtures or recessed lighting, remove wooden barrier across windows and remove all visible telephone and cable wiring
- ✓ Area #7: clean out, paint
- ✓ Area #8: remove counter under window, replace countertops and sink, paint and carpet, and replace mini blinds over window (white)
- ✓ Area #9: remove cabinets, counter with sink, cap off and recess plumbing, paint and carpet
- ✓ Area #10: strip down to bare wall, rewire single outlet to be "dedicated"
- ✓ Toilet: new paint, install handrails (per ADA specifications), modify door to open outward instead of inward.

NOTE: Susan Warnstrom to pick out paint color and will take part in the selection of carpet and blinds.

EXHIBIT "C"
MAINTENANCE AND REPAIR

ITEM NO.	ITEM	NOT APPLICABLE	COUNTY	LESSOR
1. Building Exterior				
	Repair Walls			X
	Painted Surfaces			X
	Door and Window Trim			X
	Doors, Hardware			X
	Windows: Hardware and Screens			X
	Locks			X
	Roof			X
	Rain Gutters			X
	Flashing			X
	Down Spouts			X
	Lighting			
	Bulbs			X
	Fixtures			X
	Transformers			X
	Fluorescent Lights			X
	Ballast			X
	Handrails	X ¹		
	Signs (County Designation)			X
	Timers			X
	Gutters			X
	Decking Walkways	X		
	Exterior Patios	X		
	Decking (Overdecking on roof top area)			X
	Water Softener, Filter and Conditioner	X		
	Stairs	X		
	Roof Drains			X
	Gates	X		
	Gas/Water Lines			X
	Elect. Lines			X
	Phone/ Computer Lines		X	

¹ If required, COUNTY will install ADA compliant ramp and handrails. LESSOR will approve plans for placement and will maintain same once installed.

ITEM NO.	ITEM	NOT APPLICABLE	COUNTY	LESSOR
	Sewer Lines			X
2.	Building Interior			
	Walls		X	
	Painted Surfaces		X	
	Door Hardware		X	
	Locks		X	
	General Cleaning		X	
	Floor, Sweeping and Cleaning		X	
	Carpet, Vacuum and Cleaning		X	
	Window Coverings			X
	Lighting			
	Bulbs		X	
	Fixtures			X
	Transformers	X		
	Fluorescent Lights	X		
	Ballast	X		
	Handrails (ADA)	X		
	Signs	X		
	Timers	X		
	Drinking Fountains	X		
	Ceiling		X	
	Showers	X		
	Toilet/Urinals (Replacement)			X
	Toilet/Urinals (Maintenance)		X	
	Sink & Faucets (Replacement)			X
	Sink & Faucets (Maintenance)		X	
	Gas Lines			X
	Water Lines			X
	Sewer Lines/Drains			X
	Phone Lines & Jacks		X	
	Computer Lines & Jacks		X	
	T.V. Cable & Jacks		X	
	Phones		X	
	Towel Racks	X		

ITEM NO.	ITEM	NOT APPLICABLE	COUNTY	LESSOR
	Garbage Disposal	X		
	Refrigerator/ Microwave	X		
	Stove	X		
	Counter Tops, replacement			X
	Cabinets, replacement			X
	Dish Washer	X		
	Trash Compactor	X		
3. Grounds				
	Drinking Fountains			X
	Mail Boxes			X
	Fences	X		
	Trash Bins			X
	Trash Enclosures			X
	Bike Racks	X		
	Signs (County)	X		
	Litter Pick-up			X
	Lighting			
	Parking Lot			X
	Driveways			X
	Walkways			X
	Timers (external)			X
	Timers (internal)	X		
	Signs			X
	Cleaning, Sidewalks, Walkways, Parking Lot			X
4. Landscaping				
	Trees			X
	Shrubs			X
	Flowers			X
	Lawn			X

ITEM NO.	ITEM	NOT APPLICABLE	COUNTY	LESSOR
	Watering			X
	Sprinkler, Repair and Replace			X
	Headers			X
	Rodent/Pest			X
	Seeding			X
	Fertilizer			X
	Plant Trimming			X
	Plant Removal			X
	Plant Replacement			X
	Tree Care & Trimming			X
5. Mechanical Systems				
	Electrical Panels, Breaker, Interior			X
	Electrical Fuses, Interior		X	
	Electrical Receptacle, Switches, Interior			X
	Electrical Central Switches			X
	Elevator	X		
	Heating		(maint) ²	(repair)
	Air Conditioning		(maint)	(repair)
	Water Heater			X
6. Roadways/Parking Lots Repair & Maintenance				
	Striping			X
	Handicap Signage			X
	Asphalt Surface, Curbing			X
	Cement Surface, Curbing			X
	Wheel Stops			X
	Drainage			X
	Signs			X

² COUNTY will perform required maintenance and service every 6 months (filters, belts & coolant levels).

ITEM NO.	ITEM	NOT APPLICABLE	COUNTY	LESSOR
7. Fire Equipment				
	Sprinklers	X		
	Hoses	X		
	Extinguisher (interior)			X
	Alarm Systems	X		
	Smoke Detectors			X
8. Other Items				
	Paper supplies, dispensers, waste containers, soap in restrooms and kitchens		X	
	Interior janitorial products and services		X	
	Interior Floor Waxing, Sweeping		X	
	Window Washing (interior & exterior)		X	
	Exterior sweeping entry, sidewalks and walkways			X
	Janitorial service for public areas or common use areas			X
	Broken window glass or door glass		X ³	X
	Refuse, Rubbish and Garbage Disposal			
	Cleaning Storage Rooms, Utility Rooms		X	
	Exterminating			X
	Carpet Replacement Linoleum Replacement Tile Replacement			X
	Lawn mower, repair and maintenance	X		
	Building Foundation			X
	Flooring (wood & concrete)			X
	Utility mains & appurtenances			X
	Keys (if lost and need replacement or re-keying)		X	

³ COUNTY to replace/repair if broken by its agents, employees, visitors, contractors, etc. LESSOR to replace/repair if broken for any other reason (i.e., vandalism, contractors, other tenants, etc.)

OAK KNOLLS NORTH PARKING

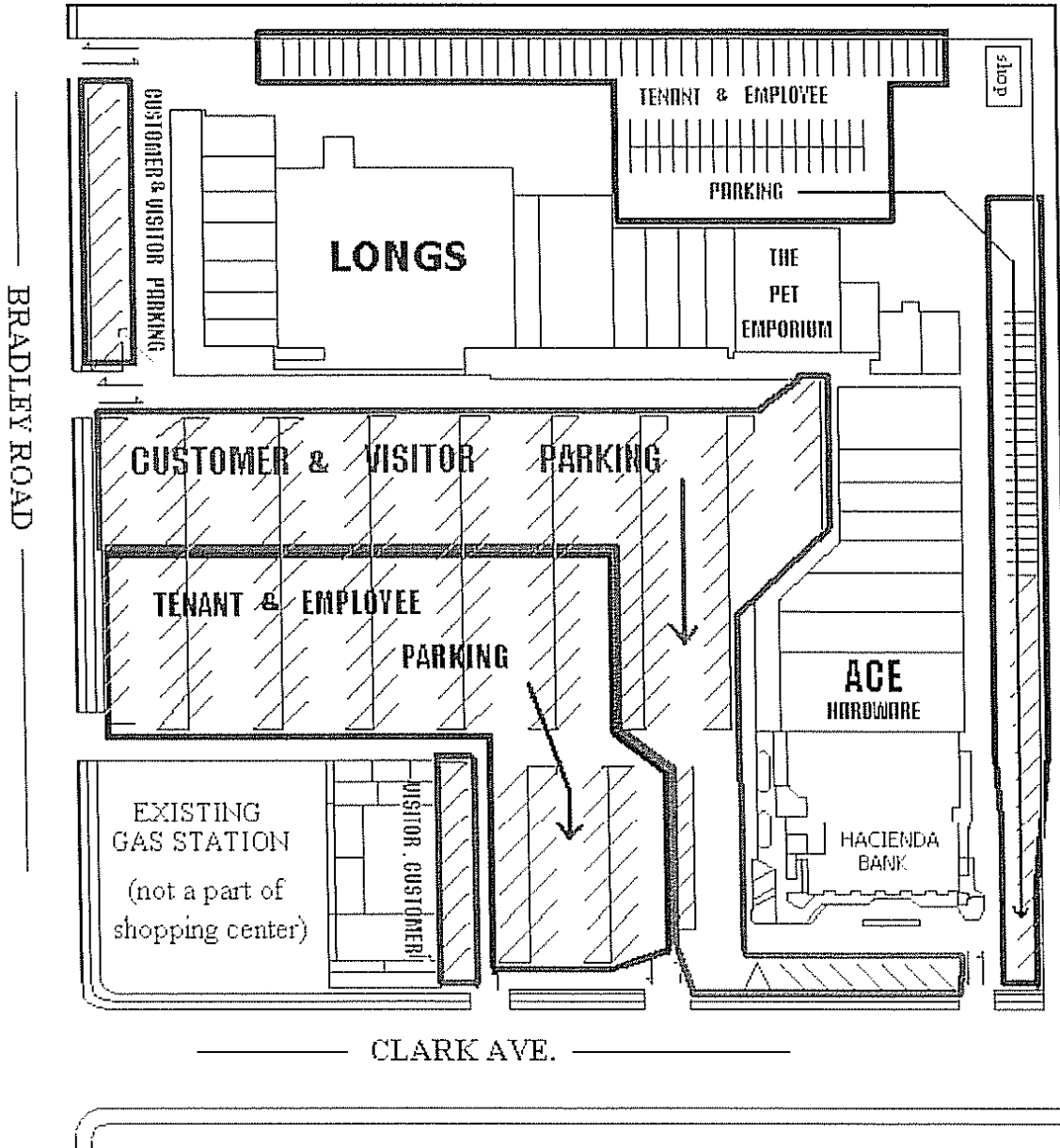


EXHIBIT 'D'

CENTER RULES - OAK KNOLLS SHOPPING CENTERS

Trash

Breakdown flat all boxes unless full of packing foam or STYROFOAM "popcorn" which must be bagged or boxed securely.

Can't bring trash from home or special remodel projects at suite (haul directly to dump or a temporary dumpster must be ordered).

If Landlord has dumpsters locked, Tenant to re-lock after opening.

If a dumpster is full, take trash to another dumpster. Do not pile on garbage on an already full container.

Report non-tenant dumpsters to our office or Sheriff's department when noticed.

No wet food or animal waste that's not security bagged to prevent leakage.

Parking

Tenants and their employees to park in designated parking locations only (map provided).

No taking up more than 1 parking spot.

No car washing, waxing or detailing allowed.

No mechanical work on premises - jump start ok only.

Obey shopping center speed limits.

No loud music while driving to work here.

No storage or long term parking of vehicles.

No placing of signs or banners in parking areas or on center entrances

Special events not allowed without prior approval of landlord, e.g. Radio station promotions, BBQ's, outdoor sales specials, etc.

No designated parking for businesses or individuals.

Smoking

Must be at locations away from other Tenant's doors.

Employers or Tenants with smoking workers must clean up adjacent smoking areas and provide for proper ashtray and cigarette butt removal.

Graffiti/Crime

Report skateboarding to Sheriff's department.

Report graffiti to Landlord and to Sheriff's department.

Report loitering or panhandlers to Sheriff's department.

Tenants are responsible for reporting to authorities any illegal or suspicious activity within the shopping centers.

Other

No pets allowed on premises at any time.

No feeding of pigeons or throwing out food to birds.