

Project: IV RDA Lease  
APN: 075-112-016  
Folio: 00  
Agent: DG

**LEASE AGREEMENT**

**THIS LEASE AGREEMENT**, hereinafter "Agreement," is entered into by and between

PARADISE IVY, LLC, a California Limited Liability Company, hereinafter referred to as "LESSOR";

and

THE SANTA BARBARA COUNTY REDEVELOPMENT AGENCY, a public body corporate and politic, hereinafter referred to as "COUNTY";

with reference to the following:

**WHEREAS**, LESSOR is the owner of the property and building located at 909 Embarcadero Del Mar, Isla Vista, California, 93117, Assessor's Parcel No. 075-112-016, (hereinafter "Property"), identified as the diagonally-slashed area of Exhibit "A", attached hereto and incorporated herein by this reference, and

**WHEREAS**, COUNTY and LESSOR desire to enter into a Lease Agreement for the purpose of leasing 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 Executive Director of the Redevelopment Agency, or designee, and for LESSOR by Paradise Ivy, LLC, Tim Werner, principal.

2. **LEASED PROPERTY**: LESSOR hereby leases to COUNTY and COUNTY hereby takes from LESSOR, the Property, including the approximately 2,000 square foot building located thereon (hereinafter "Premises"), as shown on Exhibit "B", attached hereto and incorporated herein by reference.

3. **TERM**: The initial term of this Agreement shall be for a period of FIVE MONTHS, commencing August 1, 2008, and terminating December 31, 2008 (hereinafter "Term"). Upon expiration of the Term, this Agreement shall automatically renew on a monthly basis, until either

party provides thirty (30) days written notice of termination, which notice may be given by either party, with or without cause.

4. **RENT**: The monthly rent during the Term shall be TWO THOUSAND DOLLARS (\$2,000.00). Rent shall begin to accrue on August 1, 2008; however, if the Premises are not ready for occupancy by COUNTY on August 1, 2008, Rent shall begin to accrue upon COUNTY'S occupancy of the Premises. If the Premises are not ready for occupancy by September 1, 2008, this Agreement may terminate at COUNTY'S option.

Rent payments shall commence on August 1, 2008, and shall be payable in advance on or before the first (1st) day of each and every calendar month thereafter, except as provided herein. LESSOR shall execute and return such forms as the COUNTY may require for processing of the request for rent payments so that rent may be paid in a timely manner. 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.

5. **PARKING**: COUNTY shall have exclusive use of all parking spaces on the Property.

6. **CONDITION/ TENANT IMPROVEMENTS**: COUNTY accepts the Premises in its current condition, subject to the conditions identified on Exhibit B hereto. COUNTY shall install no tenant improvements within or upon the Premises without the prior written consent of LESSOR. Any improvements shall be performed at COUNTY'S expense and COUNTY shall be responsible for obtaining all required permits prior to the commencement of work.

7. **MAINTENANCE AND REPAIR**: LESSOR agrees to perform all maintenance and repair to the Property and exterior portions of the Premises according to the provisions of Exhibit "C", attached hereto and incorporated herein by reference. In the event LESSOR chooses not to perform any maintenance or repair that is requested by COUNTY that would otherwise be LESSOR'S responsibility according to Exhibit C hereof, COUNTY may choose to perform such maintenance or repair at the sole cost of COUNTY, or may terminate this Agreement upon THIRTY (30) days written notice to LESSOR.

COUNTY agrees to keep and maintain in good condition and repair the interior of the Premises, and those items listed as COUNTY'S responsibility in Exhibit C. Upon termination or expiration of this Agreement, COUNTY will return the Premises to LESSOR, with those items in good order, reasonable wear and tear excepted. To the extent that there is conflict between this Section and Exhibit C, Exhibit C shall prevail.

8. **UTILITIES AND JANITORIAL SERVICES**: LESSOR shall provide and pay for all utilities serving the Property, subject to reimbursement by COUNTY. COUNTY shall pay all charges for gas and electricity serving the Premises within 30 days of being presented with invoices by LESSOR. LESSOR shall pay for all water, trash, landscaping and grounds maintenance.

9. **AMENDMENTS**: This Agreement may be amended by written consent of both parties, in accordance with Section 1 hereof. Said amendments, once fully executed shall, like the Agreement, be binding upon heirs, successors, and assigns of all parties hereto.

10. **NONDISCRIMINATION:** 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 article shall constitute a material breach hereof 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.

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

12. **NOTICES:** Except where otherwise specifically provided, all notices under this Agreement and in connection herewith and all statements shall be addressed and delivered as follows:

COUNTY: Santa Barbara County Redevelopment Agency  
1105 Santa Barbara Street  
Courthouse, East Wing, 4th Floor  
Santa Barbara, CA 93101

LESSOR: Paradise Ivy, LLC  
Attn: Tim Werner  
735 State Street, Suite 600  
Santa Barbara, CA 93101

or at such other address as the respective party may designate in writing. Any notice may be given by use of the United States mails, postage prepaid Certified mail, or by personal delivery. The date of mailing, or in the event of personal delivery the date of delivery, shall constitute the date of service.

13. **INDEMNIFICATION:** LESSOR shall defend, indemnify, and save harmless COUNTY, its officers, agents and employees from any and all claims, demands, damages, costs, expenses (including 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 LESSOR, his agents, employees, or independent contractors.

COUNTY shall defend, indemnify, and save harmless LESSOR, its officers, agents and employees from any and all claims, demands, damages, costs, expenses (including 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 COUNTY, its agents, employees, or independent contractors.

14. **INSURANCE**: LESSOR understands and acknowledges that the COUNTY is permissively self-insured for Workers Compensation, and for General and Automobile Liability Insurance.

LESSOR shall maintain property insurance for the Property and the Premises throughout the term of this Agreement.

15. **MUTUAL WAIVER OF SUBROGATION RIGHTS**: LESSOR and COUNTY hereby waive any rights each may have against the other on account of any loss or damage suffered by LESSOR or COUNTY, as the case may be, to their respective property, the Premises, its contents, or to other portions of the 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 LESSOR or COUNTY against any such loss, waive any right of subrogation that either may have against the other, as the case may be.

16. **TAXES AND ASSESSMENTS**: LESSOR shall pay and discharge all property taxes and assessments, including special assessments, if any, levied upon the Property and/or Premises during the term of this Agreement, or any extension thereof.

17. **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 twenty-one (21) calendar days from such notice, then this Agreement shall terminate at the option of the nondefaulting party unless the cure of such default shall reasonably take more than twenty-one (21) 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.

18. **REMEDIES**: In the event of a default or breach by either party, the nondefaulting party may exercise any right or remedy at law or in equity which such nondefaulting party may have by reason of such default or breach including but not limited to the following:

A. Either party may waive the default or breach in accordance with Section 19, **WAIVER**, herein below.

B. Either party may maintain this Agreement in full force and effect and recover whatever monetary loss(es) may have resulted from such default or breach.

C. Where COUNTY is the nondefaulting party, COUNTY may terminate this Agreement and surrender possession.

D. Where LESSOR is the nondefaulting party, LESSOR may terminate this Agreement, and regain possession of the Premises. If LESSOR lawfully removes property of COUNTY, such property may be stored in a public warehouse or elsewhere at the cost of, and for the account of, COUNTY.

19. **WAIVER**: It is further understood and agreed that any waiver, express or implied, of any breach of any term of this Agreement shall not be a waiver of any subsequent breach of a like or any other provision of this Agreement.

20. **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. After expiration of the initial term, upon thirty (30) day notice given by either party, which notice may be given without cause;

B. Upon LESSOR's election not to perform maintenance or repair, as would otherwise be required according to Exhibit C hereof, and COUNTY's election to terminate this Agreement according to Section 7. **MAINTENANCE AND REPAIR hereof;**

C. Upon discrimination by LESSOR in violation of Section 10, **NONDISCRIMINATION;**

D. 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 17, **DEFAULT;** or

E. Upon the total destruction of the Premises, as provided in Section 23, **DESTRUCTION OF THE PREMISES.**

21. **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.

22. **FIXTURES:** The parties agree that all improvements to, or fixtures on, the Premises, made or added by either party, except trade fixtures added by COUNTY that may be removed as hereinafter provided, shall be and become the property of LESSOR upon their being affixed or added to the Premises. At the termination of the term hereof, COUNTY may remove such trade fixtures as it shall have affixed or added to the Premises (if any) which may be removed without damage to the Premises.

23. **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, and COUNTY'S Rent shall be abated in proportion to the remaining usable space.

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

COUNTY acknowledges that the LESSOR is the agent for itself exclusively, and is neither the agent for the COUNTY nor a dual agent in this transaction.

25. **OBLIGATIONS TO SECURED LENDER/FORECLOSURE:** In case of a foreclosure or other proceeding by which the lender or its successor takes title to the Premises, COUNTY will accept the lender or its successor as the lawful landlord in place of LESSOR.

COUNTY shall provide such estoppel or attornment certificates as the lender, or successor, may require, without subordination of this Agreement.

26. **CAPTIONS**: The title on 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.

27. **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 provisions 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.

28. **SUCCESSORS IN INTEREST**: This Agreement shall bind and enure to the benefit of the parties hereto, their respective personal representatives, heirs, successors in interest, and assigns.

29. **WASTE AND NUISANCE**: COUNTY shall not commit, nor suffer to be committed, any waste upon the Premises, nor permit any nuisance to exist thereon.

30. **CERTIFICATION OF SIGNATORY**: The signatories of this Agreement and each of them represent and warrant that they are authorized to execute this Agreement and that no additional signatures are required to bind COUNTY and LESSOR to its terms and conditions or to carry out duties contemplated herein.

31. **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.

32. **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.

33. **ENTIRE AGREEMENT**: This Agreement constitutes the entire agreement between the parties hereto and no obligation other than those set forth herein will be recognized.

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

“COUNTY”  
SANTA BARBARA COUNTY  
REDEVELOPMENT AGENCY

ATTEST:  
MICHAEL F. BROWN  
CLERK OF THE BOARD

\_\_\_\_\_  
Chair, Board of Directors  
Salud Carbajal

By: \_\_\_\_\_  
Deputy

Date: \_\_\_\_\_

“LESSOR”  
PARADISE IVY, LLC

APPROVED AS TO FORM:  
DENNIS MARSHALL  
COUNTY COUNSEL

\_\_\_\_\_  
\_\_\_\_\_  
Name and Title

By: \_\_\_\_\_  
Deputy

\_\_\_\_\_  
\_\_\_\_\_  
Name and Title

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

By: \_\_\_\_\_  
Deputy

APPROVED:

APPROVED:

\_\_\_\_\_  
Ronn Carlentine SR/WA  
Real Property Manager

\_\_\_\_\_  
Ray Aromatorio, ARM, AIC  
Risk Program Administrator