

BUILDING SPACE LEASE
OF EDD OWNED PROPERTY

ORIGINAL

<u>LEASE COVERING PREMISES LOCATED AT:</u> 130 East Ortega Street Santa Barbara, California 93101
<u>AGENCY</u> Employment Development Department

Lease No.: L-1778

Project No.: 125733

THIS LEASE, dated for reference purposes only on this 1st day of October 2008, by and between the State of California, acting by and through its Director of General Services, hereinafter called the STATE, and County of Santa Barbara, hereinafter called LESSEE.

WITNESSETH:

DESCRIPTION

1. STATE does hereby Lease to the LESSEE, and LESSEE hereby hires from STATE, upon the terms, agreements, and conditions hereinafter set forth, those certain Premises as outlined on the attached plot plan designated as Exhibit "A" consisting of one (1) page, which is incorporated herein and by this reference made a part hereof and more particularly described as follows:

Approximately 3,012 net square feet of office space in the building located at 130 East Ortega Street, Santa Barbara, California, hereinafter called Premises.

TERM

2. The term of this Lease shall be for a maximum of 2 years, commencing October 1, 2008 and ending September 30, 2010, with such rights of termination as are hereinafter expressly set forth.

EARLY
TERMINATION

3. Either party may terminate this Lease at any time effective on or after September 30, 2010 by giving written notice to the other party at least thirty (30) days prior to the date when such termination shall become effective.

The STATE may terminate this Lease any time effective on or after October 1, 2008 by giving written notice at least thirty (30) days prior to the date when such termination shall become effective.

RENT

4. LESSEE shall make rental payments for the Leased Premises monthly in advance, the sum of:

ONE THOUSAND FIVE HUNDRED NINETY-SIX AND 36/100 DOLLARS
(\$1,596.36) from October 1, 2008 through September 30, 2010, and thereafter.

Payments shall be made to: Employment Development Department
Accounts Receivable, MIC 70
P.O. Box 826217
Sacramento, CA 94230-6217

EXHIBIT A

PROJECT

E.D.D COLLOCATION PROJECT PLAN

PROJECT # 125733

130 EAST ORTEGA STREET
SANTA BARBARA, CALI. 93101

SHEET TITLE

FLOOR PLAN W/ LEASED AREA CALCULATIONS

SCALE: AS SHOWN

ISSUE DATE: 4/16/08

DATE	△	REVISIONS
------	---	-----------

FLOOR PLANS ON FILE WITH
COUNTY OFFICE OF
REAL ESTATE SERVICES

DRAWN BY: DAN LEE

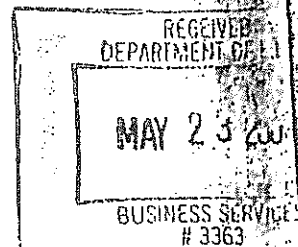
CHECKED BY:

BUILDING ID: SBAR0754

SHEET NUMBER

A-1

OF 1 SHEETS



"COUNTY"
COUNTY OF SANTA BARBARA

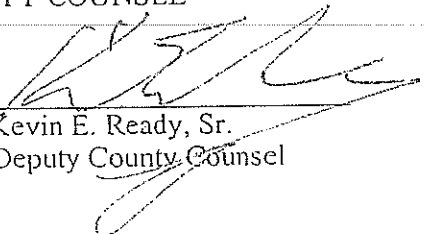
ATTEST:
MICHAEL F. BROWN
CLERK OF THE BOARD

By: _____
Deputy Clerk


Chair, Board of Supervisors
County of Santa Barbara

Date: _____

APPROVED AS TO FORM:
DENNIS MARSHALL
COUNTY COUNSEL

By: 
Kevin E. Ready, Sr.
Deputy County Counsel

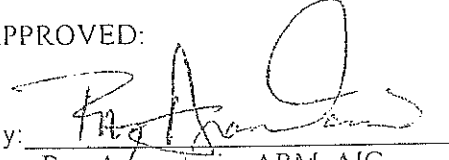
APPROVED AS TO FORM:
ROBERT W. GEIS, CPA
AUDITOR-CONTROLLER

By: 
Deputy

APPROVED:

By: 
Rom Carlentine, SR/WA
Real Property Manager

APPROVED:

By: 
Ray Aromatorio, ARM, AIC
Risk Program Administrator

IN WITNESS WHEREOF, this agreement has been executed by the parties hereto as of the date first written below.

STATE OF CALIFORNIA

Approval Recommended:

DEPARTMENT OF GENERAL SERVICES
REAL ESTATE SERVICES DIVISION

EMPLOYMENT DEVELOPMENT
DEPARTMENT

By: _____
DAVE HENG, Real Estate Officer
707 Third Street, Suite 5-305
West Sacramento, CA 95605

By: _____
SHERI S. HUBER, Chief
Business Operations Planning
And Support Division

~~DIRECTOR OF DEPARTMENT OF
GENERAL SERVICES~~

By: _____
DOUGLAS C. SKEWES, Leasing Manager
Real Estate Leasing and Planning Section

Executed Date: _____

LIENS

38. LESSEE shall keep the Premises free from all liens and claims of mechanics, material suppliers, and others from work done and material furnished at the request of LESSEE. Should any lien or claim of lien be file or notice be given, LESSEE shall cause the same to be immediately canceled and removed, and if so removed, LESSEE shall not be in default under the terms of this Lease.

TIME IS OF THE ESSENCE

39. Time is of the essence of each and all of the provisions, covenants and conditions of this agreement.

NO ORAL AGREEMENTS

40. It is mutually understood and agreed that no alterations or variations of the terms of this Lease shall be valid unless made in writing and signed by the parties hereto, and that no oral understanding or agreement not incorporated herin, shall be binding on any of the parties hereto.

FORCE MAJEURE

41. If either LESSEE or STATE shall be delayed or prevented from the performance of any act required hereunder by reasons of acts of God, governmental restrictions, regulations or controls (except those reasonably foreseeable in connection with the uses contemplated by this Lease) or other cause without fault and beyond the control of the party obligated (except financial inability), performance of such act shall be extended for a period equivalent to the period of such delay. Nothing in this clause shall excuse LESSEE from prompt payment of any rent, taxes, insurance or any other charge required of LESSEE, except as may be expressly provided in this Lease.

BANKRUPTCY

42. In no event shall this Lease or the leasehold estate become an asset of LESSEE in bankruptcy, receivership or other judicial proceedings. LESSEE shall be in default under this Lease and the provisions of the "Right of Entry", Paragraph Number 31 hereof, shall apply in the event of any of the following: (a) LESSEE becomes insolvent or makes an assignment for the benefit of creditors, (b) a petition in bankruptcy is filed by or against LESSEE, (c) a writ of execution is levied against this Lease or the leasehold estate, (d) LESSEE abandons or vacates or does not continuously occupy or safeguard the Premises

[Signature Page Follows]

The address to which notices shall be mailed as aforesaid to either party, may be changed by written notice given by subject party to the others, as hereinbefore provided; but nothing herein contained shall preclude the giving of any such notice by personal service.

STATE'S RIGHT OF ENTRY	31. During continuance in force of this Lease, there shall be and is hereby expressly reserved to STATE and to any of its agencies, contractors, agents, employees, representatives, or licensees, the right at any and all times, and any and all places to temporarily enter upon said Leased PREMISES for inspection or other lawful STATE purposes, provided LESSEE is given prior notice of entry. In the event of an emergency, prior notice is not required.
NO SMOKING	32. Smoking is not allowed in or upon the Leased Premises. LESSEE will enforce the smoking prohibition inside the building and within 20 feet of any entrance regarding LESSEE's employees and invitees.
PROPERTY INSPECTION	33. LESSEE has visited and inspected the Premises and it is agreed that the area described herein is only approximate and the STATE does not hereby warrant or guarantee the actual area included hereunder.
BINDING CLAUSE	34. The terms and provisions of this agreement shall extend to and be binding upon and inure to the benefit of the heirs, executors, administrators, successors, and assigns of the respective parties hereon.
SECTION HEADINGS	35. All section headings contained herein are for convenience of reference only, and are not intended to define or limit the scope of any provisions of this Lease.
RELOCATION	36. In the event STATE terminates this Lease pursuant to Paragraphs 3, 24, and/or 26, LESSEE acknowledges and agrees that it has no claim against STATE for Relocation Payments, Relocation Advisory Assistance, or costs pursuant to Government Code sections 7260 et seq. or any regulations implementing or interpreting such sections. LESSEE further agrees that it has no claim in either law or equity against STATE for damages or other relief should the Lease be terminated, and waives any such claims it may have.
HAZARDOUS SUBSTANCES	37. LESSEE agrees that it will comply with all laws, either federal, state, or local, existing during the term of this Lease pertaining to the use, storage, transportation, and disposal of any hazardous substance as that term is defined in such applicable law. In the event STATE or any of its affiliates, successors, principals, employees, or agents should incur any liability, cost, or expense, including attorney's fees and costs, as a result of the LESSEE's illegal or alleged illegal use, storage, transportation, or disposal of any hazardous substance, including any petroleum derivative, the LESSEE shall indemnify, defend, and hold harmless any of these individuals against such liability. Where the LESSEE is found to be in breach of this provision due to the issuance of a government order directing the LESSEE to cease and desist any illegal action in connection with a hazardous substance, or to remediate a contaminated condition caused by the LESSEE or any person acting under LESSEE's direct control and authority, LESSEE shall be responsible for all costs and expenses of complying with such order, including any and all expenses imposed on or incurred by STATE in connection with or in response to such government order. In the event a government order is issued naming the LESSEE or the LESSEE incurs any liability, during or after the term of the Lease, in connection with contamination which pre-existed, the LESSEE's obligations and occupancy under this Lease or which were not caused by the LESSEE, STATE shall hold harmless, indemnify, and defend the LESSEE in connection therewith and shall be solely responsible as between LESSEE and STATE for all efforts and expenses therefore.

FIRE AND
CASUALTY
DAMAGES

28. STATE will not keep improvements which are constructed or installed by LESSEE under the provisions of this Lease insured against fire or casualty, and LESSEE will make no claim of any nature against STATE by reason of any damage to the business or property of LESSEE in the event of damage or destruction by fire or other cause, arising other than from or out of negligence or willful misconduct of agents or employees of the State of California in the course of their employment

CANCELLATION

29. Notwithstanding any other provisions contained herein, any violation of the terms or conditions of this Lease or of the department's rules and regulations that continue for a period of thirty (30) days after written notice by the STATE to LESSEE, shall be grounds for immediate cancellation of the Lease and removal of the LESSEE.

NOTICES

30. All notices or other communications required or permitted hereunder shall be in writing, and shall be personally delivered (including by means of professional messenger service) or sent by overnight courier, or sent by registered or certified mail, postage prepaid, return receipt requested to the addresses set forth below, or sent by electronic facsimile to the telefacsimile numbers set forth below. All such notices or other communications shall be deemed received upon the earlier of (i) if personally delivered or sent by overnight courier, the date of delivery to the address of the person to receive such notice, (ii) if mailed as provided above, on the date of receipt or rejection, or (iii) if given by electronic facsimile, when received by the other party if received Monday through Friday between 6:00 a.m. and 5:00 p.m. Pacific Standard Time, so long as such day is not a state or federal holiday and otherwise on the next day provided that if the next day is Saturday, Sunday, or a state or federal holiday, such notice shall be effective on the following business day.

To the LESSEE:

County of Santa Barbara
Social Services Department
234 Camino Del Remedio
Santa Barbara, CA 93110-1369

Phone: (805) 681-4401
Fax: (805) 681-4403

TO THE STATE:

DEPARTMENT OF GENERAL SERVICES:

DEPARTMENT OF GENERAL SERVICES,
REAL ESTATE SERVICES DIVISION
LEASE MANAGEMENT L-1778
707 THIRD STREET, SUITE 5-305
WEST SACRAMENTO, CA 95605

PHONE NO. (916) 375-4172
FAX NO. (916) 375-4173

EMPLOYMENT DEVELOPMENT DEPARTMENT
800 Capitol Mall, MIC 62-8
Sacramento, CA 95814

Notice of change of address or telefacsimile number shall be given by written notice in the manner described in this section. LESSEE is obligated to notice all state offices listed above and the failure to provide notice to all State offices will be deemed to constitute a lack of notice.

COMPLIANCE
WITH LAWS

21. LESSEE shall at its sole cost and expense comply with all the requirements of all Municipal, County, State, and Federal authorities now in force or which may hereafter be in force pertaining to the Premises and use of the Premises as provided by this Lease.

Any physical change to the improvements at the facility shall comply with the California Environmental Quality Act (CEQA).

VACATING THE
PREMISES

22. LESSEE shall, on the last day of said term or sooner termination of this Lease, peaceably and quietly leave, surrender, and yield to STATE, all and singular, the Premises in good order, condition, and repair, reasonable use and wear thereof and damage by acts of nature excepted. Upon termination, a qualified STATE representative shall inspect the Premises to determine that the Premises were left in accordance to the terms specified. In the event damage has occurred, LESSEE shall assume liability for the cost to restore the Premises to its prior condition.

ABANDONMENT OF
PREMISES

23. If the LESSEE abandons, vacates or surrenders the Premises, or is dispossessed by process of law, any personal property belonging to the LESSEE and left on the Premises shall be deemed to be abandoned at the option of the STATE. Failure by LESSEE to occupy and/or use the Premises for a period of thirty (30) days or longer shall constitute abandonment by LESSEE.

CONSTRUCTION,
ALTERATIONS
AND REPAIRS

24. The LESSEE shall make no repairs, changes, and/or alterations or post signs to the Leased PREMISES without first obtaining prior consent from the STATE in writing.
Lessee is to accept the existing improvements "as is".

No alterations to the Premises or construction of improvements thereon shall be permitted to begin until STATE has approved the completed plans and specifications for said project. Said plans are to be prepared by an architect registered by the State of California. Once LESSEE has provided STATE said plans and specifications, STATE shall have a thirty (30) day minimum review period before granting LESSEE approval or disapproval of the project in writing.

Request for alterations, additions or improvements shall not be unreasonably denied. LESSEE shall, at the time of the request, specify if they desire to retain ownership and/or possession of the alteration, addition, or improvement.

DISPOSITION OF
IMPROVEMENTS

25. Upon termination of this Lease for any cause, LESSEE shall remove any and all equipment and improvements of the LESSEE and restore the entire Premises to its condition prior to the execution of this Lease, except, however, the STATE may approve, in writing, any deviation from this requirement.

MUTUAL
CONSENT

26. Notwithstanding any provision contained herein to the contrary, this Lease may be altered, changed, or amended by mutual consent of the parties hereto in writing.

DEFAULT

27. LESSEE shall pay said rent to the STATE without deduction, default or delay. In the event of the failure of LESSEE to do so, or in the event of a breach of any of the other terms, covenants or conditions herein contained on the part of LESSEE to be kept and performed and if such default continues for a period of thirty (30) days after receipt of written notice from STATE to LESSEE of such default, this Lease may be terminated. In the event of termination of this Lease, it shall be lawful for STATE to reenter into and upon the Premises and every part thereof and to remove and store at LESSEE's expense all property therefrom and to repossess and occupy the Premises. In the event STATE terminates this Lease pursuant to this paragraph, the STATE shall not be required to pay LESSEE any sum or sums whatsoever.

(Government Code Section 12990 (a-f) et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. LESSEE shall give written notice of its obligations under this clause to any labor organizations with which they have a collective bargaining or other Agreement. Further, LESSEE shall post in conspicuous places available to employees and applicants for employment, notices to be provided by the STATE setting forth the provisions of this Fair Employment Practices Section. (Government Code, Section 12920-12994).

REMEDIES FOR WILLFUL VIOLATIONS:

a). The STATE may determine a willful violation of the Fair Employment Practices provision to have occurred upon the receipt of a final judgment having that effect from a court in an action to which LESSEE was a party, or upon receipt of a written notice from the Fair Employment Practices Commission that it has investigated and determined that the LESSEE has violated the Fair Employment Practices Act and has issued an order pursuant to the appropriate provisions of the Government Code.

b). The STATE shall have the right to terminate this Lease and any loss or damage sustained by the STATE by reason thereof shall be borne and paid for by the LESSEE.

DEBT LIABILITY DISCLAIMER 15. The STATE will not be liable for any debts or claims that arise from operation of this Lease.

PARTNERSHIP DISCLAIMER 16. LESSEE and any and all agents of LESSEE shall act in an independent capacity and not as officers or employees of the STATE. Nothing herein contained shall be construed as constructing the parties herein as partners.

ENCUMBRANCES 17. LESSEE and STATE hereby acknowledge and agree that LESSEE does not intend to encumber by deed of trust LESSEE's interest in Premises for the purpose of constructing improvements thereon. Any such encumbrances are void without prior written consent from STATE.

TAXES 18. The LESSEE agrees to pay all lawful taxes, assessments or charges which at any time may be levied by any public entity upon any interest in this agreement of any possessory right which LESSEE may have in or to the Premises or the improvements thereon by reason of LESSEE's use or occupancy thereof or otherwise as well as all taxes, assessments, and charges on goods, merchandise, fixtures, appliances, equipment and property owned by LESSEE in or about said Premises. It is further understood that this Lease may create an interest subject to property taxation and LESSEE may be subject to the payment of property taxes levied on such interest.

SUBLETTING 19. LESSEE shall not assign this Lease in any event and shall not sublet the Leased Premises or any part thereof and will not permit the use of the Leased PREMISES by anyone other than the LESSEE without prior written consent of the STATE.

CONDITION OF PREMISES 20. LESSEE accepts the PREMISES as being in good order, condition and repair, unless otherwise specified herein, and agrees that on the last day of the term, or the earlier termination of this Lease, to surrender up to STATE the PREMISES, with any appurtenances or improvements therein, in the same condition as when received, reasonable use and wear thereof and damage by acts of nature, excepted.

HOLD
HARMLESS

11. The State of California is to be free from all liability and claims for damages by reason of any injury to any person or persons, including LESSEE, or property of any kind whatsoever and to whomsoever belonging, including LESSEE, from any cause or causes whatsoever while in, upon or in any way connected with the Premises during the term of this Lease or any occupancy hereunder, except those arising out of the sole negligence of the STATE. LESSEE agrees to defend, indemnify and hold harmless the State of California from all liability, loss, cost or obligation on account of or arising out of any such injury or loss, however occurring. LESSEE agrees to provide necessary Worker's Compensation Insurance for all employees of LESSEE upon said Premises at the LESSEE's own cost and expense.

INSURANCE

12. LESSEE shall furnish a certificate of insurance with the STATE's Lease Number indicated on the face of said certificate, issued to STATE with amounts of Commercial General Liability of at least \$1,000,000 per occurrence and Fire Legal Liability of at least \$500,000 naming the State of California, its officers, agents and employees as additional insureds. Said certificate of insurance shall be issued by an insurance company with a rating which is acceptable to Department of General Services, Office of Insurance and Risk Management.

It is agreed that STATE shall not be liable for the payment of any premiums or assessments on the insurance coverage required by this paragraph. The certificate of insurance shall provide that the insurer will not cancel the insured's coverage without thirty (30) days prior written notice to STATE. LESSEE agrees that the insurance herein provided for shall be in effect at all times during the term of the Lease. In the event said insurance coverage expires at any time or times during the term of this Lease, LESSEE agrees to provide STATE at least thirty (30) days prior to said expiration date, a new certificate of insurance evidencing insurance coverage as provided for herein for not less than one (1) year. In the event LESSEE fails to keep in effect at all times insurance coverage as herein provided, STATE may, in addition to any other remedies it may have, terminate this Lease upon the occurrence of such event.

If LESSEE is self-insured, LESSEE shall provide STATE with written acknowledgment of this fact at the time of the execution of this Lease. LESSEE shall annually thereafter, on the anniversary of the date of execution of this Lease, provide STATE with a written acknowledgment of the continuation of its self-insured status. If, at any time after the execution of this Lease, LESSEE abandons its self-insured status, LESSEE shall immediately notify STATE of this fact.

LOSSES

13. STATE will not be responsible for losses or damage to personal property, equipment or materials of LESSEE and all losses shall be reported to STATE immediately upon discovery.

NON
DISCRIMINATION

14. In the performance of this Lease, the LESSEE shall not discriminate, harass, or allow harassment against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability (including HIV and AIDS), mental disability, medical condition, age (over40), marital status, sex, sexual orientation, or use of family care leave. LESSEE shall insure that the evaluation and treatment of its employees and applicants for employment are free from such discrimination and harassment.

Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

LESSEE shall comply with the provisions of the Fair Employment and Housing Act

Rental payable hereunder for any period of time less than one month shall be determined by prorating the monthly rental herein specified based on the actual number of days in the month.

USE

5. The Leased PREMISES shall be used by LESSEE during the term hereof for the purpose of general office use and for no other purpose whatsoever. The program conducted within the Leased PREMISES will be the function and total responsibility of the LESSEE, acting for and through its Board of Directors. STATE will have no obligation to provide any program needs, including any supplies and equipment, except as otherwise specified herein.

HOLDING OVER

6. (a) Should LESSEE hold over after the expiration of the term of this Lease with the consent of STATE, expressed or implied, said tenancy shall be deemed to be a tenancy only from month-to-month and payable on a monthly basis in advance, subject otherwise to all the terms and conditions of this Lease insofar as applicable

(b) STATE offers and LESSEE accepts no assurance that the Leased Premises or any other comparable space or facilities at the site described herein will be made available to LESSEE beyond the term stated above or as said term is reduced as provided herein.

SERVICES

7. STATE at STATE's sole cost and expense, during the term of this Lease shall furnish the following services, utilities, and supplies to the Leased PREMISES:

Electric, gas, sewer, trash disposal from a central receptacle, and water service.

Note: The cost of all telephone services will be the responsibility of the LESSEE.

JANITORIAL SERVICES

8. STATE at STATE's expense shall have or hire janitorial services sufficient to maintain the interior in a clean and well maintained condition.

REPAIR AND MAINTENANCE

9. During the Lease term, the STATE shall maintain the Leased PREMISES in good repair and tenantable condition, so as to minimize breakdowns and loss of the LESSEE's use of the PREMISES caused by deferred or inadequate maintenance, including:

(a.) Generally maintaining the Leased Premises in good, vermin free, operating condition and appearance.

(b.) Furnishing prompt, good quality repair of the building, equipment, and appurtenances.

(c.) Furnishing preventative maintenance, including, but not limited to, manufacturers recommended servicing of equipment such as elevator (if any), heating, air conditioning and ventilating equipment, and fixtures.

STATE shall provide prompt repair or correction on any damage except damage arising from a willful or negligent act of the LESSEE's agents, employees or invitees.

LESSEE is responsible for maintaining all personal property, including voice and data equipment, and support equipment within the Leased Premises. LESSEE is solely responsible for all damage arising from willful or negligent acts of LESSEE's agents, employees and invitees.

RECOVERY OF LEGAL FEES

10. If an action be brought by the STATE for the recovery of any rent due under the provisions hereof, or for any breach hereof, or for the recovery of possession of the Leased PREMISES, or to protect any rights given to the STATE against LESSEE, the STATE shall be entitled to attorney's fees in the action, as the court determines to be reasonable, which shall be fixed by the court as part of the costs of the action.