

Memorandum

Date: March 23, 2007

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To: Clerk of the Board

COUNTY OFFICE, SANTA BARBARA
 COUNTY CLERK
 COUNTY COURTHOUSE



From: Don Grady, General Services

Subject: Administrative Agenda of March 27, 2007
 Addendum to Item A-10 (Clerk file No. 07-00282) ADMHS Lease in
 Lompoc for Vida Nueva and New Heights, Fourth District Folio: 003514

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General Services has docketed the above-mentioned item on the Board's Administrative Agenda (Item A-10) for March 27, 2007. There were some recent changes made to the Lease that require minor changes to the proposed Agreement. We are therefore providing this Addendum to Administrative Agenda Item A-10. Please replace the recommendation in Administrative Agenda Item A-10 with the following:

“Authorize the Chair to execute the Agreement between the County of Santa Barbara and Lobern Properties, Inc., for the ADMHS lease in Lompoc for two new programs funded through Prop 63, Vida Nueva and New Heights, Folio: 003514, of approximately 4784 square feet of office space located at 648 North H Street, in the City of Lompoc, for the period from April 1, 2007, through March 31, 2012, at a monthly base rent of \$4,784.00, Fourth District.”

Please find attached the pages of the Lease that are affected by this reduction in square footage and monthly rent.

Thank you for your attention to this matter.



AIR COMMERCIAL REAL ESTATE ASSOCIATION
STANDARD RETAIL/MULTI-TENANT LEASE - NET

1. Basic Provisions ("Basic Provisions").

1.1 Parties: This Lease ("Lease"), dated for reference purposes only March 23, 2007 is made by and between Lobern Properties, Inc.

and County of Santa Barbara ("Lessor")

(collectively the "Parties", or individually a "Party").

1.2 Premises: That certain portion of the Shopping Center (as defined below), including all improvements therein or to be provided by Lessor under the terms of this Lease, commonly known by the street address of 648 North H Street located in the City of Lompoc, County of Santa Barbara, State of CA, with zip code 93436, as outlined on Exhibit "A" attached hereto ("Premises") and generally described as (describe briefly the nature of the Premises): Approximately 4,784 square feet of ground floor office space

In addition to Lessee's rights to use and occupy the Premises as hereinafter specified, Lessee shall have non-exclusive rights to the Common Areas (as defined in Paragraph 2.7 below) as hereinafter specified, but shall not have any rights to the roof, exterior walls or utility raceways of the building containing the Premises ("Building") or to any other buildings in the Shopping Center. The Premises and the Building are situated within the Shopping Center known as Lompoc Plaza. The Premises, the Building, the Common Areas and all other buildings and improvements within said Shopping Center, together with the land upon which they are located, are herein collectively referred to as the "Shopping Center." (See also Paragraph 2)

1.3 Term: -5- years and -0- months ("Original Term") commencing April 1, 2007 ("Commencement Date") and ending March 31, 2012 ("Expiration Date"). (See also Paragraph 3)

1.4 Early Possession: ("Early Possession Date"). (See also Paragraphs 3.2 and 3.3)

1.5 Base Rent: \$4,784.00 per month ("Base Rent"), payable on the First day of each month commencing Sooner of completion of tenant improvements or 6/1/2007. (See also Paragraph 4)

1.6 Percentage Rent Rate: none percent (-0-%) of Gross Sales. Percentage Rent shall be due and payable in accordance with the provisions of the Percentage Rent Addendum, if any, attached hereto and made a part hereof, and Paragraph 4 hereof.

1.7 Lessee's Share of Common Area Operating Expenses: seven-point-one-six percent (7.16%) ("Lessee's Share").

1.8 Merchants' Association Annual Dues: \$ per year ("Merchants' Association Dues"). Lessee shall pay Merchants' Association Dues and/or become a member of the Merchants' Association in accordance with the provisions of the Merchants' Association Addendum, if any, attached hereto.

1.9 Base Rent and Other Monies Paid Upon Execution:

- (a) Base Rent: \$4,784.00 for the period January 2007
(b) Common Area Operating Expenses: \$1,004.64 for the period January, 2007
(c) Security Deposit: \$4,784.00 ("Security Deposit"). (See also Paragraph 5)
(d) Merchants' Association Dues: \$ for the period
(e) Other: \$ for
(f) Total Due Upon Execution of this Lease: \$10,572.64

1.10 Agreed Use: General Office use and counseling related services

1.11 Agreed Trade Name: Vida Nueva & New Heights (See also Paragraph 6)

1.12 Insuring Party. Lessor is the "Insuring Party". (See also Paragraph 8)

1.13 Real Estate Brokers: (See also Paragraph 15)

(a) Representation: The following real estate brokers (the "Brokers") and brokerage relationships exist in this transaction (check applicable boxes):

- North American Realty represents both Lessor and Lessee ("Dual Agency").

(b) Payment to Brokers: Upon execution and delivery of this Lease by both Parties, Lessor shall pay to the Brokers the brokerage fee agreed to in a separate written agreement (or if there is no such agreement, the sum of or % of the total Base Rent) for the brokerage services rendered by the Brokers.

1.14 Guarantor. The obligations of the Lessee under this Lease are to be guaranteed by ("Guarantor"). (See also Paragraph 37)

1.15 Attachments. Attached hereto are the following, all of which constitute a part of this Lease:

- an addendum consisting of Paragraphs through
a site plan marked Exhibit depicting the Premises;
a site plan marked Exhibit "A" depicting the Shopping Center;
a current set of Rules and Regulations for the Shopping Center;
a current set of the Sign Criteria for the Shopping Center;
a work letter;
other (specify): Option to Extend, Rent Adjustments, and Tenant Improvements

writing to arbitration in accordance with the following provisions:

~~(i) Within 15 days thereafter, Lessor and Lessee shall each select an appraiser or broker ("Consultant" check one) of their choice to act as an arbitrator. The two arbitrators so appointed shall immediately select a third mutually acceptable Consultant to act as a third arbitrator.~~

~~(ii) The 3 arbitrators shall within 30 days of the appointment of the third arbitrator reach a decision as to what the actual MRV for the Premises is, and whether Lessor's or Lessee's submitted MRV is the closest thereto. The decision of a majority of the arbitrators shall be binding on the Parties. The submitted MRV which is determined to be the closest to the actual MRV shall thereafter be used by the Parties.~~

~~(iii) If either of the Parties fails to appoint an arbitrator within the specified 15 days, the arbitrator timely appointed by one of them shall reach a decision on his or her own, and said decision shall be binding on the Parties.~~

~~(iv) The entire cost of such arbitration shall be paid by the party whose submitted MRV is not selected, ie the one that is NOT the closest to the actual MRV.~~

~~2) Notwithstanding the foregoing, the new MRV shall not be less than the rent payable for the month immediately preceding the rent adjustment.~~

~~b. Upon the establishment of each New Market Rental Value:~~

~~1) the new MRV will become the new "Base Rent" for the purpose of calculating any further Adjustments, and -~~

~~2) the first month of each Market Rental Value term shall become the new "Base Month" for the purpose of calculating any further Adjustments.~~

III. Fixed Rental Adjustment(s) (FRA)

The Base Rent shall be increased to the following amounts on the dates set forth below:

On (Fill in FRA Adjustment Date(s)):	The New Base Rent shall be:
<u>April 1, 2012</u>	<u>\$5,545.97</u>
<u>April 1, 2013</u>	<u>\$5,712.35</u>
<u>April 1, 2014</u>	<u>\$5,883.72</u>
<u>April 1, 2015</u>	<u>\$6,060.23</u>
<u>April 1, 2016</u>	<u>\$6,242.03</u>
_____	_____
_____	_____
_____	_____

B. NOTICE:

Unless specified otherwise herein, notice of any rental adjustments, other than Fixed Rental Adjustments, shall be made as specified in paragraph 23 of the Lease.

C. BROKER'S FEE:

The Brokers shall be paid a Brokerage Fee for each adjustment specified above in accordance with paragraph 15 of the Lease.

NOTICE: These forms are often modified to meet changing requirements of law and industry needs. Always write or call to make sure you are utilizing the most current form: AIR Commercial Real Estate Association, 800 W 6th Street, Suite 800, Los Angeles, CA 90017. Telephone No. (213) 687-8777. Fax No.: (213) 687-8616.

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ADDENDUM

Date: March 23, 2007

By and Between (Lessor) Loborn Properties, Inc.
(Lessee) County of Santa Barbara

Address of Premises: 648 North H Street
Lompoc, CA 93436

This is an Addendum to the Lease dated March 23, 2007 by and between Loborn Properties, Inc. and City of Santa Barbara. Said Lease is Modified herein as follows:

Lessee shall make improvements to the premises as identified on the "Proposed Floor Plan" and further identified in the bid prepared by Werner Construction, both documents are attached hereto and incorporated by reference as part of this addendum. Lessor shall contribute \$28,704.00 towards the cost of the improvements. Lessee shall be responsible for the balance of the cost of the tenant improvements. It is also understood that the Proposed Floor Plan must be modified to reflect the installation of a door and emergency exit hardware at the base of the stairs to the mezzanine and that the door separating Lessee's space from the space occupied by the City of Lompoc must be moved to the other side of the doorway to the small office. The small office is not included in the Lessee's leased space.

Lessee and Lessor shall split any asbestos remediation expenses that are required as a result of the above referenced tenant improvements.

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