

Project: DSS CalWorks Office at 1133  
& 1145 North H Street, Suites  
C1-7 & D7-9, in Lompoc  
APN: 089-011-017 & -018 (Ptn.)  
Folio: 003188  
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

FLOWER VALLEY PLAZA, LLC, a Delaware  
limited liability company, hereinafter referred to as  
"LESSOR,"

with reference to the following:

**WHEREAS**, LESSOR is the owner of the property and improvements commonly known as 1133 and 1145 North H Street, Suites C1-7 and D7-9, Lompoc, CA (hereinafter "Property"), also known as portions of Santa Barbara County Assessor Parcel Numbers 089-011-017 and 089-011-018, and shown as the diagonally slashed areas of Exhibit "A", attached hereto and incorporated herein by reference; and

**WHEREAS**, COUNTY has been occupying a portion of the Property pursuant to a Lease Agreement dated October 20, 1998, which Lease Agreement was amended on September 5, 2000 and December 6, 2005, to extend the term until September 30, 2008, and add additional office space; and

**WHEREAS**, the Lease Agreement dated October 20, 1998, and amended on September 5, 2000 and December 6, 2005, will expire on September 30, 2008; and

**WHEREAS**, COUNTY and LESSOR desire to enter into a new Lease Agreement (hereinafter "Agreement") so that COUNTY may continue to lease that portion of the Property to be operated by the COUNTY'S Department of Social Services for their CalWorks program.

**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 Director of the Department of Social Services, or designee.

2. **LEASED PREMISES:** LESSOR hereby leases to COUNTY and COUNTY hereby takes from LESSOR, that certain real property identified as 1133 and 1145 North H Street, Suites C1-7 and D7-9, in the City of Lompoc, State of California, also known as portions of Assessor's Parcel Nos. 089-011-017 and 089-011-018. The portion to be leased by COUNTY shall consist of approximately 11,400 square feet of commercial office space (hereinafter "Premises") and is shown as the diagonally-slashed areas of Exhibit "B" attached hereto and incorporated herein by reference.

3. **PARKING:** LESSOR reserves the right, from time to time, to designate employee parking spaces for the employees working at the Premises, so long as LESSOR similarly designates employee parking areas for other tenants of the Property.

4. **TERM:** The term of this Agreement shall be for a period of approximately FIVE (5) years, commencing on the date this Agreement is approved by COUNTY (hereinafter "Commencement Date"), and shall terminate September 30, 2013, subject to such provisions for extension and termination as described herein.

5. **EXTENSION AND RENEWAL:** Provided COUNTY is in compliance with all terms and conditions of this Agreement, COUNTY is hereby granted two (2) options to renew this Agreement from and after the expiration of the initial term, as follows:

Option #1, 3-year period	October 1, 2013 through September 30, 2016
Option #2, 3-year period	October 1, 2016 through September 30, 2019

COUNTY, through the Director of the Department of Social Services, may exercise said options to renew by providing written notice to LESSOR at least sixty (60) days prior to the expiration of the then-current term.

6. **RENT/NNN:** Rent shall begin to accrue on the Commencement Date, and shall become due and payable, in advance, on or before the first day of each and every calendar month of the term. Annually, 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.

The monthly rent for the first year of the term of this Agreement shall be THIRTEEN THOUSAND SIX HUNDRED TWO AND 02/100 DOLLARS (\$13,602.02), NNN, based on approximately \$1.19 per square foot per month. The monthly rent shall be subject to adjustment as set forth in Section 7, **COST OF LIVING ADJUSTMENT.**

COUNTY shall pay triple net (operating costs) to LESSOR in accordance with Exhibit "C" attached hereto and incorporated herein by reference.

7. **COST OF LIVING ADJUSTMENT:** The rent provided in Section 6, **RENT,** herein above, shall be subject to an annual Cost of Living Adjustment of three percent (3%) per annum.

Beginning October 1, 2009, and on each and every annual anniversary of that date, the monthly rent shall be increased from the monthly rent payable during the immediately preceding year of the lease term by three percent (3%).

8. **HOLDING OVER:** Should COUNTY occupy the Premises after the expiration date of this Agreement with the consent of LESSOR express or implied, 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 by LESSOR or COUNTY given at any time during the month.

9. **COUNTY'S RIGHT TO SUBLEASE:** COUNTY, at its sole discretion, and without further approval shall have the right to sublease space within the Premises to governmental and other agencies which provide services to the public. Said subleases (if any) shall be subject to the terms and conditions of this Agreement.

10. **NONAPPROPRIATION:** LESSOR understands that monies paid to LESSOR by COUNTY as rent are derived from federal, state, or local sources, including local taxes, and are subject to curtailment, reduction, or cancellation by government agencies or sources beyond the control of COUNTY. COUNTY shall have the right to terminate this Agreement in the event that such curtailment, reduction, or cancellation occurs. Termination shall be effective upon the expiration of six (6) calendar months after the mailing of termination notice by COUNTY to LESSOR, and the liability of the parties hereunder for further performance under the terms of the Agreement, except as otherwise set forth in this Section and in Section 21, **INDEMNIFICATION**, herein below, shall thereupon cease, but neither party shall be relieved of their duty to perform their obligations up to the date of termination.

11. **LESSOR'S IMPROVEMENTS:** Within ninety (90) days of the Commencement Date, LESSOR shall at its sole cost and expense, perform or have performed the following improvements:

- Replace carpet in areas of Suites C6, C7, D7 & D8 as indicated on the floor plans marked Exhibit "D" attached hereto and by reference made a part hereof.
- Properly drywall and paint all bathroom walls in Suites C1 – C7 resulting from major sewer project
- Install covers to all fluorescent lamps in Suite C5

LESSOR shall contact COUNTY'S Department of Social Services Operations Division Chief prior to commencement of improvements to coordinate this effort.

12. **CONDITION/TENANT IMPROVEMENTS/ALTERATIONS:** COUNTY accepts the Premises in its current condition, subject to the conditions identified in Section 11, **LESSOR'S IMPROVEMENTS** herein. COUNTY agrees that any future alterations, improvements, or construction within the Premises will not be made without the prior written consent of the LESSOR which consent shall not be unreasonably withheld. LESSOR reserves the right to post notices of non-responsibility on the Premises.

On occasion, COUNTY may wish to have alterations or improvements made to the Premises. LESSOR has the option to make the alterations or improvements or grant COUNTY

the right to make the alterations or improvements under LESSOR'S direction. If LESSOR consents to making the alternations or improvements, LESSOR shall provide a price and timetable for all such work requested. Approval by COUNTY of the requested work may be granted by the Director or by COUNTY'S Board of Supervisors. In the event that LESSOR undertakes the alteration, LESSOR shall, to the extent required by law, comply with all provisions of public contract law, and Section 30, PREVAILING WAGE RATES, hereof. Payment by COUNTY for alterations shall be made within thirty (30) days following COUNTY'S inspection and acceptance of the alteration.

13. **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. Upon expiration or termination of this Agreement, 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.

14. **PROPERTY SUPPLIED BY COUNTY:** It is understood and agreed that COUNTY may install additional equipment and systems, such as, but not limited to: security, water purification, data, and telephones, as well as using and installing numerous lateral files that are required to be installed with anchors into the building walls in order to comply with safety standards. 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 restore all walls to their condition at occupancy, reasonable wear and tear excepted.

15. **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 and all tenant improvements 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. LESSOR'S timetable for making repairs and COUNTY'S remedies for failure of LESSOR to make repairs shall be in accordance with Subsection B.1. LESSOR'S Responsibilities below.

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 "E", attached hereto and incorporated herein by reference.

1. **LESSOR'S Responsibilities:** Throughout the term of this Agreement, LESSOR shall maintain all mains, wires, and cables to the Premises. (COUNTY shall maintain and repair all wiring and cabling installed by COUNTY.) LESSOR will contract and pay all charges for maintenance of the heating, ventilation, and air conditioning equipment (HVAC).

LESSOR shall keep the Premises in good order and repair as LESSOR'S responsibilities are set forth in Exhibit "E" attached hereto and incorporated herein by reference. 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 and to Section 16, UTILITIES AND JANITORIAL SERVICES, herein below, 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, through its Department of Social Services shall, at its sole cost and expense, keep and maintain in good condition and repair the interior of the Premises and those items listed as COUNTY'S responsibility in Exhibit "E." 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.

C. To the extent that there is conflict between this Section and Exhibit "E", Exhibit "E" shall prevail.

16. UTILITIES AND JANITORIAL SERVICES: COUNTY shall be responsible for payment of all utilities separately metered and serving the Premises and shall pay all charges when due. COUNTY shall arrange and pay all charges for janitorial services to the Premises.

17. AMENDMENTS: This Agreement may be amended by written consent of both parties. Said amendments, once fully executed, shall be binding upon heirs, successors, and assigns of all parties hereto.

18. NONDISCRIMINATION: LESSOR in its operations to be conducted pursuant to the provisions of this Agreement, will not discriminate or permit discrimination against any person or class of persons by reason of race, color, creed, religion, ancestry, age, sex, or national origin in any manner prohibited by the laws of the United States, the State of California, or any COUNTY ordinance.

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.

19. 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 of LESSOR, to interfere with COUNTY'S peaceful possession or use of the Premises.

20. 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: County of Santa Barbara  
 Department of Social Services  
 234 Camino Del Remedio  
 Santa Barbara, CA 93110-1369  
 Attn: Operations Division Chief  
 Phone (805) 681-4588; FAX (805) 681-4403

with a copy to:

General Services Dept./Support Services Div.  
 1105 Santa Barbara St., 2<sup>nd</sup> Floor  
 Santa Barbara, CA 93101  
 Attn: Manager, Office of Real Estate Services  
 Phone (805) 568-3070; FAX (805) 568-3249

LESSOR: Flower Valley Plaza, LLC  
 c/o Stuart Whitman, Inc.  
 9220 Sunset Boulevard, Suite 206  
 Los Angeles, CA 90069  
 Phone (310) 278-5070; FAX (310) 273-7706

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.

21. **INDEMNIFICATION:** COUNTY shall defend, indemnify, and save harmless LESSOR, its officers, agents and employees (if any) 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 or its agents, employees, or independent contractors.

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.

22. **LESSOR'S INSURANCE OBLIGATION:** LESSOR shall maintain property insurance on the Premises throughout this Agreement. In the event LESSOR enters into a self-insurance program for property coverage, LESSOR shall include the Premises covered under this Agreement in any such program.

23. **COUNTY SELF-INSURANCE PROGRAM:** 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 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.

24. **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. The foregoing waiver of subrogation shall be offered only so long as any such policy carried by LESSOR will not be invalidated thereby.

25. **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.

26. **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.

27. **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 28, 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 or not terminate this Agreement. Where LESSOR elects not to terminate this Agreement but elects to terminate COUNTY'S right of possession, LESSOR shall have the right and the duty to attempt to re-let the Premises for the benefit of COUNTY upon such terms and conditions, including rent, which COUNTY deems reasonable. 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.

28. **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.
29. **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. At the expiration of the term as provided in Section 4, **TERM**;
  - B. Upon termination of funding as stated in Section 10, **NONAPPROPRIATION**;
  - C. Upon discrimination by LESSOR in violation of Section 18, **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 26, **DEFAULT**; or
  - E. Upon the total destruction of the Premises, as provided in Section 32, **DESTRUCTION OF THE PREMISES**.
30. **PREVAILING WAGE RATES**: Rates of Wages, including overtime, holiday and Sunday rates provided for construction work on the Premises as requested by, or completed on behalf of, COUNTY may be subject to California Labor Code, Sections 1770 et. seq., as amended. If so required, LESSOR shall, after the effective date of this Agreement, pay no less than the prevailing rate of per diem wages as determined by the Director of the California Department of Industrial Relations. A copy of the prevailing rate of per diem wages is on file at the office of the General Services Department.
31. **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.
32. **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 portion is rebuilt to its condition prior to the casualty.
33. **AGENCY DISCLOSURE**: LESSOR acknowledges that the General Services Department, Support 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.



34. **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.
35. **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.
36. **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.
37. **SUCCESSORS IN INTEREST:** This Agreement shall bind and inure to the benefit of the parties hereto, their respective personal representatives, heirs, successors in interest, and assigns.
38. **WASTE AND NUISANCE:** COUNTY shall not commit, nor suffer to be committed, any waste upon the Premises, nor permit any nuisance to exist thereon.
39. **SUPERVISOR APPROVAL:** COUNTY'S and LESSOR'S obligations hereunder are expressly contingent upon the formal approval of this Agreement by the Santa Barbara County Board of Supervisors.
40. **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.
41. **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.
42. **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.
43. **ENTIRE AGREEMENT:** This Agreement constitutes the entire agreement between the parties hereto and no obligation other than those set forth herein will be recognized.

Project: DSS CalWorks Office at 1133  
& 1145 North H Street, Suites  
C1-7 & D7-9, in Lompoc  
APN: 089-011-017 & -018 (Ptn.)  
Folio: 003188  
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

\_\_\_\_\_  
Salud Carbajal, Chair  
Board of Supervisors  
County of Santa Barbara

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

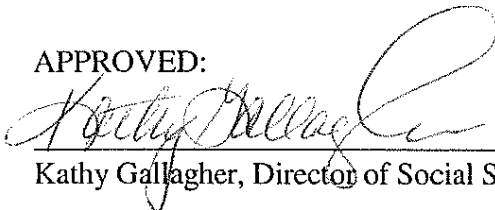
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"LESSOR"  
Flower Valley Plaza, LLC

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

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

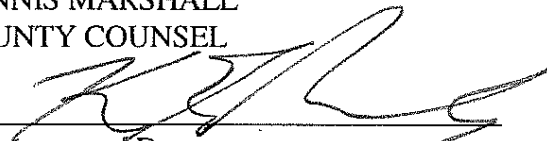
APPROVED:

  
\_\_\_\_\_  
Kathy Gallagher, Director of Social Services


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

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


APPROVED AS TO FORM:  
DENNIS MARSHALL  
COUNTY COUNSEL

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

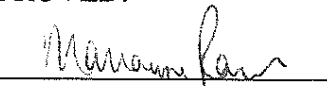
APPROVED AS TO FORM:  
ROBERT W. GEIS, CPA  
AUDITOR-CONTROLLER

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

APPROVED:

  
\_\_\_\_\_  
Rom Carlentine, SR/WA  
Real Property Manager

APPROVED:

  
\_\_\_\_\_  
Ray Aromatorio, A.R.M., A.I.C.  
Risk Program Administrator

Project: DSS CalWorks Office at 1133 & 1145 North H Street, Suites C1-7 & D7-9, in Lompoc  
APN: 089-011-017 & -018 (Ptn.)  
Folio: 003188  
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"COUNTY"  
COUNTY OF SANTA BARBARA

ATTEST:  
MICHAEL F. BROWN  
CLERK OF THE BOARD

\_\_\_\_\_  
Salud Carbajal, Chair  
Board of Supervisors  
County of Santa Barbara

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

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

"LESSOR"  
Flower Valley Plaza, LLC  
By: Stuart Whitman  
Stuart Whitman, President of  
Flower Valley, Inc., Managing Member  
\_\_\_\_\_  
Printed Name and Title

APPROVED:  
\_\_\_\_\_  
Kathy Gallagher, Director of Social Services

By: Irving Kaufman  
Irving Kaufman, Secretary-Treasurer  
Flower Valley, Inc., Managing Member  
\_\_\_\_\_  
Printed Name and Title

APPROVED AS TO FORM:  
DENNIS MARSHALL  
COUNTY COUNSEL

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

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

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

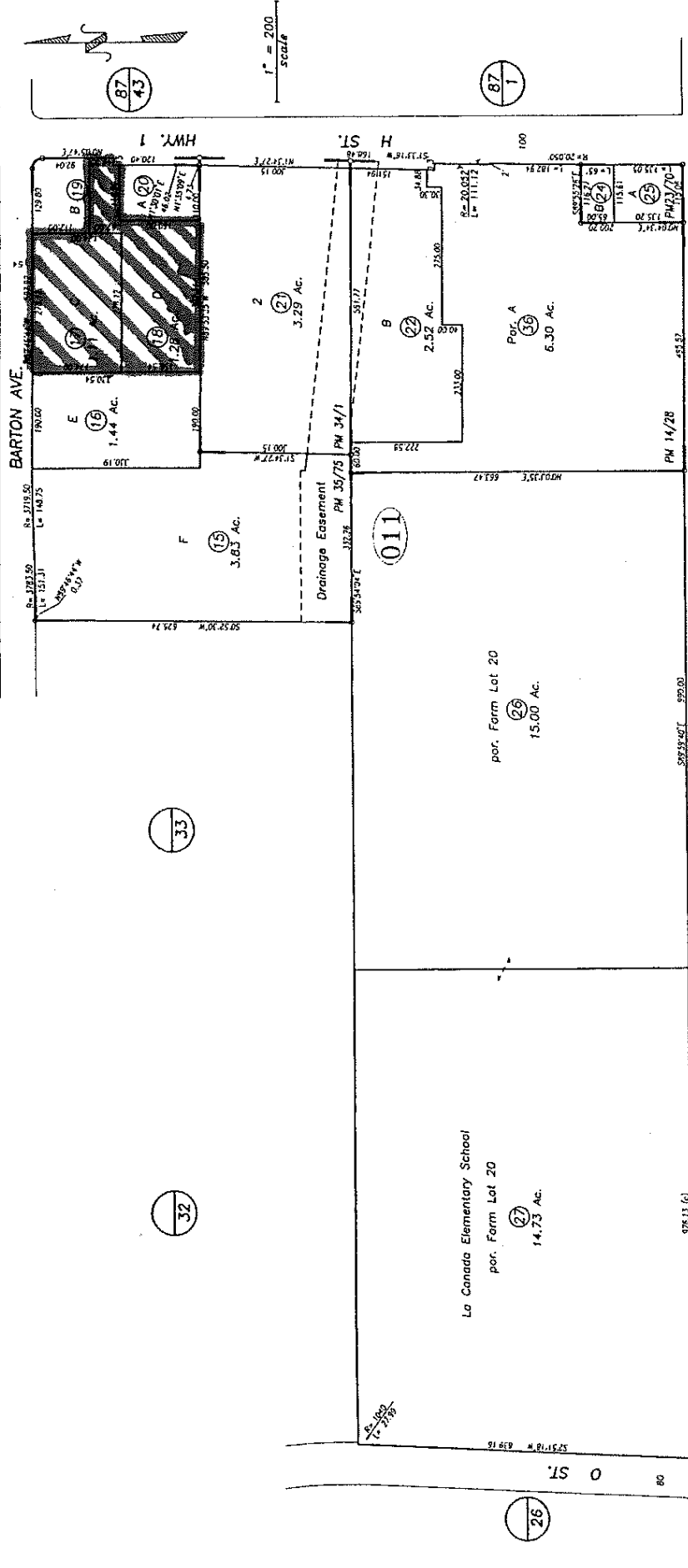
APPROVED:  
\_\_\_\_\_  
Ronn Carlentinc, SR/WA  
Real Property Manager

APPROVED:  
\_\_\_\_\_  
Ray Aromatorio, A.R.M., A.I.C.  
Risk Program Administrator

POR. RANCHO LOMPOC

089-01

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**NOTICE**  
 Assessor Parcels are for tax assessment purposes only and do not indicate either parcel legality or a valid building site.

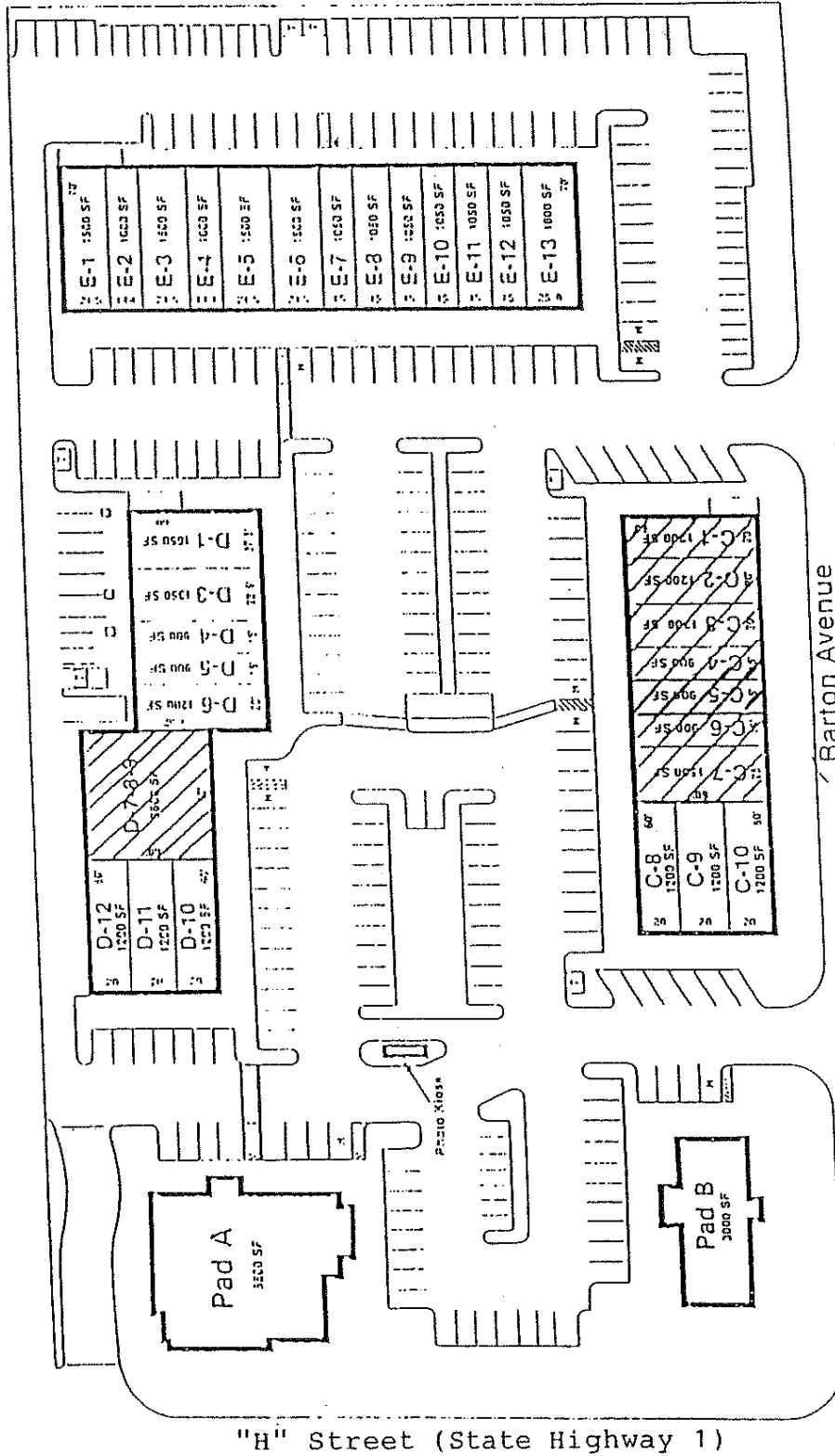
City of Lompoc  
 Assessor's Map Bk, 089-Pg. 01  
 County of Santa Barbara, Calif.

11/01

\*\*/\*\*/\*\*\*\* R.M. Bk. 1 , Pg. 45 , Tract Lompoc Farm Lots

EXHIBIT "A" - Property

# FLOWER VALLEY PLAZA



**EXHIBIT "B" - Premises**  
 1133 & 1145 North "H" Street  
 Suites C1-7 and D7-9  
 Lompoc, CA

**EXHIBIT "C"**  
**TOTAL OPERATING COSTS**

1. **TOTAL OPERATING COSTS DEFINED:** Operating costs shall mean all reasonable costs paid or incurred by LESSOR that are directly attributable to the maintenance and operation of the Property in which the Premises are situated, including costs allocable to the improvements and to all common areas. Such costs shall include, without limitation, the costs and expenses incurred during the term of the Agreement and attributable to the following:

- a. All costs necessary in LESSOR'S reasonable judgment for the repair, maintenance and operation of the Property, including the common areas of the Property and any utilities provided by LESSOR;
- b. Lot sweeping, resealing, repainting, and restriping of any parking areas;
- c. Cleaning, sweeping, and trash removal;
- d. Maintenance and repair of refuse receptacles;
- e. Maintenance of heating, ventilation and air-conditioning systems serving the Property;
- f. The premiums on insurance maintained by LESSOR with respect to the Property and Premises; and
- g. COUNTY'S proportionate share of all applicable real property taxes, personal property taxes and general and special assessments and similar levies ("Property Taxes") levied and assessed against the structure, improvements, and land of which the Premises are a part, subject to any and all exemptions applicable to LESSOR and/or COUNTY, and, should the Property Taxes be increased because of any improvements made by COUNTY, COUNTY shall also pay the amount of the increase attributable thereto; and

Common Areas: The term "common areas" shall include the parking lots and grounds on the Property.

For purposes of this Agreement, operating costs shall be allocated such that COUNTY shall pay its proportionate share of actual costs for maintenance of the Property and Premises. COUNTY'S proportionate share of LESSOR'S total operating costs shall be the ratio that the total number of square feet of the Leased Premises (as stipulated to in Section 2, *LEASED PREMISES*) bears to the total number of leasable square feet at the Property (hereinafter "COUNTY'S share"). Upon commencement of this Agreement, COUNTY'S share shall be 11,400/40,700 or 28%.

Capital Expenditures: Replacement of any structural components of the Premises, heating, ventilation and air-conditioning systems, subsurface plumbing or foundation, shall be capital expenditures for purposes of calculating COUNTY'S Share. The cost of any capital expenditures shall be allocated over a twelve (12) year period and COUNTY shall not be required to pay more than COUNTY'S Share of 1/144<sup>th</sup> of the cost of such capital expenditure in any given month.

2. **ESTIMATED COSTS - RECONCILIATION OF PAYMENTS:**

LESSOR shall furnish to COUNTY at the commencement of each year of the term an estimate of the operating costs reasonably anticipated by LESSOR for the ensuing year, and COUNTY'S monthly proportionate share thereof. Within ninety (90) days after the end of each year of the term, LESSOR shall furnish COUNTY a statement showing the actual operating costs for that period, COUNTY'S proportionate share thereof, and the sum of the estimated payments made by COUNTY during that year. Each such statement shall be certified to be correct by LESSOR or its duly authorized agent.

If COUNTY'S proportionate share of the actual operating costs for the proceeding year exceeds the estimated costs billed by LESSOR, then COUNTY shall pay any deficiency to LESSOR within thirty (30) days after COUNTY'S receipt of LESSOR'S statement. Should the estimated payments made by COUNTY during the preceding year exceed COUNTY'S proportionate share of the operating costs, LESSOR shall credit to COUNTY'S account the excess at the time LESSOR furnishes said statement to COUNTY.

3. **PAYMENT BY COUNTY:** COUNTY shall pay to LESSOR, concurrently with its payment of Base Rent, COUNTY'S proportionate share of LESSOR'S estimated total operating costs for the applicable period. Costs for a partial month shall be computed on a thirty (30) day basis. Operating costs for any portion of an accounting period not included within the term of this Agreement shall be prorated on the basis of a 360-day year period.

Objections to accounting, if any, by COUNTY shall be made no more than thirty (30) business days after statements are mailed, and COUNTY shall have the right to audit the accounting statements upon reasonable notice to LESSOR.

4. **UTILITY CHARGES:** COUNTY shall pay for all internal utilities serving the Premises and separately metered. LESSOR shall assume responsibility for paying all invoices and allocating the proportionate costs of all common area utilities, and COUNTY shall reimburse LESSOR for those proportionate costs according to the above.

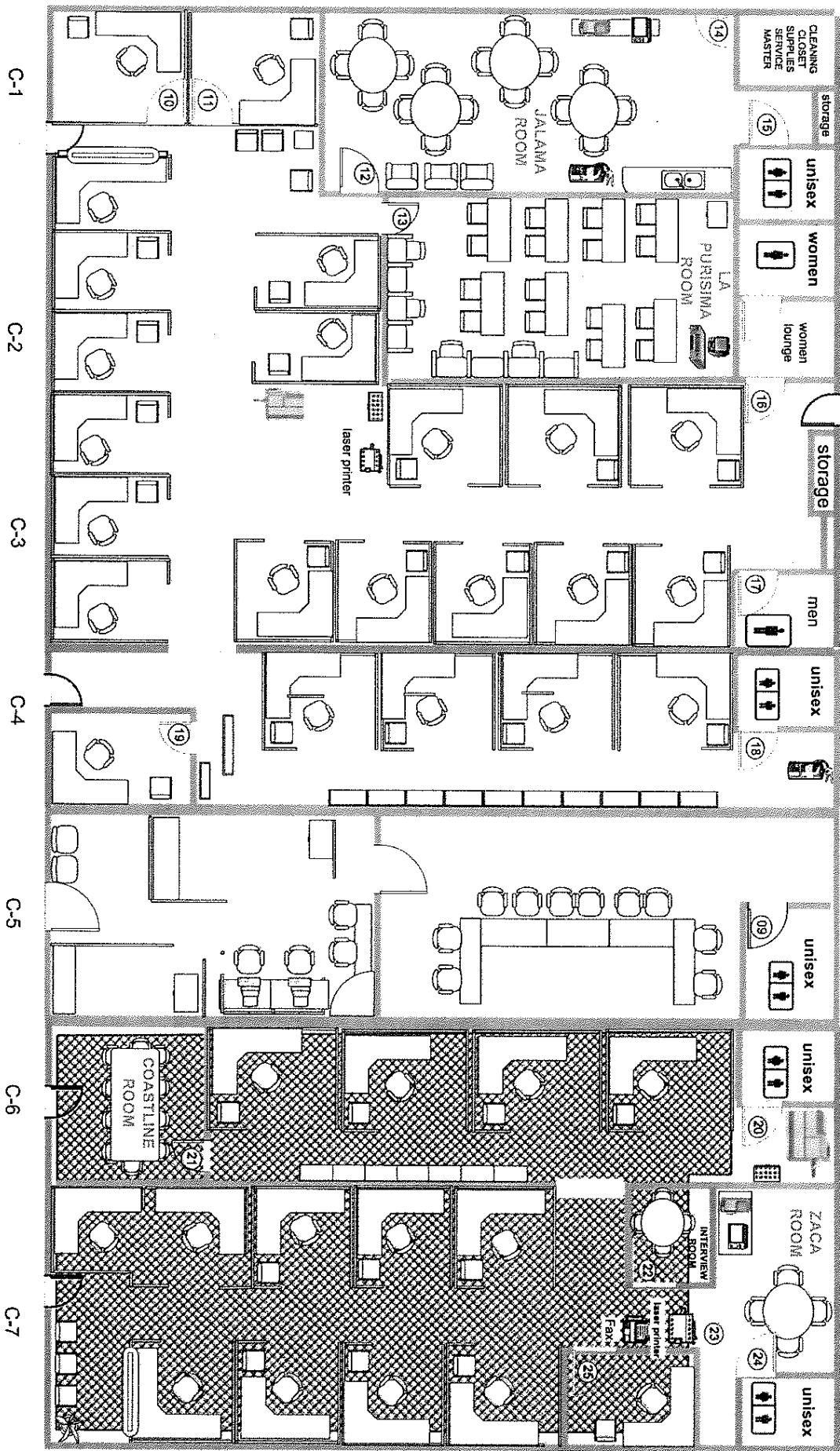


EXHIBIT "D" (Page 1 of 2)



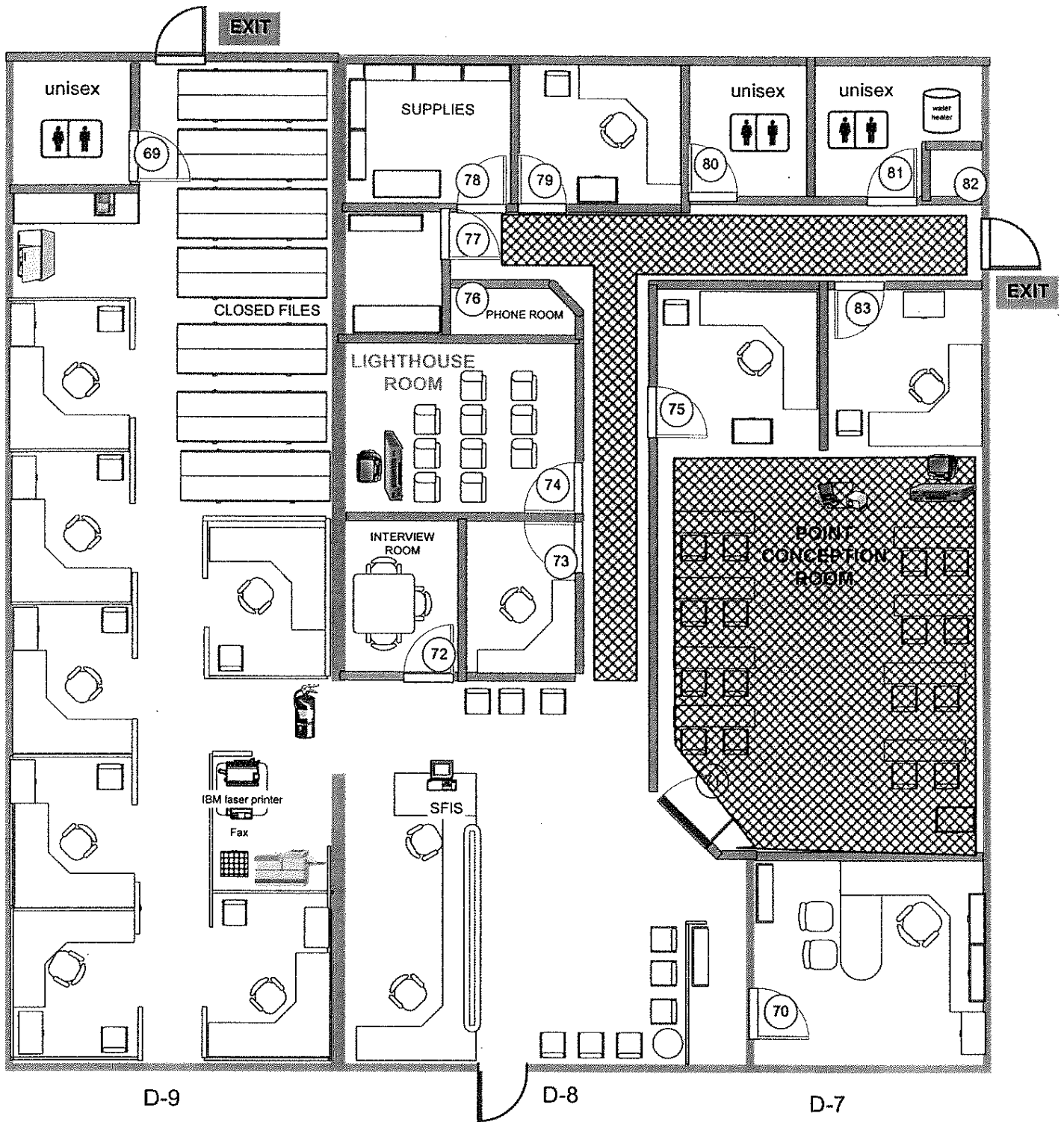


EXHIBIT "D" (Page 2 of 2)

EXHIBIT "E"  
MAINTENANCE AND REPAIR RESPONSIBILITIES

ITEM NO.	ITEM	NOT APPLICABLE	COUNTY	LESSOR
<b>1. Building Exterior</b>				
	Repair Walls			X
	Painted Surfaces*			X
	Door and Window Trim			X
	Doors, Hardware			X
	Windows: Hardware and Screens	X		X
	Locks (County installed key pad locks)		X	
	Roof			X
	Rain Gutters			X
	Flashing			X
	Down Spouts			X
	<b>Lighting</b>			X
	Bulbs			X
	Fixtures			X
	Transformers			X
	Fluorescent Lights			X
	Ballast			X
	Handrails	X		
	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
	Sewer Lines			X

\*LESSOR shall be responsible for immediate removal of graffiti.

ITEM NO.	ITEM	NOT APPLICABLE	COUNTY	LESSOR
<b>2. Building Interior</b>				
	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		Maint	Replace
	<b>Lighting</b>			
	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		

\*COUNTY will replace if damage is caused by COUNTY'S clientele.

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		
<b>3. Grounds</b>				
	Drinking Fountains	X		
	Mail Boxes			X
	Fences	X		
	Trash Bins			X
	Trash Enclosures			X
	Bike Racks			X
	Signs (County)			X
	Litter Pick-up			X
	<b>Lighting</b>			
	Parking Lot			X
	Driveways			X
	Walkways			X
	Timers (external)			X
	Timers (internal)			X
	Signs			X
	Cleaning, Sidewalks, Walkways, Parking Lot			X
<b>4. Landscaping</b>				
	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
<b>5. Mechanical Systems</b>				
	Electrical Panels, Breaker, Interior			X
	Electrical Fuses, Interior			X
	Electrical Receptacle, Switches, Interior			X
	Electrical Central Switches			X
	Elevator	X		
	Heating			X
	Air Conditioning			X
	Water Heater			X
<b>6. Roadways/Parking Lots Repair &amp; Maintenance</b>				
	Striping			X
	Handicap Signage			X
	Asphalt Surface, Curbing			X
	Cement Surface, Curbing			X
	Wheel Stops			X
	Drainage			X
	Signs			X

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

\*\*If breakage is caused by COUNTY'S employees, cliente or contractors, COUNTY shall be responsible for replacement.

