

Project: Social Services, One-Stop  
Office Lease, Santa Maria  
APN: 128-066-005 (Portion)  
Folio: WH 3127  
Agent: JJH

FIRST AMENDMENT TO THE LEASE AGREEMENT

THIS FIRST AMENDMENT TO THE 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

Santa Maria Associates, a California  
Corporation hereinafter referred to as "LESSOR,"

with referencé to the following:

WHEREAS, COUNTY and LESSOR entered into a Lease Agreement on September 8, 1998, for COUNTY'S use of a portion of the office building known as 1328 and 1456 South Broadway, Santa Maria, CA. (hereinafter "Lease") for use by COUNTY; and

WHEREAS, the parties desire to amend said Lease by altering the street address of the premises rented, adding additional square footage to the lease space occupied by COUNTY and amending the rental amount due to LESSOR accordingly.

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

1. Section 2, LEASED PREMISES; is deleted in its entirety and shall be replaced to read as follows:

2. LEASED PREMISES: LESSOR hereby leases to COUNTY and COUNTY hereby takes from LESSOR, a portion of that certain real property located at 1410 and 1444 South Broadway, Santa Maria, California, Assessor's Parcel No. 128-066-005, which Property is improved with 48,315 square feet of leaseable retail/ office space. The portion to be leased by COUNTY shall consist of approximately 43,068 square feet of commercial office space

(hereinafter "Premises") and is shown on "EXHIBIT A".

2. Section 5, RENT/ N.N.N., is deleted in its entirety and shall be replaced to read as follows:

5. RENT/ N.N.N.:

A. Rent shall commence on the Occupancy Date and shall be payable in advance on or before the first day of each and every calendar month thereafter, except as provided herein. 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.

B. Base rent for the first year of the term of this Lease shall be NINETY-SEVEN CENTS (\$0.97) per square foot or, FORTY ONE THOUSAND SEVEN HUNDRED SEVENTY-FIVE DOLLARS AND 96/100, per month. The monthly rent shall be subject to adjustment as set out in Section 6, COST OF LIVING ADJUSTMENT.

C. In addition to the base rent above, COUNTY shall pay triple net charges to LESSOR in accordance with Exhibit "B" attached hereto and incorporated herein by reference.

3. It is expressly understood that in all other respects, the terms and conditions of the original Lease Agreement shall remain in full force and effect.

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FIRST AMENDMENT TO SOCIAL SERVICES LEASE @ SOUTH BROADWAY

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

ATTEST:  
MICHAEL F. BROWN  
CLERK OF THE BOARD

By: Joanna Bishop  
Deputy

"COUNTY"  
COUNTY OF SANTA BARBARA  
Kevin J. Rose  
CHAIR, BOARD OF SUPERVISORS

Date: 3/7/2000

"LESSOR"  
Santa Maria Associates

By: A. Madonna  
A. MADONNA, Partner  
Printed Name and Title

"LESSOR"  
Santa Maria Associates

By: Phyllis Madonna  
PHYLLIS MADONNA, Partner  
Printed Name and Title

APPROVED AS TO FORM:  
DIRECTOR, SOCIAL SERVICES

Myrtle J. Chow

APPROVED AS TO FORM:  
STEPHEN SHANE STARK  
COUNTY COUNSEL

By: Jim Galan  
Deputy

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

By: John Geis CPA

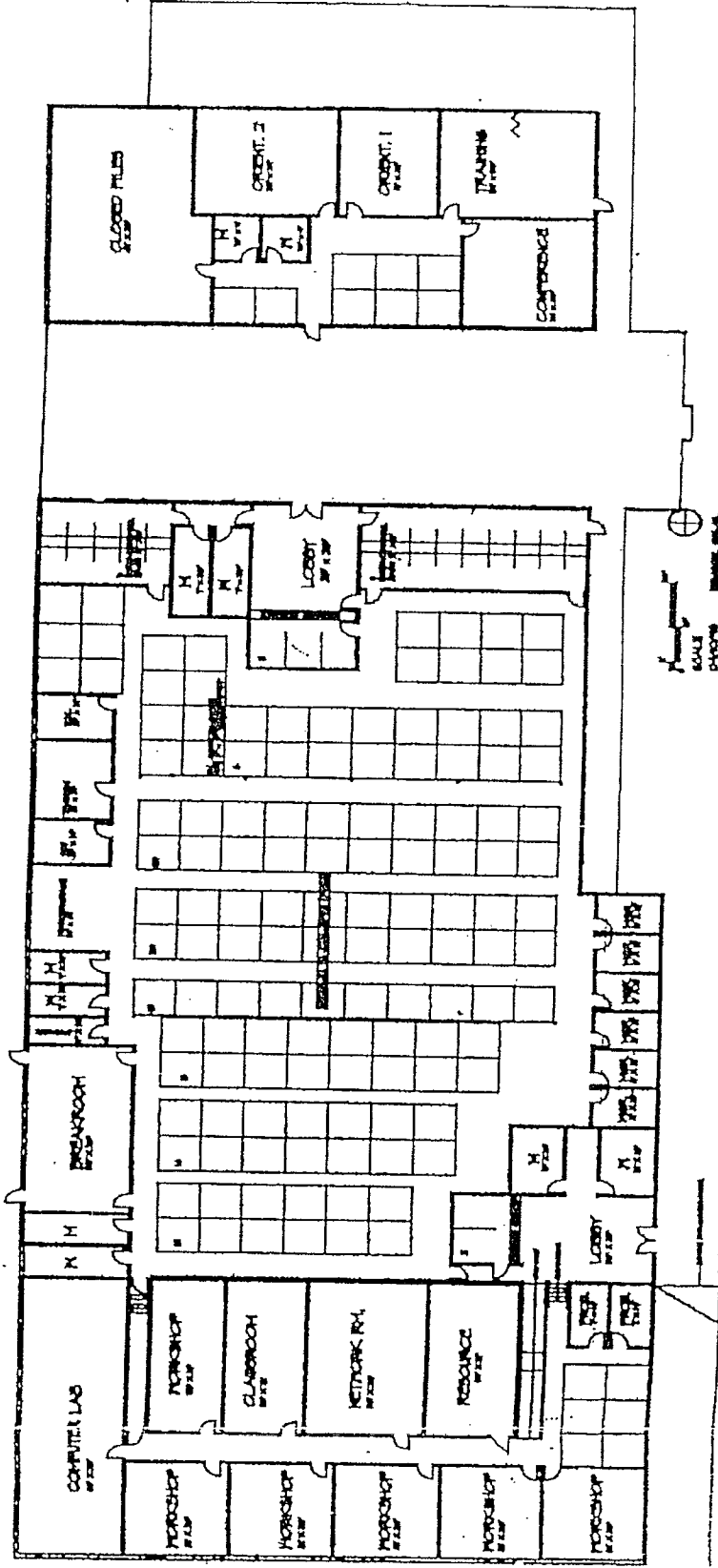
APPROVED:

Ronn Carlentine  
Ronn Carlentine, SRWA  
Real Property Supervisor

APPROVED AS TO INSURANCE FORM:

Andrea Smutz  
Ms. Andrea Smutz  
Risk Manager

# PROPOSED WORKFORCE RESOURCE SITE SANTA MARIA, CALIFORNIA



PROPOSED SCHEMATIC FLOOR PLAN For DEPT. of SOCIAL SERVICES

Project: Social Services, One-Stop  
Second Amendment  
APN: 128-066-005 (Portion)  
Folio: WH 3127  
Agent: DG

SECOND AMENDMENT TO THE LEASE AGREEMENT

THIS SECOND AMENDMENT TO THE 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

SANTA MARIA ASSOCIATES, a California  
Corporation, hereinafter referred to as "LESSOR,"

with reference to the following:

WHEREAS, COUNTY and LESSOR entered into a Lease Agreement, (hereinafter "Lease"), on September 8, 1998, for COUNTY'S use of a portion of the office building known as 1328 and 1456 South Broadway, Santa Maria, CA; and

WHEREAS, the parties executed a First Amendment to the Lease on March 7, 2000, amending the Leased Premises and Rent Sections of the Lease; and

WHEREAS, the parties wish to stipulate an "Occupancy Date", change the Lease from triple net to gross, and to comment on the applicability of the Lease's Nonappropriation clause in light of a Settlement Agreement between the parties which was approved by the COUNTY on February 13, 2001.

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

1. Section 5: RENT/ N.N.N.: is hereby amended by adding the following provision and by deleting Exhibit B of the Lease:

“5. RENT: Effective January 1, 2001 rent shall be \$1.22/sq.ft. which shall include both the Base Rent and the triple net charges set forth in the Lease Agreement and the First Amendment. This amount or any adjustment thereof shall be subject to the annual COLA increase set forth in Section 6: COST OF LIVING below. “

2. Section 6 COST OF LIVING: is amended to specify the Occupancy Date by adding the following: “For purposes of calculating the Cost of Living Adjustment and for all other purposes incidental to the Lease Agreement, the parties hereto stipulate that the Occupancy Date shall be March 10, 2000.”

3. The following section appears in the Lease and was not altered by the First Amendment:

“Section 9. 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 Lease 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 Lease, except as otherwise set forth in this Section and in Section 20, 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.

In the event that COUNTY terminates this Lease at any time before the expiration of the Initial Term, COUNTY shall reimburse LESSOR, in an amount not to exceed SIX HUNDRED THOUSAND DOLLARS AND 00/100, (\$600,000.00) for that portion of the costs incurred by LESSOR for the construction of Tenant Improvements, as hereafter defined, which equals the product of: (i) a fraction; the numerator of which is the number of months and partial months remaining in the Initial Term as of the effective date of the COUNTY'S early termination, and the denominator of which is one hundred Twenty (120) months multiplied by; (ii) the total cost of all Tenant Improvements as stated above.

The foregoing amount shall be paid by COUNTY to LESSOR plus interest at ten percent (10%) per annum in monthly payments of principal and interest over the number of months and partial months remaining in the Initial Term as of the effective date of the COUNTY'S early termination. In its sole discretion COUNTY may elect to prepay such remaining balance at any time without prepayment penalty or interest expense. A summary of the actual costs of the Tenant Improvements shall be provided to COUNTY by LESSOR within sixty (60) days after COUNTY'S occupancy of the Premises. **IN NO EVENT SHALL**

COUNTY'S PAYMENT FOR TENANT IMPROVEMENTS COVERED IN THIS SECTION EXCEED SIX HUNDRED THOUSAND DOLLARS (\$600,000).

In the event that COUNTY terminates this Lease after the Initial Term, the cost of Tenant Improvements shall be fully amortized and COUNTY shall owe nothing to LESSOR for Tenant Improvements.”

The parties are in disagreement as to the effect, if any, of the Settlement Agreement, discussed below, upon this Nonappropriation Clause. COUNTY contends that LESSOR has agreed to release the COUNTY's obligations under the Nonappropriation Clause; LESSOR contends that it has not agreed to release COUNTY from said obligations. However, they have agreed to defer determination of this effect until the COUNTY gives termination notice, if ever, prior to the expiration of the Initial Term.

4. Section 10. TENANT IMPROVEMENTS: shall be amended to reflect that the costs of all Tenant Improvements made is settled by a “Settlement Agreement and Release of All Claims” of February 2001 subject to whatever determination may later be made concerning the effect of the Settlement Agreement on the Nonappropriation Clause, as discussed above. The Settlement Agreement and Release is not intended to alter LESSOR'S obligations under the Lease Agreement to maintain and repair the leased premises nor to implement any capital improvements, which LESSOR is obligated to provide under the Lease Agreement and has not previously provided. If any Tenant Improvements have not been implemented by LESSOR or are unsatisfactory as reasonably determined by the Director of Social Services, LESSOR'S shall promptly provide such improvement(s) and promptly repair or replace any unsatisfactory improvements all in accordance with the Lease Agreement unless such obligation(s) are waived by the Director of Social Services in writing in each instance.

4. Section 20: NOTICES shall be amended to reflect the new address for LESSOR, as follows:

LESSOR: Santa Maria Associates Inc.  
P.O. Box 3910  
San Luis Obispo, CA 93403  
(805)543-0300

5. It is expressly understood that in all other respects, the terms and conditions of the original Lease Agreement and the First Amendment to the Lease Agreement shall remain in full force and effect.

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Project: Social Services, One-Stop  
Second Amendment  
APN: 128-066-005 (Portion)  
Folio: WH 3127  
Agent: DG

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

"COUNTY"  
COUNTY OF SANTA BARBARA  
Jim L. Gray  
CHAIR, BOARD OF SUPERVISORS

ATTEST:  
MICHAEL F. BROWN  
CLERK OF THE BOARD

By: Carol S. Ferry  
Deputy

Date: 7/10/01

"LESSOR"  
Santa Maria Associates

By: A. Madonna

A. MADONNA, OWNER  
Printed Name and Title

"LESSOR"  
Santa Maria Associates

By: Phyllis Madonna

PHYLLIS MADONNA, OWNER  
Printed Name and Title

APPROVED:  
CHARLENE CHASE, DIRECTOR  
SOCIAL SERVICES DEPARTMENT

By: Charlene Chase

APPROVED AS TO FORM:  
STEPHEN SHANE STARK  
COUNTY COUNSEL

By: Patricia J. Clancy  
Deputy

APPROVED:  
Ron Carlentine  
Ron Carlentine, SRWA  
Real Property Supervisor

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

By: Robert W. Geis

APPROVED:  
P. Andrea Smutz  
P. Andrea Smutz  
Risk Manager