

Attachment 1

Lease Agreement

Project: Child Support Services Lease
201 S. Miller St., Santa Maria
Folio: 002310
APN: 125-360-009, -010 & -011
Agent: SF

LEASE AGREEMENT

THIS LEASE AGREEMENT (hereinafter “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

BURT E. FUGATE, TRUSTEE OF THE BURT E. FUGATE TRUST DATED APRIL 30, 1998, hereinafter referred to as “LANDLORD” (and, together with COUNTY, collectively, the “Parties” and each individually a “Party”);

with reference to the following:

WHEREAS, LANDLORD is the owner of the parcel of land located in the incorporated area of the City of Santa Maria, commonly known as 201 South Miller Street, also known as Santa Barbara County Assessor Parcel Numbers 125-360-009, 125-360-010, and 125-360-011, improved with a two-story, multi-tenant commercial office building consisting of approximately 27,480 leasable square feet (“Building”), and shown as the highlighted area of Exhibit "A", attached hereto and incorporated herein by reference ("Property"); and

WHEREAS, COUNTY has leased office space in a portion of the Building since 1990 pursuant to that certain Town Center Tower Office Lease dated January 9, 1990, as amended by that certain First Amendment to Town Center Tower Office Lease dated May 24, 1990, that certain Second Amendment to Town Center Tower Office Lease dated November 12, 1996, that certain Third Amendment to Town Center Tower Office Lease dated April 23, 2002, that certain Fourth Amendment dated January 18, 2011, that certain Fifth Amendment to Town Center Tower Office Lease dated February 11, 2014, and that certain Sixth Amendment to Town Center Tower Office Lease dated February 11, 2021 (as amended, the “1990 Lease”); and

WHEREAS, COUNTY wishes to continue leasing office space in the Building after the 1990 Lease expires on February 28, 2023; and

WHEREAS, LANDLORD desires to lease to COUNTY 3,295 square feet of office space in the Building, as shown on Exhibit “B”, attached hereto and incorporated herein by reference (“Premises”), subject to the terms and conditions contained herein; and

WHEREAS, this Agreement is intended to be a modified gross lease, wherein COUNTY's monthly rent for the Premises is a flat fee that includes rent and other proportional costs associated with LANDLORD's ownership of the Premises with respect to the Property, including, but not limited to, trash removal services, water, sewer, and all common area utilities, maintenance and property management expenses, with an initial **rent amount of \$1.55 per square foot**, per month, **increased three percent (3%) annually thereafter**, with the first such increase occurring March 1, 2024; and

WHEREAS, the Parties desire to enter into this Agreement for the purpose of leasing the Premises to COUNTY, to be used by COUNTY'S Child Support Services Department and other COUNTY Departments as office space only.

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

1. **ADMINISTRATION AND ENFORCEMENT:** The provisions of this Agreement shall be administered and enforced for COUNTY by the Director of the General Services Department (hereinafter "Director"), or the Director's designee.
2. **LEASED PREMISES:** LANDLORD hereby leases to COUNTY, and COUNTY hereby takes from LANDLORD, the 3,295-square-foot office space situated in Suites 205 and 206, plus the attached server room on the second floor of the Building ("Premises") located at 201 South Miller Street, Santa Maria, California, 93455, as identified on Exhibit B.
3. **PARKING:** LANDLORD represents that it has a nonexclusive right to use all unreserved parking spaces in the adjacent parking structure located at the northwest corner of South Miller and East Cook Streets in the City of Santa Maria, known as Assessor Parcel Numbers 125-320-009 and 125-320-034, pursuant to the Special Warranty Deed recorded on November 10, 1976, as Instrument Number 1976-0048355, and the Grant Deed recorded on September 7, 2017, as Instrument Number 2017-0043175, both in the Official Records of Santa Barbara County. LANDLORD hereby grants to COUNTY a revocable license to use no less than ten (10) such parking spaces. In the event such license is revoked, or if fewer than ten (10) parking spaces are provided for COUNTY's use, then COUNTY shall be entitled to compensation, diminution or abatement of Rent, as mutually agreed to by the Parties.
4. **TERM:** The initial term of this Agreement shall be for a period of **FIVE (5) years**, commencing on March 1, 2023 ("Commencement Date"), and terminating February 29, 2028 (the "Initial Term"), subject to provisions for earlier termination and extension hereunder (the Initial Term, together with any Extension Period (defined below), collectively, the "Term").
5. **OPTIONS TO EXTEND:** Provided COUNTY is in compliance with all terms and conditions of this Agreement, COUNTY shall have one (1) option to extend the Term of this Agreement for an additional period of five (5) years ("Extension Period Option"), commencing on March 1, 2028, and terminating on February 28, 2033 ("Extension Period").

COUNTY may exercise such Extension Period Option to extend the Term of this Agreement by providing written notice to LANDLORD at least ninety (90) days prior to the expiration of the Initial Term. The Director, or the Director's designee, shall have the authority to exercise the Extension Period Option on behalf of COUNTY.

6. **HOLDING OVER:** If COUNTY remains in possession of the Premises with written consent of LANDLORD after the expiration of the Term, and without executing a new lease, then such holding over shall be construed as a month-to-month tenancy, subject to all the conditions, provisions and obligations of this Agreement insofar as the same are applicable to a month-to-month tenancy.

7. **RENT:**

A. **Monthly Rent Payment:** The monthly Rent for the Premises hereunder shall initially be **FIVE THOUSAND ONE HUNDRED SEVEN DOLLARS and TWENTY-FIVE CENTS (\$5,107.25)**, based on \$1.55 per square foot per month for the 3,295 square feet comprising the Premises, and shall be subject to a fixed annual adjustment in accordance with the terms set forth in Section 7.D. of this Agreement. The monthly Rent represents the fair rental value of the Premises. Each monthly Rent payment shall be in consideration for the use and possession of the Property for the month following the due date of such payment. LANDLORD shall not under any circumstances have the right to accelerate the Rent payments that fall due in future rental periods, or otherwise declare any rental payments not then in default to be immediately due and payable. 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 subsequent calendar month of the Term. 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. **Late Payments:** In the event a monthly Rent payment is not received by LANDLORD within five (5) business days after such Rent payment is due, LANDLORD shall provide written notice to COUNTY regarding same. COUNTY shall pay such Rent within 10 days of COUNTY's receipt of such written notice. If COUNTY fails to pay such Rent within 10 days of COUNTY's receipt of such written notice, COUNTY shall pay a 10% late charge on the outstanding amount of such overdue Rent.

C. **Taxes and Assessments:** LANDLORD shall pay and discharge all taxes and assessments, including special assessments and other governmental charges of any kind and nature whatsoever, levied or assessed against the land, building, and other improvements on the Property, including, but not limited to, assessment for public improvements or benefits which shall be levied or assessed against the building containing the Premises, or any part thereof. In the event of a County-wide change in the method of assessing commercial income property, any increased tax assessment for the Premises shall be prorated proportionately to the square footage of the Property, and will be charged to COUNTY on a prorated monthly basis.

D. **Annual Rent Adjustments:**

1. **Initial Term:** On March 1, 2024, and each anniversary thereafter for the remainder of the Initial Term, Rent shall be increased by three percent (3%), resulting in monthly Rent amounts as follows:

March 1, 2024:	\$5,260.47
March 1, 2025:	\$5,418.28
March 1, 2026:	\$5,580.83
March 1, 2027:	\$5,748.26

2. **Extension Period:** In the event COUNTY exercises its Extension Period Option, the amount of monthly Extension Rent (defined below) applicable during the first year of the Extension

Period, commencing on March 1, 2028, shall be determined in accordance with Section 7.D.3, below, and such monthly Extension Rent shall be increased by three percent (3%) annually, beginning on March 1, 2029, and on each anniversary thereafter for the remainder of the Extension Period.

3. Rent During Extension Period: For thirty (30) days following LANDLORD's receipt of COUNTY's written notice to exercise the Extension Period Option ("Extension Rent Negotiation Period"), the Parties shall meet and confer to negotiate the amount of the monthly Rent to be payable by COUNTY during the first year of the Extension Period ("Extension Rent").

If LANDLORD and COUNTY agree to the Extension Rent amount within the Extension Rent Negotiation Period, the Parties shall memorialize the Extension Rent amount in a writing signed by both Parties and attach such documentation to this Agreement.

If LANDLORD and COUNTY are not able to agree to the Extension Rent amount within the Extension Rent Negotiation Period, the Parties shall jointly engage an appraiser to determine the Fair Market Rental Value of the Premises (defined below) during the initial year of the Extension Period, and the costs of such appraisal shall be borne equally by the Parties. Such appraiser's determination shall be documented as the Extension Rent rate for the first year of the Extension Period. If the Parties are not able to agree on an appraiser within ten (10) days after the expiration of the Extension Rent Negotiation Period ("Appraiser Negotiation Period"), then each Party shall engage an appraiser (at such Party's sole cost and expense) within five (5) days after the expiration of the Appraiser Negotiation Period. If such two appraisers cannot agree on the Extension Rent within fifty (50) days after the expiration of the Appraiser Negotiation Period, such two appraisers shall jointly agree upon and select a third appraiser and the agreement of any two of such three appraisers with respect to the amount of Extension Rent shall be binding on the Parties. The costs of the third appraiser shall be borne equally by the Parties. In no case shall the Extension Rent be less than the Rent in effect during the last year of the Initial Term. For purposes of this Section 7.D.3, the "Fair Market Rental Value of the Premises" shall be the rental rate, determined by the appraisers in accordance with the following subsections 1 and 2, at which tenants lease comparable space as of the commencement of the Extension Term. For this purpose, "comparable space" shall be general commercial office space in Santa Maria that is not subleased; not subject to another tenant's expansion rights; comparable in size, location, and quality to the Premises; leased for a term comparable to the first year of the Extension Period; and located in comparable buildings. In determining the rental rate of comparable space, the Parties shall include all escalations and take into consideration the following concessions:

1. Rental abatement concessions, if any, being granted to tenants in connection with such comparable space; and
2. Tenant improvements or allowances provided or to be provided for such comparable space, taking into account the value of the existing improvements in the Premises, based on the age, quality, and layout of such improvements.

8. UTILITIES AND JANITORIAL SERVICES: LANDLORD shall be responsible for payment of utilities and services serving common portions of the Property, inclusive, without limitation, of water, sewer, electricity, gas, and trash disposal, and shall pay directly to the respective providers of such utilities and services all such charges when due. COUNTY shall arrange and pay for utilities and janitorial services that exclusively serve the Premises.

9. **TENANT IMPROVEMENTS AND ALTERATIONS:**

A. **General Provisions:** COUNTY shall not make any alteration or improvement to the Premises without first obtaining the prior written consent of the LANDLORD, which consent shall not be unreasonably withheld or delayed, provided that such alteration or improvement is consistent with the design and use of the Premises. LANDLORD shall have the option to make the requested alteration or improvement, or grant COUNTY the right to make the requested alteration or improvement under LANDLORD'S direction. If LANDLORD consents to making the requested alteration or improvement, LANDLORD shall provide COUNTY with a price and timetable for all such work. The Director or Director's designee may approve and execute an agreement for such work on behalf of COUNTY, provided that the costs thereunder do not exceed \$15,000 ("Tenant Improvement Agreement"). LANDLORD reserves the right to post notices of non-responsibility on the Premises.

B. **Approved COUNTY Installations.** Under the supervision of LANDLORD, LANDLORD authorizes COUNTY to independently contract to install and maintain voice and data communication systems within the Premises to COUNTY standards. COUNTY shall pay the cost of all equipment, installation, maintenance, and any monthly charges for such voice and data communication systems during the Term. Notwithstanding any other provisions of this Agreement, all such voice and data communication equipment and wiring installed on the Premises by or on behalf of COUNTY during the Term (collectively, "Communications Equipment") shall be the property of COUNTY, shall remain the property of COUNTY following the termination of this Agreement, and shall be removed from the Premises by COUNTY upon the termination of this Agreement. COUNTY shall keep the Premises and Property free and clear of all liens for labor and materials.

C. **ADA Compliance.** Any alteration or improvement in the Premises by either Party must comply with the Americans With Disabilities Act (ADA) requirements and conform to: (1) Approved Floor Plans applicable to the Premises; (2) the City of Santa Maria Building Code; and (3) any permit(s) issued by the City of Santa Maria or other applicable regulatory agency and applicable to the Premises.

D. **Ownership of Improvements:** Upon termination of this Agreement and/or vacation of the Premises by COUNTY, any alteration or improvement made solely by LANDLORD in accordance with the provisions of this Agreement shall remain the property of the LANDLORD, and COUNTY shall relinquish possession of all such improvements in good condition and repair with only normal wear and tear, unless otherwise provided in any Tenant Improvement Agreement. This Section 9.D. shall not apply to Communications Equipment or other internal equipment and systems.

E. **Future Restroom Facility:** The Parties acknowledge that COUNTY may wish to install, or to have installed, a restroom facility in the Premises at a future date during the Term of this Agreement ("Future Restroom Improvement") in the location identified on Exhibit "B" and in accordance with the plans ("Restroom Plans") set forth in Exhibit "C", attached hereto and incorporated herein by reference. In the event that that COUNTY wishes to install, or to have installed, the Future Restroom Improvement, the Parties shall work collaboratively and negotiate in good faith to prepare and execute an agreement for such Future Restroom Improvement ("Restroom Tenant Improvement Agreement"), which shall incorporate the terms and conditions identified in Exhibit C.

10. **MAINTENANCE AND REPAIR:** LANDLORD and COUNTY agree to perform maintenance and repair of the Premises and appurtenances as follows:

A. LANDLORD'S Responsibilities: LANDLORD shall keep and maintain the Premises in good order and repair in accordance with LANDLORD's responsibilities are set forth herein. LANDLORD shall maintain and pay all charges for maintenance of the following on and in the Property: (1) all mains, wires (other than wiring installed by COUNTY), and cables; (2) heating, ventilation and air conditioning equipment; (3) roof and structural elements, including exterior walls, foundations, gutters, downspouts, doors and windows; (4) all plumbing, electricity and utility systems; and (5) all exterior surfaces and landscaped areas. LANDLORD shall retain qualified service providers to perform regular maintenance on such systems as LANDLORD reasonably determines to be necessary or appropriate to maintain the Property in good condition and repair.

LANDLORD shall, upon receipt of notice from COUNTY that maintenance or repair work is required on the Property ("Maintenance Notice"), 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 as commercially practicable. LANDLORD shall have ten (10) days after receipt of such Maintenance Notice from COUNTY to make such repairs and/or provide maintenance work pursuant to this Section 10.A, except that LANDLORD shall make repairs within one (1) workday if the nature of the maintenance or repair need presents a hazard to health or property, or constitutes an emergency. If LANDLORD does not make such required repairs or maintenance within the time limits specified in this Section 10.A., then COUNTY may make such repairs or maintenance and LANDLORD shall promptly reimburse COUNTY for the costs thereof.

B. COUNTY'S Responsibilities: COUNTY shall, at its sole cost and expense, keep and maintain in good order, condition and repair, any COUNTY exterior signage and all interior portions of the Premises, including light bulbs, stoppages in kitchen sink from the lateral to the main, and display window, other than as provided in Section 10.A, above. COUNTY shall repair any damage to the Premises caused solely by negligent acts or omissions of COUNTY or its employees, agents, invites or contractors within a reasonable period of time after the occurrence of such damage, or in any case within thirty (30) days after receipt of notice of such damage from LANDLORD, unless the contents of such notice are contested by COUNTY. Upon termination or expiration of this Agreement, COUNTY will return the Premises to LANDLORD in good order, reasonable wear and tear excepted.

11. FIXTURES: The Parties agree that all improvements to, and fixtures on the Premises, made or added by either Party, which become attached to and considered as part of the Premises, shall be the property of LANDLORD upon such affixture to the Premises, except as otherwise expressly provided herein. Trade fixtures, which are defined as articles of personal property which are fastened to the Premises and used for COUNTY's business purposes, may be removed, without damage to the Premises, upon expiration or termination of this Agreement. For the avoidance of doubt, the foregoing provisions of this Section 11 shall not apply to Communications Equipment, or Internal Equipment and Systems (defined below).

12. SIGNAGE: COUNTY may place reasonable signage on the Property and Premises, subject to LANDLORD'S prior written approval, at COUNTY'S sole cost and expense, provided such signage complies with all applicable city and county requirements. COUNTY shall remove all signage at its sole cost and expense upon termination of this Agreement.

13. ADVERTISING AND LIGHTING: COUNTY shall not perform any of the following activities on the Property without LANDLORD's prior written consent: (i) install any exterior lighting

or plumbing fixtures, shades or awnings, or any exterior decorations or painting, or make any changes to the exterior of the Building; (ii) erect or install any exterior window or door signs or advertising media, window or door lettering, or placards, except as allowed under Section 12 of this Agreement; (iii) keep or display any merchandise on, or otherwise obstruct, the sidewalks or areaways adjacent to the Premises; or (iv) fail to maintain the windows and signs approved by LANDLORD in a neat and clean condition. COUNTY shall not use any advertising or other media objectionable to LANDLORD and/or reasonably objectionable to other tenants, such as loud speakers, phonographs or radio broadcasts that can be heard outside of 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 telephone systems and equipment, and that COUNTY may use and install lateral files that are required to be installed with anchors into the Building walls in order to comply with safety standards (such equipment and systems, collectively, "Internal Equipment and Systems"). COUNTY shall pay for any such Internal Equipment and Systems, including installation and maintenance costs, and any recurring monthly charges for such Internal Equipment and Systems during the Term. Notwithstanding any other provisions of this Agreement, following the termination or expiration of this Agreement, all Internal Equipment and Systems shall remain the property of COUNTY, and shall be removed from the Premises by COUNTY upon termination of this Agreement. Upon termination of this Agreement, COUNTY shall restore all Premises walls to their condition at occupancy, reasonable wear and tear excepted.

15. **COUNTY'S USE / RIGHT TO SUBLEASE:** COUNTY shall use and occupy the Premises only for office purposes for COUNTY's Department of Child Support Services or other related COUNTY business or services, or any other legal use which is reasonably comparable thereto, and for no other purpose. COUNTY shall not use or permit the use of the Premises in a manner that is unlawful, creates damage or waste or creates a nuisance.

COUNTY, in its sole discretion and without further approval, shall have the right to sublease or assign space within the Premises to governmental and other agencies which provide services to the public. Said sublease or assignment (if any) shall be on the same terms and conditions as this Agreement and for use solely as office space. Other than the foregoing, COUNTY shall not assign this Agreement nor sublet the Premises or any portion thereof without the prior written consent of LANDLORD, which consent shall not be unreasonably withheld or delayed. Extension Period Options are personal to COUNTY and may not be assigned.

16. **DAMAGE OR DESTRUCTION OF THE PREMISES:**

A. **Total Destruction:** If the Premises are totally destroyed by fire or any other cause, this Agreement, at the option of COUNTY, shall terminate, and the liability of the Parties for further performance under the terms of this Agreement, as otherwise set forth herein, shall thereupon cease; provided, however, that no Party shall be relieved of such Party's duty to perform its obligations hereunder which accrued prior to such termination. In the event that COUNTY elects not to terminate this Agreement, such destruction of the Premises shall be construed as damage subject to Section 16.B., below.

B. **Damage or Partial Destruction:** If a casualty renders any portion of the Premises unusable by COUNTY, COUNTY may choose to remain in possession of the Premises and LANDLORD shall

promptly repair the Premises within ninety (90) days of such casualty, or COUNTY may terminate this Agreement by written notice to LANDLORD. If COUNTY elects to remain in possession of the Premises despite such casualty, Rent or Extension Rent, as applicable, shall be reduced as of the date of such casualty by the same percentage that usable floor space of the Premises has been reduced until the damaged portion is rebuilt to its condition immediately prior to such casualty.

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

COUNTY: County of Santa Barbara
Department of Child Support Services
201 South Miller Street, Suite 206
Santa Maria, CA 93454
Phone: (805) 568-2339
Attn: Assistant Director or Branch Manager

with a copy to:

County of Santa Barbara
General Services Dept./Support Services Div.
1105 Santa Barbara St., 2nd Floor, East Wing
Santa Barbara, CA 93101
Attn: Real Property Manager

LANDLORD: Mark Fugate
Charter Brokerage and Investment Company
2625 South Miller Street, Suite 107
Santa Maria, CA 93455
Phone: 805-922-6646
Email: fugate95@aol.com

or at such other address as the respective Party may designate in writing from time to time during the Term. Notices hereunder shall be given by use of the United States Postal Service postage prepaid certified mail, overnight courier, email if receipt is confirmed, or by personal delivery. The date of mailing, or, in the event of personal delivery, the date of delivery, or in the case of email, the date receipt is confirmed, shall constitute the date of delivery.

18. **MUTUAL INDEMNIFICATION:** Each Party (the “Indemnifying Party”) agrees to defend, indemnify, and hold harmless the other Party and its officers, officials, employees, volunteers or agents (collectively, the “Indemnitee”) against any and all claims, damages, costs, liabilities, and expense, including attorney’s fees, arising from or attributable to the Indemnifying Party’s negligent acts or omissions or intentional misconduct in connection with the Indemnifying Party’s activities or breach of its responsibilities under this Agreement.

19. **NOTIFICATION OF ACCIDENTS:** COUNTY shall notify LANDLORD immediately in the event of any accident or injury arising out of or in connection with this Agreement. The indemnification provisions of this Agreement shall survive any expiration or termination of this Agreement.

20. **INSURANCE**: Each Party shall maintain its own insurance coverage, through commercial insurance, self-insurance or a combination thereof, against any claim, expense, cost, damage, or liability arising out of the performance of its responsibilities pursuant to this Agreement.

Minimum Scope of Insurance for each Party: Each Party's insurance coverage required by this Agreement shall be at least as broad as:

- A. Commercial General Liability (CGL). Insurance on an "occurrence" basis, including products-completed operations, personal & advertising injury, with limits no less than \$2,000,000 per occurrence.
- B. Automobile Liability. Insurance covering any auto with policy limits no less than \$1,000,000 per accident for bodily injury and property damage.
- C. Workers' Compensation. Insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease.
- D. Property Insurance: against all risks of loss to any tenant improvements or betterments, at full replacement cost with no coinsurance penalty provision.

If LANDLORD maintains higher limits than the minimums shown above, COUNTY shall be entitled to coverage for the higher limits maintained by LANDLORD. Any available insurance proceeds in excess of the above-specified minimum limits of insurance and coverage shall be available to COUNTY.

21. **MUTUAL WAIVER OF SUBROGATION RIGHTS**: LANDLORD and COUNTY each hereby waive any rights such Party may have against the other on account of any loss or damage suffered such Party to such Party's property, the Premises, its contents, or to other portions of the Property, arising from any risk generally covered by "all risk" property insurance; and each Party, on behalf of the respective insurance companies insuring such Party's property against any such loss, waive any right of subrogation that such Party may have against the other, as the case may be. The foregoing waiver of subrogation shall be offered only to the extent that any such insurance policy will not be invalidated thereby.

22. **DEFAULT**: Except as otherwise specified herein, should either Party at any time be in breach of any material provision hereof, or in default hereunder with respect to any material covenant contained herein (each such material breach or default a "default"), the non-defaulting Party shall give notice to the defaulting Party specifying the particulars of the default, and, if such default is reasonably capable of cure, the defaulting Party shall promptly commence remedial action to cure the default. Should such default be reasonably incapable of cure, or, if curable, continue uncured for a period of twenty-one (21) calendar days from such notice, then this Agreement shall terminate at the option of the non-defaulting Party; provided, however, that if the nature of the cure of such default is such that more than twenty-one (21) calendar days are required for its performance, then the defaulting Party shall commence performance of such cure as soon as possible within such twenty-one (21)-day period and thereafter diligently and with all due speed pursue the same to completion, provided that such cure shall be completed within a total of thirty (30) days. Notwithstanding the foregoing provisions of this Section 22, upon any such default by LANDLORD under this Agreement, COUNTY may, except as otherwise

specifically provided in this Lease to the contrary, exercise any of its rights provided at law or in equity, and COUNTY shall further have the right to cure such LANDLORD default and, if such default involves the expenditure of money, COUNTY shall have the right to, at COUNTY's election, either (i) be reimbursed by LANDLORD for such expenditure(s), or (ii) deduct the cost thereof from the Rent or Extension Rent, as applicable, due or accruing hereunder. Any award from a court or arbitrator in favor of COUNTY requiring payment by LANDLORD which is not paid by LANDLORD within the time period directed by such award, may, at COUNTY's election, be offset by COUNTY from Rent next due and payable under this Agreement.

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

A. The non-defaulting Party may waive the default or breach in accordance with Section 24, WAIVER, below.

B. The non-defaulting 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 non-defaulting Party, COUNTY may terminate this Agreement and surrender possession.

D. Where LANDLORD is the non-defaulting Party, LANDLORD may terminate this Agreement.

E. In the event of termination by either Party, the rights and obligations of the Parties hereunder shall cease and terminate, except as otherwise provided herein.

24. **WAIVER:** No waiver of any default or breach of any provision of this Agreement shall be binding on the non-breaching and non-defaulting waiving Party unless in writing signed by the non-breaching and non-defaulting waiving Party. No such waiver of any default or breach of any provision of this Agreement shall constitute a waiver of any subsequent breach or such provision, or any breach of any other provision of this Agreement.

25. **TERMINATION OF LEASE DUE TO REDUCTION IN GOVERNMENT FUNDING OR NON-APPROPRIATION OF FUNDS:** LANDLORD understands that monies paid to LANDLORD by COUNTY 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, or in the event of non-appropriation of funds. Termination of this Agreement shall be effective on the date that is four (4) calendar months after the mailing of a termination notice by COUNTY to LESSOR (the "Termination Date"), and the liability of the Parties for further performance under the terms of this Agreement, as otherwise set forth herein, shall thereupon cease; provided, however, that no Party shall be relieved of such Party's duty to perform its obligations hereunder which accrued prior to the Termination Date.

COUNTY's financial obligation under this Agreement is subject to the availability of funds appropriated for this purpose, and nothing herein shall be construed as involving COUNTY in any contract or other obligation for, or obligating COUNTY to make, any future payment of money in excess

of appropriations authorized by law. COUNTY agrees to use its best efforts to include all payments required to be made by COUNTY under this Agreement in any fiscal year in its annual budget, and the Director will include requests for appropriations of funds sufficient to fund such payments in each of its annual budget requests to COUNTY's Board of Supervisors during the Term.

This Section 25 may be exercised by COUNTY at any time after July 1, 2024.

26. **TERMINATION:** This Agreement may terminate, and all rights of COUNTY shall cease and COUNTY shall quietly and peacefully deliver to LANDLORD possession of and interest in the Premises, and upon such delivery, shall be relieved of all future liability:

- A. At the expiration of the Term;
- B. Upon non-appropriation of funds as provided in Section 25, NON-APPROPRIATION;
- C. Upon discrimination by LANDLORD in violation of Section 32, NONDISCRIMINATION, and COUNTY's exercise of its right to terminate;
- 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 any applicable cure period hereunder; or
- E. Upon the damage or destruction of the Premises, as provided in Section 16, DAMAGE OR DESTRUCTION OF THE PREMISES.

27. **COMMON AREAS:**

A. **Definition:** Common areas shall include those portions of the Property that are designated by LANDLORD for the common use of tenants and others, including, without limitation, the hallways, entryways, stairs, vending area(s), elevator(s), driveways, sidewalks, loading areas, trash facilities, landscaped areas, and all other areas and facilities of the Property provided and designated from time to time by LANDLORD for the general nonexclusive use and convenience of COUNTY and other tenants and their respective employees, invitees, licensees or other visitors ("Common Areas").

B. **Maintenance, Repair and Alterations of Common Areas:** LANDLORD shall maintain the Common Areas in clean and safe repair and order, and LANDLORD shall pay all costs for the maintenance and repair of the Common Areas. LANDLORD reserves the right to make modifications and adjustments to the Common Areas, provided such modifications and adjustments do not interfere with COUNTY's use of the Premises as set forth herein.

C. **Rules and Regulations:** COUNTY shall abide by the rules and regulations for the use of the Common Areas attached hereto as Exhibit "D" and incorporated herein by reference ("Common Area Rules and Regulations"). Such Rules and Regulations may be amended by LANDLORD from time to time, with or without advance notice, and all reasonable amendments thereto shall be effective upon delivery of a copy of such amendment(s) to COUNTY; provided, however, that such amendment(s) (i) do not unreasonably affect the conduct of COUNTY's operations in the Premises; and (ii) are similar to rules and regulations customarily found in similar office buildings in the City. COUNTY shall have the right to dispute the reasonableness of any such amendments to the Rules and Regulations. LANDLORD shall not enforce any Rule or Regulation against COUNTY which LANDLORD is not then enforcing

against all other tenants in the Building. In the event of any inconsistency between any such amendment to the Rules and Regulations and this Agreement, this Agreement shall control.

D. Service Areas: COUNTY agrees that all receiving and delivery of goods and merchandise and all removal of garbage shall be made only by way of the loading areas or such portions of the Property as LANDLORD may designate from time to time for such use by COUNTY, and at such hours as may be designated by LANDLORD from time to time.

E. Use During Repairs: Each of the Parties, while engaged in the work of constructing improvements or making repairs or alterations in the Premises or on the Property, including, but not limited to, construction of new buildings or additions and construction work done by COUNTY with respect to improvements on or in the Premises, shall have the right to use the loading areas and truckways located on the Property. In determining reasonableness of any such use, all pertinent factors shall be taken into consideration, including, but not limited to, the interference, if any, with the business and operations of other tenants on the Property, the availability of other space for such purposes, and the cost of using other space for such purposes.

28. **ABANDONMENT**: COUNTY shall not vacate or abandon the Premises at any time during the Term, and if COUNTY does 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 and title of such personal property shall, at LANDLORD's option, pass to LANDLORD.

29. **SUBORDINATION AND OBLIGATIONS TO SECURED LENDER**: COUNTY agrees that this Agreement shall be subordinate to any deeds of trust in the nature of mortgages that may hereafter be placed upon the Premises, to any and all advances made or to be made under such mortgages, to the interest on all obligations secured by such mortgages, and to all renewals, replacements and extensions of such mortgages; provided, however, the beneficiary in such deeds of trust shall recognize this Agreement in the event of foreclosure if COUNTY is not in default under the terms of this Agreement. If any beneficiary elects to have this Agreement superior to its deed of trust and gives notice of its election to COUNTY, then this Agreement shall be superior to the lien of any such deed of trust, whether this Agreement is dated before or after the deed of trust. COUNTY shall provide such estoppel or attornment certificates as the lender, or successor, may require, without subordination of this Agreement.

In case of a foreclosure or other proceeding by which a lender or its successor takes title to the Property, COUNTY will accept the lender or its successor as the lawful landlord in place of LANDLORD. Without limiting the foregoing, COUNTY reserves all of its rights and remedies under this Agreement with respect to a default by LANDLORD, whether occurring or accruing prior to or after the date a successor landlord takes title to or control of the Property;

30. **LANDLORD'S ACCESS TO PREMISES**: LANDLORD and its designees shall have the right at reasonable business hours, upon at least 24 hours' prior written notice to COUNTY, and subject to reasonable security rules and applicable laws, to enter the Premises to conduct the following: (1) inspect the Premises; (2) perform services required of LANDLORD; or (3) show the Premises to prospective purchasers or mortgagees of the Property. LANDLORD may enter the Premises at any time and without notice to COUNTY in the event of an emergency in order to perform maintenance or repair

to or in the Premises to the extent necessary to abate such emergency. Any entrance onto the Premises by or on behalf of LANDLORD shall be performed so as not to disturb COUNTY's operations.

31. **AMENDMENTS:** This Agreement may only be amended in writing duly executed by both Parties hereto. Any such amendments, once fully executed, shall be binding upon the heirs, successors, and authorized assigns of all Parties hereto.

32. **NONDISCRIMINATION:** LANDLORD and COUNTY in their respective 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 COUNTY ordinance.

Noncompliance with provisions of this Section 32 shall constitute a material breach of this Agreement and, in addition to any other remedies provided by law, COUNTY shall have the right to terminate this Agreement and the interests hereby created without liability therefore.

33. **QUIET ENJOYMENT:** LANDLORD covenants that COUNTY shall have peaceable and quiet enjoyment of the Premises during the Term, provided that COUNTY is not in default hereunder. LANDLORD further covenants that, during the Term, LANDLORD shall not materially interfere or permit any person acting on behalf of, through, or under authority of LANDLORD to interfere with COUNTY'S peaceful possession, quiet enjoyment, and use of the Premises.

The obligation to pay Rent is contingent upon COUNTY having beneficial use and occupancy of the Property and Premises for the COUNTY's intended purposes, and if such use and occupancy is not provided, there shall be an abatement of Rent during the period(s) that such occupancy and use is not available.

34. **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.

35. **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.

36. **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 permitted assigns.

37. **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.

38. **AGENCY DISCLOSURE:** LANDLORD acknowledges that the General Services Department, Real Property Division of COUNTY is the agent for the COUNTY exclusively, and is

neither the agent for the LANDLORD nor a dual agent in this transaction. COUNTY acknowledges that LANDLORD is acting on its own behalf without representation by an agent.

39. **CERTIFICATION OF SIGNATORY:** Each of the signatories to this Agreement represents and warrants that such signatory is authorized to execute this Agreement and that no additional signatures are required to bind the Party on behalf of which such signatory is signing this Agreement to its terms and conditions or to carry out such Party's obligations hereunder.

40. **ENTIRE AGREEMENT:** This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof, and no obligation other than those set forth herein will be recognized.

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Project: Child Support Services Lease
201 S. Miller St., Santa Maria
Folio: 002310
APN: 125-360-009, -010 & -011
Agent: SF

IN WITNESS WHEREOF, COUNTY and LANDLORD have executed this Agreement by the respective authorized officers as set forth below to be effective upon final execution by COUNTY.

“COUNTY”
COUNTY OF SANTA BARBARA

ATTESTED:
MONA MIYASATO
CLERK OF THE BOARD OF SUPERVISORS

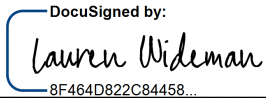
By: _____
DAS WILLIAMS, CHAIR
BOARD OF SUPERVISORS

By: _____
Deputy Clerk

Date: _____

APPROVED AS TO FORM:
RACHEL VAN MULLEM
COUNTY COUNSEL


APPROVED AS TO ACCOUNTING FORM:
BETSY M. SCHAFFER, CPA, CPFO
AUDITOR-CONTROLLER


By: 
Lauren Wideman
Deputy County Counsel

By: 
Deputy

APPROVED:

APPROVED AS TO FORM:
GREG MILLIGAN, ARM
RISK MANAGER

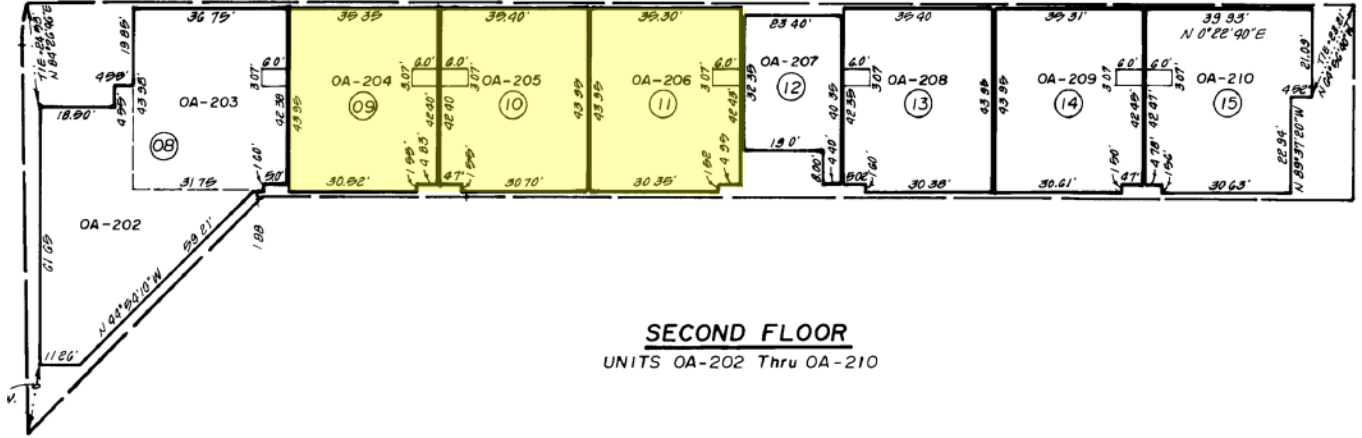
By: 
Joni Maiden, MPA, Director
Department of Child Support Services

By: 
Risk Management

APPROVED:

By: 
Julie Lawrence
Real Property Manager

EXHIBIT "A" THE PROPERTY



SECOND FLOOR
UNITS OA-202 Thru OA-210

04/20/90 R. M. Bk. 164, Pg. 83-86 Condominium Plan for Lot 1 of Tract 5567 "Town Center Tower"

EXHIBIT "B" THE PREMISES

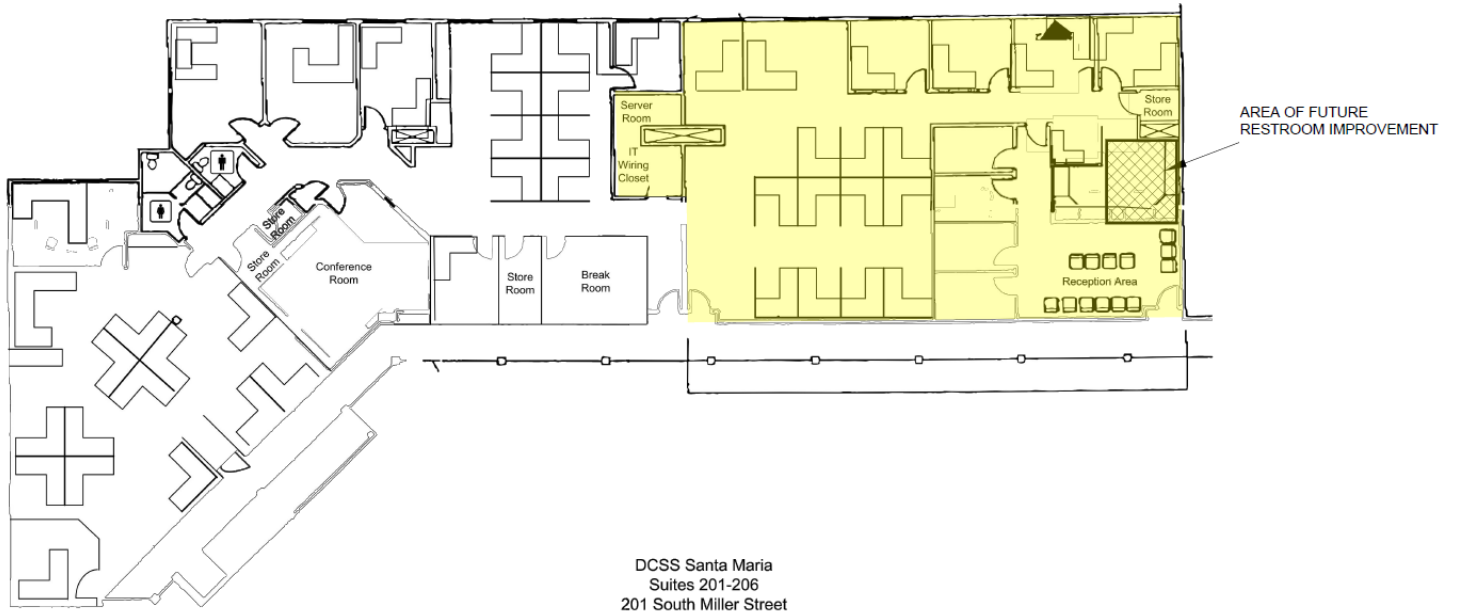


EXHIBIT “C”
RESTROOM TENANT IMPROVEMENT AGREEMENT
TERMS AND RESTROOM PLANS

The Restroom Tenant Improvement Agreement shall include the following terms and conditions:

1. Managing and Non-Managing Party(ies): Each Party shall be identified as a Managing Party or Non-Managing Party with duties and responsibilities set forth for each role.
2. Building Permit: The Restroom Tenant Improvement Agreement shall identify which Party will submit the Restroom Plans to the City of Santa Maria (“City”) for approval and issuance of a building permit for construction of the Future Restroom Improvement (“Building Permit”).
3. Contractors and Subcontractors: The Managing Party and Non-Managing Party shall each have a right to review and approve all competitive bids for any element of the Future Restroom Improvement, and each Party shall also have a right to approve all contractors and subcontractors engaged in connection with the construction of the Future Restroom Improvement.
4. Prevailing Wages: LANDLORD and COUNTY shall each require any party performing any work that constitutes a public works project as defined by California law including, but not limited to, construction, improvement, demolition, alteration, renovation, or repair of a publicly leased or operated building or structure, to comply with all provisions of California law regarding construction that constitutes a public works project. Any agreement between either Party and a third party for work that constitutes a public works project shall include the following provision:

“Contractor shall pay, and shall require any subcontractor to pay, not less than the specified prevailing rates of per diem wages to all laborers, workers, and mechanics employed by them in the execution of this Agreement in accordance with the provisions of Article 2 (commencing with section 1770) of Chapter 1 of Part 7 of Division 2 of the Labor Code. Copies of the prevailing rate of per diem wages are on file at the County of Santa Barbara’s Department of Public Works, and are available to Contractor upon request. Contractor shall also pay, and shall require each subcontractor to pay, travel and subsistence payments to each laborer, worker, and mechanic needed to execute the work.”
5. Labor Code Indemnification: In addition to any other indemnification provision of this Agreement, LANDLORD shall indemnify and hold COUNTY harmless from and defend COUNTY against any and all claims of liability for any failure by LANDLORD arising in part or in whole from LANDLORD or its agents, contractors, or employees’ failure to comply with the duties set forth in this Exhibit C or under the Labor Code.
6. Construction of Restroom Facility: As soon as reasonably practicable after receipt of the Building Permit, the Parties agree that the Future Restroom Improvement shall be constructed pursuant to the specifications of the Building Permit, and in such a way as to cause the least inconvenience and disruption to COUNTY as commercially practicable. The Managing Party shall notify the Non-Managing Party in writing at least five (5) business days prior to the commencement of such construction. Such notification shall include a construction schedule and identify the portion of the Premises that COUNTY must vacate during such construction.
7. Cost of Plans, Permit(s) and Construction: The Restroom Tenant Improvement Agreement shall include the respective responsibilities of LANDLORD and COUNTY with respect to the costs of the Future Restroom Improvement, including, but not limited to, the costs of design, preparation of plans and specifications, permits, materials, labor, and all related construction.

8. Change Orders: If either Party requests any change, addition or alteration (collectively, “Change Orders”) to the executed Restroom Tenant Improvement Agreement, the requesting Party shall give the non-requesting Party written estimate of the maximum cost to prepare revised plans in accordance with such Change Order(s). If the non-requesting Party approves such estimate in writing, the requesting Party shall have revised plans prepared and delivered to the non-requesting Party, and the Parties shall agree in writing in advance to an allocation of each Party’s respective responsibility with respect to the costs of such Change Order(s).

9. Certificate of Occupancy: As soon as practicable after construction of the Future Restroom Improvement has been completed, LANDLORD shall obtain a certificate of occupancy, or similar document, from the City, and shall provide a copy of such certificate of occupancy to COUNTY.

10. COUNTY’s Rent Obligation: The Restroom Tenant Improvement Agreement shall include whether COUNTY’s obligation to pay Rent shall be abated or adjusted due to construction of the Future Restroom Improvement based on COUNTY’s use of the Premises, the amount or method of calculation of any such Rent abatement or adjustment, and the timeframe for completion of construction activity on the Premises.

EXHIBIT “D”
COMMON AREA RULES AND REGULATIONS

a) **Office Complex:** The term “Office Complex” means the entire area within the outer property limits as shown in Exhibit “A” and all other pieces or parcel of land at any time and from time to time designated for use as part of the Office Complex.

b) **Common Areas:** The term “Common Area” means all areas and facilities outside the Leased Premises (other than parking areas and facilities) that are provided and designed for general use and convenience (among others) of the public, Tenant and other lessees of all or any part of the Office Complex and their respective employees, customers and invitees. Common areas include, but are not limited to, pedestrian sidewalks, landscaped areas, stairways, corridors, arcades and sidewalks, trash collection areas, truckways, loading docks, loading areas and delivery yards. Landlord reserves the right from time to time to make changes with other owners of areas within the Office Complex in the shape, size, location, number and extent of improvement, Common Areas, buildings, truckways, loading docks, loading areas, parking layout or areas and other improvements and to eliminate or add any improvements or buildings to any portion of the Office Complex.

c) **Use and Operations:** The manner in which such Common Areas and facilities shall be maintained and the expenditures for maintenance, shall be at the sole discretion of Landlord and other owners, and the use of such areas and facilities shall be subject to such reasonable regulations and changes as Landlord and other owners shall make from time to time, including, without limitation, the right to close, if necessary, all or a portion of such areas, roads or facilities to such extent as may be legally sufficient in the opinion of counsel to prevent a dedication thereof or the accrual of rights to any person or of the public therein, or to close temporarily all or any portion of such area and facilities.

d) **Regulations:** Landlord reserves the right to promulgate with other owners of areas within the Office Complex such reasonable rules and regulations relating to the use of the parking areas, roads and common areas, and any part or parts thereof, as they may deem appropriate and for the best interests of all the tenants. Tenant shall abide by such rules and cooperate in their observance. The rules and regulations shall be binding upon Tenant upon delivery of a copy of them to Tenant. The rules and regulations may be amended from time to time, with or without advance notice, and all amendments shall be effective upon delivery of a copy of them to Tenant.

e) **Service Areas:** Tenant agrees that all receiving and delivery of goods and merchandise and all removal of garbage and refuse shall be made only by way of the loading areas or such portions of the parking areas as Landlord may designate from time to time for such use by Tenant, and at such hours as may be designated by Landlord from time to time.

f) **Use During Repairs:** Landlord, Tenant and other lessees, while engaged in the work of constructing improvements or making repairs or alterations in the Office Complex including, but not limited to, construction of new buildings or additions and construction or reconstruction work done by Tenant with respect to improvements on or in the Leased Premises, shall have the right to make a reasonable use of portions of the parking and Common Areas, the loading areas and the truckways. In determining reasonableness of any such use, all pertinent factors shall be taken into consideration, including, but not limited to, the interference, if any, with the business and operations of the various business enterprises in the Office Complex, the availability of other space for such purposes and the cost of using other space for such purposes.