

BOARD OF SUPERVISORS AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors 105 E. Anapamu Street, Suite 407 Santa Barbara, CA 93101 (805) 568-2240

Department Name:

General Services

Department No.:

063

For Agenda Of:

June 16, 2009

Placement:

Administrative

Estimated Tme:

Continued Item:

No

If Yes, date from:

Vote Required:

Majority

TO:

Board of Supervisors

FROM:

Department

Bob Nisbet, Director (560-1011)

Director(s)

General Services Department

Contact Info:

Paddy Langlands, Assistant Director (568-3096)

Support Services Division

SUBJECT:

Watershed Resource Center Lease at Arroyo Burro Beach County Park,

Folio # 003586; Second Supervisorial District

County Counsel Concurrence

Auditor-Controller Concurrence

As to form: Yes As to form: Yes

Other Concurrence: Risk Management, Parks Dept.

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- a) Determine that the services provided by Art From Scrap are necessary to meet the social needs of the County, and that Art From Scrap therefore qualifies for a rent subsidy pursuant to Government Code §26227; and
- b) Determine that the County-owned property located at 2981 Cliff Drive, in Santa Barbara (APN 047-092-013), commonly known as the Watershed Resource Center at Arroyo Burro Beach County Park, will not be needed for County purposes for the next few years; and
- c) Approve the proposed <u>Lease Agreement</u> granting Art From Scrap the right to lease the above referenced county-owned property for the purposes of providing water quality youth education programs and management of the Watershed Resource Center, for a term of one year commencing on July 1, 2009 through June 30, 2010, and may be renewed for 5 additional 1-year terms concurrent with the renewal of the *Agreement For Services of Independent Contractor (Water Quality Youth Educational Programs and Management of the Watershed Resource Center)* at no cost.

Summary Text:

This Lease Agreement grants Art From Scrap the use of a portion of the county-owned property known as the Watershed Resource Center at Arroyo Burro Beach for a period of 1 year and may be renewed for 5 additional terms of 1-year each so long as the service contract is renewed. AFS will coordinate maintenance and repairs and scheduling of the WRC with the Parks Department.

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Background:

In 1999, the Watershed Resource Center (WRC) was built as a renovation to an existing County Parks Ranger building located in Arroyo Burro Beach County Park in response to a growing concern about the South Coast's water quality. The State Coastal Conservancy (Conservancy) awarded the nonprofit organization Community Environmental Council (CEC) a grant to construct and fund the initial start-up operation of the WRC. CEC entered into a Lease Agreement with the County to provide educational programs in watershed pollution, habitat degradation and riparian, wetlands and marine ecology on the premises and maintain and schedule the use of the WRC as a community education center. CEC also involved the Chumash Maritime Association (CMA) in the design and development of the WRC to include storage space for a Tomol redwood plank canoe and the installation of native plants of particular medicinal and cultural significance to the Chumash.

CEC has shifted its focus exclusive on energy efficiency, renewables, alternative transportation and climate change. In 2006, CEC subcontracted the lease to the non-profit corporation Art From Scrap (AFS), the former environmental educational program of CEC. At present AFS manages the WRC and is contracted with the County and several South Coast cities to provide water pollution education for children and other environmental education programs.

The lease was amended in 2001 to change the initial term from five to ten years. The current lease term expires on June 30, 2009, and in the best interest of the County, the County opted to go out to bid on a Professional Services Contract for implementation of water quality youth education programs concurrently with a new lease for management of the WRC. As a condition of the original grant, the Conservancy, County and CEC entered into an Agreement Protecting The Public Interest (3-party agreement) the duration of said agreement is twenty (20) years. The Conservancy, with consent of the County, must approve the designation of a public entity or nonprofit organization to assume the responsibilities of the CEC under the 3-party agreement and the approved contractor will be subject to the terms and conditions of the agreement.

In 2006, the County's Storm Water Management Program (SWMP) was approved by the Central Coast Regional Water Quality Control Board designed to meet Clean Water Act mandates through compliance with the National Pollutant Discharge Elimination System General Permit. The General Permit establishes certain unincorporated areas in which the County is responsible for water quality in storm-drains and surface drainages. This SWMP describes the County's program to protect water quality in those areas and includes those Best Management Practices (BMP's) that will reduce, control or eliminate identified pollutants of concern. Maintenance of the WRC for youth and community education and educational programs for children are identified BMP's in the County SWMP.

The Professional Services Contract and Lease have been approved by the Conservancy pursuant to the *Agreement Protecting The Public Interest* document and is scheduled to take affect on July 1, 2009.

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Fiscal and Facilities Impacts:

No rent shall be charged pursuant to California Government Code Section 26227 which allows a board of supervisors of a county to fund programs deemed necessary to meet the social needs of the population of the county and to make available any county owned property which will not be needed for county purposes during the time of possession to be used to carry out such programs. Art From Scrap will pay for all utilities and janitorial services, and will maintain the interior of the facility, educational equipment and displays at their expense.

Staffing Impacts: None

Special Instructions: After Board action, please distribute as follows:

1. Original Document Clerk of the Board Files

2. Duplicate Original and Minute Order Real Estate Services, Attn: Connie Smith

Attachments:

Original Lease Agreement, duplicate original Lease Agreement

<u>Authored by:</u> Connie Smith, Office of Real Estate Services.

Project: Watershed Resource Center

Lease at Arroyo Burro Beach

APN: 0

047-092-013 (portion)

Folio: Agent: 003586 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

ART FROM SCRAP, a California nonprofit organization, hereinafter referred to as "CONTRACTOR";

with reference to the following:

WHEREAS, COUNTY is the fee owner of that certain real property located at 2981 and 2981 1/2 Cliff Drive, Santa Barbara, CA 93109, in the County of Santa Barbara, more particularly described as Santa Barbara County Assessor's Parcel Number 047-092-013 (hereinafter "Property"). The Property is shown as the diagonally slashed areas of Exhibit "A", attached hereto and incorporated herein by this reference; and

WHEREAS, the Property includes a building (approx. 1216 square feet) with deck, pergola/potting shed, large fenced patio and the surrounding grounds and access walkways commonly known as the Watershed Resource Center (hereinafter "Premises"); and

WHEREAS, the COUNTY has an interest in advancing public awareness on the origins and causes of watershed pollution and habitat degradation, and has engaged the services of CONTRACTOR to work with COUNTY and other governmental and non-governmental watershed agencies and organizations to manage the Watershed Resource Center and operate an educational program in riparian, wetlands and marine ecology (hereinafter "Program"); and

WHEREAS, CONTRACTOR and COUNTY through its Public Works Department/Project Clean Water have entered into an *Agreement for Services of an Independent Contractor* (hereinafter "Service Contract") for the purpose of CONTRACTOR carrying out the provisions of the Program; and

WHEREAS, the COUNTY has determined that it is in the best public interest to allow CONTRACTOR use of the Premises pursuant to California Government Code Section 26227 which allows a board of supervisors of a county to fund programs deemed necessary to meet the social needs of the population of the county and to make available any county owned property, which will not be needed for county purposes during the time of possession, to be used to carry out such programs; and

WHEREAS, COUNTY is providing funding for the Program through the Service Contract, and has determined that the Premises will not be needed for county purposes during the time of possession; and

WHEREAS, COUNTY desires to grant a Lease Agreement (hereinafter "Lease") to CONTRACTOR for a period of one year, with five (5), one (1)-year option periods to extend, subject to the terms and conditions contained herein.

NOW, THEREFORE, in consideration of the provisions, covenants, and conditions, contained herein, the parties agree as follows:

- 1. <u>ADMINISTRATION AND ENFORCEMENT</u>: The provisions of this Lease shall be administered and enforced for the COUNTY through the Director of COUNTY'S Parks Department, (hereinafter "Director"), or designee. Director shall have authority to issue or deny any approvals required by this Lease, and to amend this Lease on behalf of COUNTY so long as such amendments do not materially alter the purpose of this Lease, as such is described in Section 3, <u>PURPOSE AND USE</u>, hereof. CONTRACTOR understands and agrees that all approvals required by COUNTY shall be at the sole discretion of the Director.
- 2. <u>LEASED PREMISES/FACILITY</u>: For and in consideration of the covenants to be performed by CONTRACTOR under this Lease and the Service Contract, COUNTY hereby leases to CONTRACTOR and CONTRACTOR hereby takes from COUNTY all of that area shown diagonally slashed on Exhibit B, attached hereto and made a part hereof by reference, consisting of the top floor of the building (approximately 950 square feet), wood deck (approximately 466 square feet), basement storage/lab area (approximately 205 square feet), and a 10'x 13' pergola/potting shed (hereinafter "Facility"), and shared use of the common areas within the Premises.

By their signature on this Lease, CONTRACTOR understands and agrees that the Chumash Maritime Association (CMA) is a co-tenant of the Premises under separate agreement with COUNTY. Areas designated for use by CMA consists of the large fenced patio (approximately 875 square feet) which is below and to the West of the building, crawlspace area (approximately 155 square feet) beneath the most northwesterly portion of the building and the semi-enclosed area (approximately 570 square feet) beneath the deck. CMA does allow CONTRACTOR to store some items in the area beneath the deck. As a condition of the agreement, CMA shall be responsible for maintaining the landscaping and clearing the sidewalks, walkways, estuary view deck in the common areas of debris. COUNTY shall keep CONTRACTOR informed of all landscaping maintenance and special project plans to be done by CMA on behalf of COUNTY.

- 3. <u>PURPOSE AND USE</u>: CONTRACTOR shall manage and maintain the Facility consistent with Program's mission, and will provide the services described in the Service Contract and all other operations approved by COUNTY which are incidental thereto. In addition, CONTRACTOR shall comply with all COUNTY security programs and policies regarding the Facility, Premises and Property.
- 4. <u>TERM</u>: The term of this Lease shall be for ONE (1) year commencing July 1, 2009, and expiring on June 30, 2010, subject to such provisions for extension and termination as contained herein; so long as the Facility is used only for CONTRACTOR'S operations, those

operations are consistent with the purposes and uses set forth in this Lease, and CONTRACTOR is in compliance with the Service Contract.

Upon expiration or earlier termination of the Service Contract, this Lease shall terminate at the option of COUNTY.

This Lease is ancillary to the Service Contract, therefore CONTRACTOR shall not assign this Lease or any interest therein, and CONTRACTOR shall not sublet the Facility or any portion thereof. Any attempt to assign and/or sublet shall be void and without legal effect. Should CONTRACTOR attempt to assign or sublet a portion of the Facility, COUNTY may terminate this Lease at COUNTY'S option without liability therefore.

- 5. **EXTENSION OF LEASE:** In the event this Lease has not otherwise been terminated and CONTRACTOR is in good standing at the end of the above-referenced term, such term may be extended for FIVE (5) additional terms of ONE (1)-year each upon mutual agreement of CONTRACTOR and COUNTY. CONTRACTOR shall request all extensions in writing at least sixty (60) days prior to the termination of the then-current term. The Director of COUNTY'S Parks Department, or designee, may approve the extension on behalf of COUNTY.
- 6. **RENT:** In accordance with Government Code Section 26227 and the Santa Barbara County Board of Supervisors determination that the operations of CONTRACTOR are a benefit to the community and in consideration of CONTRACTOR'S maintenance of the Facility and performance of the Service Contract, base rent shall be waived during the term.

Should, for any reason, the Santa Barbara County Board of Supervisors determine that the services provided by CONTRACTOR are no longer a benefit to the community, or, should the aforementioned Government Code Section be repealed or replaced such that CONTRACTOR no longer qualifies for the rights granted hereunder, CONTRACTOR shall pay fair market rent for the Facility, or terminate this Lease upon SIXTY (60) days written notice to COUNTY. All rent due to COUNTY shall be paid on a monthly basis, in advance, on or before the first (1st) day of the month, and shall be delivered to COUNTY at the address stated herein in Section 26, NOTICES.

7. SCHEDULING EVENTS: CONTRACTOR is aware that they share the Property with other tenants and their clients, guests, and visitors, as well as the general public. Prior to scheduling events at the Facility, CONTRACTOR shall coordinate with the COUNTY Parks Department to ensure parking and other special needs of all tenants and their guests, visitors, and customers, and the general public. Where there is a conflict in scheduling events by the tenants of Property, including COUNTY, COUNTY'S Parks Department shall make the final determination.

Use agreements for the Facility will be issued by CONTRACTOR to community based organizations and public agencies, including, but not limited to, COUNTY, and other organizations, as a place of assembly for the use, benefit, and enjoyment of said groups and the general public. The afore notwithstanding, the Facility shall be used exclusively for purposes that conform to the Local Coastal Plan and any other applicable zoning or Santa Barbara City ordinance requirements.

COUNTY reserves the right to use the Facility at no cost, twice per month for COUNTY Parks Department activities that do not conflict with CONTRACTOR'S use of the Facility. Director shall give CONTRACTOR no less than 24-hour notification to reserve the Facility.

8. ACCESS TO THE FACILITY: CONTRACTOR shall only access the Facility using the existing road and parking lots. COUNTY shall not be responsible for maintaining access to the Facility and shall not be liable to CONTRACTOR for lack of such access; however, in the event that the Facility becomes inaccessible as a result of natural causes, COUNTY shall, to the extent reasonably necessary, cooperate with CONTRACTOR in restoring access in a timely fashion.

Upon COUNTY Board of Supervisors approval of the Lease and prior to the commencement of the Lease term, COUNTY at its sole cost and expense shall re-key the locks and distribute keys to CONTRACTOR for access to the Facility. Replacement of lost or stolen keys and costs to re-key doors, if necessary, shall be the responsibility of CONTRACTOR. Upon expiration or earlier termination of this Lease, CONTRACTOR shall be responsible to return all keys to COUNTY.

9. **PROPERTY SUITABILITY:** CONTRACTOR has investigated the Facility and Premises and has determined that it is suitable for CONTRACTOR'S intended operations, and therefore, CONTRACTOR hereby accepts, by way of executing this Lease, the Facility and Premises, as described in Section 2, <u>LEASED PREMISES/FACILITY</u> hereinabove, in its existing condition.

CONTRACTOR acknowledges that, except as stated herein, COUNTY has made no representations or warranties about the condition of the Facility or Premises, or the suitability of same for the intended use by CONTRACTOR.

10. <u>PERMITS</u>, <u>CONSTRUCTION AND IMPROVEMENTS</u>: In the event CONTRACTOR wishes to alter or improve the Facility, CONTRACTOR shall obtain advance written approval from COUNTY, through the Director, or designee; and shall comply with all requirements of the County Architect and all permits. Copies of any required Land Use Permit(s) and/or Building Permit(s) shall be delivered to the County Architect.

CONTRACTOR shall give COUNTY no less than ten (10) days written notice prior to the commencement of any work in, on, or about the Facility and shall keep the Facility free and clear of liens for labor and materials. Nothing in this Lease shall be construed to entitle CONTRACTOR to undertake alterations or improvements to the Facility, nor additional future improvements, without complying with all permitting required by COUNTY in its governmental capacity.

- 11. <u>TITLE:</u> Title to the Premises and Facility and all improvements such as structures, equipment, furniture, displays, exhibits and trade-in-stock, constructed or fixed and now located or hereafter constructed or fixed on, in, or around the Premises and Facility is and shall be vested in the COUNTY at all times. CONTRACTOR shall have no right to waste, destroy, or demolish the Premises or any improvements thereon.
- 12. ANNUAL REPORT: On or before July 1 of each calendar year, beginning with the commencement of the Lease, CONTRACTOR shall submit to the COUNTY Parks Department, an annual report listing the current Board of Directors and officers of CONTRACTOR.

- 13. ABANDONMENT OF THE PREMISES: CONTRACTOR shall not abandon, vacate, surrender or assign use of the Facility at any time during the term of this Lease. If CONTRACTOR does abandon, vacate, surrender or assign use of the Facility, this Lease and all of CONTRACTOR'S rights thereto shall terminate at the option of COUNTY. In the event of such termination, the Facility and any personal property belonging to CONTRACTOR and left in, on, or around the Facility more than thirty (30) days shall be deemed abandoned at the option of COUNTY, and title to such shall pass to COUNTY. This provision shall also apply to property left after the expiration, or other termination of this Lease.
- 14. **NONINTERFERENCE:** CONTRACTOR agrees not to use, nor permit those under its control, including, but not limited to, its employees, tenants, invitees, agents and/or contractors, to use any portion of the Facility or Premises in any way which interferes with other COUNTY operations in the vicinity. Such interference shall be deemed a material breach, and CONTRACTOR shall terminate said interference immediately upon notice from COUNTY. In the event CONTRACTOR fails to stop such interference promptly, this Lease shall terminate at the option of COUNTY.
- 15. <u>UTILITIES AND SERVICES</u>: CONTRACTOR shall make all arrangements for and shall pay when due any utilities and services furnished to or used by them at the Facility, including but not limited to, janitorial, electricity, gas, telephone, cable and internet services and for any required connection charges for said utilities, where charges for these services can be made separately from those charges for the other tenants of the Property.

COUNTY shall provide water and sewer services to the Facility and Premises at no cost to CONTRACTOR.

16. MAINTENANCE AND REPAIR:

A. <u>CONTRACTOR'S Responsibilities</u>: CONTRACTOR shall, at its sole cost and expense, maintain the interior of the Facility in a good, clean, and orderly condition. In the event that the Facility or Premises is in need of maintenance or repair, CONTRACTOR shall contact the COUNTY'S designated representative, as described below. COUNTY'S designate representative shall meet with CONTRACTOR to assess the work requested and shall take one of the following actions: 1) If repair is the responsibility of COUNTY, COUNTY shall complete the maintenance or repair in a timely manner; or 2) If repair is responsibility of CONTRACTOR, COUNTY shall complete the maintenance or repair in a timely manner and invoice CONTRACTOR for the actual cost, or refer CONTRACTOR to a COUNTY-approved independent contractor specializing in the required maintenance or repair. CONTRACTOR shall pay the invoices from COUNTY or independent contractor respectively within THIRTY (30) days of receipt.

CONTRACTOR shall be solely responsible to maintain in good condition and repair all exhibits and/or displays, interior improvements, furniture, training equipment and trade-in-stock used in connection with the Program and the management of the Watershed Resource Center. CONTRACTOR shall replace, when necessary, light bulbs in light fixtures mounted to the exterior of the Facility for security purposes.

In the event of an emergency such that the Facility or Premises requires immediate maintenance or repair, or such that CONTRACTOR'S operations thereon will be negatively impacted by any delay, CONTRACTOR shall first contact COUNTY'S designated representative,

and if COUNTY'S designated representative is not available, may independently contract for such maintenance or repair. In such an event, CONTRACTOR shall ensure that any maintenance or repair will conform to COUNTY maintenance standards, to be determined by COUNTY.

Designated Representative: County of Santa Barbara

Parks Department

South County Operations/Maintenance

610 Mission Canyon Road Santa Barbara, CA 93105 Richard Lindley, Manager

(805) 896-6518

B. <u>COUNTY'S Responsibilities</u>: COUNTY shall maintain and repair the basic structure of the Premises, including but not limited to its foundation, floors, roof partitions, solar panels, exterior walls, plumbing, heating, electrical, and water and sewer systems, which supply the Facility and Premises or are within the walls thereof, outdoor pergola/potting shed, wood deck and stairs, concrete stairs, ramp, sidewalks, estuary view deck and railings. COUNTY shall maintain the landscaping via separate agreement with CMA. COUNTY reserves the right to reimbursement for any damage caused by CONTRACTOR.

COUNTY, its agents, employees and contractors reserve the right to enter the Premises at all reasonable times to perform maintenance and repair, as needed, on the Premises. This right extends to public utilities in regard to repair, maintenance, construction and demolition of utility infrastructure on the Premises and Property, including appurtenances.

- 17. TRASH DISPOSAL: CONTRACTOR shall be responsible for the removal of all refuse, waste and rubbish from the Facility and Premises resulting from CONTRACTOR'S operations and depositing such in proper receptacle which may be provided by COUNTY.
- 18. <u>SUCCESSORS IN INTEREST</u>: This Lease and the covenants contained herein shall be binding upon and inure to the benefit of the respective parties and to any government or private organization into which CONTRACTOR may be merged.
- 19. **INDEMNIFICATION:** CONTRACTOR 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 Lease 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 CONTRACTOR or its agents, employees, or other independent contractors directly responsible to CONTRACTOR; except those claims, demands, damages, costs, expenses (including attorney's fees), judgments or liabilities resulting solely from the negligence or willful misconduct of the COUNTY.

CONTRACTOR shall notify COUNTY immediately in the event of any accident or injury arising out of or in connection with this Lease.

20. **INSURANCE:** Without limiting CONTRACTOR'S indemnification of the COUNTY, CONTRACTOR shall procure the following required insurance coverages at its sole

cost and expense. All insurance coverages are to be placed with insurers which (1) have a Best's rating of no less than A: VII, and (2) are admitted insurance companies in the State of California. All other insurers require the prior approval of the COUNTY. Such insurance coverage shall be maintained during the term of this Lease. Failure to comply with the insurance requirements shall place CONTRACTOR in default. Upon request by the COUNTY, CONTRACTOR shall provide a certified copy of any insurance policy to the COUNTY within ten (10) working days.

- A. <u>Workers' Compensation Insurance</u>: Statutory Workers' Compensation and Employers Liability Insurance shall cover all CONTRACTOR'S staff while performing any work incidental to the performance of this Lease. The policy shall provide that no cancellation, or expiration or reduction of coverage shall be effective or occur until at least thirty (30) days after receipt of such notice by the COUNTY. In the event CONTRACTOR is self-insured, it shall furnish a copy of Certificate of Consent to Self-Insure issued by the Department of Industrial Relations for the State of California. This provision does not apply if CONTRACTOR has no employees as defined in Labor Code Section 3350 et seq. during the entire period of this Lease and CONTRACTOR submits a written statement to the COUNTY stating that fact.
- General and Automobile Liability Insurance: The general liability insurance shall include bodily injury, property damage and personal injury liability coverage, shall afford coverage for all premises, operations, products and completed operations of CONTRACTOR and shall include contractual liability coverage sufficiently broad so as to include the insurable liability assumed by CONTRACTOR in the indemnity and hold harmless provisions of the Indemnification Section of this Lease between COUNTY and CONTRACTOR. The automobile liability insurance shall cover all owned, non-owned and hired motor vehicles that are operated on behalf of CONTRACTOR pursuant to CONTRACTOR'S activities hereunder. CONTRACTOR shall require all subcontractors to be included under its policies or furnish separate certificates and endorsements to meet the standards of these provisions by each subcontractor. COUNTY, its officers, agents, and employees shall be Additional Insured status on any policy. A cross liability clause, or equivalent wording, stating that coverage will apply separately to each named or additional insured as if separate policies had been issued to each shall be included in the policies. A copy of the endorsement evidencing that the policy has been changed to reflect the Additional Insured status must be attached to the certificate of insurance. The limit of liability of said policy or policies for general and automobile liability insurance shall not be less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate. Any deductible or Self-Insured Retention {SIR} over \$10,000 requires approval by the COUNTY.

Said policy or policies shall include severability of interest or cross liability clause or equivalent wording. Said policy or policies shall contain a provision of the following form:

"Such insurance as is afforded by this policy shall be primary and if the COUNTY has other valid and collectible insurance, that other insurance shall be excess and non-contributory."

If the policy providing liability coverage is on a 'claims-made' form, CONTRACTOR is required to maintain such coverage for a minimum of three years following completion of the performance or attempted performance of the provisions of this Lease. Said policy or policies shall provide that the COUNTY shall be given thirty (30) days written notice prior to cancellation or expiration of the policy or reduction in coverage.

The above insurance requirements are subject to periodic review by the COUNTY. The COUNTY'S Risk Program Administrator is authorized to change the above

insurance requirements, with the concurrence of County Counsel, to include additional types of insurance coverage or higher coverage limits, provided that such change is reasonable based on changed risk of loss or in light of past claims against the COUNTY or inflation. This option may be exercised during any amendment of this Lease that results in an increase in the nature of COUNTY'S risk and such change of provisions will be in effect for the term of the amended Lease. Such change pertaining to types of insurance coverage or higher coverage limits must be made by written amendment to this Lease. CONTRACTOR agrees to execute any such amendment within thirty (30) days of acceptance of the amendment or modification.

- C. <u>Personal Property Insurance</u>: CONTRACTOR shall maintain full replacement cost property insurance for its personal property, including but not limited to equipment, supplies and tenant improvements, throughout the term hereof.
- 21. <u>NONDISCRIMINATION</u>: CONTRACTOR shall comply with COUNTY laws, rules and regulations regarding nondiscrimination as such are found in the Santa Barbara Code and as such may from time to time be amended. These provisions are incorporated herein as if they were fully set forth.

Noncompliance with provisions of this section shall constitute a material breach of this Lease and in addition to any other remedies provided by law, COUNTY shall have the right to terminate this Lease and the interest hereby created without liability therefor. CONTRACTOR shall also comply with applicable State or Federal laws, rules and regulations regarding nondiscrimination.

22. <u>ENVIRONMENTAL IMPAIRMENT</u>: CONTRACTOR shall comply with all applicable laws, regulations, rules, and orders regardless of when they become or became effective, including without limitation those relating to construction, grading, signing, health, safety, noise, environmental protection, waste disposal, water and air quality, and shall furnish satisfactory evidence of compliance upon request of COUNTY.

Should any discharge, leakage, spillage, emission, or pollution of any type occur upon or from the Facility or Premises due to CONTRACTOR'S use and occupancy, CONTRACTOR shall clean all property affected to the satisfaction of COUNTY and any governmental body having jurisdiction therefore. CONTRACTOR shall indemnify, hold harmless, and defend COUNTY from and against all liability, claim, cost, and expense (including without limitation any fines, penalties, judgments, litigation costs, attorney's fees, consulting, engineering and construction costs) incurred by COUNTY as a result of CONTRACTOR'S breach of this Section, or as a result of any such discharge, leakage, spillage, emission or pollution due to CONTRACTOR'S use and occupancy, regardless of whether such liability, cost or expense arises during or after the term of this Lease, and regardless of negligence, active or passive, of COUNTY.

23. <u>TOXICS</u>: CONTRACTOR shall not manufacture or generate hazardous wastes on the Facility or Premises unless specifically authorized by this Lease. CONTRACTOR shall be fully responsible for any hazardous wastes, substances or materials as defined under federal, state or local law, regulation, or ordinance that are manufactured, generated, used, placed, disposed, stored, or transported by CONTRACTOR, its agents, employees, or designees on the Facility or Premises during the term of this Lease and shall comply with and be bound by all applicable provisions of such federal, state, or local law, regulation, or ordinance dealing with such wastes, substances, or

materials. CONTRACTOR shall notify COUNTY and the appropriate governmental emergency response agency(ies) immediately in the event of any release or threatened release of any such wastes, substances or materials.

- 24. <u>COMPLIANCE WITH THE LAW</u>: CONTRACTOR shall comply with all applicable laws, rules, and regulations affecting the Premises now or hereafter in effect.
- 25. <u>TAXES AND ASSESSMENTS, POSSESSORY INTEREST</u>: CONTRACTOR shall pay and discharge any and all property taxes and/or assessments, including special assessments and possessory interest taxes, if any, which, due to CONTRACTOR'S operations, may be levied upon the Facility during the term of this Lease.

POSSESSORY INTEREST: CONTRACTOR acknowledges and agrees that this Lease may create a possessory interest subject to property taxation and that CONTRACTOR may be required to pay any tax levied on such interest.

26. **NOTICES:** Any notice to be given to the parties shall be in writing and shall be served, either personally or by mail, to the following:

COUNTY:

Daniel Hernandez, Director County of Santa Barbara

Parks Department/Administration

610 Mission Canyon Road Santa Barbara, CA 93105-2911

(805) 568-2461

CONTRACTOR:

Cay Sanchez, Executive Director

Art From Scrap 302 East Cota Street Santa Barbara, CA 93101 (805) 884-0459 x14

or to the parties at such other place as may be designated in writing. Such notices shall be served by depositing them addressed as set out above, postage prepaid, in the U.S. mail, reliable overnight courier, 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.

27. **DEFAULT:** Except as otherwise required herein, should CONTRACTOR at any time be in material default hereunder with respect to any covenant contained herein, COUNTY shall give notice to CONTRACTOR specifying the particulars of the default and CONTRACTOR shall promptly commence remedial action to cure the default. Should such default continue uncured for a period of thirty (30) calendar days from such notice, this Lease shall terminate at the option of COUNTY; unless the cure of such default shall reasonably take more than thirty (30) calendar days in which case CONTRACTOR shall proceed with all due speed to cure the default and shall have a reasonable time to effectuate its cure.

- 28. **REMEDIES:** In the event of a default or breach, either party may exercise any right or remedy at law or in equity which such party may have by reason of such default or breach including but not limited to the following:
- A. The nondefaulting party may waive the default or breach in accordance with Section 29, *WAIVER*, herein below.
- B. The nondefaulting party may maintain this Lease in full force and effect and recover whatever monetary loss(es) may have resulted from such default or breach.
- C. Where CONTRACTOR is the nondefaulting party, CONTRACTOR may terminate the Lease and surrender use of the Facility and Premises.
- D. Where COUNTY is the nondefaulting party, COUNTY may terminate the Lease and CONTRACTOR shall vacate within THIRTY (30) days of written notice from COUNTY.
- 29. <u>WAIVER</u>: It is understood and agreed that any waiver, express or implied of any term of this Lease shall not be a waiver of any subsequent breach of a like kind or of any other provision of this Lease.
- 30. <u>AMENDMENTS</u>: This Lease may only be amended by written consent of the parties and such changes shall be binding upon the heirs or successors of the parties. Amendments to the Lease that do not alter the purpose of the Lease may be approved and executed by the Directors.
- 31. **TERMINATION:** This Lease shall terminate and all rights of CONTRACTOR shall cease and CONTRACTOR shall quietly and peacefully deliver to COUNTY, possession, interest and title to the Facility:
 - A. Upon expiration of the term, or any extensions thereof; or
- B. Upon expiration or termination of the Service Contract and COUNTY'S written 30-day notice of its intent to terminate this Lease as provided in Section 4, *TERM*; or
 - C. As provided in Section 6, *RENT*; or
- D. Upon abandonment of the Facility as provided in Section 13, *ABANDONMENT OF THE PREMISES*; or
- E. Upon the failure of CONTRACTOR to satisfy, observe or perform any of the covenants, conditions or reservations set forth in this Lease and the expiration of the cure period as provided in Section 27, *DEFAULT*; or
 - F. As provided in Section 32, *DESTRUCTION*.
- 32. **DESTRUCTION:** If the Facility is partially or totally destroyed by fire or other casualty, this Lease, at the option of CONTRACTOR, shall terminate. If CONTRACTOR chooses to terminate the Lease then CONTRACTOR, at COUNTY'S option, shall return the Facility to its original condition as near as is practical.
- 33. **HOLDING OVER:** Should CONTRACTOR occupy the Facility after the expiration date of this Lease or any extension thereof, with the consent of the COUNTY, express or implied, such possession shall be construed to be a tenancy from month to month.

- 34. <u>AGENCY DISCLOSURE</u>: CONTRACTOR acknowledges that the General Services Department, Facilities Services Division of the COUNTY is the agent for the COUNTY exclusively, and is neither the agent for CONTRACTOR nor a dual agent in this transaction.
- 35. <u>SURRENDER OF PREMISES</u>: Upon expiration or earlier termination of this Lease, CONTRACTOR shall vacate and surrender possession of the Facility and Premises to COUNTY.

All improvements constructed in, upon or around the Facility and/or Premises, or fixed upon the Facility and/or Premises, shall remain part of the Premises. COUNTY, at COUNTY'S option, may require CONTRACTOR to remove any or all of CONTRACTOR'S constructed or fixed improvements, alterations or equipment. Any removal by CONTRACTOR shall be completed within sixty (60) days of written request by COUNTY and shall be done at CONTRACTOR'S sole cost and expense. CONTRACTOR shall leave the Facility, Premises and Property in a clean, orderly and safe condition, normal wear and tear accepted.

COUNTY and CONTRACTOR may negotiate for COUNTY'S purchase of any or all of CONTRACTOR'S personal property upon such terms as are deemed reasonable.

36. <u>CONDEMNATION</u>: In the event the Property or any part thereof is taken by condemnation, eminent domain, or any such proceeding that precludes access to or use of the Facility and Premises, COUNTY shall have the exclusive right to control the defense of any such action in condemnation or eminent domain and to defend any such action and settle the same in COUNTY'S absolute discretion. CONTRACTOR agrees that COUNTY shall have the right, but not the obligation, to defend or settle any such action of condemnation or eminent domain affecting any of CONTRACTOR'S operations at the Property.

CONTRACTOR shall receive from COUNTY such proportionate amount of the judgment, award, or settlement as shall be attributable to CONTRACTOR'S interests.

In the event possession of the Property or partial possession of the Property is obtained by a public agency or other agency empowered to take by eminent domain, in a manner which precludes CONTRACTOR'S intended use, this Lease shall terminate as of the effective date of possession and upon such termination, any obligation of CONTRACTOR to pay rent shall cease with the payment of the prorated portion of rental obligations up to said termination date. Any prepaid rent shall be returned to CONTRACTOR from the effective date of possession.

In the event of a partial taking, this Lease may continue at COUNTY'S option.

- 37. <u>CAPTIONS</u>: The title or headings to the sections of this Lease are not a part of this Lease, and shall have no effect upon the construction or interpretation of any part hereof.
- 38. **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 Lease shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.
- 39. <u>CERTIFICATION OF SIGNATORY</u>: The signatories of this Lease and each of them represent and warrant that they are authorized to execute this Lease and that no additional

signatures are required to bind COUNTY and CONTRACTOR to its terms and conditions or to carry out duties contemplated herein.

- 40. <u>ENTIRE AGREEMENT</u>: The parties to this Lease intend that their negotiations, conversations and statements made prior to execution of this Lease are fully integrated and expressed herein, and no such negotiations, conversations, and statements shall be deemed to create rights or obligations other than those stated herein.
- 41. **CONSTRUCTION:** The parties have negotiated the terms of this Lease. They have consulted an attorney as deemed necessary. The terms of this Lease reflect this negotiation and the intentions of both parties. These terms shall be interpreted with regard to each party equally.
- 42. **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 facsimile signature nor shall facsimile signed documents be accepted for recordation by the Clerk Recorder of the County.
- 43. <u>EXECUTION IN COUNTERPARTS</u>: This Lease may be executed in any number of counterparts and each such counterpart 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.

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Project:

Watershed Resource Center Lease at

Arroyo Burro Beach

APN:

047-092-013 (portion)

Folio:

003586

Agent:

"COUNTY"

CS

IN WITNESS WHEREOF, COUNTY and CONTRACTOR have executed this Lease by the respective authorized officers as set forth below to be effective as of the date executed by COUNTY.

	COUNTY OF SANTA BARBARA
ATTEST: MICHAEL F. BROWN CLERK OF THE BOARD	Chair, Board of Supervisors
By Deputy Clerk	Date:
"CONTRACTOR" ART FROM SCRAP Presil t Patrick H. Varis Print Name and Title MALLYN D. PARKE TREASURER Print Name and Title	APPROVED: By Daniel C. Hernandez, Director Parks Department APPROVED: By Academy Scott McGolpin, Director Public Works Department
APPROVED AS TO ACCOUNTING FORM: ROBERT W. GEIS, CPA AUDITOR-CONTROLLER By	APPROVED AS TO FORM: DENNIS MARSHALL COUNTY COUNSEL By Kevin E. Ready, Sr. Deputy County Counsel
APPROVED.	APPROVED: Than land
Ronn Carlentine SR/WA	Ray Aromatorio, ARM, AIC
Real Property Manager	Risk Program Administrator

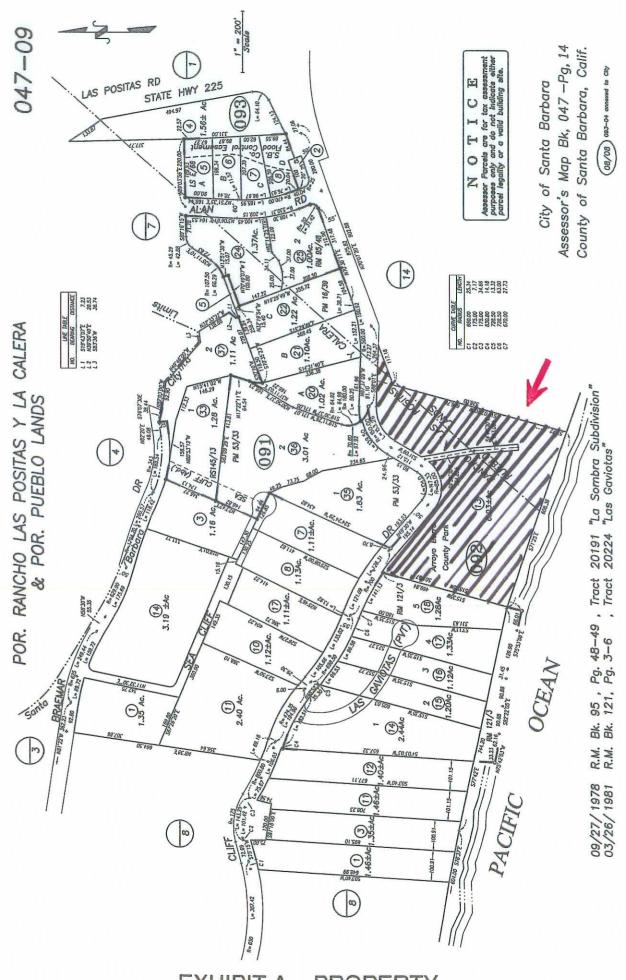


EXHIBIT A - PROPERTY

