

Project: Grand Jury Lease
APN: 029-302-017
Folio:
Agent: DG

LEASE AGREEMENT

THIS LEASE AGREEMENT, hereinafter "Agreement," is entered into by and between

COUNTY OF SANTA BARBARA, a political subdivision of the State of California, hereinafter referred to as "COUNTY,"

and

DEBRA A. WHITSON and BRIAN E. HELD, as Trustees of the SCHOLLE FAMILY BUILDING TRUST, dated July 11, 1994, and the JOHN I. SCHOLLE TRUST, dated July 11, 1994, hereinafter referred to as "LESSOR,"

with reference to the following:

WHEREAS, LESSOR is the owner of the property and building located at 411 East Canon Perdido, in Santa Barbara California, 93101, more particularly described as Santa Barbara County Assessor's Parcel Number 029-302-017, (hereinafter "Property"), identified as the diagonally-slashed area of Exhibit "A", attached hereto and incorporated herein by this reference, and

WHEREAS, COUNTY desires to lease Suite 12, an approximately 1350 square foot portion of the building located on the Property, (hereinafter "Leased Premises") as shown on Exhibit "B" attached hereto and incorporated herein by this reference, for a period of two years, for use by COUNTY's Grand Jury.

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

1. **ADMINISTRATION AND ENFORCEMENT**: The provisions of this Agreement shall be administered and enforced for COUNTY by COUNTY'S Director of the General Services Department, or designee, and for LESSOR by the trustees of the SCHOLLE FAMILY BUILDING TRUST, dated July 11, 1994, and the trustees of the JOHN I. SCHOLLE TRUST, dated July 11, 1994.

2. **LEASED PROPERTY**: LESSOR hereby leases to COUNTY and COUNTY hereby takes from LESSOR, the Leased Premises, consisting of approximately 1350 square feet of office space, together with the common areas identified on Exhibit B hereof.

3. **TERM:** The term of this Agreement shall be for a period of two years, commencing August 1, 2010, and terminating July 31, 2012 (hereinafter "Term") subject to the provisions for termination contained herein.

4. **RENT:** Rent for the term of this Agreement shall be TWO THOUSAND SEVEN HUNDRED DOLLARS (\$2,700.00) per month, including utilities, except phone and data lines. Rent shall be paid monthly, in advance, on the first day of each month of the Term.

5. **PARKING:** COUNTY shall have non-exclusive use of not less than ten parking spots in the parking lot shown on Exhibit A. COUNTY shall use the two rows of parking spots that are immediately adjacent to the building, as shown on Exhibit A.

6. **CONDITION/ TENANT IMPROVEMENTS:** COUNTY accepts the Leased Premises in its current condition, subject to the alterations described in Exhibit "C", attached hereto and incorporated herein by this reference. COUNTY shall install no tenant improvements within or upon the Leased Premises without the prior written consent of LESSOR. Any improvements shall be performed at COUNTY'S expense and COUNTY shall be responsible for obtaining all required permits prior to the commencement of work.

7. **MAINTENANCE AND REPAIR:** LESSOR agrees to perform all maintenance and repair to the Property, at LESSOR's expense, including the Leased Premises. Upon termination or expiration of this Agreement, COUNTY will return the Leased Premises to LESSOR, in good order, reasonable wear and tear excepted.

8. **UTILITIES AND JANITORIAL SERVICES:** LESSOR shall pay all charges for electric and gas utilities serving the Leased Premises, as well as all water and grounds maintenance. LESSOR shall also provide janitorial services for the Leased Premises and for all common areas identified on Exhibit B hereof. COUNTY shall provide and pay all charges for telephone and data services used by COUNTY.

9. **AMENDMENTS:** This Agreement may only be amended by the written consent of LESSOR and COUNTY, which may be executed by the individuals identified in Section 1, *ADMINISTRATION AND ENFORCEMENT*.

10. **NONDISCRIMINATION:** LESSOR 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 article shall constitute a material breach hereof and in addition to any other remedies provided by law, COUNTY shall have the right to terminate this Agreement and the interest hereby created without liability therefor.

11. **QUIET ENJOYMENT:** LESSOR covenants that COUNTY, on performing the provisions of this Agreement, shall have peaceable and quiet enjoyment of the Leased Premises. LESSOR further covenants that it will not deliberately interfere or permit others claiming under

LESSOR, including other tenants of LESSOR, to interfere with COUNTY'S peaceful possession or use of the Leased Premises.

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

LESSOR: Scholle Family Building Trust and
the John I. Scholle Trust
c/o DB Management, Attn: Debra Whitson
P.O. Box 891
Ventura, CA 93002

COUNTY: County of Santa Barbara
General Services Department
Attn: Real Estate Services
1105 Santa Barbara Street
Courthouse East Wing, Second Floor
Santa Barbara, CA 93101

or at such other address as the respective party may designate in writing. Any notice may be given by use of the United States mails, postage prepaid Certified mail, or by personal delivery. The date of mailing, or in the event of personal delivery the date of delivery, shall constitute the date of service.

13. **INDEMNIFICATION:** COUNTY shall defend, indemnify, and save harmless LESSOR, its officers, agents and employees (if any) from any and all claims, demands, damages, costs, expenses (including attorney's fees), judgments, or liabilities arising out of this Agreement, or occasioned by the performance or attempted performance of the provisions hereof, including but not limited to any act or omission to act on the part of COUNTY or its agents, employees, or independent contractors.

LESSOR shall defend, indemnify, and save harmless COUNTY, its officers, agents and employees from any and all claims, demands, damages, costs, expenses (including attorney's fees), judgments, or liabilities arising out of this Agreement or occasioned by the performance or attempted performance of the provisions hereof, including but not limited to any act or omission to act on the part of LESSOR, his agents, employees, or independent contractors.

14. **INSURANCE:** LESSOR understands and acknowledges that the COUNTY is permissively self-insured for Workers Compensation. Documentation of self-insurance as authorized by the State of California will be provided if requested. COUNTY is self insured for General and Automobile Liability Insurance. Upon request, documentation will be provided to LESSOR evidencing the \$500,000 self-insured retention by the COUNTY and the remaining coverage evidenced by a Certificate of Insurance for Excess Liability Coverage up to \$1,000,000. COUNTY shall provide Fire Legal Liability coverage in the amount of \$50,000 as part of the General Liability Policy.

LESSOR shall maintain property insurance on the building, including the Leased Premises, throughout the term of this Agreement.

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

16. **TAXES AND ASSESSMENTS:** LESSOR shall pay and discharge all property taxes and assessments, including special assessments, if any, levied upon the Property and/or the Leased Premises during the term of this Agreement, or any extension thereof.

17. **DEFAULT:** Except as otherwise specified herein, should either party at any time be in default hereunder with respect to any material covenant contained herein, the nondefaulting party shall give notice to the defaulting party specifying the particulars of the default and the defaulting party shall promptly commence remedial action to cure the default. Should such default continue uncured for a period of twenty-one (21) calendar days from such notice, then this Agreement shall terminate at the option of the nondefaulting party unless the cure of such default shall reasonably take more than twenty-one (21) calendar days in which case the defaulting party shall proceed with all due speed to cure the default and shall have a reasonable time to effectuate its cure.

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

A. Either party may waive the default or breach in accordance with Section 19, **WAIVER**, herein below.

B. Either party may maintain this Agreement in full force and effect and recover whatever monetary loss(es) may have resulted from such default or breach.

C. Where COUNTY is the nondefaulting party, COUNTY may terminate this Agreement and surrender possession.

D. Where LESSOR is the nondefaulting party, LESSOR may terminate this Agreement, and regain possession of the Leased Premises.

19. **WAIVER:** It is further understood and agreed that any waiver, express or implied, of any breach of any term of this Agreement shall not be a waiver of any subsequent breach of a like or any other provision of this Agreement.

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

A. Upon the failure of either party to satisfy, observe, or perform any of the covenants, conditions, or reservations set forth in this Agreement and the expiration of the cure period as provided in Section 17, **DEFAULT**; or

B. Upon the total destruction of the Leased Premises, as provided in Section 23, DESTRUCTION OF THE PREMISES.

21. **ABANDONMENT**: COUNTY shall not vacate or abandon the Leased Premises at any time during the term of this Agreement and if COUNTY shall abandon, vacate, or surrender said Leased Premises, any personal property belonging to COUNTY and left in the Leased Premises more than thirty (30) days after termination of this Agreement shall be deemed abandoned, at the option of the LESSOR.

22. **FIXTURES**: The parties agree that all improvements to, or fixtures on, the Leased Premises, made or added by either party, except trade fixtures added by COUNTY that may be removed as hereinafter provided, shall be and become the property of LESSOR upon their being affixed or added to the Leased Premises. At the termination of the term hereof, COUNTY may remove such trade fixtures as it shall have affixed or added to the Leased Premises (if any) which may be removed without damage to the Leased Premises.

23. **DESTRUCTION OF THE PREMISES**: If the Leased Premises are totally destroyed by fire or any other cause, this Agreement, at the option of COUNTY, shall terminate.

If a loss renders any portion of the Leased Premises unusable, COUNTY may choose to remain or may terminate this Agreement by written notice to LESSOR. Should COUNTY choose to remain, LESSOR shall promptly repair the Leased Premises within ninety (90) days of the casualty.

24. **OBLIGATIONS TO SECURED LENDER/FORECLOSURE**: In case of a foreclosure or other proceeding by which the lender or its successor takes title to the Property, COUNTY will accept the lender or its successor as the lawful landlord in place of LESSOR. COUNTY shall provide such estoppel or attornment certificates as the lender, or successor, may require, without subordination of this Agreement.

25. **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.

26. **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.

27. **SUCCESSORS IN INTEREST**: This Agreement shall bind and enure to the benefit of the parties hereto, their respective personal representatives, heirs, successors in interest, and assigns.

28. **WASTE AND NUISANCE**: COUNTY shall not commit, nor suffer to be committed, any waste upon the Leased Premises, nor permit any nuisance to exist thereon.

29. **CERTIFICATION OF SIGNATORY**: The signatories of this Agreement and each of them represent and warrant that they are authorized to execute this Agreement and that no additional

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

30. **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.

31. **FACSIMILE SIGNATURES:** In the event that the parties hereto utilize facsimile transmitted documents which include signatures, such documents shall be accepted as if they bore original signatures provided that documents bearing ORIGINAL SIGNATURES are provided within seventy-two (72) hours of transmission of the facsimile, except that funds shall not be released upon a facsimile signature nor shall facsimile signed documents be accepted for recordation by the Clerk Recorder of the County.

32. **ENTIRE AGREEMENT:** This Agreement constitutes the entire agreement between the parties hereto and no obligation other than those set forth herein will be recognized.

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

"COUNTY"
COUNTY OF SANTA BARBARA

ATTEST:
MICHAEL F. BROWN
CLERK OF THE BOARD

Chair, Board of Supervisors

By: _____
Deputy Clerk

Date: _____

"LESSOR"
SCHOLLE FAMILY BUILDING TRUST
and the JOHN I. SCHOLLE TRUST

By: _____

Debra A. Whitson, Trustee

APPROVED AS TO FORM:
DENNIS MARSHALL
COUNTY COUNSEL

By: _____

Brian E. Held, Trustee

By: _____
Kevin E. Ready, Sr.
Senior Deputy County Counsel

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

By: _____
Deputy

APPROVED:

Ronn Carlentine
Real Estate Services Manager

APPROVED:

Ray Aromatorio, ARM, AIC
Risk Program Administrator