

Project: VA Lease Agreement for
4440 Calle Real
A.P.N.: 59-140-24 (Portion)
Folio No.: 003527

LEASE AGREEMENT

THIS LEASE AGREEMENT (hereinafter "Lease") is made by and between the County of Santa Barbara, a political subdivision of the State of California (hereinafter "LESSOR") and the United State of America, (hereinafter "GOVERNMENT") wherein LESSOR agrees to permit GOVERNMENT the use of certain real property in return for GOVERNMENT'S agreement to pay rent as hereinafter provided.

WHEREAS, LESSOR is the owner of the real property known as 4440 Calle Real in the unincorporated area of Santa Barbara, (hereinafter "Clinic"), as shown on Exhibit "A", attached hereto and incorporated herein by reference; and

WHEREAS, GOVERNMENT has been leasing the approximately 21,663 square foot Clinic pursuant to Government Lease Agreement No. 691-79-385 since May 7, 1981, which Lease has been amended from time to time; and

WHEREAS, Government has constructed a new clinic in the Santa Maria area from which to provide services to the Veterans of Santa Barbara County, and desires to maintain a presence in the Santa Barbara area by retaining a portion of the Clinic from which to provide certain services; and

WHEREAS, LESSOR has agreed to lease a reduced portion of the Clinic (hereinafter "Leased Area"), as shown on Exhibit "B", attached hereto and incorporated herein by reference, to GOVERNMENT, to be effective October 1, 2007, for an initial period of five years, at a base monthly rental rate of \$19,229.00, based on \$2.87 per square foot; upon the terms and conditions set forth in the attached Lease.

NOW, THEREFORE, in consideration of the promises, covenants and conditions herein contained, LESSOR and GOVERNMENT agree as follows:

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U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE

September 18th, 2007

LEASE NO.

VA-262-R-0115

THIS LEASE, made and entered into this date by and between:

THE COUNTY OF SANTA BARBARA, CALIFORNIA

whose address is: 1105 Santa Barbara Street, Santa Barbara, California 93101

And whose interest in the property hereinafter described is that of the Owner.

Hereinafter called the Lessor, and the UNITED STATES OF AMERICA, DEPARTMENT OF VETERANS AFFAIRS hereinafter called the Government:

WITNESSETH: The parties hereto for the consideration hereinafter mentioned, covenant and agree as follows:

1. The Lessor hereby leases to the Government a portion of the following described premises:

4440 Calle Real
Santa Barbara, CA 93110

The leased areas consist of approximately 6,700 rentable square feet (subject to verification) of space on the Second Floor, North Side of Building, and First Floor, Computer Room (143). The Lease comes with ten (10) reserved parking spaces on the second floor directly in front of the leased areas and a proportionate share of unreserved parking spaces, free of charge, on the premises and the parking lot adjacent to the building, based on the percentage of leased areas for use by the Government, in addition to the right to use common areas of the building. The leased areas shall be leased to the Government "AS IS", subject to certain conditions.

2. TO HAVE AND TO HOLD the said premises leased areas with their appurtenances for the term beginning on October 1st, 2007 for a five (5)-year Base Term, through September 30th, 2012, subject to termination and renewal rights as may be hereinafter set forth.

3. The Government shall pay Lessor rent in arrears, on the first day of each month as follows:

*Rent Schedule				
Base Term	RSF	Rate/RSF	Monthly	Annually
Year 1: October 1, 2007-September 30, 2008	6,700	\$2.87	\$19,229.00	\$230,748.00
Year 2: October 1, 2008-September 30, 2009	6,700	\$2.96	\$19,805.87	\$237,670.44
Year 3: October 1, 2009-September 30, 2010	6,700	\$3.04	\$20,400.05	\$244,800.55
Year 4: October 1, 2010-September 30, 2011	6,700	\$3.14	\$21,012.05	\$252,144.57
Year 5: October 1, 2011-September 30, 2012	6,700	\$3.23	\$21,642.41	\$259,708.91

*Rent schedule reflects an annual increase of 3%.

Rent for a lesser period shall be prorated based on a 30 calendar day per month. No other lease payment increases; adjustments, or any other payments shall be made. Rent shall be directly deposited via electronic funds transfer into an account designated by the Lessor.

4. RENEWAL OPTION(S) - The Lease may be renewed by the Government, subject to Lessor's approval provided that notice be given in writing to Lessor at least 365 days in advance before the end of each term. Said notice shall be computed commencing with the day after the date of mailing.

Base Term: October 1st, 2007 through September 30th, 2012
Option I: October 1st, 2012 through September 30th, 2017
Option II: October 1st, 2017 through September 30th, 2022
Option III: October 1st, 2022 through September 30th, 2027

The annual rent for the Renewal Periods shall increase by 3% beginning October 1st, 2012, and each October 1st thereafter throughout any renewal period(s). Lessor shall provide new paint every five years, and new carpet every ten years for the leased areas at Lessor's sole expenses within 30 days from the effective date of the Renewal Period, which include moving and returning of all furniture and equipment. Lessor shall assess carpet condition every five years and replace any damaged

5. The Lessor shall furnish to the Government the following as part of the rental consideration:

- (a) Within 30 days from the commencement date of the initial term, Lessor shall provide new paint, carpeting, and window coverings for the new leased areas. In addition, Lessor shall separate the leased space from the rest of the building at Lessor's expense. Should the Government elect to do additional tenant improvements to the leased areas; Lessor shall, upon reasonable approval of any plans, make such improvements and incorporates the Government's minimum requirements set forth in the SFO at the sole expense of Government.
- (b) All exterior and interior maintenance and repair of the building, except janitorial services. Government shall separately contract for interior janitorial services. Maintenance shall include pest control, initial light bulb installation, all light bulb replacements throughout the lease term, including renewal periods.
- (c) Government shall independently pay for phone and data communication systems, as well as monthly usage charges. Lessor shall pay for all other utilities in the building, including any overtime HVAC usage.
- (d) All real property taxes and all real property general liability insurance and all other necessary insurance for Government occupancy during the entire lease term, including renewal options.
- (e) All property placed in upon or attached to the premise to be leased and for which the Government pays by means of lump-sum shall be, and remain, the property of the Government.
- (f) Reasonable annual spot painting throughout the leased space per Contracting Officer's request and instructions.
- (g) Normal business hours are Monday through Friday, 7:00AM to 6:00PM with an occasional after hours meeting.

6. The following are attached and made a part hereof:

- b) Solicitation No.: VA-262-07-SFO-0131
- c) GSA Form 3517B, General Clauses
- d) GSA Form 3518, Representations and Certifications

7. The following changes were made in this lease prior to its execution: - None-

8. Where there is a conflict or disagreement between the documents, the Contracting Officer shall have the final determination.

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names as of the date first above written.

LESSOR

BY _____ (*see attached signature page*) _____
(Signature) (Signature)

IN PRESENCE OF:

(Signature) (Address)

UNITED STATES OF AMERICA U.S. Department of Veterans Affairs.

BY _____ Contracting Officer _____
(Signature) (Official title)

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IN WITNESS WHEREOF, GOVERNMENT and LESSOR have signed this Lease by the respective authorized officers as set forth below to be effective on the date executed by GOVERNMENT.

“LESSOR”
COUNTY OF SANTA BARBARA

ATTEST:
MICHAEL F. BROWN
CLERK OF THE BOARD

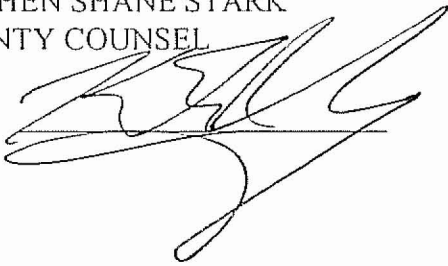
By: _____
Chair, Board of Supervisors

By: _____

Date: _____

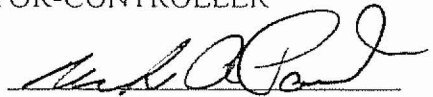
APPROVED AS TO FORM:
STEPHEN SHANE STARK
COUNTY COUNSEL

By:

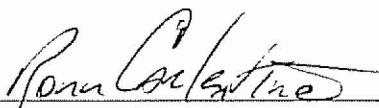


APPROVED AS TO FORM:
ROBERT GEIS, C.P.A.
AUDITOR-CONTROLLER

By:

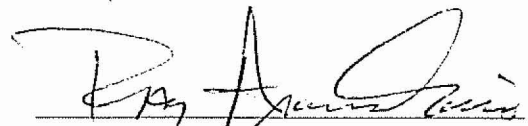


APPROVED:



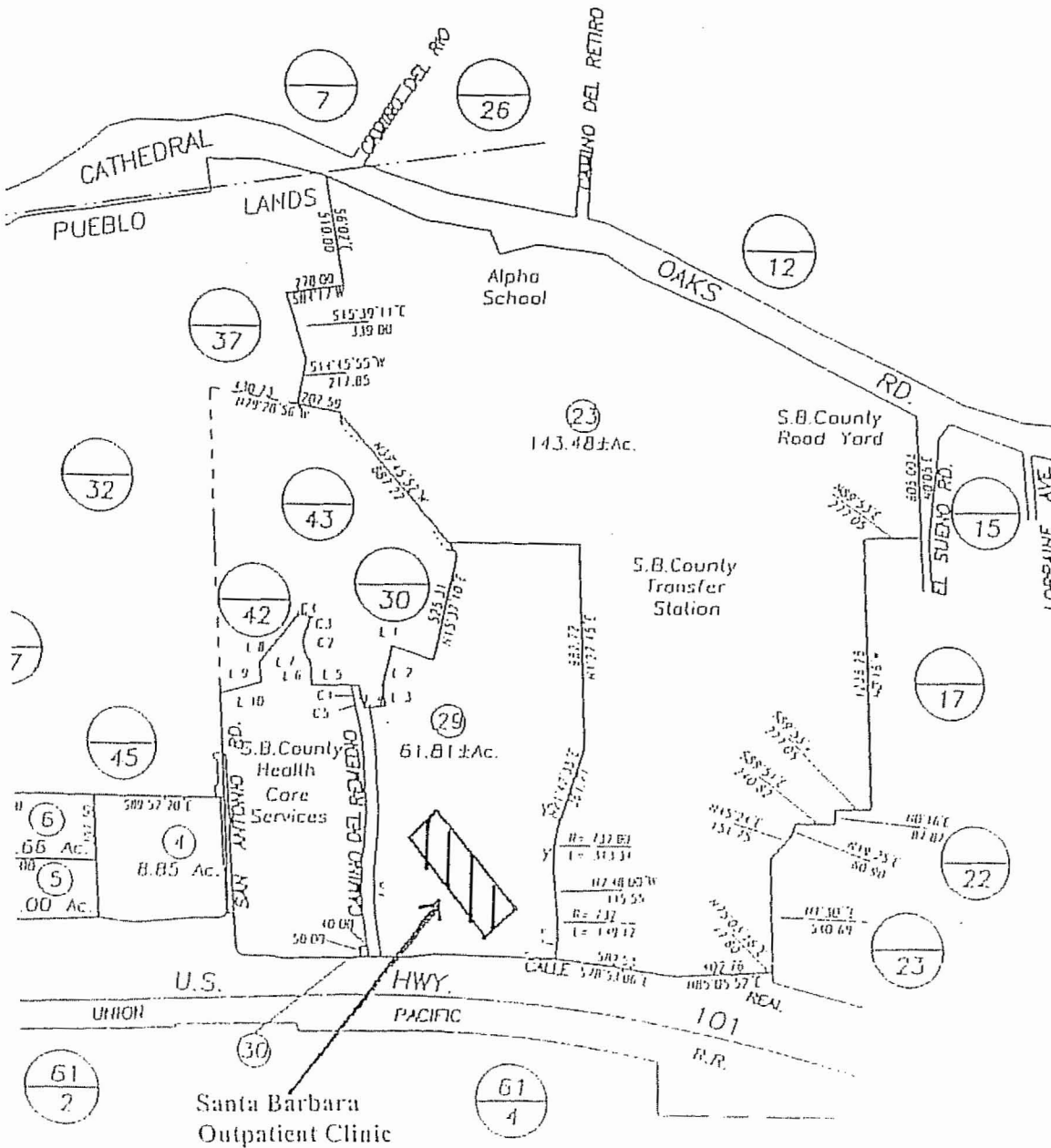
Roni Carlentine SR/WA
Real Property Manager

APPROVED AS TO INSURANCE FORM:



Ray Aromatorio, ARM, AIC
Risk Program Administrator

R. PUEBLO LANDS



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

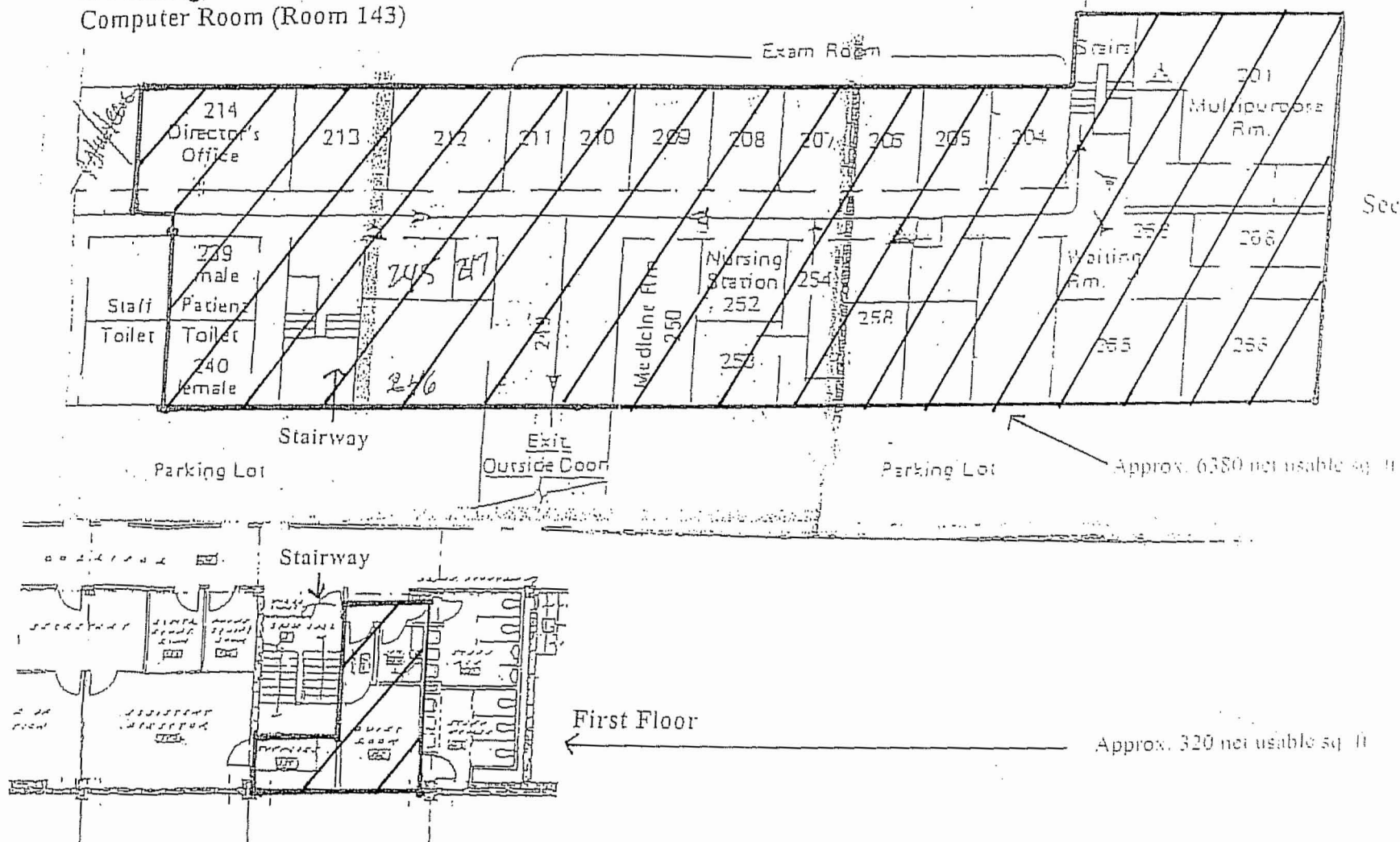
Assessor's Map Bk, 059-Pg.
 County of Santa Barbara, Ca

Santa Barbara Outpatient Clinic

4440 Calle Real
Santa Barbara, CA 93110

Second Floor, North Side
of Building, and First Floor,
Computer Room (Room 143)

Leased Space -



Second Floor

EXHIBIT B

Approx. 6380 net usable sq ft

Approx. 320 net usable sq ft

Total Leased Area = Approx. 6700 net usable sq ft