

**LEASE AGREEMENT
BETWEEN COUNTY OF LAKE AND SAWYERS**

This Lease Agreement ("Lease") is executed at Lakeport, California, effective as of July 1, 2024, between Charles A. Sawyer and Nancy J. Sawyer, Trustees of the Charles A. and Nancy J. Sawyer Trust ("LESSOR"), and the County of Lake ("LESSEE"), referred to herein as the parties.

IT IS AGREED between the parties hereto as follows:

1. Lease, Premises. LESSOR hereby leases to LESSEE, and LESSEE hires from LESSOR on the terms and conditions hereinafter set forth, those certain premises situated in the City of Lower Lake, County of Lake, State of California, described as follows:

- a. The parcel of real property situated in the City of Lower Lake, County of Lake, State of California, commonly known as 9055 Highway 53 ("**Premises**"). The Premises consist of approximately 1.35 acres, are improved with an office building, five (5) restroom facilities, and a parking lot, and are shown and outlined on the aerial photograph and survey map attached hereto as Exhibit A.
- b. Parking facilities include a paved lot for general parking and a gated parking area for County vehicles. LESSEE's use of the office space shall also include the use of the off street unreserved parking at the Premises.

2. Term. (a) General. The term of this Lease ("Term") shall be for a period of five (5) years, commencing on July 1, 2024, and ending June 30, 2029, unless earlier terminated as herein provided.

(b) Option To Extend Term. Lessee shall have one option ("**Option**") to extend the Term of this Lease for a further Term of five (5) years ("**Option Term**"), beginning at the end of the initial Term. LESSEE may not exercise the Option, and any attempted exercise shall be invalid and ineffective, if LESSEE is then in Default hereunder. To exercise the Option, LESSEE must give LESSOR written notice (pursuant to Section 16, below) of LESSEE's election to exercise the Option; this notice must be given not less than six (6) months prior to the end of the initial Term. If LESSEE does not timely give such written notice of exercise, the Option shall expire and will be incapable of being exercised. The Rent payable by LESSEE to LESSOR during the Option Term shall be as stated in Section 3, below. The remaining terms and conditions of this Lease shall remain in effect during the Option Term. As used herein, the word "Term" shall include the Option Term unless expressly stated otherwise.

3. Rent. (a) General. LESSEE agrees to pay to LESSOR as monthly rent ("Rent") for the Premises, during the first year of the Term, the sum of Twelve Thousand One Hundred Seventy-one Dollars (\$12,171.00). Rent shall be payable in advance, on the first day of each calendar

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month. Rent shall be payable to Lessor by mail to Lessor at 1305 Rafello Drive, Ukiah, CA, 95482, or at such other location as Lessor may designate in writing, or by personal delivery to Lessor. Rent shall be prorated for any partial month during the Term.

(b) Annual Increase. The Rent during the second and subsequent years of the Term, including any Option Term, shall be two percent (2.0%) higher than the Rent during the preceding year of the Term.

(c) Security Deposit. The parties acknowledge that LESSOR currently holds a security deposit in favor of LESSEE in the amount of Ten Thousand Dollars (\$10,000; "Security Deposit"). The Security Deposit shall be held by LESSOR as security against any breach of this Lease by LESSEE. Upon LESSEE's default under this Lease, LESSOR may apply some or all of the Security Deposit to satisfy LESSEE's obligations under the Lease, though such application shall not cure LESSEE's default. Upon receipt from LESSOR of notice of such default and application of some or all of the Security Deposit, LESSEE shall pay to LESSOR an amount equal to the amount applied by LESSOR, thereby fully replenishing the Security Deposit. Upon LESSEE's vacation of the Premises, LESSOR shall promptly account to LESSEE for the Security Deposit and return any unapplied balance thereof to LESSEE.

4. Purpose/Use. The Premises shall be used by LESSEE for LESSEE's exclusive use to conduct the business of the County of Lake.

5. Alterations. LESSEE shall not make, or suffer to be made, any alteration of the Premises or any part thereof, except removable fixtures and partitions, without the written consent of said LESSOR first had and obtained. Upon expiration or termination of the Term or Option Term or extension(s) thereof, LESSEE shall remove from the Premises all removable fixtures and partitions, and shall restore the Premises to their original condition, reasonable wear and tear excepted (absent the parties' written agreement to the contrary). LESSEE shall keep the Premises free from any liens arising out of any work performed, materials furnished or obligations incurred by LESSEE.

6. Utilities. LESSEE shall pay for all water, gas, heat, light, power, telephone, garbage service and all other services supplied to the Premises.

7. Repairs. LESSEE shall, at its own expense and cost, keep and maintain the walkways and interior of the Premises and every part thereof in a clean and sanitary condition. LESSEE shall, at its own cost and expense, maintain the roof, windows, exterior walls, heating and cooling facilities, plumbing, water heater, appliances, exterior landscaping and parking facilities of the Premises in good repair throughout the term of the Lease and any extensions thereof. LESSEE shall, at its own cost and expense, complete all Tenant Improvement upon written consent of LESSOR. LESSOR shall be responsible for repair and/or replacement of the roof, windows, heating and cooling facilities/equipment, plumbing, water heater, and appliances.

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8. Inspection of Premises. LESSOR, or its duly authorized representatives or agents, may enter upon the Premises during business hours after giving LESSEE twenty-four (24) hour notice. LESSOR may enter for the purpose of determining whether LESSEE is complying with the terms and conditions of this Lease or to make such repairs, alterations, additions, and improvement as required by this Lease or by the law, or for showing the Premises to prospective purchasers of future tenants. LESSOR may at any time place on the Premises any usual or ordinary "FOR SALE" signs, without any rebate of rent or without any liability to LESSEE for any loss of occupation or quiet enjoyment of the Premises thereby occasioned; and LESSEE shall permit LESSOR at any time within sixty (60) days prior to the expiration of this Lease, to place upon the Premises any usual or ordinary "TO LET" or "TO LEASE" sign.

9. Partial Destruction of Premises. In the event of a partial destruction of the Premises during the Term from any cause, LESSOR shall promptly repair the same, providing such repairs can be made within forty-five (45) days, but such partial destruction shall in no way annul or void this Lease, except that LESSEE shall be entitled to a proportionate deduction of Rent while such repairs are being made. Such proportionate deduction shall be based upon the extent to which LESSEE is prevented from conducting its normal business activities at the Premises as a result of the making of such repairs by LESSOR. In the event that LESSOR does not so elect to make such repairs which cannot be made in forty-five (45) days, this Lease may be terminated at the option of either party. Nothing in this Lease shall be construed as constituting a waiver by LESSEE of its right to terminate the Lease on such destruction as provided in Section 1932, Subdivision 2, or Section 1933, subdivision 4, of the California Civil Code in lieu of requiring LESSOR to restore the Premises as herein provided.

10. More Than One-Third Destruction of Premises. In the event that the commercial building on the Premises is destroyed to the extent of not less than thirty-three and one-third percent (33 1/3%) of the replacement cost thereof, LESSOR may elect to terminate this Lease. A total destruction of the commercial building on the Premises shall terminate this Lease.

11. Holding Over. In the event that LESSEE holds over (i.e., remains in possession of the Premises) after the expiration of the Term of this Lease or any extension thereof, with the consent of the LESSOR, such holding over shall be deemed a month-to-month tenancy of the same terms, covenants, and conditions so far as applicable as herein contained, except the Rent shall be the same as the monthly installment rate of the immediately preceding leased period, plus any applicable adjustments as provided for in Section 3, above, until such tenancy is terminated in a manner prescribed by law.

12. Assignment. LESSEE shall neither assign this Lease nor sublet the Premises without first obtaining the written consent of LESSOR to do so, provided however, that LESSOR shall not arbitrarily or unreasonably refuse to grant consent to such assignment or subletting.

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13. Heirs/Successors. This Lease is and shall be binding upon the heirs, executor, administrators, successors and assigns of the LESSOR.

14. Attorney's Fees. In the event of any lawsuit between the parties with respect to the enforcement or interpretation of this Lease, the prevailing party shall be entitled to recover from the non-prevailing party the reasonable attorney's fees which shall be fixed by the court.

15. Modification/Amendment. This Lease may only be modified or amended by a written agreement, executed by both parties.

16. Notices. All notices to be given hereunder to either party, whether required by this Lease or by California law, shall be in writing and shall be deemed given when deposited in the United States mail, postage prepaid, and addressed as follows or to any other address requested by a party by written notice pursuant to this section:

To LESSOR: Charles A. Sawyer, Nancy J. Sawyer
1305 Rafello Drive
Ukiah, CA, 95482

To LESSEE: County of Lake
P.O. Box 1024
Lucerne, CA 95458

17. Surrender of Premises. LESSEE agrees at the expiration of the Term of this Lease, or any extension thereto, or upon the earlier termination thereof for any reason, to quit and surrender said Premises to LESSOR in as good state and condition as said Premises are in when possession thereof is given to LESSEE, reasonable wear and tear and damage by the elements or an act of God excepted, and LESSEE agrees at the expiration of the Term or any prior termination of this Lease, to remove or cause to be removed any and all signs that have been placed upon, in or about the Premises by LESSEE and to repair and restore the Premises to the same condition prior to the time of placing said signs upon, in or about the Premises by LESSEE, reasonable wear and tear and damage by the elements excepted.

18. Abandonment of Premises. LESSEE shall not vacate or abandon the Premises at any time during the Term of this Lease.

19. Termination. This Lease may be terminated at any time upon mutual written agreement of the parties.

20. General. This Lease shall be governed by the laws of the State of California. This Lease constitutes the entire agreement between the parties regarding its subject matter. This

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Lease supersedes all prior leases, amendments, agreements, and all proposals, oral and written, and all negotiations, conversations or discussions heretofore and between the parties related to the subject matter of this Lease.

21. Indemnification/Hold Harmless. (a) By LESSOR. LESSOR shall indemnify and defend LESSEE and its officers, employees, and agents against and hold them harmless from any and all claims, losses, damages, and liability for damages, including attorney's fees and other costs of defense incurred by LESSEE, whether for damage to or loss of property, or injury to or death of person, arising out of, or connected with LESSOR's negligent acts on the Premises, unless such damages, loss, injury or death is caused solely by the negligence of LESSEE.

(b) By LESSEE. LESSEE shall indemnify and defend LESSOR and their employees, agents and contractors, against and hold them harmless from any and all claims, losses, damages, and liability for damages, including attorneys' fees and other costs of defense incurred by LESSOR, whether for damage to or loss of property, or injury or death of persons, arising out of, or connected with LESSEE's occupation of the Premises, unless such damages, loss, injury or death is caused solely by the negligence of LESSOR, their employees, agents or contractors.

22. Intentionally Omitted.

23. Insurance. (a) By LESSEE. LESSEE shall be responsible for the replacement cost of all of LESSEE's personal property, LESSEE-owned alterations and utility installations in, on, or about the Premises, and shall promptly replace any damaged personal property, and restore any damaged alterations and utility installations. LESSOR shall have no responsibility for replacement costs of LESSEE's personal property, or of LESSEE's owned alterations and utility installations in, on, or about the Premises.

(b) By LESSOR. At its own cost and expense, LESSOR shall maintain insurance coverage for the replacement cost of all of the Premises and the improvements thereon, and shall use any proceeds from such insurance for the replacement and/or restoration of said improvements.

24. Defaults and Remedies. (a) Events of Default. The occurrence of any of the following shall constitute an "Event of Default" by LESSEE:

(i) LESSEE fails to make any payment of Rent when due, if payment in full is not received by LESSOR within three (3) days after written notice from LESSOR to LESSEE that it is due.

(ii) LESSEE abandons the Premises.

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(iii) LESSEE fails timely to deliver to LESSOR, within the time period specified in Section 26 below, any estoppel certificate requested by LESSOR.

(iv) LESSEE violates the prohibition against assignment set forth in Section 12 herein.

(v) LESSEE fails to perform or comply with any provision of this Lease other than those described in (a)(i) through (iv), above, and does not fully cure such failure within thirty (30) days after written notice from LESSOR to LESSEE or, if such failure cannot be cured within such thirty (30)-day period, LESSEE fails within such thirty (30)-day period to commence, and thereafter diligently proceed with, all actions necessary to cure such failure as soon as reasonably possible but in all events within ninety (90) days of such notice; provided, however, that if LESSOR in LESSOR's reasonable judgment determines that such failure cannot or will not be cured by LESSEE within such ninety (90) days, then such failure shall constitute an Event of Default immediately upon such notice to LESSEE.

(b) Remedies. Upon the occurrence of an Event of Default, LESSOR shall have the following remedies, which shall not be exclusive but shall be cumulative and shall be in addition to any other remedies now or hereafter allowed by law:

(i) LESSOR may terminate LESSEE's right to possession of the Premises at any time by written notice to LESSEE. LESSEE expressly acknowledges that in the absence of such written notice from LESSOR, no other act of LESSOR, including re-entry into the Premises, efforts to relet the Premises, reletting of the Premises for LESSEE's account, storage of LESSEE's personal property and trade fixtures, acceptance of keys to the Premises from LESSEE or exercise of any other rights and remedies under this Section 24(b), shall constitute an acceptance of LESSEE's surrender of the Premises or constitute a termination of this Lease or of LESSEE's right to possession of the Premises. Upon such termination in writing of LESSEE's right to possession of the Premises, as herein provided, this Lease shall terminate and LESSOR shall be entitled to recover damages from LESSEE as provided in California Civil Code Section 1951.2 and any other applicable existing or future Law providing for recovery of damages for such breach, including the worth at the time of award of the amount by which the rent which would be payable by LESSEE hereunder for the remainder of the term after the date of the award of damages, exceeds the amount of such rental loss as LESSEE proves could have been reasonably avoided, discounted at the discount rate published by the Federal Reserve Bank of San Francisco for member banks at the time of the award plus one percent (1 %).

(ii) LESSOR shall have the remedy described in California Civil Code Section 1951.4 (LESSOR may continue this Lease in effect after LESSEE's breach and abandonment and recover rent as it becomes due, if LESSEE has the right to sublet or assign, subject only to reasonable limitations).

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(iii) LESSOR may cure the Event of Default at LESSEE's expense. If LESSOR pays any sum or incurs any expense in curing the Event of Default, LESSEE shall reimburse LESSOR upon demand for the amount of such payment or expense with interest at the maximum interest rate allowed by law from the date the sum is paid or the expense is incurred until LESSOR is reimbursed by LESSEE.

(iv) LESSOR may remove all LESSEE's property from the Premises, and such property may be stored by LESSOR in a public warehouse or elsewhere at the sole cost and for the account of LESSEE. If LESSOR does not elect to store any or all of LESSEE's property left in the Premises, LESSOR may consider such property to be abandoned by LESSEE, and LESSOR may thereupon dispose of such property in any manner deemed appropriate by LESSOR. Any proceeds realized by LESSOR on the disposal of any such property shall be applied first to offset all expenses of storage and sale, then credited against LESSEE's outstanding obligations to LESSOR under this Lease, and any balance remaining after satisfaction of all obligations of LESSEE under this Lease shall be delivered to LESSEE.

25. Late Charges and Interest. (a) Late Charge. If any payment of Rent is not received by LESSOR within seven (7) calendar days of the date due, LESSEE shall pay to LESSOR on demand as a late charge an additional amount equal to five percent (5%) of the overdue payment. A late charge shall not be imposed more than once on any particular installment not paid when due, but imposition of a late charge on any payment not made when due does not eliminate or supersede late charges imposed on other (prior) payments not made when due or preclude imposition of a late charge on other installments or payments not made when due.

(b) Interest. In addition to the late charges referred to above, which are intended to defray LESSOR's costs resulting from late payments, any payment from LESSEE to LESSOR not paid within seven (7) calendar days of the date due, shall at LESSOR's option bear interest from the date due until paid to LESSOR by LESSEE at the maximum lawful rate that LESSOR may charge to LESSEE under applicable laws (presently ten percent (10%) per annum). Acceptance of any late charge and/or interest shall not constitute a waiver of LESSEE's default with respect to the overdue sum or prevent LESSOR from exercising any of its other rights and remedies under this Lease.

26. Estoppel Certificates. Within ten (10) days after written request therefor, LESSEE shall execute and deliver to LESSOR an estoppel certificate in the form attached hereto as Exhibit B. Any person or entity purchasing, acquiring an interest in or extending financing with respect to the Premises shall be entitled to rely upon any such certificate. If LESSEE fails to deliver such certificate within ten (10) days after LESSOR's second written request therefor, LESSEE shall be liable to LESSOR for any damages incurred by LESSOR including any profits or other benefits from any financing of the Premises or any interest therein which are lost or made unavailable as a result, directly or indirectly, of LESSEE's failure or refusal to timely

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execute or deliver such estoppel certificate.

27. Limitations. The other provisions of this Lease notwithstanding, any claim, demand, right or defense of any kind by LESSEE which is based upon or arises in any connection with this Lease, or the negotiations prior to its execution, shall be barred unless LESSEE commences an action thereon or poses in a legal proceeding a defense by reason thereof, within six (6) months after the date of the inaction or omission or the date of the occurrence of the event or of the action to which the claim, demand, right or defense relates, whichever applies.

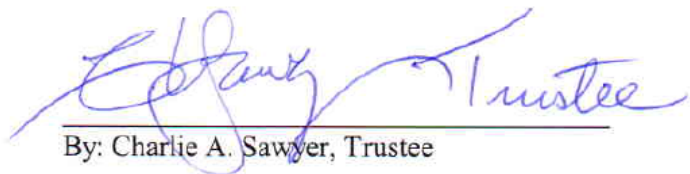
28. As Is. LESSEE hereby acknowledges that it has occupied the Premises since at least 2010. LESSEE therefore accepts the Premises in their current "As-Is", "where-is" condition without any warranty or representation by LESSOR that they are suitable for LESSEE's intended purposes and without any obligation on the part of LESSOR to make any improvements whatsoever to the Premises.

IN WITNESS WHEREOF, Lessor and LESSEE have executed this Lease effective as of _____, 2024, on the ____ dates stated below.

COUNTY OF LAKE

LANDLORDS: CHARLIE SAWYER, NANCY
SAWYER, TRUSTEES OF THE CHARLES A.
SAWYER AND NANCY J. SAWYER TRUST

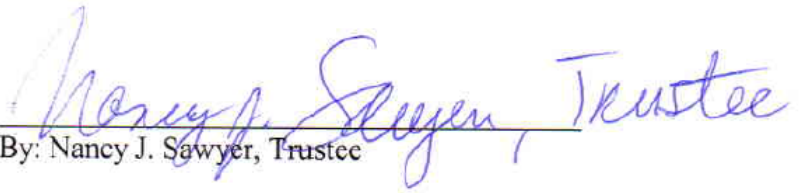
CHAIR, Board of Supervisors


By: Charlie A. Sawyer, Trustee

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By: Nancy J. Sawyer, Trustee

ATTEST: CAROL J. HUCHINGSON
Clerk of the Board of Supervisors

APPROVED AS TO FORM:

By: _____

By: 
Lloyd C. Grant
County Counsel

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Exhibit A

Aerial Photo, Survey Map

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Exhibit B

ESTOPPEL CERTIFICATE

LESSEE ESTOPPEL CERTIFICATE

The undersigned, COUNTY OF LAKE ("LESSEE"), hereby certifies to
_____ ("Buyer") as follows:

1. Attached hereto is a true, correct and complete copy of that certain Lease Agreement effective as of _____, 2024, between Charles A. Sawyer and Nancy J. Sawyer, Trustees of the Charles A. and Nancy J. Sawyer Trust ("LESSOR"), and LESSEE (the "Lease"), which demises certain Premises located at 9055 Hwy 53, Lower Lake, California (the "Premises"), which has not been amended, modified or supplemented, except as set forth in paragraph 5 below.

2. The term of the Lease commenced on July 1, 2024.

3. The term of the Lease shall expire on June 30, 2029, absent exercise of LESSEE's option to extend.

4. LESSEE has or had one (1) option to extend the Term of the Lease for five (5) years.

5. The Lease has: (Initial one)

() not been amended, modified, supplemented, extended, renewed or assigned.

() been amended, modified, supplemented, extended, renewed or assigned by the following described agreements, copies of which are attached hereto:

6. LESSEE has accepted and is now in possession of said Premises.

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7. The amount of fixed monthly rent is \$_____.
8. The amount of the security deposit is \$10,000.00. No other security deposits have been made.
9. LESSEE is paying the full lease Rental, which has been paid in full as of the date hereof. No Rent under this Lease has been paid for more than thirty (30) days in advance of its due date.
10. All work required to be performed by LESSOR under the Lease has been completed.
11. There are no defaults on the part of LESSOR or LESSEE under the Lease.
12. LESSEE has no defense as to its obligations under the Lease and claims no set-off or counterclaim against LESSOR.
13. LESSEE has no right to any concession (rental or otherwise) or similar compensation in connection with renting the space it occupies, except as provided in the Lease.
14. LESSEE either has no or has elected not to exercise, and hereby waives, any option to purchase or rights of first refusal or offer to purchase all or any portion of the real property of which the Premises is a part.
15. There are no disputes between LESSOR and LESSEE concerning the Lease, the Premises or the improvements therein or thereon, except (if there are no exceptions, write "NONE"): _____

The foregoing certification is made with the knowledge that LESSOR is about to sell the Premises to Buyer and that Buyer is relying on such certification.

DATED: _____, 20 ____.

LESSEE:

COUNTY OF LAKE

By: _____

Printed Name