

**SCHALL INVESTMENTS, CORP**  
**LEASE AGREEMENT**

Date (For Reference only): February 12, 2018

Schall Investments, Corp., a California S-Corporation ("Landlord"),  
and

County of Lake – Department of Social Services ("Tenant") agree as follows.

1. **Premises:** Landlord leases to Tenant, and Tenant leases from Landlord the real property and improvements described as: 805 & 809 S. Main St, Lakeport, CA 95453, (premises), which comprise approximately 1,720 sq. ft. that is 44% of the space of the project. See Exhibit "A" for further description of the Premises.
2. **Term:** The term begins on July 1, 2018 ("Lease Commencement Date") and  
☒ **Lease:** shall terminate on June 30, 2021 at 5:00 PM. To extend the Lease, Tenant should give written notice to Landlord and sign a Lease Addendum at least 90 days prior to termination. Any holding over after the term expires and with Landlord's consent, shall be as the below Month-to-Month tenancy with rent at 1.1 times the rate established in paragraph 3 below as modified with addendums, agreements and applicable CPI increases, unless other terms are agreed in writing by Tenant and Landlord.
3. **Base Rent:** Tenant agrees to pay Landlord Base Rent at the rate of \$2,600.00 per month, for the first 12 months of the agreement. Commencing with the 13<sup>th</sup> month, and upon expiration of each 12 months thereafter, rent shall be adjusted to the increase, but not less than zero, in the U.S. Consumer Price Index (CPI) of the Bureau of Labor Statistics of the Department of Labor For All Urban Consumers ("CPI") for the West Urban Region using the month of April or, if unavailable, most current CPI preceding the month the adjustment is to take effect.
4. **Rent: Definition** - Rent shall mean all monetary obligations of Tenant to Landlord under the terms of this agreement, except security deposits. **Payment** - Base Rent shall be paid on the first (1<sup>st</sup>) day of each month and all other rent shall be paid within 30 days after Tenant is billed by Landlord. Any Rent not paid when due is delinquent on the next day. **Payments shall be to Schall Investments at 975 Bevins Street, Lakeport, CA 95453** or at any other location specified by Landlord in writing to Tenant.
5. **Security Deposit:** Tenant agreed and has paid Landlord \$ \$3,425.00 as a security deposit. All or any portion of the security deposit may be used, as deemed necessary, to: (i) cure Tenants default in payment of Rent, late charges, non-sufficient funds (NSF) fees, or other sums due; (ii) repair damage, excluding ordinary wear and tear, caused by Tenant or by guests or licensee of Tenant; (iii) clean the Premises, if necessary, upon termination of tenancy; and (iv) cover any other unfulfilled obligation of Tenant. **SECURITY DEPOSIT SHALL NOT BE USED BY TENANT IN LIEU OF PAYMENT OF LAST MONTH'S RENT.** If all or any portion of the security deposit is used during tenancy, Tenant agrees to reinstate the total security deposit within 5 days after written notice is delivered to Tenant. Within 30 days after Landlord receives possession of the Premises, Landlord shall: (i) furnish Tenant an itemized statement indicating the amount of any security deposit received and the basis for its disposition, and (ii) return any remaining portion of security deposit to Tenant. However, if the Landlord's only claim upon the security deposit is for unpaid Rent, then the remaining portion of the security deposit, after deduction of unpaid Rent, shall be returned within 14 days after the Landlord receives possession. No interest will be paid on security deposit, unless required by local ordinance.
6. **Property Operating Expenses:** Tenant agrees to pay its proportionate share of the estimated monthly common area maintenance expenses for utilities, insurance, landscaping, irrigation, cleaning and maintenance expenses based on the ratio of the square footage of the Premises to the total square footage of the rentable space in the entire property.
7. **Utilities and Services:** Tenant shall be responsible to pay for all utilities and services that are either directly billed to Tenant by provider or billed by Landlord including electric, propane telephone, cable, garbage, water, sewer and common area maintenance.

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**Propane** - Propane will either be metered and billed by the propane supplier or, at Landlord's decision, purchased by Landlord in bulk and sold to tenant. If handled by Landlord, the costs of propane will be less than if metered and billed by the propane supplier.

**Water and Sewer** - Water and sewer monthly costs are billed by Landlord and are **\$50.00** per month for two (2) units. The above cost may be increased proportionally by any billing increases after January 1, 2018 by the City of Lakeport to Landlord.

8. **Insurance:** Tenant's personal property, fixtures, equipment, inventory and vehicles are not insured by Landlord against loss or damage due to fire, theft, vandalism, rain, water, fire sprinklers, criminal or negligent acts of others, or any other cause. Tenant is to carry Tenant's own property insurance to protect Tenant from loss. In addition, Tenant shall carry liability insurance in an amount of not less than \$1,000,000.00 per each occurrence. Tenant's liability insurance shall name Landlord as additional insured. Tenant, shall provided Landlord with a certificate of insurance establishing Tenant's compliance prior to possession. Tenant is advised to carry business interruption insurance in the amount at least sufficient to cover Tenant's complete rental obligation to Landlord. Both Landlord and Tenant release each other, and waive their respective rights to subrogation against each other, for loss or damage covered by insurance.
9. **Pre-occupancy Improvement & Installation of Trade Fixtures:** Alterations to Tenant's leased space will be made at Tenant's expense unless prior written agreement is made with Landlord. Any improvements to the Premises that are to be made by the Landlord prior to occupancy shall be detailed on Amendment (C). Any alteration to the Premises shall be done according to Laws and Orders and with required permits. Tenant may not make any improvements, alterations, additions, or changes to the Premises, including the installation of trade fixtures and signs, without first obtaining Landlord's prior written consent, which shall not be unreasonably withheld. Tenant shall request such consent by written notice to Landlord accompanied by detailed and complete plans for the proposed work. As a condition of its consent to alterations, Landlord may require time to post a Notice of Non-Responsibility to prevent potential liens against Landlord's interest in the Premises. If any such lien attaches or Tenant receives notice of any such lien, Tenant shall cause the lien to be immediately released and removed of record. Despite any other provision of this Lease, if the lien is not released and removed within five (5) days after Landlord delivers notice of the lien to Tenant, Landlord may immediately take all action necessary to release and remove the lien, without any duty to investigate the validity of it. All expenses (including reasonable attorney fees) incurred by Landlord in connection with the lien shall be considered additional rent, and be immediately due and payable by Tenant.

➤ **NOTICE: Electrical lines, water pipes and sewer pipes are under the concrete floor and any drilling of holes or shooting of nails into the concrete may cause serious injury, death and/or costly damage to the property.**

10. **Initial Payments**

Base Rent from <u>7-1-2018</u> to <u>7-31-18</u>	\$ <u>2,600.00</u>
Security Deposit .....	\$ <u>0</u>
Pre-occupancy Improvements .....	\$ <u>0</u>
Other .....	\$ <u>0</u>
<b>Total:</b> .....	\$ <u>2,600.00</u>
<b>Holding Deposit Due Upon Signing</b> .....	\$ <u>0</u>
<b>Amount Due on or before</b> <u>7-1-18</u>	\$ <u>2,600.00</u>

If the above payment is not received by the above due date or any subsequent date by written agreement, this Lease Agreement may be terminated at Landlord's option and any payments received shall be forfeited to Landlord.

11. **Tenant Representations; Credit:** Tenant warrants that all statements in Tenant's financial documents and rental application are accurate. Tenant authorizes Landlord and Broker(s) to obtain Tenant's credit report at time of application and periodically during tenancy in connection with approval, modification, or enforcement of this agreement. Landlord may cancel this agreement: (i) before occupancy begins, upon disapproval of the credit report(s); or (ii) at any time, upon discovering that information in Tenant's application is false. A negative credit report reflecting on Tenant's record may be submitted to a credit reporting agency, if Tenant fails to pay Rent or comply with any other obligation under this agreement.

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12. **Use and Neighboring Tenants:** The Premises are for the sole use as offices or any other legal use which is reasonably comparable thereto. No other use is permitted without Landlord's prior written consent, which shall not be unreasonably withheld. If any use by Tenant causes an increase in the premium on Landlord's existing property insurance, Tenant shall pay for the increased cost. Tenant has analyzed the compatibility of the intended use of the Premises with existing Tenants and accepts the Premises subject to the existing Tenants and shall not have any activity that adversely affects neighboring tenants.
13. **Zoning and Land Use:** Tenant has made an investigation into and accepts the Premises subject to all local, state and federal laws, regulations and ordinances (Laws). Landlord makes no representation or warranty that the Premises are now or in the future suitable for Tenant's use. Tenant is responsible for ADA compliance.
14. **Parking:** The base rent entitles Tenant to 8 unreserved vehicle parking spaces. Parking spaces are to be used for parking operable motor vehicles only. Mechanical work or storage of inoperable vehicles is not allowed in parking spaces or elsewhere on the Premises. No overnight parking is permitted without express written permission from Landlord. If tenant/invitees/guests consistently exceed the allotted parking area the vehicle(s) will be subject to being towed at the owner's expense.
15. **Condition of Premises:** Tenant has examined the Premises and acknowledges that Premise is clean and in operative condition, with the following exceptions: Tenant has occupancy  
Items listed as exceptions shall be dealt with in the following manner: \_\_\_\_\_.
16. **Possession:** If Landlord is unable to deliver possession of the Premises on the Lease Commencement Date, such date shall be extended to the date on which possession is made available to Tenant with the expiration date remaining the same as specified in paragraph 2. If Landlord is unable to deliver possession within **60 (or ☐ )** calendar days after the Lease Commencement Date, Tenant may terminate this agreement by giving written notice to Landlord, and shall be refunded the paid holding deposit. If tenant does not take possession of the premises on the commencement date, this agreement shall become null and void and the holding deposit shall be forfeited.
17. **Maintenance:** Tenant shall be responsible to maintain the area around the Premises in a clean and neat manner and all cardboard, pallets, or other materials shall be immediately disposed of properly. Tenant shall maintain the light bulbs and fixtures, thermostats and remotes, plumbing fixtures, sewer and water systems and keep glass, windows and doors in operable and safe condition. If Tenant fails to maintain the Premises, Landlord may contract for or perform such maintenance, and charge Tenant for Landlord's cost including cost of excess water consumed due to leaks not immediately addressed by Tenant.

Landlord shall maintain the building's roof, foundation, exterior walls, electrical service to Tenants electrical panel, phone and cable line to premises, HVAC system, and common propane and water lines and common sewer lines unless blockage is caused by Tenant's use. Landlord shall promptly make all repairs, replacements, alterations, or improvements needed to comply with all Laws and Orders to the extent that the Laws and Orders relate to the building's exterior and common area. If, however, such compliance work is inside the premises or is triggered by Tenant's use or improvements or alterations made by Tenant, then Tenant shall bear all the expenses of such work.

Tenant shall continuously and without exception repair and maintain the Premises, including tenant improvements, fixtures, and furnishings, in an order and condition in compliance with all Laws and Orders. Tenant, at Tenant's sole expense, shall promptly make all repairs, replacements, or improvements needed to comply with all Laws and Orders to the extent that the Laws and Orders relate to or are triggered by Tenant's use of the Premises.

The judgment of any court or competent jurisdiction, or the admission of Tenant in any judicial or administrative action or proceeding that Tenant has violated any Laws and Orders shall be conclusive, between Landlord and Tenant, of that fact, whether or not Landlord is a party to that action or proceeding.

18. **Rules and Regulations:** Tenant agrees to comply with the rules of this Lease and any amendments or additions promulgated by Landlord from time to time for the safety, care, and cleanliness of the Premises, Building, and Real Property or for the preservation of good order. The Rules and Regulations include, but are not limited to, the following:

(a) **Locks:** Locks and/or door handles may not be removed or changed without prior written permission from the Landlord. However, it is STRONGLY recommended that new tenants re-keyed upon possession and provide a key copy to Landlord.

(b) **Noise:** All noise levels must be kept to a minimum, and Tenant shall be respectful of the neighbors.

(c) **Pets:** No pets are to be left on the Premises unattended. Pets must be completely contained within Tenant's leased space and on leash at all times.

(d) **Storage:** All storage must be within the Premises and Tenant, Tenant's employees, or anyone associated with Tenant may not store anything overnight elsewhere within the projects boundaries including the common space without the written consent of Landlord. THIS INCLUDES ANY AND ALL VEHICLES OR TRAILERS. There shall be no storage above the office or bathroom areas inside the buildings.

(e) **Car Washing:** No washing of cars or other equipment is allowed on the Premises. The storm drains are not set up to take anything beyond rainwater. Anything put into the storm drain system by Tenants other than clean water may be considered Hazardous Waste. Please refer to paragraph 21, the Hazardous Material section of this lease.

(f) **Trash:** Trash and recycle containers are to be contained within the tenants leased space or in the space provided for them.

(g) **Maintenance:** Tenant shall maintain the area around the Premises in a clean and neat manner and windows and glass doors are to be kept clean and free of outdated posters.

(h) **General Use:** Tenant shall not use or allow any person to use the Premises for any purpose that is contrary to the Rules and Regulations, that violates any Laws and Orders, that constitutes any waste or nuisance, or that would reasonably annoy neighboring tenants. For purposes of this agreement, the term "Laws and Orders" includes all federal, state, county, city, or government agency laws, statutes, ordinances, standards, rules, requirements, or orders now in force or hereafter enacted, promulgated or issued. The term also includes government measures regulating or enforcing public access, occupational, health, or safety standards for employers, employees, landlords, or tenants. Landlord shall not be responsible to Tenant for the failure of any other tenants or occupants of the Premises to comply with the Rules and Regulations.

19. **Repair of Damage to Premises:** Tenant shall be responsible for any damage done to the building or Premises by Tenant, Tenant's employees, or Tenant's customers or visitors. Any damage shall be repaired at Tenant's expense within thirty (30) days of the date the damage occurred. A licensed professional will repair damage, and Landlord must approve both the professional and final repair.

20. **Damages to Premises:** If, by no fault of Tenant, the Premises are totally or partially damaged or destroyed by fire, earthquake, accident or other casualty, Landlord shall have the right to restore the Premises by repair or rebuilding. If Landlord elects to repair or rebuild, and is able to complete such restoration within 90 days from the date of damage, subject to the terms of this paragraph, this agreement shall remain in full force and effect. If Landlord is unable to restore the Premises within this time, or if Landlord elects not to restore, then either Landlord or Tenant may terminate this agreement by giving the other written notice. Rent shall be abated as of the date of damage. The abated amount shall be the current monthly Base Rent prorated on a 30-day basis. If this agreement is not terminated, and the damage is not repaired, then Rent shall be reduced based on the extent to which the damage interferes with Tenant's reasonable use of Premises. If damage occurs as a result of an act of Tenant or Tenant's guests, only Landlord shall have the right to termination, and no reduction in Rent shall be made. Condemnation: If all or part of the Premises is condemned for public use, either party may terminate this agreement as of the date possession is given to the condemner. All condemnation proceeds, exclusive of those allocated by the condemner to Tenant's relocation costs and trade fixtures, belong to Landlord.

21. **Hazardous Material:** Tenant shall not cause or permit any use, storage, generation, release or disposal of any Hazardous Material in or about the Premises or the property on which the Premises are part. However, Tenant is permitted to make use of such materials that are required to be used in the normal course of tenant's business and limited quantities of standard office and janitorial supplies containing chemicals categorized as Hazardous Material, provided Tenant complies with all applicable Laws and Orders related to the use, storage and disposal of the Hazardous Material. If the presence of any Hazardous Material brought onto the Premises by Tenant or Tenant's employees, agents, contractors, or invitees results in contamination, Tenant shall promptly take all necessary actions to remove or remediate such Hazardous Materials, whether or not they are present at concentrations exceeding state or federal maximum concentration or action levels, or any governmental agency has issued a cleanup order at Tenant's sole expense, to return the Premises and Real Property to the condition that existed before the introduction of such Hazardous Material. Tenant shall first obtain Landlord's approval of the proposed removal or remedial action. Definition of "Hazardous Material". As used in this Lease, "Hazardous Material" means any hazardous or toxic substance, material, or waste at any concentration that is or becomes regulated by the United States, the State of California, or any local government authority having jurisdiction over the Premises.

Tenant shall, at Tenant's sole expense and with counsel reasonably acceptable to Landlord, indemnify, defend, and hold harmless Landlord and Landlord's shareholders, directors, officers, employees, partners, affiliates, agents, successors, and assigns with respect to all losses arising out of or resulting from the release of any Hazardous Material in or about the Premises, or the violation of any Environmental Law, by Tenant or Tenant's agents,

assignees, contractors, or invitees. This indemnification applies whether or not the concentrations of any such Hazardous Material exceed state or federal maximum contaminant or action levels, or any governmental agency has issued a cleanup order. This indemnification includes:

- (a) Losses attributable to diminution in the value of the Premises or Real Property;
- (b) Loss or restriction of use of rentable space;
- (c) Adverse effect on the marketing of any space;
- (d) All other liabilities, obligations, penalties, fines, claims, actions (including remedial or enforcement actions of any kind and administrative or judicial proceedings, orders, or judgments), damages (including consequential and punitive damages) and costs (including attorney, consultant, and expert fees and expenses) resulting from the release or violation. This indemnification shall survive the expiration or termination of this Lease.

22. **Entry:** Tenant shall make the Premises available to Landlord or Landlord's agent for the purpose of entering to make inspections necessary or agreed repairs, alterations, or improvements, or to supply necessary or agreed services, or to show Premises to prospective or actual purchasers, tenants, mortgagees, lenders, appraisers, or contractors. Landlord and Tenant agree that 24 hours notice (oral or written) shall be reasonable and sufficient notice. In an emergency, Landlord or Landlord's representative may enter Premises at any time without prior notice.
23. **Tenant's Obligations Upon Vacating Premises:** Upon termination of Agreement, Tenant shall: (i) give Landlord all copies of all keys or opening devices to the Premises, including common areas; (ii) vacate the Premises and surrender it to Landlord empty of all persons, trade fixtures and personal property; (iii) vacate all parking and storage spaces; (iv) give written notice to Landlord of Tenant's forwarding address if different than that shown in Paragraph 32; (v) clean and deliver the Premises to Landlord in the condition as described as follows: With the exception of trade fixtures, all fixtures, room heaters, water heaters, HVAC units, improvements and modifications to the premises made by Landlord at Tenants request or made by Tenant, with or without Landlord's consent, become the property of Landlord upon termination if Landlord determines they may be desirable to future tenants. Landlord may nevertheless require Tenant to remove any such fixtures. Any holes or other damage in floors, walls or ceilings or any modifications to the premises made by or at the request of the Tenant or by a previous tenant from which the Tenant purchased or accepted the trade fixtures and/or premise modifications, are to be repaired, replaced and/or re-establish to the condition that existed prior to the installation of those trade fixtures or the modification of the premise.
24. **Subletting/Assignment:** Tenant shall not sublet or encumber all or any part of the Premises, or assign or transfer this Lease Agreement or any interest in it, without the prior written consent of Landlord, which shall not be unreasonably withheld. Unless such consent is obtained, any subletting, assignment, transfer, or encumbrance of the Premises, agreement, or tenancy, by voluntary act of Tenant, operation of law, or otherwise, shall be null and void, and, at the option of Landlord, terminate this agreement. Any proposed sublessee, assignee, or transferee shall submit to Landlord an application and credit information for Landlord's approval, and, if approved, sign a separate written agreement with Landlord and Tenant. Landlord's consent to any one sublease, assignment, or transfer, shall not be construed as consent to any subsequent sublease, assignment, or transfer, and does not release Tenant of Tenant's obligation under this agreement.
25. **Breach of Contract/Early Termination:** In event Tenant, prior to expiration of this agreement, breaches any obligation in this agreement, abandons the premises, or gives notice of tenant's intent to terminate this tenancy prior to its expiration, in addition to any obligations established by the above paragraph, Tenant shall also be responsible for lost rent, rental commissions, advertising expenses, and painting costs necessary to ready Premises for re-rental. Landlord may also recover from Tenant: (i) the worth, at the time of award, of the unpaid Rent that had been earned at the time of termination; (ii) the worth, at the time of award, of the amount by which the unpaid Rent that would have been earned after expiration until the time of award exceeds the amount of such rental loss the Tenant proves could have been reasonably avoided; and (iii) the worth, as the time of award, of the amount by which the unpaid Rent for the balance of the term after the time of award exceeds the amount of such rental loss that Tenant proves could be reasonably avoided. Landlord may elect to continue the tenancy in effect for so long as Landlord does not terminate Tenant's right to possession, by either written notice of termination of possession or by relenting the Premises to another who takes possession, and Landlord may enforce all Landlord's rights and remedies under this agreement, including the right to recover the Rent as it becomes due.
26. **Tenancy Statement (Estoppel Certificate):** Tenant shall execute and return a tenancy statement (estoppel certificate), delivered to Tenant by Landlord or Landlord's agent, within 3 days after its receipt. The tenancy statement shall acknowledge that this agreement is unmodified and in full force, or in full force as modified, and state the modifications. Failure to comply with this requirement: (i) shall be deemed Tenant's acknowledgement

that the tenancy statement is true and correct, and may be relied upon by a prospective lender or purchaser; and (ii) may be treated by Landlord as a material breach of this agreement. Tenant shall also prepare, execute, and deliver to Landlord any financial statement (which will be held in confidence) reasonable requested by a prospective lender or buyer.

27. **Landlord's Transfer:** Tenant agrees that the transferee of Landlord's interest shall be substituted as landlord under this agreement. Landlord will be released of any further obligation to Tenant regarding the security deposit, only if the security deposit is returned to Tenant upon such transfer, or if the security deposit is actually transferred to the transferee. For all other obligations under this agreement, Landlord is released of any further liability to Tenant, upon Landlord's transfer.
28. **Subordination:** This agreement shall be subordinate to all existing liens and, at Landlord's option, the lien of any first deed of trust or first mortgage subsequently placed upon the real property of which the Premises are a part, and to any advances made on the security of the Premises, and to all renewals, modifications, consolidations, replacements, and extensions. However, as to the lien of any deed of trust or mortgage entered into after execution of this agreement, Tenant's right to quiet possession of the Premises shall not be disturbed if Tenant is not in default and so long as Tenant pays the Rent and observes and performs all of the provisions of this agreement, unless this agreement is otherwise terminated pursuant to its terms. If any mortgagee or trustee elects to have this agreement placed in a security position prior to the lien of a mortgage or deed of trust, and gives written notice to Tenant, this agreement shall be deemed prior to that mortgage or deed of trust, or the date of recording.
29. **Dispute Resolution:**
- A. **Mediation:** Tenant and Landlord agree to mediate any dispute or claim arising between them out of this agreement, or any resulting transaction, before resorting to arbitration or court action, subject to paragraph 29B(2) below. Paragraphs 29B(2) applies whether or not the arbitration provision is initialed. Mediation fees, if any shall be divided equally among the parties involved. If for any dispute or claim to which this paragraph applies, any party commences an action without first attempting to resolve the matter through mediation, or refuses to mediate after a request has been made, then that party shall not be entitled to recover attorney fees, even if they would otherwise be available to that party in any such action.  
THIS MEDIATION PROVISION APPLIES WHETHER OR NOT THE ARBITRATION PROVISION IS INITIALED.
- B. **Arbitration of Disputes:** (1) Tenant and Landlord agree that any dispute or claim in Law or equity arising between them out of this agreement or any resulting transaction, which is not settled through mediation, shall be decided by neutral, binding arbitration, including and subject to paragraphs 29B(2). The arbitrator shall be a retired judge or justice, or an attorney with at least 5 years of real estate transactional law experience, unless the parties mutually agree to a different arbitrator, who shall render an award in accordance with substantive California Law. In all other respects, the arbitration shall be conducted in accordance with Part III, Title 9 of the California Code of Civil Procedure. Judgment upon the award of the arbitrator(s) may be entered in any court having jurisdiction. The parties shall have the right to discover in accordance with Code of Civil Procedure §1283.05.
- (2) **Exclusions From Mediation And Arbitration:** The following matters are excluded from Mediation and Arbitration hereunder: (i) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage, or installment land sale contract as defined in Civic Code §2985; (ii) an unlawful detainer action; (iii) the filing or enforcement of mechanic's lien; (iv) any matter that is within the jurisdiction of a probate, small claims, or bankruptcy court; and (v) an action for bodily injury or wrongful death, or for latent or patent defects to which Code of Civil Procedure §337.1 or §337.15 applies. The filing of a court action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies, shall not constitute a violation of the mediation and arbitration provisions.
- **"NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER**

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**AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY."**

**"WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION TO NEUTRAL ARBITRATION."**

Landlord's Initials: \_\_\_\_\_ Tenant's Initials: \_\_\_\_\_ / \_\_\_\_\_

30. **Joint and Individual Obligations:** If there is more than one Tenant, each one shall be individually and completely responsible for the performance of all obligations of Tenant under this agreement, jointly with every other Tenant, and individually, whether or not in possession.
31. **Guarantor:** The Guarantors, if any, shall each execute a guaranty and each such Guarantor shall have the same obligation as Tenant under this agreement. It shall constitute a Default of the Tenant if any Guarantor fails or refuses, upon request to provide: (a) evidence of the execution of the guaranty, including the authority of the party signing on Guarantor's behalf to obligate Guarantor, and in the case of a corporate Guarantor, a certified copy of a resolution of its board of directors authorizing the making of such guaranty, (b) current financial statements, (c) an Estoppel Certificate, or (d) written confirmation that the guaranty is still in effect
32. **Notice:** Notices may be served by mail, facsimile, or courier at the following address or location, or at any other location subsequently designated:
- |                                                                                                |                                                                                                            |
|------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|
| Landlord: Schall Investments, Corp.<br>975 Bevins Street<br>Lakeport, CA 95453<br>707-349-3382 | Tenant: Lake County Department of Social Services<br>P.O. Box 9000<br>Lower Lake, CA 95457<br>707-995-4260 |
|------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|
- Notice is deemed effective upon the earliest of the following: (i) personal receipt by either party or their agent; (ii) written acknowledgement of notice; or (iii) 5 days after mailing notice to such location by first class mail, postage pre-paid.
33. **Waiver:** The waiver of any breach shall not be construed as a continuing waiver of the same breach or a waiver of any subsequent breach.
34. **Indemnification:** Tenant shall indemnify, defend and hold Landlord harmless from all claims, disputes, litigation, judgments and attorney fees arising out of Tenant's use of the Premises.
35. **Other Terms And Conditions/Supplements:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The following ATTACHED supplements/exhibits are incorporated in this agreement::

☐ Exhibit "A", Pre-occupancy Improvements

☐ Other \_\_\_\_\_

36. **Attorney Fees:** In any action or proceeding arising out of this agreement, the prevailing party between Landlord and Tenant shall be entitled to reasonable attorney fees and costs from the non-prevailing Landlord or Tenant, except as provided in paragraph 29A.



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37. **Entire Contract:** Time is of the essence. All prior agreements between Landlord and Tenant are incorporated in this agreement, which constitutes the entire contract. It is intended as a final expression of the parties' agreement, and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. The parties further intend that this agreement constitutes the complete and exclusive statement of its terms, and that no extrinsic evidence whatsoever may be introduced in any judicial or other proceeding, if any, involving this agreement. Any provision of this agreement that is held to be invalid shall not affect the validity or enforceability of any other provision in this agreement. This agreement shall be binding upon, and inure to the benefit of, the heirs, assignees and successors to the parties.

I have read, understand and approve all the terms of this Lease Agreement.

TENANT(S)

LANDLORD

COUNTY OF LAKE

SCHALL INVESTMENTS, CORP.

\_\_\_\_\_  
CHAIR, Board of Supervisors

\_\_\_\_\_  
Date

By: Bonnie Schall 4/5/18  
Bonnie Schall, Manager Date

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

\_\_\_\_\_  
Date

APPROVED AS TO FORM: ANITA L. GRANT  
County Counsel

Anita L. Grant  
Date