LEASE AGREEMENT BETWEEN THE COUNTY OF LAKE AND JOHN ALLEN DYE TRUST OF 1993 FOR THE PREMISES LOCATED AT 325 N FORBES ST, LAKEPORT, CA 95453

This LEASE AGREEMENT is made this _____ day of _____, between John Allen Dye Trust of 1993, (hereinafter, LESSOR) and the County of Lake (hereinafter, LESSEE)

RECITALS

WHEREAS, the LESSOR owns certain premises situated at 325 N. Forbes St. in Lakeport, and desire to secure a long-term tenant for this facility; and

WHEREAS, the LESSEE's Office of the Registrar of Voters is in need of additional space in Lakeport for the conduct of election-related activities; and

WHEREAS, the previous tenant at 325 N. Forbes St., Lakeport, leased the premises for a period of multiple decades, and over that time, maintenance and improvements of flooring and restroom facilities, as well as updates for the purpose of Americans with Disabilities Act compliance have been deferred; and

WHEREAS, it is therefore necessary for the County, as LESSOR, to renovate the space prior to utilization for the conduct of County government business.

NOW, THEREFORE, the parties agree hereto as follows:

LESSOR hereby leases to the LESSEE, and LESSEE hires from LESSOR on the terms and conditions hereinafter set forth, those certain premises situated in the area of Lakeport, County of Lake, State of California, described as:

325 N. FORBES ST, LAKEPORT, CA 95453 APN: 025-375-08

- 1. <u>**Term**</u>. The term of this Lease Agreement shall be for a ten-year period commencing August 1, 2021 and terminating on July 31, 2031.
- 2. <u>**Rental Amount**</u>. LESSEE hereby agrees to pay LESSOR as monthly rent one dollar and eleven cents (\$1.11) per approximately two thousand (2,000) square feet, or two thousand, two hundred twenty dollars (\$2,220.00) per month, which includes LESSOR's cost for Real Property Taxes and insurance coverages, commencing August 1, 2021, and continuing during the term, subject to adjustment as set forth in the immediately below paragraph. All rent shall be paid to LESSOR at the address to which notices to LESSOR are given.

The monthly rent payment shall be fixed for the period of August 1, 2021, through July 31, 2026. Monthly rental value for subsequent years will be adjusted on August 1 of each subsequent year during the term of this Lease Agreement. Said adjustments shall equal ninety percent (90%) of the percentage increase in the Consumer Price Index ("CPI"), for all urban consumers in the San Francisco-Oakland-San Jose areas as published by the U.S. Bureau of Labor Statistics, except that said adjustments shall be capped, and shall not exceed a two (2%) increase over the actual monthly rent for each prior year.

- 3. <u>Option to Renew</u>. LESSEE is hereby granted and, if not at the time in default under this lease or any extension thereof, shall have an option to renew this lease, in two-year (2-year) increments, for ten (10) additional years from the expiration date of this lease, under the same terms, covenants and conditions so far as applicable as herein contained, except that rent provided shall be annually adjusted, in accordance with the provisions set forth in Section 2, paragraph 2 of this Lease Agreement.
- 4. <u>Termination</u>. This Lease Agreement may be terminated as follows:
 A. At any time, upon mutual consent of both parties to the Agreement; or
 - B. By either party, upon failure of the other party to comply with the terms and conditions of this Lease Agreement provided, however, thirty (30) days' written notice shall be given to the other party, unless the default is such that more than thirty (30) days are reasonably required for its cure; then, it shall not be deemed a breach of this Lease Agreement if such party commences such cure within said thirty-day (30-day) period, and thereafter diligently pursues such cure to completion.
- 5. <u>**Purpose of Lease**</u>. The premises are hereby leased to LESSEE for the purpose of conducting the business of the County's Elections/Registrar of Voters office, other County and/or related business.
- 6. <u>Condition of the Premises and Alterations</u>. Except as set forth in Section 8 herein, the LESSEE accepts the premises "as is" in their condition at the commencement of the Lease term.

The parties hereto agree and mutually understand the LESSEE shall require certain building alterations and improvements to render the leased premises suitable for longterm occupancy. Initial agreed upon facility improvements are described in Exhibit A, attached hereto.

Subsequent alterations shall be subject to written pre-approval by LESSOR and shall be completed by the LESSEE, at the LESSEE's expense. LESSOR agrees that upon receipt of request for said alterations, LESSOR shall provide approval or disapproval within fifteen (15) working days, and written consent shall not be unreasonably withheld. In the event reasonable alterations cannot be agreed on by the parties, LESSEE shall have the option to terminate said lease, providing (30) days' written notice to LESSOR.

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All removable fixtures and partitions installed by the LESSEE shall remain the property of LESSEE, and shall be removed by LESSEE, provided that, in so doing, leased premises shall be restored to original condition, reasonable wear and tear excepted. LESSEE shall keep the leased premises free from any liens arising out of any work performed, materials furnished or obligations incurred by LESSEE.

7. <u>Utilities</u>. LESSEE shall pay for all gas, heat, light, power, water, telephone, broadband internet and all other services supplied to the leased premises.

8. Maintenance and Repair.

A. LESSEE shall, its own expense, keep and maintain the walkways and interior of the leased premises and every part thereof in a clean and sanitary condition. LESSEE shall, at its own cost and expense, make Minor Repairs, as needed, to the windows, exterior walls, heating and cooling facilities, exposed plumbing, water heater and appliances, as necessary to maintain good condition and repair throughout the term of the lease and any extensions thereof. All preventive maintenance, or major repair or replacement of building systems as deemed practical and necessary by a third party selected by both parties, shall be undertaken by LESSOR at its own expense. Additionally, all roof maintenance, including major and minor repairs, shall likewise be undertaken by the LESSOR at its own expense.

LESSOR shall undertake Major Repairs and replacements within a reasonable period, commensurate to the urgency of the need (e.g., a major repair need affecting the security of the facility will be undertaken immediately; major repair or replacement of heating and cooling facilities will be undertaken in 1-7 days; habitability issues shall be addressed as soon as possible and practical, not to exceed 30 days). Repairs and replacements shall be at least equal in quality, value and utility to the original work or installation, and be in accordance with all laws. LESSEE shall likewise conduct minor repairs in timely manner (typically 7 or fewer days).

Minor Repairs shall be understood to mean repairs that do not extend the useful life of the building, whereas Major Repairs would be expected to extend the building's useful life.

Should need of such preventive maintenance, Major Repairs and/or replacements render the facility unfit for the conduct of County business, as described in Section 5, the lease payment shall abate in proportion to the area not used by the LESSEE during the period of restoration. If LESSOR should fail to pursue restoration work with reasonable diligence to completion, LESSEE, at its sole option may surrender the premises and shall not be liable for any further lease payments under this Lease Agreement.

B. Excluding normal wear and tear, LESSEE shall, at its sole expense, be responsible for the cost of repairing any area damaged by LESSEE or LESSEE's agents, employees, invitees and visitors.

All repairs necessitated by such damage of LESSEE responsibility shall: (1) be made and performed by County of Lake Buildings and Grounds staff and/or contractors or mechanics approved by LESSOR, which consent shall not be unreasonably withheld or delayed; (2) be at least equal in quality, value and utility to the original work or installation; and (3) be in accordance with all laws.

- C. Agreed upon improvements required for long-term occupancy (*see Exhibit A*) shall be undertaken by the LESSEE, at its own expense. It is understood and agreed by both parties initial lease terms have been prepared in consideration of the present condition of the premises, and needed improvements.
- D. LESSEE shall, at its own expense, maintain exterior landscaping and parking facilities of leased premises in clean and orderly condition. LESSOR shall, at its own expense, undertake any parking lot preventive maintenance, rehabilitation or replacement necessitated by normal wear and tear and/or damage not caused by LESSEE or LESSEE's agents, employees, invitees and visitors, as deemed practical and necessary by a third party selected by both parties.
- 9. <u>Asbestos Warning</u>. Notwithstanding any other provisions of the law, the owner of any building constructed prior to 1979, who knows that the building contains asbestos containing construction materials, shall provide notice to all employees of that owner working within the building. Should LESSOR know of any asbestos containing material, LESSOR will notify LESSEE within ten (10) days. If LESSEE has a reasonable belief the premises contain asbestos containing material, and LESSOR does not wish to perform the required testing and remediation, should any be necessary, LESSEE may terminate the Lease Agreement on thirty (30) days written notice to LESSOR.
- 10. <u>Inspection of Premises</u>. LESSOR, or its duly authorized representatives or agents, may enter the leased premises during business hours after giving LESSEE twenty-four (24) hours' notice. LESSOR may enter for the purpose of determining whether LESSEE is complying with the terms and conditions of the lease.
- 11. **Destruction of Premises**. LESSOR agrees that should the demised premises be so badly damaged by fire, incidents of war, earthquake, or other violent action of the elements as to render them wholly unfit for LESSEE's occupancy, then this Lease Agreement shall be terminated immediately upon the happening of any such event whereupon LESSEE shall surrender the premises and shall not be liable for any further payments.

In the event of any lesser damage by any such cause, LESSOR shall restore the premises to the condition it was in immediately prior to the event causing the damage, and the lease payment shall abate in proportion to the area not used by the LESSEE during the period of restoration. If LESSOR should fail to pursue restoration work with reasonable diligence to completion, LESSEE, at its sole option may surrender the premises and shall not be liable for any further lease payments under this Lease Agreement.

Nothing herein contained 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.

- 12. <u>Holding Over</u>. In case LESSEE holds over beyond the end of the term of this Lease Agreement, with the expressed consent of the LESSOR, such tenancy shall be from month-to-month, only, subject to the terms and conditions of this Lease Agreement, but shall not be deemed to be a renewal. The rent to be paid in a hold over situation shall be at the rate provided in the terms of this Lease Agreement.
- 13. <u>Assignment</u>. LESSEE shall neither assign this Lease nor sublet the leased premises without first obtaining the written consent of the LESSOR to do so, provided, however, that LESSOR shall not arbitrarily or unreasonably refuse to grant consent to such assignment or subletting. Any assignment or subletting without the consent of LESSOR shall be void and shall, at the option of the LESSOR, terminate this Lease. LESSEE shall not be released from liability hereunder upon any such assignment or subletting.
- 14. <u>Successors</u>. Each and all of the terms and agreements contained in this Lease Agreement shall be binding upon and shall inure to the benefit of the successors in the interest of the LESSOR and, wherever the context permits or requires, successors in the interest of the LESSEE.
- 15. <u>Attorney's Fees</u>. In case suit shall be brought with respect to any of the provisions of this Lease, the prevailing party shall recover from the non-prevailing party a reasonable attorney's fee, which shall be fixed by the court.
- 16. <u>Modification</u>. This Lease may only be modified by a written amendment hereto, executed by both parties. However, matters concerning the scope of this Lease which do not affect the agreed monthly rental value, as described in Section 2 of this Agreement, may be modified by mutual written consent of LESSOR and LESSEE, executed on behalf of the LESSEE by the County Administrative Officer.
- 17. <u>Notices</u>. All Notices desired or required to be given by this Lease Agreement or by any law now in effect, or later enacted, may be given by enclosing the Notice in a sealed envelope addressed to the party for whom intended, and by depositing such envelope,

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with postage prepaid, in United States Mail. The envelope containing the Notice to the LESSOR shall be addressed as follows:

John Allen Dye Trust of 1993 c/o Casey A. Dye P.O Box 189 Lakeport, CA 95453

The envelope containing the Notice to the LESSEE shall be addressed as follows

County of Lake County Administrative Officer 255 N. Forbes Street Lakeport, CA 95453

- 18. <u>Surrender</u>. LESSEE shall surrender the premises to the LESSOR at the expiration of this Lease Agreement in as good a condition as at the commencement of it, excepting reasonable wear and tear, damages and destruction by the elements or any other cause than the want of ordinary care by the LESSEE.
- 19. <u>Abandonment</u>. LESSEE shall not vacate or abandon the leased premises at any time during the term of this Lease.
- 20. <u>Lessor's Remedies</u>. LESSOR shall have the remedies provided for by California law in the event of a default by LESSEE hereunder.
- 21. <u>Insurance</u>. At its own cost and expense, the LESEE shall maintain insurance coverage for the replacement cost of all of the LESSEE's personal property, LESSEE-owned alterations and utility installations in, on or about the premises, and shall use the proceeds from each such insurance for the replacement of said personal property, and restoration of alterations and utility installations. LESSOR shall have no responsibility for the replacement costs of LESSEE's personal property and LESSEE-owned alterations and utility installations in, on or about the premises.

At its own cost and expense, the LESSOR shall maintain insurance coverage for the replacement cost of all LESSOR's real property, building and premises, contiguous structures and improvements, which names the LESSEE as an additional insured and includes an endorsement waiving the right of subrogation, and shall use the proceeds from such insurance for the replacement of said real property, restoration of building and premises, contiguous structures and improvements. LESSEE shall have no responsibility for replacement costs of LESSOR's real property, building and premises, contiguous structures and improvements.

LESSEE shall maintain Worker's Compensation insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease.

Any deductibles or self-insured retentions ("SIR") must be declared to and approved by the LESSOR, and shall not reduce the limits of liability.

All policies of insurance provided by the LESSEE shall be primary to any coverage available to the LESSOR or the LESSOR's officials, officers, employees, agents or volunteers. Any insurance or self-insurance maintained by the LESSOR or the LESSOR's officials, officers, employees, agents or volunteers shall be in excess of the LESSEE's insurance, and shall not contribute with it.

- 22. <u>Indemnification</u>. Each party hereto agrees to indemnify, defend and save the other party, its agents, officers, representatives and employees, harmless from and against any and all liability or loss resulting from claims or court action arising directly or indirectly out of the acts of that party, its agents, officers, representatives, employees, guests or business visitors under this Agreement or by reason of any act of omission of such person.
- 23. <u>Waiver of Rights of Subrogation</u>. The parties agree that, in the event of loss due to any of the perils for which they have agreed to provide insurance, each party shall look solely to its insurance for recovery. LESSOR and LESSEE grant to each other on behalf of any insurer providing insurance to either of them with respect to the Premises, a waiver of any right of subrogation which any insurer of one party may acquire against the other by virtue of payment of any loss under such insurance.
- 24. <u>Entire Agreement</u>. This Lease Agreement supersedes any and all other agreements, either oral or in writing, between any of the parties herein with respect to the subject matter hereof, and contains all the agreements between the parties with respect to such matter. Each party acknowledges that no representations, inducements, promises or agreements, oral or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not embodied herein, and that no other agreement, statement or promise not contained in this Lease Agreement shall be valid or binding.
- 25. **Duplicates Counterparts**. This Lease Agreement may be executed in duplicate counterparts, each of which shall be deemed a duplicate original.

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IN WITNESS WHEREOF, County and City executed this Lease Agreement on the day and year first written above.

COUNTY OF LAKE

JOHN ALLEN DYE TRUST OF 1993

Carol J. Huchingson County Administrative Officer Casey A. Dye Trustee

APPROVED AS TO FORM: Anita L. Grant County Counsel

: Aite Gent 021 17:50 PDT)

EXHIBIT A TO LEASE AGREEMENT BETWEEN THE COUNTY OF LAKE AND JOHN ALLEN DYE TRUST OF 1993 FOR THE PREMISES LOCATED AT 325 N FORBES ST, LAKEPORT, CA 95453

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LESSOR and LESSEE hereby agree the following improvements are needed prior to occupancy by the LESSEE, and shall be undertaken at the LESSE's expense, for the premises situated at:

325 N. FORBES ST, LAKEPORT, CA 95453 APN: 025-375-08

- 26. <u>**Restrooms Renovation**</u>. To specifications of LESSEE, to include Americans with Disabilities Act (ADA) upgrades.
- 27. <u>Enclosed Offices in Main Area</u>. To include construction of walls, installation of doors and wiring and Heating, Ventilation and Air Conditioning (HVAC) work necessitated.
- 28. <u>**Customer Service Counter**</u>. To LESSEE specifications, for the conduct of Elections-related business.
- 29. <u>New Flooring</u>. To LESSEE specifications, for the conduct of Elections-related business.
- 30. <u>Interior Paint</u>. All interior walls.
- 31. <u>Modification of Front Door/Entryway</u>. To specifications of LESSEE, to include ADA upgrades. Removal of existing shrubs and planter retaining wall.
- 32. <u>**Renovation of Existing Janitorial Room**</u>. To LESSEE specifications, for the conduct of Elections-related business.

Prior to commencement of building improvements, LESSEE shall provide a final plan to the LESSOR. This is understood to be a courtesy, and approval to undertake renovations necessary for initial occupancy is mutually understood to be granted by virtue of execution of this Lease Agreement.

2021-07-13 Lease Agreement - 325 N Forbes Lakeport

Final Audit Report

2021-07-09

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