

LEASE AGREEMENT

THIS LEASE is entered into on June 27, 2006, between the EARLMART SCHOOL DISTRICT (LESSOR), and the COUNTY OF TULARE (COUNTY), who agree as follows:

1. **LEASE:** LESSOR leases to COUNTY and COUNTY leases from LESSOR, a 1890 sq. ft. building and adjacent parking lot located south of the LESSOR'S administration building addressed as 785 E. Center, in the Community of Earlimart, State of California, delineated in Exhibit A attached.

2. **TERM/OPTION TO RENEW:** The term shall commence when executed by the COUNTY and shall continue on a month to month tenancy.

3. **RENT:** COUNTY shall pay to LESSOR monthly rent, without deduction, set off, prior notice, or demand of \$1,200 payable in advance on the first day of each month, commencing on the date the term commences, and continuing during the term. Rent shall be prorated for any partial month at the rate of 1/30th of the monthly rent per day.

4. **ACCEPTANCE:** On the commencement of the term, the premises shall be in good condition. COUNTY taking possession of the premises on commencement of the term shall constitute COUNTY'S acknowledgement the premises are in good condition.

5. **USE:** COUNTY uses the premises for offices for the Health and Human Services Agency. COUNTY shall not be obligated to comply with any law that requires alterations, maintenance, or restoration to the premises unless the alterations, maintenance or restoration are required as a result of COUNTY's particular and specific use of the premises at the time. COUNTY shall not use the premises in any manner that will constitute waste or nuisance.

6. **MAINTENANCE:** LESSOR will be responsible for all maintenance, repair and upkeep of the entire premises, including without limitation, the parking lot, grounds, building and improvements, and equipment and fixtures attached thereto. Such responsibility shall include, without limitation, the following:

a. The structural parts of the building and other improvements in which the premises are located, which structural parts include the foundations, bearing and exterior walls, sub flooring, and roof;

- b. The exposed and unexposed electrical, plumbing, and sewage systems, including, without limitation, those portions of the systems lying outside the premises;
- c. Window frames, gutters, and down spouts on the building and other improvements in which the premises are located;
- d. Heating, ventilating, and air-conditioning systems (HVAC) servicing the premises;
 - 1. The HVAC shall be inspected at least once every 12 months and problems found during these inspections shall be corrected within thirty days from discovery.
 - 2. Inspections and maintenance of the HVAC system shall be documented in writing. The Lessor shall record the names of the individual(s) inspecting and/or maintaining the system, the date of the inspection and/or maintenance, and the specific findings and action taken. The Lessor shall ensure that the records are kept for at least five years. The lessor shall provide the County a copy of the record of inspection within 30 days of the inspection.
- e. Light fixtures, ballasts and replacements bulbs;
- f. Pest control;
- g. Maintain building compliant with current and future ADA requirements.

In cases of emergency the LESSOR will take immediate steps to protect persons and property. If the LESSOR does not take the necessary steps, COUNTY will have the right to repair or contract to repair and to be reimbursed by LESSOR. If the full amount of the reimbursement is not delivered by LESSOR to COUNTY within 10 days after COUNTY's delivery to LESSOR of a written statement or bill evidencing the cost of the repair, COUNTY will have the right to deduct the cost of repair from the next monthly rent payment.

Except for cases of emergency, LESSOR will make all repairs as soon as is possible. In the event LESSOR has not made a repair referred to in a written notice from COUNTY to LESSOR within 30 days after date of notice, COUNTY will have the right to repair or contract to repair and be reimbursed by LESSOR. If the full amount of the reimbursement is not delivered by LESSOR to COUNTY within 10 days after COUNTY's delivery to LESSOR of a written statement or bill evidencing the cost of the repair, COUNTY will have the right to deduct the cost of repair from the next monthly rent payment.

7. **ALTERATIONS:** COUNTY shall not make any structural or exterior alterations to the premises without LESSOR's consent, which consent shall not be unreasonably withheld;

however, COUNTY shall have the right without cost to the LESSOR to make, without LESSOR's consent, nonstructural alterations to the premises that COUNTY requires in order to conduct its operations on the premises.

Upon termination of the tenancy, COUNTY shall have the right to remove from the premises immediately before the termination of the tenancy, or within ten (10) days thereafter, any alterations COUNTY has made to the premises, as long as the removal will not cause any structural damage to the premises, and COUNTY at its cost promptly restores any damage caused by the removal.

8. **MECHANICS LIENS:** COUNTY shall pay all costs for construction done by it or caused to be done by it on the premises as permitted or required under this Agreement. COUNTY shall keep the building, other improvements, and land on which the premises are located free and clear of all mechanics liens resulting from construction or repair work done by or for COUNTY.

9. **UTILITIES AND JANITORIAL:** COUNTY shall make all arrangements for, and pay for, all utilities and services furnished or to be used by COUNTY, including, without limitation, gas, electricity, except that LESSOR shall provide utilities and janitorial to the common areas. LESSOR shall provide all fire extinguishers and related signs. COUNTY shall furnish, at its own expense, all janitorial services to space exclusively occupied by COUNTY. COUNTY shall arrange for the installation of any and all telephones it shall require, and pay for any and all charges relating thereto.

10. **INDEMNITY:** LESSOR shall not be liable to COUNTY for any damage to COUNTY or COUNTY's property from any cause, except that LESSOR shall be liable to COUNTY for damage to COUNTY resulting from the acts or omissions of LESSOR, his agents and employees.

COUNTY shall hold LESSOR harmless from all damages arising out of any injury or damage to person or property occurring in, on, or about the premises, except that LESSOR shall be liable to COUNTY for, and shall hold COUNTY harmless from, injury or damage resulting from the acts or omissions of LESSOR, his agents and employees.

11. **INSURANCE:** LESSOR acknowledges and agrees that COUNTY is a self-insured entity, and waives any requirement that COUNTY procure and/or maintain insurance of

any kind, including liability and/or fire/extended coverage insurance. Prior to approval of this Agreement by COUNTY, LESSOR shall file with the Clerk of the Board of Supervisors evidence of the required insurance as set forth in Exhibit B attached.

12. DESTRUCTION: In the event the building on the demised premises shall be totally or partially destroyed by fire, earthquake, or other casualty so as to render that part of said building hereby leased unfit in whole or in part for occupancy, COUNTY shall be entitled to a reduction in the rental during the period that such part remains unrepaired or unrestored, in proportion to the amount of floor space unfit for occupancy bears to the total floor space included in the lease; provided, however, that if it should reasonably appear that LESSOR cannot or will not restore or repair the premises within ninety (90) days from the date of such damage, either party shall be entitled to terminate the lease by giving the other party notice in writing of intention to so terminate ten (10) days before the proposed date of termination.

13. CONDEMNATION: If, during the tenancy, there is any taking by condemnation of all or part of the building, other improvements, or land of which the premises are a part, or any interest in the tenancy, the rights and obligations of the parties shall be determined as follows:

a. If the premises are totally taken by condemnation, the tenancy shall terminate on the date of the taking;

b. If any portion of the premises is taken by condemnation the tenancy shall remain in effect, except that COUNTY may elect to terminate the tenancy by giving notice of same within ten (10) days of the date of the taking.

If any portion of the premises is taken by condemnation and the tenancy remain in effect, the rent shall be reduced by an amount that is in the same ratio to monthly rent as the value of the area of the portion of the premises taken bears to the total value of the premises immediately before the taking.

14. ASSIGNMENT: COUNTY shall not assign or encumber its interest in the tenancy, or sublease all or any part of the premises, without the consent of LESSOR, which consent shall not be unreasonably withheld.

15. DEFAULT: The occurrence of any of the following shall constitute a default:

LESSOR

Failure to perform any provision of this agreement if the failure to perform is not cured within 30 days after notice has been given to LESSOR. In the event LESSOR fails to cure the default, County may, at it's discretion, terminate the agreement upon ten (10) days written notice to LESSOR.

COUNTY

a. Failure to pay rent when due 10 days after receiving a written notice;
b. Abandonment and vacation of the premises;
c. Failure to perform any other provision of this agreement if the failure to perform is not cured within a reasonable time after written notice has been given to COUNTY.

Notices given under this section shall specify the alleged default and the applicable provisions of this agreement, and shall demand that COUNTY perform the provisions within the applicable period of time.

The purpose of the notice requirements set forth in this section is to extend the notice requirements of the unlawful detainer statutes of California.

In the event of a default, the parties shall have the remedies now or later allowed by law.

16. **SIGNS:** COUNTY may not install, or permit any other person to install, any sign, awning, canopy, marquee or other advertising on any exterior wall, door, or window on the premises without LESSOR's prior written consent, which consent shall not be unreasonably withheld. Eleven days after the expiration or termination of this lease, LESSOR may remove and destroy any items, which were permitted to be installed in accordance with the terms of this section and not removed by COUNTY.

17. **LESSOR'S ENTRY ON PREMISES:** LESSOR and his authorized representatives shall have the right to enter the premises at all reasonable times, and after reasonable notice to COUNTY, for any of the following purposes:

a. To determine whether the premises are in good condition and whether COUNTY is complying with the obligation under this agreement;
b. To do any necessary maintenance and to make any restoration to the premises or the building and other improvements in which the premises are located that LESSOR has the right or obligation to perform;

- c. To serve, post, or keep posted any notices required or permitted under this agreement;
- d. To show the premises to prospective brokers, agents, buyers, and prospective COUNTYs at any time during the tenancy.

18. **SURRENDER:** On expiration or other termination of the tenancy, COUNTY shall surrender the premises to LESSOR in good condition, ordinary wear and tear excepted. COUNTY shall remove all its personal property, and shall perform all restoration made necessary by the removal of any alteration or fixtures.

19. **TERMINATION:** Either party may terminate this Agreement for cause upon five (5) days prior written notice to the other party. For purposes of this section, "cause" shall be defined as the failure of either party to remedy any material breach of the Agreement within 30 days of written notice of the breach.

20. **SUCCESSORS:** This agreement shall be binding on, and inure to, the benefit of the parties, their successors and assigns, except as otherwise limited by this agreement.

21. **NOTICE:** Any notice, demand, request, consent, approval or other communication required or permitted under this agreement shall be in writing and either served personally or sent by prepaid, first class mail, certified return receipt requested, and addressed to the other party at the address indicated below:

COUNTY: Board of Supervisors
County of Tulare
Administration Building
2800 W. Burrel
Visalia, CA 93291

COPY TO: County of Tulare
Resource Management Agency
Attn: Property Management
5961 S. Mooney Blvd.
Visalia, CA 93277

LESSOR: Earlimart School District
785 E. Center Avenue
Earlimart, CA 93219

Notice shall be deemed communicated four (4) days from the time of mailing as provided in this section.

22. **WAIVER:** LESSOR's consent to or approval of any act by COUNTY shall not be deemed to waive or render unnecessary LESSOR's consent to or approval of any subsequent act by COUNTY.

23. **INTEGRATION:** This instrument contains all the agreements of the parties relating to the premises and cannot be modified or amended except by a subsequent agreement in writing

24. **SEVERABILITY:** The unenforceability, invalidity, or illegality of any provision of this agreement shall not render the other provisions of the agreement unenforceable, invalid, or illegal.

25. **REDUCTION IN COUNTY'S FUNDING:** LESSOR expressly understands and agrees that COUNTY is dependent upon certain Federal, State and/or local funding to pay the rent provided in this Agreement. If such Federal, State and/or local funding is discontinued and/or reduced, COUNTY shall have the right to: (a) reduce the amount of office space occupied by COUNTY, or (b) terminate the lease. In either event COUNTY shall provide LESSOR with at least 90 days prior written notice of such reduction or termination.

In the event of a reduction in the amount of office space, the monthly rent shall be reduced by an amount equal to the ratio of the total remaining occupied office space in square feet divided by the total office space in square feet previously occupied by COUNTY.

In the event COUNTY reduces the amount of office space, LESSOR, in the exercise of its own absolute discretion, shall have the right to terminate the lease by giving written notice of the exercise of such right to COUNTY within 10 days of its receipt of the notice of reduction from COUNTY. The tenancy shall then terminate 60 days after service of the notice of the exercise of the right to terminate by LESSOR.

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IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

LESSOR

Earlimart School District

Date: 6/28/2006

Kathie White

Df. Marcella Smith, Superintendent
Kathie White, Superintendent's Designee
Board approved on June 27, 2006

COUNTY OF TULARE

Date: _____

By _____
Chairman, Board of Supervisors

ATTEST: C. BRIAN HADDIX
County Administrative Officer/
Clerk of the Board of Supervisors

By _____
Deputy Clerk

Approved as to form:
County Counsel

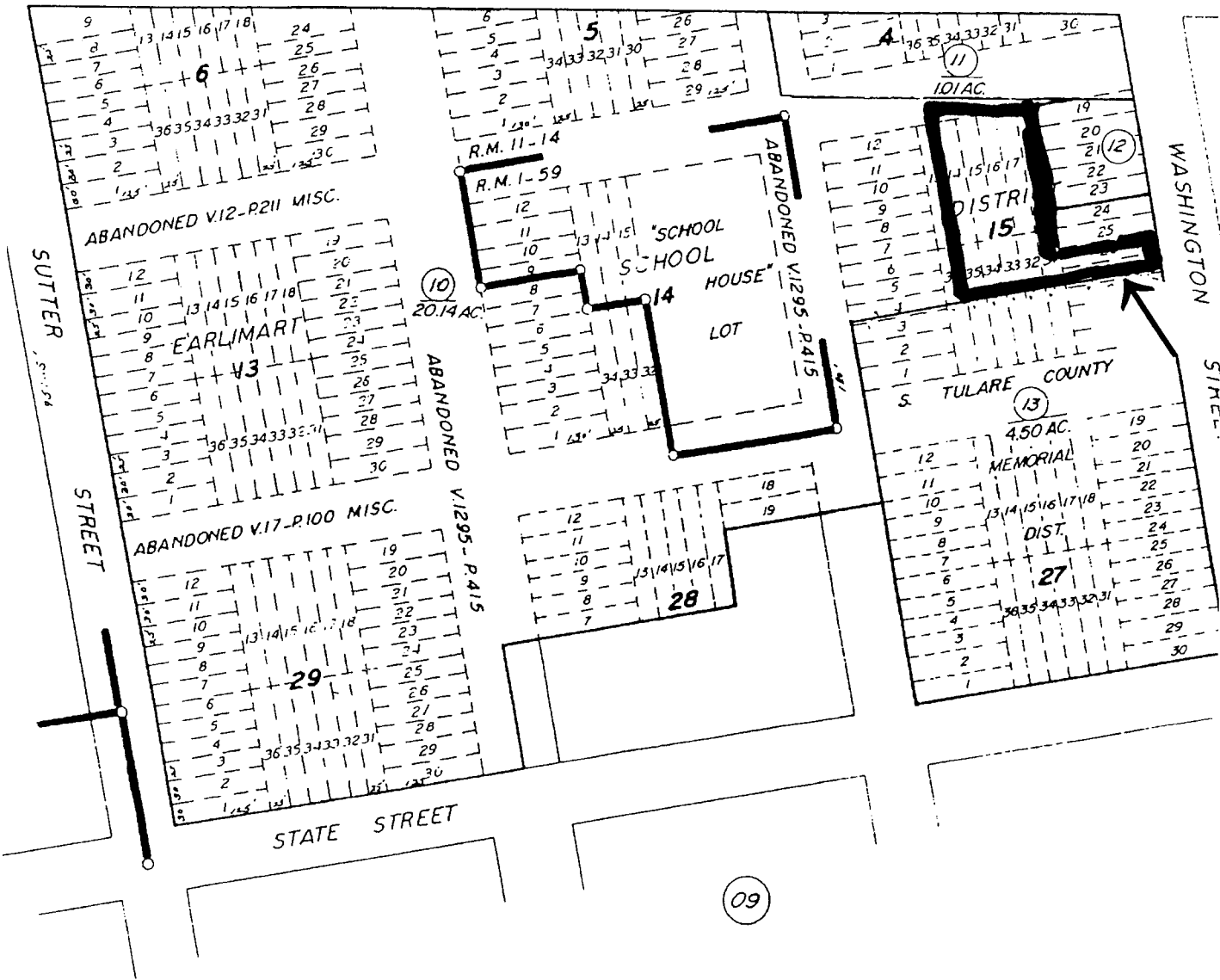
By Clara O. [Signature]
Deputy

Dated 7-6-06

EXHIBIT A

785 E. Center (School Address)

BK.318



782 E. Washington
NEW WIC OFFICE

OL. NO. 2&3 R.M. 11-14. ASSESSOR'S MAPS BK. 315, PG. 08.
 COUNTY OF TULARE, CALIF.

NOTE - ASSESSOR'S BLOCK NUMBERS SHOWN IN ELLIPSES
 ASSESSOR'S PARCEL NUMBERS SHOWN IN CIRCLES

Exhibit B
Insurance Required During Occupancy
(County As Lessee)

Lessor shall provide and maintain insurance for the duration of the this Agreement against claims for injuries to persons and damage to property which may arise from, or in connection with performance under the Agreement by the Lessor, his agents, representatives, employees, or contractors.

A. MINIMUM SCOPE OF AND LIMITS OF INSURANCE.

1. Coverage at least as broad as Commercial General Liability insurance of \$1,000,000.00 combined single limit per occurrence.
 - a. Names the County, its officers, agents, employees and volunteers, individually and collectively as additional insureds.
 - b. States that such insurance for additional insureds shall apply as primary insurance and any other insurance maintained by the County shall be excess.
 - c. Provides that coverage shall not be suspended, voided, canceled or otherwise materially changed except after thirty (30) days prior written notice is given to the County.

B. ACCEPTABILITY OF INSURANCE

Insurance must be placed with insurers with a current rating given by A.M. Best and Company of no less than "A:V" (or as approved by the County Risk Manager) from a company admitted to do business in California.

C. VERIFICATION OF COVERAGE

Prior to approval of the Agreement by Lessor and the County, Lessor shall file with County a Certificate of insurance with original endorsements effecting coverage in form acceptable to the County. The County reserves the right to require certified copies of all required insurance policies at any time.