

L-004
Evaro/DBH5630

LEASE AGREEMENT

THIS LEASE AGREEMENT (hereinafter LEASE) is made and entered into this 19 day of July, 2005, by and between PETER EVARO JR. AND DEBORAH JOY EVARO TRUSTEES OF THE DEBORAH JOY EVARO TRUST, JUNE 1, 2003, P. O. Box 4932, Covina, CA 91723 (hereinafter LESSOR), and the COUNTY OF FRESNO, a political subdivision of the State of California, 2220 Tulare Street, 16th Floor, Fresno, CA 93721-2120 (hereinafter LESSEE).

1. LEASED PREMISES - LESSOR hereby leases to LESSEE the office space at the location commonly known as 40 E. Minarets, Pinedale, CA 93650, which is approximately 2,500 square feet, together common area parking to the south of the Premises, hereinafter referred to as "Premises".

2. TERM - The term of this LEASE shall be for fourteen (14) months commencing on September 1, 2005, and ending October 31, 2006. Thereafter, the LEASE shall be renewable for additional periods of one year, such renewals to take place automatically unless one of the parties provides the other with written notice to the contrary sixty (60) days prior to the expiration of the then current LEASE term. In no event shall the term of this LEASE extend beyond October 31, 2010.

3. RENT - LESSEE agrees to pay LESSOR rent according to the following schedule, which rent shall be paid in advance on or about the first of each month:

(A) For the period September 1, 2005, through October 31, 2006, the rent shall be Two Thousand Three Hundred Seventy-Five (\$2,375.00) per month; and

(B) In the event the LEASE is renewed, the rent for the period November 1, 2006, through October 31, 2007, the rent shall be Two Thousand Four Hundred Twenty-Two and 50/100 (\$2,422.50) per month; and,

(C) In the event the LEASE is renewed a second time, the rent for the period November 1, 2007, through October 31, 2008, shall be Two Thousand Four Hundred Seventy and 95/100 (\$2,470.95) per month; and,

- 1 (D) In the event the LEASE is renewed a third time, the rent for the period
2 November 1, 2008, through October 31, 2009, shall be Two Thousand Five
3 Hundred Twenty and 37/100 (\$2,520.37) per month; and,
- 4 (E) In the event the LEASE is renewed a fourth time, the rent for the period November
5 1, 2009, through October 31, 2010, shall be Two Thousand Five Hundred
6 Seventy and 78/100 (\$2,570.78) per month; and,
- 7 4. UTILITIES – LESSEE shall pay those metered costs associated with its use of
8 natural gas and electricity. LESSEE shall also pay all costs associated with its use of
9 telephone service. LESSOR will pay water, sewer and garbage.
- 10 5. USE – LESSEE shall use the Premises as office space for the Department of
11 Behavioral Health and the Department of Children and Family Services. LESSEE agrees to
12 comply with all applicable laws, ordinances and regulations in connection with such use.
- 13 LESSOR covenants that the Premises are suitable for the intended use. LESSOR
14 further covenants that the Premises are in compliance with all applicable laws, ordinances and
15 regulations, including but not limited to safety regulations, health and building codes, and that
16 the Premises shall remain in such compliance throughout the term of this agreement.
- 17 6. MAINTENANCE – LESSOR shall be responsible for the structural condition of the
18 Premises and for all exterior and interior maintenance, including but not limited to the air
19 conditioning, heating, roof, painting, landscaping and parking lot. LESSOR covenants that the
20 Premises shall be maintained in substantially the same condition as that existing at the
21 commencement of this LEASE.
- 22 LESSEE shall be responsible for interior janitorial services at the Premises.
- 23 7. LESSOR IMPROVEMENTS - LESSOR shall install two (2) gates inside the
24 Premises, with electric strikes and buttons, with the design and location of the gates to be
25 approved by the Director, Department of Behavioral Health, or his/her designee and the
26 Department of Children and Family Services, or his/her designee. LESSEE will pay to
27 LESSOR the cost of installation in one lump sum not to exceed One Thousand Five Hundred
28 Dollars (\$1,500.00), with payment in 45 days after receipt of invoice. LESSOR shall complete

1 the installation of the gates no later than August 31, 2005.

2 8. BREACH OF OBLIGATION TO MAINTAIN - In the event LESSOR breaches its
3 obligation to maintain the Premises as herein provided, LESSEE shall give written notice to
4 LESSOR within fifteen (15) days of the discovery of such breach. LESSOR shall then have
5 fifteen (15) days from the date of notice to cure its breach. If the period for cure expires and if,
6 in LESSEE'S sole determination, LESSOR has failed to cure, then LESSEE may, at its
7 election:

8 (A) terminate this LEASE as hereinafter provided. In such case, LESSEE shall have
9 the right to demand LESSOR refund any monies which, in the judgment of
10 LESSEE, were paid to LESSOR pursuant to the LEASE but which were not earned
11 by LESSOR by consequence of its breach. Upon receipt of such demand,
12 LESSOR shall promptly refund all such monies; or

13 (B) cure LESSOR'S breach and deduct the cost of such cure, together with
14 reasonable administrative costs, from LESSEE'S future rent obligation. LESSEE'S
15 decision to cure LESSOR'S breach shall not constitute a waiver of any rights or
16 remedies that LESSEE may have arising from this LEASE or by operation of law.

17 9. DESTRUCTION OR DAMAGE FROM CASUALTY - If the Premises are damaged
18 or destroyed as a result of fire, earthquake, act of God, or any other identifiable event of a
19 sudden, unexpected, or unusual nature (hereinafter referred to as "Casualty"), then LESSOR
20 shall either promptly and diligently repair the damage at its own cost, or terminate the LEASE
21 as hereinafter provided.

22 (A) LESSOR'S Election to Repair: If LESSOR elects to repair the Casualty damage
23 to the Premises, then it shall within fifteen (15) days after the date of Casualty
24 provide written notice (hereinafter "Notice of Repair") to LESSEE indicating the
25 anticipated time required to repair. LESSOR shall bear the cost of all repairs to
26 the Premises, including the cost to repair any alterations or fixtures installed or
27 attached thereto by LESSEE. Such repairs shall restore the Premises to
28 substantially the same condition as that existing at the commencement of this

1 LEASE; such repairs shall also be made in compliance with all applicable state
2 and local building codes. LESSOR shall not be liable to LESSEE for
3 compensation for any loss of business, or any inconvenience or annoyance
4 arising from repair of the Premises as a result of the Casualty except for rent
5 reduction as hereinafter provided. LESSEE shall be responsible at its sole cost
6 and expense for the replacement of its personal property.

7 (B) LESSOR'S Election to Terminate Due to Casualty: LESSOR may only elect
8 to terminate the LEASE due to Casualty if: the Premises have been destroyed or
9 substantially destroyed by said Casualty; and the estimated time to repair the
10 Premises exceeds ninety (90) days from the date of the Casualty. LESSOR shall
11 provide LESSEE with written notice of its election to terminate within fifteen (15)
12 days after the date of Casualty.

13 (C) Rent Reduction Due to Casualty: In the event of Casualty, LESSEE'S
14 obligation to pay rent shall be reduced beginning on the date of the Casualty.
15 Such reduction shall be proportional to the damage caused to the Premises by
16 the Casualty as determined by LESSEE. If LESSOR elects to repair the Premises
17 pursuant to the terms of this LEASE, then the rent reduction shall continue until
18 the date of substantial completion of repair.

19 (D) LESSEE'S Election to Terminate Due to Casualty: If LESSEE does not receive a
20 Notice of Repair from LESSOR within fifteen (15) days after a Casualty, or if the
21 anticipated period of repair contained in the Notice of Repair exceeds ninety (90)
22 days, then LESSEE may elect to terminate this LEASE as hereinafter provided. In
23 such case, LESSEE shall have the right to demand that LESSOR refund any
24 monies which, in the judgment of LESSEE, were paid to LESSOR pursuant to the
25 LEASE but which were not earned by LESSOR by consequence of the Casualty.
26 Upon receipt of such demand, LESSOR shall promptly refund all such monies.

27 10. TERMINATION - If, pursuant to the terms provided herein, either LESSOR or
28 LESSEE has an election to terminate the LEASE and so elects, then notice of such termination

1 shall be made in writing to the non-terminating party. Such notice shall specify a date of
2 termination not less than sixty (60) days from the date of said notice, after which this LEASE
3 shall convert to a month-to-month tenancy with all of its remaining provisions in full force and
4 effect. In the case of LESSEE, the County Administrative Officer or the Director of General
5 Services or their designee shall have the power to provide such notice.

6 11. HOLD HARMLESS - LESSOR agrees to indemnify, save, hold harmless and, at
7 LESSEE'S request, defend the LESSEE, its officers, agents and employees from any and all
8 costs and expenses, damages, liabilities, claims, and losses occurring or resulting to LESSEE
9 in connection with the performance, or failure to perform by LESSOR, its officers, agents, or
10 employees under this LEASE, and from any and all costs and expenses, damages, liabilities,
11 claims, and losses occurring or resulting to any person, firm, or corporation who may be injured
12 or damaged by the performance, or failure to perform of LESSOR, its officers, agents or
13 employees under the LEASE. This LEASE is made upon the expressed condition that the
14 LESSEE is to be free of all liability, damages or injury arising from structural failures of the
15 LEASEd Premises, including, but not limited to external walls, glass, doors, roof and
16 floor. The parties acknowledge that as between LESSOR and LESSEE, each is responsible
17 for the negligence of its own employees and invitees.

18 12. INSURANCE - LESSOR shall, at its sole expense, maintain in full force and effect
19 during the term of this LEASE the following policies of insurance:

20 (A) Commercial General liability insurance with limits of not less than One Million
21 Dollars (\$1,000,000) per occurrence and an annual aggregate limit of not less than
22 Two Million Dollars (\$2,000,000). This policy shall be issued on an occurrence
23 basis; and

24 (B) Fire insurance and extended coverage. LESSOR shall add LESSEE as an
25 additional loss-payee thereon.

26 LESSOR shall provide LESSEE a Certificate of Insurance describing the coverages
27 described above within thirty (30) days from the date LESSOR executes this LEASE, by
28 mailing or otherwise delivering the Certificate of Insurance to the County of Fresno, General

1 Services, ATTN: Lease services, 2220 Tulare Street, 16th Floor, Fresno, CA 93721-2120.

2 LESSEE shall maintain during the term of this LEASE the following policies of
3 insurance, which coverages may be provided in whole or in part through one or more programs
4 of self-insurance:

5 (A) Commercial General liability insurance with limits of not less than One Million
6 Dollars (\$1,000,000) per occurrence and an annual aggregate of not less than Two
7 Million Dollars (\$2,000,000). This policy shall be issued on an occurrence basis.

8 (B) All-Risk property insurance covering the personal property of LESSEE.

9 13. NON-FUNDING TERMINATION - This LEASE is contingent on the allocation of
10 funds by a governmental agency. Should funds not be allocated, this LEASE may be
11 terminated by the Board of Supervisors or the County Administrative Officer or his/her
12 designee at any time by giving at least thirty (30) days prior written notice to LESSOR.

13 14. SURRENDER OF POSSESSION - Upon the expiration or termination of this
14 LEASE, LESSEE will surrender Premises to LESSOR in such condition as existing at the
15 commencement of this LEASE less reasonable wear and tear, less the effects of any Casualty
16 as herein defined, and less the effects of any breach of LESSOR'S covenant to maintain.
17 LESSEE will not be responsible for any damage which LESSEE was not obligated hereunder
18 to repair.

19 15. FIXTURES - LESSOR agrees that any equipment, fixtures or apparatus installed
20 in or on the Premises by LESSEE shall continue to be the property of LESSEE and may be
21 removed by LESSEE at any time. LESSEE shall repair any damage caused by the removal of
22 fixtures. Any fixtures not removed when LESSEE surrenders possession shall become the
23 property of LESSOR.

24 16. RIGHT OF ENTRY - LESSOR, or its representative(s), upon giving 24 hours
25 written notice, shall have the right to enter the Premises at any time during business hours, or
26 at such other time as LESSEE deems appropriate, to make any alterations, repairs or
27 improvements to the Premises. The normal business of LESSEE or its invitees shall not be
28 unnecessarily inconvenienced.

1 17. AMENDMENT - This LEASE may be amended in writing by the mutual consent of
2 the parties without in any way affecting the remainder.

3 18. NON-ASSIGNMENT - Neither party shall assign, transfer or sub-contract this
4 LEASE, or the rights or duties under this LEASE, without the prior written consent of the other
5 party.

6 19. GOVERNING LAW - Venue for any action arising out of or relating to this
7 LEASE shall be in Fresno County, California. This LEASE shall be governed by the laws of the
8 State of California.

9 20. NOTICES - Any and all notices by either party under the terms of this LEASE
10 or by law shall be in writing and shall be deemed to be duly given when personally delivered or
11 deposited into the United States mail, with postage prepaid, registered, and addressed to the
12 respective addresses stated as follows:

13 LESSEE:
14 County of Fresno
15 General Services
16 John A. Navarrette
17 2220 Tulare Street, 16th Floor
18 Fresno, CA 93721-2120

19 LESSOR:
20 Peter Evaro, Jr.
21 P. O. Box 4932
22 Covina, CA 91723

23 21. ENTIRE AGREEMENT - This LEASE constitutes the entire agreement between
24 the LESSOR and LESSEE with respect to the subject matter hereof and supersedes all prior
25 agreements, negotiations, proposals, commitments, writings, advertisements, publications, and
26 understandings of any nature whatsoever unless expressly referenced in this LEASE.

27 This agreement shall be binding on and inure to the benefit of LESSOR'S heirs,
28 successor and assigns.

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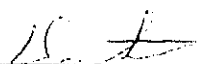
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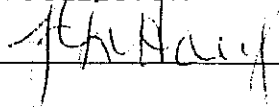
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EXECUTED as of the date first herein written.

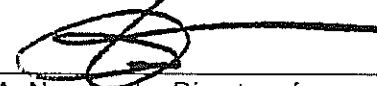
APPROVED AS TO LEGAL FORM:
DENNIS A. MARSHALL, COUNTY COUNSEL

By 
Deputy

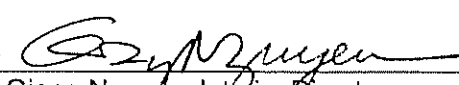
APPROVED AS TO ACCOUNTING FORM:
VICKI CROW, C.P.A.
AUDITOR-CONTROLLER/TREASURER-
TAX COLLECTOR

By 

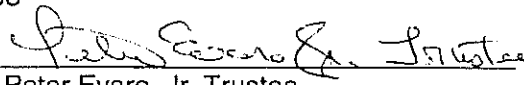
RECOMMENDED FOR APPROVAL:

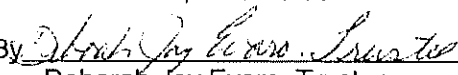
By 
John A. Navarette, Director of
General Services

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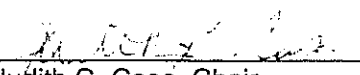
By 
Giang Nguyen, Interim Director
Department of Behavioral Health

LESSOR:
DEBORAH JOY EVARO TRUST, June 1,
2003

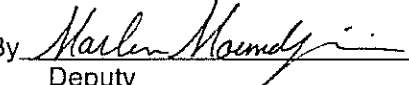
By 
Peter Evaro, Jr. Trustee

By 
Deborah Joy Evaro, Trustee

LESSEE:
COUNTY OF FRESNO

By 
Judith G. Case, Chair
Board of Supervisors

ATTEST: Bernice E. Seidel, CLERK
BOARD OF SUPERVISORS 7-19-05

By 
Deputy

RECOMMENDED FOR APPROVAL

By 
Gary Zomalt, Director, Department of
Children and Family Services

Org No. 5630 2355(90% of Cost)/56402230(10% of Cost)
Acct. No. 7340

Lessor Tax ID # 553-70-7096

L-004Evaro/DBH5630