

Agreement No. 07-166

L-143

Beasley/DBH5630

## LEASE AGREEMENT

THIS LEASE AGREEMENT (hereinafter LEASE) is made and entered into this 1st day of July, 2007, by and between DAVID BEASLEY, P. O. Box 14119, Pinedale, CA 93650-4119 (hereinafter LESSOR), and the COUNTY OF FRESNO, a Political Subdivision of the State of California, 2220 Tulare Street, 16<sup>th</sup> Floor, Fresno, CA 93721-2120 (hereinafter LESSEE).

1. LEASED PREMISES - LESSOR hereby leases to LESSEE the office space at the location commonly known as 1131 I Street, Reedley, CA 93654, which is approximately 1,450 square feet, (hereinafter "Premises").

2. TERM - The initial term of this LEASE shall be for 2 Years commencing on July 1, 2007 through June 30, 2009. 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 June 30, 2011.

3. RENT - LESSEE agrees to pay rent to LESSOR for the Premises beginning July 1, 2007, and the rent shall increase by three (3) percent on July 1, 2008, and increase by three (3) percent each July 1 thereafter. The rent shall be paid in advance on or about the first of each month according to the following schedule:

(A) For the period July 1, 2007, through June 30, 2008, the rent shall be One Thousand One Hundred and Eighty-five Dollars and 20/100 (\$1,185.20) per month, for a total of Fourteen Thousand Two Hundred Twenty-Two Dollars and 40/100 (\$14,222.40) for twelve (12) months; and

(B) For the final period of the initial term beginning July 1, 2008, through June 30, 2009, the rent shall be One Thousand Two Hundred and Twenty Dollars and 76/100 (\$1,220.76) per month, for a total of Fourteen Thousand Six Hundred Forty-Nine Dollars and 12/100 (\$14,649.12) for twelve (12) months.

(C) If the LEASE is renewed for the first time for the period July 1, 2009, through

1 June 30, 2010, the rent shall be One Thousand Two Hundred and Fifty-Seven  
2 Dollars and 38/100 (\$1,257.38) per month, for a total of Fifteen Thousand  
3 Eighty-Eight Dollars and 56/100 (\$15,088.56) for twelve (12) months; and  
4 (D) If the LEASE is renewed for the second and final time for the period July 1,  
5 2010, through June 30, 2011, the rent shall be One Thousand Two Hundred  
6 and Ninety-five Dollars and 10/100 (\$1,295.10) per month, for a total of Fifteen  
7 Thousand Five Hundred Forty-One Dollars and 20/100 (\$15,541.20).

8 4. UTILITIES – LESSEE shall pay those metered costs associated with the use  
9 of natural gas and electricity, including water, garbage and sewer services. LESSEE shall  
10 pay all costs associated with its use of telephone service.

11 5. USE – LESSEE shall use the Premises as office space. 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  
15 and regulations, including but not limited to safety regulations, health and building codes,  
16 and that the Premises shall remain in such compliance throughout the term of this LEASE.

17 6. MAINTENANCE – LESSOR shall be responsible for the structural condition of  
18 the Premises and for all exterior and interior maintenance, including but not limited to the  
19 air conditioning, heating, roof, painting, landscaping, and parking lot. In addition, LESSOR  
20 agrees to repair the parking lot of pot holes within the first six (6) months of this Agreement.  
21 LESSOR covenants that the Premises shall be maintained in substantially the same  
22 condition as that existing at the commencement of this LEASE. LESSEE shall be  
23 responsible for janitorial services, including paper supplies, at the Premises. LESSOR, at  
24 its sole cost, shall replace broken floor tiles, repair roof leaks, and paint over water stains  
25 as needed. LESSEE, at its sole cost, shall activate the intrusion alarm and pay the monthly  
26 maintenance fee.

27 7. BREACH OF OBLIGATION TO MAINTAIN – In the event LESSOR breaches  
28 its obligation to maintain the Premises as herein provided, LESSEE shall give written notice

1 to LESSOR within fifteen (15) days of the discovery of such breach. LESSOR shall then  
2 have fifteen (15) days from the date of notice to cure its breach. If the period for cure  
3 expires and if, in LESSEE'S sole determination, LESSOR has failed to cure, then LESSEE  
4 may, at its election:

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

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

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

20 (A) LESSOR'S Election to Repair: If LESSOR elects to repair the Casualty  
21 damage to the Premises, then it shall within fifteen (15) days after the date of  
22 Casualty provide written notice (hereinafter "Notice of Repair") to LESSEE  
23 indicating the anticipated time required to repair. LESSOR shall bear the cost  
24 of all repairs to the Premises, including the cost to repair any alterations or  
25 fixtures installed or attached thereto by LESSEE. Such repairs shall restore  
26 the Premises to substantially the same condition as that existing at the  
27 commencement of this LEASE; such repairs shall also be made in compliance  
28 with all applicable state and local building codes. LESSOR shall not be liable

1 to LESSEE for compensation for any loss of business, or any inconvenience or  
2 annoyance arising from repair of the Premises as a result of the Casualty  
3 except for rent reduction as hereinafter provided. LESSEE shall be  
4 responsible at its sole cost and expense for the replacement of its personal  
5 property.

6 (B) LESSOR'S Election to Terminate Due to Casualty: LESSOR may only elect  
7 to terminate the LEASE due to Casualty if: the Premises have been destroyed  
8 or substantially destroyed by said Casualty; and the estimated time to repair  
9 the Premises exceeds sixty (60) days from the date of the Casualty. LESSOR  
10 shall provide LESSEE with written notice of its election to terminate within  
11 fifteen (15) days after the date of Casualty.

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

18 (D) LESSEE'S Election to Terminate Due to Casualty: If LESSEE does not  
19 receive a Notice of Repair from LESSOR within fifteen (15) days after a  
20 Casualty, or if the anticipated period of repair contained in the Notice of Repair  
21 exceeds sixty (60) days, then LESSEE may elect to terminate this LEASE as  
22 hereinafter provided. In such case, LESSEE shall have the right to demand  
23 that LESSOR refund any monies which, in the judgment of LESSEE, were paid  
24 to LESSOR pursuant to the LEASE but which were not earned by LESSOR by  
25 consequence of the Casualty. Upon receipt of such demand, LESSOR shall  
26 promptly refund all such monies.

27 9. 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

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

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

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

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

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

28 LESSEE shall maintain during the term of this LEASE the following policies of

1 insurance, which coverages may be provided in whole or in part through one or more  
2 programs of self-insurance:

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

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

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

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

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

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

28 16. AMENDMENT - This LEASE may be amended in writing by the mutual

consent of the parties without in any way affecting the remainder.

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

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

19. NOTICES - All notices, demands, requests, exercises, and other communications under this LEASE by either party shall be in writing and:

(a) sent by United States Certified Mail, return receipt requested, in which case notice shall be deemed delivered three (3) business days after deposit, postage prepaid in the Under States mail, or

(b) sent by a nationally recognized overnight courier, in which case notice shall be deemed delivered one (1) business day after deposit with that courier, as follows:

**LESSEE:**  
County of Fresno  
John A. Navarrette  
Director of General Services  
2220 Tulare Street, 16<sup>th</sup> Floor  
Fresno, CA 93721-2120

**LESSOR:**  
David S. Beasley  
P. O. Box 14119  
Pinedale, CA 93650-4119

or to such person or at such other place as either Party may from time to time designate by written notice to the other Party.

Notice given in the foregoing manner shall be deemed sufficiently given for all purposes hereunder on the date such notice was (i) personally delivered, deposited and postmarked with the United States Postal Service, (ii) sent by a nationally recognized overnight courier service, or (iii) sent by telephonic facsimile transmission, provided however, such transmission shall be completed before 5:00 PM on the day of transmission and such Party shall otherwise comply with this Section concerning the giving of notice in such manner, provided further that, in any event notices of changes of address or