

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, 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 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, 16<sup>th</sup> 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, 16<sup>th</sup> 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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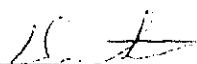
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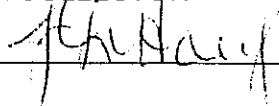
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EXECUTED as of the date first herein written.

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

By   
Deputy

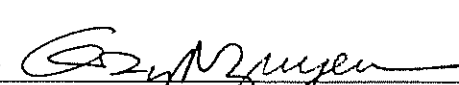
APPROVED AS TO ACCOUNTING FORM:  
VICKI CROW, C.P.A.  
AUDITOR-CONTROLLER/TREASURER-  
TAX COLLECTOR

By 

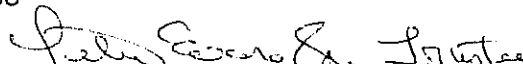
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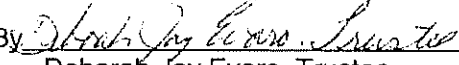
By   
John A. Navarette, Director of  
General Services

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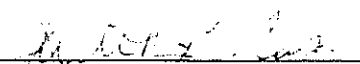
By   
Giang Nguyen, Interim Director  
Department of Behavioral Health

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