

AGT. # 06-333

L-156

Northgate/DBH5630

## LEASE AGREEMENT

THIS LEASE AGREEMENT (hereinafter LEASE) is made and entered into this 15<sup>th</sup> day of August, 2006, by and between NORTHGATE PLAZA RDS, LLC, c/o Beacon Associates, 1285 E. Shaw Avenue, Suite 100, Fresno, CA 93711 (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 225 Academy, Sanger, CA 93657, which is approximately 1,562 square feet, (hereinafter "Premises").

2. TERM - The initial term of this LEASE shall be for twelve (12) months commencing on July 1, 2006, through June 30, 2007. 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, 2006, and the rent shall increase by three (3) percent on July 1, 2007, 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, 2006, through June 30, 2007, the rent shall be One

Thousand Six Hundred Forty and 10/100 Dollars (\$1,640.10) per month; and

(B) If the LEASE is renewed for the first time for the period July 1, 2007, through June

30, 2008, the rent shall be One Thousand Six Hundred Eighty-Nine and 30/100

Dollars (\$1,689.30) per month; and

(C) If the LEASE is renewed for the second time for the period July 1, 2008, through

June 30, 2009, the rent shall be One Thousand Seven Hundred Thirty-Nine and

98/100 Dollars (\$1,739.98) per month; and

(D) If the LEASE is renewed for the third time for the period July 1, 2009, through June

1 30, 2010, the rent shall be One Thousand Seven Hundred Ninety-Two and 18/100  
2 Dollars (\$1,792.18) per month; and

3 (E) If the LEASE is renewed for the fourth and final time for the period July 1, 2010,  
4 through June 30, 2011, the rent shall be One Thousand Eight Hundred Forty-Five  
5 and 95/100 Dollars (\$1,845.95) per month.

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

9 5. USE – LESSEE shall use the Premises as office space. LESSEE agrees to  
10 comply with all applicable laws, ordinances and regulations in connection with such use.

11 LESSOR covenants that the Premises are suitable for the intended use. LESSOR  
12 further covenants that the Premises are in compliance with all applicable laws, ordinances and  
13 regulations, including but not limited to safety regulations, health and building codes, and that  
14 the Premises shall remain in such compliance throughout the term of this LEASE.

15 6. MAINTENANCE – LESSOR shall be responsible for the structural condition of the  
16 Premises and for all exterior and interior maintenance, including but not limited to the air  
17 conditioning, heating, roof, painting, landscaping, and parking lot. LESSOR covenants that the  
18 Premises shall be maintained in substantially the same condition as that existing at the  
19 commencement of this LEASE. LESSEE shall be responsible for janitorial services, including  
20 paper supplies, at the Premises. LESSOR, at its sole cost, shall replace broken floor tiles,  
21 repair roof leaks, and paint over water stains no later than October 1, 2006. LESSEE, at its  
22 sole cost, shall activate the intrusion alarm and pay the monthly maintenance fee.

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

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

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

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

15 (A) LESSOR'S Election to Repair: If LESSOR elects to repair the Casualty damage  
16 to the Premises, then it shall within fifteen (15) days after the date of Casualty  
17 provide written notice (hereinafter "Notice of Repair") to LESSEE indicating the  
18 anticipated time required to repair. LESSOR shall bear the cost of all repairs to  
19 the Premises, including the cost to repair any alterations or fixtures installed or  
20 attached thereto by LESSEE. Such repairs shall restore the Premises to  
21 substantially the same condition as that existing at the commencement of this  
22 LEASE; such repairs shall also be made in compliance with all applicable state  
23 and local building codes. LESSOR shall not be liable to LESSEE for  
24 compensation for any loss of business, or any inconvenience or annoyance  
25 arising from repair of the Premises as a result of the Casualty except for rent  
26 reduction as hereinafter provided. LESSEE shall be responsible at its sole cost  
27 and expense for the replacement of its personal property.

28 (B) LESSOR'S Election to Terminate Due to Casualty: LESSOR may only elect

1 to terminate the LEASE due to Casualty if: the Premises have been destroyed or  
2 substantially destroyed by said Casualty; and the estimated time to repair the  
3 Premises exceeds sixty (60) days from the date of the Casualty. LESSOR shall  
4 provide LESSEE with written notice of its election to terminate within fifteen (15)  
5 days after the date of Casualty.

6 (C) Rent Reduction Due to Casualty. In the event of Casualty, LESSEE'S  
7 obligation to pay rent shall be reduced beginning on the date of the Casualty.  
8 Such reduction shall be proportional to the damage caused to the Premises by  
9 the Casualty as determined by LESSEE. If LESSOR elects to repair the Premises  
10 pursuant to the terms of this LEASE, then the rent reduction shall continue until  
11 the date of substantial completion of repair.

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

20 9. TERMINATION - If, pursuant to the terms provided herein, either LESSOR or  
21 LESSEE has an election to terminate the LEASE and so elects, then notice of such termination  
22 shall be made in writing to the non-terminating party. Such notice shall specify a date of  
23 termination not less than sixty (60) days from the date of said notice, after which this LEASE  
24 shall convert to a month-to-month tenancy with all of its remaining provisions in full force and  
25 effect. In the case of LESSEE, the County Administrative Officer or the Director of General  
26 Services or their designee shall have the power to provide such notice and terminate the  
27 LEASE.

28 10. HOLD HARMLESS - LESSOR agrees to indemnify, save, hold harmless, and at

1 LESSEE'S request, defend the LESSEE, its officers, agents, and employees from any and all  
2 costs and expenses, damages, liabilities, claims, and losses occurring or resulting to LESSEE  
3 in connection with the performance, or failure to perform, by LESSOR, its officers, agents, or  
4 employees under this LEASE, and from any and all costs and expenses, damages, liabilities,  
5 claims, and losses occurring or resulting to any person, firm, or corporation who may be injured  
6 or damaged by the performance, or failure to perform of LESSOR, its officers, agents, or  
7 employees under the LEASE. This LEASE is made upon the expressed condition that the  
8 LESSEE is to be free of all liability, damages or injury arising from structural failures of the  
9 Leased Premises, including, but not limited to external walls, glass, doors, roof and  
10 floor. The parties acknowledge that as between LESSOR and LESSEE, each is responsible  
11 for the negligence of its own employees and invitees.

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

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

18 (B) Fire Insurance and extended coverage. LESSOR shall add LESSEE as an  
19 additional loss-payee thereon.

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

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

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

27 12. NON-FUNDING TERMINATION - This LEASE is contingent on the allocation of  
28 funds by a governmental agency. Should funds not be allocated, this LEASE may be

1 terminated by the Board of Supervisors or the County Administrative Officer or his/her  
2 designee at any time by giving at least thirty (30) days prior written notice to LESSOR.

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

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

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

19 16. AMENDMENT - This LEASE may be amended in writing by the mutual consent of  
20 the parties without in any way affecting the remainder.

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

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

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

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

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

6  
7 LESSEE:  
8 County of Fresno  
9 John A. Navarrette  
Director of General Services  
2220 Tulare Street, 16<sup>th</sup> Floor  
Fresno, CA 93721-2120

LESSOR:  
Northgate Plaza RDS, LLC  
c/o Beacon Associates  
1285 W. Shaw, Suite 100  
Fresno, CA 93711

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

12 Notice given in the foregoing manner shall be deemed sufficiently given for all purposes  
13 hereunder on the date such notice was (i) personally delivered, deposited and postmarked with  
14 the United States Postal Service, (ii) sent by a nationally recognized overnight courier service,  
15 or (iii) sent by telephonic facsimile transmission, provided however, such transmission shall be  
16 completed before 5:00 PM on the day of transmission and such Party shall otherwise comply  
17 with this section 21 concerning the giving of notice in such manner, provided further that, in any  
18 event notices of changes of address or termination of this Agreement shall not be effective until  
19 actual receipt.

20 Notices given hereunder shall not be amendments or modifications to this Agreement.

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

25 This LEASE shall be binding on and inure to the benefit of LESSOR'S heirs,

26 ///

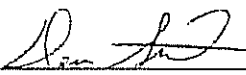
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1 successors and assigns.

2 EXECUTED as of the date first herein written.

3  
4 APPROVED AS TO LEGAL FORM:  
DENNIS A. MARSHALL, COUNTY COUNSEL

5 By   
6 Deputy

LESSOR:  
NORTHGATE PLAZA-RDS, LLC

By   
Rob Solley, Managing Member

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

By 

LESSEE:  
COUNTY OF FRESNO

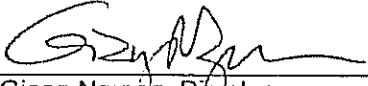
By   
Phil Larson, Chairman  
Board of Supervisors

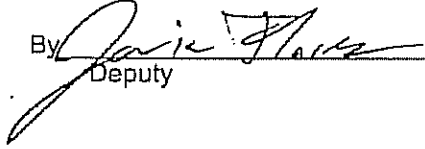
11 RECOMMENDED FOR APPROVAL:

12 By   
13 John A. Navarrette, Director of  
General Services

ATTEST: BERNICE E. SIEDEL, CLERK  
BOARD OF SUPERVISORS

14 RECOMMENDED FOR APPROVAL:

15 By   
16 Giang Nguyen, Director  
17 Department of Behavioral Health

By   
Deputy

18  
19 Org No. 5630 2331  
20 Acct. No. 7340

21 Lessor Federal Tax ID No. 554-13-5771


22 L-156NorthgateSanger/DBH5630  
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## CERTIFICATE OF DELIVERY OF DOCUMENT

I am employed by the County of Fresno as a Deputy Clerk of the Board of Supervisors. On August 15, 2006, I delivered a copy of Agreement No. 06-333 to the Chairman of the Fresno County Board of Supervisors.

  
Javier Flores, Deputy Clerk