

L-324 /DSS  
Building 7/5610

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LEASE AGREEMENT

THIS LEASE AGREEMENT (hereinafter "Lease") is made and entered into this 26th day of September, 2017 (the "Effective Date"), by and between Pontiac 7, LLC, a limited liability company, 2780 N. Miami Ave., Ste. 101, Fresno, CA 93727, (hereinafter "LESSOR"), and the COUNTY OF FRESNO, a political subdivision of the State of California, 333 W. Pontiac Way, Clovis, CA 93612 (hereinafter "LESSEE"). LESSOR and LESSEE may be referred to in this Lease individually as a "Party" or collectively at times as the "Parties".

1. PREMISES - LESSOR hereby leases to LESSEE the real property at the location commonly known as 205 W. Pontiac, Clovis, CA 93612, which includes a building containing approximately 101,696 square feet of office space and 49,897 of warehouse space (the "Building"), together with surrounding common area parking, as depicted on Attachment "A", which is attached to and by this reference incorporated herein (the "Premises").

2. TERM -

1. The primary term of this Lease shall be eight (8) years ("Primary Term") commencing on the date LESSEE first takes occupancy of the Premises (hereinafter "Rent Commencement Date") as set forth in a written acknowledgement signed by LESSOR and LESSEE's Director of Internal Services. It is understood by the parties herein that LESSEE's occupancy of the Premises shall commence only after said written acknowledgement is executed. If the Rent Commencement Date is not the first day of a calendar month, then the Primary Term shall include both the partial calendar month, and a full eight-year term starting thereafter on the first day of the month following such partial calendar month. Said Rent Commencement Date shall occur no later than December 31, 2017.
2. Upon expiration of the Primary Term, this Lease shall automatically renew for one (1) additional two-year period ("Renewal Term"), unless LESSEE provides written notice of non-renewal to LESSOR at least six (6) months prior to the expiration of the Primary Term. LESSEE's Director of Internal



Services is hereby authorized to provide such notice of non-renewal.

The Primary Term and the Renewal Term may be referred to hereinafter either singularly or collectively as the "Term" or "term."

3. RENT/OPERATION COSTS – LESSEE shall pay to LESSOR on a monthly basis both Base Rent and Additional Rent (as both terms are defined hereinbelow). Base Rent and Additional Rent shall hereinafter be collectively referred to as the "Rent." If the Rent Commencement Date is not on the first day of a month, LESSEE shall pay Base Rent and Additional Rent as prorated for such partial month.

1. Base Rent – LESSEE shall pay rent on a monthly basis for the Premises ("Base Rent") beginning on the Rent Commencement Date as shown in the below payment schedule. Base Rent shall increase by two percent (2%) each year on the anniversary of the Rent Commencement Date:

Rent Period	Office	Warehouse	Total
Year One	\$ 155,594.88	\$ 27,942.32	\$ 183,537.20
Year Two	\$ 158,706.78	\$ 28,501.17	\$ 187,207.94
Year Three	\$ 161,880.91	\$ 29,071.19	\$ 190,952.10
Year Four	\$ 165,118.53	\$ 29,652.61	\$ 194,771.14
Year Five	\$ 168,420.90	\$ 30,245.67	\$ 198,666.57
Year Six	\$ 171,789.32	\$ 30,850.58	\$ 202,639.90
Year Seven	\$ 175,225.11	\$ 31,467.59	\$ 206,692.70
Year Eight	\$ 178,729.61	\$ 32,096.94	\$ 210,826.55
Year Nine	\$ 182,304.20	\$ 32,738.88	\$ 215,043.08
Year Ten	\$ 185,950.28	\$ 33,393.66	\$ 219,343.94

2. ADDITIONAL RENT – In addition to the Base Rent, LESSEE shall pay on a monthly basis as "Additional Rent", the annual operations costs for the Premises to LESSOR, consisting of 100% of: LESSOR'S actual out of pocket cost for real estate taxes, insurance and all maintenance related expenses incurred by LESSOR allocable to the Premises (collectively, "Operation Costs") as listed in the Operating Budget attached hereto as Attachment "B" and incorporated herein by reference. Anticipated total Operation Costs for the 2017 calendar year based on current Operation Costs are \$1,169,691.60 as set forth in Attachment "B." However, this



figure is simply an estimate and shall not be deemed or otherwise construed as a representation, warranty or covenant by LESSOR as to the actual Operation Costs for the 2018 calendar year. Based on the foregoing estimate, beginning on the Rent Commencement Date, LESSEE shall pay Additional Rent to LESSEE for each month or partial month at the rate of \$97,474.30 per month, unless LESSOR provides LESSEE with an revised budget or a statement (as described hereinbelow) showing that LESSOR's actual Operation Costs have increased, at which time LESSEE shall pay Additional rent in accordance with LESSOR's revised budget estimate or statement.

Within 90 days after the end of each calendar year this Lease is in force, LESSOR shall make good faith efforts and endeavor to furnish to LESSEE, a statement covering the calendar year just expired, showing by cost category the actual Operation Costs incurred for that year, and the monthly payments made by LESSEE during that year for the Operation Costs. If LESSEE's share of the Operation Costs exceeds LESSEE's prior payments, LESSEE shall pay to LESSOR, as Additional Rent, the deficiency, within 45 days after receipt of such annual statement. If LESSEE's payments for the calendar year exceed LESSEE's actual share of the Operation Costs, and provided LESSEE is not in arrears as to the payment of any Base Rent or Additional Rent, LESSEE may offset the excess against any payments of Operation Costs next due LESSOR.

4. UTILITIES –

LESSEE shall pay market rate to the LESSOR for metered electricity, which amounts shall be included as a component of Operation Costs payable monthly to LESSOR as Additional Rent.

LESSEE is responsible for contracting directly with the applicable utility provider and paying directly thereto for natural gas, water/sewer, telephone and internet services for the Premises and any and all other utility services LESSEE requires in connection with its use of the Premises.

1           5.     MAINTENANCE AND REPAIRS – LESSOR shall be responsible for all  
2 exterior and interior maintenance, including repair of air conditioning, heating units, plumbing  
3 systems, electrical systems, elevators, and interior/exterior lights and fixture ballasts, fire  
4 sprinkler system, roof, painting, flooring, landscape, parking and other maintenance at the  
5 Premises, as set forth in the Premises Services Agreement, attached hereto as Attachment  
6 “C” and incorporated herein by reference. LESSOR is also responsible for the structural  
7 condition of the building and agrees that the building will always be maintained in a condition  
8 acceptable for the LESSEE'S intended use of the Premises. LESSOR's maintenance  
9 responsibilities shall include carpet replacement and exterior and interior painting, as needed,  
10 due to normal wear and tear. All items of maintenance and repair as set forth in Attachment  
11 “C” shall be included as a component of Operation Costs payable monthly to LESSOR as  
12 Additional Rent.

13           In the event building systems such as air conditioning and heating units' malfunction,  
14 restroom fixtures are not draining properly, or water intrusion, leaks or other events that  
15 immediately impact the occupancy of the Premises by LESSEE occur, LESSOR shall use its  
16 best efforts to respond within twenty-four (24) hours after contact by LESSEE to diligently  
17 pursue repairs and replace equipment to restore the systems to full working order. Structural  
18 issues, including but not limited to damaged doors, walls, roof, and windows shall be a  
19 priority, and shall be addressed within the same day such are reported. LESSOR covenants  
20 that the Premises shall be maintained in substantially the same condition as that existing at  
21 the commencement of this LEASE.

22           LESSEE shall be responsible for damages and repairs caused by LESSEE's  
23 employees or clients.

24           6.     USE - LESSEE shall use the Premises as office space for its Department of  
25 Social Services or for any other County department. LESSEE shall strictly comply with all  
26 applicable laws, ordinances and regulations in connection with such use.

27           7.     JANITORIAL SERVICES AND COST – LESSOR shall procure and provide  
28 janitorial services and supplies at the Premises (hereinafter “Janitorial Services”). Such



1 Janitorial Services shall be provided five (5) days per week and shall include the services and  
2 supplies as described in Attachment "C". All such expenses for Janitorial Services shall be  
3 included as a component of Operation Costs payable monthly to LESSOR as Additional Rent.

4 LESSOR and LESSEE may agree to select a different janitorial service to correct  
5 deterioration in the quality of the janitorial service, or for any other reason mutually agreed  
6 upon by the parties.

7 8. ALTERATIONS: - LESSEE shall make no, alterations, installation, changes or  
8 additions in or to the Premises or Building (collectively, "Alterations") without written consent  
9 from LESSOR. Alterations shall not include moveable office furniture, office furnishings and  
10 office equipment.

11 9. INDEPENDENT CONTRACTOR - In performance of the work, duties and  
12 obligations assumed by LESSOR under this Lease, if any, it is mutually understood and agreed  
13 that LESSOR, including any and all of the LESSOR'S officers, agents, and employees will at all  
14 times be acting and performing as an independent contractor, and shall act in an independent  
15 capacity and not as an officer, agent, servant, employee, joint venture, partner, or associate of  
16 the LESSEE. Furthermore, LESSEE shall have no right to control or supervise or direct the  
17 manner or method by which LESSOR shall perform its work and function; provided; LESSOR  
18 shall satisfy and comply with its obligations as set forth herein.

19 LESSOR and LESSEE shall comply with all applicable provisions of law and the rules  
20 and regulations, if any, of governmental authorities having jurisdiction over matters the  
21 subject thereof.

22 Because of its status as an independent contractor, LESSOR shall have absolutely no  
23 right to employment rights and benefits available to LESSEE'S employees. LESSOR shall be  
24 solely liable and responsible for providing to, or on behalf of, its employees all legally-required  
25 employee benefits. In addition, LESSOR shall be solely responsible and save LESSEE  
26 harmless from all matters relating to payment of LESSOR'S employees, including compliance  
27 with Social Security withholding and all other law and regulations governing such matters. It  
28 is acknowledged that during the term of this Lease, LESSOR may be providing services to

others unrelated to the LESSEE or to this Lease.

10. COMPLIANCE WITH ALL LAWS – If any work is undertaken at the Premises by or on behalf of LESSOR, LESSOR shall comply with, and shall ensure compliance by all contractors and subcontractors with, all applicable laws and regulations, including the payment of prevailing wages pursuant to Section 1770 et. seq. of the Labor Code. Notwithstanding the foregoing, neither this Lease nor either party contemplates LESSOR undertaking any improvements to the Premises during the term of this Lease.

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

12. BREACH OF OBLIGATION TO MAINTAIN – In the event LESSOR breaches its obligation to maintain the Premises as herein provided, LESSEE shall give written notice to LESSOR within fifteen (15) days of the discovery of such breach. LESSOR shall then have thirty (30) days from the date of such notice to cure its breach; however, if such default continues beyond thirty (30) days after written notice thereof from LESSEE to LESSOR then LESSOR will not be in default hereunder if within such thirty (30) day period, LESSOR commences the curing of such default and diligently and in good faith prosecutes the same to completion. If the period for cure expires and if, in LESSEE'S sole and reasonable determination, LESSOR has failed to cure, then LESSEE may, at its election:

- (A) terminate this LEASE by providing thirty (30) days prior written notice. In such case, LESSEE shall have the right to demand LESSOR refund any monies which, in the reasonable judgment of LESSEE, were paid to LESSOR pursuant to the LEASE but which were not earned by LESSOR by consequence of its breach. Upon receipt of such demand, LESSOR shall promptly refund all such monies; or
- (B) cure LESSOR'S breach and deduct the cost of such cure, together with reasonable administrative costs, from LESSEE'S future rent obligation.



LESSEE'S decision to cure LESSOR'S breach shall not constitute a waiver of any rights or remedies that LESSEE may have arising from this LEASE or by operation of law, except that LESSEE shall not have the right to terminate described above with respect to the circumstances related to such cured breach.

13. CONDEMNATION OR PROHIBITED USE – If the Premises, or any portion thereof, is appropriated, condemned, or taken by any governmental authority or public agency other than LESSEE by use or exercise of eminent domain proceedings or other proceedings, or by inverse condemnation, or is sold under threat of use or exercise of eminent domain by any governmental authority or public agency other than LESSEE, or if by reason of law, ordinance, regulation, or court judgment, LESSEE's use or occupancy of the Premises, or any portion thereof, shall be materially and adversely affected for the period set forth in clause (i) below, but excluding therefrom any day that is not a LESSEE business day (hereinafter collectively "Condemnation or Prohibited Use"), then LESSEE shall have the right to do either of the following:

- (i) If the Condemnation or Prohibited Use has a material adverse effect on LESSEE's use and occupancy of the Premises and is reasonably anticipated to impact such use in excess of ninety (90) days, then LESSEE may terminate this LEASE by giving written notice thereof to LESSOR. Such notice shall specify a date of termination of this LEASE not less than one hundred eighty (180) calendar days, and not more than two-hundred ten (210) calendar days, from the date of such notice, or from the date that LESSEE's use of the Premises will be materially adversely affected pursuant to the notice LESSEE receives from LESSOR of such appropriation, condemnation, taking, or sale that shall prohibit LESSEE's use or occupancy of the Premises, or the affected part thereof, whichever is earlier. The County Administrative Officer or the Director of Internal Services/Chief Information Officer, or a designee of one of them, shall have the authority to provide such notice on behalf of LESSEE.

(ii) LESSEE may renegotiate with LESSOR with respect to the terms of any amounts to be owed by LESSEE hereunder, including any portion or installment of the Base Rent, when such are due and payable, and/or any other amounts otherwise due and payable hereunder, for the remainder of Premises not affected by such Condemnation or Prohibited Use during the balance of the term of this LEASE. Any such renegotiated terms of the Base Rent, and/or any other amounts otherwise to be due and payable herein shall be sought in good faith and without unreasonable delay by the Parties, and made only by written amendment, pursuant to Section 20, herein.

14. DESTRUCTION OR DAMAGE FROM CASUALTY – If the Premises are damaged or destroyed as a result of fire, earthquake, act of God, or any other identifiable event of a sudden, unexpected, or unusual nature (hereinafter "Casualty"), then LESSOR shall either promptly and diligently repair the damage at its own cost, or terminate this Lease as hereinafter provided. If LESSOR obtains any proceeds from the Property Insurance Policy (as defined in Section 16 hereinbelow) that are not otherwise payable to any mortgagee or beneficiary, and this Lease is not terminated as a result of such Casualty pursuant to the terms hereof, then LESSOR shall promptly apply all of such insurance proceeds toward the repair and restoration of the Premises pursuant to LESSOR's obligations under this Section 14.

(A) LESSOR'S Election to Repair: If LESSOR elects to repair the Casualty damage to the Premises, then it shall within fifteen (15) days after the date of Casualty or as soon as possible thereafter provide written notice (hereinafter "Notice of Repair") to LESSEE indicating the anticipated time required to repair. LESSOR shall bear the cost of all repairs to the Premises, including the cost to repair any alterations or fixtures installed or attached thereto by LESSEE. Such repairs shall restore the Premises to substantially the same condition as that existing at the commencement of this LEASE; such repairs shall also be made in compliance with all applicable state and local building



codes. LESSOR shall not be liable to LESSEE for compensation for any loss of business, or any inconvenience or annoyance arising from repair of the Premises as a result of the Casualty except for rent reduction as hereinafter provided. LESSEE shall be responsible at its sole cost and expense for the replacement of its personal property.

(B) LESSOR'S Election to Terminate Due to Casualty: LESSOR may only elect to terminate this LEASE due to Casualty if: the Premises have been destroyed or substantially destroyed by said Casualty; and the estimated time to repair the Premises exceeds sixty (60) days from the date of the Casualty. LESSOR shall provide LESSEE with written notice of its election to terminate within forty-five (45) days after the date of Casualty, specifying a termination date not less than thirty (30) days from the date of said notice.

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

(D) LESSEE'S Election to Terminate Due to Casualty: If LESSEE does not receive a Notice of Repair from LESSOR within fifteen (15) days or as soon as reasonably possible after a Casualty, or if the anticipated period of repair contained in the Notice of Repair exceeds ninety (90) days, then LESSEE may elect to terminate this LEASE by providing thirty (30) days prior written notice to LESSOR. In such case, LESSEE shall have the right to demand that LESSOR refund any monies which, in the reasonable judgment of LESSEE, were paid to LESSOR pursuant to the LEASE but which were not earned by LESSOR by consequence of the Casualty. Upon receipt of such

demand, LESSOR shall promptly refund all such monies.

15. HOLD HARMLESS – LESSOR will indemnify, defend, and hold LESSEE harmless from and against any and all liabilities, claims, demands, actions, proceedings, costs, expenses or damages of any kind or nature (collectively, "Claims") in any manner directly or indirectly caused, occasioned or contributed to by reason of the negligence, whether active or passive, of LESSOR or anyone acting under its direction or control or on its behalf in connection with or incidental to the performance of LESSOR'S obligations pursuant to this Lease.

LESSEE will indemnify, defend, and hold LESSOR harmless from and against any Claims in any manner directly or indirectly caused, occasioned or contributed to by reason of the negligence, whether active or passive, of LESSEE or anyone acting under its direction or control or on its behalf in connection with or incidental to the performance of this Lease or any Claims otherwise arising in connection with LESSEE'S use and occupancy of the Premises.

The parties acknowledge that as between LESSOR and LESSEE, each is responsible for any Claims arising from the acts or omissions of its own employees and invitees and notwithstanding anything to the contrary in this Section 15, each Party hereby waives any claim for or right to consequential or punitive damages.

16. INSURANCE –

A. LESSOR shall maintain in full force and effect, the following insurance policies throughout the term of the Lease:

1. Commercial General Liability - Commercial General Liability Insurance covering the common areas located on the Premises with limits of not less than Two Million Dollars (\$2,000,000) per occurrence and an annual aggregate of Four Million Dollars (\$4,000,000). This policy shall be issued on a per occurrence basis.
2. Property Insurance – A "Property Insurance Policy" which is defined herein to mean a policy of special form, so called "all-risk" of physical loss property insurance insuring against fire, theft, vandalism, malicious



1 mischief, sprinkler leakage and such additional perils as are now or  
2 hereafter may be included in broad form coverage (at LESSOR or  
3 LESSEE's option or if otherwise required by LESSOR's mortgagee, if any,  
4 also to include coverage against earthquake and flood) from time to time in  
5 general use in the State of California covering the full replacement value of  
6 all alterations, additions, partitions, improvements, machinery, equipment,  
7 and fixtures made or placed by LESSEE in the Premises, covering the  
8 Building and other improvements on the Premises, and covering any other  
9 perils which LESSEE deems reasonably necessary and so requests to be  
10 covered by written notice to LESSOR. The Property Insurance Policy shall  
11 name LESSOR and the holder of any mortgage or deed of trust  
12 encumbering the Premises (if any), as its interest may appear, as a loss  
13 payee under such policy. The limits for such insurance shall be for not less  
14 than the full replacement value of the Building as improved and existing as  
15 of the date of Casualty (the "Minimum Insured Amount"). On the Delivery  
16 Date, from time to time as LESSEE makes improvements to the Building,  
17 upon LESSOR's request, and at such other times during the Term as  
18 LESSEE elects in its discretion, LESSEE shall deliver to LESSOR written  
19 notice of the Minimum Insured Amount and LESSOR shall communicate  
20 such Minimum Insured Amount to its insurer. Neither LESSOR nor  
21 LESSEE shall do or permit anything to be done which invalidates any such  
22 insurance policies.

- 23 3. Rental Loss Insurance - A policy of rental interruption or rental loss  
24 insurance against loss, total or partial, of the use and occupancy of the  
25 Premises, in an amount sufficient to pay the Base Rent and Additional  
26 Rent required to be paid by LESSEE hereunder for a twenty – four (24)  
27 month period, as a result of any of the hazards covered by the Property  
28 Insurance Policy required hereunder.

4. Worker's Compensation - Worker's Compensation insurance, if required by the California Labor Code.

LESSOR shall obtain endorsements to the Commercial General Liability insurance naming the County of Fresno (hereinafter "County"), its officers, agents, and employees, individually and collectively, as additional insured, but only insofar as the operations under this Lease are concerned. This insurance shall not be cancelled or changed without a minimum of thirty (30) days advance written notice given to County.

Within (30) days after the Effective Date, LESSOR shall provide certificates of insurance and endorsement as stated above for all of the foregoing policies, as required herein, to the County of Fresno, Attn: ISD Lease Services (L-324), 333 W. Pontiac Way, Clovis, CA 93612 stating that such insurance coverages have been obtained and are in full force; that such Commercial General Liability insurance names the LESSEE, its officers, agents, and employees, individually and collectively, as additional insured as required herein and that such insurance shall not be cancelled or changed without a minimum of thirty (30) days advance, written notice given to LESSEE.

In the event LESSOR fails to keep in effect at all times insurance coverage as herein provided, then LESSEE may, after thirty (30) days written notice to LESSOR, obtain such insurance on LESSOR'S behalf and offset Base Rent by the amount of such insurance premiums incurred by LESSEE after providing written notice of such amounts and proof of insurance to LESSOR.

The costs incurred by LESSOR in obtaining and maintaining the insurance policies required of LESSOR hereunder (including any deductibles payable in the event of a loss covered by such policies) shall be referred to herein collectively as "LESSOR'S Insurance Costs" and shall be reimbursable to LESSOR as Additional Rent in accordance with Section 3 hereinabove.

B. LESSEE shall maintain during the term of this Lease the following policies of insurance, which coverages may be provided in whole or in part through one or more programs of self-insurance (provided that any such self-insurance



program shall not diminish or reduce LESSEE'S liability hereunder):

- i. Commercial General Liability insurance with limits of not less than Two Million Dollars (\$2,000,000.00) per occurrence and an annual aggregate of not less than Four Million Dollars (\$4,000,000.00). This policy shall be issued on an occurrence basis, shall name LESSOR as additional insured, and shall be primary and non-contributing as to occurrences and claims in connection with events occurring within the Building (as opposed to in the common area of the Premises for which LESSOR'S Commercial General Liability policy shall be primary).
- ii. All-Risk property insurance. A Special form casualty insurance coverage which shall include fire and such other perils as are customarily included in such insurance maintained by prudent tenants leasing similar space in the same general area of the Premises, in an amount adequate to cover the replacement cost of (i) LESSEE'S merchandise, trade fixtures, furnishings, equipment and other personal property of LESSEE located on or within the Premises, and (ii) at LESSEE's option, the leasehold improvements, alterations and additions to the Premises for which LESSOR shall be named as a loss payee under such insurance, provided however, the proceeds of such insurance shall be delivered to and used by LESSOR to repair or replace the affected leasehold improvements, alterations and additions, and if not so used, shall be paid to LESSEE.

LESSEE shall provide copies of the insurance policies, appropriately authenticated by the insurer, or original insurance certificates reasonably acceptable to LESSOR, evidencing the insurance coverages called for above. Such copies of policies or certificates shall be furnished to LESSOR upon execution of this Lease. The policies or certificates shall contain

1 a provision that the insurer will not cancel or refuse to renew the policies, or change in any  
2 material way the nature or extent of the coverage provided by such policies without first giving  
3 LESSOR thirty (30) days prior written notice. Thirty (30) days prior to expiration of any  
4 policies of insurance carried by LESSEE, LESSEE shall provide proof of continuing coverage.

5 5. Waiver of Subrogation. Neither LESSOR nor LESSEE shall be liable to the  
6 other or to any insurance company (by way of subrogation or otherwise)  
7 insuring the other party for any loss or damage to any building, structure or  
8 other tangible property, or any resulting loss of income and benefits, even  
9 though such loss or damage might have been occasioned by the  
10 negligence of such party, its agents or employees, if any such loss or  
11 damage is covered by insurance benefiting the party suffering such loss or  
12 damage or was required to be covered by insurance pursuant to this  
13 Lease. LESSOR and LESSEE shall require their respective insurance  
14 companies to include a standard waiver of subrogation provisions in their  
15 respective policies.

16 All policies hereunder shall be with admitted insurers licensed to do business in the  
17 State of California. Insurance purchased shall be purchased from companies possessing a  
18 current A.M Best Company rating of A FSC VII or better.

19 17. SURRENDER OF POSSESSION / HOLDOVER – Upon the expiration or  
20 termination of this Lease, LESSEE will surrender the Premises to LESSOR broom clean and  
21 otherwise in such condition as existing on the Rent Commencement Date, less reasonable  
22 wear and tear, but including all improvements made by LESSEE. If LESSEE holds over after  
23 the expiration of the term or earlier termination thereof, with or without the express or implied  
24 consent of LESSOR, such tenancy shall be tenancy at sufferance only, and shall not  
25 constitute a renewal hereof or an extension for any further term, and in such case LESSEE  
26 shall pay one hundred three percent (103%) of the Base Rent in effect just prior to expiration  
27 or termination, until either party gives the other thirty (30) days written notice of termination,  
28 reciting therein the effective date of cancellation. LESSOR hereby expressly reserves the



1 right to require LESSEE to surrender possession of the Premises to LESSOR as provided in  
2 this Lease upon the expiration or other termination of this Lease. The provisions of this  
3 Section 17 shall not be deemed to limit or constitute a waiver of any other rights or remedies  
4 of LESSOR provided herein or at law.

5 18. FIXTURES – LESSOR agrees that any equipment, fixtures or apparatus  
6 installed in or on the Premises by LESSEE shall continue to be the property of LESSEE and  
7 may be removed by LESSEE at any time. LESSEE shall pay for the repair of any damage  
8 caused by the removal of fixtures. Any fixtures not removed after LESSEE surrenders  
9 possession shall be deemed abandoned by LESSEE and become the property of LESSOR.

10 19. RIGHT OF ENTRY – LESSOR, or its representative(s), upon twenty-four (24)  
11 hour notice, or immediately in the event of an emergency, shall have the right to enter the  
12 Premises at any time during business hours, or at such other time as LESSEE deems  
13 appropriate, to make any alterations, repairs or improvements to the Premises. The normal  
14 business of LESSEE or its invitees shall not be unnecessarily inconvenienced. In the event  
15 of an emergency, LESSOR may enter the Premises at any time without giving prior notice to  
16 LESSEE.

17 20. AMENDMENT – This Lease may be amended in writing by the mutual consent  
18 of the parties without in any way affecting the remainder of this Lease.

19 21. NON-ASSIGNMENT – Neither Party shall assign, transfer or sub-let this LEASE,  
20 or the rights or duties under this LEASE, without the prior written consent of the other Party,  
21 which consent shall not be unreasonably withheld or denied, except that LESSOR may sell or  
22 refinance the Premises or any part thereof, in which case LESSOR shall promptly notify  
23 LESSEE in writing of such sale or refinancing. Further, in the event of any such assignment,  
24 sublease or transfer of LESSEE's rights or obligations hereunder, the originally named LESSEE  
25 hereunder (i.e., the COUNTY OF FRESNO, a political subdivision of the State of California)  
26 shall remain fully and primarily liable for all duties and obligations of LESSEE under this  
27 Lease.

28 22. 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.

23. NOTICES – All notices to be given under this Lease by either Party to the other Party shall be in writing, and given by any one of the following methods:

- (i) Personal delivery to the applicable address as set for below; or
- (ii) Sent by certified United States mail, first class postage prepaid, with return receipt requested, to the applicable addresses as set forth below, in which case such notice shall be deemed given three (3) business days if LESSOR is the recipient, or three (3) days if LESSEE is the recipient, after such deposit and postmark with the United States Postal Service; or
- (iii) Sent by a reputable overnight commercial courier, in which case such notice shall be deemed given one (1) business day if LESSOR is the recipient, or one (1) day if LESSEE is the recipient, after such deposit with that courier to the applicable addresses as set forth below.

The addresses and telephone numbers of the Parties for purposes of giving receiving notices under this Lease are as follows:

LESSEE:

County of Fresno  
Jean M. Rousseau  
County Administrative Office (CAO)  
2281 Tulare Street, Suite 304  
Hall of Records  
Fresno, CA 93721  
(559) 600-1710

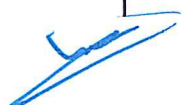
with copies to:

County of Fresno  
Robert W. Bash (L-324)  
Director of Internal Services  
333 W. Pontiac Way  
Clovis, CA 93612  
(559) 600-6200

Bryan W. Burton  
Sr. Staff Analyst  
333 W. Pontiac Way

LESSOR:

Pontiac 7, LLC, a limited liability company  
Attn: Clayton Medina  
2780 N. Miami Ave., Ste. 10  
Fresno, CA 93727  
(559) 346-1400





L-324 /DSS  
Building 7/5610  
Clovis, CA 93612  
(559) 600-5647

Provided however, such notices may be given to such person or at such other place as either of the Parties may from time to time designate by giving written notice to the other Party, and provided further however, in any event notices of changes of address or termination of this Lease shall not be effective until actual delivery of such notice. Notices given hereunder shall not be amendments or modifications to this Lease.

24. DISCLOSURE OF SELF DEALING TRANSACTIONS – This provision is only applicable if the LESSOR is operating as a corporation (a for-profit or non-profit corporation) or if during the term of this Lease, the LESSOR changes its status to operate as a corporation.

Members of LESSOR'S Board of Directors shall disclose any self-dealing transactions that they are a party to while LESSOR is providing goods or performing services under this Lease. A self-dealing transaction shall mean a transaction to which the LESSOR is a party and in which one or more of its directors has a material financial interest. Members of the Board of Directors shall disclose any self-dealing transactions that they are a party to by completing and signing a *Self-Dealing Transaction Disclosure Form* Attachment "D", attached hereto and by this reference incorporated herein, and submitting it to the County of Fresno prior to commencing with the self-dealing transaction or immediately thereafter.

25. SUCCESSORS – This Lease shall inure to the benefit of and be binding upon the heirs, executors, administrators, successors and assigns of the respective parties hereto, always providing that nothing in this Section 25 shall impair any of the provisions herein above set forth prohibiting assignment or other transfer of this Lease by LESSEE without the prior written consent of LESSOR.

26. LESSEE'S DEFAULT AND LESSOR'S REMEDIES –

A. LESSEE'S Default. LESSEE shall be in default under this Lease if LESSEE fails to perform any of its obligations hereunder and (i) if the failure is in the payment of Base Rent, or any other failure which can be cured by the payment of money, the failure continues uncured for a period of five (5) days after

1 written notice thereof from LESSOR (provided, however, LESSOR shall have  
2 no obligation to provide such written notice more than two (2) times in any  
3 twelve (12) consecutive month period), or (ii) if the failure is in any of the other  
4 provisions of this Lease and such failure continues uncured for a period of  
5 thirty (30) days after written notice thereof from LESSOR, unless such cure is  
6 not capable of completion within thirty (30) days, in which case LESSEE shall  
7 be afforded such additional time as may be reasonably necessary to complete  
8 the cure provided LESSEE commences the cure within thirty (30) days of  
9 LESSOR'S notice and diligently pursues such cure to completion, or, in the  
10 event of a threatened injury to life or property due to such failure, continues for  
11 such lesser period as LESSOR may specify in such written notice.

12 B. LESSOR'S Remedies. In the event of a default by LESSEE then, besides any  
13 other rights and remedies of LESSOR at law or equity, LESSOR shall have the  
14 following rights and remedies. All remedies herein conferred on LESSOR  
15 shall, to the fullest extent permitted by law, be deemed cumulative and no one  
16 exclusive of the other or of any other remedy conferred by law or in equity, and  
17 nothing herein shall prevent LESSOR from pursuing any and all other  
18 remedies it may have upon LESSEE'S default.

19 1. Election to Continue or Terminate Lease. LESSOR shall have the right to  
20 elect either to continue or terminate this Lease, as follows:

21 (a) Continuation of Lease. LESSOR shall have the remedy described  
22 in California Civil Code Section 1951.4 (LESSOR may continue this  
23 Lease in effect after LESSEE'S breach and abandonment and  
24 recover rent as it becomes due, if LESSEE has the right to sublet or  
25 assign, subject only to reasonable limitations). Accordingly, if  
26 LESSOR does not elect to terminate this Lease on account of any  
27 default by LESSEE, LESSOR may, from time to time, without  
28 terminating this Lease, enforce all of its rights and remedies under



this Lease, including the right to recover all Rent as it becomes due.

- (b) Termination of Lease. LESSOR shall have the right to terminate this Lease, by giving written notice of termination to LESSEE or, if LESSEE'S address is unknown, by posting such notice on the Premises. Absent such written notice, no acts of LESSOR (including entering, repairing, preparing to re-let, or re-letting the Premises) shall be construed as an election to terminate the Lease. In the event that LESSOR elects to terminate this Lease, then LESSOR shall be entitled to its statutory unlawful detainer remedy.

No Event of Default. Notwithstanding anything herein to the contrary, LESSEE shall NOT be in default under this LEASE solely because of the failure to pay any amounts to be owed by LESSEE hereunder — including any portion or installment of the Base Rent, when they are to be due and payable herein, and/or any other amounts otherwise due and payable herein—to the extent such amounts are subject to abatement as set forth in Section 30, hereinbelow.

No Acceleration of Future Rent or Other Payments/Amounts. Notwithstanding anything to the contrary contained herein this Lease or any right or remedy of which LESSOR may otherwise avail itself pursuant to applicable law, any right of LESSOR to recover any rents (including Base Rent and Additional Rent) and/or any other amounts to be paid by LESSEE as provided in this Lease shall be without acceleration of any future Base Rent and/or any future Additional Rent, and/or any other amounts to be paid by LESSEE herein, before they are due and payable hereunder. LESSOR hereby expressly waives its right to accelerate rent in the event of a termination of this Lease pursuant to California Civil Code section 1951.2.

27. WAIVER – No covenant or condition of this Lease shall be deemed waived, except by the written consent of LESSOR or LESSEE, as appropriate, and any forbearance or indulgence by the party entitled to performance shall not constitute a waiver of the covenant or condition to be performed. Until complete performance of such covenant or condition, the party entitled to performance shall have the right to invoke any remedy

1 available to it under this Lease or by law, despite such forbearance or indulgence. The  
2 subsequent acceptance of Rent hereunder by LESSOR shall not be deemed to be a waiver of  
3 any preceding default by LESSEE of any term, covenant or condition of this Lease, other than  
4 the failure of LESSEE to pay the particular Rent so accepted, regardless of LESSOR'S  
5 knowledge of such preceding default at the time of acceptance of such Rent.

6 28. LATE CHARGES – LESSEE hereby acknowledges that late payment by  
7 LESSEE to LESSOR of Rent or other sums due hereunder shall cause LESSOR to incur  
8 costs not contemplated by this Lease, the exact amount of which will be extremely difficult to  
9 ascertain. Such costs include, but are not limited to, processing and accounting charges.  
10 Accordingly, if any installment of Rent or any other sums due from LESSEE shall not be  
11 received by LESSOR or LESSOR'S assignee within forty-five (45) days after the date due,  
12 then LESSEE shall pay to LESSOR a late charge equal to three (3%) percent of such  
13 overdue amount plus any attorney's fees incurred by LESSOR by reason of LESSEE'S failure  
14 to pay Rent and/or other sums when due hereunder; provided that any payment postmarked  
15 by the 5th of the month shall be presumed to be mailed in a timely manner. The parties  
16 hereby agree that such late charge represents a fair and reasonable estimate of the cost that  
17 LESSOR will incur by reason of the late payment by LESSEE. Acceptance of such late  
18 charges by LESSOR shall in no event constitute a waiver of LESSEE'S default with respect to  
19 such overdue amounts, nor prevent LESSOR from exercising any of the other rights and  
20 remedies granted hereunder. In addition, LESSEE shall pay to LESSOR interest at the  
21 Interest Rate on any delinquent payments, commencing ninety (90) days after the date  
22 payment was due and continuing until paid.

23 29. INTEREST – Any amount owing from one party to the other under this Lease  
24 which is not paid within ninety (90) days of the date when due shall thereafter bear interest at  
25 the Interest Rate. As used herein, the term "Interest Rate" means a per annum rate of  
26 interest equal to the lesser of (i) five percent (5%) per annum over the then most recent  
27 annual prime or reference rate of interest announced by Bank of America N.A. (or in the event  
28 Bank of America N.A. ceases to publish a prime or reference rate, the prime rate of a



comparable national banking institution reasonably agreed upon by the parties), or (ii) the maximum rate permitted by applicable law.

30. ABATEMENT OF BASE RENTS, AND OTHER PAYMENTS - Notwithstanding anything to the contrary in this LEASE, (i) LESSEE's obligations to pay the Base Rent, and/or any other amounts otherwise due and payable hereunder to LESSOR shall be abated during any period, and to the extent, that the Premises, or any portion thereof (in the case of an affected portion of the Premises, then, such abatement shall also be in proportion thereof), cannot be used and occupied by LESSEE pursuant to this LEASE as a result of any title defect (excluding any permitted encumbrances at execution date), or of any Condemnation or Prohibited Use of the Premises, or any portion thereof, and (ii) any abatement of any Base Rent, and/or other amounts otherwise due and payable, herein pursuant to this Section shall not be deemed to be a default under this LEASE on the part of LESSEE.

Abatement of any Base Rent, and/or of any other amounts otherwise due and payable hereunder shall only suspend the period during which LESSEE is otherwise required to pay Base Rent, and/or any other amounts otherwise due and payable, hereunder to LESSOR, and shall not relieve LESSEE from subsequently paying the remainder of all such Base Rent , and/or any other amounts otherwise due and payable herein, pursuant to this LEASE once the condition giving rise to the abatement has been cured, corrected, eliminated, or satisfactorily resolved. Such abatement shall continue for the period commencing with the date of such title defect referred to in this Section 30, or of any Condemnation or Prohibited Use of the Premises, or any portion thereof, and ending with the cure, correction, elimination or satisfactory resolution of the title defect whereby LESSEE may use and occupy the Premises, or the adversely affected portion thereof, pursuant to this LEASE. Cure, correction, elimination or satisfactory resolution may, upon prior mutual written approval of LESSOR and LESSEE (which the parties will negotiate in good faith and without unreasonable delay), occur in commercially reasonable stages, as determined by the nature of the problem being remedied and the impact that such staged remedial action and the coordination and timing thereof would have on LESSEE, LESSEE's Director of Internal Services/Chief Information

Officer, or his/her designee, shall be authorized to execute such written approval for LESSEE.

The monthly Base Rent, and any other amounts otherwise due and payable hereunder, by LESSEE to LESSOR with respect to the Premises, or any portion thereof, shall be abated to the extent that the amount of the monthly fair rental value of the portion of the Premises in respect of which there is no substantial interference with LESSEE's use and occupancy of the Premises is less than the amount of monthly Base Rent and any other amounts otherwise due and payable hereunder, in which case the monthly Base Rent and any other amounts otherwise due and payable hereunder shall be abated only by an amount equal to the difference thereof.

During the occurrence of any Casualty which is covered by rental interruption insurance or rental loss insurance (See Section 16A(3) herein) the proceeds of any rental interruption insurance or rental loss insurance that LESSOR may receive as a result of such Casualty shall be applied by LESSOR, to the credit of LESSEE, for any monthly Base Rent, and any other amounts otherwise due and payable hereunder; in such instance of such amounts so received, LESSOR shall so inform LESSEE of any such amounts so received.

Nothing contained in this Section 30 shall obligate LESSEE for payments of Base Rent, and/or any other amounts otherwise due and payable hereunder if this LEASE is terminated pursuant to Section 11 herein.

31. LESSOR EXCULPATION – It is expressly understood and agreed that notwithstanding anything in this Lease to the contrary, and notwithstanding any applicable law to the contrary, the liability of LESSOR and the LESSOR'S members, owners, agents, employees, and partners (including any successor landlord) (collectively, the "LESSOR Parties") and any recourse by LESSEE against LESSOR or the LESSOR Parties shall be limited solely and exclusively to an amount which is equal to the ownership interest of LESSOR in the Building in which the Premises is located (excluding any proceeds thereof), and neither LESSOR, nor any of LESSOR's members shall have any personal liability therefor, and LESSEE hereby expressly waives and releases such personal liability on behalf of itself and all persons claiming by, through or under LESSEE.



1           32.    ENERGY CONSUMPTION DISCLOSURE – If LESSEE (or any party claiming  
2 by, through or under LESSEE) pays directly to the provider for any energy consumed at the  
3 Premises, LESSEE shall, promptly upon request, deliver to LESSOR (or, at LESSOR'S  
4 option, execute and deliver to LESSOR an instrument enabling LESSOR to obtain from such  
5 provider) any data about such consumption that LESSOR, in its reasonable judgment, is  
6 required to disclose to a prospective buyer, tenant or mortgagee or prospective mortgagee  
7 under California Public Resources Code § 25402.10 or any similar law.

8           33.    COUNTERPARTS – This Lease may be executed in one or more counterparts  
9 (which may be facsimile or .pdf e-mail counterparts followed by originals), each of which will  
10 be deemed an original and all, taken together, will constitute one and the same instrument.

11           34.    FORCE MAJEURE – In the event that either party hereto shall be delayed or  
12 hindered in or prevented from the performance of any act required hereunder by reason of  
13 strikes, lockouts, adverse weather (including rain), inability to procure labor or materials,  
14 failure of power, restrictive governmental laws or regulations, riots, insurrection, war, fire or  
15 other casualty or other reason of a similar nature beyond the reasonable control of the party  
16 delayed in performing work or doing the act required under the terms of this Lease, then  
17 performance of such act shall be excused for the period of the delay and the period from the  
18 performance of any such act shall be extended for a period equivalent to the period of such  
19 delay (any such delay is herein referred to as an "Force Majeure Delay"). In no event shall  
20 LESSEE'S inability to satisfy a monetary obligation hereunder constitute or be subject to  
21 Force Majeure Delay.

22           35.    ESTOPPEL CERTIFICATE – LESSEE shall, at any time upon not less than  
23 thirty (30) days prior request by LESSOR, execute, acknowledge and deliver to LESSOR a  
24 written estoppel certificate, in a form satisfactory to LESSOR, certifying that this Lease is  
25 unmodified and in full force and effect (or, if there have been modifications, that the same is in  
26 full force and effect as modified and stating the modifications) and, if applicable, the dates to  
27 which the Rent and any other charges have been paid in advance. Any such statement  
28 delivered pursuant to this Section 35 may be relied upon by third persons, including a

1 prospective purchaser or encumbrancer of the Premises.

2 LESSEE'S failure to execute and deliver an estoppel certificate within thirty (30) days  
3 after LESSEE'S receipt of LESSOR'S written request therefore shall be conclusive upon  
4 LESSEE that this Lease is in full force and effect, without modification except as may be  
5 represented by LESSOR, that there are no uncured defaults in LESSOR'S performance, that  
6 not more than one month's rental has been paid in advance, and that all other statements  
7 required to be made in the estoppel certificate are conclusively made.

8 36. SUBORDINATION AND ATTORNMENT – At LESSOR'S option, this Lease  
9 shall be subordinated to any mortgage or deed of trust which is now or shall hereafter be  
10 placed upon the Premises, and LESSEE agrees to execute and deliver any instrument which  
11 may be necessary to further effect the subordination of the Lease to any such mortgage or  
12 deed of trust; provided, however, that such instrument of subordination shall provide, or the  
13 mortgagee or beneficiary of such mortgage or deed of trust otherwise shall agree in writing in  
14 recordable form delivered to LESSEE, that the mortgagee or beneficiary, including their  
15 successors and assigns, recognize LESSEE's leasehold interest under this Lease and that so  
16 long as LESSEE is not in default under this Lease, foreclosure of any such mortgage or deed  
17 of trust or sale pursuant to exercise of any power of sale thereunder, or deed given in lieu  
18 thereof, shall not affect this Lease but such foreclosure or sale, or deed given in lieu thereof,  
19 shall be made subject to this Lease which shall continue in full force and effect, binding on  
20 LESSEE, as lessee, and the transferee, as lessor. LESSEE shall attorn to the transferee as if  
21 said transferee was LESSOR under this Lease.

22 37. AUTHORITY – Each individual executing this Lease on behalf of LESSOR  
23 represents and warrants that the individual(s) executing this Lease on behalf of LESSOR are  
24 duly authorized to execute and deliver this Lease on behalf of Pontiac 7 LLC, a limited liability  
25 company and that this Lease is binding upon Pontiac 7 LLC, a limited liability company in  
26 accordance with its terms.

27 38. ENTIRE AGREEMENT – This Lease constitutes the entire Lease between the  
28 LESSOR and LESSEE with respect to the subject matter hereof and supersedes all prior



leases, negotiations, proposals, commitments, writings, advertisements, publications, and  
understandings of any nature whatsoever unless expressly referenced in this Lease.

[SIGNATURES ON FOLLOWING PAGE(S)]

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EXECUTED as of the EFFECTIVE DATE.

LESSOR:

Pontiac 7, LLC, a limited liability  
company,

By: 

Clayton Medina, CFO

LESSEE:

COUNTY OF FRESNO

By: 

Brian Pacheco, Chairman  
Board of Supervisors

Date: September 26, 2017

ATTEST: BERNICE E. SEIDEL, CLERK  
BOARD OF SUPERVISORS

By: 

Deputy

APPROVED AS TO LEGAL FORM:  
DANIEL C. CEDERBORG, COUNTY  
COUNSEL

By: 

Deputy

APPROVED AS TO ACCOUNTING FORM:  
OSCAR J. GARCIA, CPA  
AUDITOR-CONTROLLER/TREASURER-  
TAX COLLECTOR

By: 

RECOMMENDED FOR APPROVAL:

By: 

Robert W. Bash, Director of  
Internal Services/Chief Information  
Officer

RECOMMENDED FOR APPROVAL:

By: 

Delino E. Neira, Director of  
Social Services

0001. J.N.  
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56107001 ACCT#  
7340 INWOB IN  
w/ 18D  
PERMISSION



# ATTACHMENT "A"

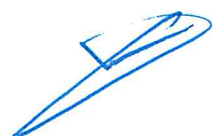
Premises Map



# Attachment "B"

## Maintenance Operating Budget

Services	Per Sq Ft	Monthly	Annually
Utilities	\$ 0.182	\$ 27,589.93	\$ 331,079.11
Property Taxes	\$ 0.140	\$ 21,223.02	\$ 254,676.24
Landscaping	\$ 0.029	\$ 4,396.20	\$ 52,754.36
Maintenance	\$ 0.055	\$ 8,337.62	\$ 100,051.38
Pest Control	\$ 0.001	\$ 151.59	\$ 1,819.12
Management	\$ 0.061	\$ 9,247.17	\$ 110,966.08
Insurance	\$ 0.042	\$ 6,366.91	\$ 76,402.87
Janitorial Service	\$ 0.101	\$ 15,310.89	\$ 183,730.72
Janitorial Supplies	\$ 0.032	\$ 4,850.98	\$ 58,211.71
<b>Total</b>	<b>\$ 0.643</b>	<b>\$ 97,474.30</b>	<b>\$1,169,691.59</b>





# **ATTACHMENT “C”**

## **Premises Services Agreement**

### **Landscape**

1. Maintenance of all Landscaped areas on the Premises
2. All Tree Maintenance
3. Plant replacement

### **Parking Lot**

1. Contract Vacuuming
  - a. 1 x a month sweeping of all parking lot stalls
2. Resurfacing or repaving

### **Exterior Building Maintenance**

1. Pressure Washing to be performed
  - a. 2 x year - Window washing all floors
  - b. 1 x month - Window Washing for 1<sup>st</sup> floor windows only
2. Painting
  - a. Graffiti removal as needed
3. Pest Control
  - a. 1 x month, exterior only – Treat and spray the outside of the building
4. Common Area Repairs
  - a. Vandalism repairs as needed
5. Roof Repairs

### **Janitorial**

1. Daily:
  - a. Vacuum all carpeted areas
  - b. Sweep and/or dry mop floors
  - c. Dust cleared desk and table surfaces, clean counters
  - d. Empty all waste baskets and dispose of trash in appropriate trash bins
  - e. Clean smudges and unsightly appearances form door jambs, light switches, glass partitions, and counters
  - f. Clean and sanitize all sinks, toilets, and urinals
  - g. Clean all restroom mirrors, tile and splash walls
  - h. Spot clean restroom walls and partitions
  - i. Refill supplies in Restrooms (paper towels, toilet tissue, soap, etc.)
2. Monthly:
  - a. Dust all blinds and sills
3. Perform as Required:
  - a. Wet mop floors
  - b. Remove interior cobwebs
  - c. Dust wall picture frames and partition tops
  - d. High dust, including walls, light fixtures, vents and ledges above normal reach, door ledges
  - e. Wash/clean light fixtures, walls, A/C vents



- f. Dust/clean baseboards
- g. Spot clean carpets
- h. Steam clean all carpets
- i. Strip and wax all vinyl and tile flooring
- j. Clean Interior windows

### **HVAC**

- 1. Contract Maintenance
  - a. Quarterly Service Agreement

### **Interior Building Maintenance**

- 1. Electrical Repairs
- 2. Plumbing
  - a. Service calls
    - i. Urinal
    - ii. Toilet
    - iii. Fixture repairs
- 3. Elevator Contract Maintenance
  - a. Cost is based on two elevators
  - b. Service to be performed quarterly

### **Vendors**

- 1. Lessee shall have the right to approve all vendors.

### **On-Site Management**

- 1. Property Management available upon request
- 2. 1 x week - Property Management assessment of interior and exterior of building visits with lead personnel
- 3. Property Management or their representative will visit the building on a daily basis Monday through Friday.

### **Utilities**

- 1. Utility - Gas - Tenant pays direct to PG&E
- 2. Utility - Electric - Tenant pays to LESSOR
- 3. Elevator Phone Line
  - a. To allow access to make emergency calls in case of an entrapment

### **Fire Safety**

- 1. Maintenance of Fire Alarm System
  - a. Testing system on quarterly basis per FFD regulations
  - b. Testing system on a yearly basis per FFD regulations
  - c. Testing system on a 5-year basis per FFD regulations
- 2. Fire System Phone Line
  - a. Phone line to ensure fire alarm system is active and able to communicate to central monitoring station





**Insurance**

1. Property Insurance based on then current Building value
2. General Liability
3. Other coverages, including earthquake insurance

**Property Taxes**

1. Property taxes and assessments

**Operating Expenses**

1. Operating expenses shall be considered Additional Rent under the Lease.
2. Additional rent shall be paid by Lessee on or about the 1<sup>st</sup> of the month along with monthly Base Rent. Each payment shall be equal to 1/12<sup>th</sup> of the annual budget.
3. Lessor shall endeavor to deliver to Lessee an annual good faith Operating Expense budget at least 120 days prior to the start of the next calendar year.
4. Within 90 days after the year is completed, Lessor shall submit to Lessee a reconciliation of the actual Operating Expenses.
5. Any overpayment of Operating Expenses shall, at Lessor's option, either be refunded to Lessee within thirty (30) days after Lessor's delivery of the statement setting forth such amount OR credited against Lessee's installment(s) of the rent next becoming due under this Lease. Any underpayment shall be paid by Lessee to Lessor within 45 days.

**Modification to Agreement**

This agreement may be modified upon the mutual agreement of both parties.

**Management Fee**

Lessee shall pay a 9.5% Management Fee to Lessor on all expenses.

**Repairs**

Lessor shall make any necessary repairs and replacements during the course of the life of the lease of every kind and nature and which shall be considered an operating expense.

All repairs, replacement, maintenance, restoration or operation of the building and on any floor or conference room are considered as part of this agreement and will be an operating expense whether paid or incurred and without any limitation.

**Term of Agreement**

The term of this agreement will be for the life of the Lease.

**Termination of Agreement**

This Premises Services Agreement or any portion thereof may be terminated by Lessee with a 60-day notice for cause.

\*To the extent Lessor and Lessee agree upon modifications to the services to be provided by Landlord pursuant hereto, the budget shall be modified to reflect such modifications and Tenant's estimated monthly payment shall be adjusted accordingly.

A handwritten signature in blue ink, located in the bottom right corner of the page. The signature is stylized and appears to be a cursive representation of a name.



**ATTACHMENT "D"**

**SELF-DEALING TRANSACTION DISCLOSURE FORM**

In order to conduct business with the County of Fresno (hereinafter referred to as "County"), members of a contractor's board of directors (hereinafter referred to as "County Contractor"), must disclose any self-dealing transactions that they are a party to while providing goods, performing services, or both for the County. A self-dealing transaction is defined below:

*"A self-dealing transaction means a transaction to which the corporation is a party and in which one or more of its directors has a material financial interest"*

The definition above will be utilized for purposes of completing this disclosure form.

**INSTRUCTIONS**

- (1) Enter board member's name, job title (if applicable), and date this disclosure is being made.
- (2) Enter the board member's company/agency name and address.
- (3) Describe in detail the nature of the self-dealing transaction that is being disclosed to the County. At a minimum, include a description of the following:
  - a. The name of the agency/company with which the corporation has the transaction; and
  - b. The nature of the material financial interest in the Corporation's transaction that the board member has.
- (4) Describe in detail why the self-dealing transaction is appropriate based on applicable provisions of the Corporations Code.
- (5) Form must be signed by the board member that is involved in the self-dealing transaction described in Sections (3) and (4).

**Mail the completed form to:**

County of Fresno  
Attn: Lease Services (L-324)  
Internal Services Department  
333 W. Pontiac Way  
Clovis, CA 93612



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<b>(1) Company Board Member Information:</b>			
<b>Name:</b>		<b>Date:</b>	
<b>Job Title:</b>			
<b>(2) Company/Agency Name and Address:</b>			
<b>(3) Disclosure (Please describe the nature of the self-dealing transaction you are a party to):</b>			
<b>4) Explain why this self-dealing transaction is consistent with the requirements of Corporations Code 5233 (a):</b>			
<b>(5) Authorized Signature</b>			
<b>Signature:</b>		<b>Date:</b>	

