

L-259 (E Street)
Kletter/ETA5610**LEASE AGREEMENT**

This Lease Agreement ("LEASE") is made and entered into this 7th day of August, 2018 ("Effective Date"), by and between the County of Fresno, a Political Subdivision of the State of California, ("LESSEE"), and E Street Fresno, LLC, whose address is 8405 N. Fresno Street #210, Fresno, CA 93720, ("LESSOR").

1. LEASED PREMISES - LESSOR leases to LESSEE the location commonly known as 1209 E. Street, Fresno, CA 93721, approximately 10,500 square feet of office space, and twenty-nine (29) adjacent parking stalls ("Premises").

2. TERM - The primary term of this LEASE shall be for one (1) year commencing on November 19, 2018 ("Primary Term"). Thereafter, the LEASE shall be renewable for one (1) additional period of one (1) year by mutual written consent of both parties. In no event shall the total term of this LEASE exceed two (2) years.

3. RENT - LESSEE agrees to pay rent ("Base Rent") to LESSOR for the Premises beginning on November 19, 2018. The Base Rent shall increase by three (3) percent on November 19, 2019.

A. For the primary term of this LEASE, the Base Rent shall be ten thousand eight hundred fifteen dollars (\$10,815.00) per month; and

B. If the LEASE is renewed for the period 2019 through 2020, the Base Rent shall be eleven thousand one hundred thirty-nine dollars and forty-five cents (\$11,139.45) per month.

4. UTILITIES - LESSEE shall pay the metered costs associated with its use of natural gas and electricity, including water, garbage and sewer fees, which are in addition to the rent. LESSEE shall also pay all costs associated with its use of telephone service.

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

LESSOR covenants that the Premises are suitable for the Lessee's intended use. LESSOR further covenants that the Premises shall be in compliance with all applicable laws, ordinances and regulations, including but not limited to safety regulations, health and building

1 codes on the First Date of Occupancy

2 6. MAINTENANCE – LESSOR shall perform, at LESSOR'S expense, all exterior and
3 interior maintenance, and repair of air conditioning, heating units, plumbing systems, electrical
4 systems, lighting, parking lot lighting, roof, and landscaping. LESSOR shall contract with a third
5 party for janitorial services at the Premises to be provided five (5) days per week, and will include
6 the services as shown on Exhibit "A", attached and incorporated by reference. However, LESSEE
7 shall promptly reimburse LESSOR for LESSOR's actual monthly cost of janitorial services
8 ("Janitorial Cost"), which shall be commercially reasonable.

9 In addition to the Base Rent and Janitorial Cost, LESSEE shall pay for LESSEE's pro
10 rata share of common area maintenance ("CAM") expenses incurred by LESSOR in connection
11 with its obligations to maintain and repair the shared areas of the property. During the Primary
12 Term of the LEASE, the monthly CAM will be \$1,669.00 per month. During the optional one-year
13 extension after the Primary Term, the monthly CAM will be \$964.50. LESSOR shall mail an
14 invoice by the fifteenth (15th) day of each month for the Janitorial Cost and CAM to: County of
15 Fresno, Dept. of Social Services Finance A/P, P.O. Box 24055, Fresno, CA 93779.

16 Within one hundred twenty (120) days after the close of each calendar year or as
17 soon after such 120-day period as practicable, LESSOR will deliver to LESSEE a statement of
18 actual amounts of CAM payable under this LEASE for such calendar year ("Statement"). The
19 Statement shall include all necessary documentation to substantiate all actual CAM amounts. If
20 such Statement shows an amount owed by LESSEE that is more than the estimated payments
21 previously made by LESSEE for such calendar year, LESSEE will pay such deficiency to LESSOR
22 within forty-five (45) days after delivery of the statement. If the total of the estimated monthly CAM
23 installments paid by LESSEE during any calendar year exceeds the actual CAM expense amounts
24 due from LESSEE for such calendar year, and provided LESSEE is not in default hereunder, such
25 excess shall be refunded by LESSOR to LESSEE within forty-five (45) days.

26 LESSOR is also responsible for the structural condition of the building and agrees
27 that the building will always be maintained in a condition acceptable for the LESSEE'S intended
28 use of the Premises. This will include exterior and interior painting as needed due to normal wear

1 and tear.

2 LESSEE shall be responsible for making minor repairs for damage caused to the
3 interior by LESSEE or its invitees. LESSOR shall provide a list of vendors, to include, plumbing,
4 electrical and HVAC, to be contacted by LESSEE to make such repairs.

5 7. BREACH OF OBLIGATION TO MAINTAIN - In the event LESSOR breaches its
6 obligation to maintain the Premises as provided, LESSEE shall give written notice to LESSOR
7 within fifteen (15) days of the discovery of such breach. LESSOR shall then have thirty (30) days
8 from the date of notice to cure its breach, provided, however, that if the item of maintenance is of
9 such a nature that it requires more than thirty (30) days to complete, but does not relate to a health
10 and safety matter then LESSOR shall have such additional time as is necessary to complete such
11 maintenance as long as LESSOR commences work on such maintenance with said thirty (30) day
12 period and diligently prosecutes such maintenance to completion. Subject to the foregoing, if the
13 period for cure expires and if, in LESSEE'S sole determination, LESSOR has failed to cure, and
14 then LESSEE may, at its election:

15 A. Terminate this LEASE, as hereinafter provided. In such case, LESSEE shall
16 have the right to demand that LESSOR refund any monies which were paid to
17 LESSOR pursuant to the LEASE, but which were not earned by LESSOR by
18 consequence of its breach. Upon receipt of such demand, LESSOR shall
19 promptly refund all such monies; or

20 B. Cure LESSOR'S breach and deduct the cost of such cure, together with
21 reasonable administrative costs, from LESSEE'S future rent obligation.
22 LESSEE'S decision to cure LESSOR'S breach shall not constitute a waiver of
23 any rights or remedies that LESSEE may have arising from this LEASE or by
24 operation of law.

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

- 1 A. LESSOR'S Election to Repair: If LESSOR elects to repair the Casualty
2 damage to the Premises, then it shall within thirty (30) days after the date of
3 Casualty provide written notice ("Notice of Repair") to LESSEE indicating the
4 anticipated time required to repair. LESSOR shall bear the cost of all repairs to
5 the Premises, including the cost to repair any alterations or fixtures installed or
6 attached thereto by LESSEE. Such repairs shall restore the Premises to
7 substantially the same condition as that existing at the commencement of this
8 LEASE; such repairs shall also be made in compliance with all applicable state
9 and local building codes. LESSOR shall not be liable to LESSEE for
10 compensation for any loss of business, or any inconvenience or annoyance
11 arising from repair of the Premises as a result of the Casualty except for Base
12 Rent reduction as hereinafter provided. LESSEE shall be responsible at its
13 sole cost and expense for the replacement of its personal property.
- 14 B. LESSOR'S Election to Terminate Due to Casualty – Complete Destruction:
15 LESSOR may only elect to terminate the LEASE due to Casualty if: the
16 Premises have been destroyed or substantially destroyed by said Casualty, and
17 the estimated time to repair the Premises exceeds ninety (90) days from the
18 date of the Casualty. LESSOR shall provide LESSEE with written notice of its
19 election to terminate within thirty (30) days after the date of Casualty.
- 20 C. Rent Reduction Due to Casualty: In the event of Casualty, LESSEE'S
21 obligation to pay the Base Rent shall be reduced beginning on the date of the
22 Casualty. Such reduction shall be proportional to the damage caused to the
23 Premises by the Casualty, as determined by LESSEE. If LESSOR elects to
24 repair the Premises pursuant to the terms of this LEASE, then the rent
25 reduction shall continue until the date of substantial completion of repair.
- 26 D. LESSEE'S Election to Terminate Due to Casualty: If LESSEE does not receive
27 a Notice of Repair from LESSOR within thirty (30) days after a Casualty, or if
28 the anticipated period of repair contained in the Notice of Repair exceeds

1 ninety (90) days, then LESSEE may elect to terminate this LEASE as
2 hereinafter provided. In such case, LESSEE shall have the right to demand
3 that LESSOR refund any monies which were paid to LESSOR pursuant to the
4 LEASE but which were not earned by LESSOR by consequence of the
5 Casualty. Upon receipt of such demand, LESSOR shall promptly refund all
6 such monies.

7 9. TERMINATION - If, pursuant to the terms provided herein, either LESSOR or
8 LESSEE has an election to terminate the LEASE and so elects, then notice of such termination
9 shall be made in writing to the non-terminating party. With the exception of the termination dates
10 specified in Section 8(B) and Section 14, the notice shall specify a date of termination not less than
11 one hundred twenty (120) days from the date of said notice.

12 In the case of LESSEE, the County Administrative Officer or the Director of General
13 Services/Chief Information officer or their designee shall have the power to provide such notice
14 and terminate the LEASE.

15 12. HOLD HARMLESS - LESSOR agrees to indemnify, save, hold harmless, and at
16 LESSEE'S request, defend the LESSEE, its officers, agents, and employees from any and all
17 costs and expenses (including attorney's fees and costs), damages, liabilities, claims, and losses
18 occurring or resulting to LESSEE in connection with the performance, or failure to perform, by
19 LESSOR, its officers, agents, or employees under this LEASE, and from any and all costs and
20 expenses (including attorney's fees and costs), damages, liabilities, claims, and losses occurring
21 or resulting to any person, firm, or corporation who may be injured or damaged by the
22 performance, or failure to perform of LESSOR, its officers, agents, or employees under the
23 LEASE. This LEASE is made upon the expressed condition that the LESSEE is to be free of all
24 liability, damages or injury arising from structural failures of the Leased Premises including external
25 walls, doors, roof and floor, unless caused by the negligence or willful misconduct of LESSEE, its
26 officers, agents or employees.

27 LESSEE agrees to indemnify, save, hold harmless, and at LESSOR'S request, defend
28 the LESSOR from any and all costs and expenses (including attorney's fees and costs),

1 damages, liabilities, claims, and losses occurring or resulting to LESSOR in connection with
2 LESSEE'S use of the Premises, including without limitation the performance, or failure to
3 perform, by LESSEE, its officers, agents, or employees under this LEASE, and from any and
4 all costs and expenses (including attorney's fees and costs), damages, liabilities, claims, and
5 losses occurring or resulting to any person, firm, or corporation who may be injured or
6 damaged by the performance, or failure to perform of LESSEE, its officers, agents, or
7 employees under the LEASE.

8 The provisions of this Section 12 shall survive the termination of this LEASE.

9 The parties acknowledge that as between LESSOR and LESSEE, each is responsible
10 for the negligence of its own employees and invitees.

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

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

17 B. Fire insurance and extended coverage. LESSOR shall add LESSEE as an
18 additional insured thereon.

19 Within thirty (30) days of the execution of LEASE, the LESSOR shall provide the
20 LESSEE with certificates of insurance with proper endorsements naming the LESSEE as the
21 additional insured. The policy is to be written by an admitted insurer licensed to do business in
22 California and with an A.M. Best rating of A FSC VII or better.

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

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

1 basis.

2 B. All-Risk property insurance covering the personal property of LESSEE.

3 LESSEE shall add LESSOR as an additional insured thereon.

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

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

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

21 16. FIXTURES - LESSOR agrees that any equipment, fixtures or apparatus installed in
22 or on the Premises by LESSEE shall continue to be the property of LESSEE and may be removed
23 by LESSEE at any time. LESSEE shall pay for the repair of any damage caused by the removal of
24 fixtures. Any fixtures not removed when LESSEE surrenders possession shall become the
25 property of LESSOR. Notwithstanding anything to the contrary in this Section 16, LESSEE has
26 no right to make any alterations, improvements or additions to the Premises without LESSOR'S
27 prior written consent, which may be granted or withheld in LESSOR'S sole and absolute discretion.

28 17. RIGHT OF ENTRY - LESSOR, or its representative(s), upon twenty-four (24) hours

notice, shall have the right to enter the Premises at any time during business hours, or at such other time as LESSEE deems appropriate, to make any alterations, repairs or improvements to the Premises. The normal business of LESSEE or its invitees shall not be unnecessarily inconvenienced.

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

19. NON-ASSIGNMENT - LESSEE shall not assign or transfer its rights or obligations under this LEASE, or sub-lease said Premises or any portion thereof, without the prior written consent of the LESSOR, which consent may be granted or withheld in LESSOR'S sole and absolute discretion.

20. 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.

21. NOTICES - The persons and their addresses having authority to give and receive notices under this LEASE including the following:

LESSEE:
County of Fresno
Director of General Services/Chief
Information Officer
333 Pontiac Way
Clovis, CA 93612

LESSOR:
Wells Fargo Real Estate Asset Management

8405 N. Fresno Street #210
Fresno, CA 93720

Carbon Copy to
K4 Management
265 E. River Park Circle Suite 480
Fresno, CA 93720

All notices between LESSEE and LESSOR provided for or permitted under this LEASE must be in writing and delivered either by personal service, by first-class United States mail, by an overnight commercial courier service, or by telephonic facsimile transmission. A notice delivered by personal service is effective upon service to the recipient. A notice delivered by first-class United States mail is effective three County business days after deposit in the United States mail, postage prepaid, addressed to the recipient. A notice delivered by an overnight commercial courier service is effective one County business day after deposit with the

1 overnight commercial courier service, delivery fees prepaid, with delivery instructions given for
2 next day delivery, addressed to the recipient. A notice delivered by telephonic facsimile is
3 effective when transmission to the recipient is completed (but, if such transmission is
4 completed outside of County business hours, then such delivery shall be deemed to be
5 effective at the next beginning of a County business day), provided that the sender maintains a
6 machine record of the completed transmission. For all claims arising out of or related to this
7 LEASE, nothing in this section establishes, waives, or modifies any claims presentation
8 requirements or procedures provided by law, including but not limited to the Government
9 Claims Act (Division 3.6 of Title 1 of the Government Code, beginning with section 810).

10 22. ESTOPPEL CERTIFICATE – LESSEE shall, at any time upon not less than sixty
11 (60)) days prior request by LESSOR, execute, acknowledge and deliver to LESSOR a written
12 estoppel certificate, in form satisfactory to LESSOR, certifying that this LEASE is unmodified and in
13 full force and effect (or, if there have been modifications, that the same is in full force and effect as
14 modified and stating the modifications) and, if applicable, the dates to which the rent and any other
15 charges have been paid in advance. Any such statement delivered pursuant to this Section 22
16 may be relied upon by third persons, including a prospective purchaser or encumbrancer of the
17 Premises.

18 LESSEE'S failure to execute and deliver an estoppel certificate within sixty (60) days after
19 LESSEE'S receipt of LESSOR'S written request therefore shall be conclusive upon LESSEE that
20 this LEASE is in full force and effect, without modification except as may be represented by
21 LESSOR, that there are no uncured defaults in LESSOR'S performance, that not more than one
22 month's rental has been paid in advance, and that all other statements required to be made in the
23 estoppel certificate are conclusively made.

24 23 SUBORDINATION AND ATTORNMENT – At LESSOR'S option, this LEASE shall be
25 subordinated to any mortgage or deed of trust which is now or shall hereafter be placed upon the
26 Premises, and LESSEE agrees to execute and deliver any instrument which may be necessary to
27 further effect the subordination of this LEASE to any such mortgage or deed of trust; provided,
28 however, that such instrument of subordination shall provide, or the mortgagee or beneficiary of

1 such mortgage or deed of trust otherwise shall agree in writing in recordable form delivered to
2 LESSEE, that the mortgagee or beneficiary, including their successors and assigns, recognize
3 LESSEE's leasehold interest under this LEASE and that so long as LESSEE is not in default under
4 this LEASE, foreclosure of any such mortgage or deed of trust or sale pursuant to exercise of any
5 power of sale thereunder, or deed given in lieu thereof, shall not affect this LEASE but such
6 foreclosure or sale, or deed given in lieu thereof, shall be made subject to this LEASE, which shall
7 continue in full force and effect, binding on LESSEE, as lessee, and the transferee, as lessor.
8 LESSEE shall attorn to the transferee as if said transferee was LESSOR under this LEASE.

9 24. SINGLE AUDIT CLAUSE – The LESSOR shall at any time during business hours,
10 and as often as the COUNTY may deem necessary, make available to the COUNTY for
11 examination all of its records and data with respect to the matters covered by this LEASE. The
12 LESSOR shall, upon request by the COUNTY, permit the COUNTY to audit and inspect all of such
13 records and data necessary to ensure LESSOR'S compliance with the terms of this Agreement.

14 If this LEASE exceeds ten thousand dollars (\$10,000.00), LESSOR shall be subject to the
15 examination and audit of the California State Auditor for a period of three (3) years after final
16 payment under contract (Government Code Section 8546.7).

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

21 This LEASE shall be binding on and inure to the benefit of LESSOR'S heirs,
22 successors and assigns.

23 ///

24 ///

25 ///

26 ///

27 ///

28 ///

IN WITNESS WHEREOF, the parties hereto have executed this LEASE as of the day and

year first hereinabove written.

LESSOR

E Street Fresno, LLC.

Wells Fargo Bank N.A., Authorized Agent

LESSEE

County of Fresno

By: [Signature] 7-5-18
(Authorized Signature)

[Signature]
Sal Quintero, Chairperson of the Board of
Supervisors of the County of Fresno

Nicolas Kazarian, officer
Print Name & Title

8405 N Fresno St #210

FRESNO CA 93720

Mailing Address

ATTEST:

Bernice E. Seidel
Clerk of the Board of Supervisors
County of Fresno, State of California

By: [Signature]
Deputy

FOR ACCOUNTING USE ONLY:

Fund 0001
Subclass 10000
Org No. 5610
Acct. No. 7340

L-259Property/Kletter/ETA5610