

LEASE AGREEMENT

This Lease Agreement ("Agreement") is dated _____, and is between I.D. Distribution, Inc., a California Corporation ("Lessor"), and the County of Fresno, a political subdivision of the State of California ("Lessee").

Article 1

Leased Premises

1.1 Leased Premises. The Lessor hereby leases to the Lessee the office space at the location commonly known as 2171 N. Fine Ave, Fresno, CA 93727 (the "Premises"). The Lessor represents that the Premises is approximately 20,160 square feet, together with common area parking as shown in Exhibit "A".

Lessor reserves the right to use (and the Premises does not include) the roof and exterior wall of the Premises, and the area beneath, adjacent to, and above the Premises, together with the right (but not necessarily the obligation) to install, use, maintain, repair, and replace equipment machinery, pipes, conduits and wiring through the Premises, which serve other parts of the Building, in a manner and in location which do not unreasonably interfere with Lessee's use of the Premises.

Lessee shall have the right to free daily parking of passenger vehicles by its employees and visitors in the parking facility designated by Lessor at no additional charge to Lessee, subject to all rules and regulations which are prescribed from time to time for the orderly operation and use of the parking facility, including any sticker or other identification system established by Lessor.

1.2 Covenants. The Lessor covenants that the Premises are in compliance with all applicable laws, ordinances and regulations, including but not limited to safety regulations, health and building codes, including, without limitation, the Americans with Disabilities Act and that the Premises shall remain in such compliance throughout the term of this Agreement.

1.3 Compliance with Laws. The Lessor shall, at its own cost, comply with all applicable federal, state, and local laws and regulations in the performance of its

obligations under this Agreement, including but not limited to workers compensation, labor, and confidentiality laws and regulations.

Article 2

Lessee's Responsibilities

2.1 The Lessee shall use the Premises as Probation Department office space. The Lessee agrees to comply with applicable laws, ordinances and regulations in connection with such use.

Article 3

Rent, Invoices, and Payments

3.1 The Lessee agrees to pay, and the Lessor agrees to receive, rent for the use of its Premises as office space under this Agreement and as described in Exhibit B to this Agreement, entitled "Rent Schedule."

3.2 Maximum Rent. The maximum Rent payable to the Lessor under this Agreement is \$970,704, pursuant to the Rent Schedule referred to in Section 3.1. The Lessor acknowledges that the Lessee is a local government entity, and does so with notice that the Lessee's powers are limited by the California Constitution and by State law, and with notice that the Lessor may receive rent according to the terms of this Agreement and while this Agreement is in effect, and subject to the maximum amount payable under this section. The Lessor further acknowledges that Lessee employees have no authority to pay the Lessor except as expressly provided in this Agreement.

3.3 Payment. The Lessee shall pay rent for each month on the first day of each month.

3.4 Incidental Expenses. The Lessor is solely responsible for all of its costs and expenses that are not specified as payable by the Lessee under this Agreement.

3.5 Building Operating Costs/Common Area/Utilities. The Lessor shall be responsible for all Building operating expenses, including real property taxes, building fires and structural insurance, property management cost, common area maintenance and repairs. Lessee shall pay those metered costs associated with its use of natural gas

1 and electricity to include water, garbage, and sewer fees, all of which are in addition to
2 the rent. Notwithstanding anything herein to the contrary, Lessee shall be responsible for
3 its data, telephone and computer network system, Lessee shall pay, prior to delinquency,
4 all taxes against or levied upon trade fixtures, furnishings, equipment and all other
5 personal property of Lessee located in the Premises. In the event any or all of the
6 Lessee's trade fixtures, furnishings, equipment and other personal property shall be
7 assessed and taxed property of Lessor, Lessee shall pay to Lessor, within (10) days after
8 delivery to Lessee by Lessor of a written statement setting forth such amount, the amount
9 of such taxes only applicable to Lessee's Property.

10 **Article 4**

11 **Term of Agreement**

12 **4.1 Term.** This Agreement is effective on December 1, 2025, and terminates on
13 November 30, 2026, except as provided in section 4.2, "Extension," or Article 6,
14 "Termination and Suspension," below.

15 **4.2 Extension.** The term of this Agreement may be extended for no more than
16 one year and one month, on a month-to-month basis, each to take place automatically. In
17 no event shall the term of this lease extend beyond December 31, 2027. The extension of
18 this Agreement by the Lessee is not a waiver or compromise of any default or breach of
19 this Agreement by the Lessor existing at the time of the extension whether, or not, known
20 to the Lessee.

21 **Article 5**

22 **Notices**

23 **5.1 Contact Information.** The persons and their addresses having authority to
24 give and receive notices provided for or permitted under this Agreement include the
25 following:

26 **For the Lessee:**

27 Director of General Services (L-320)

28 County of Fresno

333 W. Pontiac Way
Clovis, CA 93612
GSDContracts@fresnocountyca.gov

For the Lessor:

Austin Property Management, Inc.
Attn: Cherie Perez
(559) 540-3334
Cherie.ae@outlook.com

5.2 Change of Contact Information. Either party may change the information in section 5.1 by giving notice as provided in section 5.3.

5.3 Method of Delivery. Each notice between the Lessee and the Lessor provided for or permitted under this Agreement must be in writing, state that it is a notice provided under this Agreement, and be delivered either by personal service, by first-class United States mail, by an overnight commercial courier service, or by Portable Document Format (PDF) document attached to an email.

(A) A notice delivered by personal service is effective upon service to the recipient.

(B) A notice delivered by first-class United States mail is effective three Lessee business days after deposit in the United States mail, postage prepaid, addressed to the recipient.

(C) A notice delivered by an overnight commercial courier service is effective one Lessee business day after deposit with the overnight commercial courier service, delivery fees prepaid, with delivery instructions given for next day delivery, addressed to the recipient.

(D) A notice delivered by PDF document attached to an email is effective when transmission to the recipient is completed (but, if such transmission is completed outside of Lessee business hours, then such delivery is deemed to be effective at the next beginning of a Lessee business day), provided that the sender maintains a machine record of the completed transmission.

5.4 Claims Presentation. For all claims arising from or related to this Agreement, nothing in this Agreement establishes, waives, or modifies any claims presentation requirements or procedures provided by law, including the Government Claims Act (Division 3.6 of Title 1 of the Government Code, beginning with section 810).

Article 6

Termination and Suspension

6.1 Termination for Non-Allocation of Funds. The terms of this Agreement are contingent on the approval of funds by the appropriating government agency. If sufficient funds are not allocated, then the Lessee, upon at least 30 days' advance written notice to the Lessor, may:

- (A) Modify the services provided by the Lessor under this Agreement; or
- (B) Terminate this Agreement.

6.2 Termination for Breach.

(A) Upon determining that a breach (as defined in paragraph (C) below) has occurred, the Lessee may give written notice of the breach to the Lessor. The written notice may suspend performance under this Agreement and must provide at least 30 days for the Lessor to cure the breach.

(B) If the Lessor fails to cure the breach to the Lessee's satisfaction within the time stated in the written notice, the Lessee may terminate this Agreement immediately.

(C) For purposes of this section, a breach occurs when, in the determination of the Lessee, the Lessor has:

- (1) Obtained or used funds illegally or improperly;
- (2) Failed to comply with any part of this Agreement;
- (3) Submitted a substantially incorrect or incomplete report to the Lessee; or
- (4) Improperly performed any of its obligations under this Agreement.

6.3 Termination without Cause. In circumstances other than those set forth above, the Lessee may terminate this Agreement by giving at least 90 days advance written notice to the Lessor. The Director of General Services or his or her designee is

1 authorized to sign the written approval on behalf of the Lessee based on Lessor's
2 satisfactory performance.

3 **6.4 No Penalty or Further Obligation.** Any termination of this Agreement by the
4 Lessee under this Article 6 is without penalty to or further obligation of the Lessee.

5 **6.5 Lessee's Rights upon Termination.** Upon termination for breach under this
6 Article 6, the Lessee may demand repayment by the Lessor of any monies disbursed to
7 the Lessor under this Agreement that, in the Lessee's sole judgment, were not expended
8 in compliance with this Agreement. The Lessor shall promptly refund all such monies
9 upon demand. This section survives the termination of this Agreement.

10 **Article 7**

11 **Independent Lessor**

12 **7.1 Status.** In performing under this Agreement, the Lessor, including its officers,
13 agents, employees, and volunteers, is at all times acting and performing as an
14 independent Lessor, in an independent capacity, and not as an officer, agent, servant,
15 employee, joint venturer, partner, or associate of the Lessee.

16 **7.2 Verifying Performance.** The Lessee has no right to control, supervise, or
17 direct the manner or method of the Lessor's performance under this Agreement, but the
18 Lessee may verify that the Lessor is performing according to the terms of this Agreement.

19 **7.3 Benefits.** Because of its status as an independent contractor, the Lessor has
20 no right to employment rights or benefits available to Lessee employees. The Lessor is
21 solely responsible for providing to its own employees all employee benefits required by
22 law. The Lessor shall save the Lessee harmless from all matters relating to the payment
23 of Lessor's employees, including compliance with Social Security withholding and all
24 related regulations.

25 **7.4 Services to Others.** The parties acknowledge that, during the term of this
26 Agreement, the Lessor may provide services to others unrelated to the Lessee.

Article 8

Indemnity and Defense

8.1 Indemnity. The Lessor shall indemnify and hold harmless and defend the Lessee (including its officers, agents, employees, and volunteers) against all claims, demands, injuries, damages, costs, expenses (including attorney fees and costs), fines, penalties, and liabilities of any kind to the Lessee, the Lessor, or any third party that arise from or relate to the performance or failure to perform by the Lessor (or any of its officers, agents, subcontractors, or employees) under this Agreement. The Lessee may conduct or participate in its own defense without affecting the Lessor's obligation to indemnify and hold harmless or defend the Lessee.

8.2 Survival. This Article 8 survives the termination of this Agreement.

Article 9

Insurance

9.1 The Lessor shall comply with all the insurance requirements in Exhibit D to this Agreement.

Article 10

Inspections, Audits, and Public Records

10.1 Inspection of Documents. The Lessor shall make available to the Lessee, and the Lessee may examine at any time during business hours and as often as the Lessee deems necessary, all of the Lessor's records and data with respect to the matters covered by this Agreement, excluding attorney-client privileged communications. The Lessor shall, upon request by the Lessee, permit the Lessee to audit and inspect all of such records and data to ensure the Lessor's compliance with the terms of this Agreement.

10.2 State Audit Requirements. If the compensation to be paid by the Lessee under this Agreement exceeds \$10,000, the Lessor is subject to the examination and audit of the California State Auditor, as provided in Government Code section 8546.7, for

a period of three years after final payment under this Agreement. This section survives the termination of this Agreement.

10.3 Public Records. The Lessee is not limited in any manner with respect to its public disclosure of this Agreement or any record or data that the Lessor may provide to the Lessee. The Lessee's public disclosure of this Agreement or any record or data that the Lessor may provide to the Lessee may include but is not limited to the following:

(A) The Lessee may voluntarily, or upon request by any member of the public or governmental agency, disclose this Agreement to the public or such governmental agency.

(B) The Lessee may voluntarily, or upon request by any member of the public or governmental agency, disclose to the public or such governmental agency any record or data that the Lessor may provide to the Lessee, unless such disclosure is prohibited by court order.

(C) This Agreement, and any record or data that the Lessor may provide to the Lessee, is subject to public disclosure under the Ralph M. Brown Act (California Government Code, Title 5, Division 2, Part 1, Chapter 9, beginning with section 54950).

(D) This Agreement, and any record or data that the Lessor may provide to the Lessee, is subject to public disclosure as a public record under the California Public Records Act (California Government Code, Title 1, Division 10, Chapter 3, beginning with section 7920.200) ("CPRA").

(E) This Agreement, and any record or data that the Lessor may provide to the Lessee, is subject to public disclosure as information concerning the conduct of the people's business of the State of California under California Constitution, Article 1, section 3, subdivision (b).

(F) Any marking of confidentiality or restricted access upon or otherwise made with respect to any record or data that the Lessor may provide to the Lessee shall be disregarded and have no effect on the Lessee's right or duty to disclose to the public or governmental agency any such record or data.

1 **10.4 Public Records Act Requests.** If the Lessee receives a written or oral
2 request under the CPRA to publicly disclose any record that is in the Lessor's possession
3 or control, and which the Lessee has a right, under any provision of this Agreement or
4 applicable law, to possess or control, then the Lessee may demand, in writing, that the
5 Lessor deliver to the Lessee, for purposes of public disclosure, the requested records that
6 may be in the possession or control of the Lessor. Within five business days after the
7 Lessee's demand, the Lessor shall (a) deliver to the Lessee all of the requested records
8 that are in the Lessor's possession or control, together with a written statement that the
9 Lessor, after conducting a diligent search, has produced all requested records that are in
10 the Lessor's possession or control, or (b) provide to the Lessee a written statement that
11 the Lessor, after conducting a diligent search, does not possess or control any of the
12 requested records. The Lessor shall cooperate with the Lessee with respect to any
13 Lessee demand for such records. If the Lessor wishes to assert that any specific record
14 or data is exempt from disclosure under the CPRA or other applicable law, it must deliver
15 the record or data to the Lessee and assert the exemption by citation to specific legal
16 authority within the written statement that it provides to the Lessee under this section.
17 The Lessor's assertion of any exemption from disclosure is not binding on the Lessee,
18 but the Lessee will give at least 10 days' advance written notice to the Lessor before
19 disclosing any record subject to the Lessor's assertion of exemption from disclosure. The
20 Lessor shall indemnify the Lessee for any court-ordered award of costs or attorney's fees
21 under the CPRA that results from the Lessor's delay, claim of exemption, failure to
22 produce any such records, or failure to cooperate with the Lessee with respect to any
23 Lessee demand for any such records.

24 **Article 11**

25 **Disclosure of Self-Dealing Transactions**

26 **11.1 Applicability.** This Article 11 applies if the Lessor is operating as a
27 corporation, or changes its status to operate as a corporation.

11.2 Duty to Disclose. If any member of the Lessor’s board of directors is party to a self-dealing transaction, he or she shall disclose the transaction by completing and signing a “Self-Dealing Transaction Disclosure Form” (Exhibit C to this Agreement) and submitting it to the Lessee before commencing the transaction or immediately after.

11.3 Definition. “Self-dealing transaction” means a transaction to which the Lessor is a party and in which one or more of its directors, as an individual, has a material financial interest.

Article 12

General Terms

12.1 Maintenance. The Lessor shall be responsible for the structural condition of the Premises and for all exterior and interior maintenance, including, but not limited to, the air conditioning, heating, electrical, windows, plumbing, roof, floor coverings, painting and graffiti removal, fire/life-safety systems including, but not limited to, fire suppression systems and alarms and smoke/fire alarm systems, landscaping, and parking lot, and replacing lighting. Lessee shall provide its own janitorial services, including all janitorial supplies. The Lessor covenants that the Premises shall be maintained in substantially the same condition as that existing at the commencement of this Agreement.

(A) Except as expressly provided as Lessor's obligation above, Lessee shall keep the premises in good condition and repair. All damage or injury to the Premises or the Building resulting from the act or negligence of Lessee, its employees, agents or visitors, guests, invitees or licensees, or by the use of the Premises (other than normal wear and tear from Lessee's use of the Premises), shall be promptly repaired by Lessee at its sole cost and expense, to the satisfaction of Lessor. Lessor may make any necessary repairs which are not promptly made by Lessee as required by this Lease following: (1) Lessee's receipt of written notice from Lessor, and (2) the reasonable opportunity of Lessee to make said repair within 30 days of receipt of said written notice. Lessor may thereupon charge Lessee for the cost of reasonable repairs, which cost shall be paid by Lessee within 45 days from invoice from Lessor.

(B) Lessor agrees to furnish to the Premises from 8:00 a.m. to 6:00 p.m. Mondays through Fridays, excepting local and national holidays, including Christmas Day, Thanksgiving Day, Labor Day, Memorial Day, New Year's Day and July 4th. Air conditioning and heat shall be provided in such quantities as is reasonably necessary for the comfortable occupancy of the Premises. In addition, Lessor shall provide electricity for normal lighting and normal office machines, elevator service and water on the same floor as the Premises for lavatory and drinking purposes in such reasonable quantities as is reasonably necessary for general office use, and in compliance with applicable codes. Lessor shall furnish janitorial and maintenance services to the Premises five (5) days per week, excepting local and national holidays. Lessee shall comply with all Rules and Regulations which Lessor may establish for the proper functioning and protection of the common area air conditioning, heating, elevator, electrical, intrabuilding cabling and wiring and plumbing systems. Lessor may comply with mandatory or voluntary controls or guidelines promulgated by any government entity relating to the use or conservation of energy, water, gas, light, or electricity or the reduction of automobile or other emissions without creating any liability of Lessor to Lessee under this Lease, as long as compliance with voluntary controls or guidelines does not interfere with Lessee's permitted use of the Premises under this Lease. Lessee agrees to pay for all utilities and other services utilized by Lessee, and any additional Building services furnished to Lessee that exceed what is normally required for office use as stated in this section, and which are not uniformly furnished to all tenants of the Building, at the rate generally charged by Lessor to tenants of the Building for such utilities or services. Lessee shall cooperate with Lessor's voluntary energy conservation measures, provided such energy conservation measures, including Lessor's actions to convert the Building to a "Green Building", do not interfere with Lessee's reasonable use of the Premises. Notwithstanding anything herein to the contrary, Lessee shall fully cooperate with Lessor with any government-mandated energy regulations.

1 (C) Lessee will not, without the prior reasonable written consent of Lessor, use any
2 apparatus or device in the Premises which will in any way unreasonably increase the
3 amount of electricity or water usually furnished or supplied for use of the Premises as
4 general office space; nor connect any apparatus, machine or device with water pipes or
5 electric current (except through existing electrical outlets and pipe connections in the
6 Premises), for the purpose of using electricity or water. Lessee agrees that Lessor shall
7 be the sole and exclusive representative with respect to, and shall maintain exclusive
8 control over, the reception, utilization and distribution of electrical power, regardless of
9 point or means of origin, use or generation. Lessee shall not have the right to contract
10 directly with any provider of electrical power or services.

11 (D) If Lessee requires heating, ventilation, and/or air conditioning during times other
12 than those times provided in this section above, Lessee shall give Lessor such advance
13 notice as Lessor shall reasonably require, and Lessor shall bill Lessee monthly at the
14 then-current rate set by the local electric utility for such after-hours use.

15 (E) As an exception to events that may occur , in the event Building systems such
16 as air conditioning and heating units, restroom fixtures are not draining properly, water
17 intrusion or leaks or other events that cause immediate material impact to the occupancy
18 of the Premises by Lessee, Lessor shall respond within twenty four (24) hours after
19 written notice by Lessee to Lessor to make repairs and replace equipment to restore the
20 systems to full working order. Lessor covenants that the Premises shall be maintained in
21 a condition commensurate to other similar office buildings in the Fresno, CA area.

22 (F) Notwithstanding anything herein to the contrary, but subject to Lessor's
23 obligation to cure its breach of its covenant to maintain the Premises as stated in this
24 Section 12.1, Lessor shall not be liable for, and there shall be no rent abatement as a
25 result of any stoppage, reduction, or interruption of any such services caused by
26 governmental rules, regulations or ordinances, riot, strike, labor disputes, breakdowns,
27 accidents, necessary repairs, or other such cause outside of Lessor's control. Further
28 notwithstanding anything herein to the contrary, but subject to Lessor's obligation to cure

its breach of its covenant to maintain the Premises, (i) such failure, delay, or diminution shall not be considered to constitute an eviction or a disturbance of Lessee's use and possession of the Premises and (ii) Lessor shall not be liable under any circumstances for a loss of or injury to property or for injury to or interference with Lessee's business, including loss of profits through, in connection with, or incidental to a failure to furnish any of the utilities or services hereunder.

12.2 Breach of Obligation to Maintain. In the event the Lessor breaches its obligation to maintain the Premises as herein provided, the Lessee may give written notice to the Lessor within 15 days of the discovery of such breach. The Lessor shall then have 30 days from the date of notice to cure its breach. If the period for cure expires and if, in the Lessees' reasonable determination, the Lessor has failed to cure, then the Lessee may, at their election:

(A) Terminate this Agreement as herein after provided. In such case, the Lessee shall have the right to demand the Lessor refund any monies which, in the judgement of the Lessee, were paid to the Lessor pursuant to the Agreement but which were not earned by the Lessor by consequence of its breach. Upon receipt of such demand, the Lessor shall promptly refund all such monies; or

(B) Cure the Lessor's breach and deduct the cost of such cure, together with reasonable administrative costs, from the Lessees' future rent obligation. The Lessee's decision to cure the Lessor's breach shall not constitute a waiver of any rights or remedies that Lessee may have arising from this Agreement or by operation of law.

12.3 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 the Lessor shall either promptly and diligently repair the damage at its own cost, or terminate the Agreement as hereinafter provided.

(A) If the Lessor elects to repair the Casualty damage to the Premises, then it shall within 30 days after the date of Casualty provide written notice (hereinafter "Notice of

Repair”) to the Lessee indicating the anticipated time required to repair. The Lessor shall bear the cost of all repairs to the Premises, including the cost to repair any alteration or fixtures installed or attached thereto by the Lessee. Such repairs shall restore the Premises to substantially the same condition as the existing at the commencement of this Agreement and shall be made in compliance with all applicable state and local building codes. The Lessor shall not be liable to the 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. The Lessee shall be responsible at its sole cost and expense for the replacement of its personal property.

(B) The Lessor may only elect to terminate the Agreement due to Casualty if: the Premises have been destroyed or substantially destroyed by said Casualty; and the estimated time to repair the Premises exceeds 240 days from the date of the Casualty. The Lessor shall provide the Lessee with written notice of its election to terminate within 30 days after the date of Casualty.

(C) 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 determined by the Lessee. If the Lessor elects to repair the Premises pursuant to the terms of this Agreement, then the rent reduction shall continue until the date of the local governing body issuing a safe to stock certificate for the Premises.

(D) If the Lessee does not receive a Notice of Repair from Lessor within 30 days after a Casualty, or if the anticipated period of repair contained in the Notice of Repair exceeds 240 days, then the Lessee may elect to terminate this Agreement as hereinafter provided. In such case, the Lessee shall have the right to demand that the Lessor refund any monies which, in the judgment of the Lessee, were paid to the Lessor pursuant to the Agreement but which were not earned by the Lessor by consequence of the Casualty. Upon receipt of such demand, the Lessor shall promptly refund all such monies.

1 **12.4 Surrender of Possession.** Upon the expiration or termination of this
2 Agreement, the Lessee will surrender the Premises to Lessor in such condition as that
3 existing at the commencement of this Agreement, less reasonable wear and tear, less the
4 effects of any Casualty as herein defined, and less the effects of any breach of the
5 Lessor's covenant to maintain. The Lessee will not be responsible for any damage with
6 the Lessee is not obligated hereunder to repair.

7 **12.5 Improvements to the Premises and Alterations.** Lessee shall make no
8 alterations, installations, changes, or additions in or to the Premises or the Building
9 (collectively Alterations). Alterations shall not include moveable office furniture, office
10 furnishings, or office equipment.

11 (A) Lessee may request that Lessor perform minor Alterations to the Premises.
12 Such improvements may include such improvements as upgrades to door fixtures, the
13 addition of electrical outlets, and other similar minor improvements. Subject to Lessor's
14 approval, Lessor agrees to provide Lessee with an estimate of the cost of such
15 Alterations. Upon Lessee's approval of the estimate provided by Lessor, Lessor shall
16 perform the improvements. Lessee agrees to reimburse Lessor for the actual cost of such
17 approved Alterations. An invoice for this cost shall be provided to Lessee after the
18 completion of the Alterations and will be paid by Lessee to Lessor within 45 days of
19 receipt of the invoice. Such Alterations shall not exceed a total of \$30,000 for the full
20 Term of this lease.

21 (B) Lessee shall keep the Premises and the Building free from any mechanic's
22 liens, vendors liens, or any other liens arising out of any work performed, materials
23 furnished or obligations incurred by Lessee, and Lessee agrees to defend, indemnify and
24 hold lessor harmless from and against any such lien or claim or action thereon, together
25 with costs of suit and reasonable attorneys' fees and costs incurred by Lessor in
26 connection with any such claim or action. All expenses (including reasonable attorneys'
27 fees) incurred by Lessor in connection with any such liens shall be considered Additional

Rent under this Lease and shall be payable by Lessee within 45 days of an invoice provided by Lessor to Lessee.

12.6 Fixtures. The Lessor agrees that any equipment, fixtures or apparatus installed in or on the Premises by the Lessor shall continue to be the property of that governmental entity and may be removed by that governmental entity at any time. The respective governmental entity shall repair damage caused by the removal of its fixtures. Any fixtures not removed with the Lessee surrender possession shall become the property of the Lessor.

12.7 Right of Entry. The Lessor, or its representative(s), upon twenty-four (24) hour notice, shall have the right to enter the Premises at any time during business hours, or at such other time as the Lessee deems appropriate, to make any alterations, repairs or improvements to the Premises. The normal business of the Lessee or its invitees shall not be unnecessarily inconvenienced. In the event of an emergency, the Lessor may enter the Premises at any time without giving prior notice to the Lessee.

12.8 Estoppel Certificate. Lessee shall, at any time upon not less than sixty (60) days' prior written request by Lessor, execute, acknowledge and deliver to Lessor a written estoppel certificate, in a form reasonably satisfactory to Lessor, certifying that this Lease is unmodified and in full force and effect (or, if there have been modifications, that the same is in full force and effect as modified and stating the modifications) and, if applicable, the dates to which the monthly rent and any other charges have been paid in advance. Any such statement delivered pursuant to this Section 12.9 may be relied upon by third persons, including a prospective purchaser or encumbrancer of the Premises.

12.9 Subordination, Non-Disturbance, and Attornment. If after the Effective Date, Lessor desires to obtain a loan from a bank (the "Bank") and thereby encumber the Premises with a deed of trust ("Deed of Trust"), the Parties agree, and Lessor shall cause the Bank, as beneficiary of the Deed of trust, to agree, to enter into a Subordination, Non-Disturbance, and Attornment Agreement ("SNDA") in form and substance reasonably acceptable to Lessee, Lessor, and the Bank. The agreed-upon SNDA shall include the

1 following terms, generally outlined below, which outline not an exhaustive list of terms, or
2 the specific terms, for the agreed-upon SNDA:

3 (A) This Lessee shall subordinate the priority of this Lease to the Deed of Trust;

4 (B) In the event of a foreclosure of the Deed of Trust, or a transfer of the Real
5 Property in lieu thereof or in any other manner whereby Bank or its successors-in-interest
6 succeed to the interest of Lessor under this Lease, so long as there shall then exist no
7 breach or event of default by Lessee under this Lease which has continued to exist for
8 such period of time (after notice, if any, required by this Lease) as would entitle Lessor to
9 terminate this Lease: (a) this Lease, including the leasehold interest of Lessee hereunder
10 shall not be disturbed or otherwise adversely affected by reason of such foreclosure or
11 transfer of the Real Property in lieu thereof or in any other manner;(b) other than as set
12 forth in the SNDA, none of Lessee's rights and interest under this Lease, shall be affected
13 in any way by reason of any default under the Deed of Trust, and this Lease shall
14 continue in full force and effect; (c) Bank and its successors-in-interest shall recognize
15 and accept Lessee as the lessee under this Lease, subject to the terms and conditions of
16 this Lease as modified by the SNDA; (d) the Bank and its successors-in-interest as lessor
17 under this Lease, shall have all of the rights and obligations of Lessor under this Lease
18 (provided that neither Bank nor such successors-in-interest shall be liable for any act or
19 omission of Lessor as the prior lessor under this Lease, except that Lessee shall be
20 entitled to exercise all of its rights and remedies under this Lease with respect to
21 continuing defaults hereunder resulting from the acts or omissions of Lessor arising after
22 Bank, or its successor-in-interest, has received Lessee's notice to Bank, or its successor-
23 in-interest, with respect to such defaults and has not, after a reasonable opportunity to
24 cure, under the SNDA cured the same under the SNDA; (e) Bank shall not join Lessee as
25 a party defendant in any action or foreclosure proceeding unless such joinder is with
26 respect to this Lease, including the Real Property, and required by law to foreclose the
27 Deed of Trust, then only for such purpose and not for the purpose of terminating this

1 Lease; and (g) Lessee shall to attorn to the Bank, and its transferee, as if the Bank and
2 such transferee were Lessor under this Lease;

3 (C) Upon Lessee's receipt of written demand from Bank, which shall include notice
4 of same has been given in writing to Lessor, that Bank has elected to terminate the
5 license granted to Lessor to collect Rents from Lessee under this Lease, as provided in
6 the Deed of Trust, and directing Lesse to make payment thereof directly to Bank, (a)
7 Lesse shall, for any Rents due and payable thirty (30) days thereafter, comply with such
8 written demand and direction to pay and shall not be required to determine whether
9 Lessor is in default under any obligations to Bank, or to honor any conflicting demand
10 from Lessor, and (b) Lessee shall be entitled to full credit under this Lease for any Rents
11 paid to Bank in accordance with such written demand and direction to the same extent as
12 if such Rents were paid directly to Lessor; Any disputes between or among the Bank,
13 including its successors-in-interest, and Lessor shall be dealt with and adjusted solely
14 between or among the Bank, including its including its successors-in-interest, and Lessor.

15 (D) The SNDA shall be governed by California law.

16 **12.10 Modification.** Except as provided in Article 6, "Termination and Suspension,"
17 this Agreement may not be modified, and no waiver is effective, except by written
18 agreement signed by both parties. The Lessor acknowledges that Lessee employees
19 have no authority to modify this Agreement except as expressly provided in this
20 Agreement.

21 **12.11 Non-Assignment.** Neither party may assign its rights or delegate its
22 obligations under this Agreement without the prior written consent of the other party.

23 **12.12 Governing Law.** The laws of the State of California govern all matters arising
24 from or related to this Agreement.

25 **12.13 Jurisdiction and Venue.** This Agreement is signed and performed in Fresno
26 County, California. The Lessor consents to California jurisdiction for actions arising from
27 or related to this Agreement, and, subject to the Government Claims Act, all such actions
28 must be brought and maintained in Fresno County.

1 **12.14 Construction.** The final form of this Agreement is the result of the parties'
2 combined efforts. If anything in this Agreement is found by a court of competent
3 jurisdiction to be ambiguous, that ambiguity shall not be resolved by construing the terms
4 of this Agreement against either party.

5 **12.15 Days.** Unless otherwise specified, "days" means calendar days.

6 **12.16 Headings.** The headings and section titles in this Agreement are for
7 convenience only and are not part of this Agreement.

8 **12.17 Severability.** If anything in this Agreement is found by a court of competent
9 jurisdiction to be unlawful or otherwise unenforceable, the balance of this Agreement
10 remains in effect, and the parties shall make best efforts to replace the unlawful or
11 unenforceable part of this Agreement with lawful and enforceable terms intended to
12 accomplish the parties' original intent.

13 **12.18 No Waiver.** Payment, waiver, or discharge by the Lessee of any liability or
14 obligation of the Lessor under this Agreement on any one or more occasions is not a
15 waiver of performance of any continuing or other obligation of the Lessor and does not
16 prohibit enforcement by the Lessee of any obligation on any other occasion.

17 **12.19 Entire Agreement.** This Agreement, including its exhibits, is the entire
18 agreement between the Lessor and the Lessee with respect to the subject matter of this
19 Agreement, and it supersedes all previous negotiations, proposals, commitments,
20 writings, advertisements, publications, and understandings of any nature unless those
21 things are expressly included in this Agreement. If there is any inconsistency between the
22 terms of this Agreement without its exhibits and the terms of the exhibits, then the
23 inconsistency will be resolved by giving precedence first to the terms of this Agreement
24 without its exhibits, and then to the terms of the exhibits.

25 **12.20 No Third-Party Beneficiaries.** This Agreement does not and is not intended
26 to create any rights or obligations for any person or entity except for the parties.

27 **12.23 Authorized Signature.** The Lessor represents and warrants to the Lessee
28 that:

1 (A) The Lessor is duly authorized and empowered to sign and perform its
2 obligations under this Agreement.

3 (B) The individual signing this Agreement on behalf of the Lessor is duly authorized
4 to do so and his or her signature on this Agreement legally binds the Lessor to the terms
5 of this Agreement.

6 **12.24 Force Majeure.** The Parties shall not be liable for any failure or delay in the
7 performance of their respective obligations hereunder caused by forces beyond its
8 reasonable control, including, but not limited to the following, acts of God, nature or war;
9 riots; pandemics; (each an event of “force majeure”), provided however, (a) as soon as
10 commercially practicable after the occurrence of any such event of force majeure, the
11 party claiming an event of force majeure shall promptly provide written notice thereof to
12 the other party and in such notice shall give reasonably full particulars concerning the
13 nature, scope and anticipated duration of the event of force majeure, and unless such
14 party gives notice of the cessation, or extension, of the occurrence of the event of force
15 majeure, the event of force majeure shall be deemed to have ceased as of the date in
16 such notice, or subsequent notice for the same event, of force majeure, and (b) an event
17 of force majeure will in no event include economic hardship, or acts, omissions,
18 circumstances, or events caused by, or through, a third party that is under contract with a
19 party where and to the extent that the acts, omissions, circumstances, or events caused
20 by, or through, the third party could have been avoided by commercially-reasonable,
21 timely, and diligent management or administration of the third party’s performance of its
22 contractual obligations and duties under its contract by the party to such contract.

23 **12.25 Counterparts.** This Agreement may be signed in counterparts, each of which
24 is an original, and all of which together constitute this Agreement.

25 **12.26 Electronic Signatures.** The parties agree that this Agreement may be
26 executed by electronic signature as provided in this section.

27 (A) An “electronic signature” means any symbol or process intended by an
28 individual signing this Agreement to represent their signature, including but not limited to

(1) a digital signature; (2) a faxed version of an original handwritten signature; or (3) an electronically scanned and transmitted (for example by PDF document) version of an original handwritten signature.

(B) Each electronic signature affixed or attached to this Agreement (1) is deemed equivalent to a valid original handwritten signature of the person signing this Agreement for all purposes, including but not limited to evidentiary proof in any administrative or judicial proceeding, and (2) has the same force and effect as the valid original handwritten signature of that person.

(C) The provisions of this section satisfy the requirements of Civil Code section 1633.5, subdivision (b), in the Uniform Electronic Transaction Act (Civil Code, Division 3, Part 2, Title 2.5, beginning with section 1633.1).

(D) Each party using a digital signature represents that it has undertaken and satisfied the requirements of Government Code section 16.5, subdivision (a), paragraphs (1) through (5), and agrees that each other party may rely upon that representation.

(E) This Agreement is not conditioned upon the parties conducting the transactions under it by electronic means and either party may sign this Agreement with an original handwritten signature.

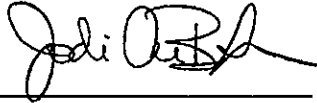
[SIGNATURE PAGE FOLLOWS]

County of Fresno
Department of Probation
L-320 - 2171 N. Fine Ave.

The parties are signing this Agreement on the date stated in the introductory clause.

LESSOR

I.D. Distribution, Inc.,
a California Stock Corporation



Jodi Austin

5108 E. Clinton Way, Suite 109
Fresno, CA 93727

Lessee
County of Fresno

Garry Bredefeld
Chairman of the Board of Supervisors of the
County of Fresno

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

Deputy

For accounting use only:

Org No.:	3430
Account No.:	7340
Fund No.:	0001
Subclass No.:	10000

Exhibit A

Leased Premises

2171 N. Fine Ave, Fresno, CA 93727

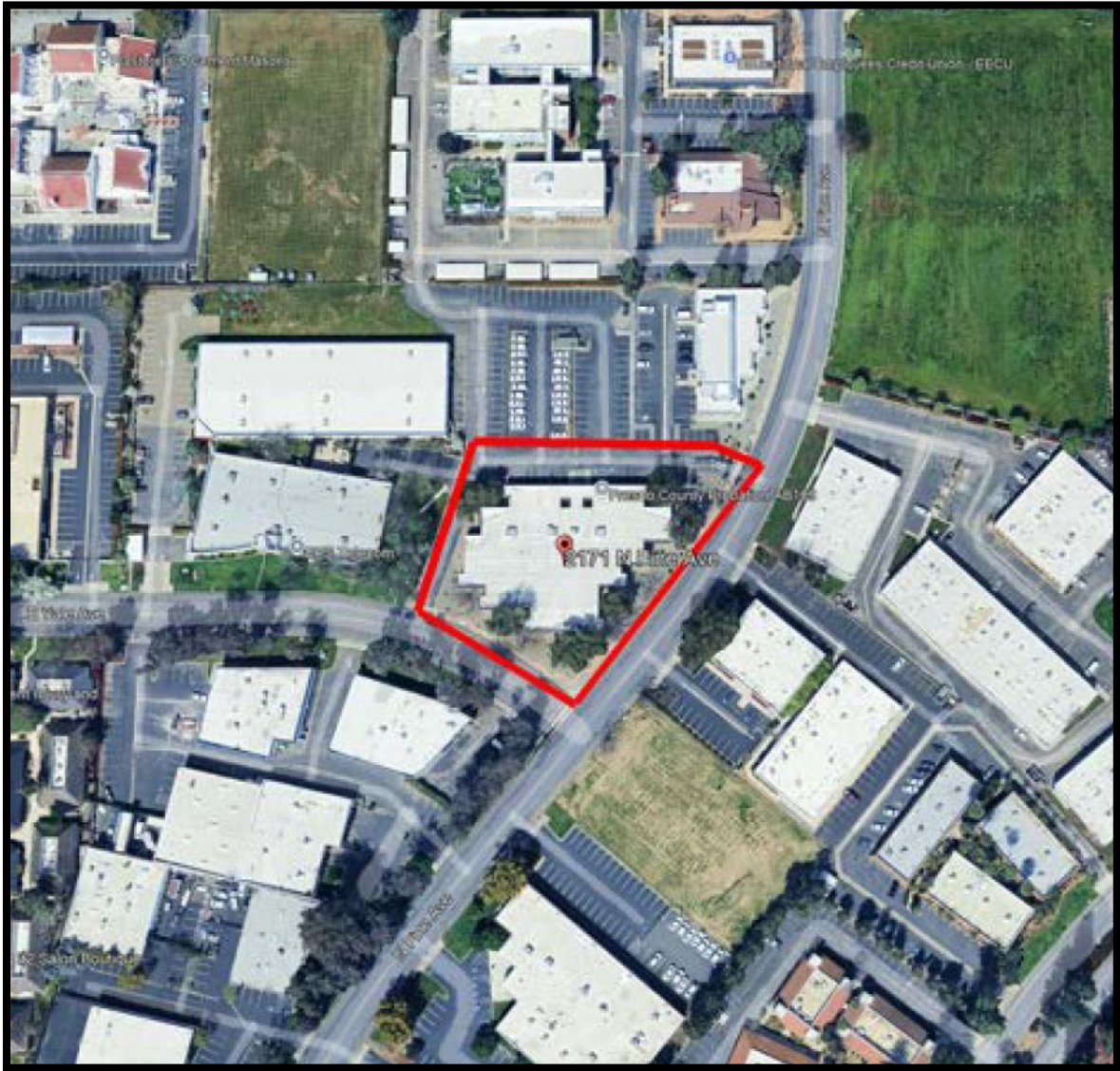


Exhibit B

Rent Schedule

Rent	Date	Rent Monthly	Total Annual
Year 1	December 1, 2025	\$ 38,304.00	\$ 459,648.00
Year 2 Option	December 1, 2026	\$ 39,312.00	\$ 471,744.00
End 2027 Option	December 1st-31st 2027	\$ 39,312.00	\$ 39,312.00
		Max Lease Amt	\$ 970,704.00

Exhibit C

Self-Dealing Transaction Disclosure Form

In order to conduct business with the Lessee of Fresno ("Lessee"), members of a Lessor's board of directors ("Lessee Lessor"), must disclose any self-dealing transactions that they are a party to while providing goods, performing services, or both for the Lessee. 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 used 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 Lessee. 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.

The form must be signed by the board member that is involved in the self-dealing transaction described in Sections (3) and (4).

Exhibit C

(1) Company Board Member Information:

Name:		Date:	
Job Title:			

(2) Company/Agency Name and Address:

--

(3) Disclosure (Please describe the nature of the self-dealing transaction you are a party to)

--

(4) Explain why this self-dealing transaction is consistent with the requirements of Corporations Code § 5233 (a)

--

(5) Authorized Signature

Signature:		Date:	
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Exhibit D

Insurance Requirements

1. Required Policies

Without limiting the County's right to obtain indemnification from the Contractor or any third parties, Contractor, at its sole expense, shall maintain in full force and effect the following insurance policies throughout the term of this Agreement.

- (A) **Commercial General Liability.** Commercial general liability insurance 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 must be issued on a per occurrence basis. Coverage must include products, completed operations, property damage, bodily injury, personal injury, and advertising injury. The Contractor shall obtain an endorsement to this policy naming the County of Fresno, its officers, agents, employees, and volunteers, individually and collectively, as additional insureds, but only insofar as the operations under this Agreement are concerned. Such coverage for additional insureds will apply as primary insurance and any other insurance, or self-insurance, maintained by the County is excess only and not contributing with insurance provided under the Contractor's policy.
- (B) **Automobile Liability.** Automobile liability insurance with limits of not less than One Million Dollars (\$1,000,000) per occurrence for bodily injury and for property damages. Coverage must include any auto used in connection with this Agreement.
- (C) **Workers Compensation.** Workers compensation insurance as required by the laws of the State of California with statutory limits.
- (D) **Employer's Liability.** Employer's liability insurance with limits of not less than One Million Dollars (\$1,000,000) per occurrence for bodily injury and for disease.

2. Additional Requirements

- (A) **Verification of Coverage.** Within 30 days after the Contractor signs this Agreement, and at any time during the term of this Agreement as requested by the County's Risk Manager or the County Administrative Office, the Contractor shall deliver, or cause its broker or producer to deliver, to the County Risk Manager, at 2220 Tulare Street, 16th Floor, Fresno, California 93721, or HRRiskManagement@fresnocountyca.gov, and by mail or email to the person identified to receive notices under this Agreement, certificates of insurance and endorsements for all of the coverages required under this Agreement.
 - (i) Each insurance certificate must state that: (1) the insurance coverage has been obtained and is in full force; (2) the County, its officers, agents, employees, and volunteers are not responsible for any premiums on the policy; and (3) the Contractor has waived its right to recover from the County, its officers, agents, employees, and volunteers any amounts paid under any insurance policy required by this Agreement and that waiver does not invalidate the insurance policy.

Exhibit D

- (ii) The commercial general liability insurance certificate must also state, and include an endorsement, that the County of Fresno, its officers, agents, employees, and volunteers, individually and collectively, are additional insureds insofar as the operations under this Agreement are concerned. The commercial general liability insurance certificate must also state that the coverage shall apply as primary insurance and any other insurance, or self-insurance, maintained by the County shall be excess only and not contributing with insurance provided under the Contractor's policy.
 - (iii) The automobile liability insurance certificate must state that the policy covers any auto used in connection with this Agreement.
- (B) **Acceptability of Insurers.** All insurance policies required under this Agreement must be issued by admitted insurers licensed to do business in the State of California and possessing at all times during the term of this Agreement an A.M. Best, Inc. rating of no less than A: VII.
- (C) **Notice of Cancellation or Change.** For each insurance policy required under this Agreement, the Contractor shall provide to the County, or ensure that the policy requires the insurer to provide to the County, written notice of any cancellation or change in the policy as required in this paragraph. For cancellation of the policy for nonpayment of premium, the Contractor shall, or shall cause the insurer to, provide written notice to the County not less than 10 days in advance of cancellation. For cancellation of the policy for any other reason, and for any other change to the policy, the Contractor shall, or shall cause the insurer to, provide written notice to the County not less than 30 days in advance of cancellation or change. The County in its sole discretion may determine that the failure of the Contractor or its insurer to timely provide a written notice required by this paragraph is a breach of this Agreement.
- (D) **County's Entitlement to Greater Coverage.** If the Contractor has or obtains insurance with broader coverage, higher limits, or both, than what is required under this Agreement, then the County requires and is entitled to the broader coverage, higher limits, or both. To that end, the Contractor shall deliver, or cause its broker or producer to deliver, to the County's Risk Manager certificates of insurance and endorsements for all of the coverages that have such broader coverage, higher limits, or both, as required under this Agreement.
- (E) **Waiver of Subrogation.** The Contractor waives any right to recover from the County, its officers, agents, employees, and volunteers any amounts paid under the policy of worker's compensation insurance required by this Agreement. The Contractor is solely responsible to obtain any policy endorsement that may be necessary to accomplish that waiver, but the Contractor's waiver of subrogation under this paragraph is effective whether or not the Contractor obtains such an endorsement.
- (F) **County's Remedy for Contractor's Failure to Maintain.** If the Contractor fails to keep in effect at all times any insurance coverage required under this Agreement, the County may, in addition to any other remedies it may have, suspend or terminate this Agreement upon the occurrence of that failure, or purchase such insurance coverage, and charge the cost of that coverage to the Contractor. The County may offset such

Exhibit D

charges against any amounts owed by the County to the Contractor under this Agreement.

- (G) **Subcontractors.** The Contractor shall require and verify that all subcontractors used by the Contractor to provide services under this Agreement maintain insurance meeting all insurance requirements provided in this Agreement. This paragraph does not authorize the Contractor to provide services under this Agreement using subcontractors.