

RESOLUTION NO. 95-117

A RESOLUTION OF THE CITY COUNCIL OF THE  
CITY OF EL PASO DE ROBLES APPROVING A LEASE AGREEMENT  
WITH THE COUNTY OF SAN LUIS OBISPO, DEPARTMENT OF  
SOCIAL SERVICES FOR THE PROPERTY LOCATED AT 801 4th  
STREET AND AUTHORIZES THE MAYOR TO EXECUTE SAID LEASE  
AGREEMENT

WHEREAS, the City of El Paso de Robles does own improved real property located at 801 4th Street; and

WHEREAS, that portion of the real property previously utilized as interim City Hall is currently vacant and no immediate use is contemplated by the City; and

WHEREAS, the County of San Luis Obispo, Department of Social Services is desirous of leasing said property to expand their ability to provide needed services to the residents of North County; and

WHEREAS, the adopted fiscal year 1995-96 operating and maintenance budget included revenues derived from the lease of 801 4th Street; and

WHEREAS, the City Council is desirous of leasing 801 4th Street to the County of San Luis Obispo, Department of Social Services.

NOW, THEREFORE BE IT HEREBY RESOLVED by the City Council of the City of El Paso de Robles that the lease agreement attached herewith as Exhibit "A" is approved and the Mayor is authorized to executive said agreement.

APPROVED AND ADOPTED by the City Council of the City of El Paso de Robles this 5th day of September, 1995 by the following vote:

AYES: Heggarty, Iversen, Martin, Picanco, and Macklin  
NOES: None  
ABSENT: None  
ABSTAIN: None

  
Walt Macklin, Mayor

Attest:  
  
Richard J. Ramirez, City Clerk

OFFICE BUILDING LEASE  
City of El Paso de Robles

*2 originals given  
to Mike & to  
take to County 9/16  
original on file  
w/ City Clerk*

ARTICLE 1. GENERAL

1.01. Parties. This Lease is made as of August 24, 1995, between the County of San Luis Obispo, as Lessee (hereinafter referred to as "Lessee") and the City of El Paso de Robles as Lessor (hereinafter referred to as "Lessor") who, in consideration of the mutual covenants and agreements herein contained, agree as follows:

1.02. Recitals. This Lease is made with reference to the following facts and objectives:

- A. Lessor is the owner of certain real property located at 801 4th Street, Paso Robles, California, which consists of an approximately 8,116 square foot single story building (the "Building").
- B. Lessee is willing to lease approximately 6,496 square feet of the Building as depicted on Exhibit A attached hereto (the "Premises"), pursuant to the provisions stated in this Lease, and subject to the terms, covenants, agreements, and conditions set forth herein.

C. Lessee wishes to lease the Premises for the purposes stated in Section 5.01.

D. Lessee has examined the Premises and is fully informed of their condition.

1.03. Definitions.

A. "Base Rent" shall mean (i) \$3,248 per month from the Commencement Date through September 30, 1996; (ii) \$3,898 per month from October 1, 1996 through September 30, 1997; and (iii) \$4,872 per month from October 1, 1997 through September 30, 1998.

B. "Consumer Price Index" shall mean the Consumer Price Index [All Urban Consumers] (base year 1982-1984=100) for San Francisco-Oakland-San Jose CMSA for the United States, published by the United States Department of Labor, Bureau of Labor Statistics.

- C. "Commencement Date" shall mean October 1, 1995.
- D. "Termination Date" shall mean September 30, 1998.

ARTICLE 2. PREMISES

2.01. Premises. Lessor hereby rents to Lessee, and Lessee hires and takes from Lessor for the term, rent and, upon the conditions hereinafter set forth, the Premises.

ARTICLE 3. TERM; CONDITION OF PREMISES

3.01. Term. The term ("Term") of this Lease shall commence on the Commencement Date and, unless sooner terminated as later provided, shall end on September 30, 1998.

3.02. Delivery of the Premises. Unless otherwise agreed by Lessor and Lessee in this Lease, Lessor shall deliver the Premises to Lessee on the Commencement Date. If Lessor, for any reason, cannot deliver the Premises to Lessee on the Commencement Date, this Lease shall not be void or voidable, nor shall Lessor be liable to Lessee for any loss or damage resulting from nondelivery, but in that event rental shall be waived for the period between the Commencement Date and the time when Lessor delivers the Premises to Lessee. No delay in delivery of the Premises shall extend the Term of this Lease.

3.03. Extended Term. At Lessee's written request made at least six months but not more than one year before September 30, 1998, Lessor may elect to extend the Term an additional two years. If Lessor elects to extend the Term an additional two years (the "Extended Term"), this Lease will continue during the Extended Term on all the provisions contained in this Lease (except for Base Rent).

3.04. Rent During Extended Term. Monthly installments of the Base Rent for the Extended Term shall be set in accordance with the Consumer Price Index which is published most immediately preceding the date the Extended Term commences, subject to the following provisions:

A. Each year that this Lease remains in effect after the first full three years of the Term hereof, Base Rent shall be adjusted according to any rise in the Consumer Price Index; provided however, the Base Rent shall not decrease below the Base Rent payable during the preceding 12 months. The adjustment shall be by a percentage equal to the percentage increase of the Consumer Price Index between the most recently published CPI as of the

date of such adjustment and the corresponding CPI for the same period twelve months previous.

B. The index for the adjustment date shall be the one reported in the U.S. Department of Labor's most comprehensive official index then in use and most nearly answering the foregoing description of the index to be used. If it is calculated from a base other than the base period (1982-84 = 100), the base figure used for calculating the adjustment percentage shall first be converted under a formula supplied by the Bureau of Labor Statistics.

C. If the described index is no longer published, another generally recognized as authoritative shall be substituted by agreement of the parties. If they are unable to agree within 30 days after demand by either party the substitute index shall be selected by the chief officer of the San Francisco regional office of the Bureau of Labor Statistics or its successor. Under no circumstances shall any increase in Base Rent exceed 8%.

#### ARTICLE 4. RENTAL

4.01. Monthly Installments of Rent. Lessee shall pay to Lessor throughout the Term as rental for the Premises the Base Rent.

4.02. Time for Payment of Rent. Rental shall be paid to Lessor, in advance, on or before the first day of the Term of this Lease and on or before the first day of each successive calendar month during the Term of this Lease. In the event the Term of this Lease commences on a day other than the first day of a calendar month or ends on a day other than the last day of a calendar month, the monthly Base Rent shall be appropriately prorated based on a 30-day month.

#### ARTICLE 5. USE; LIMITATIONS ON USE

5.01. Use of Premises. The Premises shall only be used for general office purposes consistent with the nature of the property. Lessee shall not do or permit to be done on the Premises anything (1) which is prohibited by or in conflict with any law, ordinance, or governmental rule, (2) which is prohibited by the standard form of fire insurance policy or, (3) which will increase the existing rate of or affect fire or other insurance on the Building or its contents or cause a cancellation of any insurance policy covering the Building or any part of it or its contents. Lessee shall not use or store in the Premises any hazardous or toxic substances, with the sole exception of reasonably necessary substances that are kept in reasonably necessary quantities for normal office operations, provided that their use and storage are in

accordance with applicable laws. Lessee shall not do or permit anything to be done on the Premises that will obstruct or interfere with the rights of other tenants of the Building, or injure or annoy them, or use or allow the Premises to be used for any unlawful purposes. The Lessee shall not cause, maintain, or permit any nuisance or waste on or about the Premises.

5.02. Parking. Lessee shall have the non-exclusive right to utilize the existing parking areas located on the Premises.

5.03. Partitions. Lessee shall have the right to utilize partitions during the Term of the Lease. Usage of the partitions shall not be deemed an alteration or an improvement.

5.04. Quiet Enjoyment. Subject to Section 3.02, above, Lessor agrees to and shall on the Commencement Date of the Term of this Lease place Lessee in quiet possession of the Premises and shall secure Lessee in the quiet possession thereof against all persons lawfully claiming the same during the entire Term of this Lease and any extensions or renewals thereof.

5.05. Hazardous Materials and Environmental Matters. Lessee shall at all times and in all respects comply with all federal, state and local laws, ordinances, and regulations ("Hazardous Materials Laws") relating to industrial hygiene, environmental protection, or the use, analysis, generation, manufacture, storage, disposal or transportation of any oil, flammable explosives, asbestos, urea formaldehyde, radioactive materials or waste, or other hazardous, toxic, contaminated or polluting materials, substances or wastes, including, without limitation, any "hazardous substances," "hazardous wastes," "hazardous materials" or "toxic substances" under such laws, ordinance, or regulations (collectively, "Hazardous Materials"). Lessee shall be responsible for any Hazardous Materials which are introduced onto the Premises after Lessee takes possession of the Premises. Lessor shall be responsible for any Hazardous Materials which were introduced onto the Premises prior to Lessee's possession of the Premises, and which were not introduced by or on behalf of Lessee.

## ARTICLE 6. ALTERATIONS

6.01. No Alterations Without Consent. Lessee shall not make or allow any alterations, additions, or improvements to the Premises or any part of the Premises (collectively, "Alterations"), without Lessor's prior consent, which shall not be unreasonably withheld. Any Alterations made will be made at the Lessee's sole cost and expense. Except as otherwise provided herein, title to said improvements or

facilities installed hereunder shall remain the property of Lessee upon termination of this Lease.

6.02. Lessor's Alterations. Lessor agrees to assist in the installation of two internal walls and two doors as described in plans previously provided to Lessor by Lessee. The Lessor is not responsible for the cost of installing the walls and doors, and the Lessee hereby agrees to reimburse the Lessor for any and all expenses incurred in the installation of the walls and doors. The walls and doors shall remain as part of the Premises upon the termination of this Lease.

## ARTICLE 7. MAINTENANCE

7.01. Lessee's Obligations. Subject to Section 7.03, Lessee accepts the Premises as being in the condition in which Lessor is obligated to deliver the Premises. At all time during the Term of this Lease and at Lessee's sole cost, Lessee shall keep all portions of the Premises in good condition and repair (except as provided in Section 7.02); ordinary wear and tear and damage to the Premises by fire, earthquake, or act of God or the elements are excepted. Upon the termination of this Lease, Lessee shall remove all Alterations (except as provided in Section 6.02) and surrender to Lessor the Premises in the same condition as when received; ordinary wear and tear and damage by fire, earthquake, or act of God or the elements are excepted. Lessee shall solely bear the cost of repairing any damage to the Premises caused by the removal of the Alterations.

7.02. Lessor's Obligations. The Lessor, at its cost, shall repair the Premises if it is damaged by: (1) causes outside the Premises over which Lessee has no control; (2) acts or omissions of Lessor, or its authorized representatives; or (3) Lessor's failure to perform its obligations under this section. Lessor shall also pay the cost of any repair exceeding \$1,500. Each repair item will be considered independently and not in the aggregate. For example, if the HVAC system needs to be replaced at a cost of \$1,400 and the foundation needs to be repaired at a cost of \$2,000, Lessor would only be responsible for \$2,000 for the cost of repairing the foundation. Lessor has no obligation and has made no promise to alter, remodel, improve, repair, decorate, or paint the Premises or any part of them, except as specifically set forth in this Lease. Lessor has made no representations respecting the condition of the Premises or the Building, except as specifically set forth in this Lease.

7.03. Lessor's Improvements. Prior to the Commencement Date, Lessor agrees to undertake the following maintenance items as part of Lessor's obligation under this Lease: (1) remove furniture and records still located at the Premises;

(2) professionally clean the inside of the Premises prior to occupancy as provided in Section 8.02; (3) repair any leaks in the roof; (4) repair the hole created by flood waters at the south, eastern corner of the Building; and (5) reseal the parking lot during Lessor's next street sealing project.

#### ARTICLE 8. UTILITIES AND SERVICES

8.01. Utilities and Services. Lessee will pay during the Term of this Lease and any extensions or renewals thereof all charges for all utilities serving the Building, including but not limited to (1) heat and air conditioning; (2) electricity for lighting and the operation of office machines; (3) lighting replacements; and (4) restroom supplies.

8.02. Janitorial. Lessor shall clean the Premises in their entirety prior to Lessee's occupancy as provided in Section 7.03. Lessee shall be responsible for the routine cleaning of the Premises including dusting, vacuuming, trash disposal and cleaning of floors thereafter.

#### ARTICLE 9. INDEMNITY AND EXCULPATION; INSURANCE

9.01. Indemnity. Lessee shall defend, indemnify and hold harmless Lessor and its officers, agents and employees from and against any and all claims, demands, costs, expenses (including attorneys' fees) and liabilities ("Damages") arising out of or related to damage to any property or injury to or death of any person in, on or about the Premises, other than any Damages caused by Lessor's negligence.

Lessor shall defend, indemnify and hold harmless Lessee and its officers, agents and employees from and against any and all Damages arising out of or related to damage to any property or injury to or death of any person in, on or about the Premises, other than any Damages caused by Lessee's negligence.

9.02. Liability Insurance. Lessee shall maintain liability insurance covering Lessee's use and occupancy of the Premises, with a combined single limit of at least \$1 million, and naming Lessor as an additional insured. Lessee may self-insure for the coverage required under this Section 9.02. Any liability insurance carried by Lessor shall be excess insurance only.

9.03. Lessor's Fire Insurance. Lessor shall provide fire and extended coverage insurance on the leased Premises and on the Building. In that connection, Lessor shall procure an appropriate clause in, or an endorsement on, the policy for said insurance, pursuant to which the insurance company waives subrogation or consents to a waiver of right of recovery against Lessee, and Lessor does hereby agree

that it shall not make any claim against or seek to recover from Lessee any loss or damage resulting from fire or other hazards to the extent of available insurance proceeds.

9.04. Lessee's Fire Insurance. In the event that Lessee, at its option, elects to procure fire insurance on Lessee's personal property within the leased Premises, then Lessee shall procure an appropriate clause in, or an endorsement on, the policy for said insurance, pursuant to which the insurance company waives subrogation or consents to a waiver of right of recovery against Lessor.

#### ARTICLE 10. DAMAGE OR DESTRUCTION

10.01. Partial Destruction of Premises. In the event of a partial destruction of the Premises during the Term from any cause, Lessor shall forthwith repair the same, provided that such repairs can be made within 60 days under existing governmental laws and regulations and that insurance proceeds are available for such repairs, but such partial destruction shall not terminate this Lease, except that Lessee shall be entitled to a proportionate reduction of Base Rent while such repairs shall interfere with the business of Lessee on the Premises. If such repairs cannot be made within said 60 days, this Lease shall terminate. Lessee waives any rights it may have under California Civil Code §§ 1932(2) and 1933(4).

10.02. Total Destruction of Premises. A total destruction of the Premises shall terminate this Lease.

#### ARTICLE 11. NOTICE

11.01. Notice to Lessee. Any notices, demands, or communication, under, or in connection with this Lease may be served upon Lessee by personal service, or by mailing the same by certified mail in the United States Post Office, postage prepaid, and directed to County at County of San Luis Obispo, Department of General Services, County Government Center, San Luis Obispo, CA 93408, Attn: Property Manager.

11.02. Notice to Lessor. Notice may be served on Lessor by personal service or by so mailing the same by certified mail to Lessor at 1000 Spring Street, Paso Robles, CA 93447, Attn: Mike Compton.

11.03. Change of Address. Either Lessee or Lessor may change the notification address by notifying the other party in writing as to such new address as Lessor or Lessee may desire used and which address shall continue as the address until further written notice.



ARTICLE 12. ASSIGNMENT AND SUBLETTING

12.01. Assignment and Subletting. Lessee shall not, without the prior written consent of Lessor, assign or sublet the Premises or any portion thereof. Neither this Lease nor any interest in this Lease shall be assignable without the consent of the Lessor, which shall not be unreasonably withheld or delayed.

ARTICLE 13. LESSOR'S ENTRY ON PREMISES

13.01. Entry by Lessor. Lessor may enter the Premises at reasonable hours and, except in the event of an emergency, on reasonable prior notice, to (1) inspect the Premises; (2) determine whether Lessee is complying with all obligations under this Lease; and (3) make any repairs or perform maintenance required of Lessor by this Lease. At all times, Lessor shall have a key with which to unlock the doors on the Premises, excluding Lessee's vaults, safes, and similar areas designated as secure areas in writing by Lessee in advance.

ARTICLE 14. SURRENDER OF PREMISES; HOLDING OVER

14.01. Surrender of Premises. Lessee shall surrender the Premises unto Lessor on the last day of the Term or sooner termination of this Lease in the same condition as when received, reasonable use and wear excepted.

14.02. Holding Over. With the prior written consent of Lessor, Lessee may hold over after the expiration of the Term of this Lease or any extension or renewal thereof. Such holding over shall be deemed a tenancy from month-to-month on the terms, covenants, and conditions, so far as applicable, and subject to the same exceptions and reservations, as herein contained, until such tenancy is terminated in a manner prescribed by law.

ARTICLE 15. ATTORNEYS' FEES

15.01. Attorneys' Fees. In the event any action or proceeding is commenced to enforce or interpret the provisions of this Lease, the prevailing party shall be entitled to recover from the losing party the prevailing party's attorneys' fees and costs.

ARTICLE 16. MISCELLANEOUS PROVISIONS

16.01. Provisions Deemed Covenants and Conditions. The parties hereto agree that all of the provisions hereof are to be construed as covenants and

conditions as though the words importing such covenants and conditions were used in each instance, and that all of the provisions hereof shall bind and inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns.

16.02. Governing law. This Lease has been executed and delivered in the State of California and the validity, enforceability and interpretation of any of the clauses of this Agreement shall be determined and governed by the laws of the State of California.

16.03. Venue. The duties and obligations of the parties created hereunder are performable in San Luis Obispo County and such County shall be the venue for any action or proceeding that may be brought or arise out of, in connection with or by reason of this Agreement.

16.04. Entire Agreement. There are no oral agreements between Lessor and Lessee affecting this Lease, and this Lease supersedes and cancels all previous negotiations, arrangements, brochures, agreements, and understandings between Lessor and Lessee or displayed by Lessor to Lessee with respect to the subject matter of this Lease. There are no representations between Lessor and Lessee other than those contained in this Lease. All implied warranties, including implied warranties of merchantability and fitness, are excluded.

IN WITNESS WHEREOF, the parties hereto have executed this Lease.

**LESSOR:**

CITY OF EL PASO DE ROBLES

By \_\_\_\_\_

Its \_\_\_\_\_

By \_\_\_\_\_

Its \_\_\_\_\_

--AND--

LESSEE:

COUNTY OF SAN LUIS OBISPO

By \_\_\_\_\_

Its \_\_\_\_\_

By \_\_\_\_\_

Its \_\_\_\_\_

EXHIBIT A

**[Insert diagram showing the location of the Premises]**