



LASSEN COUNTY

Health and Social Services Department

- **HSS Administration**
336 Alexander Avenue
Susanville, CA 96130
(530) 251-8128
- **Grants & Loans Division**
336 Alexander Avenue
Susanville, CA 96130
(530) 251-2683
- **Behavioral Health**
555 Hospital Lane
Susanville, CA 96130
(530) 251-8108 / 8112
Chestnut Annex
1400-A & B Chestnut Street
Susanville, CA 96130
(530) 251-8112
- **Patients' Rights Advocate**
1600 Chestnut Street
Susanville, CA 96130
(530) 251-8322
- **Public Health**
1445 Paul Bunyan Road
Susanville, CA 96130
(530) 251-8183
- **Environmental Health**
1445 Paul Bunyan Road
Susanville, CA 96130
(530) 251-8183
- **Public Guardian**
1600 Chestnut Street
Susanville, CA 96130
(530) 251-8337
- **Community Social Services**
Lassen WORKS
P. O. Box 1359
1600 Chestnut Street
Susanville, CA 96130
(530) 251-8152
Business & Career Network
1616 Chestnut Street
Susanville, CA 96130
(530) 257-5057
Child & Family Services
1445 Paul Bunyan Road
Susanville, CA 96130
(530) 251-8277
Adult Services
1600 Chestnut Street
Susanville, CA 96130
(530) 251-8158
- **HSS Fiscal**
P. O. Box 1180
Susanville, CA 96130

Date: August 28, 2018

To: Chris Gallagher, Chairman
Lassen County Board of Supervisors

From: Barbara Longo, Director
Health & Social Services

Subject: Sub-Lease with Alliance for Workforce Development, Inc. for
Fiscal Year 2018/2019

Background:

On July 24, 2018, the Board of Supervisors approved the list of Health and Social Services contracts for Fiscal Year 2018/2019. Unfortunately, the amount on the spreadsheet for this contract was incorrect and we are presenting this to the Board to correct the error. The correct amount for the monthly rent is \$13,470.69 for an annual amount of \$161,648.28, which is an annual increase of \$3,315.84.

Fiscal Impact:

There is no impact to County General Fund. The cost for this will be covered by Budget 120-852.

Action Requested:

1) Approve the Sub-Lease; and 2) authorize the County Administrative Officer to execute the Agreement.



**COMMERCIAL SUB-LEASE WITH ALLIANCE FOR WORKFORCE
DEVELOPMENT, INC.**

Alliance for Workforce Development, Inc., of Quincy, California, herein called "LESSOR" sub-leases to Lassen County, a political subdivision of the State of California, herein called "LESSEE" those certain premises situated in the City of Susanville, County of Lassen, State of California, described as property located at 1616 Chestnut Street, Susanville, California, consisting of 6,908 sq. ft., herein called "said premises" on the following terms and conditions:

1. **TERM:** The term hereof shall commence on July 1, 2018, and terminate on June 30, 2019.
2. **RENT:** The rent shall be \$13,470.69 per month, payable on or before the first day of each and every month during the term of the lease.

All rents shall be paid to LESSOR at the following address:

Alliance for Workforce Development, Inc.
P.O. Box 3750
Quincy, CA 95971

3. **USE:** Said premises are to be used for the conduct of its Employment Services Program through the Lassen WORKs and Health and Social Services Divisions.
4. **USES PROHIBITED:** LESSEE shall not use any portion of the premises for purposes other than those specified in the above paragraph (#3). No use shall be made or permitted to be made upon the premises, nor acts done, which will increase the existing rate of insurance policies covering said property. LESSEE shall not conduct or permit any sale by auction on the premises.
5. **ASSIGNMENT AND SUBLETTING:** LESSEE shall not assign this lease or sublet any portion of the premises without prior written consent of the LESSOR. Any such assignment or subletting without consent shall be void and, at the option of the LESSOR, may terminate this lease.
6. **ORDINANCES AND STATUTES:** LESSEE and LESSOR shall comply with all statutes, ordinances and requirements of all municipal, state and federal authorities now in force, or which may hereafter be in force, pertaining to the premises, occasioned by or affecting the use of the premises and failure to comply shall, at the option of the non-violating party, be grounds for termination of this lease.
7. **MAINTENANCE, REPAIRS, ALTERATIONS:** LESSEE acknowledges that the premises are in good order and repair, unless otherwise indicated herein.

LESSEE shall, at his own expense, and at all times, maintain the premises in good and safe condition and shall surrender the same, at termination hereof, in a good as condition as received, normal wear and tear excepted. LESSEE shall be responsible for all repairs required excepting the roof, exterior walls, structural foundations, HVAC (water and electrical) systems, sidewalks, and parking lot, all of which shall be maintained by LESSOR. LESSEE shall wire the building for computers and such wiring will remain the property of LESSEE and shall be removed at the option of the LESSOR at the time the LESSEE vacates the building. No other improvement or alteration of the premises shall be made without the prior written consent of the LESSOR. Prior to the commencement of any substantial repair, improvement, or alteration, LESSEE shall give LESSOR at least (2) days written notice in order that the LESSOR may post appropriate notices to avoid any liability for liens.

8. **ENTRY AND INSPECTION:** LESSEE shall permit LESSOR or LESSOR's agents to enter upon the premises at reasonable times and upon reasonable notice, for the purpose of inspecting same, and will permit LESSOR at any time within sixty (60) days prior to the expiration of the lease, to place upon the premises any usual "To Let" or "To Rent" signs and permit person desiring to lease the same to inspect the premises thereafter, subject to reasonable notice to LESSEE.
9. **INDEMNIFICATION:** Each party shall indemnify and hold harmless the other party and its officers, members, employees, agents and representatives from any and all liabilities, losses, damages, claims and expenses of any kind, including costs and attorney's fees, which result from the duties and obligations of the indemnifying party and/or its officers, members, employees, agents, representatives, subcontractors and volunteers.
10. **POSSESSION:** If LESSOR is unable to deliver possession of the premises at the commencement hereof, LESSOR shall not be liable for any damages caused thereby, nor shall this lease be void or voidable, but LESSEE shall not be liable for any rent until possession is delivered. LESSEE may terminate this lease if possession is not delivered within 20 days of the commencement term hereof.
11. **INSURANCE-LESSEE:** LESSEE shall, at its expense, maintain in full force and effect during the term of this Lease, a policy for comprehensive public liability insurance covering bodily injury and property damage in and about the property, including but not limited to the building, the parking lot, and sidewalks, providing minimum limits of coverage in the amount of One Million Dollars (\$1,000,000).
12. **INSURANCE-LESSOR:** LESSOR agrees to maintain a policy of fire insurance naming Lassen County as an additional insured. LESSOR shall provide and maintain in full force during the entire term of this agreement comprehensive general liability, including bodily injury and property damage insurance in the amount of not less than \$1,000,000 (One million dollars) per person per incident.

LESSOR further agrees to complete and file a Certificate of Insurance of such coverage with the Lassen County Administrative Officer prior to execution of this contract. Said certificate shall name County of Lassen, its officers, agents and/or employees as additional insured and will provide ten (10) days written notice by the insurance company to the county of cancellation, intent not to renew, or material change in coverage.

13. **TERMINATION:** This lease may be terminated by either party with 45 days written notice.
14. **CONDEMNATION:** If any part of the premises shall be taken or condemned for public use, and a part thereof remains which is susceptible of occupation hereunder, this lease shall, as to the part taken, terminate as of the date the condemnor acquires possession, and thereafter LESSOR shall be required to refund such proportion of the rent for the remaining term as the value of the premises condemned bears to the total value of the premises at the date of condemnation, provide, however, that LESSOR or LESSEE may at its option, terminate this lease as of the date the condemnor acquires possession. All sums which may be payable on account of any condemnation shall belong to LESSOR, and LESSEE shall not be entitled to any part thereof, provided, however, that the LESSEE shall be entitled to retain any amount awarded to it for its trade fixtures or moving expenses.
15. **TRADE FIXTURES:** Any and all improvements made to the premises during the term hereof shall belong to the LESSOR, except trade fixtures and, if LESSOR requests, computer wiring of the LESSEE. LESSEE shall upon termination hereof, remove all its trade fixtures and computer wiring, but shall repair or pay for all repairs necessary for damages to the premises occasioned by removal.
16. **DESTRUCTION OF PREMISES:** In the event of a partial destruction of the premises during the term hereof, from any cause, LESSOR shall forthwith repair the same, provided that such repairs can be made within sixty (60) days under existing government laws and regulations, but such partial destruction shall not terminate this lease, except that LESSEE shall be entitled to a proportionate refund of rent while such repairs are being made, based on the extent to which the making of such repairs shall interfere with business of the LESSEE on the premises. If such repairs cannot be made within sixty (60) days, this lease may be terminated at the option of either party. A total destruction of the building in which the premises are situated shall terminate this lease.
17. **HAZARDOUS MATERIALS:** LESSEE shall not use, store, or dispose of any hazardous substances upon the premises, except use and storage of such substances if they are customarily use in LESSEE's business, and such use and storage complies with all environmental laws. Hazardous substances mean any

hazardous waste, substance or toxic materials regulated under any environmental laws or regulations applicable to the property.

18. **REMEDIES OF OWNER ON DEFAULT:** In the event of any breach of this lease by LESSEE, LESSOR may, at its option, terminate the lease and recover from LESSEE: (a) the worth at the time of award of the rent which was earned at the time of termination; (b) the worth at the time of award of the amount by which the return which would have been earned after termination until the time of the award exceed the amount of such rental loss that the LESSEE proves could have been reasonable avoided; (c) the worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time award exceeds the amount of such rental loss that the LESSEE proves could be reasonable avoided; and (d) any other amount necessary to compensate LESSOR for all detriment proximately caused by LESSEE's failure to perform his obligations under the lease or which in the ordinary course of things would be likely to result therefrom.

LESSOR may, in the alternative, continue this lease in effect, as long as LESSOR does not terminate LESSEE'S right to possession, and LESSOR may enforce all his rights and remedies under the lease, including the right to recover the rent as it becomes due under the lease. If said branch of lease continues, LESSOR may at any time thereafter, elect to terminate the lease.

Nothing contained herein may be deemed to limit any other rights or remedies which LESSOR may have.

19. **RENT REFUNDS:** The balance of all rent and deposits shall be refunded within three weeks from the date possession is delivered to LESSOR or his authorized Agent, together with a statement showing any charges made against such rents by LESSOR.
20. **ATTORNEY'S FEES:** Should any litigation be commenced between the parties to this lease concerning said premises, this lease, or the rights and duties of either in relation thereto, the party, LESSOR or LESSEE, prevailing in such litigation shall be entitled, in addition to such other relief as may be granted in the litigation, to a reasonable sum as and for his attorney's fees in such litigation which shall be determined by the court in such litigation or in a separate action brought for that purpose.
21. **WAIVER:** No failure of LESSOR to enforce any term hereof shall be deemed to be a waiver.
22. **NOTICES:** Any notice which either party may or is required to give, shall be given by mailing the same, postage prepaid, to LESSEE or LESSOR at the address shown below, or at such other places that may be designated by the parties from time to time.

LESSEE: Barbara Longo, Director
Lassen County Health and Social Services
336 Alexander Ave.
Susanville, CA 96130

LESSOR: Traci Holt, Executive Director
Alliance for Workforce Development, Inc.
P.O. Box 3750
Quincy, CA 95971

23. **TIME:** Time is of the essence of this lease.
24. **ASSIGNS, SUCCESSORS:** This lease is binding upon and inures to the benefit of assigns and successors in interest to the parties.
25. **HOLDING OVER:** If Tenant, with Landlord's consent, remains in possession of the premises after expiration or termination of the term, or after the date in any notice given by Landlord to Tenant terminating this lease, such possession by Tenant shall be deemed to be a month-to-month tenancy terminable on 30 days' notice given at any time by either party.
26. **OPTION TO RENEW:** Provided that LESSEE is not in default in the performance of this lease, LESSEE shall have the option to renew the lease for an additional term of one year commencing at the termination of the original lease term. All of the terms and conditions of the lease shall apply during the renewal term. The option shall be exercise by written notice given to LESSOR not less than 60 days prior to the expiration of the initial lease term. If notice is not given in the manner provided herein within the time specified, this option shall expire.
27. **LESSOR'S LIABILITY:** The term "LESSOR" as used in this paragraph, shall mean the Alliance For Workforce Development, Inc. the holder of the initial lease for the real property. In the event of transfer of such title or interest, the LESSOR named herein (or the grantor in case of any subsequent transfers) shall be relieved of all liability related to LESSOR's obligation to be performed after such transfer, however, that any funds in the hands of LESSOR or Grantor at the time of such transfer shall be delivered to GRANTEE. LESSOR's aforesaid obligations shall be time of such transfer shall be delivered to GRANTEE. LESSOR's aforesaid obligations shall be binding upon LESSOR's successor and assigns only during their retrospective periods of ownership.
28. **ESTOPPEL CERTIFICATE:**
- (A) LESSEE shall at any time upon not less than ten (10) days prior written notice from LESSOR execute a statement in writing (1) certifying that this lease is unmodified and in full force and effect (or if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and

effect), the amount of any security deposit, and the date to which the rent and other charges are paid in advance, if any, and (2) acknowledged that there are not to LESSEE's knowledge, any uncured defaults on the part of the LESSOR hereunder, or specifying such defaults if any are claimed. Any such statement may be conclusively relied upon by a prospective purchaser or encumbrances to the Premises.

(B) At LESSOR's option, LESSEE's failure to deliver such statement within such time shall be a material breach of this Lease or shall be conclusive upon LESSEE (1) that the Lease is in full force and effect without modification except as may be represented by LESSOR, (2) that there are no uncured defaults in LESSOR's performance, or such failure may be considered by LESSOR as a default by LESSEE under this Lease.

29. NONDISCRIMINATION IN STATE AND FEDERAL ASSISTED

PROGRAMS: Lessor and Lessee agrees that they will comply with the Title VI of the Civil Rights Act of 1964 as amended; Section 504 of the Rehabilitation Act of 1973, as amended; the Age Discrimination Act of 1975 as amended; the Food Stamp Act of 1977, as amended; and in particular Section 272.6; Title II of the Americans with Disabilities Act of 1990; Government Code (GC) Section 11135, as amended; California Code of Regulations, Section 3105A(e); the Dymally-alatorre Bilingual Services Act; Section 1808 Removal of Barriers to Inter Ethnic Adoption Act of 1996 and other applicable federal and state laws, as well as their implementing regulations (including 45 Code of Federal Regulations (CFR) Parts 80, 84 and 91, 7 CFR Part 15, and 28 CFR Part 42) by ensuring that employment practices and the administration of public assistance and social services programs are non discriminatory, to the effect that no person shall because of race, color, national origin, political affiliation, religion, marital status, sex, age, or disability be excluded from participation in or be denied the benefits of, or be otherwise subject to discrimination under any program or activity receiving federal or state assistance; and HEREBY GIVE ASSURANCE THAT it will immediately take measures necessary to effectuate this agreement.

This Assurance is given in consideration of and for the purpose of obtaining any and all federal and state assistance; and THE LESSOR AND LESSEE agrees to compile data, maintain records and submit reports as required to permit effective enforcement of the aforementioned laws, rules, and regulations and permit authorized CDSS and/or federal government personnel, during normal working hours, to review such records, books and accounts as needed to ascertain compliance. If there are any violations of this assurance, CDSS shall have the right to invoke fiscal sanctions or other legal remedies in accordance with Welfare and Institutions Code Section 10605, or Government Code Section 11135-39, or any other laws, or the issue may be referred to the appropriate federal agency for further compliance action and enforcement of this assurance.

THIS ASSURANCE is binding on the Lessor and Lessee directly or through contract, license, or other provider services, as long as it receives federal or state assistance; and shall be submitted annually with the required Civil Rights Plan Update.

30. ATTACHMENTS:

Exhibit A: One-Stop Center Expenditure Budget
Exhibit B: Master Lease

30. ENTIRE AGREEMENT: The foregoing constitutes the entire agreement the parties and may be modified only by writing signed by both parties.

APPROVED AS TO FORM:

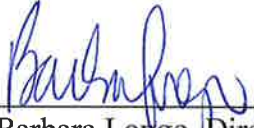
Robert M. Burns
County Counsel

 5/14/18

Andrew Haut
Attorney for County Counsel

The undersigned LESSEE hereby agrees to the above terms and conditions and Acknowledges receipt of a copy hereof.

LESSEE:



Barbara Longo, Director
Lassen County Health and Social Services

Dated: 5/15/18

Richard Egan, CEO
Lassen County

Dated: _____

The undersigned LESSOR hereby agrees to the above terms and acknowledges receipt of a copy hereof.

LESSOR:



Traci Holt, Executive Director
Alliance for Workforce Development, Inc.

Dated: 4/23/18

Business and Career Network

Susanville, CA 96130

530-257-5057

www.afwd.org

Fiscal Year 2018/2019

Worksheet for Lease Agreements based on building monthly rent, and other facility operating costs and services provided to One-Stop partners.

Prepared by: Traci Holt, AFWD Executive Director (Ph: 283-9621 x204)
4/9/2018

AGENCY	OFFICE SPACE (Square Feet)		%	COMMON AREA		TOTAL SQ. FOOTAGE		MONTHLY LEASE AMOUNTS \$
AFWD	910	sq. ft.	23%	1,182	sq. ft.	2,092	sq. ft.	\$4,079.31
Lassen Works	3005	sq. ft.	77%	3,903	sq. ft.	6,908	sq. ft.	\$13,470.69
Total	3,915	sq. ft.	100%	5,085	sq. ft.	9,000	sq. ft.	

Total Office Space (sq. ft.) 3,915
Total Common Area (sq. ft.) 5,085
Total sq. ft. of LCN 9,000

Office space used by each partner is divided by total office space to calculate each agency's percentage of office space used in the one-stop facility. This office space percentage is used to determine amount of common area that is allocated to the agency. The total office space and common area square feet is then multiplied by the cost per square foot (i.e. \$1.95 / sq. ft.)

**LEASE AGREEMENT
BETWEEN
E. DALE AND LINDA K. SOULE' DBA BARRY CREEK ENTERPRISES
AND
ALLIANCE FOR WORKFORCE DEVELOPMENT, INC.**

ARTICLE 1: PARTIES

Section 1.01 This lease is entered into between E. DALE SOULE' and LINDA K. SOULE', as trustees of the Soule' Family 1998 Revocable Trust dated October 29, 1998, of Lassen County, California, hereafter referred to as "Landlord"; and ALLIANCE FOR WORKFORCE DEVELOPMENT, INC. hereafter referred to as "Tenant".

ARTICLE 2: PREMISES

Section 2.01 Landlord leases to Tenant, and Tenant hires from Landlord, for the term, at the rental and upon the conditions in this Lease, the real property in Susanville, County of Lassen, State of California, located at 1616 Chestnut Street, Susanville, Lassen County, California. The lease includes the exclusive use of a nine thousand square foot building and parking adjacent to such building, hereafter collectively called "Premises". The location and dimensions of said Premises are delineated on Exhibit A.

ARTICLE 3: LEASE TERM

Section 3.01 The term of this lease shall be for the period November 1, 2008 through June 30, 2013, hereafter called the "term".

Section 3.02 Holding over after the expiration of the term of this lease, or upon earlier termination, shall be a tenancy from month to month, on the same terms and conditions of this lease.

ARTICLE 4: RENT

Section 4.01 For and during the term of this lease, Tenant shall pay to Landlord for the use and occupancy of the Premises, payable in advance on the first (1st) day of each and every month commencing November 1, 2008 and on the 1st day of each succeeding month during the term hereof the sum as described below.

Rent shall not begin to accrue until five (5) days after of copy of the Certificate of Use and Occupancy issued by the City of Susanville Building Department is delivered by the Landlord to Tenant. Monthly Rent shall be as follows:

Area #1: For the 9,000 square foot area, the term of the lease shall be as follows:

November 1, 2008 – June 30, 2013, the rent shall be \$1.45 per square foot, \$13,050 per month.

Commencing with the first day of the sixth year of the lease term, July 1, 2013, until June 30, 2018, the monthly rent shall be \$1.50 per square foot, \$13,500. The parties shall execute a written amendment setting forth the amount of the rent for the sixth through tenth years. In the event the parties are unable to agree on the amount of rent for the sixth and following years, this lease shall terminate at the end of the fifth year on June 30, 2013.

ARTICLE 5: UTILITIES

Section 5.01 Tenant shall pay for all water, gas, heat, light, power, telephone service and rubbish removal, and all other utilities services of any kind and nature whatsoever supplied to and used on the Premises by Tenant except as provided in Section 5.02 below.

Section 5.02 Landlord shall pay for all exterior lighting and the repair and maintenance of the said Premises, common areas, including snow removal.

ARTICLE 6: USE AND OCCUPANCY

Section 6.01 Tenant shall use the Premises solely as an office and other related activities associated with Tenant programs. Landlord acknowledges that Landlord is familiar with and consents to the scope of use.

Section 6.02 Tenant shall comply with and conform to all laws and regulations, municipal, state, and federal, and any and all applicable requirements and orders of any municipal, state, or federal board or authority, present or future, in any way relating to the condition, use or occupancy of the Premises throughout the entire term of this lease.

Section 6.03 Tenant agrees, in using the Leased Premises:

- A. Not to commit any waste or suffer any waste to be committed upon the leased Premises;
- B. Not to commit any public or private nuisance or any other act or thing which might or would disturb the quiet enjoyment of any occupant of nearby property;
- C. Not permit any activity or activities which might cause unreasonable annoyance to adjoining landowners.

ARTICLE 7: ALTERATIONS, REPAIRS, RESTORATION

Section 7.01 Tenant may make installations, additions, or improvements in or to the Premises and structural alterations or changes either to the interior or exterior of the building on said Premises as Tenant desires, so long as all such work is done at Tenant's sole expenses and upon approval of the Landlord in writing. Landlord's approval shall not be unreasonable withheld.

Section 7.02 All alterations, additions, or improvements which are made in or to the Premises shall be surrendered with said Premises upon the termination of this lease.

Section 7.03 Landlord agrees, at the expense of Landlord, to maintain the Premises in good condition and repair throughout the term of this lease, except that alterations or changes made by Tenant pursuant to Section 7.01 shall be maintained in good repair by Tenant.

ARTICLE 8: CONDEMNATION

Section 8.01 During the term of this lease, Tenant agrees not to exercise its power of eminent domain or condemnation in any fashion with respect to the Premises

Section 8.02 If during the term hereof there shall be a "total taking" by any other public authority under the power of eminent domain, then the leasehold estate of Tenant in the Premises shall cease and terminate as of the date actual physical possession thereof shall be taken. "Total taking" is defined to be the taking of the entire Premises under the power of eminent domain or a taking of so much of the Premises as to prevent or substantially impair the conduct of Tenant's business therein. All compensation and damages awarded for the taking of the Premises in such event shall be the sole property of Landlord.

ARTICLE 9: INDEMNITY AND INSURANCE

Section 9.01 Tenant agrees to protect, indemnify, and save Landlord harmless from and against any and all liability to third parties resulting from Tenant's occupation and use of the Premises, specifically including, without limitations, any claim, liability, loss, or damage arising by reason of:

- A. The death or injury of any person or persons, or by reason of the damage to or destruction of any property, including property owned by Tenant or any person who is an employee of agent of Tenant, and caused or allegedly caused by either the condition of the Premises, or some act or omission of Tenant or of some agent, contractor, employee, servant, subTenant or concessionaire of Tenant on the Premises;
- B. Any work performed on the Premises or materials furnished to the Premises at the instance or request of Tenant or any agent or employee of Tenant; and
- C. Tenant's failure to perform any provision of this lease or to comply with any requirement of law or any requirement imposed on Landlord or the Premises by any duly authorized governmental agency or political subdivision.

Except that Landlord shall be liable to Tenant for damage resulting from the acts or omissions of Landlord or Landlord's authorized representatives. Landlord shall hold Tenant harmless from all damages arising out of such damage.

Section 9.02 Tenant shall, at its own cost and expense, procure and maintain during the entire term of this lease public liability insurance and property damage insurance issued by an insurance company acceptable to Landlord and insuring Landlord against loss of liability caused by or connected with Tenant's occupation and use of the Premises under this lease in amounts not less than:

- A. \$500,00 for injury to or death of one person and subject to that limitation for the injury or death of one person, of not less than \$1,000,000.00 for injury to or death of two or more persons as a result of any one accident or incident; and
- B. \$300,000 for damage to or destruction of any property of others.

General liability(Bodily Injury and Property Damage) including Premises and Operations (including off-site operations) , Blanket Contractual Liability, Broad Form Property Damage, Products and Completed Operations, Personal Injury, Liability and Owners and Contractors Protective Liability in an amount not less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate.

Section 9.03 Landlord shall, during the term of this lease, procure, carry and pay for fire and extended coverage insurance, insuring the building and other improvements on the Premises. The term "extended coverage" as used herein shall mean any casualties that are commonly included under the term "extended coverage" as that term is known and used in the casualty insurance business.

Section 9.04 Landlord shall not be liable at any time for any loss, damage or injury to the property or person of any person whomsoever at any time occasioned by or arising out of any act or omission of the Tenant, or of anyone holding under Tenant or the occupancy or use of the Premises.

Section 9.05 Tenant shall provide a certificate of insurance to the Landlord

Section 9.06 Dale and Linda Soule' shall be named as additional insured with respect to the use of the leased property under this lease.

ARTICLE 10: ASSIGNMENT AND SUBLEASING

Section 10.01 Tenant shall not assign, mortgage, or hypothecate this lease, in whole or in part, nor sublet all of any part of the Premises, without the prior written consent of Landlord in each instance. This prohibition against assigning or subletting shall be construed to include a prohibition against any assignment or subletting by operation of law. Landlord's consent will not unreasonably be withheld. The consent by Landlord to any assignment of subletting shall not constitute a waiver of the necessity for such consent to any subsequent assignment or subletting.

ARTICLE 11: DEFAULT OR REMEDIES

Section 11.01 Landlord may at their option, and without limiting Landlord in the exercise of any other right or remedy they may have on account of a default or breach by Tenant, exercise the rights and remedies specified in Section 11.02 if:

- A. Tenant defaults in payment of any money agreed to be paid by Tenant to Landlord for rent or for any other purpose under this lease and if such default continues for thirty (30) days after written notice to Tenant by Landlord;
- B. Tenant abandons the Premises for a period of thirty-five (35) days;
- C. Tenant defaults in performance of any of the other of its agreements, conditions or covenants under this lease and such default continues for thirty-five (35) days, plus such a period of delay as Tenant may encounter in the performance of their agreements by reason of matters beyond the control of the Tenant.

Section 11.02 On any breach, default or abandonment Landlord may exercise any of the following rights after the periods of times stated in Section 11.01:

- A. Immediately re-enter and remove all persons and property from the Premises. In the event of any such re-entry by Landlord, Landlord may make any repairs, additions, or improvements in, to or upon the Premises which may be necessary of convenient; provided, however, that Landlord shall be entitled to recover from Tenant the expense of said repairs or alterations only to the extent necessary to restore the building to the condition that it was in on the commencement of the term of the lease, reasonable wear and tear and improvements authorized as provided in Section 7.01 excepted. In such instance, the Lease will be terminated and Landlord will be entitled to otherwise recover all damages allowable under law or this lease.
- B. To collect by suit or otherwise each installment or other sum as becomes due

hereunder, or to enforce, by suit or otherwise, any other term or provision hereof or on the part of Tenant required to be kept or performed, it being specifically agreed that all unpaid installments of rent or other sums shall bear interest at the highest legal rate from the due date thereof until paid.

- C. Terminate this lease, in which event Tenant agrees to immediately surrender possession of the Premises and to pay to Landlord, in addition to any other remedy Landlord may have, all damages Landlord may incur by reason of Tenant's defaults, including the cost of recovering the Premises.
- D. In the event that this lease is terminated due to an uncured default by the Tenant, hereunder, Landlord may declare all rent payments to the end of the Tenant's then current fiscal year to be due, including any delinquent rent from prior budget years. In no event shall Landlord be entitled to a remedy of acceleration of the total rent payments due over the term of the lease. The parties acknowledge and agree that the limitations set forth above are required by Article 16, section 18 of the California Constitution. Landlord acknowledges and agrees that said Article 16, Section 18 of the California Constitution supersedes any law, rule, regulation or statute which conflicts with the provision of this paragraph. Notwithstanding the foregoing, Landlord may have other rights or civil remedies to seek relief due to the Tenant's default under the lease. Such rights or remedies may include a right to continue the Tenant's right to possession under the lease and sue for the rent as it becomes past due.
- E. Landlord's failure to take advantage of any default or breach of covenant on the part of the Tenant shall not be, nor be construed as a waiver thereof, nor shall any custom or any practice which may grow up between the parties in the course of administering this instrument be construed to waive or to lessen the right of Landlord to insist upon the performance by Tenant of any term, covenant, or condition hereof, or to exercise any rights given them on account of any such default.

ARTICLE 12: GENERAL PROVISIONS

Section 12.01 Tenant shall peaceably give up and surrender to Landlord the Premises and every part thereof to Landlord at the termination of this lease in as good a condition and repair as reasonable use and wear thereof will permit.

Section 12.02 In the event of a sale or conveyance by the Landlord of the Premises or any part containing said Premises, Landlord shall be released from any future liability upon any of the covenants or conditions, expressed or implied, in favor to Tenant, and in such event, Tenant agrees to look solely to the responsibility of the successor in interest to the Landlord in and to this lease.

Section 12.03 Landlord shall be entitled, at all reasonable times, to go on the Premises for the purpose of inspecting the Premises, or for the purposes of inspecting

the performance by Tenant of the terms and conditions of this lease, or for the purpose of posting and keeping posted thereon notice on non-responsibility for any construction, alteration, or repair thereof as required or permitted by any law or ordinance.

Section 12.04 All provisions of this lease shall be deemed as running with the land and construed to be "conditions" as well as "covenants" as though the words specifically expressing or imparting covenants and conditions were used in each separate provision.

Section 12.05 Each and all of the covenants, conditions, and restrictions in this lease shall inure to the benefit of and shall be binding upon the successors in interest of the parties.

Section 12.06 This lease contains the entire agreement of the parties with respect to the matters covered by this lease, and no other agreement, statement, or Premises made by any party, or to any employee, officer, or agent of any party, which is not contained in this lease shall be binding or valid.

Section 12.07 If any term, covenant, condition, or provision in this lease is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

Section 12.08 Shall other party commence any legal action proceeding against the other based on this lease, the prevailing party shall be entitled to an award of attorney's fees.

Section 12.09 This lease shall not be recorded, except that if either party requests the other party to do so, the parties shall execute a memorandum of lease in recordable form such as Exhibit B.

Section 12.10 The lease is dependent upon available government funding to Tenant. In the event that Tenant funding is significantly decreases, this lease may be nullified by Tenant informing in writing to Landlord of such intentions. This lease may be terminated six months after such notice.

Section 12.11 Tenant share of real property tax is included in the minimum rent as specified in Article 4 of this lease.

This lease has been executed by the parties on July 30, 2008.

LANDLORD
Soule' Family 1998 Revocable Trust Dates October 29, 1998

Dated: 7-30-08

By: E. Dale Soule'
E Dale Soule', Trustee

Dated: 7-30-08

By: Linda K. Soule'
Linda K. Soule, Trustee

TENANT
Alliance for Workforce Development, Inc.

Dated: 7-30-08

By: Traci Holt
Traci Holt, Executive Director

Amendment One

Lease Agreement

Between

E. DALE AND LINDA K. SOULE' DBA BARRY CREEK ENTERPRISES

AND

ALLIANCE FOR WORKFORCE DEVELOPMENT, INC.

This amendment modifies Article 3: Lease Term of the above mentioned Lease Agreement and Article 4: Rent.

Article 3: Lease Term: Commencing with July 1, 2018, until June 30, 2023.

Article 4: Rent: The monthly rent shall be \$1.55 per square foot, \$13,950 per month.

No other terms and conditions of the lease are modified with this amendment.

LANDLORD

Soule' Family 1998 Revocable Trust Dates October 29, 1998

Dated: 4-10-18

By: 

E. Dale Soule, Trustee

Dated: 4/10/18

By: 

Linda K. Soule, Trustee

TENANT

Alliance for Workforce Development, Inc.

Dated: 04/09/2018

By: 

Traci Holt, Executive Director