

LEASE AGREEMENT

(The Elms)
(67 E. Barnett Street, Ventura)

This Lease Agreement ("Agreement"), effective as of September 1, 2024, is made and entered into by and between the County of Ventura ("County") and Elms Manor Corporation, a California stock corporation ("Lessor"). County and Lessor may be referred to individually as a "Party" or collectively as the "Parties."

The Parties agree as follows:

1. PROPERTY LEASED. Lessor hereby leases to County, and County hereby leases from Lessor the entirety of Assessor's Parcel Number 069-0-131-250, improved as a 54-bed residential care facility for the elderly (RCFE) consisting of approximately 12,415 square feet of area ("Residence"), commonly known and referred to as 67 E. Barnett Street, Ventura, California (collectively, the "Premises"). The location of the Premises is more particularly shown on Exhibit "A" and depicted on Exhibit "A1," attached hereto and made a part hereof by these references.

2. TERM. The term of this Agreement shall be twelve (12) months ("Term"). Said Term shall commence on September 1, 2024 ("Commencement Date") and terminate at midnight on August 31, 2025, subject to County's Option to Extend more particularly described in Article 38.

3. RENT. County shall pay to Lessor, during the Term of this Agreement, monthly rent of \$35,000.00 ("Rent") for the Premises. The Rent is payable in advance on the first day of each and every calendar month. The Rent shall not deviate from this amount regardless of any discrepancies between the actual square footage and the Parties' approximated square footage of the Premises.

3A. SECURITY DEPOSIT. An amount equal to \$35,000, which is equal to one months' rent (the "Security Deposit"), shall be deposited by County with Lessor upon execution of this Lease. The Security Deposit shall serve as security for the payment and performance of the obligations, covenants, conditions, and agreements contained herein. The Security Deposit shall not constitute an advance payment of any amounts owed by County under this Lease, or a measure of damages to which Lessor shall be entitled upon a breach of this Lease by County or upon termination of this Lease. Lessor may, without prejudice to any other remedy, use the Security Deposit to the extent necessary to remedy any default which has lapsed beyond applicable notice and cure period in the payment of Rent or any other amounts owing under this Lease or to satisfy any other obligation of County hereunder and to remedy any Event of Default hereunder. In the event that any portion of the Security Deposit is used by Lessor as set forth herein, County shall promptly, on demand, restore the Security Deposit to its original amount. Lessor may request County to increase the Security Deposit at any time to equal the amount of one months' Rent at any time during the Term, as may be extended. The Security Deposit will not be a limitation on Lessor's damages or other rights under this Lease, or a payment of liquidated damages, or an advance payment of the Rent. Lessor will return the unused portion of the Security Deposit to County within sixty (60) days after the end of the Term. If Lessor transfers its interest in the Premises during the Term, Lessor shall assign the Security

Deposit to the transferee who shall become obligated to County for its return pursuant to the terms of this Lease, and thereafter Lessor shall have no further liability for its return, provided transferee shall assume such obligations in writing to County.

4. HOLDOVER. If County holds possession of the Premises after the expiration of the Term of this Agreement, or any extension thereof, with consent of Lessor, either expressed or implied, County shall become a tenant from month-to-month at the rental amount paid for the last month of the Term of this Agreement. Such tenancy will be subject to all of the terms and conditions of this Agreement.

5. USE. The Premises shall be used for the following specified purpose and shall not be used for any other purpose without first obtaining the written consent of Lessor:

Residential Care Facility for the Elderly (RCFE) – Public Service

6. SIGNS. County shall have the right, at County's sole cost and expense, to install any signs appropriate for the identification of the Premises subject to the city of Ventura's approval and issuance of any required permit(s). Lessor shall not install signs on the Premises without the written consent of County.

7. ALTERATIONS BY COUNTY. During the Term or any extension thereof, County shall, upon Lessor's prior written consent (which shall not be unreasonably withheld, conditioned or delayed) have the right, at County's sole expense, to make installations, modifications and improvements to the Premises, provided, however, that the basic structure shall not be altered. All improvements, installations and modifications installed by County during the Term of this Agreement shall be considered personal property of County and County may, at its option, remove any or all of such items at any time during the Term of this Agreement or any extension thereof. If County removes any of such items, County shall restore the portion of the Premises affected by such removal, as nearly as practicable to its condition as of the date of occupancy by County, normal wear and tear excepted.

8. PARKING. County, its agents, invitees, employees, contractors and patrons shall have use of all the parking spaces on the Premises for the Term of the Agreement or any extension thereof. This parking is included in the rent paid by County each month.

9. PRORATION OF RENT. If rent due under this Agreement for any calendar month should be for less than a full month, the rent due for that month shall be prorated on the basis of a 30-day month.

10. CONSTRUCTION OF TENANT IMPROVEMENTS BY LESSOR. None. The Premises shall be leased in "AS IS" condition.

11. DELAY IN DELIVERY OF POSSESSION. If Lessor, for any reason whatsoever, cannot deliver possession of the Premises on the Commencement Date, the Rent for the period between said date and the date that Lessor delivers possession shall be prorated and deducted from the Rent due under this Agreement. The Term of the Agreement shall not be extended by such delay. Notwithstanding any other provision of this Agreement, if possession is not delivered to County, within one hundred eighty (180) days after the Commencement Date, County may terminate this Agreement without further obligation to Lessor by so advising Lessor in writing.

12. FIRE INSURANCE. Fire and extended coverage insurance on the Premises herein leased shall be the sole concern of Lessor. However, no use except that which is expressly provided in this Agreement shall be made, or permitted to be made, of the Premises.

13. TAXES AND ASSESSMENTS. Lessor shall pay all ad valorem taxes and assessments levied against the Premises covered by this Agreement.

14. UTILITIES. County shall pay for all utilities, including waste removal, water, sewer, gas, and electrical serving the Premises and make payments directly to the utility companies furnishing same. County shall make and maintain proper connections with any and all water, gas, sewer, and electrical lines on or serving the Premises and will continue the connections and service thereof during the Term of this Agreement or any extension thereof.

15. JANITORIAL SERVICES. County shall provide standard housekeeping and custodial services to the Premises during the Term of this Agreement or any extension thereof.

16. REPAIRS AND MAINTENANCE BY COUNTY. County shall maintain the Premises as set forth in Exhibit "B," including its foundation, walls, suite demising walls, roof, building exterior including doors and glass, floors, floor coverings, electrical system, plumbing, water and sewage disposal systems, fire sprinkler system, fire alarm system, and HVAC system, and shall provide, at its sole cost, all maintenance, repair and replacement required to be performed in connection therewith.

17. ENTRY BY LESSOR. Lessor may enter upon the Premises at reasonable times with reasonable prior notice to examine the condition thereof, provided that such right shall not be exercised in such a manner as to unreasonably interfere with any business conducted on the Premises.

18. COMPLIANCE WITH LAW. If the Premises, or Lessor's real property on which the Premises is located, is determined to be in non-compliance with the provisions of the Occupational Safety and Health Act of 1970, or any related legislation including but not limited to California Civil Code section 55.51 et seq. and the federal Americans with Disability Act (as such non-compliance shall be determined on an unoccupied basis without regard to County's proposed use of the Premises or any alterations or improvements to be completed by or for County in the Premises), County shall, to the extent possible, make all installations, modifications or improvements required as a result of such non-compliance, and County shall comply with all laws and perform all installations, modifications or improvements made necessary due to any installations, modifications or improvements to, or use by County of, the Premises. The Premises have not undergone inspection by a Certified Access Specialist as defined by California Civil Code section 1938.

19. ASSIGNMENT AND SUBLETTING. County shall have the right to assign this Agreement or sublet the Premises with the written consent of Lessor, which consent shall not unreasonably be withheld. In the event that the Premises are sold during the Term of this Agreement, purchaser shall become Lessor's assignee hereunder. In such an event, all terms and conditions of this Agreement shall remain in full force and effect.

20. DEFAULT OR BREACH. Except as otherwise provided, at any time one Party to this Agreement is in default or breach in the performance of any of the terms and conditions of this Agreement, the other Party shall give written notice to remedy such default or breach. If said default or breach is remedied within 30 days following such notice, then this Agreement shall continue in full force and effect. If such default or breach is not remedied within 30 days following such notice, the other Party may, at its option, terminate this Agreement. Such termination shall not be considered a waiver of damages or other remedies available to either Party because of such default or breach. Each term and condition of this Agreement shall be deemed to be both a covenant and a condition. Notwithstanding the foregoing, County shall be in default under this Agreement if County fails to pay any monetary obligation due and owing hereunder within 10 days following written notice from Lessor that said amount is past due and owing.

21. WAIVER. A waiver by either Party of any default or breach by the other Party in the performance of any of the covenants, terms or conditions of this Agreement shall not constitute or be deemed a waiver of any subsequent or other default or breach.

22. PARTIES BOUND AND BENEFITTED. The covenants, terms, and conditions herein contained shall apply to and bind the successors and assigns of all of the Parties hereto, and all of the Parties hereto shall be jointly and severally liable hereunder. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of Lessor and County, subject to compliance with the terms of Article 19.

23. TIME. Time is of the essence of this Agreement.

24. HOLD HARMLESS AND INDEMNITY. County shall defend, indemnify and hold harmless Lessor from and against all third-party demands, claims, actions, liabilities, losses, damages and costs, including reasonable attorney's fees, arising out of or relating to any death, bodily injury or property damage resulting from, or in conjunction with, the maintenance, use or occupation of the Premises by County and its agents, invitees, employees, contractors or patrons under this Agreement, except as to any loss or damage as may arise from the sole negligence or willful misconduct of the Lessor.

In the event of any failure of any building system or element in the Premises that is a County responsibility pursuant to Article 16, County shall defend, indemnify and hold harmless Lessor and its elected officials, officers, directors, agents, employees, subcontractors and volunteers from and against all third-party demands, claims, actions, liabilities, losses, damages and costs, including reasonable attorney's fees, arising out of or related to any death, bodily injury or property damage resulting from such failure, except as to any loss or damage as may arise from the sole negligence of Lessor.

25. DESTRUCTION OF PREMISES. If the Premises should be destroyed by any cause or declared unsafe or unfit for occupancy by any authorized public authority for any reason, either wholly or in such a degree as to materially impair County's use of said Premises, then all rent due under the terms of this Agreement shall cease as of the date of such destruction or declaration. If Lessor makes the necessary repairs within 30 days rendering the Premises as suitable and serviceable as they existed on the day County's occupancy of the Premises commenced, no right of termination by the County shall exist. If repairs are not made within 30 days, ordinary wear and tear excepted, the County may terminate this Agreement effective on the 30th day after said destruction by mailing written notice to Lessor of the County's intention to terminate. If during a period of partial destruction, the County should desire to continue occupancy, the rent shall be abated in

the same ratio ("Reduced Rent"), as the portion of the Premises rendered for the time being unfit for occupancy shall bear to the whole Premises. Should the partial destruction of the Premises not be repaired within 30 days, the County shall have the option to terminate this Agreement or remain in possession at the Reduced Rent.

26. CONDEMNATION. If a public authority under the power of eminent domain should take the whole of the Premises, then the Term of this Agreement shall cease on the day of possession by said public authority. If only a part of the Premises should be taken under eminent domain, County shall have the right to either terminate this Agreement or to continue in possession of the remainder of the Premises. If County remains in possession, all of the terms hereof shall continue in effect, with rents payable being reduced proportionately for the balance of the term of this Agreement. If such taking under the power of eminent domain occurs, those payments attributable to the leasehold interest of County shall belong to County, and those payments attributable to the reversionary interest of Lessor shall belong to Lessor.

27. CONDITION OF PREMISES UPON TERMINATION. Upon the termination or expiration of this Agreement for any reason, County shall vacate the Premises and deliver it to Lessor in good order and condition, excepting damage by the elements, fire, earthquake, falling objects and ordinary wear and tear. County shall repair any damage to the Premises which may be required by reason of neglect or misconduct of the County, its agents, servants, employees, contractors, or patrons, or occupants of the Premises.

28. ENTIRE AGREEMENT; SEVERABILITY. This Agreement contains the entire understanding of the Parties hereto and no obligations other than those expressly set forth herein will be recognized, regardless of whether the terms herein differ from what might arguably be implied from any other contract, lease, ordinance, policy, or other documents approved by County. If any term or provision of the Agreement is determined by a court of competent jurisdiction to be invalid, illegal, or unenforceable, the remaining portions of the Agreement shall be considered severable and not affected by such determination, and the rights and obligations of the parties shall be construed and enforced as if the Agreement did not contain the particular term or provision held to be illegal, invalid, or unenforceable.

29. AGREEMENT MODIFICATION. This Agreement may be terminated, extended, or amended in writing only by the mutual consent of the Parties hereto. Such modification may be executed by the Director of County's Public Works Agency, or another authorized representative, on behalf of County.

30. PARTIAL INVALIDITY. If any term, covenant, condition or provision of this Agreement is found by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired, or invalidated thereby.

31. GENDER AND NUMBER. For the purpose of this Agreement, wherever the masculine or neuter form is used, the same shall include the masculine or feminine, and the singular number shall include the plural and the plural number shall include the singular, wherever the context so requires.

32. ARTICLE HEADINGS. Article headings in this Agreement are for convenience only and are not intended to be used in interpreting or construing the terms, covenants and conditions of this Agreement.

33. NOTICES AND PAYMENTS. All notices required under this Agreement, including change of address, shall be in writing and all notices and payments shall be made as follows:

- A. All checks to Lessor shall be made payable to Elms Manor Corporation. Payments and notices to Lessor shall be given or mailed to:

Elms Manor Corporation
Attn: Fe Higgins
67 E. Barnett Street
Ventura, CA 93001

Lessor may request to receive payments via Electronic Funds Transfer by completing documentation provided by County.

- B. All payments and notices to County shall be given or mailed to:

County of Ventura
Public Works Agency
Central Services
Real Estate Services
800 South Victoria Avenue, L#1600
Ventura, CA 93009

- C. Lessor's monthly lease payment invoices, and other invoices pre-approved by County, may be sent to County via email with the following email address: PWA.Leasepayments@ventura.org. All invoices must include the address of the Premises.

34. APPROVAL BY BOARD OF SUPERVISORS. This Agreement was approved by the Board of Supervisors by action of _____, 2024 (Item No. _____).

35. ANTENNA. County shall have access to the roof to install communications equipment necessary to conduct the County's business. County shall bear all costs associated with said communications equipment including all permits and fees. County shall be responsible for any damage to the roof caused by said communications equipment and upon the expiration or termination of the Agreement shall be responsible for removal of said communications equipment and shall restore the portion of the roof affected by such removal, as nearly as practicable to its condition as of the date of occupancy by County, normal wear and tear excepted.

36. GOVERNING LAW; FORUM; VENUE. This Agreement shall in all respects be interpreted, governed and enforced in accordance with the laws of the state of California applicable to contracts entered into and fully to be performed therein. The Parties agree that this Agreement was made and entered into in Ventura County, California and that this Agreement and the Parties' obligations under this Agreement are to be performed in Ventura County. Accordingly, the Parties agree that any action, suit or other legal proceeding concerning this Agreement shall be in a forum with jurisdiction over Ventura County, California, with venue in Ventura County.

37. LIABILITY INSURANCE. County, at its own expense, shall procure and maintain with respect to the Premises and operations conducted therein adequate general premises liability insurance against bodily injury and against property damage. Said insurance shall have a combined single limit of liability for bodily injuries and for property damage in an amount of not less than Two Million Dollars (\$2,000,000.00). Notwithstanding anything to the contrary provided in this Agreement, County shall furnish to Lessor a letter of self-insurance, which shall verify that County carries liability insurance as described above. Said letter shall verify that (i) Lessor is named as an additional insured in said insurance, (ii) said insurance covers products and completed operations coverages, (iii) such insurance shall not be cancelled nor terminated without thirty (30) days' prior written notice given to Lessor, and (iv) said insurance shall be primary insurance, notwithstanding any "other insurance" clauses to the contrary which may be contained in either County's or Lessor's insurance contracts. The insurance coverage shall contain within the contract or by endorsement a "broad form" of contractual liability coverage which covers contracts entered into by County, including leases.

38. OPTION TO EXTEND. Provided County is not in default under the then current Agreement, County shall have one (1) option to extend the Term of the Agreement ("Option to Extend") for a period of twelve (12) months. County shall provide Lessor, not less than one (1) month prior to the expiration of the Term, a written notice of its intent to exercise the Option to Extend.

39. OPTION TO PURCHASE THE PREMISES. Provided County is not in default under the then-current Agreement, County shall have an exclusive option to purchase ("Option to Purchase") the Premises for \$3,400,000 described as:

All of THAT PROPERTY situated in the County of Ventura, State of California, more commonly known as 67 E. Barnett Street, Ventura, CA 93001; which property is bounded and described as:

LOTS 4, 5, 6, 7 VENTURA AVENUE TRACT, AS PER MAP RECORDED IN BOOK 14, PAGE 9 OF MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY

SUBJECT TO the Restrictions, conditions, Covenants, Rights, Rights of Way, and Easements now of record, if any.

County's Option to Purchase the Premises expires on August 31, 2026.

40. ROOM 22. Lessor shall have exclusive use and occupancy of Room 22 of the Premises from Commencement Date until County's License application with the California Department of Social Services (DSS), Community Care Licensing (CCL) Division, for the Premises has been approved.

LESSOR:

Elms Manor Corporation, a California stock corporation

By:
Its:

Date

COUNTY:
COUNTY OF VENTURA

By: Joan Araujo, Director
Central Services
Public Works Agency

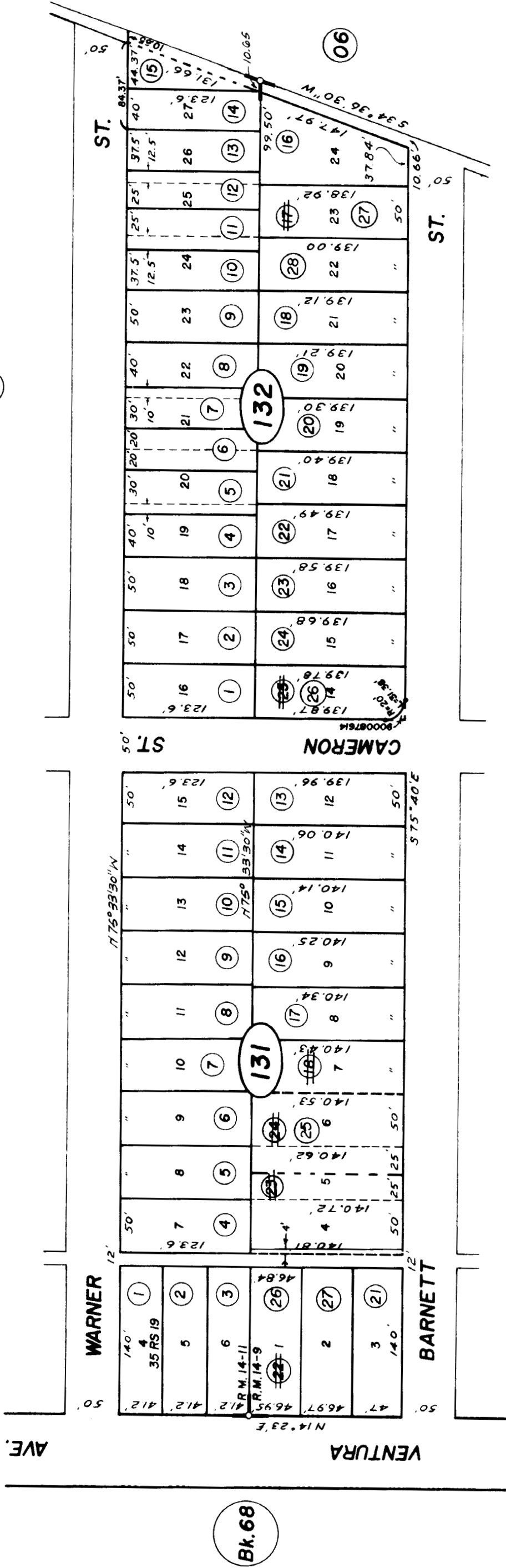
Date

Tax Rate Area 05012
05058
05059
05067



11

12



Bk. 68

Bk. 71

CITY OF SAN BUENAVENTURA
Ventura County Assessor's Map.

Assessor's Block Numbers Shown in Ellipses.
Assessor's Parcel Numbers Shown in Circles.
Assessor's Mineral Numbers Shown in Squares.

DRAWN	REVISED	2-14-2002
REDRAWN	CREATED	
INKED	PLOTTED	EFFECTIVE
		ROLL
Compiled By Ventura County Assessor's Office		

NOTE: ASSESSOR PARCELS SHOWN ON THIS PAGE
DO NOT NECESSARILY CONSTITUTE LEGAL LOTS.
CHECK WITH COUNTY SURVEYOR'S OFFICE OR
PLANNING DIVISION TO VERIFY.

Exhibit A-1

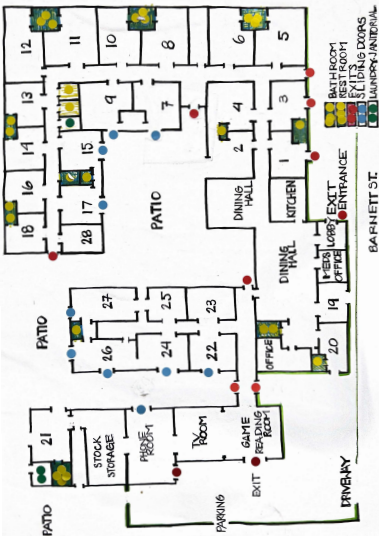


EXHIBIT "B"
MAINTENANCE & REPAIR SCHEDULE

NO.	ITEM	LESSOR	COUNTY
1	Electrical system and conduits.		X
2	Light switches and electrical outlets.		X
3	Ballast and transformers for florescent lights.		X
4	Light bulbs and/or florescent bulbs, including installation.		X
5	Plumbing system: water, sewer, gas and other underground lines.		X
6	Plumbing blockage within the premises, i.e., sink or toilet.		X
7	Toilets, urinals, water closets, water faucets, paper towel & toilet tissue holders (not owned by supplier), mirrors and other restroom fixtures.		X
8	Water heater.		X
9	Drinking fountains		X
10	Air conditioning & heating systems, including control switches & thermostats.		X
11	Telephone & cable T.V. jacks.		X
12	Carpet, tile and/or linoleum.		x
13	Interior doors, door and window hardware and locks.		X
14	Drapes, window shades, blinds or other window covering.		X
15	Ceiling.		X
16	Interior walls & partitions.		X
17	Broken window glass or door glass including plate glass windows.		X
18	Exterior walls, roof, drains & down spouts.		X
19	Exterior parking lot, repair & maintenance.		X
20	Grounds landscaping, gardening and debris clean up.		X
21	Security camera system.		X
22	Fire extinguishers.		X
23	Refuse, rubbish & garbage disposal.		X
24	Janitorial service including window washing.		X
25	Paper supplies, dispensers & waste containers in restrooms.		X
26	Pest control: exterior or common area.		X
27	Pest control: interior.		X