

# LEASE AGREEMENT

(801 S. Victoria Avenue, Suite 301, Ventura)

THIS LEASE, hereinafter called "Agreement," is made and entered into by and between:

**MDG HOLDINGS, LLC**, a California limited liability company,

hereinafter referred to as "Lessor," and

**COUNTY OF VENTURA**,

hereinafter referred to as "County."

The parties agree that:

1. PROPERTY LEASED. Lessor hereby leases to County and County hereby leases from Lessor the property, hereinafter called "Premises," located in the County of Ventura, State of California, described herein as:

1,320 RENTABLE SQUARE FEET OF OFFICE SPACE  
LOCATED IN SUITE 301 OF THE THREE-STORY OFFICE  
BUILDING COMMONLY KNOWN AND REFERRED TO AS 801  
S. VICTORIA AVENUE, VENTURA, CALIFORNIA.

The Premises are more particularly shown on Exhibit "A," which is attached hereto and made a part hereof by reference.

2. RENT. County shall pay to Lessor, during the first twenty-four (24) months of the term of this Agreement, a rent of \$2,310.00 per month, payable in advance on the first day of each and every calendar month. Rent shall be increased by 2% beginning on month twenty-five (25) of the term of this Agreement, and subject to 2% annual increases upon each term commencement anniversary date thereafter. There shall be no pass through of any operating expenses from Lessor to County. County shall also pay as additional rent the amount, if any, required by Article 9.

3. TERM. The term of this Agreement shall be one hundred twenty (120) months. Said term shall commence on the first day of the first month following the Completion Date of Tenant Improvements (as defined in Article 10) and shall terminate on the last day of the one hundred twentieth (120) month thereafter.

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:

GENERAL OFFICE USE – PUBLIC SERVICE

6. SIGNS. County shall have the right to install any signs the City of Ventura will permit appropriate for the identification of the Premises. Lessor shall not install signs on the Premises without the written consent of County.

7. ALTERATIONS BY COUNTY. Lessor hereby consents that during the term of this Agreement or any extension thereof, County shall 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 unreserved parking spaces in Lessor's paved parking area adjacent to the Premises at a ratio of approximately four (4) spaces per 1,000 rentable square feet for the term of the Agreement and any extensions. Parking shall be free of charge to County.

9. PRORATION OF RENT. If the rent payment due under this Agreement for any calendar month should be for less than a full month, the rent amount due for that month shall be prorated on the basis of a 30-day month. County shall pay to Lessor, on a pro-rata basis, rent for the period of time, if any, between the Completion Date of Tenant Improvements and the commencement of the term, which is the first day of the following month (per Article 3).

10. CONSTRUCTION OF TENANT IMPROVEMENTS BY LESSOR. Lessor shall, at its own cost and expense, provide turnkey improvements ("Tenant Improvements") to Suite 301 using building standard guidelines for design, permits, demolition, and construction. Tenant Improvements shall be constructed pursuant to a mutually agreed upon space plan between County and Lessor, including interior finishes. Space planning and the working drawings shall be part of the turnkey package. Lessor agrees to pursue the construction work diligently to completion. County shall supply its own systems furniture and shall be responsible for its own telephone and computer cabling.

Tenant Improvements shall include the following:

- New paint throughout the interior of the Premises. Color and quality subject to County approval.
- Installation of new carpet throughout the interior of the Premises. Color and quality subject to County approval.
- Install conduit to the number of junction boxes required to meet County's furniture feeds, at mutually agreed upon locations in Suite 301.
- Install 110volt/20amp electrical outlets sufficient to meet County's furniture feeds in Suite 301.

- Ensure that each exterior window in the offices facing the exterior window line in Suite 301 shall have new window blinds that are fully operational.
- Deliver Suite 301 with HVAC in good working order and properly circulating air throughout.
- Interior walls shall be repaired.
- Floor shall be leveled.
- New ceiling lights and ceiling tiles shall be installed throughout.
- The southwesterly corner closet and the rectangular closet a few feet to the east shall be removed.
- Wall separating the two north-facing offices shall be removed.
- New solid doors throughout. The door between the reception room and office space shall include impact resistant security glass and be lockable (County shall be permitted to install an ID badge code entry system).
- Interior office doors shall be lockable.
- The existing opening in the reception room wall shall be enlarged approximately 18 inches in width. Subject to County's prior review and approval, Lessor shall install impact resistant security glass, one-half inch thick, with small holes (or other type of opening) to talk through and a tray/counter at the bottom to receive documents. The glass does **not** need to go all the way to the ceiling. A counter approximately 18 inches wide shall be installed in front of the pass-through window.

Rent shall begin to accrue on the "Completion Date of Tenant Improvements," which is defined as the date upon which Tenant Improvements are substantially complete and final inspection sign-off is issued by the City of Ventura, regardless of whether or not County takes possession by said date, and, as stated in Article 3, the term of this Agreement shall commence on the first day of the first month following the Completion Date of Tenant Improvements. If the substantial completion of the Tenant Improvements is delayed as a result of any delay caused by County, not covered by agreed change orders, the Completion Date of Tenant Improvements shall be deemed to be the date the substantial completion of the Tenant Improvements would have occurred but for County's delay.

11. DELAY IN DELIVERY OF POSSESSION. If possession of the Premises is not delivered to County ready for occupancy within 120 days after the date of execution of this Agreement (the "Termination Trigger Date"), County may terminate this Agreement without further obligation by so advising Lessor in writing. Notwithstanding the foregoing to the contrary, the Termination Trigger Date shall be extended day for day for each day Lessor is delayed in delivering the Premises to County ready for occupancy caused by (i) any acts or omissions of County, or its agents, contractors, employees, guests, licensees

or invitees, or (ii) any strikes, lockouts, labor disputes, acts of God, inability to obtain services, labor, or materials or reasonable substitutes therefor, government actions, civil commotions, fire or other casualty, and other causes beyond the reasonable control of Lessor.

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. Lessor shall pay for all utilities, including waste removal, water, sewer, gas, and electrical serving the Premises and shall make payments directly to the utility company furnishing same. Lessor 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. Lessor shall provide janitorial service to the Premises.

16. REPAIRS AND MAINTENANCE BY LESSOR. Lessor 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, encased electrical system, encased plumbing, water and sewage disposal systems, fire sprinkler system, and HVAC system, and shall provide all maintenance and repair required to be performed in connection therewith. Lessor, however, shall have no responsibility for maintenance which may be required by reason of sole neglect or misconduct of County, its agents, servants, employees, contractors, or patrons.

17. ENTRY BY LESSOR. Lessor may enter upon the Premises at reasonable times with reasonable prior notice to examine the condition thereof, and for the purpose of providing maintenance and making such repairs as Lessor is obligated to make, 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 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), Lessor shall make all installations, modifications or improvements required as a result of such non-compliance, except that 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.

A Certified Access Specialist (CASP) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related

accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises.

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. Lessor hereby consents to County's subletting of the Premises to the Ventura Local Agency Formation Commission on terms that are not inconsistent with the terms of this Agreement. In the event that the Premises are sold during the term of this Agreement, purchaser shall become Lessor's assignee hereunder. 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. County hereby indemnifies and defends Lessor against, and holds Lessor harmless from, any loss or damage 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, County's 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 Lessor.

In the event of any failure of any building system or element in the Premises that is a Lessor responsibility pursuant to Article 16, County shall not be liable for any loss or damage arising out of or relating 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 County.

25. DESTRUCTION OF PREMISES. If the Premises or the building in which the Premises are situated 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 the 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 180 days rendering the Premises as suitable and serviceable as they existed the day County occupancy commenced, no right of termination by County shall exist. If repairs are not made within 180 days, ordinary wear and tear excepted, County may terminate this Agreement effective on the 180th day after said destruction by mailing written notice to Lessor of County's intention to terminate. If, during a period of partial destruction, County should desire to continue occupancy, rent shall be abated in the same ratio 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 180 days, 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 a part only 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 of this Agreement for any reason, County shall vacate the Premises and deliver it to Lessor in good order and condition, damage by the elements, fire, earthquake, falling objects and ordinary wear and tear excepted.

28. ENTIRE AGREEMENT. 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.

29. AGREEMENT MODIFICATION. This Agreement may be terminated, extended, or amended in writing 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 MDG Holdings, LLC. Payments and notices to Lessor shall be given or mailed to:

MDG Holdings, LLC  
Attn: M F Daily Corporation  
P. O. Box 151  
Camarillo, CA 93011-0151

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

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

- C. Lessor 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](mailto: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 \_\_\_\_\_, 2019 (Item No. \_\_\_\_\_).

35. ANTENNA. County shall have access to the roof to install communications equipment necessary to conduct County 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 shall be responsible for removal of said communications equipment and repair of the roof upon the expiration or termination of the Agreement. In its installation, maintenance, use, and removal of communications equipment, County shall at all times avoid interference with the use of the building in which the Premises are located by other occupants of the building and their officers, employees, agents, contractors and patrons.

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.

**LESSOR:**

MDG Holdings, LLC

\_\_\_\_\_  
By:  
Its:

\_\_\_\_\_  
Date

**COUNTY:**

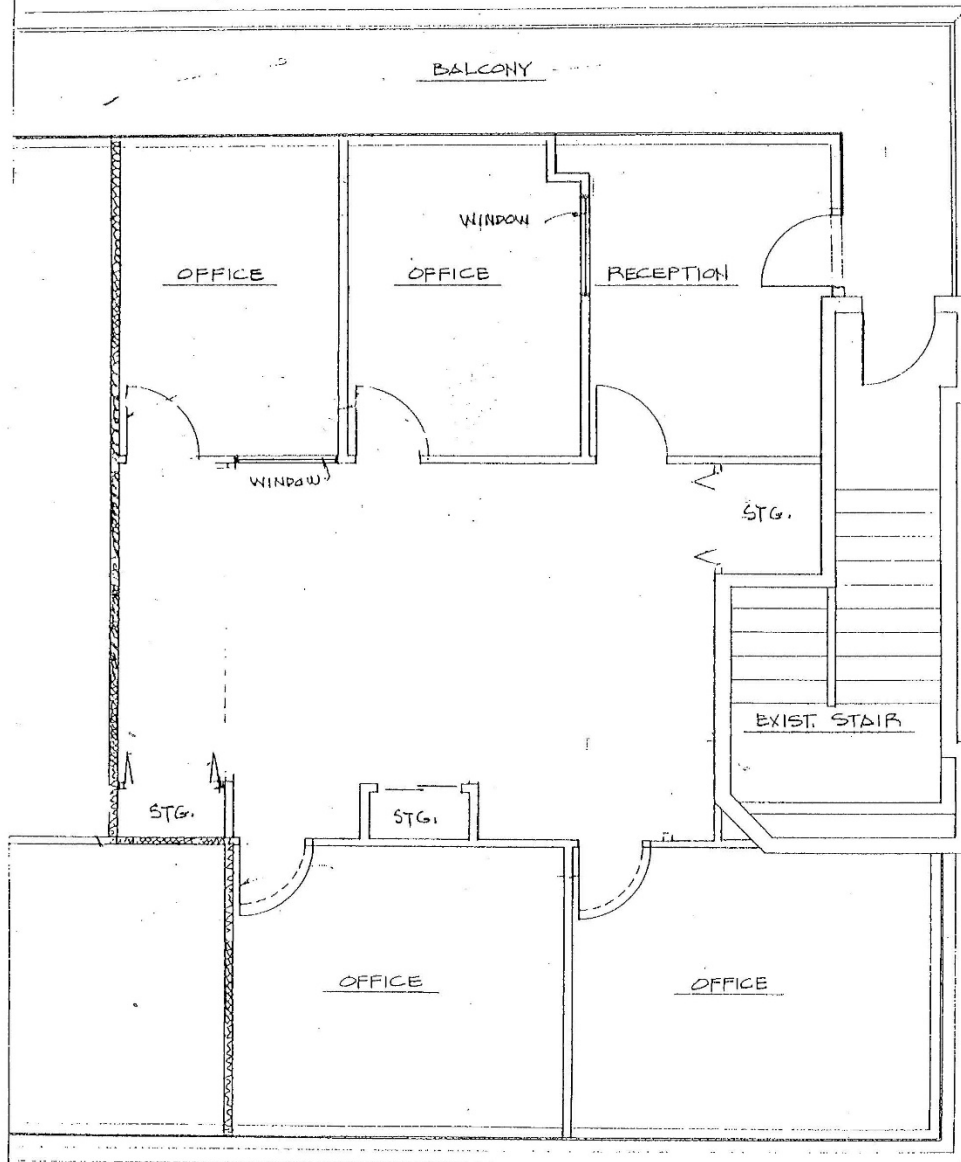
COUNTY OF VENTURA

\_\_\_\_\_  
By: Joan Araujo, Director  
Central Services Department  
Public Works Agency

\_\_\_\_\_  
Date



Exhibit A



Suite 301  
FLOOR PLAN

801 S. Victoria Ave.  
Ventura, CA

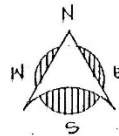


EXHIBIT "A"

## MAINTENANCE & REPAIR SCHEDULE

NO.	ITEM	LESSOR	COUNTY
1	Encased 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	Encased plumbing system: water, sewer, gas and other underground lines.	X	
6	Plumbing blockage within the premises or from the premises to a community line.	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	Alarm system or systems.		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	

However, it is understood and agreed that Lessor shall not be responsible for those items which require repair or maintenance due to the sole neglect or misconduct of County, its agents, employees, contractors or patrons.

### EXHIBIT "B"