# LEASE AGREEMENT (Physical Therapy) (570 W. Main Street, Santa Paula)

CENTRO PROPERTY OWNER I, LLC, a Delaware limited liability company

hereinafter called "Lessor" (and "Landlord"), and

COUNTY OF VENTURA

hereinafter called "County" (and "Tenant")

operating as "Ventura County Medical Center, Physical Therapy Clinic"

The parties agree that:

1. <u>PROPERTY LEASED</u>. 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 as follows:

Approximately 3,315 square feet of retail space in the Santa Paula Shopping Center ("Shopping Center") in the suite commonly known as 570 W. Main Street, Santa Paula, California 93060; also referred to as Store #09.

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

2. <u>RENT</u>. County shall pay to Lessor, during the term of this Agreement, a rent of \$1.35 per square foot (\$4,475.25) per month ("Base Rent"), payable in advance on the first day of each and every calendar month. Rent commencement (also referred to as "Commencement Date") shall begin the earlier of (i) ninety (90) days following the Possession Date (as defined in Section 3) or (ii) upon County's initial opening for business.

All Rent shall be paid at the address for Rent Payments set forth in Section 33.

In addition to Base Rent all other payments to be made by County to Lessor shall be deemed to be, and shall become, additional rent hereunder ("Additional Rent"), whether or not the same be designated as such. Unless otherwise provided elsewhere in this Agreement, Additional Rent shall be due and payable upon the earlier of ten (10) days after demand is made therefor or together with the next succeeding installment of Rent. Lessor shall have the same remedies for

Ventura County Lease Physical Therapy v3 (2)

failure to pay Additional Rent as for a non-payment of Base Rent. As used herein, "Rent" shall mean Base Rent and Additional Rent, individually or in the aggregate.

- 3. <u>TERM</u>. The term of this Agreement shall be thirty-six (36) full months ("Lease Term"). Said term shall commence upon the Commencement Date. Delivery (also referred to as "Possession Date") shall occur after mutual execution of this Agreement by County and Lessor. Said term shall terminate on the last day of the thirty-sixth (36<sup>th</sup>) month therefrom ("Expiration Date.
- 4. <u>HOLDOVER</u>. If County holds possession of the Premises after the expiration of the term of this Agreement, or any extension thereof, with written consent of Lessor, County shall become a Tenant from month-to-month at 103% of the rental amount paid for the last month of the term of this Agreement. Such tenancy shall be subject to all of the terms and conditions of this Agreement. Notwithstanding the foregoing to the contrary, in the event County shall hold possession of the Premises after the expiration or termination of this Agreement without Lessor's consent and following a 30-day written notice to vacate, such possession shall be a default under the Agreement and Lessor may exercise any remedies it has under this Agreement or at law or in equity including an action for wrongfully holding over. The rental payable during such non-consensual holdover period shall be 150% of the rental amount paid for the last month of the term of this Agreement.
- 5. <u>USE</u>. The Premises shall be used only for the following specified purpose and shall not be used for any other use or purpose without first obtaining the written consent of Lessor (which consent may be withheld in Lessor's sole discretion):

# PHYSICAL THERAPY CLINIC ("Permitted Use")

County covenants and agrees that it shall use and operate its business only in accordance with the Permitted Use and in full compliance with all governmental rules, regulations and requirements including, without limitation, obtaining and maintaining any and all licenses, permits and approvals necessary for the operation of County's business at the Premises, and without creating any nuisances and that County's use of the Premises is in all events subject to: the Agreement terms and conditions; matters of public record; public or private restrictions affecting Lessor or the Shopping Center; any mortgages, ground leases or other agreements or restrictions of record, and all applicable governmental rules and regulations.

# Medical Facilities Clause:

(a) <u>Installation, Insulation, and Filtering For Electronic, Electromagnetic, and X-Ray Machines.</u>

No X-ray machines or other electrical or electronic or electromagnetic or other similar or dissimilar medical equipment or machines or devices now existing or hereafter invented shall be installed or used in the Premises unless installed completely at County's sole cost and expense, in accordance with all the terms and conditions of this Agreement, including, without limitation, rules and regulations and requirements of the local board of fire underwriters, the local fire insurance exchange and all federal, state and municipal governmental and quasi-governmental authorities having jurisdiction thereof, and, not unless the same is properly electrically filtered and insulated so that there is no interference in the Premises with telephonic, video, fiber optic, data processing, radio, television or other similar or dissimilar communication, transmission or

reception whether now existing or hereafter invented. All walls, ceilings, floors and doors of any room used for examination, diagnosis, testing, or therapy shall be properly shielded and shall comply with all rules, regulations, ordinances and other requirements from time to time in effect whether now or in the future of any and all Federal, State and Municipal authorities having jurisdiction thereof.

# (b) <u>Disturbance of Other Tenants.</u>

County covenants and agrees not to suffer, allow or permit any offensive or obnoxious vibration, noise, odor or other undesirable effect to emanate from the Premises, or any machine or other installation therein, or otherwise suffer, allow or permit the same to constitute a disturbance to occupants of the building.

# (c) Electrical and Plumbing System.

County covenants and agrees that County's medical equipment does not need extraordinarily high voltage and the existing electrical system will be sufficient voltage for its equipment. County further covenants and agrees that County's medical equipment does not need special plumbing requirements and County's use of the existing plumbing system will not overburden Lessor's plumbing system capacity.

## (d) Installation of Heavy Equipment.

County shall not install in the Premises any heavy equipment (i.e., x-ray machines) without written consent from Lessor.

# (e) Medical Waste.

County covenants and agrees that the storage, handling, removal and disposal of all medical waste matter at or from the Premises shall be done in compliance with all applicable laws and/or legal requirements now or hereafter existing and shall be performed by County at County's sole cost and expense.

# (f) Additional Liability Insurance.

County shall carry liability insurance that covers claims resulting from medical waste storage or disposal naming Lessor and Agent as additional insured. County shall also carry employer's liability insurance naming Lessor and Agent as additional insured.

## (g) Medical License.

County represents that it is and will, at all times during the Lease Term, be licensed to conduct the business contemplated and carried on in the Premises pursuant to the Permitted Use and County agrees to maintain at all times, at its sole cost and expense, all requisite permits and/or licenses in connection therewith.

### (h) Patient Loitering.

County shall use its best efforts to prevent its patients from loitering in the Common Facilities. In the event patient loitering becomes a problem in Lessor's reasonable opinion, and County cannot resolve said problem, County at County's sole cost and expense, shall employ a security officer to patrol the Common Facilities.

#### (i) Additional Security.

In the event any disruptive demonstrations occur at County's Premises, County, at its sole cost and expense, shall provide sufficient security during said demonstrations.

- (j) <u>County's Hours.</u>
  County covenants and agrees that it will not allow or permit any patient to reside in or remain in the Premises on an overnight or inpatient basis.
- 6. <u>SIGNS</u>. Subject to Exhibit "B", Lessor's sign criteria (attached hereto), and subject to Lessor's prior written consent, County shall have the right to install signs appropriate for the identification of the Premises at its sole cost and expense. Lessor shall not install signs on the Premises without the written consent of the County.
- ALTERATIONS BY COUNTY. Lessor hereby consents that during the term of 7. this Agreement or any extension thereof. County shall have the right, at County's sole expense. and subject to Lessor's prior written consent of County's plans, to make installations. modifications and improvements to the Premises, provided, however, that the basic structure shall not be altered. All non-structural and unattached, moveable improvements, installations and modifications installed by the County during the term of this Agreement shall be considered personal property of the County and the 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. County shall keep the Premises free from any liens arising out of any work performed on the Premises, for material furnished to the Premises and for obligations incurred by County. In the event County shall fail to bond or discharge a filed lien within no less than thirty (30) days following the filing of any such lien, Lessor, at its option, in addition to all other rights and remedies provided herein, may bond or pay the lien or claim without inquiring into the validity thereof.

County agrees to diligently perform, at County's sole cost and expense, all work necessary to prepare for the opening of the Premises to the public. County shall perform all such work in accordance with plans and specifications approved in advance by Lessor, which approval shall not be unreasonably withheld. Lessor's approval of County's plans and specifications shall not constitute the assumption of any responsibility by Lessor for their accuracy or sufficiency, and County shall be solely responsible for such items. Nothing contained in this Lease shall be construed as a consent on the part of Lessor to subject Lessor's estate in the Premises or the Shopping Center to any lien or liability under applicable law. In addition, County shall not make any alterations or additions or perform any other construction within or to the Premises without Lessor's prior written approval.

- 8. <u>PARKING</u>. The County, its agents, invitees, employees, contractors and patrons shall be permitted the non-exclusive use of unreserved parking spaces in Lessor's paved parking area adjacent to the Premises.
- 9. <u>PRORATION OF RENT</u>. If the rental 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 accordingly.
  - 10. MODIFICATIONS BY LESSOR. None.
- 11. <u>DELAY IN DELIVERY OF POSSESSION</u>. If Lessor, for any reason whatsoever, cannot deliver possession of the Premises within ninety (90) days after the date of this

Agreement, County may, until such time as possession of the Premises is delivered, terminate this Agreement without further obligation by so advising Lessor in writing.

12. <u>INSURANCE</u>. 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.

# Tenant's (County) Insurance Requirements:

Commercial General Liability: \$1,00

\$1,000,000.00 per occurrence; \$3,000,000.00 in the

aggregate

Other:

Other: Plate Glass, Air Conditioning

- (a) From and after the Possession Date, County shall maintain, at its sole cost and expense all inclusive "Commercial General Liability" insurance (or its then equivalent successor), in the broadest and most comprehensive forms generally available with "General Aggregate Amount and Per Occurrence Limits" of liability as set forth herein, or the equivalent. Lessor shall be named as an additional insured on a primary basis under the policy providing the coverage required herein.
- (b) Lessor makes no representation or warranty to County that the amount of insurance to be carried by County under the terms of this Agreement is adequate to fully protect County's interest. If County believes that the amount of any such insurance is insufficient, County is encouraged to obtain, at its sole cost and expense, such additional insurance as County may deem desirable or adequate. County acknowledges that Lessor shall not, by the fact of approving, disapproving, waiving, accepting, or obtaining any insurance, incur any liability for or with respect to the amount of insurance carried, the form or legal sufficiency of such insurance, the solvency of any insurance companies or the payment or defense of any lawsuit in connection with such insurance coverage, and County hereby expressly assumes full responsibility therefor and all liability, if any, with respect thereto.

Waiver of Subrogation. Lessor and County hereby waive all rights to claims for damages as against the other and the other's insurance companies, and Lessor's and County's insurance policies shall contain provisions requiring that the respective insurance companies waive all rights of subrogation as against Lessor and County and as against the other's insurance companies, which either party has, or which may arise hereafter, for: damage to the Premises or the Shopping Center; damage to real or personal property located in the Shopping Center; loss of business; any loss for which either party may be reimbursed as a result of insurance coverage affecting any loss suffered by it; or any other loss caused by perils typically covered by fire and extended coverage, building contents, store contents and business interruption insurance coverages.

## 13. TAXES AND ASSESSMENTS.

County shall be responsible for, and shall pay before delinquency, all taxes assessed during from and after the date of this Lease against any leasehold interest or improvements, decorations, alterations, fixtures and/or personal property of any kind owned by or placed in,

upon or about the Premises by County, whether such taxes are assessed against Lessor or County.

Under the terms of this Agreement, County shall not be responsible for paying any share of Lessor's "Real Estate Taxes", referred to herein as all taxes, possessory interest taxes, government property lease excise taxes, personal property taxes, excise taxes, levies, license and permit fees, payments in lieu of taxes and assessments, both ad valorem and non-ad valorem, levied, assessed or imposed at any time by any governmental authority, upon or against all or a portion of the land and/or buildings in the Shopping Center of which the Demised Premises forms a part.

- 14. <u>UTILITIES</u>. County shall pay for all utilities, water, 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. County shall, at its sole cost and expense, provide its own trash service. If Lessor shall provide or designate a service for picking up refuse and garbage, then County shall use same at County's expense provided that such service is priced competitively.
- 15. <u>JANITORIAL SERVICES</u>. County shall provide its own janitorial service to the Premises.
- 16. <u>REPAIRS AND MAINTENANCE</u>. Lessor and County shall maintain the Premises as set forth in Exhibit "C". Lessor shall maintain all exterior building systems, as well as all exterior and structural elements of the Premises, including, but not limited to, its foundation, walls, roof, parking lot, building exterior including doors and glass (subject to the provisions of this Section 16); excluding the electrical, plumbing, water and sewage disposal systems serving the Premises which shall be County's obligation at its sole cost and expense, and each party shall provide all maintenance and repair required to be performed; provided, however, if any repairs are required to those portions of the Premises or structure which are Lessor's responsibility, but are due to the acts or negligence of County or its agents, invitees, or contractors, then County shall be responsible for such repairs and/or the cost of the same.

Landlord shall deliver the Premises with the HVAC system in good working order. County shall maintain the HVAC system thereafter. Landlord warrants that the HVAC system shall be in good operating condition on the Possession Date. If a non-compliance with such warranty exists as of the Possession Date, or if the HVAC system should malfunction or fail within the warranty period, Landlord shall, as Landlord's sole obligation with respect to such matter, promptly after receipt of written notice from County setting forth with specificity the nature and extent of such non-compliance, malfunction or failure, rectify same at Landlord's expense. The warranty period shall be the first thirty (30) days following the Possession Date.

County has thirty (30) days following the Possession Date to notify Lessor of any defects in the HVAC. If County fails to give such notice within said 30-day period, then County shall be deemed to have conclusively and unconditionally accepted same in working order and thereafter County shall be solely responsible for the repair, maintenance and replacement of same.

County shall maintain, repair and replace, in a safe, first class condition all interior plumbing, electrical, floors, floor covering, and interior painting after occupancy by County, as well as for maintenance which may be required by reason of neglect or misconduct of the County, its agents, servants, employees, contractors or patrons. County shall be responsible for plumbing blockages from the Premises to a community line.

17. <u>ENTRY BY LESSOR</u>. Lessor may enter upon the Premises at all reasonable times 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 by County on the Premises, except in the event of an emergency.

Further, Lessor shall also have the right to enter the Premises at all reasonable times to inspect or to exhibit the same to prospective purchasers, mortgagees, ground lessors and tenants, and to make such repairs, additions, alterations or improvements as Lessor may deem desirable

18. <u>CONTINGENCY</u>. This Agreement is contingent upon approval of all applicable governmental agencies for County's use and occupancy of the Premises (collectively "Operating Approvals"), including but not limited to Zoning, Building and Safety, and Fire Department regulations. If approval of said agencies is not obtained within thirty (30) days following the Date of Lease ("Contingency Period"), County or Lessor may terminate this Agreement by written notice to the other party and in such event, County shall not be liable to Lessor for any subsequent rents.

It is expressly agreed and understood that the foregoing contingency is expressly subject to County using its commercially reasonable and diligent efforts to obtain all such approvals in a timely manner and within the timeframe agreed to herein; further County shall use reasonable efforts to provide written evidence to Lessor of submittal to all applicable agencies for such approvals within ten (10) days following the Date of this Lease. In the event Tenant has not obtained its required approvals within the time frame set forth herein, Landlord shall have the right to secure the same on Tenant's behalf, and Tenant shall reimburse Landlord for all actual expenses incurred in securing Tenant's approvals and permits. This contingency shall be deemed satisfied upon the earlier of expiration of the Contingency Period or upon such date as County has received the required Operating Approvals (and County shall notify Landlord in writing of satisfaction of the contingency).

If County elects to terminate this Lease under this Section 18, such notice shall be given no later than five (5) days following the Contingency Period.

#### OSHA Contingency.

If the Premises, and/or the Shopping Center, is inspected to determine compliance with the provisions of the Occupational Safety and Health Act of 1970 or any related legislation, Lessor shall make all installations, modifications or improvements required as a result of such inspection, except that County shall perform all installations, modifications or improvements made necessary by modification of Premises by or use of County. If Lessor should choose not to make all installations, modifications or improvements required as a result of such inspection within the timeframe allowed for any such compliance, then County shall have the right to terminate this Agreement at any time prior to completion of such compliance modifications and upon giving Lessor sixty (60) days prior written notice.

- 19. <u>ASSIGNMENT AND SUBLETTING</u>. County shall have the right to assign this Agreement and/or sublet the Premises with the prior written consent of Lessor which shall not be unreasonably withheld. Should Lessor withhold its consent to subletting or assignment of the Agreement for any of the following reasons, the withholding shall be deemed to be reasonable if:
  - 1. the proposed assignee or subtenant desires to use the Premises for a use other than that which is permitted herein and the proposed use:
    - a. conflicts or is incompatible with other uses in the Shopping Center; or,
    - b. would adversely affect the reputation of the Shopping Center or the other business located therein; or,
    - c. would impact adversely on the Common Facilities (as defined in Section 39 of this Agreement) utilized by other tenants in the Shopping Center; or.
  - 2. the proposed subtenant or assignee is financially insufficient or inadequate, evidence of which shall be a net worth less than that of the County and County's guarantor, if any;
  - 3. County is in default of any of the terms, covenants or provisions of this Agreement;
  - 4. any of Lessor's mortgagees shall not have consented in writing to the proposed sublease or assignment;
  - 5. Lessor has had previous unsatisfactory experience with the proposed subtenant or assignee;
  - 6. The proposed use is in violation of any exclusive covenant or use restriction or prohibition that may exist in the Shopping Center or be applicable to Lessor from time to time.

The criteria set forth in the Agreement are not exclusive, in that there may be other instances in which the Lessor could reasonably withhold its consent to any Sublease or Assignment.

Without conferring any rights upon County not otherwise provided in this Assignment section, should County desire to enter into any assignment, sublease or transfer of this Agreement or County's rights hereunder, County shall request in writing Lessor's consent thereto at least ninety (90) days before the proposed effective date thereof, providing any information and documentation relevant to the proposed assignment, sublease or transfer which Lessor shall request after receipt of County's request for consent including, without limitation, a written assumption agreement from the assignee or transferee. County shall pay an administrative fee equal to Five Thousand Dollars (\$5,000.00) (the "Assignment Administrative Fee") and shall reimburse the Lessor for all out-of-pocket expenses (including, without limitation, reasonable attorney's fees) incurred in connection with processing any proposed assignment or sublease; the Assignment Administrative Fee shall be payable by County to Lessor together with County's written request for Lessor's consent to the assignment, transfer or sublease and shall be non-refundable, whether or not Lessor grants or denies its consent. If such payment does not accompany County's request, then Lessor shall have the right to treat the request as null and void and improperly delivered.

## 20. DEFAULT OR BREACH.

# Tenant Default:

Any one of the following shall be deemed to be an "Event of Default":

- (a) Failure on the part of County to make payment of Rent or any other monetary amount due under this Agreement within ten (10) days after its due date.
- (b) With respect to a non-monetary violation of this Agreement, failure of County to cure the same within the minimum time period within which County is required by the terms of this Agreement to cure the violation after Lessor has sent to County notice of such violation (or if such time period is not specified, within thirty (30) days after Lessor has sent County notice of such violation), and such notice shall be in lieu of and not in addition to any notice required under Section 1161 of the California Code of Civil Procedure. County shall be obligated to commence forthwith, to prosecute diligently and continuously, and to complete as soon as possible the curing of such violation; and if County fails so to do, the same shall be deemed to be an Event of Default.
- County, or any surety or guarantor of County, filing a petition for reorganization (c) or for rearrangement under or otherwise availing itself of any provisions of the Bankruptcy Code or any federal or state law now or hereafter enacted providing a plan or other means for a debtor to settle, satisfy or extend the time for the payment of debts (a "Bankruptcy Filing"). In the event that County, or any surety or guarantor of County, makes a Bankruptcy Filing, the then present term of this Agreement shall cease as of the day prior to the Bankruptcy filing and a new term ("Bankruptcy Term") shall commence as of the date of the Bankruptcy filing and all Rent and other charges due and payable under the Agreement for the month in which the date of the Bankruptcy Filing occurs, whether or not actually paid by the County, shall be pro rated on a daily basis. The per diem amounts attributable to the period from the first day of the month in which the date of the Bankruptcy Filing occurs through the day immediately preceding the date of the Bankruptcy Filing shall be deemed pre-petition and the per diem amounts attributable to the period from the date of the Bankruptcy Filing through to the end of the month in which the date of the Bankruptcy Filing occurs shall be deemed due as of the commencement date of the Bankruptcy Term which, if not already paid, shall be and become immediately due and payable by County to Lessor. All of the terms and conditions of the Agreement other than the determination of Rent and other charges due and payable in the month in which the Bankruptcy Filing occurs as a result of the Bankruptcy Term, including but not limited to the expiration date of the Agreement, the timing of options. Rent increases and the like, shall remain as set forth in the Agreement without regard to this paragraph and without regard to the Bankruptcy Term.

<u>Lessor's Remedies.</u> If an Event of Default occurs, in addition to any right Lessor may have at law or in equity including, without limitation, the right to seek injunctive relief or specific performance against the County.

## Lessor Default:

If Lessor fails to perform any of the covenants or conditions required on its part to be performed pursuant to this Agreement, where such failure continues for a period of thirty (30) days after receipt of written notice specifying the nature and extent of such default in detail (provided, however, that if such default is of a nature that it cannot be reasonably be cured within such thirty (30) day period, Lessor shall have such additional time as may be required to effect such cure provided Lessor commences the cure within such thirty (30) day period), Lessor shall be in default under this Agreement for so long as such condition continues thereafter. In such event, County shall have the right to seek legal recourse against Lessor, at law or in equity, for any

and all provable damages or equitable relief, subject to the limitations on Lessor's liability as set forth elsewhere in this Agreement.

- 21. <u>WAIVER</u>. 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. <u>PARTIES BOUND AND BENEFITTED</u>. The covenants, terms, and conditions herein contained shall apply to and bind the heirs, successors, executors, administrators, and assigns of all of the parties hereto, and all of the parties hereto shall be jointly and severally liable hereunder.
  - 23. TIME. Time is of the essence of this Agreement.
- 24. <u>HOLD HARMLESS</u>. From and after the Possession Date, County hereby indemnifies and defends Lessor against, and holds Lessor harmless from, any suits, actions, claims, judgments, expenses, 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 of the Lessor.
- DESTRUCTION OF PREMISES. If the Premises or the building in which the 25. 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 impair County's use of said Premises, then all rent due under the terms of this Agreement shall abate as of the date of such destruction or declaration until such time as the Premises are repaired by Lessor. If Lessor makes the necessary repairs within one hundred twenty (120) days rendering the Premises as suitable and serviceable as they existed on the Possession Date, no right of termination by the County shall exist. If repairs are not made within one hundred twenty (120) days, the County may terminate this Agreement effective on the one hundred twentieth (120th) 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 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 one hundred twenty (120) days, the County shall have the option to terminate this Agreement or remain in possession at the reduced rent.

Notwithstanding the foregoing to the contrary, if (a) the Premises (i) by reason of such occurrence is rendered wholly untenantable, (ii) should be damaged as a result of a risk which is not covered by Lessor's insurance or (iii) should be damaged in whole or in part during the last one (1) year of the Lease Term or of any renewal term hereof, or (b) the building of which the Premises is a part (whether or not the Premises is damaged), or all of the buildings which then comprise the Shopping Center should be damaged to the extent of twenty-five percent (25%) or more of the then monetary value thereof or (c) if any or all of the buildings or Common Facilities are damaged, whether or not the Premises are damaged, to such an extent that the Shopping Center cannot, in the sole judgment of Lessor, be operated as an integral unit, then, in any of such events described in (a) through (c) above, Lessor may either elect to repair the damage to the condition as existed as of the Possession Date (other than damage to County's

fixtures, furniture, equipment, other personal property and any other portions of the Premises or any property located therein for which County is required to or does insure or as to which County shall be responsible to repair or restore as provided below) or may cancel this Lease by notice of cancellation given within one hundred twenty (120) days after such event and thereupon this Agreement shall expire, and County shall vacate and surrender the Premises to Lessor within thirty (30) days thereafter.

As a material inducement to Lessor entering into this Agreement, with respect to any destruction (including any destruction necessary in order to make repairs required by any declaration of any authorized public authority) which Lessor is obligated to repair or may elect to repair under the terms of this Article 17, the provisions of Section 1932, Subdivision (2) and Section 1933, Subdivision (4) of the Civil Code of the State of California are irrevocably waived by County.

- 26. <u>CONDEMNATION</u>. If the whole of the Premises should be taken by a public authority under the power of eminent domain, 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 and County shall give Lessor written notice of the same no later than ten (10) business day following the notice of the taking. If the County remains in possession, all of the terms hereof shall continue in effect, the rentals 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 the County shall belong to the County, and those payments attributable to the reversionary interest of the Lessor shall belong to the Lessor.
- 27. <u>CONDITION OF PREMISES UPON TERMINATION</u>. Upon the termination of this Agreement for any reason, County shall vacate the Premises and remove all personal property including fixtures and repair any damage caused by such removal, and deliver same to Lessor in good order and condition, damage by the elements, fire, earthquake, falling objects and ordinary wear and tear excepted.
- 28. <u>ENTIRE AGREEMENT</u>. This Agreement contains the entire understanding of the parties hereto and no obligation other than those set forth herein will be recognized.
- 29. <u>AGREEMENT MODIFICATION</u>. 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 Public Works Agency, or an authorized representative, on behalf of the County.
- 30. <u>PARTIAL INVALIDITY</u>. 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. <u>GENDER AND NUMBER</u>. 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. <u>ARTICLE HEADINGS</u>. 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. <u>NOTICES AND PAYMENTS</u>. 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 notices to Lessor shall be given or mailed to:

CENTRO PROPERTY OWNER I, LLC c/o Centro Properties Group 420 Lexington Avenue, 7<sup>th</sup> Floor New York, NY 10170 Attention: Office of General Counsel Phone: (212) 869-3000 Facsimile: (212) 302-4776

All rent payments to Lessor shall be given or mailed to:

CENTRO PROPERTY OWNER I, LLC c/o Centro Properties Group Santa Paula Shopping Center Dept 9183
Los Angeles, CA 90084-9183

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

- (a) Any notice by either party to the other party must be served by certified mail, return receipt requested, postage prepaid, or by Federal Express or other nationally recognized overnight delivery service, addressed to Lessor or County at the address set forth herein, or to such other address as Lessor may designate by written notice. If the holder of an outstanding mortgage on the Shopping Center has given County written notice of its interest in this Agreement, then County shall not have any remedies against either Lessor or said holder of a mortgage unless and until said holder has received written notice from County of a default and a reasonable time to cure the default has passed.
- (b) Any notice given in conformance with the above shall be deemed received on the earlier of (i) three days after the date given to the delivery service or (ii) the date on which the noticed party actually received such notice.
- 34. <u>APPROVAL BY BOARD OF SUPERVISORS</u>. This Agreement was approved by the Board of Supervisors by action of \_\_\_\_\_\_\_, 2009, (Item No. \_\_\_\_\_). In the event this Agreement is not approved by the Board and signed by County on or before January 1, 2010,

Landlord shall have the option, at any time until this Agreement is approved by the Board and signed by County, to nullify its signature and, in effect, terminate the offer to lease as set forth herein.

- 35. <u>EARLY POSSESSION</u>. County may occupy the Premises upon Delivery of the Premises by the Lessor.
  - 36. FIRE SPRINKLERS. Intentionally omitted.
- 37. ROOF ACCESS. County shall have access to the roof to install communications equipment ("Equipment") necessary to conduct County business, subject to Lessor approval as described herein. 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 Lease Agreement.

County shall submit plans and specifications thereof to Lessor in accordance with this Agreement and obtain Lessor's written consent to the installations and their size and locations. Any work required to the roof which results from any roof-installations or cuts performed by or on behalf of County shall be performed by Lessor at County's expense. County shall be responsible for all costs and expenses associated with such installation, maintenance, repair, use, operation and removal of the Equipment at the expiration or sooner termination of this Agreement, and shall be responsible and liable for the repair of any and all damage to the roof of the Premises or to the Premises itself or to the Shopping Center resulting from, caused by or as a consequence of the installation, operation, use, repair, removal or maintenance of the Equipment. County hereby acknowledges and agrees that Lessor shall have no liability or responsibility whatsoever in connection therewith and, excepting Lessor's negligence or willful misconduct, shall have no liability or responsibility whatsoever for any damage, injury or loss to the Equipment or to County's business as a result of any damage, injury or loss to the Equipment and County hereby releases and discharges Lessor from any such damage, injury or loss. County, at its sole cost and expense, shall install, maintain and repair the Equipment in a good and workmanlike manner and shall keep, maintain and operate the Equipment in compliance with all applicable building codes and other applicable codes and regulations.

# 38. **ENVIRONMENTAL**.

- (a) County shall not use or suffer the Premises to be used in any manner so as to create an environmental violation or hazard, nor shall County cause or suffer to be caused any chemical contamination or discharge of a substance of any nature which is noxious, offensive or harmful or which under any law, rule or regulation of any governmental authority having jurisdiction constitutes a hazardous substance or hazardous waste. County shall not violate or suffer to be violated any governmental law, rule, regulation, ordinance or order, including those of any federal, state, county or municipal entity, agency or official.
- (b) Without limiting the foregoing, but as additional covenants thereto, County specifically agrees that (i) County shall not generate, manufacture, refine, transport, treat, store, handle, dispose or otherwise deal with any hazardous substances or hazardous waste as now or hereafter defined by applicable law; (ii) if at any time during the Lease Term there shall be required, with respect to the Premises or any part thereof, any act pursuant to or in compliance

with applicable law, including the filing of any required notice of sale or negative declaration affidavits or the preparation or effectuation of any remediation plans, County shall immediately advise Lessor of same and County shall be solely responsible for the cost of such compliance; and (iii) County shall defend, indemnify and hold Lessor harmless against any claims, actions, fines, penalties, liability, loss, cost or expense, including consultants' fees and costs (whether or not legal action has been instituted), incurred by reason of any failure by County to comply with any environmental law now or hereafter in effect. For the purposes of this provision, the term County shall be deemed to include County, County's agents, servants, employees and invitees.

- (c) Lessor shall have the right to enter the Premises at any time to conduct tests to discover the facts of any alleged or potential environmental problem.
- California Health and Safety Code §25915 requires building owners to provide notice to tenants if the building in which they are working contains asbestos-containing materials ("ACM"). ACM typically presents little or no health risk to people who do not work directly with the material. However, if the condition of the ACM deteriorates or if the ACM is disturbed during construction activity, asbestos fibers may be released into the air and would then present a threat to those persons working in close proximity to the material. The inhalation of ACM fibers has been associated with asbestosis, cancer, and lung disease. Lessor's files do not contain an asbestos survey of the Premises; however, Lessor's records indicate that the Shopping Center was constructed prior to 1981, so certain building materials are presumed to contain asbestos. Such presumed ACM includes thermal insulation, sprayed-on or troweled-on surfacing materials and vinyl/asphalt floor tile. Lessor wants to ensure (a) that any ACM present at the Premises does not become airborne, and (b) compliance with all federal and state regulations relating to the handling and removal of ACM. Accordingly, County shall cause all agents, contractors or employees of County working in an area presumed to contain ACM to follow the following guidelines: (i) never hammer, drill, peel, or crush any sprayed-on fireproofing materials on joists, beams, columns or other structural parts of the building. (ji) never remove or disturb pipe wrapping or insulation used in the heating or cooling system of the building, and (iii) never chip, drill into, or grind the floor or ceiling tile of the building. County shall notify Lessor if County becomes aware of any deterioration of presumed ACM in the Premises.
- 39. SHOPPING CENTER COMMON AREA. All parking areas, sidewalks, access roads and facilities furnished, made available or maintained by Lessor in or near the Shopping Center, including employee parking areas, truck ways, driveways, loading docks and areas, delivery areas, multi-story parking facilities (if any), package pickup stations, elevators, escalators, pedestrian sidewalks, malls, courts and ramps, landscaped areas, roofs, retaining walls, stairways, bus stops, first-aid and comfort stations, lighting facilities, sanitary systems, utility lines, water filtration and treatment facilities and the areas and improvements provided by Lessor for the general use in common of tenants and others in the Shopping Center and their customers (all herein called "Common Facilities") shall at all times be subject to the exclusive control and management of Lessor.

Notwithstanding anything to the contrary herein contained, the Common Facilities are to be used and occupied under a revocable license, and if any such license be revoked, or if the amount of such areas be diminished or their locations changed, Lessor shall not be subject to any liability, nor shall County be entitled to any compensation or diminution or abatement of Rent, nor shall such revocation or diminution of such areas be deemed a constructive or actual eviction.

40. <u>RELOCATION OF THE PREMISES</u>. If Lessor determines that it is necessary or desirable that County vacate the Premises or that the Premises be altered, Lessor may require that County surrender possession of the Premises provided Lessor, in its sole and absolute discretion, either (i) amends this Agreement to lease County other comparable premises within the Shopping Center on substantially the same terms and conditions as those contained in the Agreement for the balance of the remaining Lease Term (except that Lessor may make appropriate adjustments to Base Rent based upon the size and location of the new premises); or (ii) terminates the Agreement and pays County an amount equal to the then unamortized net out-of-pocket cost to County of its improvements, calculated using a straight-line amortization schedule and an amortization period equal to the Lease Term. The provisions set forth in (i) and (ii) hereinabove shall be County's sole and exclusive remedies.

If Lessor leases comparable premises to County, the cost of constructing the new premises to the extent and condition of the improvements which existed in the Premises (exclusive of County's personal property) immediately prior to relocation will be at Lessor's sole cost and expense. Lessor shall pay for the reasonable costs of moving County's personal property from the Premises to the new location. In no event shall County be required to relocate as described herein until such time as the new premises is ready for its occupancy.

41. <u>SUBORDINATION</u>; <u>ATTORNMENT</u>; <u>POWER OF ATTORNEY</u>; <u>ESTOPPEL</u>. County agrees that this Agreement and County's interest therein shall be subordinate to any mortgages or deeds of trust that are now, or may hereafter be, placed upon the Premises and to any and all advances to be made thereunder, and to the interest thereon, and all renewals, replacements and extensions thereof. County also agrees that any mortgagee or beneficiary may elect to have this Agreement and County's interest therein constitute a prior lien to its mortgage or deed of trust, and in the event of such election and upon notification by such mortgagee or beneficiary to County to that effect, this Agreement shall be deemed prior in lien to such mortgage or deed of trust, whether this Agreement is dated prior to or subsequent to the date of said mortgage or deed of trust. County agrees that upon the request of Lessor, or any mortgagee or beneficiary, County shall execute whatever instruments may be required to carry out the intent of this Section.

County shall, without charge therefor, at any time and from time to time, within fifteen (15) days after request therefor by Lessor, execute, acknowledge and deliver to Lessor a written estoppel certificate in reasonable form, certifying to Lessor or any other person designated by Lessor, any matters that Lessor may reasonably require to be confirmed with respect to this Agreement and County's use and occupancy of the Premises.

County shall not be permitted to record this Agreement or any memorandum or short form thereof.

42. WAIVER OF LIABILITY. NOTWITHSTANDING ANYTHING CONTAINED IN THIS AGREEMENT TO THE CONTRARY, COUNTY AGREES THAT IT SHALL LOOK SOLELY TO THE ESTATE AND PROPERTY OF LESSOR IN THE LAND AND BUILDING OF WHICH THE PREMISES IS A PART, SUBJECT TO PRIOR RIGHTS OF ANY MORTGAGEE OR TRUSTEE OF THE PREMISES, FOR THE COLLECTION OF ANY JUDGMENT (OR OTHER JUDICIAL PROCESS) REQUIRING THE PAYMENT OF MONEY BY LESSOR IN THE EVENT OF ANY DEFAULT OR BREACH BY LESSOR WITH RESPECT TO ANY OF THE TERMS, COVENANTS AND CONDITIONS OF THIS AGREEMENT TO BE OBSERVED

AND/OR PERFORMED BY LESSOR AND NO OTHER ASSETS OF LESSOR SHALL BE SUBJECT TO LEVY, EXECUTION OR OTHER PROCEDURES FOR THE SATISFACTION OF COUNTY'S REMEDIES. IN THE EVENT LESSOR TRANSFERS THIS AGREEMENT, EXCEPT AS COLLATERAL SECURITY FOR A LOAN, UPON SUCH TRANSFER LESSOR WILL BE RELEASED FROM ALL LIABILITY AND OBLIGATIONS HEREUNDER, PROVIDED THAT THE TRANSFEREE ASSUMES THE OBLIGATIONS OF THIS AGREEMENT.

43. <u>FORCE MAJEURE</u>. Each party shall be excused for the period of any delay in the performance of any obligations hereunder when prevented from doing so by a cause or causes beyond such party's control which shall include, without limitation, all labor disputes, riots, civil commotion, war, war-like operations, invasion, rebellion, hostilities, military or usurped power, sabotage, governmental regulations or controls, fire or other casualty, inability to obtain any material, services or financing or through acts of God.

Exhibit A – Site Plan

Exhibit B - Lessor's Sign Criteria

Exhibit C – Maintenance & Repair Schedule and Lessor's and Tenant's Work

# LESSOR:

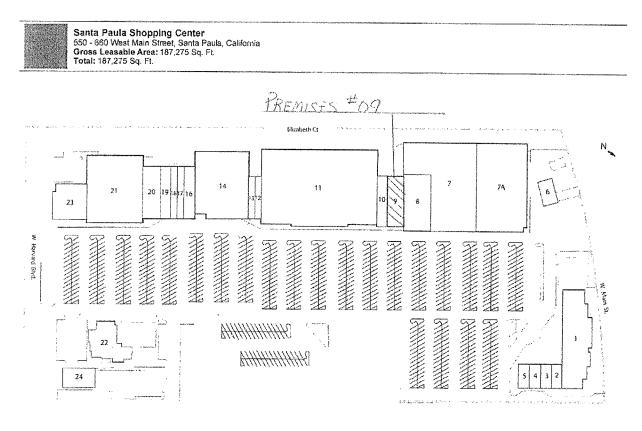
Centro Watt Property Owner I, LLC a Delaware limited liability company

Ву:	Brian Finnegan Senior Vice President – Western Region	Date [123100]
	NTY: NTY OF VENTURA	
By:	Jeff Pratt Director of Public Works	Date

#### **EXHIBIT "A"**

## SITE PLAN - SHOPPING CENTER AND PREMISES

It is understood and agreed that the site plan attached hereto is merely for the purpose of showing the general layout of the Shopping Center and the approximate location of the Premises and is not to be deemed to be a warranty, representation or agreement on the part of Lessor that the Shopping Center will be exactly as depicted therein or that tenants depicted therein (if any) are now in occupancy or will be in occupancy at any time during the Lease Term. The site plan is not final, is not to scale and is subject to change without notice to County. Nothing contained therein shall be deemed to limit or restrict Lessor's right to change, alter or expand the Shopping Center, any buildings thereon, the land area, any improvements thereon, the parking areas, the Common Facilities or any other part or parts thereof. The Shopping Center, all private roads and driveways, all buildings, all land areas, the Common Facilities and parking areas and/or any part or parts thereof, all as the same may be provided from time to time, shall be deemed to be included in the Shopping Center.



#### **EXHIBIT "B"**

#### LESSOR'S SIGN CRITERIA

#### 1. GENERAL PROCEDURES

Within thirty (30) days from lease signing, County shall cause its sign company to prepare and deliver four (4) complete sets of plans and specifications of County's proposed signage to Lessor for its review and approval. Prior to engaging the sign company, County shall supply the sign company with a copy of this Signage Exhibit and instructions to work within the design parameters noted therein. Upon receipt of plans, Lessor will expeditiously review the same, noting its approval, conditional approval or required changes on the plans returning two (2) sets of marked-up plans to the County's sign company. If changes are required, the sign company will clear changes with County and, within five (5) days, resubmit to Lessor for approval. All sign plans shall be delivered to: Property Manager at the address listed below.

- 1.1. County and its sign company shall have Lessor's prior written approval of all signs before making submittals to the City and before commencing the fabrication of the signs.
- 1.2. County's sign company, on behalf of County, shall pay for and obtain all City permits and licenses required for installation and maintenance of signage.
- 1.3. No decals shall be visible, except as required by local codes and ordinances.
- 1.4. No exposed conduits or raceways will be allowed. All electric signs must have timeswitch controls and accessible switches in a location as required by code.
- 1.5. The sign contractor shall be responsible for the fulfillment of all requirements and specifications, insurance, completing the installation in a workmanlike manner, clean up, patching and painting all surfaces damaged by them.
- 1.6. County is responsible for the sign fabrication, installation, cost and maintenance in its entirety.
- 1.7. All signs and the installation thereof must comply with all City sign ordinances and local building and electrical codes.
- 1.8. Location and spacing of the signs on all buildings shall be at a location, which enters on that tenant space, or as approved by Lessor.
- 1.9. Letter style and design are encouraged to be in good taste. Logos and graphics will be evaluated on an individual basis.
- 1.10. County's choice of letter color shall be subject to final approval by Lessor.

#### 2. NOTICE

County must obtain from Lessor, in writing, an approval of sign shop drawings prior to manufacture and installation. The drawings shall show all of the minimum information shown on these criteria and any deviations to it. County shall submit a minimum of three (3) shop drawings to the address below. Two (2) drawings will be returned with an approval and/or comments in a reasonable amount of time.

CENTRO PROPERTY OWNER I, LLC RE: Santa Paula Shopping Center 841 Apollo Street, Suite 330 El Segundo, CA 90245

Any sign approved by Lessor hereunder shall be furnished and installed by County at County's sole cost and expense. The only exterior signs which may be installed by County on or in connection with the use of any building shall be limited to the name of County on such building. and no portion will project in any fashion above the plane of the roof of such building, and not more than 12 inches from the face, the rear or the side of such building. Unless otherwise consented to by Lessor, the area within which the sign can be located is limited by the following: the sign shall consist of individual channel letters mounted on a raceway or on such other mounting system designated by Lessor, internally illuminated by neon or other means. Each letter shall be no larger than 3' and no smaller than 1'4" for lower case letters and no sign width (meaning all letters, including the space between them) shall not extend beyond 80% of the store front of the Premises. The letters can be in any type style, upper or lower case, can be in color, and may include County's logo. No letter may protrude more than 8 inches from the face of the building. All signs will be UL approved. Prior approval by Lessor is required before any installation. County will provide three "blue-lined" prints to Lessor for review. In no event shall Lessor's approval of any sign hereunder be deemed or construed as a warranty or guaranty by Lessor that such sign shall satisfy or be approved by any applicable governmental agency and County acknowledges that County shall be solely responsible at its own cost for obtaining required governmental approvals.

# **GENERAL SIGN RESTRICTIONS**

- 1. No animated, flashing or audible signs shall be permitted.
- 2. No exposed lamps or tubing shall be permitted
- 3. All signs and their installation shall comply with all local building and electrical codes.
- 4. All conduit, cabinets, conductors, transformers and other equipment shall be concealed.
- Painted lettering shall not be permitted.

Any damage to the sign band or roof deck caused by the installation or removal of County's sign shall be repaired by County at County's sole cost and expense.

# EXHIBIT "C"

# MAINTENANCE & REPAIR SCHEDULE AND LESSOR'S AND TENANT'S WORK

Maintenance & Repair Schedule

NO.	ITEM	LESSOR	COUNTY
1	Electrical system, including wires, conduits, circuit		Х
	breakers and breaker panels.		
2	Light switches and electrical outlets.		X
3	Ballast and transformers for florescent lights.		Х
4	Light bulbs and/or florescent bulbs, including installation.		Х
*5	Plumbing system: water, sewer, gas and other underground lines. (Common Facilities/area only)	X	
6	Plumbing blockage within the premises or from the premises to a community line.		Х
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.		Х
9	Drinking fountains	N/A	N/A
10	Air conditioning & heating systems, including control switches & thermostats.		Х
11	Telephone & cable T.V. jacks.		Х
12	Carpet, tile and/or linoleum.		Х
13	Interior doors, door and window hardware and locks.		X
14	Drapes, window shades, blinds or other window covering.		X
15	Ceiling.		Х
16	Interior walls & partitions.		Х
**17	Broken window glass or door glass including plate glass windows (caused by 3 <sup>rd</sup> parties).	x	
18	Exterior walls, roof, drains & down spouts.	Х	
19	Exterior parking lot, repair & maintenance.	Х	
20	Grounds landscaping, gardening and debris clean up.	Х	
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 and/or kitchen areas.		Х
26	Pest control: exterior or common area	Х	

<sup>\*#5 –</sup> County responsible for these systems within the Premises (plumbing, water, sewer, HVAC)

<sup>\*\*#17 –</sup> unless due to County's, or its agents, contractors, or invitees acts or negligence

#### Lessor's and Tenant's Work

## LESSOR'S WORK:

Lessor shall place the HVAC system in working order as of the Possession Date. County has thirty (30) days to notify Lessor of any defects in the HVAC. If County fails to give such notice within said thirty (30) day period, then County shall be deemed to have conclusively and unconditionally accepted same in working order and thereafter County shall be solely responsible for the repair, maintenance and replacement of same.

Except as specifically provided above as Lessor's Work, County acknowledges that it is familiar with the Premises and is accepting the same in its "AS IS/WHERE IS" condition with no representation or warranty by Lessor as to the fitness of the Premises, or any equipment servicing the Premises, for any use permitted herein.

## TENANT'S (COUNTY) WORK:

County's Work shall include all improvements necessary to operate County's business all of which shall be at County's sole cost and expense. The plans and specifications, if any are needed, and the detail and design shall be subject to the written approval of Lessor or Lessor's architect.