

LEASE AGREEMENT

THIS LEASE AGREEMENT, hereinafter "Agreement," is entered into by and between

COUNTY OF SANTA BARBARA ASSOCIATION
OF GOVERNMENTS, hereinafter referred to as
"SBCAG"

and

THE TOWBES GROUP, INC. & WILLOW SPRINGS,
LP, hereinafter referred to as "LESSEE"

individually referred to as party, or collectively parties, with reference to the following:

WHEREAS, SBCAG is the owner of the property located at 6416 Hollister Avenue, Goleta, California 93117, situated on approximately 59,242 square foot parcel, consisting primarily as outdoor and uncovered parking, but also includes approximately 5,730 square foot of commercial building space, more particularly described as Assessor Parcel Number 073-070-005, (hereinafter "Property"), commonly known as the SBCAG Transit Facility (hereinafter collectively including parking referred to as "Building"), as such are depicted in **Exhibit A**, attached hereto and incorporated herein by reference; and

WHEREAS, SBCAG intends to lease to LESSEE and LESSEE has indicated its intention to lease from SBCAG a portion of the parking area fronting Hollister Avenue at a base rent of \$1,500 per week; and

NOW THEREFORE, in consideration of the premises, and the mutual covenants and conditions contained herein, SBCAG and LESSEE hereby agree as follows:

1. **TRUTH OF RECITALS**: The above recitals are true and correct.
2. **ADMINISTRATION AND ENFORCEMENT**: The provisions of this Agreement shall be administered and enforced for SBCAG by the Director of Rail and Transit Programs and for LESSEE by the title of the LESSEE (hereinafter sometimes collectively referred to herein as "Directors").
3. **LEASED PREMISES**: SBCAG hereby leases to LESSEE and LESSEE hereby takes from SBCAG, the parking area along Hollister Avenue. The portion to be leased by LESSEE shall be no more than thirty (30) designated parking spaces.
4. **TERM**: The term of this Agreement is a month-to-month tenancy commencing at 12:00 noon on February 27, 2022 (hereafter "Commencement Date") and continuing on a week-to-week basis until April 24, 2022, unless earlier terminated by either party.

5. **RENT:** Rent for the term of this Agreement shall be \$1,500 per week. Rent payments shall commence on the Commencement Date, and shall be payable in advance on or before the first (1st) day of each week thereafter, except as provided herein. Payments shall be by check payable to SBCAG and delivered to 260 North San Antonio Rd., Santa Barbara CA 93110.

6. **CONDITION/LESSEE IMPROVEMENTS:** LESSEE shall install no tenant improvements within or upon the Premises without the prior written consent of SBCAG. Any improvements shall be performed at LESSEE'S expense and LESSEE shall be responsible for obtaining all required permits prior to the commencement of any work. Upon termination of this Agreement, all such improvements shall remain, or be removed by LESSEE at LESSEE'S option. In the event of removal, LESSEE shall restore all walls, floors, and ceilings to their original condition insofar as is reasonably practicable.

7. **ALTERATIONS AND CONSTRUCTION:** Except as otherwise provided for herein, any exterior or interior construction or alteration proposed by LESSEE in, on, or about the Premises shall be requested by LESSEE in written form with proposed plans and specifications prior to any construction or alterations. SBCAG shall issue a written approval or disapproval of any plans and specifications submitted pursuant to this Section. Such approval shall not be unreasonably withheld.

Any such SBCAG approval shall be deemed conditioned upon LESSEE acquiring all legally necessary permits from the appropriate governmental agencies at its sole expense, furnishing a copy thereof to SBCAG prior to the commencement of any work, and LESSEE'S compliance with all conditions of said permit(s). Any and all permits or clearances required shall be granted only on the merits of the application thereof, and nothing in this Agreement shall be construed to require that SBCAG, or any other government agency, grant such permits or clearances. LESSEE shall give SBCAG not less than ten (10) workdays written notice prior to the commencement of any such work in, on, or about the Property; and SBCAG shall have the right to post Notices of Nonresponsibility, as provided by law.

During any such construction or alteration, LESSEE shall keep the leasehold and improvements free and clear of liens for labor and materials expended by or for LESSEE or on its behalf, and shall hold SBCAG harmless and defend SBCAG with respect to any construction, alterations, or improvements. Non-compliance with this section shall constitute a material breach hereof. When improvements are constructed by LESSEE under the provisions of this Agreement, LESSEE shall inform SBCAG of the date of completion of such improvements.

8. **NONDISCRIMINATION:** LESSEE shall comply with County laws, rules and regulations regarding nondiscrimination as such are found in the Santa Barbara Code and as such may from time to time be amended. These provisions are incorporated herein as if they were fully set forth. Noncompliance with provisions of this section shall constitute a material breach of this Agreement and in addition to any other remedies provided by law, SBCAG shall have the right to terminate this Agreement and the interest hereby created without liability therefor.

9. **QUIET ENJOYMENT:** SBCAG covenants that LESSEE, on performing the provisions of this Agreement, shall have peaceable and quiet enjoyment of the Premises. SBCAG further covenants that it will not deliberately interfere or permit others acting subsequently through or under SBCAG, including other tenants of SBCAG, to interfere with LESSEE'S peaceful possession or use of the Premises.

10. **NOTICES:** Except where otherwise specifically provided, all notices under this Agreement and in connection herewith and all statements shall be addressed and delivered as follows:

SBCAG: Santa Barbara County
Association of Governments
260 North San Antonio Road
Santa Barbara CA 93110
Attention: Administrative Services Officer

LESSEE: The Towbes Group, Inc. & Willow Springs, LP
33 East Carrillo St #200
Santa Barbara, CA 93101
Attn: Jim Carrillo

or at such other address or to such other person that the parties may from time to time designate in accordance with this Notice section. Notices and consents under this section, which are sent by mail, shall be deemed to be received five (5) days following their deposit in the U.S. mail. This Notices section shall not be construed as meaning that either party agrees to service of process except as required by applicable law.

11. **INDEMNIFICATION:** LESSEE shall defend, indemnify, and save harmless SBCAG, its officers, agents, employees and contractors from any and all claims, demands, damages, costs, expenses (including attorney's fees), judgments, or liabilities arising out of this Agreement, or occasioned by the performance or attempted performance of the provisions hereof, including but not limited to any act or omission to act on the part of LESSEE or its agents, employees, or independent contractors, excluding SBCAG's sole negligence or willful misconduct.

12. **INSURANCE:** Without limiting the LESSEE'S indemnification of the SBCAG, LESSEE shall procure the following required insurance coverages at its sole cost and expense. All insurance coverages are to be placed with insurers which (1) have a Best's rating of no less than A: VII, and (2) are admitted insurance companies in the State of California. All other insurers require the prior approval of the SBCAG. Such insurance coverage shall be maintained during the term of this Agreement. Failure to comply with the insurance requirements shall place LESSEE in default. Upon request by the SBCAG, LESSEE shall provide a certified copy of any insurance policy to the SBCAG within ten (10) working days.

A. **Workers' Compensation Insurance:** Statutory Workers' Compensation and Employers Liability Insurance shall cover all LESSEE'S staff while performing any work incidental to the performance of this Agreement. The policy shall provide that no cancellation, or expiration or reduction of coverage shall be effective or occur until at least thirty (30) days after

receipt of such notice by the SBCAG. In the event LESSEE is self-insured, it shall furnish a copy of Certificate of Consent to Self-Insure issued by the Department of Industrial Relations for the State of California. This provision does not apply if LESSEE has no employees as defined in Labor Code Section 3350 et seq. during the entire period of this Agreement and LESSEE submits a written statement to the SBCAG stating that fact.

B. General and Automobile Liability Insurance: The general liability insurance shall include bodily injury, property damage and personal injury liability coverage, shall afford coverage for all premises, operations, products and completed operations of LESSEE and shall include contractual liability coverage sufficiently broad so as to include the insurable liability assumed by the LESSEE in the indemnity and hold harmless provisions described herein.

C. Indemnification Section of this Agreement between SBCAG and LESSEE. The automobile liability insurance shall cover all owned, non-owned and hired motor vehicles that are operated on behalf of LESSEE pursuant to LESSEE'S activities hereunder. A copy of the endorsement evidencing that the policy has been changed to reflect the Additional Insured status must be attached to the certificate of insurance. The limit of liability of said policy or policies for general and automobile liability insurance shall not be less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate. Any deductible or Self-Insured Retention {SIR} over \$10,000 requires approval by the SBCAG. Said policy or policies shall include a severability of interest or cross liability clause or equivalent wording. Said policy or policies shall contain a provision of the following form: "Such insurance as is afforded by this policy shall be primary and non-contributory to the full limits stated in the declarations, and if the SBCAG has other valid and collectible insurance for a loss covered by this policy, that other insurance shall be excess only."

D. Personal Property Insurance: LESSEE shall maintain property insurance for its personal property, including but not limited to equipment, supplies and tenant improvements, throughout the term hereof.

E. If the policy providing liability coverage is on a 'claims-made' form, the LESSEE is required to maintain such coverage for a minimum of three years following completion of the performance or attempted performance of the provisions of this Agreement. Said policy or policies shall provide that the SBCAG shall be given thirty (30) days written notice prior to cancellation or expiration of the policy or reduction in coverage.

F. LESSEE shall submit to SBCAG certificate(s) of insurance documenting the required insurance as specified above prior to this Agreement becoming effective. SBCAG shall maintain current certificate(s) of insurance at all times in the office of the designated SBCAG representative as a condition precedent to any payment under this Agreement. Approval of insurance by SBCAG or acceptance of the certificate of insurance by SBCAG shall not relieve or decrease the extent to which the LESSEE may be held responsible for payment of damages resulting from LESSEE'S services of operation pursuant to this Agreement, nor shall it be deemed a waiver of SBCAG'S rights to insurance coverage hereunder.

G. In the event the LESSEE is not able to comply with the SBCAG'S insurance requirements, SBCAG may, at their sole discretion and at the LESSEE'S expense, provide compliant coverage.

H. The above insurance requirements are subject to periodic review by the SBCAG. SBCAG is authorized to change the above insurance requirements, with the concurrence of Risk Management and County Counsel, to include additional types of insurance coverage or higher coverage limits, provided that such change is reasonable based on changed risk of loss or

in light of past claims against the SBCAG or inflation. This option may be exercised during any amendment of this Agreement that results in an increase in the nature of SBCAG'S risk and such change of provisions will be in effect for the term of the amended Agreement. Such change pertaining to types of insurance coverage or higher coverage limits must be made by written amendment to this Agreement. LESSEE agrees to execute any such amendment within thirty (30) days of acceptance of the amendment or modification.

13. MUTUAL WAIVER OF SUBROGATION RIGHTS: SBCAG and LESSEE hereby waive any rights each may have against the other on account of any loss or damage suffered by SBCAG or LESSEE, as the case may be, to their respective property, the Premises, its contents, or to other portions of the Building arising from any risk generally covered by "all risk" property insurance; and the parties each, on behalf of their respective insurance companies insuring the property of either SBCAG or LESSEE against any such loss, waive any right of subrogation that either may have against the other, as the case may be. The foregoing waiver of subrogation shall be offered only so long as any such policy carried by SBCAG will not be invalidated thereby.

14. ENVIRONMENTAL PROTECTION: LESSEE shall comply with all applicable laws, regulations, rules, and orders regardless of when they become or became effective, including without limitation those relating to construction, grading, signage, health, safety, noise, environmental protection, waste disposal, water and air quality, and shall furnish satisfactory evidence of compliance upon request by SBCAG.

Should any discharge, leakage, spillage, emission, or pollution of any type occur upon or from the Building attributable to LESSEE'S acts or omissions, LESSEE shall clean all property affected to the satisfaction of SBCAG and any governmental body having jurisdiction therefor. LESSEE shall indemnify, hold harmless, and defend SBCAG from and against all liability, claim, cost, and expense (including without limitation any fines, penalties, judgments, litigation costs, attorney's fees, and consulting engineering and construction costs) incurred by SBCAG as a result of LESSEE'S breach of this section, or as a result of any such discharge, leakage, spillage, emission or pollution, regardless of whether such liability, cost, or expense arises during or after the term of this Agreement.

Should any discharge, leakage, spillage, emission, or pollution of any type occur upon or from the Building attributable to SBCAG'S acts or omissions, SBCAG shall clean all property affected to the satisfaction of LESSEE and any governmental body having jurisdiction therefor. SBCAG shall indemnify, hold harmless, and defend LESSEE from and against all liability, claim, cost, and expense (including without limitation any fines, penalties, judgments, litigation costs, attorney's fees, and consulting engineering and construction costs) incurred by LESSEE as a result of SBCAG'S breach of this section, or as a result of any such discharge, leakage, spillage, emission or pollution, regardless of whether such liability, cost, or expense arises during or after the term of this Agreement.

15. TOXICS: LESSEE shall not manufacture or generate hazardous waste in the Building unless specifically authorized by this Agreement. LESSEE shall be fully responsible for any hazardous wastes, substances, or materials as defined under federal, state, or local law, regulation, or ordinance that are manufactured, generated, used, placed, disposed, stored, or

transported in the Building during this Agreement and shall comply with and be bound by all applicable provisions of such federal, state, or local law, regulation, or ordinance dealing with such wastes, substances, or materials. LESSEE shall notify SBCAG and the appropriate governmental emergency response agency(ies) immediately in the event of any release or threatened release of any such wastes, substances or materials.

16. COMPLIANCE WITH THE LAW: LESSEE shall comply with all applicable federal, state, county, and municipal laws, statutes, rules, regulations, and ordinances regulating the use of the parking lot during the term.

17. DEFAULT: Except as otherwise specified herein, should either party at any time be in default hereunder with respect to any material covenant contained herein, the nondefaulting party shall give notice to the defaulting party specifying the particulars of the default and the defaulting party shall promptly commence remedial action to cure the default. Should such default continue uncured for a period of thirty (30) calendar days from such notice, then this Agreement shall terminate at the option of the nondefaulting party unless the cure of such default shall reasonably take more than thirty (30) calendar days in which case the defaulting party shall proceed with all due speed to cure the default and shall have a reasonable time to effectuate its cure.

17. REMEDIES: In the event of a default or breach by either party, subject to the cure provisions contained in the DEFAULT Section, the nondefaulting party may exercise any right or remedy at law or in equity which such nondefaulting party may have by reason of such default or breach including but not limited to the following:

A. Either party may waive the default or breach in accordance with the WAIVER Section, herein below.

B. Either party may maintain this Agreement in full force and effect and recover whatever monetary loss(es) may have resulted from such default or breach.

C. Where LESSEE is the nondefaulting party, LESSEE may terminate this Agreement and surrender possession.

D. Where SBCAG is the nondefaulting party, SBCAG may terminate or not terminate this Agreement. Where SBCAG elects not to terminate this Agreement but elects to terminate LESSEE'S right of possession, SBCAG shall have the right and the duty to attempt to relet the Premises for the benefit of LESSEE upon such terms and conditions, including rent, which LESSEE deems reasonable. If SBCAG lawfully removes property of LESSEE, such property may be stored in a public warehouse or elsewhere at the cost of, and for the account of, LESSEE.

18. WAIVER: It is further understood and agreed that any waiver, express or implied, of any breach of any term of this Agreement shall not be a waiver of any subsequent breach of a like or any other provision of this Agreement.

19. TERMINATION: Upon termination, all rights of LESSEE shall cease and LESSEE shall quietly and peacefully deliver to SBCAG, possession and interest in the Premises and upon such delivery, shall be relieved of all future liability:

A. At the expiration of the Term as provided in the TERM Section;

B. Upon three (3) days written notice given by either party, which notice may be given without cause;

C. Upon the failure of either party to satisfy, observe, or perform any of the covenants, conditions, or reservations set forth in this Agreement and the expiration of the cure period as provided in the DEFAULT Section; or

D. Upon the total destruction of the Building, as provided in the Section on DESTRUCTION OF THE PREMISES.

20. ABANDONMENT: LESSEE shall not vacate or abandon the Premises at any time during the term of this Agreement and if LESSEE shall abandon, vacate, or surrender said Premises, any personal property belonging to LESSEE and left in the Building more than thirty (30) days after termination of this Agreement shall be deemed abandoned at the sole option of SBCAG.

21. SURRENDER OF PREMISES: Upon expiration or termination of this Agreement, LESSEE shall vacate and surrender the Premises to SBCAG in good condition, except for ordinary wear and tear. LESSEE shall remove all its personal property prior to the expiration or termination of this Agreement and shall perform all restoration made necessary by the removal of any trade fixtures or personal property prior to the expiration or termination of this Agreement. SBCAG may, by giving at least thirty (30) days notice to LESSEE, elect to retain or dispose of in any manner any trade fixture(s) or personal property that LESSEE does not remove from the Premises upon expiration or termination of this Agreement. Title to any such trade fixture(s) or personal property that SBCAG elects to retain or dispose of following expiration of the thirty (30) day period shall vest in SBCAG. LESSEE waives all claims against SBCAG for any damage to LESSEE resulting from SBCAG'S retention or disposition of any such trade fixture(s) or LESSEE'S personal property. LESSEE shall be liable to SBCAG for SBCAG'S costs for storing, removing, and disposing of any such items.

If LESSEE fails to surrender the Premises to SBCAG, LESSEE shall hold SBCAG harmless from damages resulting from the LESSEE'S failure to surrender the Premises, including, without limitation, claims made by a succeeding lessee resulting from such failure to surrender the Premises.

22. FIXTURES: The parties agree that all improvements to, or fixtures on the Building, made or added by either party, except trade fixtures added by LESSEE that may be removed as herein provided, shall be and become the property of SBCAG upon their being affixed or added to the Building. At the termination of the term hereof, LESSEE may remove such trade fixtures, including but not limited to phone and information technology equipment as it shall have affixed or added to the Building (if any) which may be removed without damage to the Building.

23. DESTRUCTION OF THE PREMISES: If the Building is totally destroyed by fire or any other cause, this Agreement, at the option of LESSEE, shall terminate. If a loss renders any portion of the Premises unusable, LESSEE may choose to remain or may terminate this Agreement by written notice to SBCAG. Should LESSEE choose to remain, SBCAG shall, as reasonably possible, promptly repair the Premises within ninety (90) days of the casualty. If LESSEE chooses to remain in possession of the Premises despite partial destruction, the rent

provided in this Agreement shall be reduced by the same percentage that usable floor space has been reduced until the destroyed section is rebuilt to its condition prior to the casualty.

24. RESERVATIONS: SBCAG hereby reserves the right for SBCAG or its agents to enter the Premises at any time, in the case of an emergency, and otherwise at reasonable times for making such alterations, repairs, improvements or additions to the Premises as SBCAG may deem necessary. In addition, SBCAG reserves the right to grant such easements, rights and dedications that SBCAG deems necessary, so long as such easements, rights or dedications do not unreasonably interfere with the use of the Premises by LESSEE.

Notwithstanding the above, in the event that access through the Premises is required by third parties such as lessees of roof space, access shall only be provided during normal working hours and upon 24-hour notice to LESSEE. Whenever practical, third parties entering the Premises shall be accompanied by an employee of LESSEE or SBCAG.

25. CAPTIONS: The title on headings to the sections of this Agreement are not a part of this Agreement, and shall have no effect upon the construction or interpretation of any part hereof.

26. SEVERABILITY: If any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal, or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions hereof, and such invalidity, illegality, or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

28. SUCCESSORS IN INTEREST: This Agreement shall bind and enure to the benefit of the parties hereto, their respective personal representatives, heirs, successors in interest, and assigns.

29. WASTE AND NUISANCE: LESSEE shall not commit, nor suffer to be committed, any waste upon the Premises, nor permit any nuisance to exist thereon.

30. CERTIFICATION OF SIGNATORY: The signatories of this Agreement and each of them represent and warrant that they are authorized to execute this Agreement and that no additional signatures are required to bind LESSEE and SBCAG to its terms and conditions or to carry out duties contemplated herein.

31. EXECUTION IN COUNTERPARTS: This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the parties shall preserve undestroyed, shall together constitute one and the same instrument.

32. CONSTRUCTION: The parties agree that each party and its respective counsel have reviewed and approved this Agreement to the extent that each party in its sole discretion has desired, and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement. The terms and provisions of

this Agreement embody the parties' mutual intent, and this Agreement shall not be construed more liberally in favor of, nor more strictly against any party hereto.

33. **ENTIRE AGREEMENT AND AMENDMENT**: In conjunction with the matters considered herein, this Agreement contains the entire understanding and agreement of the parties and there have been no promises, representations, agreements, warranties or undertakings by any of the parties, either oral or written, of any character or nature hereafter binding except as set forth herein. The parties to this Agreement intend that their negotiations, conversations and statements made prior to execution of this Agreement are fully integrated and expressed herein, and no such negotiations, conversations, and statements shall be deemed to create rights or obligations other than those stated herein. This Agreement may be altered, amended or modified only by an instrument in writing, executed by the parties to this Agreement and by no other means. Each party waives their future right to claim, contest or assert that this Agreement was modified, canceled, superseded, or changed by any oral agreements, course of conduct, waiver or estoppel.

34. **NON-ASSIGNMENT / NO SUBLEASE**: LESSEE shall not assign or transfer this Agreement or any of its rights or obligations under this Agreement without the prior written consent of SBCAG and any attempt to so transfer or assign without such consent shall be void and without legal effect and shall constitute grounds for termination. LESSEE shall have no right to sublease any portion of the leased Premises.

(Signatures on following page.)

IN WITNESS WHEREOF, the Parties have executed this Agreement to be effective on the date when fully executed by both parties.

THE TOWBES GROUP, INC. & WILLOW SPRINGS, LP (LESSEE)

SANTA BARBARA COUNTY ASSOCIATION OF GOVERNMENTS (SBCAG):

By: Jim Carrillo
Jim Carrillo
Vice-President
As agent for owner

By: _____
Das Williams
Chairperson
Board of Directors

Date: 2/9/22

Date: _____

ATTEST:

Marjie Kirn
SBCAG Executive Director
Clerk of the Board

By: _____
Deputy Clerk

APPROVED AS TO FORM:

Rachel Van Mullem
County Counsel

By: _____
Deputy County Counsel

Susan McKenzie
Digitally signed by: Susan McKenzie
DN: CN = Susan McKenzie email = smckenzie@countyofsb.org C = US O = County of Santa Barbara OU = Office of County Counsel
Date: 2022.02.10 08:39:07 -08'00'

Exhibit A

