



COUNTY OF DEL NORTE
DEPARTMENT OF HEALTH AND HUMAN SERVICES

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Crescent City, California 95531

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BOARD REPORT

DATE: February 8, 2008

AGENDA DATE: February 26, 2008

TO: DEL NORTE COUNTY BOARD OF SUPERVISORS

ORIGINATING DEPARTMENTS: Gary Blatnick, Director
Health and Human Services

SUBJECT: Alcohol and Other Drug Programs Building Lease

RECOMMENDATION FOR BOARD ACTION:

Approve and authorize the Chair to sign Lease Agreement with George M. Mavris for office space known as the 540 H Street Building.

DISCUSSION/SUMMARY:

The Department of Health and Human Services, Alcohol and Other Drug Programs leases the 540 H Street Building from George M. Mavris for the provision of alcohol and drug treatment services. The lease covers the period March 1, 2008 through February 28, 2010. As you are well aware, we are continuing to set our sights on the development of a human services facility at our current Northcrest Avenue building. Our plan is to incorporate alcohol and other drug treatment services in the new facility when completed. As we do not yet have a set date for the new project, we must continue our lease at the current building. Section 15 of the Lease Agreement provides us with the right to terminate the agreement upon 90 days written notice. This provides adequate time in the event we need to terminate the lease prior to February 2010.

ALTERNATIVES:

Amend lease.

FINANCING:

DHHS FY 07/08 Budget

OTHER AGENCY INVOLVEMENT:

SIGNATURES REQUIRED:

Chair, Board of Supervisors; Clerk of the Board

ADMINISTRATIVE SIGN-OFF:

AUDITOR:

COUNTY ADMINISTRATIVE OFFICER: YES

COUNTY COUNSEL: YES

PERSONNEL:

OTHER DEPARTMENT:

A handwritten signature in black ink, consisting of several overlapping loops and a vertical stroke, positioned to the right of the administrative sign-off text.

LEASE

This lease was entered into on March 1, 2008, by and between George M. Mavris, referred to in this lease as "Landlord," and the County of Del Norte referred to in this lease as "Tenant."

Subject to the terms and conditions set forth in the lease, Landlord hereby leases to Tenant the entire building located at 540 H Street, Crescent City, California, which is currently known as 540 H Street Building.

Term

1. The term of this lease shall be two years commencing on March 1, 2008 and shall continue until February 28, 2010.

Basic Rent

2. Tenant agrees to pay Landlord as basic rent, the sum of one thousand five hundred dollars per month (\$1,500.00) payable on the first (1st) day of each and every month commencing March 1, 2008, and continuing through the term of this lease. Tenant also agrees to pay landlord a one time cleaning deposit of \$1,250.00, to be included with the first month's rent. Landlord agrees that this amount has already been deposited by the County pursuant to an earlier lease agreement. All rent shall be paid by Tenant, at the office of Landlord at Point Saint George, Crescent City, California or any other place or places that the Landlord may from time to time designate by written notice given to Tenant. Tenant shall be responsible for utilities and electricity.

Use of Premises

3. The Leased Space shall be used for general office purposes by Tenant and for no other use or uses without the prior express consent of Landlord.

Prohibited Uses

4. Tenant shall not commit or permit the commission of any acts of Leased Space nor use or permit the use of Leased Space in any way that:
- (a) Increase the existing rates for or causes cancellation of any fire, casualty, liability, or other insurance policy insuring the Building or its contents;
 - (b) Violates or conflicts with any law, statute, ordinance or governmental rule or regulation, whether now in force or hereinafter enacted, governing the Leased space or the Building;
 - (c) Obstructs or interfered with the rights of other Tenants or occupants of the Building or injures or annoys them; or
 - (d) Constitutes the commission of waste on the Leased Space or the commission or maintenance of nuisance as defined by the laws of the State of California.

Alterations by Tenant

5. Tenant shall make no alteration, addition, or improvement to the Leased Space without written consent of Landlord. Concurrently with requesting Landlord's consent to the purposed alteration, addition, or improvement, Tenant shall submit to Landlord preliminary plans for the alteration, addition, or improvement. Landlord shall in its sole discretion, approve or disapprove the proposed alteration, addition, or improvement, within 14 days after its receipt of Tenant's written request for approval or disapproval of the proposed alteration, addition, or improvement. If Landlord fails to approve the request within the same 14 day period, the proposed alteration, addition or improvement shall be deemed disapproved. If Landlord gives such written consent to any alteration, addition, or improvement to the leased premises, Landlord and Tenant shall agree in writing at that time to the date when that undertaking shall be completed. Tenant shall obtain necessary governmental permits required for any alteration, addition, or improvement approved by Landlord and shall comply with all applicable governmental law, regulations, ordinances, and codes. Any alterations, additions, or improvements made by Tenant after consent has been given, and any fixtures installed as part of the construction, shall at the Landlord's option become property of the Landlord on the expiration or other earlier termination of this lease; provided, however, that Landlord shall have the right to require Tenant to remove fixtures at Tenant's cost on termination of this lease. If Tenant is required by Landlord to remove the fixtures on termination of this lease, Tenant shall repair and restore any damages to the leased premises caused by such removal.

Mechanics' Liens

6. If Tenant causes any alterations, additions, or improvements to be made to the Leased Space, Tenant agrees to keep the Leased Space free of liens both labor and material. If a lien is placed on the Leased Space in connection with any construction, repair, or replacement work that Tenant may or must cause to be performed under this lease, which results in a final judgement, Landlord may pay the amount of that judgement. Tenant shall reimburse Landlord in that full amount paid within 10 days after that amount is paid by Landlord; otherwise Tenant shall be default under this lease.

Maintenance and Repairs

7. **Landlord shall be under no obligation to conduct repairs or maintain the premises for the Tenant.** Furthermore, Tenant shall during the term of this lease maintain the Lease Space, in a good, clean, and safe condition, and shall on expiration or earlier termination of this lease surrender the Leased Space to Landlord in a good condition and repair as existed on the date of this lease. Reasonable wear and tear and damage by the elements are excepted. Tenant, at Tenant's own expense, shall repair all deterioration or damage to the Leased Space or to the Building occasioned by Tenant's lack of ordinary care. Cleaning and maintenance for the Leased Space shall be performed regularly by Tenant as needed.

Inspection by Landlord

8. Tenant shall permit Landlord or Landlord's agents, representatives, or employees to enter the Leased Space, when reasonable notice has been provided to Tenant and clients are not in the building, for the purpose of inspecting the Leased Space to determine whether Tenant is complying with the terms of the lease and for the purpose of doing other lawful acts that may be necessary to protect Landlord's interest in the Leased Space under this lease.

Insurance for Tenant's Personal Property and Premises Liability

9. Tenant agrees that at all times during the term of this Lease to keep, at Tenant's sole expense, all of Tenant's personal property, including trade fixtures and equipment of Tenant that may be on or in the Leased Space from time to time, insured against loss or damage by fire and by any peril included within fire and extended coverage insurance for an amount that will insure the ability of Tenant to fully replace personal property, trade fixtures, and equipment. Should Tenant fail to comply with this provision, Landlord shall in no way be responsible for any loss of personal property of the Tenant.

Indemnification

10. Landlord shall not be liable to Tenant, and Tenant hereby waives all claims against Landlord, for any injury or damage to any person or property in or about the Leased Space or any part of the Lease Space by or from any cause whatsoever, except injury or damage to Tenant resulting from the acts or omissions of Landlord or Landlord's authorized agents.

Tenant shall hold Landlord harmless from and defend Landlord against any and all claims or liability from any injury or damage to any person or property whatsoever (1) occurring in, on, or about the Leased Space or any part of it, and (2) occurring in, on, or about any common areas of the Building when that injury or damage was caused in part or in whole by the act, neglect, fault of, or omission of any duty by Tenant, its agents, servants, employees, or invitees.

Notwithstanding the above-stated provision, Landlord shall maintain, in addition to any insurance maintained by the county, a premises liability policy with coverage in the amount of one million \$ 1,000,000.00. Landlord agrees that the County of Del Norte will be an additional insured under the policy and may access the policy up to the coverage amount in the case of a claim made during the term of this lease.

Destruction of Leased Space or Building

11. If the Leased Space or the Building of which it is a part is damaged or destroyed by any cause not the fault of Tenant, Landlord shall at Landlord's sole cost and expense promptly repair it, and the rent payable under this lease shall be abated for the time and to the extent Tenant is prevented from occupying the Leased Space in its entirety. Notwithstanding the foregoing, if the leased Space or the Building is damaged and repair of the damage or destruction cannot be completed within 30 days Landlord may, in lieu of making the repairs required by this paragraph, terminate this lease by giving Tenant 30 days'

written notice of termination. Tenant must give a notice of termination not later than 30 days after the event causing the destruction or damage.

Assignments and Subletting

12. Tenant shall not encumber, assign, or otherwise transfer this lease, any right or interest in this lease, or any right or interest in the Leased Space without first obtaining the express written consent of Landlord. Furthermore, Tenant shall not sublet the Leased Space or any part of it or allow any other persons, other than Tenant's employees and agents, to occupy or use the Leased Space or any part of it without prior written consent of Landlord. A consent by Landlord to one assignment, subletting, or occupation and use by another person shall not be deemed to be a consent to subsequent assignments, subletting, or occupation and use by another person. Any encumbrance, assignment, transfer, or subletting without the prior written consent of Landlord, whether voluntary or involuntary, by operation of law or otherwise, is void and shall, at the option of Landlord, terminate this lease. The consent of Landlord to any assignment of Tenant's interest in this lease or the subletting by Tenant of the Leased Space shall not be reasonably withheld.

13. The following shall constitute a default under and a breach of this lease by Tenant:

- (a) The nonpayment of rent when due;
- (b) A failure to perform any provision, covenant, or condition of this lease other than one for the payment of rent, when that failure is not cured within 3 days after written notice of the specific failure is given by Landlord to Tenant;
- (c) The breach of this lease and abandonment of the Leased Space before expiration of the term of this lease;
- (d) A receiver is appointed to take possession of all or substantially all of Tenant's property located at the Leased Space or Tenant's interest in this lease, when possession is not restored to Tenant within 5 days.
- (e) Tenant makes a general assignment for the benefit of creditors;
- (f) The execution, attachment, or other judicial seizure of substantially all of Tenant's assets located at the Leased Space or of Tenant's interest in the Lease, when the seizure is not discharged within 5 days; or
- (g) The filing by or against Tenant of a petition to have Tenant adjudged a bankrupt or of a petition for reorganization or arrangement under the federal bankruptcy law.
- (h) Violation of any of the building rules attached hereto as Exhibit A.

Landlord's Remedies

14. If Tenant breaches or is in default under this lease, Landlord, on addition to any other remedies given Landlord by law or equity, may:

- (a) Continue this lease in effect by not terminating Tenant's right to possession of the Leased Space thereby be entitled to enforce all Landlord's rights and remedies under this lease including the right to recover the rent specified in this lease as it becomes due under this lease; or
- (b) Terminate this lease and all rights of Tenant under this lease and recover from Tenant:

- (1) The worth at the time of award of the unpaid rent that had been earned at the time of termination of the lease;
 - (2) The worth at the time of award of the amount by which the unpaid rent that would have been earned after termination of the lease until the time of award exceeds the amount of rental loss that Tenant proves could have been reasonably avoided;
 - (3) The worth at the time of the award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of rental loss that Tenant proves could be reasonable avoided; and
 - (4) Any other amount necessary to compensate Landlord for all detriment proximately caused by Tenant's failure to perform Tenant's obligations under this lease; or
- (c) In lieu of, or in addition to, bringing action for any or all of the recoveries described in subparagraph (b) of this paragraph, bring to action to recover and regain possession of the Leased Space in the manner provided by California law of unlawful detainer then in effect.

Termination Notice

15. Landlord and Tenant shall each have the right to terminate this Agreement upon ninety days (90) written notice to the other party.

Waiver of Breach

16. The waiver by Landlord of any breach by Tenant of any of the provisions of this lease shall not constitute a continuing waiver or a waiver of any subsequent default or breach by Tenant either of the same or a different provision of this lease.

Notices

17. Except as otherwise expressly provided by law, any and all notices or other communications required or permitted by this lease or by law to be serviced on or given to either party to this lease by the other party shall be in writing, and shall be deemed duly serviced and given personally delivered to the party to whom it is directed or any managing employee of that party or, in lieu of personal service, when deposited in the United States mail, first-class postage prepaid, addressed to Landlord at 1 Point Saint George Place, Crescent City, CA 95531 and Tenant, 206 Williams Dr., Crescent City, CA 95531 with a copy to Del Norte County Counsel, 981 H Street, Ste. 220, Crescent City, CA 95531. Either party may change its address for purposes of this paragraph by giving written notice of the change to the other party in the manner provided in the paragraph.

Attorney's Fees

18. If any litigation is commenced between the parties to this lease concerning the Leased Space, this lease, or the rights and duties of either in relation to the Leased Space or the lease, the party prevailing in that litigation shall be entitled, in addition to any other relief granted, to a reasonable sum as and for its attorney's fees in the litigation, which shall be determined by the court in that litigation or in a separate action brought for that purpose.

Binding on Heirs and Successors

19. This lease shall be binding on and shall inure to the benefit of the heirs, executors, administrators, successors, and assigns of the parties, but nothing in this paragraph shall be construed as a consent by Landlord to any assignment of this lease or any interest therein by Tenant except as provided in Paragraph 9 of this lease.

Time of Essence

20. Time is expressly declared to be of the essence in this lease.

Sole and Only Agreement

21. This instrument constitutes the sole and only agreement between Landlord and Tenant respecting the Leased Space or the leasing of the Leased Space to Tenant, and correctly sets forth the obligations of Landlord and Tenant to each other as of its date. Any agreements or representations respecting the Leased Space or their leasing by Landlord to Tenant not expressly set forth in this instrument are null and void.

IN WITNESS WHEREOF, the parties hereto have executed this Lease on this ____ day
of _____, 2008 at Crescent City, Del Norte County, California.

"COUNTY"

"LANDLORD"

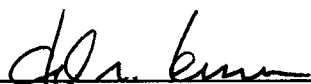
COUNTY OF DEL NORTE

David Finigan, Chair, Del Norte County
Board of Supervisors

George M. Mavris

Jeremie Ruiz, Clerk of the Board

APPROVED AS TO FORM:

By 
Dohn Henion,
County Counsel