

LEASE AGREEMENT

This LEASE AGREEMENT is made and executed in duplicate at Hollister, California, from the City of Hollister, a municipal corporation (“Lessor”), to Seniors Council (“Lessee”), each a “Party” and collectively the “Parties.”

IT IS AGREED between the Parties hereto as follows:

I. PREMISES

Lessor hereby lets to Lessee, and Lessee hereby hires from Lessor, on the terms and conditions hereinafter set forth, those certain premises, with appurtenances, situated in the City of Hollister, County of San Benito, State of California, particularly described as follows:

The following areas of the Community Center of the City of Hollister located at 300 West Street:

Area I – Office Space

- 252 square feet
- Monday through Friday from 8:00 A.M. through 5:00 P.M.

Area I is detailed in **Exhibit A– Community Center Floor Plan**, which is incorporated herein by reference and made a part of this Lease.

Lessee shall give written notice to Lessor’s Park and Recreation Director at least fifteen (15) days in advance of any date or hours of non-use of any Area.

II. TERM

The term of this Lease shall commence on July 1, 2025, and shall terminate on June 30, 2026.

- A. **Renewal Options.** Lessee shall have three (3) successive options to renew this Lease for additional one (1) year terms each, provided that:
1. Lessee gives written notice to Lessor not less than ninety (90) days prior to the expiration of the then-current term.
 2. Lessee is not in default under any provision of this Lease; and
 3. Lessee continues to qualify for and maintain grant or other funding to provide senior nutrition services in the City of Hollister.
- B. **Termination for Cause.** This Lease may be terminated at any time for “cause” as defined herein. “Cause” shall mean the failure of either Party to perform any of its obligations under this Lease. If such failure occurs, the non-defaulting Party shall give written notice specifying the particulars of such default. If such default is not cured within thirty (30) days, then this Lease shall terminate.

- C. **Lessee and Lessor Right to Terminate:** Notwithstanding any other provision of this Lease, Parties may terminate this Lease at any time, with or without cause, upon giving thirty (30) days' prior written notice of termination. The written notice shall specify the termination date, which shall be no less than thirty (30) days from the date of notice, and rent shall be prorated through the actual termination date with no penalty or damages payable by Lessor for such termination. This convenient termination right is in addition to, and not in lieu of, any other termination rights Parties may have under this Lease or applicable law.
- D. **Lessee and Lessor Duties Upon Termination.** Upon termination, Lessee shall provide reasonable cooperation in transitioning services to another provider if requested by Lessor, remove Lessee's personal property and restore Premises as required by this Lease, and comply with all other lease termination requirements. In the event of termination for convenience, Lessor's sole obligation shall be to return any prepaid rent for periods beyond the termination date and allow Lessee reasonable time to remove its personal property.

Lessee acknowledges that Lessor shall have no obligation to compensate Lessee for lost profits or business opportunities, moving expenses or relocation costs, investment in improvements or equipment, or any other consequential or incidental damages.

III. RENT

Lessee shall pay Lessor, without deduction or offset, rent as follows:

- A. **Base Rent - Annual Rate of \$14.00 per square foot:**
- Office Space (252 square feet): \$3,528.00 annually (\$294.00 monthly)
- B. **Utilities and Maintenance:** \$5,140.00 annually (\$1,285.00 quarterly)
- Includes 10% of actual building utilities (gas, electric, water, sewer)
 - Quarterly grease trap service
 - HVAC maintenance
 - Janitorial supplies (toilet paper, paper towels)
 - Janitorial services
- C. **Total Annual Rent:** \$8,668.00
- D. **Payment Schedule:**

1. Base rent payable monthly in advance on or before the fifth (5th) day of each month
 2. Utilities and maintenance payable quarterly in advance
- E. **Late Charges:** If any rental installment is not received within ten (10) days of the date due, Lessee shall pay a late charge of ten percent (10%) of the late rental installment.
- F. **Annual CPI Adjustment:** Beginning April 1, 2026, and each April 1st thereafter during the term of this Lease, the base rent shall be increased by the Consumer Price Index ("CPI") increase for the previous calendar year, as published by the U.S. Bureau of Labor Statistics for the San Francisco Bay Area, with a minimum increase of zero percent (0%) and maximum increase of five percent (5%) per year.
- G. **As-Needed Lease Use:** Lessee may lease additional space on an as-needed basis, subject to availability and prior written approval by the Lessor. Such use shall be billed at a rate of \$14.00 per square foot per hour. All after-hours or weekend use requires on-site attendant provided by the Lessor. Paying patrons and scheduled rentals shall have priority over as-needed use. The Lessor reserves the right to invoice the Lessee for as-needed use on a quarterly basis.

IV. UTILITIES

Utilities and maintenance costs are included in the quarterly payment as specified in the Rent section above. This includes ten percent (10%) of actual building utilities (gas, electric, water, sewer, garbage), HVAC maintenance and repairs, quarterly grease trap service, and basic janitorial supplies. Lessee shall pay for telephone service and any specialized utilities or services required for its operations.

V. CITY-OWNED PROPERTY AND EQUIPMENT

- A. **City Ownership.** All fixtures, equipment, and improvements attached to or built into the Premises shall remain the property of the City unless specifically identified in writing as belonging to Lessee.
- B. **Inventory of City-Owned Property.** Attached hereto as **Exhibit B** and incorporated herein by reference is a complete inventory of all City-owned furniture, fixtures, equipment, and other personal property located within the

leased Premises. Lessee acknowledges receipt of said inventory and agrees that all items listed therein remain the property of the City.

- C. **Prohibition on Removal.** Lessee shall not remove, sell, dispose of, or otherwise transfer any City-owned property. Any such action shall constitute a material breach of this Lease.
- D. **Lessee's Property.** Lessee may bring its own moveable furniture, equipment, and supplies onto the Premises. Prior to lease expiration, Lessee shall have the right to remove all movable property that belongs to it, provided any damage caused by such removal is repaired at Lessee's expense.

VI. USE OF PREMISES

The Premises are let to Lessee for the following uses only:

- A. **Primary Use:** Provide information and assistance to older adults, people with disabilities and family caregivers regarding available services in the community. Uses may include one-on-one case management and/or options counseling or other types of support to the target population and their caregivers.
- B. **Permitted Ancillary Uses** Occasionally rent the Calaveras Room or the Gavilan Room for single day events (e.g. volunteer tax preparation, SNAP enrollment, etc. at the same \$14 per square foot per hour rate.
- C. **Prohibited Uses:** No other use shall be made of the Premises without the prior written consent of Lessor, which shall not be unreasonably withheld, conditioned, or delayed.

VII. ENTRY BY OWNER

Lessee shall permit Lessor and their agents to enter into and upon Premises at all reasonable times for the purpose of inspecting the same or for any other lawful purpose or purposes without any rebate of rent and without any liability to Lessee for any loss of occupation or quiet enjoyment of the Premises thereby occasioned.

VIII. MAINTENANCE AND REPAIRS

- A. **Lessee's Responsibilities.** Lessee shall, at its sole cost and expense, keep the Premises in good, neat, and sanitary order and condition; provide all necessary janitorial services and supplies for daily cleaning; make any repairs required due to Lessee's negligent or intentional acts or omissions of Lessee, its agents,

employees, servants, invitees, or guests; maintain all equipment and fixtures in good working order; and comply with all health department regulations and requirements. Lessee hereby waives any and all rights to perform any maintenance or to make any repairs or replacements at the expense of Lessor.

- B. **Lessor's Responsibilities.** Lessor shall maintain the structural integrity of the building, roof, exterior walls, and major building systems, provided Lessee gives written notice of needed repairs with reasonable specificity.

IX. ALTERATIONS

Lessee shall not make, or suffer to be made, any improvements, alternations, or additions to the demised Premises, or any part or parts thereof, without first submitting written plans and specifications for the same to Lessor for approval, and without written consent of Lessor being first had and obtained. Any improvements, alternations, or additions to the Premises, except movable furniture and trade fixtures, shall become at once a part of the realty and belong to Lessor.

In the event that during the term hereof any alternation, addition, change, or otherwise to the Premises, or any portion thereof, be required by any rule, regulation, or law, the same shall be made by Lessee at Lessee's sole cost and expense.

X. DAMAGE OR DESTRUCTION

In the event the Premises, or any part thereof, are damaged or destroyed during the term of this Lease from any cause or causes whatsoever, Lessor, at its option, may, at any time within ninety (90) days following the date of such damage or destruction, terminate this Lease by written notice to Lessee. In the event of such termination, rent shall be prorated as of the date of such damage or destruction. In the event Lessor elects not to terminate this Lease, Lessor shall forthwith commend and diligently prosecute to completion any and all repairs necessary to restore the same to the same condition as existed immediately, prior to any such damage or destruction, this Lease continues in full force and effect. Lessee shall be entitled to a proportionate reduction of rental while such repairs are being made, such proportionate reduction to be based on the extent to which the making of such repairs shall interfere with the use of the demised premises by Lessee.

XI. INDEMNIFICATION

Lessee shall defend, indemnify, and hold harmless the City of Hollister, its officers, employees, agents, and representatives from and against any and all claims, demands, losses, damages, costs, expenses, and liability (including reasonable attorney's fees) of every kind and description that arise from or relate to Lessee's use and occupancy of the

Premises, including the operation of nutrition services and food service programs, activities of Lessee's employees, agents, contractors, volunteers, or program participants, any breach of this Lease by Lessee, or Lessee's failure to comply with applicable laws or regulations. This indemnification shall also cover any claims that result from or are connected with any act, omission, negligence, or willful misconduct of Lessee, its officers, employees, agents, contractors, volunteers, or invitees, as well as personal injury, death, or property damage occurring on or about the Premises during Lessee's occupancy, except to the extent caused by City's sole negligence or willful misconduct.

XII. ASSIGNMENT OR SUBLETTING

Lessee shall not assign this Lease, or any interest therein, and shall not sublet the Premises or any part thereof, or any right or privilege appurtenant thereto, or suffer any other person to occupy or use the said Premises, or any portion thereof, without the written consent of Lessor first had and obtained, which consent shall not unreasonably be withheld, and a consent to one assignment, subletting, occupation, or use by another person shall not be deemed assignment, subletting, occupation, or use without such consent shall be void, and shall, at the option of Lessor, terminate this Lease. This Lease shall not, nor shall any interest therein, be assignable, as to the interest of Lessee, by operation of law, without the written consent of Lessor.

XIII. POSSESSORY INTEREST TAX

Lessee recognizes and understands that this Lease may create a possessory interest subject to property taxation and that Lessee may be subject to the payment of property taxes levied on such interest.

XIV. LIENS

Lessee shall keep the Premises free from any liens arising out of any work performed, materials furnished, or obligations incurred by Lessee.

XV. INSPECTION FEES AND CHARGES

Lessee shall, in addition to all other sums, pay all fees for permits, inspections, or examinations of the Premises, or any part thereof, or anything pertaining thereto, charged by any public authority having jurisdiction over the Premises.

XVI. INSURANCE

A. **Liability Insurance.** Lessee shall maintain comprehensive general liability insurance with minimum coverage of:

1. One Million Dollars (\$1,000,000) per occurrence

2. Two Million Dollars (\$2,000,000) aggregate
3. Five Hundred Dollars (\$500,000) for property damage

B. Additional Requirements:

1. City of Hollister shall be named as an additional insured
2. Certificate of insurance shall be provided to Lessor within ten (10) days of lease execution
3. Lessee is required to provide thirty (30) day notice of cancellation to Lessor
4. Insurance must remain in force throughout Lease term

C. Property Insurance. Lessee shall maintain insurance on its personal property and shall waive subrogation rights against Lessor.

D. Insurance Hazards. No use shall be, or permitted to be, made of the Premises nor act done, which will increase the fire insurance rates for the Premises, or cause cancellation of any fire insurance policy covering the Premises, or any part thereof, nor shall Lessee permit to be kept or used in or about the Premises any article which may be prohibited by a standard form of fire insurance policy. Lessee shall, at its sole cost and expense, comply with any and all requirements pertaining to the Premises of any insurance organization or company necessary for the maintenance of reasonable fire insurance premium rates.

XVII. WAIVER OF INSURER'S SUBROGATION RIGHTS

Lessor and Lessee each hereby release the other from any and all liability for loss or damage insured under all policies of insurance, now or hereafter during the term hereof existing and purchased by either or both insuring or covering the Premises or any portion thereof and/or Lessee's operations in the Premises, and hereby waive all rights of subrogation which the insurer under said policies might otherwise, if at all, have as against the other hereto.

XVIII. COMPLIANCE WITH LAWS

Lessee shall comply with all applicable federal, state, and local laws, regulations, and ordinances, including, but not limited to, health department regulations, fire safety codes, Americans with Disabilities Act, food service licensing requirements, and all requirements related to senior services programs.

XIX. ASSIGNMENT AND SUBLETTING

Lessee shall not assign this Lease or sublet any portion of the Premises without the prior written consent of Lessor, which consent shall not be unreasonably withheld.

XX. DEFAULT AND REMEDIES

A. **Events of Default.** The following shall constitute events of default by Lessee:

1. Failure to pay rent when due (after ten (10) day cure period)
2. Failure to maintain required insurance
3. Violation of use restrictions
4. Loss of funding or authorization for senior nutrition services
5. Breach of any other Lease provision (after thirty (30) day cure period following notice)

B. **Remedies.** In the event of any breach of this Lease by Lessee, Lessor, besides other rights or remedies it may have, shall have the immediate right of re-entry and may remove all persons and property from the Premises, such property may be removed and stored in a public warehouse or elsewhere at the cost of, and for the account of, Lessee. Should Lessor elect to re-enter as herein provided, or should it take possession pursuant to legal proceedings or pursuant to any notice provided by law, it may either terminate this Lease or it may, from time to time, without terminating this Lease, re-let said Premises or any part thereof for such term or terms (which may be for a term extending beyond the term of this Lease) and at such rental or rentals and upon such other terms and conditions as Lessor, in its sole discretion, may deem advisable, with the right to make alterations and repairs to said Premises. On each such reletting (a) Lessee shall be immediately liable to pay to Lessor, in addition to any indebtedness other than rent due hereunder, the cost and expenses of such re-letting and of such alterations and repairs, incurred by Lessor, and the amount, if any, by which the rent reserved in this Lease for the period of such re-letting, (up to but not beyond the term of this Lease) exceeds the amount agreed to be paid as rent for the Premises for such period on such reletting; or (b) at the option of Lessor, rents received by the Lessor from such reletting shall be applied; first, to the payment of any indebtedness, other than rent due hereunder from Lessee to Lessor; second, to the payment of any costs and expenses of such reletting and of such alterations and repairs; third, to the payment of rent due and unpaid hereunder; and the residue, if any, shall be held by Lessor and applied in payment of future rent as the same may become due and payable hereunder. If Lessee has been credited with any rent to be received by such re-letting under option (a) and such rent shall not be

promptly paid to Lessor by the new tenant, or if such rentals received from such re-letting under option (b) during any month be less than that to be paid during that month by Lessee hereunder, Lessee shall pay any such deficiency to Lessor. Such deficiency shall be calculated and paid monthly. No such re-entry or taking possession of said Premises by Lessor shall be construed as an election on their part to terminate this Lease unless a written notice of such intention be given to Lessee or unless the termination thereof be decreed by a court of competent jurisdiction. Notwithstanding any such re-letting without termination, Lessor may at any time thereafter elect to terminate this Lease for such previous breach. Should Lessor at any time terminate this Lease for any breach, in addition to any other remedy that it may have, it may recover from Lessee all damages it may incur by reason of such breach, including the cost of recovering the Premises, and including the worth at the time of such termination of the excess, if any, of the amount of rent and charges equivalent to rent reserved in this Lease for the remainder of the stated term over the then reasonable rental value of the Premises for the remainder of the stated term, all of which amounts shall be immediately due and payable from Lessee to Lessor.

XXI. NOTICES

All notices shall be in writing and served either personally or by certified mail to:

Lessor: City Manager, City of Hollister, 375 Fifth Street, Hollister, CA 95023

Lessee: Seniors Council of Santa Cruz & San Benito Counties; 175 Westridge Dr., Watsonville, California, 95076

XXII. AMENDMENTS

This Lease may be amended, modified, or supplemented only by written agreement signed by both Parties. The City Manager is authorized to execute amendments to this Lease on behalf of the City.

XXIII. GENERAL PROVISIONS

- A. **Entire Agreement.** This Lease constitutes the entire agreement between the Parties and may only be modified in writing signed by both Parties.
- B. **Binding Effect.** This Lease shall bind the heirs, successors, and assigns of both Parties.
- C. **Governing Law.** This Lease shall be governed by California law.

- D. **Attorney's Fees.** In any legal action arising from this Lease, the prevailing Party shall be entitled to reasonable attorney fees.
- E. **Time is of the Essence.** Time is of the essence for all provisions of this Lease.
- F. **Severability.** If any provision is deemed invalid, the remainder of the Lease shall remain in effect.

IN WITNESS WHEREOF, the Parties have executed this Lease on the date first written below.

CITY OF HOLLISTER

By: _____
Mayor Roxanne Stephens

Date: _____

SENIORS COUNCIL

By: _____
Clay Kempf, Executive Director

Date: _____

EXHIBIT A

COMMUNITY CENTER FLOOR PLAN

This lease is for the rooms titled "Senior's Council" only.

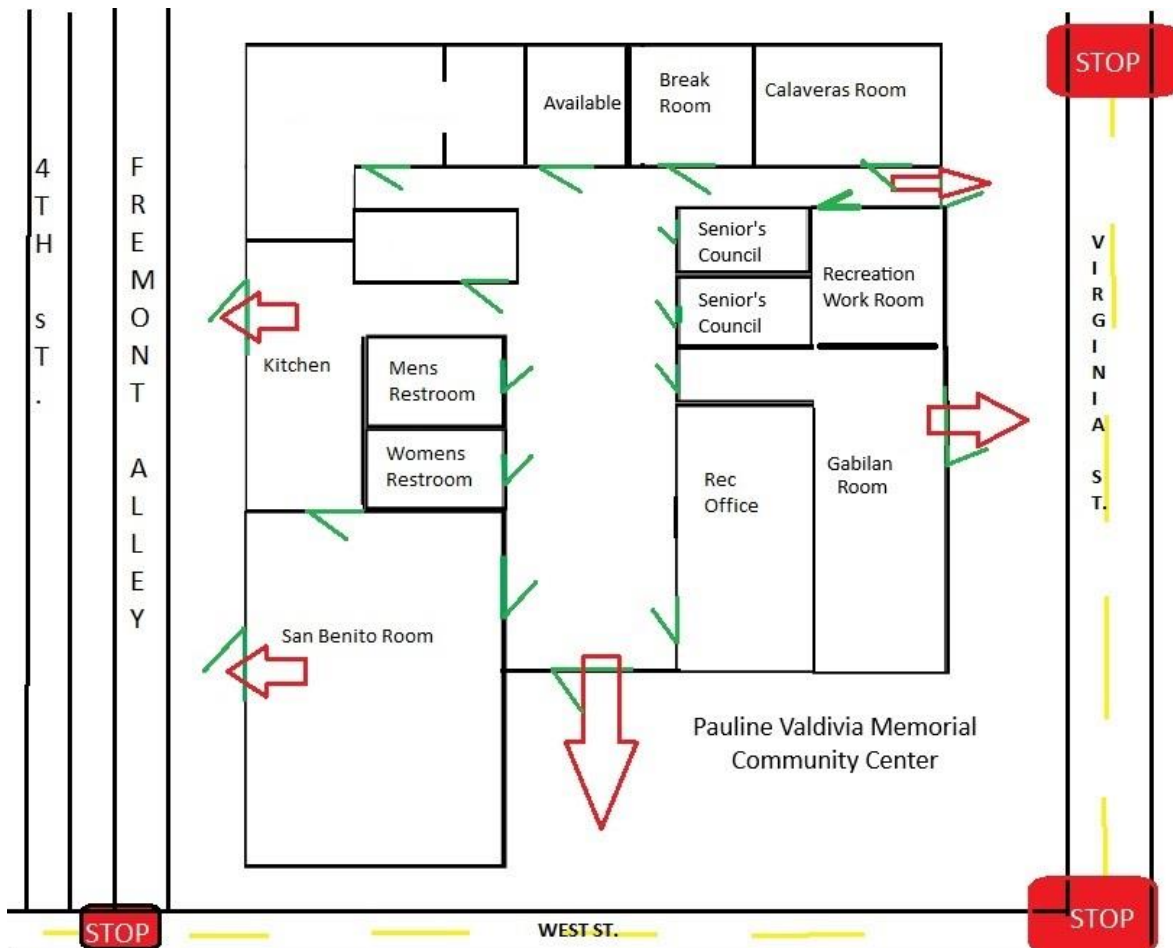


EXHIBIT B

INVENTORY OF CITY-OWNED PROPERTY

- 12 rectangular tables for dining
- 12 round tables for dining
- 150 chairs for dining
- Built in kitchen equipment
- 1 refrigerator
- 1 kitchen desk
- 1 filing cabinet in kitchen
- 1 rectangular conference table
- 18 conference room chairs
- 10 computers in conference room
- 2 office desks
- 2 office cabinets