# LEASE AGREEMENT

## BETWEEN THE CITY OF COACHELLA AND

## DESERT RECREATION DISTRICT

THIS LEASE AGREEMENT (the "Lease") is made as of October 13, 2021 by and between THE CITY OF COACHELLA, a California municipal corporation (the "Lessor"), and the DESERT RECREATION DISTRICT, a Public Agency and Special District organization (the "Lessee"), with reference to the following facts:

RECITALS

A. The Lessor owns a civic building located at City Hall 1515 Sixth Street, Coachella, CA 92236, which is described in Exhibit A and totals 9,589 square feet (the "Building").

B. Lessee desires to lease 264 square feet of the Building (the "Premises") from the Lessor, described in more detail in Exhibit "A" for purposes of providing recreation services and programs to residents of the City of Coachella and for all activities incidental or necessary to accomplish said purpose.

C. Lessor will retain usage and access to one office located at the entrance of the current Administration Division – approximately 156 square feet – as described on Exhibit C.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

AGREEMENT

1. Recitals. Lessor and Lessee acknowledge the Recitals set forth above which are incorporated herein by this reference together with the Exhibits attached hereto.

2. Leasehold. Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the Premises, for the term, at the rental and upon the conditions set forth herein. Lessee accepts the Premises, including the appurtenant improvements, structures, and facilities, if any, in "AS IS" condition.

3. Premises. The Premises described in Exhibit A amount to an area of approximately 264 square feet. Upon execution of this Lease, Lessor grants to Lessee the right to survey the Premises (the "Survey") and such Survey, if performed, shall replace Exhibit B as the description of the Premises.

4. Term of Lease. The original term of the Lease shall be for a three (3) year period commencing on October 15, 2021 and terminating on October 14, 2024 (the "Term"). Following expiration of the Term, unless and until Lessee or Lessor delivers a Notice of Termination in accordance with Section 11, the term of this Lease shall

automatically be extended by successive one (1) year periods beginning on October 15 of the subject year and expiring on October 14 of the following year (individually and collectively, the "Extended Term").

5. Rent.

Term Minimum Annual Rent. During the Term of this Lease, Lessee shall pay to Lessor monthly rent in the sum of Ninety-Two Dollars and Forty Cents ($92.40). Lessee shall pay Lessor all sums due for monthly rent without deduction, set off, prior notice, or demand, in advance of the 1st day of each month and continuing through the term of this Lease.

5.1 Extended Term Minimum Annual Rent. In the event that the Extended Term should become effective, on October 15, 2024 and on October 15th of each successive year during the Extended Term the monthly rent shall be Ninety-Two Dollars and Forty Cents ($92.40) unless renegotiated between the Lessor and Lessee.

5.2 Where to Pay Rent. All rent shall be paid to Lessor at the address specified below in Section 19.

6. Utilities, Maintenance and Insurance.

a) Utilities. Lessee shall make all arrangements for and shall pay for all utilities, with the exception of: electricity, trash, water, sewer and alarm system for the Premises.

b) Maintenance. Lessee shall provide all maintenance and repairs, at Lessee's sole cost and expense, to keep the Premises in good order and condition, including any improvements approved by the Lessor to be constructed and/or installed by the Lessee during the term of this Lease. Lessee agrees to maintain the leased premises in the same condition as when received, wear and tear in the usual and ordinary operation by Lessee; provided Lessor agrees to repair and maintain all exterior walls, the roof and other structural portions of the building, except for damages caused by Lessee, its officers, agents and patrons of the Greater Coachella Valley Chamber of Commerce. Lessor further agrees to: 1) maintain and keep in good working condition the heating and cooling system including normal servicing and preventative maintenance.

c) Insurance. All insurance carried by Lessee shall be primary to and not contributory with any similar insurance carried by Lessor, whose insurance shall be

considered excess insurance only. Lessee shall carry and maintain, during the entire term thereof, at Lessee's sole cost and expense, the following types of insurance in the amounts specified and in the form provided for in this section:

i. General Liability Insurance. Broad-form comprehensive general liability insurance with limits of not less than One Million Dollars ($1,000,000) per person and One Million Dollars ($1,000,000) each occurrence, insuring against any and all liability of Lessee with respect to the Premises or arising out of the maintenance, use or occupancy thereof, and property damage liability insurance with a limit of not less than One Million Dollars ($1,000,000) each accident, or One Million Dollars ($1,000,000) combined single limit.
ii. Property Insurance. Lessee shall obtain and maintain in force a policy or policies of insurance in the name of Lessee, with any loss payable to Lessee, and any lender of Lessor insuring against loss or damage to the improvements on the Premises, including, without limitation, any improvements installed or constructed by Lessee. The amount of such insurance shall be equal to the full insurable replacement cost of such improvements, as the same shall exist from time to time, or the amount required by any lender of Lessor, but in no event more than the commercially reasonable and available insurance value thereof. If the coverage is available and commercially appropriate, such policy or policies shall insure against all risks of direct loss or physical damage (except the perils of flood and earthquake unless required by a lender of Lessor). If such insurance coverage has a deductible clause, the deductible amount shall not exceed 'the amount permitted by a lender of Lessor. In the event any casualty results in damage to the improvements on the Premises which are the property of Lessor (and not constructed or installed by Lessee in accordance with the provisions hereof), Lessee shall either (i) use the proceeds of insurance to cause the restoration of such property of Lessor or (ii) pay or cause payment to Lessor or any lender of Lessor in an amount of the proportionate share of insurance proceeds attributable to damage to such property of Lessor.
iii. Delivery of Certificate of Insurance. Lessee shall deliver to Lessor certificates of insurance evidencing the insurance procured by Lessee, which certificates shall name Lessor as an additional insured together with any lender of Lessor. The Certificates of Insurance shall be delivered by Lessee to Lessor at the time of the execution of the Lease and shall be monitored regularly.
iv. Notice of Cancellation. All insurance policies shall contain a

provision that such policies shall not be canceled or terminated without thirty (30) days' prior notice from the insurance company to Lessor. Lessee agrees that on or before thirty (30) days prior to expiration of any insurance policy, Lessee will deliver to Lessor written notification in the form of a receipt or other similar document from the applicable insurance company that said policy or policies have been renewed, or deliver certificates of coverage from another good and solvent insurance company for such coverage.

7. Use. Lessee shall use and occupy the Premises for purposes of providing recreational services and programs and for all activities incidental or necessary to accomplish said purpose, and for no other purpose. Lessee shall not use the Premises for the purposes of storing, manufacturing or selling any inherently dangerous substance, chemical, thing, or device.

8. Janitorial Services. The Lessee agrees to provide at its sole cost and expense janitorial services for the leased Premises.

9. Hazardous Substances and Hazardous Materials.

   a) Defined. For purposes of this Lease, the term "Hazardous Substances" shall be as defined in the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §§ 9601 et seq., and any regulations promulgated pursuant thereto, and as used to define "Hazardous Wastes" in the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901 et seq., and any regulations promulgated thereto, or as may be identified or defined by any federal, state or local law or regulation.

   b) Prohibition and Indemnity. Lessee shall not (either with or without negligence) cause or permit the use, storage, generation, escape, disposal or release of any Hazardous Substances or Hazardous Wastes in any manner not sanctioned by law. In all events, Lessee shall indemnify and hold Lessor harmless from any and all claims, damages, fines, judgments, penalties, costs, liabilities or losses (including, without limitation, any and all sums paid for settlement of claims, attorneys' fees, and consultants' and experts' fees) (collectively "Claims") from the presence or release of any Hazardous Substances or Hazardous Wastes on the Premises if caused by Lessee or persons acting under Lessee. The foregoing indemnity shall apply regardless of whether or not any such Claims are contributed to by the negligence or fault of the indemnified party, by the violation of any law, statute or regulation by the indemnified party, and even

if the indemnified party is strictly liable therefore. However, in the event of such contributory negligence or other fault of the indemnified party, then the indemnified party shall not be indemnified hereunder in the proportion that the indemnified party's negligence or other fault caused any such Claims. Lessee shall execute such affidavits, representations or other documents from time to time as Lessor may reasonably request concerning Lessee's best knowledge and belief as to the presence of Hazardous Substances or Hazardous Wastes on the Premises. This paragraph shall survive the termination of this Lease.

10. Improvements.

a) Consent of Lessor. Lessee shall not construct or make any installations, additions, improvements or alterations in or to the Premises, without the prior written consent of Lessor, which would not be unreasonably withheld.

b) Lessee to Pay Improvement Cost. All installations, additions, improvements, or alterations constructed or made to the Premises, with the consent of Lessor, shall be made at the sole cost and expense of Lessee.

c) Removal of Improvements. All installations, additions, improvements, or alterations constructed or made to the Premises by Lessee shall remain Lessee's personal property and, notwithstanding principles of law applicable to real property improvements, Lessee's installations, additions, improvements or alternations shall not be deemed improvements to Lessor's Premises and may be removed from the Premises by Lessee upon termination of this Lease in the sole discretion of Lessee. Further, upon termination of this Lease and following removal of Lessee's property, the Premises shall be restored to a condition reasonably satisfactory to Lessor, at Lessee's expense. Any of Lessee's property, as aforesaid, not removed from the Premises upon termination of this Lease shall become the property of Lessor.

d) Mechanic's Liens. Lessee agrees to pay promptly for all labor or materials furnished for any work of construction, improvements, alterations, additions, repairs or maintenance performed by Lessee in connection with the Premises, and to keep and to hold the Premises free, clear, and harmless of and from all liens that could arise by reason of any such work.

11. Termination. Within ninety (90) days prior to expiration of the Term, either Lessor or Lessee may terminate this Lease, without cause, by serving the other party with thirty (30) days' prior written notice of such termination (a "Notice of Termination"). Upon

termination of this Lease, Lessee shall return the Premises in good condition and repair to the reasonable satisfaction of Lessor.

12. Signs. Lessee shall not install any signs on the Premises without the prior written consent of Lessor, which would not be unreasonably withheld.

13. Assignment and Subleasing. Lessee shall not assign, or mortgage, this Lease in whole or in part, nor sublet all or any part of the Premises, without the prior written consent of Lessor in each instance, which consent may be granted or denied in Lessor's sole discretion. This prohibition against assigning or subletting shall be construed to include a prohibition against any assignment or subletting by operation of law. In the event that Lessor's written consent is granted, Lessee shall pay all expenses in connection with such assignment and Lessee shall remain primarily obligated to Lessor for performance of all provisions of this Lease.

14. Use of Premises by Lessor. The Premises will be used as administrative office space and programming for the Lessee; however, the Lessor still has access and use of one office, approximately 156 square feet identified in Exhibit C.

15. Entry and Inspection. Lessee shall permit Lessor or Lessor's agents to enter upon the Premises at reasonable times and upon reasonable notice, for the purpose of inspecting the same.

16. Indemnification. To the extent permitted by law, Lessor shall not be liable for any damage or injury to Lessee, or any other person, or to any property, occurring on the Premises or any part thereof in connection with this Lease, unless caused by the gross negligence or willful misconduct of Lessor. Lessee agrees to indemnify and hold Lessor harmless from any claims for damages which arise in connection with any such occurrence. Lessor agrees to indemnify and hold Lessee harmless from any claims for damages which arise from the gross negligence or willful misconduct of Lessor in connection with the Premises or this Lease. Said indemnifications shall include indemnity from any reasonable costs or fees which the indemnified party may incur in defending any such claim. The provisions of this Section shall survive termination of this Lease.

17. Lessor's Remedies on Default. If Lessee defaults in the payment of rent or defaults in the performance of any of the other covenants or conditions hereof, Lessor may give Lessee notice of such default and if Lessee does not cure any such default within thirty (30) days after the giving of such notice (or if the default is of a nature that it cannot be completely cured within such period, if Lessee does not commence such cure within

such thirty (30) days and thereafter proceed with reasonable diligence and in good faith to cure such default), then Lessor may terminate this Lease on not less than thirty (30) days' notice to Lessee. On the date specified in such notice, the term of this Lease shall terminate and Lessee shall then quit and surrender the Premises to Lessor, without extinguishing Lessee's liability. If this Lease shall have been so terminated by Lessor, Lessor may at any time thereafter resume possession of the Premises by any lawful means and remove Lessee or other occupants and their effects.

18. Waiver. No Failure to Lessor to enforce any term hereof shall be deemed to be a waiver.

19. Notices. Any notice, request, demand, or other communication which either party may or is required to give, shall be in writing and shall be delivered in person or sent to the address set forth herein below by registered or certified mail, return receipt requested with postage prepaid, by commercial overnight courier, with written verification of receipt, or by telecopy. A notice shall be deemed given: (a) when delivered by personal delivery (as evidenced by the receipt); (b) three (3) days after deposit in the mail if sent by registered or certified mail; (c) one (1) business day after having been sent by commercial overnight courier as evidenced by the written verification of receipt or (d) on the date of confirmation if telecopies. Either party may change its address for receiving notice by written notice given to the other in accordance with the provisions of this Notices section.

To Lessor
City of Coachella
53462 Enterprise Way
Coachella, CA 92236
Attn: Maritza Martinez
Phone: (760) 501-8111
E-mail: mmartinez@coachella.org

To Lessee
Desert Recreation District
45-305 Oasis Street
Indio, CA 92201
Attn: Kevin Kalman
General Manager
Phone: (760) 347-3484
E-mail: kkalman@drd.us.com

20. No Agency/Employment. In performing the terms of this Lease, the Lessor and Lessee each remain an autonomous and separate entity, solely responsible for its own actions

and those of its officers, employees, agents and volunteers. No relationship of employment, agency, partnership or joint venture is to be created by or implied from this Lease.

21. Time of Essence. Time is of the essence of this Lease.

22. Entire Agreement. This instrument constitutes the entire agreement between the parties and may be modified only by a writing signed by both parties.

23. Governing Law. This Lease shall be governed by and construed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the parties have executed this Lease as of the date first written above:

**LESSEE:**

**DESERT RECREATION DISTRICT**

California Public Agency

By: _____

Kevin Kalman, General Manager

**LESSOR:**

**CITY OF COACHELLA**

California Municipal Corporation

By: _____

Dr. Gabriel D. Martin, City Manager

*Attest:*

By: _____

Angela M. Zepeda

City Clerk - City of Coachella

*Approved as to Form:*

By: _____

Best, Best & Krieger LLP

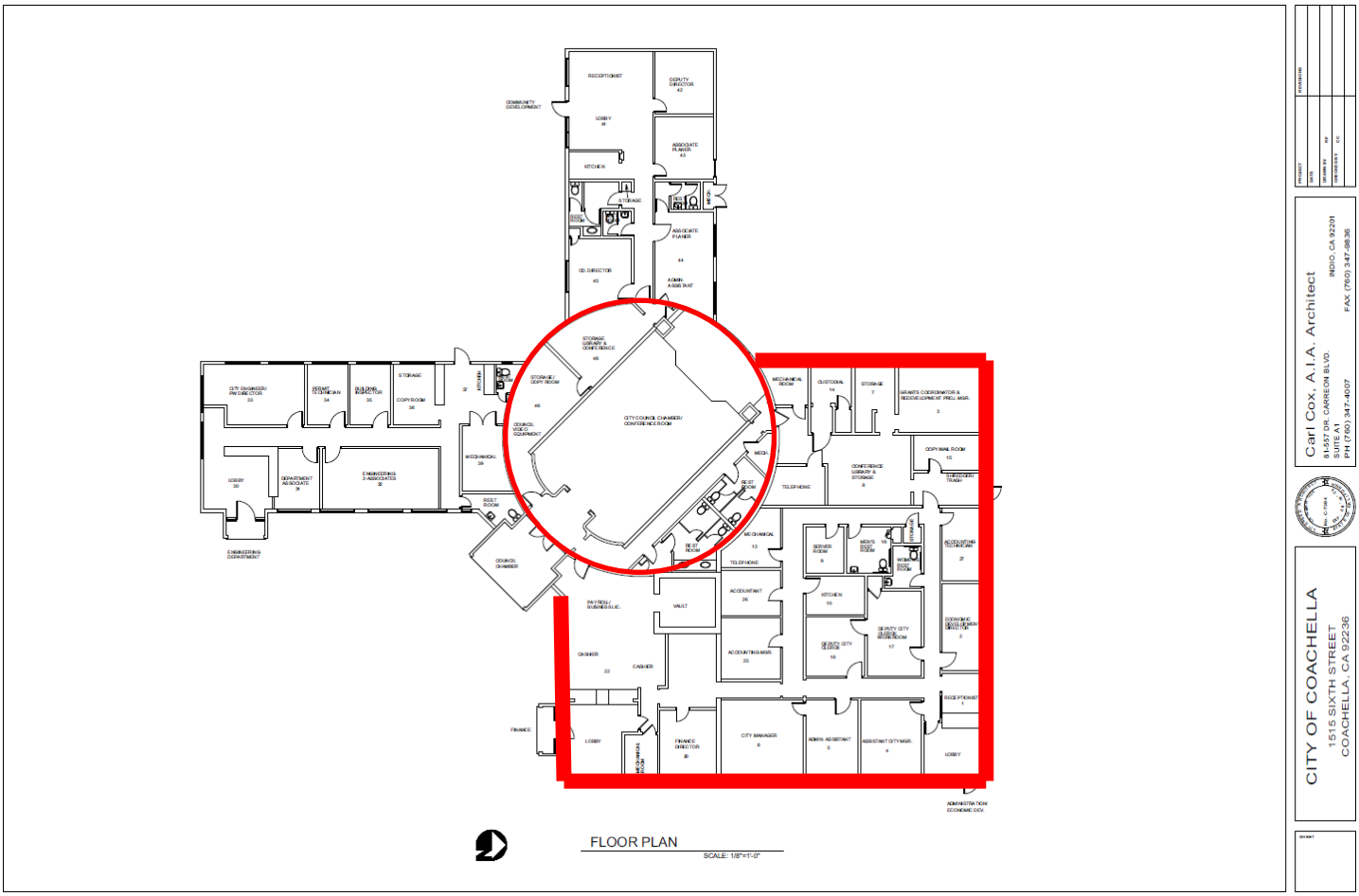
City Attorney

**EXHIBIT "A"**

**DESCRIPTION OF BUILDING:**

The City of Coachella (Lessor) owns real property (approximately 9,589 square foot "Building") located at 1515 Sixth Street, Assessor Parcel Numbers: 009-618-472, in the City of Coachella, County of Riverside, and the State of California.

Administration Division (1600 square feet), Council Chambers (988 square feet) and Parking Lot (8,000 square feet)



5th St
Vine Ave
Coachella City Hall
Orchard St
6th St
Las Tres Conchitas
Google

## EXHIBIT “B"

**SURVEY OF PREMISES**

*Pending*

**EXHIBIT "C"**

**Office and Conference Room Use of Premises by the Lessor and Lessee:**

City Council Chambers =

Lessor Use 156 square feet =

Chamber of Commerce use of 1600 square feet =

Lessee Kitchen and Restrooms =

Lessee Use 264 square feet =

*Lessee will provide janitorial maintenance to identified Kitchen and Restroom areas and hallways.