

LEASE AGREEMENT

This Lease Agreement (“Lease”) is made and entered into this 1st day of July, 2021, by and between the City of Sonora, a municipal corporation (“Lessor”) and the Sonora Union High School District, a public school district (“Lessee”). Lessor and Lessee may individually be referred to as “Party” and collectively referred to as the “Parties”. There are no other parties to this Agreement.

RECITALS

A. Lessor owns two and half (2.5) acres or one hundred eight thousand nine hundred (108,900) square feet of real property located on the south side of School Street adjacent to the City of Sonora Public Works Yard on the east and adjacent to Snell Street on the west which is a portion of APN 001-019-018 in the City of Sonora, California which consists of a parking lot (the “Premises”).

B. Lessee would like to continue to lease the Premises from Lessor.

NOW, THEREFORE, in consideration of the mutual covenants between the Parties in this Lease, and for good and valuable consideration, the Parties hereby stipulate and mutually agree as follows:

LEASE

Section 1. Recitals. The recitals set forth above are incorporated herein by this reference and made part of this Lease. In the event of any inconsistencies between the recitals and Sections 1 through 37 of this Lease, Section 1 through 37 will prevail.

Section 2. Effective Date. This Lease, and all of its provisions, shall become effective upon the execution of this Lease by all Parties (the “Effective Date”).

Section 3. Lease of Premises. Lessor hereby agrees to lease to Lessee the Premises for the terms and upon the agreements, covenants and conditions set forth in this Lease.

Section 4. Term. The term of this Lease shall be for five (5) years from July 1, 2021 and ending on June 30, 2026 (“Original Term”).

Section 5. Extended Term. Lessee shall have the option and right to extend the Original Term of this Lease for one additional five (5) year term, commencing on the expiration of the Original Term (“Extended Term”). If Lessee elects to extend the term of this Lease, Lessee must give Lessor written notice of Lessee’s election to extend at least sixty (60) calendar days before the expiration of the Original Term. During the extended Term of this Lease, if any, Lessor and Lessee shall be bound by all of the obligations, covenants, and terms of this Lease and/or any addendums to this Lease or an extension thereto. References throughout this Lease to “the term of this Lease” shall

include both the Original Term and the Extended Term, if any, unless otherwise indicated.

Section 6. Rent. Lessee shall be charged the amount of ten cents (\$0.10) per square foot or ten thousand eight hundred ninety dollars (\$10,890.00) annually in accordance with the payment schedule set forth in Exhibit "A" attached hereto.

Section 7. Penalty. The annual rent shall be received by the Lessor on or before September 30th during the term of this Agreement. The Lessee will be charged a penalty fee of ten dollars (\$10.00) each calendar day thereafter that the rent is not paid.

Section 8. Permitted Use of Premises. During the term of this Lease, Lessee shall use the Premises for student, faculty, visitor parking, and any other school or student related function or activity. The Parties agree that the primary purpose for this Lease is to use the Premises for student parking. Lessee shall not use or permit the Premises to be used for any other purpose not related to student, faculty, or visitor parking related to school, or another student related function or activity, without the prior written consent of the Lessor.

Section 9. Parking Attendants for the Premises. The City of Sonora's Police Explorer Program ("Explorer Program") and the Lessee's student organizations shall alternatively serve as parking lot attendants on the Premises during school-sponsored events. If there is an odd-number of events for a particular school activity (such as football), then the Explorer Program will provide parking attendant service for the extra event. A representative from the Explorer Program and from the student organization will meet in advance to determine the events for which they will respectively provide parking attendant services.

Section 10. Lessor's Incidental Use of the Premises. Lessor shall continue to be granted use of the parking lot the day after Thanksgiving of each year to stage the annual Christmas Parade event and for other special events with the prior written approval of the Lessee. During such use, Lessor shall be responsible to unlock and lock the gate at the conclusion of the activity scheduled or supervised by the Lessor. Lessor shall also repair any damages caused to the Premises during its use of the Premises.

Section 11. Nuisance or Waste. Lessee shall not maintain, commit, or permit the maintenance or commission of any nuisance as defined in section 3479 of the California Civil Code or in Chapter 8.20 of the Sonora Municipal Code on said Premises. Lessee shall also not use or permit the use of the Premises for any unlawful purpose. Lessee further agrees not to use or keep on the Premises any article which the Lessor's Risk Management Authority may deem hazardous or which would increase the rate of Lessor's insurance premiums. Any contamination and clean-up costs associated directly from Lessee's use of the Premises shall be borne by the Lessee.

Section 12. Condition. Lessee accepts the Premises in their present condition and stipulates that the Premises are in good, clean, safe, and usable condition as a parking lot as of the date of this Lease.

Lessor warrants that it is not aware of any condition on the property that would place Lessee, its students, faculty, visitors, members of the public, or any other person authorized to use the Premises at risk of injury.

Section 13. Agreed Upon Improvement to the Premises. The Lessee acknowledges that it accepts the Premises “as-is” and agrees to make no demands upon the Lessor for any alterations or improvements, unless specifically agreed to by the Lessor. The Lessee shall have the right to make alterations or improvements only upon receipt of written approval from the Lessor, which will not be unreasonably denied. All alterations or improvements made by the Lessee or Lessee’s contractor shall be in accordance with the City of Sonora’s resolutions, ordinances, and regulations, including obtaining a required business license, and shall be approved by the Lessor’s City Engineer prior to the commencement of construction.

Section 14. Maintenance or Repair. During the term of this Lease, the Lessee shall be responsible for all minor repairs and day-to-day maintenance of the Premises. Lessee shall, at its own cost and expense, maintain the parking lot on the Premises, including patching of asphalt and re-striping as necessary. Any maintenance or repairs to the parking lot, other than those specifically set forth in Exhibit B, attached hereto, and shall only be made with the express written consent of the Lessor and must be in compliance with the Sonora Municipal Code. Lessor shall not unreasonably withhold such consent. All costs of improvements during the terms of this Lease shall be borne by the Lessee.

Lessee warrants that it will keep the Premises in a clean and sanitary condition during the term of this lease.

Lessee shall prevent any accumulation of leaves, garbage, debris, abandoned or unauthorized vehicles or hazardous materials on the property.

Lessor shall be responsible for cleaning the Premises of all trash and/or debris after its incidental use of the Premises as set forth in section 10.

Section 15. Inspection by Lessor. Lessee shall permit Lessor or Lessor’s agents, representatives, or employees to enter the Premises at reasonable times for the purpose of inspecting said Premises.

Section 16. Waiver of Claims. Lessor assumes no responsibility for the guarding or safekeeping of the Premises, equipment, or improvements installed or constructed upon the Premises by Lessee or used in connection with the Premises during the term of this Lease. Lessee hereby waives all claims against Lessor and Lessor’s elected and appointed officials, directors, offices, employees, agents, and representatives, for any damages to the equipment or improvements on the premises and for injuries to any employees, agents, visitors, invitees or subcontractors of Lessee sustained in or about the Premises resulting from or related to the Lessee’s equipment or improvements.

Section 17. Surrender of Premises. On the Lessee's failure to exercise its option to extend the term of this Lease, or upon termination of this Lease for other cause as set forth herein, Lessee shall promptly surrender and deliver the Premises to Lessor in as good condition as Lessee received the Premises. If the Premises is found not to be in good condition, Lessor reserves the right to seek reimbursement from Lessee for the cost of any necessary repairs or maintenance to the Premises following the expiration of this Lease.

Section 18. Liability after Termination of Lease. Termination of this Lease for any reason whatsoever shall not release either Party from liability or obligation hereunder resulting from an event which may have occurred on the Premises before such termination.

Section 19. Indemnification. Lessee shall defend, indemnify, protect, hold harmless, and release Lessor and Lessor's elected and appointed officials, directors, officers, employees, agents, volunteers, and representatives ("Lessor's Agents") from and against any and all actions, claims, damage, injury, liability, or expenses, including attorneys' fees, in connection with the loss of life, personal injury, or damage to property arising from Lessee's use of the Premises or from the failure of Lessee to keep the Premises in good condition and repair, or arising from or out of Lessee's willful acts of negligence, wholly or in part, by any act or omission of Lessee, its agents, representatives, employees, invitees, or contractors ("Lessee's Agents"). These obligations to defend, indemnify, protect, hold harmless, and release Lessor, and Lessee's Agents, shall not apply to the extent that the liabilities are caused in whole or in part by the gross negligence or willful misconduct of Lessor, or Lessor's Agents. This section shall survive the termination or expiration of this Lease.

Lessor shall defend, indemnify, protect, hold harmless, and release Lessee, and Lessee's Agents, from and against any and all actions, claims, damage, injury, liability, or expenses, including attorneys' fees, in connection with the loss of life, personal injury, or damage to property arising from the willful acts or gross negligence of Lessor, or Lessor's Agents. These obligations to defend, indemnify, protect, hold harmless, and release Lessee, and Lessee's Agents, shall not apply to the extent that liabilities are caused in whole or in part by the gross negligence or willful misconduct of Lessee, or Lessee's Agents. In the event of a dispute as to liability between the Parties, the Parties agree that liability will be apportioned by a court of proper jurisdiction, and the Lessor shall reimburse the Lessee for the apportioned defense costs, including fees, costs, damages and disbursements. This subdivision shall survive the termination or expiration of this Lease.

Section 20. General Liability and Property Damage Insurance. During the term of this Lease, both Parties shall maintain in full force and effect general liability insurance in an amount no less than One Million Dollars (\$1,000,000) combined single limit for each occurrence, and a general aggregate limit of Two Million Dollars (\$2,000,000), covering bodily injury and property damage. Lessee shall include Lessor as an additional insured. Lessee shall provide Lessor with written proof of said insurance upon request. Lessor shall maintain general liability insurance in the same manner and at the same level as it does in connection with city-owned facilities.

If Lessee fails to maintain any of the insurance coverage required herein, then Lessor will have the option to terminate this Lease.

Section 21. Workers' Compensation Insurance. Both Parties shall, at their own cost and expense, maintain workers' compensation insurance for its employees and volunteers who use, maintain, or act as attendants to the parking lot during the term of this Lease.

Section 22. Partial Destruction. If, at any time during the term of this Lease, any portion of the Premises is rendered unusable (for reasons unconnected to the Lessee's use) for a period of time greater than thirty (30) calendar days, Lessee's rent shall be reduced proportionately until the parking lot on the Premises is once again usable for parking. Lessee may terminate the Lease if the damage to the parking lot renders fifty percent (50%) or more of the Premises unusable for parking for reasons unconnected to Lessee's use.

Section 23. Total Destruction. If at any time during the term of this Lease, the Premises is damaged, destroyed or becomes unusable as a parking lot (for reasons unconnected to Lessee's use), the Lessor agrees to use its best effort to repair the site so that the Lessee can continue to use the site for student, faculty, and visitor parking.

Section 24. Installation and Removal of Signs. During the term of this Lease, Lessee shall have the right, at Lessee's sole cost and expense, to install and affix on the Premises any signs or other items related to the operation of the Lessee, provided that any signs erected and maintained by lessee shall comply with all requirements of the Lessor. Any and all signs of the Lessee or other building, equipment or improvements on the Premises by Lessee that can be removed from the property without structural damage to the Premises shall remain the property of the Lessee and may be removed by Lessee at any time before the expiration of this Lease, provided Lessee repairs any damage caused by the removal. If Lessee's removal of signs, buildings, equipment or improvements causes damage to the Premises, the lessor may seek reimbursement for the cost of repairing said damage following the expiration of this Lease.

Section 25. Unremoved Signs or other Fixtures. Any signs or other buildings, equipment, or improvements described in this section that are not removed from the Premises by Lessee within thirty (30) days after the expiration or termination of this Lease, shall be deemed abandoned by Lessee and shall automatically become the property of the Lessor as owner of the real property to which they are affixed.

Section 26. Lessee's Agreement not to Assign or Sublet. Lessee shall not encumber, assign, or otherwise transfer this Lease, any right or interest in this Lease, or any right of interest in said Premises, or any of the improvements that may now or hereafter be constructed or installed on said Premises, without the express written consent of Lessor being obtained. Lessee shall not sublet said Premises, or any part thereof or allow any other person, other than Lessee's employees, students, faculty, or visitors to use or occupy said Premises, or any part thereof, without the prior written

consent of Lessor. Consent by Lessor to one assignment, one subletting, or one occupation of said Premises by another person shall not be deemed a consent to any subsequent assignment, subletting, or occupation of said Premises by any person. Any encumbrance, assignment, transfer, or subletting without the prior written consent of Lessor, whether it is voluntary or involuntary, by operation of the law or otherwise, is void and shall, at the option of Lessor, subject this Lease to automatic termination pursuant to section 28.

Section 27. Lessor's Agreement Not to Assign or Convey Interest in Property During Lease. Lessor agrees not to assign, convey, transfer, or sell its interest in the property during the term of this Lease or any extension thereof.

Section 28. Automatic Termination. The occurrence of any of the following shall constitute a material breach of this Lease by lessee and will result in automatic termination of this Lease:

- a) Any failure by Lessee to pay the rent or to make any other payment required to be made by Lessee under this Lease, when that failure continues for thirty (30) calendar days, or more, after written notice of the failure is given by Lessor to Lessee.
- b) A failure by Lessee to observe and perform any other provision of this Lease, when that failure continues for thirty (30) calendar days, or more, after written notice of Lessee's failure is given by Lessor to Lessee; provided, however, that if the nature of that breach is such that it cannot reasonably be cured within a thirty (30) day period, Lessee shall not be deemed to be in breach if Lessee commences to cure within that thirty (30) day period and thereafter diligently prosecutes it to completion.
- c) Lessee initiating or allowing encumbrance, assignment, transfer, or subletting of the Premises, or portion thereof, without the prior written consent of Lessor.

Section 29. Termination of Lease by Lessor and Recovery of Damages. In the event of any breach by Lessee under this Lease, in addition to any other remedies available to Lessor at law or in equity, Lessor shall have the right to terminate this Lease and all rights of Lessee hereunder by giving written notice of the termination. Lessor shall not have the right to accelerate payment of any future payments. Any act of Lessor to preclude Lessee's use of the Premises shall be construed as terminating this lease. In the event Lessor elects to terminate this Lease, Lessor may only recover from Lessee the worth at the time of award of any unpaid rent that had been earned at the time of termination of the Lease and reimbursement for costs of any maintenance or repair caused by Lessee's damage to the Premises.

Section 30. Termination of Lease by Lessee. Lessee reserves the right to terminate this Lease under the following conditions:

- a) Lessee no longer needs parking for Lessee's students; or

- b) A failure by Lessor to observe and perform any other provision of this lease, when that failure continues for thirty (30) calendar days after written notice of Lessor's failure is given by Lessee to Lessor; provided, however, that if the nature of that breach is such that it cannot reasonably be cured within a thirty (30) day period, Lessor shall not be deemed to be in breach of the Lease if Lessor commences to cure within that thirty (30) day period and thereafter diligently prosecutes it to completion.

Section 31. Notice. 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 served on or given to either Party hereto by the other Party, shall be in writing and shall be deemed duly served and given when personally delivered to the Party to whom they are directed, or in lieu of such personal service, when deposited in the United States mail, first-class, postage prepaid. Either Party may change its address for the purpose of this section by giving written notice of such change to the other Party in the manner provided in this section.

Notices will be addressed to the Parties as follows:

If to Lessor: City of Sonora
 94 N. Washington Street
 Sonora, CA 95370
 Attn: City Administrator

If to Lessee: Sonora Union High School District
 100 School Street
 Sonora, CA 95370
 Attn: Superintendent

Section 32. Partial Invalidity. Should any provision of this Lease be held by a court of competent jurisdiction to be either invalid, void, or unenforceable, the remaining provisions of this Lease shall remain in full force and effect unimpaired by the holding.

Section 33. Sole and Only Agreement. This instrument constitutes the sole and only agreement between the Lessor and Lessee respecting said Premises and the leasing of said Premises to Lessee. This Lease correctly sets forth the obligations of Lessor and Lessee to each other as of its date. Any prior written or verbal agreements or representations respecting said Premises or the leasing of said Premises not expressly set forth in this instrument are null and void.

Section 34. Agreement Non-Transferable. This Lease is non-transferable and is made for the express purpose of providing a parking lot for Lessee. Nothing herein shall be construed to create any right of a third party to enforce this Lease or to seek any benefit therefrom.

Section 35. Attorneys' Fees. The prevailing Party in any action brought to enforce the terms and conditions of this Lease, or arising out of the performance of this Lease,

may recover its reasonable costs (including claims administration) and attorney's fees expended in connection with such action.

Section 36. Counterparts. This Lease may be executed in duplicate counterparts, each of which shall be deemed to be an original and together shall constitute one and the same agreement.

Section 37. Amendment. No amendments to this Lease shall be effective unless such amendment is made in writing, signed by both Parties.

Section 38. Choice of Law and Venue. The Parties agree that this Lease is to be governed by and construed under the law of the State of California. The Parties further agree that in the event of a dispute regarding the terms of this Lease, the venue for any legal action shall be with the appropriate court in the County of Tuolumne, California.

IN WITNESS WHEREOF, this Lease has been executed by the Parties hereto as of the day and year written below.

LESSOR:

CITY OF SONORA, a California municipal Corporation

By: _____
Melissa Eads, City Administrator

Date: _____

LESSEE:

SONORA UNION HIGH SCHOOL DISTRICT, a public school district

By: _____
Ed Pelfrey, Superintendent

Date: _____

APPROVED AS TO FORM:

By: _____
Douglas White, City Attorney

EXHIBIT “A”

PAYMENT SCHEDULE

Year	Period Covered	Payment Date	Amount Due
1	July 1, 2021 – June 30, 2022	September 30, 2021	\$10,890.00
2	July 1, 2022 – June 30, 2023	September 30, 2022	\$10,890.00
3	July 1, 2023 – June 30, 2024	September 30, 2023	\$10,890.00
4	July 1, 2024 – June 30, 2025	September 30, 2024	\$10,890.00
5	July 1, 2025 – June 30, 2026	September 30, 2025	\$10,890.00

EXHIBIT “B”

DISTRICT RESPONSIBILITY

PARKING LOT OVERLAY

The Lessee will be the responsible party to administer the contract and pay for the parking lot to receive an overlay and striping pursuant to the following schedule:

- One (1) Sealcoat Overlay Project of the parking lot to be completed by June 30, 2025
- One (1) Striping Project of parking lot to be completed by June 30, 2025

EXHIBIT “C”

CITY OF SONORA RESPONSIBILITY

PARKING LOT, FENCING AND ENTRY GATE REPAIRS

The Lessor will be the responsible party to repair the “sinkhole”, and repair fencing and entry gate to enclose parking lot completely pursuant to the following schedule:

- One “sinkhole” repair to be completed by June 30, 2025 - COMPLETED
- Multiple fencing repairs to be completed by June 30, 2025 - COMPLETED
- One entry gate repair to be completed by June 30, 2025