

**LEASE AGREEMENT BETWEEN
THE COUNTY OF SOLANO
AND
SOLANO COUNTY LAFCO**

DATED: December 2, 2025



Table of Contents

1. PARTIES	
2. PREMISES	
2.1. Parking	
2.2 Access to Premises	
3. TERM	
4. RENT	
4.1. Initial Period	
4.2. Rent Payments	
4.3. Delinquent Rent	
5. SECURITY DEPOSIT	
6. UTILITIES	
7. PREMISES MAINTENANCE AND REPAIR	
7.1. County's Obligations	
7.2. Tenant's Obligations	
7.3. County's Rights	
7.4. Tenant's Rights	
8. USE	
8.1. Use	
8.2. Compliance with Law	
9. CONDITIONS OF PREMISES	
9.1. County's Delivery of the Premises	
9.2. Tenant's Acceptance of the Premises	
10. ALTERATIONS AND ADDITIONS	
11. INDEMNIFICATION	
11.1. County's Obligation	
11.2. Tenant's Obligation	
12. INSURANCE REQUIREMENT	
12.1. Tenant's Insurance	
12.2. Waivers of Subrogation	
12.3. Exemption of County from Liability	
13. HAZARDOUS MATERIALS	
14. DAMAGE OR DESTRUCTION	
14.1. Definitions	
14.2. Partial Damage – Insured Loss	
14.3. Partial Damage – Uninsured Loss	
14.4. Total Destruction	
	14.5. Damage Near End of Term
	14.6. Abatement of Rent; Tenant's Remedies
	14.7. Termination – Advanced Payments
	14.8. Waiver
	15. RELOCATION
	16. TRASH AND GARBAGE
	17. ASSIGNMENT AND SUBLETTING
	17.1. County's Consent Required
	17.2. No Release of Tenant
	18. LIMITED RIGHT OF ENTRY
	19. DEFAULTS AND REMEDIES
	19.1. Defaults by Tenant
	19.2. Default by County
	19.3. Remedies
	20. CONDITON UPON TERMINATION
	21. HOLDING OVER
	22. NOTICES
	23. ENTIRE AGREEMENT
	24. TIME OF ESSENCE
	25. SEVERABILITY
	26. TIME PERIODS
	27. BINDING EFFECT; CHOICE OF LAW
	28. WAIVERS
	29. JOINT AND SEVERAL
	30. INCORPORATION OF PRIOR AGREEMENTS/AMENDMENTS
	31. QUIET POSSESSION
	32. SECURITY MEASURES
	33. LOCKS
	34. PERFORMANCE UNDER PROTEST
	35. AMENDMENT
	36. FORCE MAJEURE
	37. AUTHORITY
	EXHIBIT A
	EXHIBIT B
	EXHIBIT C

LEASE AGREEMENT

1. PARTIES

This Lease Agreement ("Lease") is made as of December 2, 2025 ("Effective Date") between Solano County LAFCO ("Tenant") and the County of Solano, a political subdivision of the State of California ("County").

2. PREMISES

County owns the real property identified and described as 675 Texas Street, Fairfield, CA 94533 (Assessor's Parcel Number 0030-251-020) as illustrated on the map attached as Exhibit A ("Property") and incorporated into this Agreement. County leases to Tenant and Tenant leases from County a portion of the Property containing approximately 1,660 square feet of office space on the sixth floor of the building at the County Administrative Center Building as illustrated on the map attached as Exhibit B ("Premises") and incorporated into this Agreement. Tenant will also have non-exclusive rights to use the common areas and access routes within the Property.

2.1. Parking

Tenant parking shall be limited to the non-exclusive use of the parking area within the Property. Tenant staff shall be provided with the same parking permits as issued to County staff.

2.2. Access to Premises

The parties understand that as an independent public agency, Tenant must assure public access to its offices. Tenant understands that access to the Premises is through County facilities, reception personnel and locked doors accessible only with electronic badges. To ensure public access to Tenant offices, County agrees to do the following:

- a) Install adequate and suitable signage to guide the public to Tenant offices in consultation with Tenant.
- b) Ensure that reception to the Premises is staffed 8:00 a.m. to 5:00 p.m. during the business week.
- c) Instruct County reception staff to handle Tenant reception in the manner directed by Tenant.
- d) Provide keys or other means of access to Tenant to allow access to the Premises on weekends and outside normal facility business hours.
- e) Except in an emergency, County shall not restrict access to the Premises by Tenant, Tenant's commissioners, invitees and members of the public seeking to meet with Tenant.
- f) County warrants that access will always be ADA accessible.

3. TERM

The term shall commence on June 13, 2025 ("Commencement Date") and expire on June 30, 2030 ("Expiration Date"). Either party on ninety (90) days written notice to the other may terminate this lease earlier.

4. RENT

4.1. Rent Payments

Beginning on July 1, 2025, Tenant shall pay to County as a base rent for the Premises the sum of Three Thousand Three Hundred Twenty-nine dollars (\$3,454) per month, payable in advance, in quarterly installments. Pro rata rent shall be charged for June 2025. Commencing on July 1, 2026 and every July 1st thereafter, the monthly rent shall be increased annually by three percent (3%). Tenant agrees to make rental payments to:

County of Solano
Department of General Services
Real Estate Services
675 Texas St., Suite 2500
Fairfield, CA 94533
Attn: Real Estate

Rent for any period during the term which is for less than one month shall be a pro rata portion of the monthly installment based on the actual number of days in that month. Rent shall be payable to County at the address stated above or at such other address as County may from time to time designate in writing.

4.2. Delinquent Rent

Tenant acknowledges that County incurs collection and administrative costs associated with pursuing delinquent rental payments. Tenant will timely process payment upon receiving an invoice or rental charge journal voucher from General Services. County and Tenant agree that if payment of rent for any month is not received by County by 5:00 p.m. on the tenth (10th) day of each quarter, Tenant shall pay a late charge equal to ten percent (10%) of such overdue amount which shall be due and payable at the time the Rental Payment is made. If the late charge is not paid in a timely fashion, the amount owed will be added to the succeeding quarter's Rental Payment.

5. SECURITY DEPOSIT

No security deposit shall be required.

6. UTILITIES

County shall be responsible for and shall pay all charges for electrical, water, garbage, sewer, heat, gas, and any other utility services provided to the Premises during the term of the Lease, except for Tenant shall be responsible for and shall pay for all of Tenant's phone and data charges. Tenant shall transfer existing phone and internet service with the same carrier if possible. Otherwise, the parties recognize that access to County phone, network and internet access at reasonable cost is essential for Tenant to occupy and operate in the Premises.

7. PREMISES MAINTENANCE AND REPAIR

7.1. County's Obligations

County shall have the responsibility to maintain the roof, exterior walls and foundation of the Building in a structurally sound and water tight condition, and other building components, including but not limited to, interior walls, doors, window glass (to include plate glass), signs located within the leased Premises or attached to the exterior of the Building, awnings, floor coverings, ceilings, interior painting, County-provided furnishings, fixtures, equipment and kitchen appliances, and all components of the HVAC, plumbing and electrical systems, including HVAC filters, plumbing fixtures,

lighting fixtures, light bulbs, light switches, electrical outlets, and thermostat controls. County shall also be responsible for all custodial and janitorial services. County shall use reasonable efforts when making any repairs, additions, or alterations in, about, or affecting the Premises, so as to minimize interference with Tenant's operations and business.

7.2. Tenant's Obligations

Tenant shall, at Tenant's sole cost and expense, be obligated to keep the Premises, clean, and every part of it in good condition and repair, damage from causes related to Tenant's use.

7.3. County's Rights

If Tenant fails to perform Tenant's obligations under this Lease, County may at its option (but shall not be required to) enter upon the Premises after seven (7) days prior written notice to Tenant (except in the case of an emergency, in which case no notice shall be required), perform such obligations on Tenant's behalf and put the same in good order, condition and repair, and the cost thereof together with interest thereon at the maximum rate then allowable by law shall become due and payable as additional rent to County together with Tenant's next rental payment.

7.4. Tenant's Rights

If County fails to perform its maintenance and repair obligations under this Lease, Tenant may at its option after seven (7) days prior written notice to County, perform such obligations and put the same in good order, condition and repair, and the cost thereof together with interest thereon at the maximum rate then allowable by law shall become due and payable by County and may be deducted by Tenant from rent due until paid.

8. USE

8.1. Use

The Premises shall be used and utilized only for operation of Tenant's offices. Tenant shall have the right to freely use the Premises for Tenant's purposes as it deems appropriate, without County oversight or control other than alterations, improvements and additions that require County consent.

8.2. Compliance with Law

Except as provided in this Lease, Tenant shall, at Tenant's expense, comply with all applicable statutes, codes, ordinances, rules, regulations, covenants and requirements in effect during the term or any part of the term, and regulating the use by Tenant of the Premises. Tenant shall not use the Premises in any manner that will tend to create waste or a nuisance or disturb other users of the Building.

9. CONDITIONS OF PREMISES

9.1. County's Delivery of the Premises

County warrants that it shall deliver the Premises to Tenant clean and free of debris on the Commencement Date. If this warranty has been violated, then County shall, after receipt of written notice from Tenant setting forth with specificity the nature of the violation, promptly, at County's sole cost, rectify such violation. Tenant's failure to give such written notice to County within thirty (30) days after the Commencement Date shall cause the conclusive presumption that County has complied with all of County's obligations hereunder.

9.2. Tenant's Acceptance of the Premises

Except as otherwise provided in this Lease, Tenant accepts the Premises in its "AS-IS" condition existing as of the Commencement Date as being in good and sanitary order, condition and repair. Tenant acknowledges that except as expressly provided in this Lease, County has made no representation or warranty as to the present or future suitability of the Premises for Tenant's proposed use. Tenant acknowledges that County has not agreed to undertake or provide any improvements to the Premises for Tenant. Tenant may from time to time request that County furniture be removed from or installed in the Premises based on Tenant's use needs, and County agrees to remove or install it at Tenant's cost if requested.

10. ALTERATIONS AND ADDITIONS

- a) Tenant shall not, without County's prior written consent, make any alterations, improvements, additions, or Utility Installations in, on or about the Premises, which consent shall not be unreasonably withheld. As used in this paragraph, the term "Utility Installation" shall mean carpeting, window coverings, air lines, power panels, electrical distribution systems, built-in lighting fixtures, heating\cooling ducts (other than flow adjustments) and plumbing. As used here, "alterations, improvements and additions" means any substantial change to the permanent structural components (walls, ceilings, windows, doors, HVAC, etc.), and does not include easily reversible, non-damaging changes such as hanging pictures or other normal office rearrangements. County may require that Tenant remove any or all of said alterations, improvements, additions or Utility Installations at the expiration of the term, and restore the Premises to its prior condition. County may require Tenant to provide County, at Tenant's sole cost and expense, a lien and completion bond in an amount equal to one and one-half times the estimated cost of such improvements, to insure County against any liability for mechanics' and materialmen's liens and to insure completion of the work. Should Tenant make any alterations, improvements, additions or Utility Installations without the prior approval of County, County may require that Tenant remove same.
- b) Any alterations, improvements, additions or Utility Installations in, on, or about the Premises that Tenant shall desire to make and which require the consent of County shall be presented to County in written form, with proposed detailed plans. If County shall give its consent, the consent shall be deemed conditioned upon Tenant acquiring a permit to do so from appropriate governmental agencies, the furnishing of a copy thereof to County prior to the commencement of the work and the compliance by Tenant of all conditions of said permit in a prompt and expeditious manner.
- c) Should County consent to alterations of the Premises, Tenant shall submit to County all plans and specifications which shall be subject to County's prior written approval, which shall not be unreasonably withheld or delayed. All approved plans and specifications shall be in compliance with all laws, rules, permits and authorizations from all pertinent governmental authorities and quasi-governmental authorities, including, but not limited to, those required under the ADA. Tenant shall be solely responsible for any and all costs related to any required ADA related new construction or repairs triggered by alterations requested or performed by Tenant.
- d) Tenant shall pay, when due, all claims for labor or materials furnished or alleged to have been furnished to or for Tenant at or for use in the Premises, which claims are or may be secured by any mechanic's or materialmen's liens against the Premises or

any interest therein. Tenant shall give County not less than ten (10) days' notice prior to the commencement of any work in the Premises, and County shall have the right to post notices of non-responsibility in or on the Premises as provided by law. If Tenant shall, in good faith, contest the validity of any such lien, claim or demand, then Tenant shall, at its sole expense defend itself and County against the same and shall pay and satisfy any such adverse judgment that may be rendered thereon before the enforcement thereof against County or the Premises, upon the condition that if County shall require, Tenant shall furnish to County a surety bond satisfactory to County in an amount equal to such contested lien claim or demand indemnifying County against liability for the same and holding the Premises free from the effect of such lien or claim. In addition, County may require Tenant to pay County's attorneys' fees and costs in participating in such action if County shall decide it is in its best interest to do so.

- e) Unless County requires their removal, as set forth in paragraph 11(a), all alterations, improvements, additions and Utility Installations (whether or not such Utility Installations constitute trade fixtures of Tenant), made on the Premises, shall become the property of County and remain upon and be surrendered with the Premises at the expiration of the term. Notwithstanding the provisions of this paragraph, Tenant's machinery and equipment, other than that which is affixed to the Premises so that it cannot be removed without material damage to the Premises, shall remain the property of Tenant and may be removed by Tenant subject to the provisions of Paragraph 24.

11. INDEMNIFICATION

11.1. County's Obligation

County shall indemnify, defend and hold harmless Tenant, its officers, agents, and employees from and against any claims, damages, costs, expenses, including an amount equal to reasonable attorneys' fees, or liabilities arising out of or in any way connected with this Lease including, without limitation, claims, damages, costs, expenses, or liabilities for loss or damage to any property, or for death or injury to any person or persons in proportion to and to the extent that such claims, damages, costs, expenses, or liabilities arise from the negligence or willful acts or omissions of County, its officers, agents, or employees.

11.2. Tenant's Obligation

Tenant shall indemnify, defend and hold harmless County, its officers, agents and employees from and against any claims, damages, costs, expenses, including an amount equal to reasonable attorneys' fees, or liabilities arising out of or in any way connected with this Lease including, without limitation, claims, damages, costs, expenses, or liabilities for loss or damage to any property or for death or injury to any person or persons in proportion to and to the extent that such claims, damages, costs, expenses, or liabilities arise from the negligence or willful acts or omissions of Tenant, its officers, agents, or employees.

12. INSURANCE REQUIREMENT

12.1. Tenant's Insurance

Tenant shall, at its sole cost and expense, procure and maintain during the entire term of this Lease public liability and property damage insurance in accordance with the requirements of Exhibit C which is attached and incorporated in this Agreement. Tenant

must provide a current Certificate of Insurance annually throughout the term of this Lease.

12.2. Waivers of Subrogation

County and Tenant each waive any right of recovery against the other due to loss of or damage to the property of either County or Tenant when such loss of or damage to property arises out of the acts of God or any of the property perils included in the classification of fire, extended perils ("all risk" as such term is used in the insurance industry) whether or not such perils have been insured, self-insured or non-insured.

12.3. Exemption of County from Liability

Except where County breaches its obligations under Section 19.2 below, Tenant agrees that County shall not be liable for injury to Tenant's business or any loss of income therefrom or for damage to the goods, wares, merchandise or other property of Tenant, Tenant's employees, invitees, customers, or any other person in or about the Premises, nor shall County be liable for injury to the person of Tenant, Tenant's employees, agents or contractors, as a result of any condition of the Premises or the Building, whether such damage or injury is caused by or results from fire, steam, electricity, gas, water or rain, or from the breakage, leakage, obstruction or other defects of pipes, sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures, or from any other cause in or about the Premises, whether the said damage or injury results from conditions arising in the Premises or in other portions of the Property of which the Premises are a part, or from other sources or places and regardless of whether the cause of such damage or injury or the means of repairing the same is inaccessible to Tenant. County shall not be liable for any damages arising from any act or neglect of any other tenant, if any, of the building in which the Premises are located.

County and Tenant shall each indemnify, defend and hold the other harmless from and against all claims, losses, liabilities, damages, costs, and expenses (including reasonable attorneys' and consultants' fees, costs and expenses) (collectively "Losses") arising from the indemnifying party's breach of any term or condition of this Agreement or from the negligence or willful misconduct of the indemnifying party or its agents, employees or contractors in or about the Property. The duties described in this Paragraph 12.3 shall apply as of the Effective Date of this Agreement and survive the termination of this Agreement.

13. HAZARDOUS MATERIALS

Hazardous materials are those substances listed in the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601, et seq. ("CERCLA") and the California Hazardous Waste Control Act, Health and Safety Code Section 25100 et seq., or those which meet the toxicity, reactivity, corrosivity or flammability criteria of the above regulations, as well as any other substance which poses a hazard to human health or to the environment.

Tenant shall not use, create, store or allow any such substances on the Premises. In no case shall Tenant cause or allow the deposit or disposal of any such substance on the Premises. Household products necessary for routine cleaning and maintenance of the Premises may be kept on the Premises in reasonable quantities for current needs.

Tenant shall indemnify, defend and hold County harmless from any claims, causes of actions, liabilities, fees, costs or expenses (including reasonable attorney's fees and costs) arising from or in connection with (i) any violation of applicable law, (ii) personal injury or death of any persons, (iii) property damage, or (iv) any response or environmental remediation costs, caused or alleged to have been caused by the presence of hazardous materials brought upon or generated on the Premises by Tenant, its agents or invitees, including, without limitation, claims made against County with respect to property damage or personal injury to, or death of, any employee or agent of County or of any third party.

14. DAMAGE OR DESTRUCTION

14.1. Definitions

- a) "Premises Partial Damage" shall herein mean damage or destruction, when and as determined by City, to the Premises to the extent that the cost of repair is less than 10% of the then replacement cost of the Premises.
- b) "Premises Total Destruction" shall herein mean damage or destruction, when and as determined by County, to the Premises to the extent that the cost of repair is 10% or more of the then replacement cost of the Premises.
- c) "Insured Loss" shall herein mean damage or destruction which was caused by an event required to be covered by the insurance described in this paragraph.

14.2. Partial Damage – Insured Loss

Subject to the provisions of paragraphs 15.4, 15.5 and 15.6, if at any time during the term of this Lease there is damage which is an Insured Loss and which falls into the classification of Premises Partial Damage, then County shall, at County's expense, repair such damage, excluding Tenant's fixtures, equipment and/or improvements, as soon as reasonably possible, and this Lease shall continue in full force and effect.

14.3. Partial Damage – Uninsured Loss

Subject to the provisions of paragraphs 15.4 and 15.5 and 15.6, if at any time during the term of this Lease there is damage which is not an Insured Loss and which falls within the classification of Premises Partial Damage, unless caused by a negligent or willful act of Tenant (in which event Tenant shall make the repairs at Tenant's expense), County may at County's option either (i) repair such damage as soon as reasonably possible at County's expense in which event this Lease shall continue in full force and effect, or (ii) give written notice to Tenant within thirty (30) days after the date of the occurrence of such damage of County's intention to cancel and terminate this Lease, as of the date of the occurrence of such damage. In the event County elects to give such notice of County's intention to cancel and terminate this Lease, Tenant shall have the right within ten (10) days after the receipt of such notice to give written notice to County of Tenant's intention to repair such damage at Tenant's expense, in which event this Lease shall continue in full force and effect, and Tenant shall proceed to make such repairs as soon as reasonably possible. If Tenant does not give such notice within such ten (10) day period this Lease shall be canceled and terminated as of the date of the occurrence of such damage.

14.4. Total Destruction

If at any time during the term of this Lease there is damage, whether or not an Insured Loss, (including destruction required by any authorized public authority), which falls

into the classification of Premises Total Destruction, this Lease shall automatically terminate as of the date of destruction.

14.5. Damage Near End of Term

- a) If at any time during the last twelve (12) months of the term of this Lease there is damage, whether or not an Insured Loss, which falls within the classification of Premises Partial Damage, County may at County's option cancel and terminate this Lease as of the date of occurrence of such damage by giving written notice to Tenant of County's election to do so within thirty (30) days after the date of occurrence of such damage.
- b) Notwithstanding paragraph 14.5(a), in the event that Tenant has an option to extend or renew this Lease, and the time within which said option may be exercised has not yet expired, Tenant shall exercise such option, if it is to be exercised at all, no later than twenty (20) days after the occurrence of an Insured Loss falling within the classification of Premises Partial Damage during the last six months of the term of this Lease. If Tenant duly exercises such option during said twenty (20) day period; County shall at County's expense, repair such damage as soon as reasonably possible and this Lease shall continue in full force and effect. If Tenant fails to exercise such option during said twenty (20) day period, then County may at County's option terminate and cancel this Lease as of the expiration of said twenty (20) day period by giving written notice to Tenant of County's election to do so within ten (10) days after the expiration of said twenty (20) day period, notwithstanding any term or provision in the grant of option to the contrary.

14.6. Abatement of Rent; Tenant's Remedies

- a) In the event of damage described in paragraphs 14.2 or 14.3, and County or Tenant repairs or restores the Premises pursuant to the provisions of this paragraph, the rent payable for the period during which such damage, repair or restoration continues shall be abated in proportion to the degree to which Tenant's use of the Premises is impaired. Except for abatement of rent, if any, Tenant shall have no claim against County to any damage suffered by reason of any such damage, destruction, repair or restoration.
- b) If County shall be obligated to repair or restore the Premises under the provisions of this paragraph and shall not commence such repair or restoration within ninety (90) days after such obligations shall accrue, Tenant may at Tenant's option cancel and terminate this Lease by giving County written notice of Tenant's election to do so at any time prior to the commencement of such repair or restoration. In such event this Lease shall terminate as of the date of such notice.

14.7. Termination – Advanced Payments

Upon termination of this Lease pursuant to this paragraph 14, an equitable adjustment shall be made concerning advance rent and any advance payments made by Tenant to County. County shall, in addition, return to Tenant so much of Tenant's security deposit as has not been applied by County.

14.8. Waiver

Tenant waives the provisions of any statutes which relate to termination of leases when leased property is destroyed and agrees that such event shall be governed by the terms of this Lease.

15. RELOCATION

Tenant understands and acknowledges that this Lease creates no rights in Tenant to receive relocation benefits, payments or any advisory assistance upon termination of this Lease.

16. TRASH AND GARBAGE

Tenant shall place all trash and garbage in such areas and containers and in such manner prescribed by County on a daily basis.

17. ASSIGNMENT AND SUBLETTING

17.1. County's Consent Required

Tenant shall not assign, transfer, mortgage, sublet, or otherwise transfer or encumber all or any part of Tenant's interest in this Lease or in the Premises, without County's prior written consent, which County shall not unreasonably withhold. County shall respond to Tenant's request for consent in a timely manner and any attempted assignment, transfer, mortgage, encumbrance or subletting without such consent shall be void, and shall constitute a breach of this Lease.

17.2. No Release of Tenant

Regardless of County's consent, no subletting or assignment shall release Tenant of Tenant's obligation or alter the primary liability of Tenant to pay the rent and to perform all other obligations to be performed by Tenant. The acceptance of rent by County from any other person shall not be deemed to be a waiver by County of any provision hereof. Consent to one assignment or subletting shall not be deemed consent to any subsequent assignment or subletting. In the event of default by any assignee of Tenant or any successor of Tenant, in the performance of any of the terms hereof, County may proceed directly against Tenant without the necessity of exhausting remedies against said assignee. County may consent to subsequent assignments or subletting of this Lease or amendments or modifications to this Lease with assignees of Tenant, without notifying Tenant or Tenant successor, and without obtaining its or their consent thereto, and such action shall not relieve Tenant of liability under this Lease.

18. LIMITED RIGHT OF ENTRY

County and County's agents shall have the right to enter the Premises at reasonable times for the purpose of inspecting the same and making such alterations, repairs, improvements or additions to the Premises or to the Building of which they are a part as County may deem necessary or desirable. Such entry shall be upon prior written notice. County agrees to at all times respect the security and confidentiality of all Tenant activities and records.

19. DEFAULTS AND REMEDIES

19.1. Default by Tenant

The occurrence of any one or more of the following events shall constitute a material default and breach of this Lease by Tenant:

- a) The vacating or abandonment of the Premises by Tenant.
- b) The failure by Tenant to make any payment of rent or any other payment required to be made by Tenant, as and when due, where such failure shall continue for a period

of three (3) days after written notice thereof from County to Tenant. In the event that County serves Tenant with a Notice to Pay Rent or Quit pursuant to applicable Unlawful Detainer statutes, such Notice to Pay Rent or Quit shall also constitute the notice required by this subparagraph.

- c) The failure by Tenant to observe or perform any of the covenants, conditions or provisions of this Lease to be observed or performed by Tenant, other than described in paragraph (b) above, where such failure shall continue for a period of thirty (30) days after written notice thereof from County to Tenant; provided, however, that if the nature of Tenant's default is such that more than thirty (30) days are reasonably required for its cure, then Tenant shall not be deemed to be in default if Tenant commenced such cure within said 30-day period and thereafter diligently prosecutes such cure to completion.
- d) The making by Tenant of (i) any general arrangement or assignment for the benefit of creditors; (ii) Tenant becomes a "debtor" as defined in 11 U.S.C. § 101 or any successor statute thereto (unless, in the case of a petition filed against Tenant, the same is dismissed within sixty (60) days); (iii) the appointment of a trustee or receiver to take possession of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where possession is not restored to Tenant within thirty (30) days; or (iv) the attachment, execution or other judicial seizure of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where such seizure is not discharged within thirty (30) days. Provided, that any provision of this paragraph is contrary to any applicable law, such provision shall be of no force or effect.
- e) The discovery by County that any document given to County by Tenant, any assignee of Tenant, any subtenant of Tenant, any successor in interest of Tenant or any guarantor of Tenant's obligation, and any of them, was materially false.

19.2. Default by County

County shall not be in default unless County fails to perform obligations required of County within a reasonable time, but in no event later than thirty (30) days after written notice by Tenant to County and to the holder of any first mortgage or deed of trust covering the Premises whose name and address shall have been furnished to Tenant in writing, specifying wherein County has failed to perform such obligation; provided, however, that if the nature of County's obligation is such that more than thirty (30) days are required for performance then County shall not be in default if County makes a binding commitment to Tenant to complete the corrector actions and commences performance within such 30-day period and thereafter diligently prosecutes the same to completion.

19.3. Remedies

Because this is an agreement between public agencies spending taxpayer money, the parties both agree that it is important to try to resolve issues without resort to expensive litigation. Therefore, in the event of any material default or breach by either party or claim thereof, unless it is an imminent threat of irreparable harm, the parties shall first make a good faith effort to resolve the issue. If the parties cannot resolve it themselves, the matter shall then be subject to mediation by a mediator mutually acceptable to the parties. If the parties cannot agree on a mediator, then the mediation shall be submitted to the American Arbitration

Association and the mediator selected in accordance with its rules. Only after such efforts are exhausted shall either party commence litigation against the other.

20. CONDTION UPON TERMINATION

On the last day of the term, or on any sooner termination, Tenant shall surrender the Premises to County in the same condition as when received, ordinary wear and tear excepted, clean and free of debris. County shall repair any damage to the Premises occasioned by the installation or removal of Tenant's trade fixtures, furnishings and equipment, including but not limited to, drywall patching and touch-up painting for screw and/or nail holes, which cost shall be the responsibility of Tenant and payable within 30 days of the date of invoice to Tenant.

21. HOLDING OVER

If Tenant, with County's consent, remains in possession of the Premises or any part thereof after the expiration of the term hereof, such occupancy shall be a tenancy from month to month upon all the provisions of this Lease pertaining to the obligations of Tenant, with the exception of rent, which shall be at 125% of the current rental rate in effect at the expiration of the Initial or Extended Term. All options and rights of first refusal, if any, granted upon the terms of this Lease shall be deemed terminated and be of no further effect during said month to month tenancy.

22. NOTICES

All notices or correspondence provided for herein shall be effective only if made in writing, personally delivered with an executed acknowledgment of receipt or deposited in the United States mail, certified, postage prepaid, and addressed as follows:

To County: County of Solano
 Department of General Services
 Real Estate Services
 675 Texas St., Suite 2500
 Fairfield, CA 94533
 Attn: Real Estate

To Tenant: Solano County LAFCO
 675 Texas Street, Suite 6800
 Attn: Executive Officer

23. ENTIRE AGREEMENT

There are no promises, agreements, conditions, understandings, inducements, warranties, or representations, oral or written, expressed or implied, between the parties other than as herein set forth. This Lease shall not be modified in any manner except by an instrument in writing executed by the parties.

24. TIME OF ESSENCE

Time is of the essence in all terms and conditions of this Lease Agreement.

25. SEVERABILITY

The invalidity of any provision of this Lease as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision hereof.

26. TIME PERIODS

Whenever a period of time is prescribed for action to be taken by County, County shall not be liable or responsible for and there shall be excluded from the computation of any such period of time, any delays due to strikes, riots, acts of GOD, shortages of labor or materials, war, governmental laws, regulations or restrictions or any other causes of any kind whatsoever which are beyond the reasonable control of County. At any time when there is an outstanding mortgage, deed of trust or similar security instrument covering County's interest in the Premises, Tenant may not exercise any remedies for default by County unless and until the holder of the indebtedness secured by such mortgage, deed of trust or similar security instrument shall have received written notice of such default and a reasonable time for curing such default shall thereafter have elapsed. All specific periods and timeframes referenced in this Lease shall be interpreted as calendar days.

27. BINDING EFFECT; CHOICE OF LAW

Subject to the provisions of paragraph 17, this Lease shall bind the parties, their personal representatives, successors and assigns. The laws of the State wherein the Premises are located shall govern this Lease.

28. WAIVERS

No waiver by County or any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent breach by Tenant of the same or any other provision. County's consent to, or approval of, any act shall not be deemed to render unnecessary the obtaining of County's consent to or approval of any subsequent act by Tenant. The acceptance of rent by County shall not be a waiver of any preceding breach by Tenant of any provision hereof, other than the failure of Tenant to pay the particular rent so accepted, regardless of County's knowledge of such preceding breach at the time of acceptance of such rent.

29. JOINT AND SEVERAL

In the event that either County or Tenant is composed of more than one person or entity, the obligations imposed herein shall be joint and several.

30. INCORPORATION OF PRIOR AGREEMENTS/AMENDMENTS

This Lease contains all agreements of the parties with respect to any matter mentioned herein. No prior agreement or understanding pertaining to any such matter shall be effective. This Lease may be modified in writing only, signed by the parties in interest at the time of the modification. Except as otherwise stated in this Lease, Tenant acknowledges that neither County or any employees or agents of County have made any oral or written warranties or representations to Tenant relative to the condition or use by Tenant of said Premises and Tenant acknowledges that Tenant assumes all responsibility regarding the Occupational Safety Health Act, the legal use and adaptability of the Premises and the compliance thereof with all applicable laws and regulations in effect during the terms of the Lease except as otherwise specifically stated in this Lease.

31. QUIET POSSESSION

Upon Tenant paying the rent for the Premises and observing and performing all of the covenants, conditions and provisions on Tenant's part to be observed and performed hereunder, Tenant shall have quiet possession of the Premises for the entire term subject to all of the provisions of this Lease.

32. SECURITY MEASURES

- a) Common Area Security. The parties understand that Tenant has no control over the common areas and limited control over the Premises being rented and is therefore reliant upon County to provide security within those areas.
- b) Premises Security. The parties recognize that with the layout of the Premises, Tenant does not have exclusive control of access within its space other than to the individual offices. In order to maintain proper separation and confidentiality of Tenant's operations, the parties agree as follows:
 - 1. County shall provide Tenant with keys to the offices and only provide copies to the Facility Manager and cleaning staff, necessary for cleaning and emergency access.
 - 2. County staff shall be instructed to respect Tenant's autonomy while using the common-space hallways through and/or adjacent to the Premises to access areas beyond the Premises.

33. LOCKS

Tenant shall not add or change any locks on the Premises.

34. PERFORMANCE UNDER PROTEST

If at any time a dispute shall arise as to any amount or sum of money to be paid by one party to the other under the provisions hereof, the party against whom the obligation to pay the money is asserted shall have the right to make payment "under protest" and such payment shall not be regarded as a voluntary payment, and there shall survive the right on the part of said party to institute suit for recovery of such sum. If it shall be adjudged that there was no legal obligation on the part of said party to pay such sum or any part thereof, said party shall be entitled to recover such sum or so much thereof as it was not legally required to pay under the provisions of this Lease.

35. AMENDMENT

The terms of this Lease may be amended only in writing and by mutual agreement between County and the Tenant.

36. FORCE MAJEURE

Except as otherwise provided, whenever a party is required to perform an act under this Lease by a certain time, the time for such performance shall be extended for so long as such performance is prevented, delayed, retarded, or hindered by Force Majeure. If a delay in performance is caused by a Force Majeure event, the party who is claiming a delay in performance (Claiming Party) must notify the other party (Non-Claiming Party) within ten (10) days of the commencement of the Force Majeure event (a) that a Force Majeure event has taken place, (b) when the Force Majeure occurred, (c) the nature of the Force Majeure event, (d) that performance is being delayed due to the Force Majeure event, (e) the expected length of time of delay of performance, and (f) description of damage of event or Force Majeure and how it has delayed performance. Failure to notify the Non-Claiming Party within such 10-day period shall result in the waiver by the Claiming Party to claim a delay in performance due to the Force Majeure event.

37. AUTHORITY

Each individual executing this this Lease on behalf of an entity represents and warrants that he or she has been authorized to do so by the entity on whose behalf he or she executes this Lease and that said entity will be obligated to perform the terms of this Lease.

IN WITNESS WHEREOF, the Parties have executed this Lease as of the Effective Date set forth above.

COUNTY: COUNTY OF SOLANO, a
political subdivision of the State of
California

TENANT: Local Agency Formation
Commission of Solano County (Solano
LAFCO)

Ian Goldberg
County Administrator



Richard Seithel
Executive Officer

APPROVED AS TO FORM

Megan Callaway

Megan Callaway, Deputy County Counsel

EXHIBIT A

675 TEXAS STREET, FAIRFIELD, CA 94533 (APN: 0030-251-020)

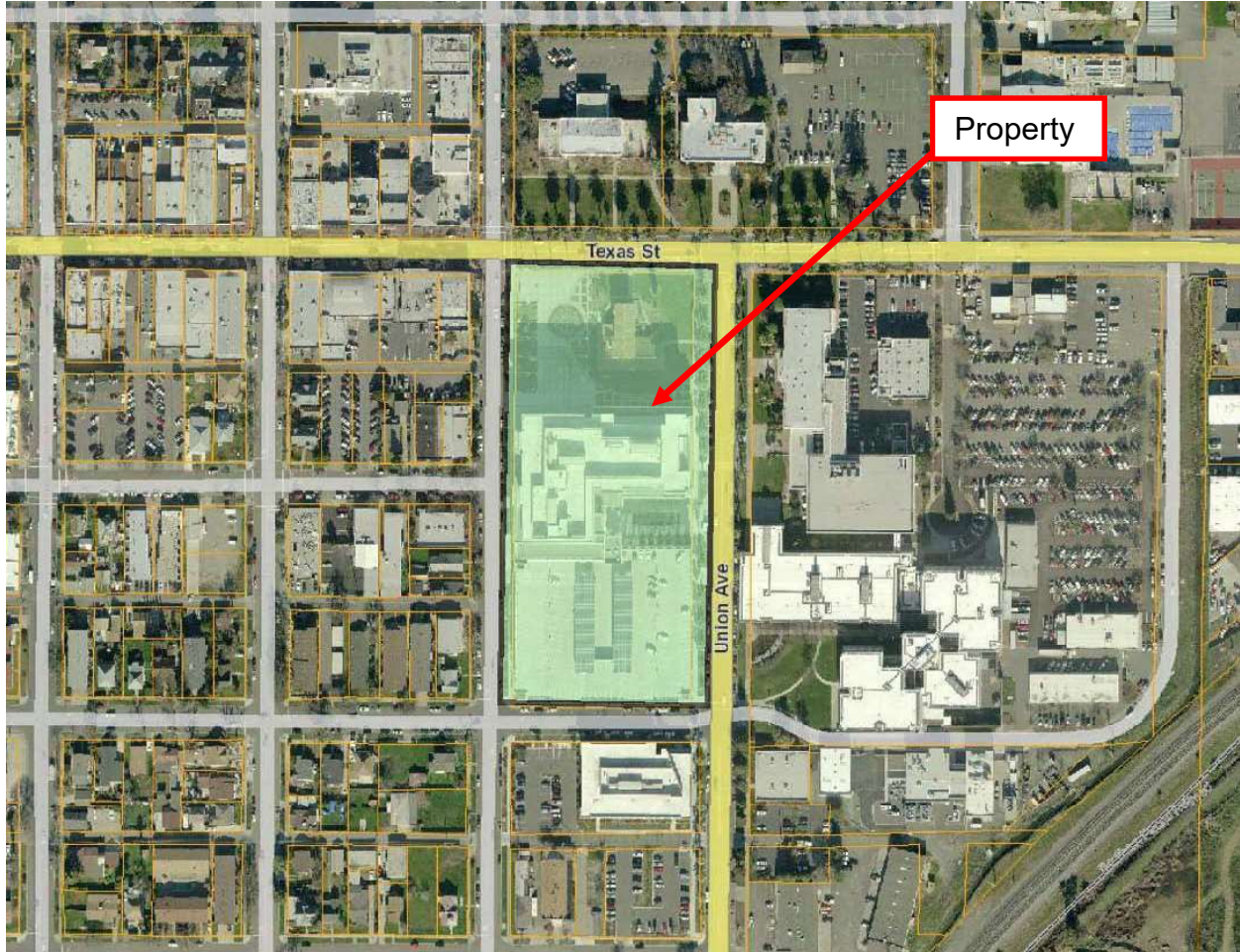


EXHIBIT B

FLOORPLAN OF LAFCO SUITE

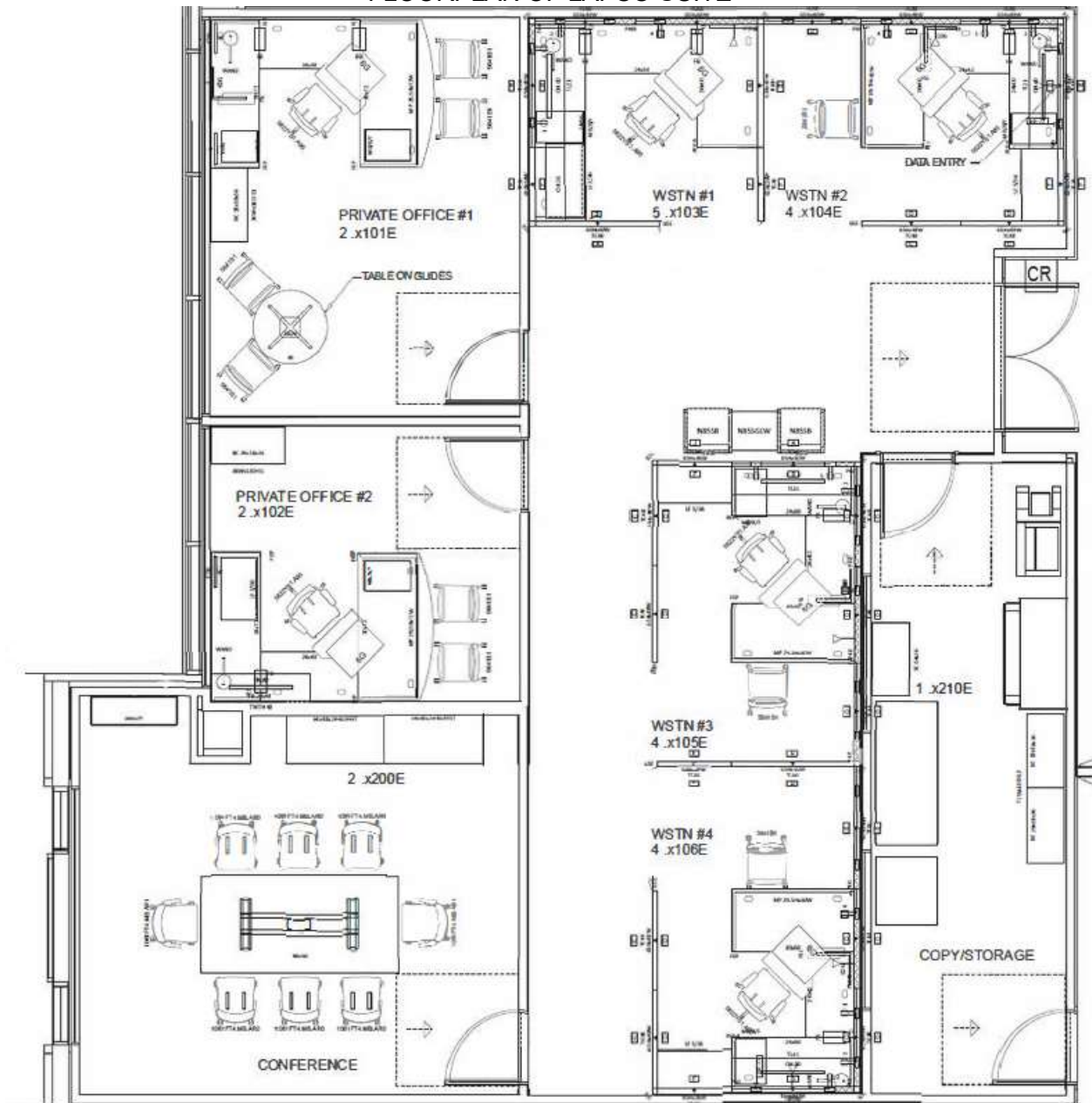


EXHIBIT C

INSURANCE REQUIREMENTS

Tenant's Insurance. Tenant shall obtain all of the insurance required below and shall maintain the same at all times during the life of this Lease Agreement. Tenant shall, at the time of its execution of the Lease Agreement and before its execution by the County, submit to the County of Solano Real Estate Manager, for his approval the original of such policy or policies or good and sufficient certificates. Such insurance shall cover the following:

- (1) Commercial General Liability with limits of \$2,500,000.00 per occurrence, covering Tenant's use, occupancy and operations on the Property;
- (2) Automobile Liability with a combined single limit of \$1,000,000 per accident;
- (3) Workers Compensation as required by law; and
- (4) Employer Liability with limits of \$1,000,000.00 per occurrence.

Each party to this Lease Agreement shall maintain standard form property insurance ("All Risk" coverage) equal to a minimum of the replacement cost covering their respective property. Each party waives any rights of recovery against the other for injury or loss due to hazards covered by their property insurance, and each party shall require such insurance policies to contain a waiver of recovery against the other.

Notwithstanding any other provision in this policy, the insurance afforded to the County of Solano shall be primary as to any other insurance or reinsurance covering or available to the County of Solano, and such other insurance or reinsurance shall not be required to contribute to any liability or loss until and unless the appropriate limit or liability afforded is exhausted.

Each policy shall name the County of Solano, its agents, officers and employees as additional insured.