

**LEASE AGREEMENT**

THIS LEASE made this \_\_\_\_ day of \_\_\_\_\_ 2017, by and between the City of Merced, a California charter municipal corporation ("Lessor"), and Javier Rodriguez, a sole proprietor, doing business as Viajes California, whose address of record is 710 West 16th Street, Merced, California 95340 ("Lessee").

WHEREAS, The Lessor is the owner of the Merced Transportation Center building located at 710 West 16th Street, Merced, California; and,

WHEREAS, Lessee operates a travel agency and desires to lease certain retail space at the Merced Transportation Center.

NOW, THEREFORE, in consideration of the terms and conditions set forth herein, and for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged and agreed, the Lessor and Lessee do hereby agree as follows;

1. DEFINITIONS:

- A. Building. "Building" is defined as that certain building known as the Merced Transportation Center buildings consisting of one story and a total of approximately 9,125 square feet of floor space, located at 710 West 16th Street, Merced, California and labeled Building on the attached Exhibit A.
- B. Facility. "Facility" shall be defined as the area within the Building reserved for the non-exclusive use of Lessee, and labeled Facility on the attached Exhibit B.
- C. Common Area. "Common Area" shall be defined as the waiting area, restroom facilities and entryways of the Building located inside the Building and labeled Common Area on the attached Exhibit C.

2. FACILITY. The Lessor hereby leases to Lessee and Lessee leases from Lessor for the term, at the rental, and upon all the conditions set forth herein that certain part of the Building, labeled Facility in Exhibit B, which is attached hereto and made a part hereof, situated in the City of Merced, County of Merced, State of California, containing approximately 330 square fee of Building Area,

together with all improvements thereon and appurtenances thereto, excepting therefrom the land upon which the Building and Facility are located; and subject to the conditions set forth herein, the continuous and uninterrupted right of Lessee and its officers, employees, business invitees, customers and patrons, of access to and from Facility over and across any part of the Lessor's adjacent property which is not part of the Facility, for any purpose contemplated herein, including the Common Area and Bus Concourse Area.

3. TERM. The term of this Lease shall be three (3) years commencing within thirty (30) days of mutual execution of this Lease.

4. RENT. Lessor agrees to offer the Leased Space for lease, and Lessee agrees and accepts the offer of the lease for the monthly rent set forth in this Section and for all of the terms and conditions of this Lease. Rent shall be payable on the 1st of each month commencing on the month operations being at the Facility, and shall be as follows:

Year 1:	\$266.11 per month
Year 2:	\$266.11 per month
Year 3:	\$294.62 per month

Upon mutual execution of this Lease, three (3) month's rent shall be waived. Rent shall be considered late if not paid within ten (10) days after the due date, then a late payment penalty of One Hundred Dollars (\$100.00), plus interest of twelve percent (12%) per annum on the delinquent amount.

5. OPTION. This Lease may be renewed for two (2) additional one (1) year terms commencing on year four (4) and year five (5). Rent shall be as follows:

Year 4:	\$294.62 per month
Year 5:	\$294.62 per month

Lessee shall give ninety (90) days notice of intent to exercise this option. Lessor shall reserve the option for early termination of the Lease or option described herein with three (3) month's full rent payment penalty for the appropriate term of the Lease. Lessee shall give ninety (90) days notice to terminate the Lease.

6. USE. The Leased Space is to be used to conduct travel agency services, including without limitations, general office use, and uses relating thereto, Department of Motor Vehicles registration services, to be a UPS, FedEx and DHL drop off and pick up location, and a location to provide Live Scan services.

7. OPERATING EXPENSES/REAL PROPERTY TAXES. Lessee shall solely be responsible for any and all property/possessory taxes that should arise from Lessee's tenancy of said premises.

8. USES PROHIBITED. Lessee shall not use any portion of the Premises for purposes other than those specified.

9. COVENANTS AND AGREEMENTS. There shall be no visible bars or grates over or behind any window visible from a public street or right-of-way. Any permanent signage must receive the prior written approval of Lessor, must comply with City of Merced ordinances, must be of high quality materials, and shall not use tempera paint. Upon vacating Leased Space, Lessee shall restore leased area and any and all signage to original state.

10. LANDLORD RESPONSIBILITIES. Lessor shall keep in good condition/repair the structural parts of the Building including structural walls, the roof, roof membrane, foundation, electrical, parking structure and sewer and water mains.

Lessor shall be responsible for managing the Building in a manner consistent with first class office buildings in Merced, including providing landscaping, maintenance and utilities.

11. ORDINANCES AND STATUTES. In regards to the Leased Premises, Lessee shall comply with all statutes, ordinances, and requirements of all municipal, state, and federal authorities now in force, or which may later be in force.

12. MAINTENANCE, REPAIRS, ALTERATIONS. Unless otherwise indicated, Lessee acknowledges that the Premises are in good order and repair. Lessee shall, at its own expense, maintain the Leased Space in a good and safe condition, including plate glass, electrical wiring, plumbing and heating installations, and any other system or equipment. The Leased Space shall be surrendered, at termination of the Lease, in as good condition as received, normal

wear and tear excepted. Lessee shall be responsible for all repairs required, except the roof, exterior walls and structural foundations which shall be maintained by Lessor.

13. ENTRY AND INSPECTION. Lessee shall permit Lessor or Lessor's agents to enter the Premises at reasonable times and upon reasonable notice for the purpose of inspecting the Premises, and shall permit Lessor, at any time to place upon the Premises any usual "To Let" or "For Lease" signs, and permit persons desiring to Lease the Premises to inspect the Premises at reasonable times.

14. INDEMNIFICATION OF LESSOR. Lessee agrees to hold Lessor harmless from any claims for damages arising out of Lessee's use of the Premises, and to indemnify Lessor for any expense incurred by Lessor in defending any such claims.

15. NON-DISTURBANCE AGREEMENT. Lessee shall receive non-disturbance protection, in form and substance reasonably acceptable to Lessee, from all existing encumbrances. Lessee's obligation to subordinate to future encumbrances shall be contingent upon Lessee's receipt of reasonable, acceptable non-disturbance protections.

16. LESSEE'S INSURANCE. Lessee, at its expense, shall maintain plate glass and public liability insurance, including bodily injury and property damage, insuring Lessee and Lessor with minimum coverage as follows: \$1 million combined personal injury and property damage.

Lessee shall provide Lessor with a Certificate of Insurance showing the City of Merced as additional insured. The policy shall require thirty (30) DAYS' WRITTEN NOTICE TO LESSOR PRIOR TO CANCELLATION OR MATERIAL CHANGE OF COVERAGE.

Lessee at its cost shall maintain on all its personal property, Lessee improvements, and alterations, in, on, or about the Leased Space, a policy of standard fire and extended coverage insurance with vandalism and malicious mischief endorsements, to the extent of at least 100% of their full replacement value. The proceeds from any such policy shall be used by Lessee first for the restoration of Lessee's improvements or alterations and any remaining amount for the replacement of personal property.

Lessor shall maintain on the building in which the Premises are located a policy of standard fire and extended coverage insurance which shall name Lessee as an additional insured, but shall provide that any proceeds shall be payable to Lessor.

17. PRO-RATA SHARE COMPUTATION: MAINTENANCE AND UTILITIES. Lessee shall pay a monthly pro-rata share of eight percent (8%) of the incurred costs for maintenance, repairs, janitorial services and supplies of the Building.

Lessee shall pay a monthly pro-rata share of eight percent (8%) for garbage and rubbish services, water, sewer, gas, electricity, telephone services, security costs, and other public utility services for the Building, during the term of this Lease, or any renewals thereof as provided herein. Lessor shall provide a minimum forty-eight (48) hours weekly of custodial staff time, including at least four (4) hours on weekends.

18. BUSINESS LICENSE AND BUSINESS IMPROVEMENT DISTRICT. Lessee shall maintain a valid, non-delinquent City of Merced Business License throughout the term of this Lease and shall file all required quarterly business license statements and pay all applicable fees thereunder to the City's Finance Department. Lessee understands and acknowledges that the Building, which includes the Leased Space, is located within a Business Improvement District and subject to all District requirements.

19. SIGNS. Lessor reserves the exclusive right to the roof, side, and rear walls of the Premises, except that signs may be erected by Lessee, if in compliance with the City's Sign Ordinance and agreed to in writing by Lessor. Lessee shall be allowed to install up to approximately six (6) square feet of maximum permanent contiguous signage along the northerly portion of the Building as illustrated in Exhibit D. A sign permit is required. Window signage shall be allowed for an additional six (6) square feet of signage. The counter area shall be reserved for Lessee's signage and shall be composed of high quality materials. Banners or other vinyl type temporary signage is not allowed. In the event Lessee or Lessee's agents attaches any sign to the exterior of the Premises, Lessee agrees upon relinquishing the tenancy to cause the same to be removed, the exterior repaired, and the area under the former sign to be re-painted to match the color of the surrounding exterior.



20. ABANDONMENT OF PREMISES. Lessee shall not vacate or abandon the Premises at any time during the term of this Lease. If Lessee abandons or vacates the Premises, or is dispossessed by process of law, or otherwise, any personal property belonging to Lessee left on the Premises shall be deemed to be abandoned, at the option of Lessor.

21. CONDEMNATION. If any part of the Premises is condemned for public use, and a part remains which is susceptible of occupation by Lessee, this Lease shall, as to the part taken, terminate as of the date the condemnor acquires possession. Lessee shall be required to pay such proportion of the rent for the remaining term as the value of the Leased Space remaining bears to the total value of the Premises at the date of condemnation; provided, however, that Lessor may at its option, terminate this Lease as of the date the condemnor acquires possession. In the event that the Premises are condemned in whole, or the remainder is not susceptible for use by the Lessee, this Lease shall terminate upon the date which the condemnor acquires possession. All sums which may be payable on account of any condemnation shall belong solely to the Lessor; except that Lessee shall be entitled to retain any amount awarded to it for its goodwill, trade fixtures, or moving expenses.

22. TRADE FIXTURES. Any and all improvements made to the Premises during the term of this Lease shall convert to the Lessor at the expiration of this Lease, except trade fixtures of the Lessee. Lessee may, upon termination, remove all its trade fixtures, but shall pay for all costs necessary to repair any damage to the Premises occasioned by the removal.

23. DESTRUCTION OF PREMISES. In the event of a partial destruction of the Premises during the term, from any cause, Lessor shall promptly repair the Premises, provided that such repairs can be reasonably made WITHIN SIXTY (60) DAYS. Such partial destruction shall not terminate this Lease. If the repairs cannot be made WITHIN SIXTY (60) DAYS, this Lease may be terminated at the option of either party by giving written notice to the other party WITHIN THE SIXTY (60) DAY PERIOD.

24. INSOLVENCY. The appointment of a receiver, an assignment for the benefits of creditors, or the filing of a petition in bankruptcy by or against Lessee, shall constitute a breach of this Lease by Lessee.

25. DEFAULT. In the event of any breach of this Lease, Lessor may, at its option, terminate the Lease and recover from Lessee:

- A. Any amount necessary to compensate Lessor for all the detriment proximately caused by the Lessee's failure to perform its obligations under the Lease or which in the ordinary course of things would be likely to result there from.

Lessor may, in the alternative, continue this Lease in effect, as long as Lessor does not terminate Lessee's right to possession, and Lessor may enforce all of Lessor's rights and remedies under the Lease, including the right to recover the rent as it becomes due under the Lease. If said breach of Lease continues, Lessor may, at any time thereafter, elect to terminate the Lease.

Nothing contained herein shall be deemed to limit any other rights or remedies which Lessor may have.

26. **ATTORNEY'S FEES AND COSTS.** In any action or proceeding involving a dispute between Lessor and Lessee arising out of this Lease, the prevailing party shall be entitled to reasonable attorney's fees.

27. **WAIVER.** No failure of Lessor to enforce any term of this Lease shall be deemed to be a waiver.

28. **NOTICES.** Any notice which either party may or is required to give, shall be given by mailing the same, postage prepaid, to Lessee at the Leased Space, or to Lessor at the address shown in Item 3, or at such other places as may be designated by the parties from time to time. Notice shall be effective FIVE (5) DAYS AFTER MAILING, or immediately upon personal delivery.

29. **TIME.** Time is of the essence of this Lease.

30. **HEIRS, ASSIGNS, SUCCESSORS.** This Lease is binding upon and inures to the benefit of the heirs, assigns, and successors of the parties; provided, however, that this Lease may not be assigned without the prior written consent of the Lessor.

31. **LESSOR'S LIABILITY.** In the event of a transfer of Lessor's title or interest to the Premises during the term of this Lease, Lessee agrees that the grantee of such title or interest shall be substituted as the Lessor under this Lease, and the original Lessor shall be released of all further liability; provided, that all deposits shall be transferred to the grantee.

32. IMPROVEMENTS SUPPLIED BY LESSEE. The Premises are supplied as is by Lessor.

33. IMPROVEMENT DESIGN. Any tenant improvement design shall be approved by Lessor prior to start of construction. Consent shall not be unreasonably withheld. Lessor shall have right to modify, complete, or extend common walls installed by Lessee, into Premises occupied by other tenants.

34. LESSOR'S WARRANTY OF TITLE. Lessor represents and warrants that:

- A. Lessor is or will be the sole owner in fee simple of the Premises and the Building thereon and has full right and power to grant the estate demised and to execute and perform this Lease;
- B. The Premises Building will remain free and clear of all encumbrances that could adversely affect Lessee's leasehold estate; and
- C. The intended user of the Premises for purposes stated herein is permitted by all applicable zoning laws and regulations.

35. QUIET ENJOYMENT. Lessor covenants and agrees that so long as Lessee observes and performs all the agreements and covenants required of it hereunder, Lessee shall peaceably and quietly have, hold and enjoy the Leased Space for the Term without any encumbrance or hindrance by Lessor.

36. DISCRIMINATION. The parties further agree that no person or groups of persons on the grounds of race, creed, religion, disability, sex, marital status, color or national origin or ancestry shall be discriminated against in the use of the tenant space.

37. INDEMNIFICATION. Lessee shall save, protect, defend, and hold the City of Merced harmless from and indemnify Lessor against any and all claims, demands, suits, judgments, costs, and expenses asserted by any person or persons, including agents or employees of Lessee or Lessor, by reasons of death or injury to persons, or loss or damage to property, including but not limited to claims for dangerous conditions of Lessor's property, resulting from Lessor's activities upon the Building, or as a result of the Lessee's use of the Building.



38. DAMAGE. Lessee shall be responsible for any damage to Lessor's property which may result from Lessee's activities conducted on the Premises.

39. EXHIBITS. The Exhibits and Attachments which are attached hereto are incorporated herein by this reference as if set forth in full.

40. COVENANTS. The Lessee herein covenants by and for himself, his heirs, executors, administrators, and assigns, and all persons claiming under or through him, and this Lease is made and accepted upon and subject to the following conditions.

That there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, disability, religion, sex, marital status, ancestry, or national origin in the Lease, sublease, transfer, assignment, use, occupancy, tenure, or enjoyment of the Leased Space herein leased nor shall the Lessee himself, or nay person claiming under or through him, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the Leased Space herein leased.

IN WITNESS WHEREOF, the parties have caused this Lease to be executed on the date first above written.


CITY OF MERCED,  
A California Charter Municipal  
Corporation

BY: \_\_\_\_\_  
City Manager

ATTEST:  
STEVE CARRIGAN, CITY CLERK

BY: \_\_\_\_\_  
Assistant/Deputy City Clerk

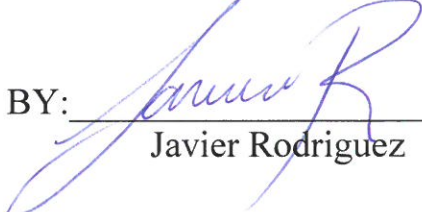
APPROVED AS TO FORM:

BY:  March 15, 2017  
City Attorney Date

ACCOUNT DATA:

BY: \_\_\_\_\_  
Verified by Finance Officer

LESSEE:  
JAVIER RODRIGUEZ,  
A Sole Proprietor,  
DBA VIAJES CALIFORNIA

BY:   
Javier Rodriguez

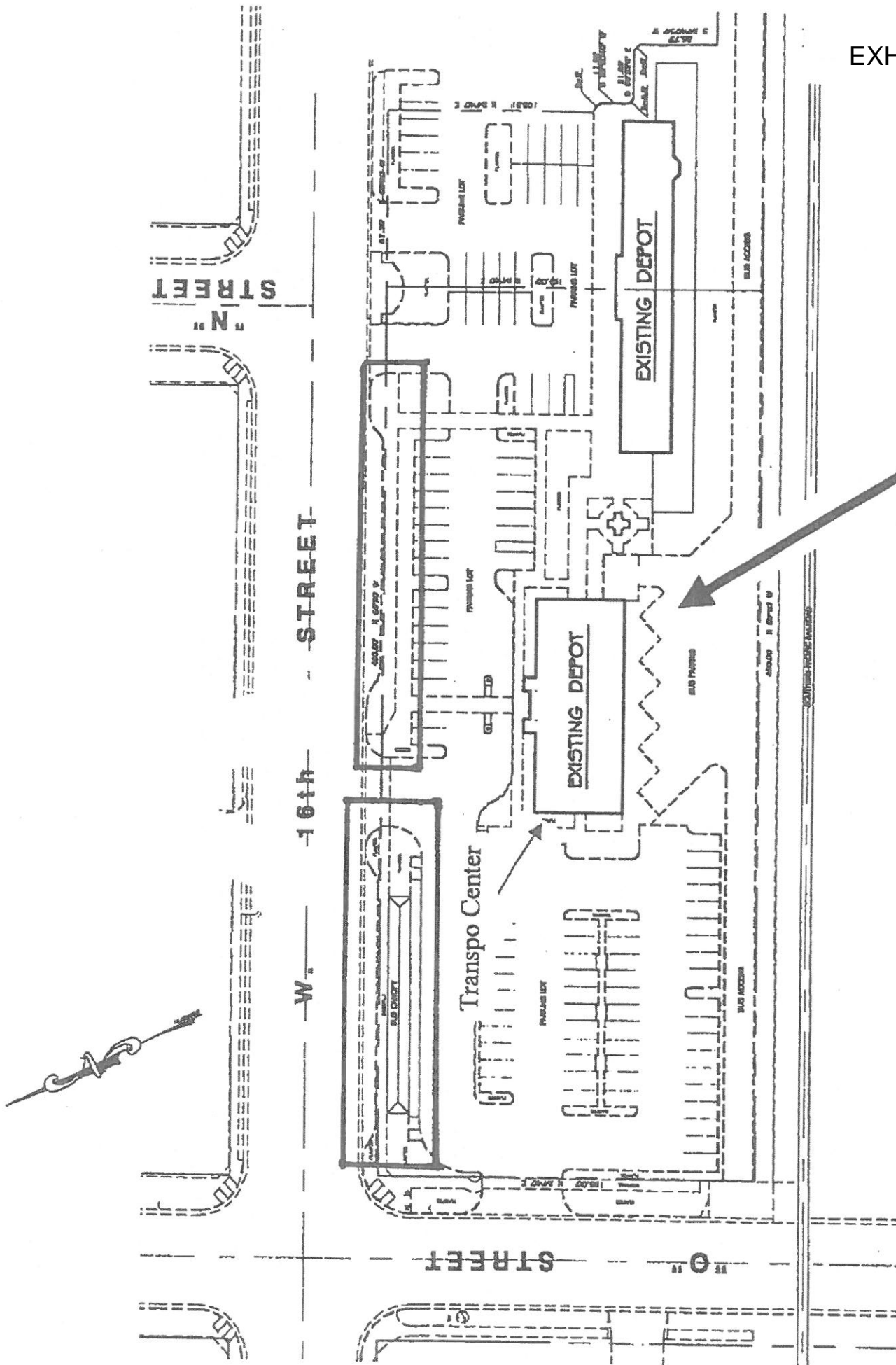
Taxpayer I.D. No. 81-3261909

ADDRESS: 710 West 16th Street  
Merced, CA 95340

TELEPHONE: 209 4048070

FAX: 209 722 2957

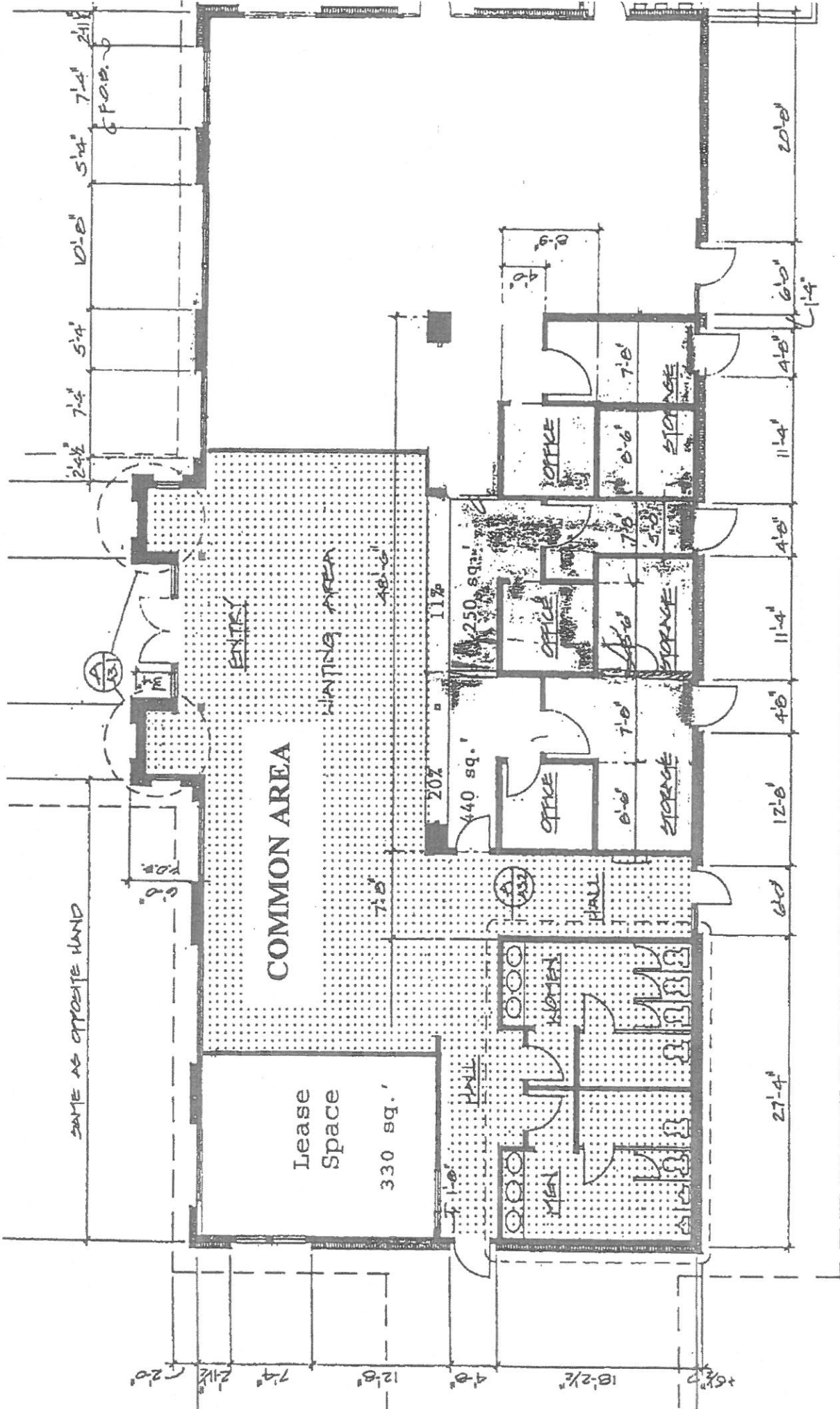
E-MAIL: javierrodriguez19@live.com



MERCED TRANSPO CENTER  
**SITE PLAN**

SCALE 1"=70'

EXHIBIT B



# TRANSPO CENTER

Transpo Bldg.	5300 sq.
Leasable	3033 sq.
Common	2267 sq.

EXHIBIT C

TRANSPO CENTER

Transpo Bldg.	5300 sq.'
Leasable	3033 sq.'
Common	2267 sq.'