

Bell Station Federal Building LEASE AGREEMENT

THIS LEASE made this _____ day of _____ 2019, by and between the City of Merced, a California Municipal Charter Corporation ("Lessor"), and the Coralisa Gary, doing business as Glamazon, whose address of record is 95 West Alexander Avenue, Apt. 6, Merced, California 95348, ("Lessee").

WHEREAS, The Lessor is the owner of the Bell Station Federal Building located on the northwest corner of 18th Street and "K" Street (APN 031-064-007); and,

WHEREAS, Lessee desires to lease certain office space at the Bell Station Federal Building, located at 415 West 18th Street, Suite 6, Merced California 95340.

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 and surrounding improvements known as the Bell Station Federal Building located at the northwest corner of 18th Street and "K" Street in Merced, California, and labeled Bell Station Federal Building on Exhibit A, which is incorporated herein by this reference.
- B. Common Area. "Common Area" shall be defined as the area in the Building consisting of the public lobby, corridor space adjoining the leasable space and restrooms north of the Leased Space labeled Common Area on the attached Exhibit B, which is incorporated herein by this reference.
- C. Leased Space. "Leased Space" is defined as the area in the Building actually leased and occupied by Lessee, consisting of 490 square feet identified on the attached Exhibit C, which is incorporated herein by this reference.

D. Premises. "Premises" includes the Leased Space and Common Area.

2. TERM. The term of this Lease shall commence upon mutual execution of the Lease and submittal by Lessee of satisfactory evidence of fulfilled requirement as in Section 13 and Section 25 of this Lease. The term of this Lease shall end three (3) years after mutual execution of the Lease. In addition, a one (1) year renewal, commencing at the end of said term may be exercised upon mutual agreement of both parties.

3. RENT. Lessor agrees to offer the Leased Space in the Building 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 prorated for the first month and thereafter payable on the 1st of each month, in advance, commencing upon mutual execution of the Lease and submittal by Lessee of satisfactory evidence of fulfilled requirement as in Section 13 and Section 25 of this Lease and shall be in the following amounts:

First Twelve (12) Months:	\$612.50 monthly
Second Twelve (12) Months:	\$630.50 monthly
Third Twelve (12) Months:	\$650.00 monthly

All rents shall be paid to Lessor or its authorized Agent, at the following address: 678 West 18th Street, Merced, CA 95340 or at such other places as may be designated by Lessor from time to time. In the event rent is not paid within ten (10) day after due date, Lessee agrees to pay a late charge of \$75.00 plus interest at twelve (12%) percent per annum on the delinquent amount. Lessee further agrees to pay \$100.00 for each dishonored bank check. The late charge period is NOT a grace period, and Lessor is entitled to make written demand for any rent not paid when due.

In the event that the renewal option is exercised, the rent payment shall be as follows:

First Twelve (12) Months:	\$670.50 monthly
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4. EARLY TERMINATION. Lessee shall provide Lessor one (1) month's notice of Lessee's intent to terminate the Lease during year one (1) of the Lease with a ten percent (10%) penalty on the remaining months left in the term.

Failure to pay ten percent (10%) early termination penalty shall result in forfeiture of Lessee's security deposit in equal amount to penalty owed.

5. USE. The Leased Space is to be used for the operation of an office space and related uses and for no other purpose, without prior written consent of Lessor. The proposed office is consistent with the Central-Commercial Zoning Ordinance in Downtown. Lessee shall not commit any waste upon the Premises, or any nuisance or act that may disturb the quiet enjoyment of any tenant in the building.

6. USES PROHIBITED. Lessee shall not use any portion of the Premises for purposes other than those specified. Specifically, the following are excluded uses: pawn shops, tattoo parlors, skateboard shops, adult businesses, payday loan businesses, billiard or pool halls, dance halls, mobile food vendors, or bail bond businesses.

7. 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 comply with City of Merced ordinances, must be of high quality materials, and shall not use tempera paint. Lessee shall have access to one (1) parking stall located in the back of the Building. Lessee agrees to require all other employee and business vehicles to park in the parking lot southwest of the Bell Station Federal Building, and shall not park vehicles at any time along 18th Street or "K" Street.

8. ASSIGNMENT AND SUBLETTING. Lessee shall not assign this Lease or sublet any portion of the Leased Space without prior written consent of the Lessor. Any such assignment or subletting without consent may, at the option of Lessor, constitute a breach of this Lease.

9. ORDINANCES AND STATUTES. 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.

10. MAINTENANCE, REPAIRS, ALTERATIONS.

A. 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 as the result of damage, actions or negligence by Lessee or its agents.

B. Lessee acknowledges that the Building is listed on the National Register of Historic Places and that certain modifications may require approval from the Office of the Keeper of the Register. Lessee agrees not to make any modifications without the consent of the Lessor and the Keeper, if applicable.

C. To the extent that authorized modifications or improvements to the Leased Space occur, such improvements must comply with the Department of the Interior's Regulations under the Federal Civil Rights Act, which include no discrimination in hiring or other employment practices.

11. 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 within sixty (60) days prior to the expiration of this Lease 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.

12. INDEMNITY BY LESSEE. Lessee shall indemnify, protect, defend (with counsel selected by Lessor) and hold Lessor and its officers, employees, and agents harmless from all liabilities, claims or causes of action for death or injury to persons, or damage to property arising out of Lessee's use of the Premises. It is understood that the duty of Lessee to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code.

Acceptance by Lessor of insurance certificates and endorsements required under this Lease does not relieve Lessee from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall survive the termination of this Lease and shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply. By execution of this Lease, Lessee acknowledges and agrees to the provisions of this Section and that it is a material element of consideration.

13. LESSEE'S INSURANCE. Lessee, at its expense, shall maintain general liability insurance, including bodily injury and property damage, insuring Lessee with minimum coverage as follows: \$1 million combined personal injury and property damage. Lessee shall name Lessor, and its officers, officials,

employees and agents as additional insureds and shall provide Lessor with a Certificate of Insurance showing such. 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.

14. UTILITIES. Lessor shall furnish to Lessee during the Lease term, at Lessor's sole cost, the following utilities: water, sewer, gas, electricity, heating, air conditioning, and refuse. Lessee agrees that it shall be responsible for all other services delivered the Premises. In the event that the renewal option is exercised, Lessor has the right to evaluate the rates for the following utilities: water, sewer, gas, electricity, heating, air conditioning, and refuse, and if necessary, adjust the rent accordingly.

15. RESERVED.

16. CAM/ TAXES/ INSURANCE. This Agreement is net of taxes and insurance. A monthly Common Area Maintenance "CAM" fee is included in the monthly rent payments.

17. SIGNS. Lessee acknowledges that the Building is listed on the National Register of Historic Places. Before Lessee installs any signs on or within the Building, Lessee shall ensure that said signs comply with all historic preservation requirements. 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 which shall be subject to review as tenant improvements.

18. 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.

19. 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.

20. TRADE FIXTURES. Any and all improvements made to the Premises during the term shall belong to the Lessor, 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.

21. 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, except that Lessee shall be entitled to a proportionate reduction of rent while such repairs are being made, based upon the extent to which the making of such repairs interferes with the business of Lessee on the Premises. 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.

22. HAZARDOUS MATERIALS. Lessee shall not use, store, or dispose of any hazardous substances upon the Premises, except the use and storage of such substances that are customarily used in Lessee's business, and are in compliance with all environmental laws. Hazardous substances means any hazardous waste, substance or toxic materials regulated under any environmental law or regulations applicable to the Premises.

23. 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.

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

- A. The worth at the time of award of the unpaid rent, which had been earned at the time of termination;
- B. The worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of the award exceeds the amount of such rental loss that the Lessee proves could have been reasonably avoided;
- C. The worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss that the Lessee proves could be reasonably avoided; and,
- D. Any other 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.

25. **SECURITY.** A security deposit of Five Hundred Dollars (\$500.00) shall secure the performance of the Lessee's obligations and shall be paid upon execution of this Lease Agreement. Lessor may, but shall not be obligated to apply all or portions of the deposit on account of Lessee's obligations. Any balance remaining upon termination shall be returned to Lessee.

26. **DEPOSIT REFUNDS.** The balance of all deposits shall be refunded **WITHIN THREE (3) WEEKS** (or otherwise required by law), from date

possession is delivered to Lessor, together with a statement showing any charges made against such deposits by Lessor.

27. ATTORNEY'S FEE 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.

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

29. 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.

30. HOLDING OVER.

- A. Any holding over after the expiration of this Lease, with the consent of Lessor, shall become month-to-month tenancy at a monthly rent of Seven Hundred Forty Dollars (\$740.00), or ten percent (10%) above the ending Lease rate, whichever is applicable, payable in advance and otherwise subject to the terms of this Lease, as applicable, until either party shall terminate the same by giving the other party THIRTY (30) DAYS WRITTEN NOTICE.
- B. Any holding over after the expiration of this Lease, without the prior written consent of Lessor, shall become a month-to-month tenancy at a monthly rent which shall be ten percent (10%) above the ending monthly lease rate as set by Section 3 hereof, payable in advance and otherwise subject to the terms of this Lease, as applicable, until Lessee shall vacate the Premises. In addition, in the event it becomes necessary for Lessor to evict Lessee from the Premises, Lessee agrees to reimburse Lessor for any and all costs and expenses, including attorney fees, and to be liable to Lessor for any and all damages, including damages Lessor incurs as to third parties under subsequent Lease Agreements for the Premises.

31. TIME. Time is of the essence of this Lease.

32. HEIRS, ASSIGNS, SUCCESSORS. This Lease is binding upon and inures to the benefit of the heirs, assigns, and successors of the parties.

33. 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.

34. IMPROVEMENTS SUPPLIED BY LESSEE. The Premises are supplied as is by Lessor. All improvements are to be supplied by Lessee, including but not limited to HVAC, demising walls, lighting, floor and wall finishes, telephone systems, ceilings, lighting and all other improvements, other than trade fixtures, shall remain in place and become property of the Lessor upon termination of the Lease. Lessee shall obtain all necessary permits and complete all building modifications utilizing current building codes. All improvements are subject to Lessor's written consent.

35. IMPROVEMENT DESIGN. 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.

36. MODIFIED GROSS. This Lease is net of taxes and insurance. Lessee's occupancy of Leased Space may give rise to a possessory interest tax, and Lessee agrees to pay such tax or other property taxes as may be levied.

37. BROKERS' COMMISSIONS. Reserved

38. 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.

39. 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.

40. 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.

41. INDEMNIFICATION. Lessee shall save, protect, defend (with counsel selected by Lessor), and hold Lessor 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.

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

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

44. 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.

45. MISCELLANEOUS PROVISIONS.

A. *Entire Agreement.* This Lease represents the entire agreement between the parties with respect to the subject matter hereof and supersedes all

prior agreements and understandings, whether oral or written, between the parties with respect to the matters contained in this Lease.

B. *Section Headings.* The section headings contained in this Lease are for convenience and identification only and shall not be deemed to limit or define the contents to which they relate.

C. *No Reliance on Other Parties.* All parties to this Lease declare that, prior to the execution of this Lease, they have informed themselves of sufficient relevant data, either through experts or other sources of their own selection in order that they might intelligently exercise their own judgment in evaluating the contents of this Lease and making the decision to execute it. The parties each represent and acknowledge that in executing this Lease, they do not rely and have not relied upon any representation or statement not set forth herein made by any other party to this Lease with regard to the subject matter, basis or effect of this Lease.

D. *Construction.* The provisions of this Lease shall be liberally construed to effectuate its purpose. The language of this Lease shall be construed simply according to its plain meaning and shall not be construed for or against any party, as each party has participated in the drafting of this Lease. Whenever the context and construction so require, all words used in the singular shall be deemed to be used in the plural, and vice versa.

E. *Governing Law.* The validity and interpretation of this Amendment shall be governed by the laws of the State of California without giving effect to the principles of conflict of laws. Any action to enforce any provision of this Lease shall be brought in state courts for Merced County.

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.

LESSOR:
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: Shirley A. Smith 5-13-17
City Attorney Date

ACCOUNT DATA:

BY: _____
Verified by Finance Officer

LESSEE:
CORALISA GARY
dba GLAMAZON

BY: _____

Coralisa Gary

ADDRESS: 95 W. Alexander Ave.,
Apt. 6
Merced, CA 95348

TELEPHONE: (209) 628-4599

FAX: _____

E-MAIL: byhzhand1@yahoo.com

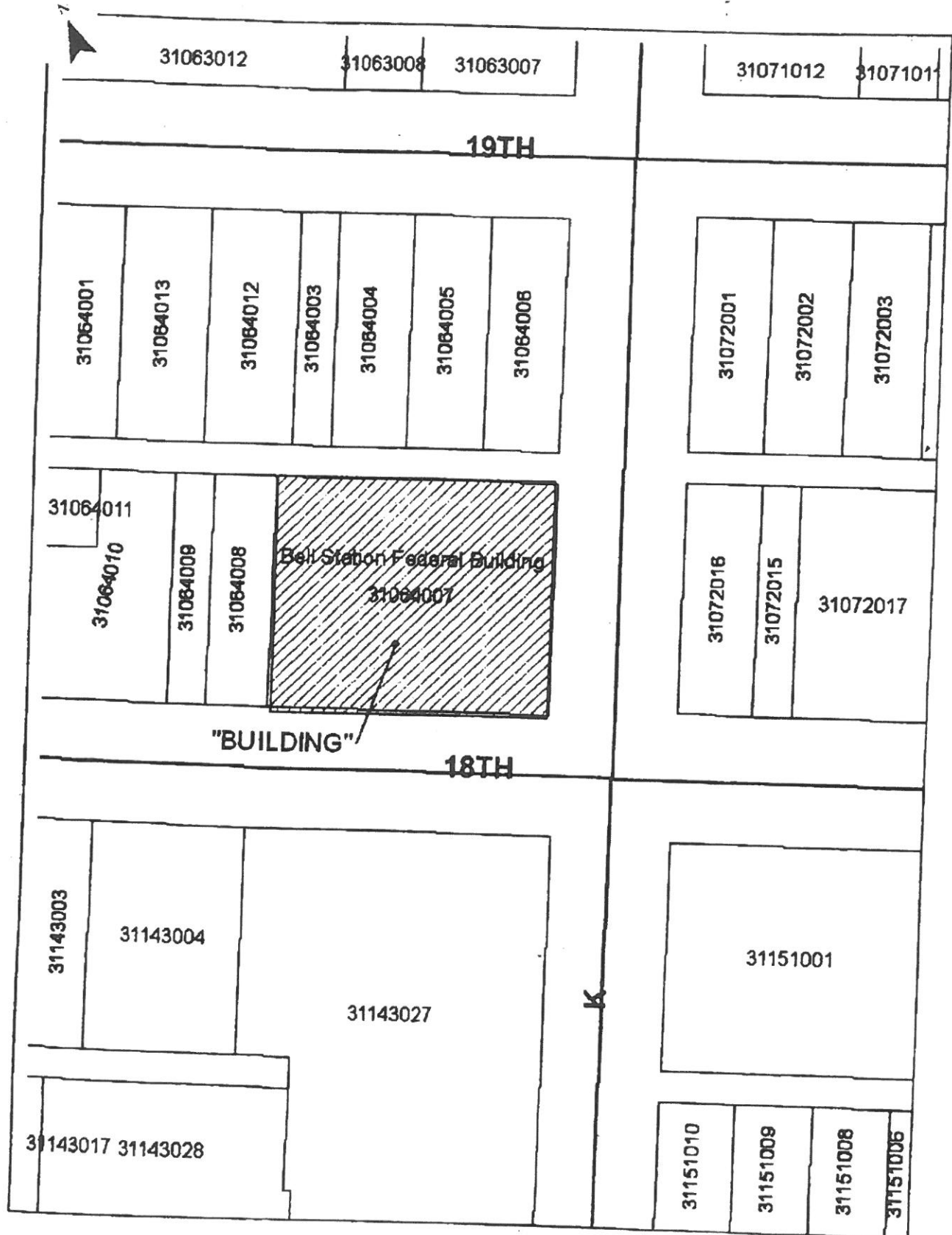


EXHIBIT A

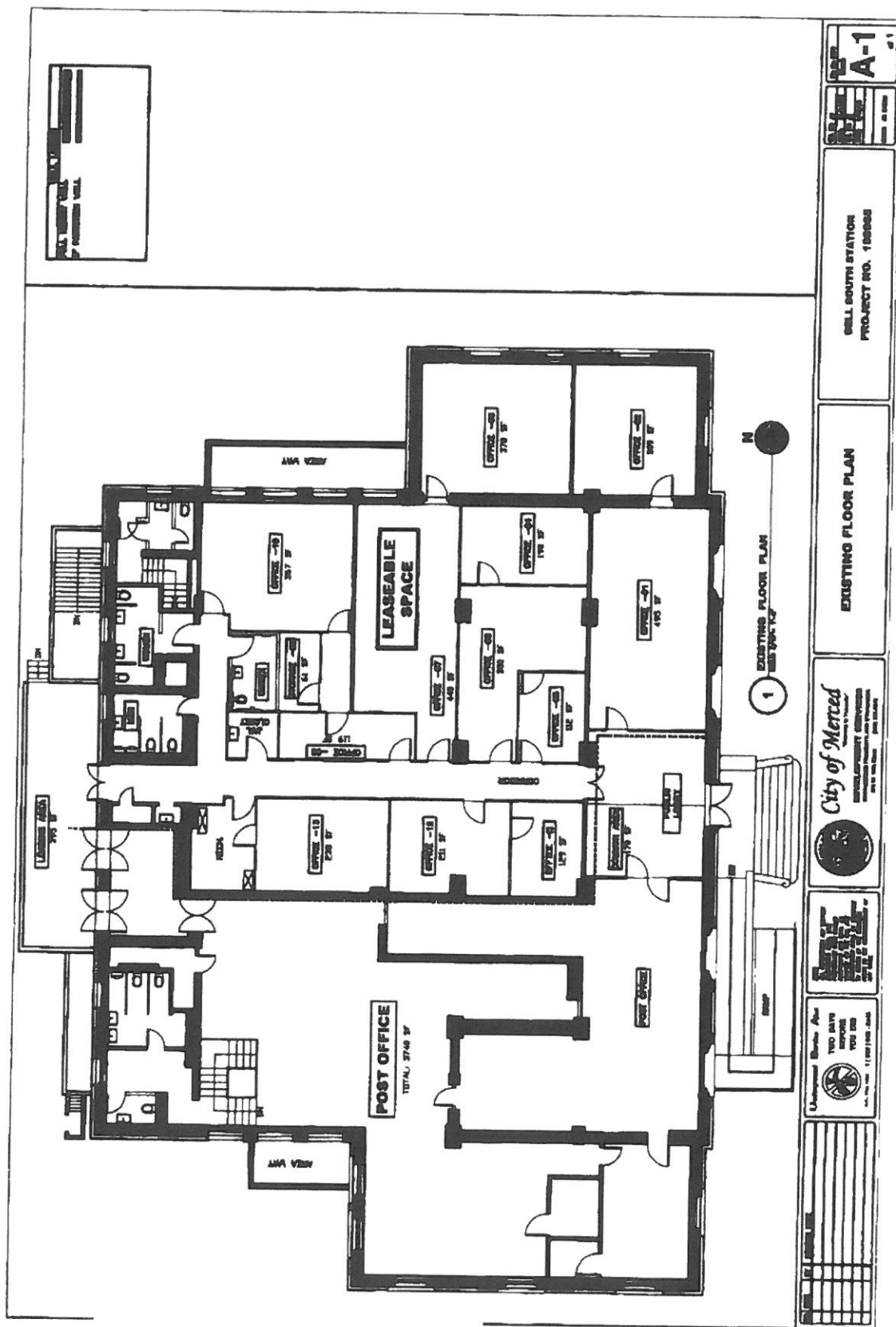


EXHIBIT B

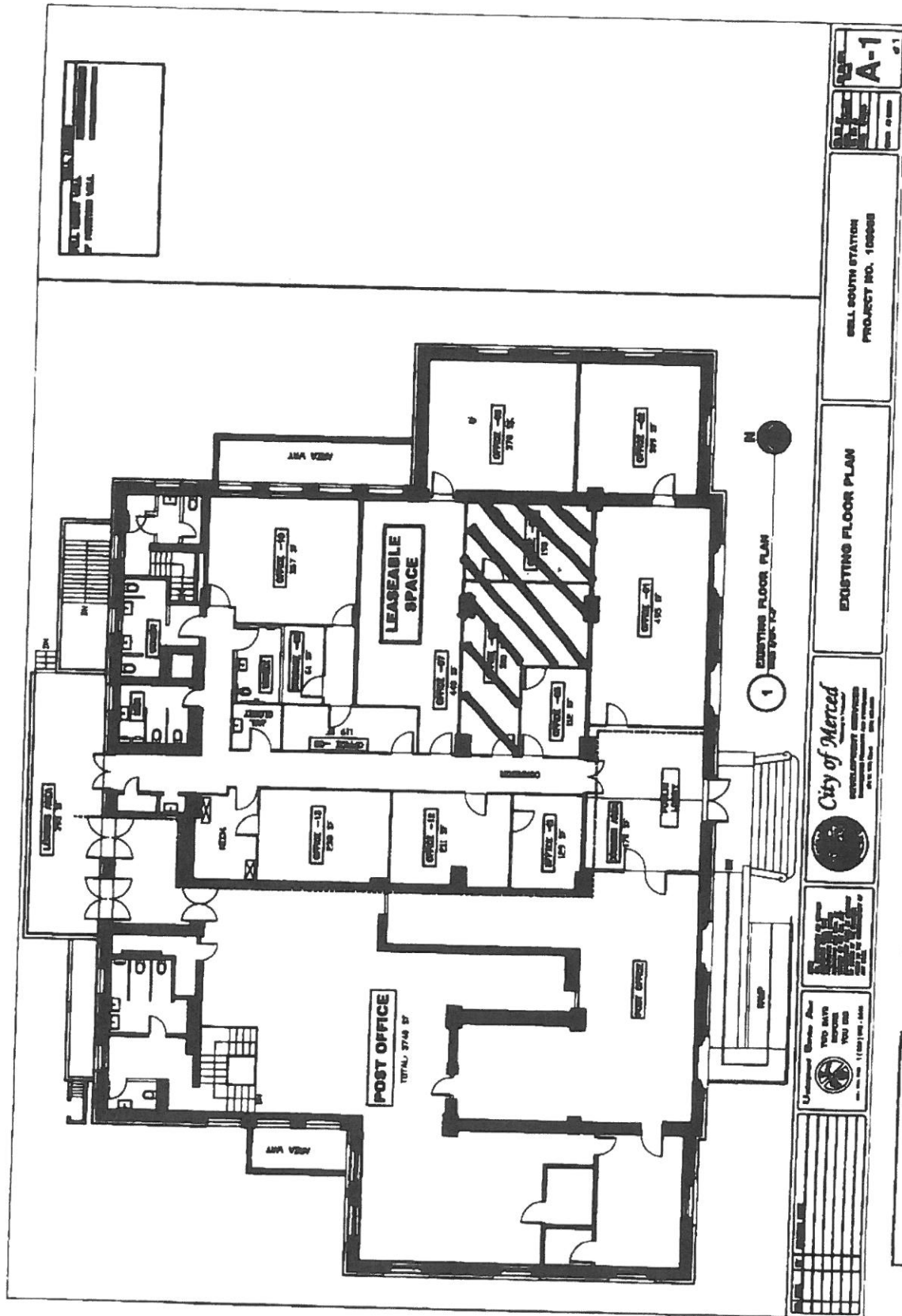


EXHIBIT C