RESOLUTION - ACTION REQUESTED 2016-489

MEETING: September 20, 2016

TO: The Board of Supervisors

FROM: Chevon Kothari, Human Services Director

RE: Mother Lode Job Training Sub-Lease Agreement FY2017-2019

RECOMMENDATION AND JUSTIFICATION:
Approve a Sub-Lease Agreement between Mariposa County Human Services (Lessee) and Mother Lode Job Training (Sub-Lessee) for office space at the Mariposa County Human Services Center Located at 5362 Lemee Lane, Mariposa, California; and Authorize the Board of Supervisors Chair to Sign the Agreement.

This sub-lease agreement is permitted by Article 7 of the County’s lease agreement with Descor Assignment and Subletting by Tenant. Mariposa County Human Services (Lessee) has obtained approval from the landlord to sub-let approximately 1,510 square feet of office space in the Mariposa County Human Services Center to Mother Lode Job Training (Sub-lessee).

The sub-lease amount shall be $27,180 per year ($2,265.00 per month) for three years beginning July 1, 2016.

BACKGROUND AND HISTORY OF BOARD ACTIONS:
On November 17, 2009, the Board approved by Res. No. 09-563 a lease agreement by and between the County of Mariposa (Tenant) and DesCor, Inc. (Landlord) for office space at 5362 Lemee Lane, Mariposa, CA 95338; the property known as Mariposa County Human Services Center.

On June 7, 2011, the board approved a five-year sub-lease agreement with Mother Lode Job Training for FY 2011-2016 by Res. 11-249.

ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:
If this agreement is not approved, Mariposa County Human Services could seek another party to sub-lease the space, or leave the area vacant.

FINANCIAL IMPACT:
This sub-lease represents revenue to the department and will not impact the County General Fund.

ATTACHMENTS:
MLJT - Sub-Lease Agreement 2016-2019 (PDF)
Lease - MLJT Executed Sub-lease 2011-2016 (PDF)
RESULT: ADOPTED BY CONSENT VOTE [UNANIMOUS]
MOVER: Rosemarie Smallcombe, District I Supervisor
SECONDER: Marshall Long, District III Supervisor
AYES: Smallcombe, Jones, Long, Cann, Carrier
SUB-LEASE AGREEMENT

THIS LEASE AGREEMENT, made and entered into in the County of Mariposa, State of California, as of July 1, 2016, by and between the County of Mariposa, a political subdivision of the State of California, hereinafter called LESSEE, and Mother Lode Job Training, a joint powers authority established pursuant to California Government Code Section 6500 comprised of the counties of Amador, Calaveras, Mariposa and Tuolumne, hereinafter called SUB-LESSEE.

WITNESSETH

WHEREAS, DesCor Builders, hereinafter called LESSOR, owns real property commonly known as the Human Services Center and more particularly described in Exhibit “A” attached hereto; and

WHEREAS, LESSEE leases the Human Services Center from LESSOR; and

WHEREAS, the parties wish to provide for the sub-leasing of said property by the LESSEE to the SUB-LESSEE;

FOR AND IN CONSIDERATION OF THE MUTUAL COVENANTS HEREINAFTER CONTAINED, IT IS AGREED AS FOLLOWS:

1. PREMISES: The leased PREMISES is the real property located in the County of Mariposa as more particularly described in Exhibit “A”, attached hereto and incorporated herein by reference.

2. CONSIDERATION/TERM: For and in consideration of $27,180 per year ($2,265.00/month), LESSEE agrees to sub-lease the real property described above. This Sub-lease shall commence on the first day of July 2016, and shall continue for three
(3) years, renewable thereafter as mutually agreed by LESSEE and SUB-LESSEE.

3. **USE:** The PREMISES which are the subject of this Lease shall be used as a business office and job resource, training and testing center.

4. **REGULATIONS:** The use of the leased PREMISES by SUB-LESSEE shall at all times be subject to all federal and state laws and ordinances of the County of Mariposa. LESSEE warrants that the PREMISES are at the time of this Lease in compliance with all laws and ordinances.

5. **VOLUNTARY ASSIGNMENT:** Except as expressly provided herein, SUB-LESSEE shall not assign this Lease nor any right hereunder, nor sublet the PREMISES, nor any part thereof, or suffer any other person to occupy the said PREMISES or any portion thereof without prior written consent of the LESSEE, which consent shall not be unreasonably withheld. Any such assignment, subletting or occupation by any other person without such consent shall be void and shall at the option of LESSEE terminate this Lease. This provision does not prohibit SUB-LESSEE from renting or allowing other parties to utilize the PREMISES for permitted functions and events.

6. **IN VOLUNTARY ASSIGNMENT:** SUB-LESSEE agrees that, except as expressly provided herein, neither this Lease or any interest herein shall be assignable or transferable unless otherwise agreed in writing by the parties hereto, which consent shall not be unreasonably withheld.

7. **IMPROVEMENTS, CONSTRUCTION, ALTERATION, REMOVAL:** SUB-LESSEE may maintain on the PREMISES improvements as necessary to facilitate the use of the PREMISES. Any such structure and/or alteration shall remain the sole and separate property of SUB-LESSEE and at the termination of this Lease shall be removed at the SUB-LESSEE’S expense within a reasonable time or disposed of as otherwise mutually agreed by SUB-LESSEE and LESSEE.
8. **MAINTENANCE AND REPAIR:** **SUB-LESSEE** will be responsible for all maintenance and repairs of **SUB-LESSEE** installed interior improvements. **SUB-LESSEE** agrees to maintain the **PREMISES** in a clean and orderly condition at all times, and in accordance with safety and fire codes and other applicable federal, state, local laws and ordinances. **LESSEE** shall notify the **SUB-LESSEE** in writing of any necessary maintenance or repair of any structure placed on the leased **PREMISES** by **SUB-LESSEE**. **LESSEE** shall maintain and repair all structures and utilities, including but not limited to heat, air conditioning, water, and sewer. Failure to repair and maintain the **PREMISES** shall be a breach of this Lease and **SUB-LESSEE** may at its option terminate the Lease.

9. **RIGHT OF RE-ENTRY OF LESSEE:** It is expressly agreed that in the event **SUB-LESSEE** creates or causes any breach of this Lease, **LESSEE** shall have the right and option to re-enter said **PREMISES**, take possession thereof, and remove all persons as provided by law.

10. **SURRENDER OF POSSESSION:** At the expiration of this Agreement, **SUB-LESSEE** promises and agrees to deliver unto **LESSEE** the said Leased **PREMISES** in as good condition as at the date of execution of this Agreement, reasonable wear and tear excepted.

11. **POSSESSORY INTEREST:** **SUB-LESSEE** recognizes and understands that to the extent this Lease may or may not create a possessory interest subject to property taxation that the **SUB-LESSEE** is solely responsible for the payment of any taxes levied or assessed on the Leased **PREMISES**. **LESSEE** expresses no opinion on the taxable affect of this Lease.

12. **INDEMNITY:** **SUB-LESSEE** agrees to indemnify, protect, defend and hold **LESSEE** and its officers, agents and employees, free and harmless from any and all liabilities, claims, demands, actions, losses, damages and costs of any kind, including but not limited to, all costs of defense thereof, caused by or arising out of **SUB-**
LESSEE'S use or the use of any guests, invitees or agents of SUB-LESSEE of the leased PREMISES. Upon demand SUB-LESSEE shall, at its own expense, defend LESSEE, and its officers, agents and employees, against any and all such liabilities, claims, demands, actions, losses, damages, and costs of any type or nature arising solely from the acts or omissions of SUB-LESSEE. LESSEE shall indemnify, protect, defend, and hold SUB-LESSEE and its officers, agents, and employees free and harmless from any and all liabilities, claims, demands, actions, losses, damages and costs of any kind, including but not limited to, all costs of defense thereof, caused by or arising out of, or in any way related to LESSEE'S obligations to maintain and repair the PREMISES or solely from the acts or omissions of LESSEE or any structural or other defects of the PREMISES.

13. **INSURANCE:** SUB-LESSEE shall obtain and keep in full force and effect, general liability coverage of at least Five Hundred Thousand Dollars ($500,000) combined limit for bodily injury and property damage during any right of occupancy of the leased PREMISES.

14. **CHANGE OF ADDRESS:** It shall be LESSEE'S responsibility to inform SUB-LESSEE of any change of address.

15. **INSPECTION:** LESSEE shall be permitted to enter and view the PREMISES at any reasonable time for the purpose of inspecting or maintaining such PREMISES and doing any and all things with reference thereto which the LESSEE is obligated to do.

16. **TERMINATION PRIOR TO EXPIRATION:**
   A. The LESSEE shall have the right to terminate this Lease, in whole or in part, on the occurrence of any of the following events:
i) The failure of the **SUB-LESSEE** to perform or observe any of the terms, covenants and conditions which it is obligated to perform, keep or observe under this Lease.

ii) The abandonment of the leased **PREMISES**. Should this occur **LESSEE** shall not be responsible for the custodial protection of **SUB-LESSEE**'s abandoned property, fixtures or equipment.

**B. SUB-LESSEE** shall have the right to terminate this Lease upon sixty (60) days written notice. In such case the **SUB-LESSEE** shall pay a termination fee of one (1) months rent.

**C. FUNDING AVAILABILITY** It is mutually agreed that if the **SUB-LESSEE**'s budget of the current year and/or any subsequent years covered under this Lease does not appropriate sufficient funds for the program, this Lease shall be of no further force and effect. In this event, the **SUB-LESSEE** shall have no liability to pay any funds whatsoever to **LESSEE** or to furnish any other considerations under this Lease and **LESSEE** shall not be obligated to perform any provisions of this Lease. If funding for any fiscal year is reduced or deleted by the **SUB-LESSEE** budget for purposes of this program, the **SUB-LESSEE** shall have the option to either cancel this Lease with no liability occurring to the **SUB-LESSEE**, or offer a Lease amendment to **LESSEE** to reflect the reduced amount.

**17. BREACH:** In the event of breach of this Lease by **SUB-LESSEE, LESSEE** shall be entitled to all rights and remedies provided by law in addition to the specific remedies mentioned herein.

**18. PARTNERSHIP DISCLAIMER:** It is mutually understood and agreed that nothing in this Lease is intended to or shall be construed as in any way creating or establishing the relationship of partners between the parties hereto, or as constituting the **SUB-LESSEE** as an agent or representative of the **LESSEE** for any purpose or in any manner whatsoever.
19. **NOTICES:** Any notice to the **SUB-LESSEE** shall be sufficient if sent by certified mail, postage prepaid, addressed to the Executive Director of Mother Lode Job Training located at 19890 Cedar Road North, Sonora, CA 95370. Any notice to the **LESSEE** shall be sufficient if sent by certified mail, postage prepaid, addressed to the County Administrative Officer, County of Mariposa, P.O. Box 784, Mariposa, CA 95338.

20. **NON-WAIVER:** Any waiver of breach of any covenants or conditions herein contained to be kept and performed by either party shall be effective only if in writing and shall not be deemed or considered as a continuing waiver and shall not operate to bar or prevent the other party from declaring a forfeiture or exercising its rights for any succeeding breach of either the same or other condition or covenant.

21. **SUCCESSOR:** This Lease shall be binding upon and inure to the benefit of all the heirs, successors and assigns of the parties.

**IN WITNESS WHEREOF,** the parties hereto have caused this Lease to be executed the day and year first above written.

**LESSEE:**

[Signature]

JOHN CARRIER, Chair
Mariopa County Board of Supervisors

**SUB-LESSEE:**

[Signature]

, Chair
Mother Lode Job Training
Board of Directors

**ATTEST:**

[Signature]

RENE LAROCHE
Clerk of the Board

**APPROVED AS TO FORM:**

[Signature]

STEVEN W. DAHLEM
County Counsel
EXHIBIT A

Property known as: Mariposa County Human Services Center
5362 Lemee Lane
Mariposa, Ca. 95338

Portion of building covered by this sub-lease is colored yellow on attached floor plan. Area is approximately 1,510 square feet not including main lobby and other common areas.

Sub-Lease cost includes the following annual amounts:

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base rent: Space, Furniture</td>
<td>$13,580</td>
</tr>
<tr>
<td>Utilities Include: Electricity, Propane, Water, Sewage, Trash</td>
<td>$4,000</td>
</tr>
<tr>
<td>Communications: Phone, Fax, Internet</td>
<td>$7,100</td>
</tr>
<tr>
<td>Facility Maintenance: Landscape, Janitorial</td>
<td>$2,500</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$27,180</strong></td>
</tr>
</tbody>
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Computer servers to be housed within the Child Support Services leased area (shown in pink on floor plan). Access to the server room and IT closets will not be unreasonably withheld by either party, but will remain secured as per IDF Access procedure. Computer maintenance and problem resolution on sub-lessee’s system will remain the responsibility of the sub-lessee.

Telephone system will be Voice Over Internet Protocol and individual handsets will be provided. Fax and Internet will be facilitated through the assumption of MLJT’s DSL services.

Building entry and egress will be secured and controlled by the County. ID badges with magnetic strip will be issued to each employee and access programmed according to mutual agreement.

All Mother Lode Job Training staff will have access to all common use areas including but not limited to: Main lobby, public restrooms, staff break room, staff restrooms, staff showers, common use corridors.