

## LEASE AGREEMENT

THIS AGREEMENT made this 9th day of March, 2023, between the MOUNTAIN COMMUNITIES CHAMBER OF COMMERCE, 3717 Mt. Pinos Way #A, Frazier Park, CA 93225 (hereinafter called "LESSEE").

- AND -

FRAZIER PARK PUBLIC UTILITY DISTRICT, with its offices and principal place of business situated at 4020 Park Drive, Frazier Park, Kern County, California (hereinafter called "LESSOR").

WHEREAS, Lessee desires to use property of Lessor commonly known and referred to as **APN 260-160-11, 260-081-21, 260-082-06**, for the purpose of operating and maintaining two (2) outdoor monument sign structures for the purpose of advertising display boards; and –

WHEREAS, Lessor desires to make said property available to Lessee for said purpose.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and intending to be legally bound hereby, the parties agree as follows:

1. Lease for Billboard Placement: Lessor hereby leases to Lessee and Lessee leases from Lessor the above described property for the sole purpose of operation and maintenance of two (2) outdoor monument sign structures. The structures have already been constructed and are owned by Lessor. Lessee seeks to operate and maintain them for the purposes of provided advertising for local businesses with proceeds intended to be used primarily toward the expense and upkeep of the Frazier Park Streetscape (Beautification Project Attachment A). Any additional proceeds may be used toward reasonable and ordinary expenses of the Lessee, at Lessee's sole discretion.
2. Rent: Lessee shall pay to Lessor as rental for said property, the amount of One Hundred Dollars (\$100) per month, due and payable on the first of each month, for the first year of the lease. Rent in subsequent years shall be based on the reasonable expense incurred by Lessor in the fulfillment of their maintenance and insurance obligation of the property, but at no time will increase by 15% over the prior year rent amount.
3. Penalty for Late Payment: If rent for this Lease is not paid in full when due, a penalty of ten percent (10%) of the amount due and unpaid shall be added to the amount due. A further penalty of ten percent (10%) of the amount due and unpaid, including previously assessed penalties, shall be added for each additional month that outstanding amount remains unpaid. Rent is due on the 1<sup>st</sup> and late on the 5<sup>th</sup>.
4. Insufficient Funds: Pursuant to California Law, if Lessee passes a check with insufficient funds, Lessee shall be liable to Lessor for the amount of the check and a service fee of Thirty Dollars (\$30), and Lessor may require that all payments thereafter be made with guaranteed funds (i.e., money order or cashier's check).

5. Security Deposit: Lessee shall not be required to provide a security deposit.
6. Taxes: The Lessee shall be responsible for the payment of taxes, if any, that are due as a result of the existence of the Monument Sign Structure on the Property.
7. Payments and Notifications: All rent to be paid to Lessor pursuant to this Lease and all notices to either of the parties hereto shall be forwarded to the respective party at the address noted below such party's signature, or such other address set forth in a written notice by such party. Rental payments shall be deemed received by Lessor upon actual receipt by the Lessor. In the event that Lessor shall send to Lessee written notice requesting that rent be forwarded to an address other than that listed below Lessor's signature, such new forwarding address shall not be effective until forty-five (45) days after Lessee's receipt of such notice from Lessor.
8. Lease Term: The initial term of the lease shall be one (1) year, commencing March 10, 2023, and ending March 15, 2024. After conclusion of initial term and a review of lease terms and actual operation of purpose (operating and maintaining sign structures for business advertising), amendments may be incorporated at that time. Amendments may be for the mutually agreed benefit of Lessee and/or Lessor.
9. Lease Option: Provided Lessee is not in default of any of the provisions of this Lease, Lessor hereby grants to Lessee the Option(s) to renew and extend the initial Term for five (5) years from and after the expiration of the initial Term. Lessee may exercise said Option by giving Lessor written notice of its intention to do so not less than sixty (60) days prior to expiration of the Term then in effect. The Lessor, at its sole discretion, may accept or reject the request to extend.
10. Water Use: If, during the Lease Term or any exercised Lease Option, the property (APN 260-160-11, 260-081-21, and/or 260-082-06) becomes necessary for water usage, as determined solely by Lessor, said water use shall supersede the use by Lessee. Lessor, at Lessor's sole discretion, reserves the right to terminate this Lease pursuant to the Termination section.
11. Access: Lessee shall be allowed access to said monument sign structures from Frazier Mountain Park Road over property of Lessor as necessary for the purpose of carrying out the purposes of this Lease.
12. Right of Inspection: Lessor shall have the right to enter upon the property at all reasonable times to inspect the property and Lessee's operations thereon. Lessor reserves all rights in and with respect to the property, not inconsistent with Lessee's use of the property as provided in this Lease, without limitation, the right of Lessor to enter upon the property for the purpose of installing, using, maintaining, renewing, and replacing pipes or other structures in place and necessary to operation of Lessor's function as a Public Utility District. The lessee's contractor must hold their own workman's compensation and liability insurance.
13. Lessee to Maintain Monument Sign Structures: During the Lease Term, Lessee shall, at its sole cost, repair and maintain the Monument Signs in a clean, sanitary, and safe condition.

14. Lessor to Maintain Fencing: Lessor shall, at its sole cost, repair and maintain all fencing on the perimeter of the property, in good working order, and in a safe, sanitary, and clean condition.
15. Lessor to Perform Weed Abatement: Lessor shall, at its sole cost, trim or remove and properly dispose of vegetation that may grow or collect on the property.
16. Trash Removal: Lessee shall remove and properly dispose of any rubbish or materials that may collect on the property due to Monument Signage Operation and/or Maintenance, and/or Business Sign Installation. Lessor shall remove and properly dispose of any rubbish or materials that may collect on the property due to other causes.
17. No Objectionable Advertising: Lessee shall not place any displays upon the leased board which, in reasonable judgment, may be deemed objectionable.
18. Commencement and Completion of Display Advertising: Upon execution of Lease, Lessee shall commence to contract construction and attachment of display advertising, and in no event later than six (6) months from commencement of this agreement. If Lessee fails to meet the deadline, Lessor shall give a fifteen (15) day notice to Lessee, requiring Lessee either (i) commence or complete construction and attachment, as applicable, within that fifteen (15) day period, or (ii) to explain to the sole satisfaction of the Lessor the reason for the delay. If Lessee satisfies neither condition within the fifteen (15) day period, Lessor may, at its sole discretion after expiration of the fifteen (15) day period, may terminate the Lease and take over implementation of construction and attachment with all costs reimbursed by Lessee to Lessor.
19. Ownership of Display Advertising: The parties agree that the outdoor advertising display boards erected upon the leased Monument Signs shall at all times remain the personal property of the individual advertisers who have purchased their individual display boards. Upon the expiration of the term hereof, or upon any sooner termination of this Lease, Lessee agrees to remove the outdoor advertising display boards at its sole cost and expense, and return the leased property to its condition prior to the application of the display boards.
20. Ownership of Monument Sign Structures and Land: Lessor warrants that it owns the property and has the authority to enter into this Lease and that if Lessee shall pay the rent provided for herein, Lessee shall and may peaceably and quietly have, hold and enjoy use of the leased property for the Term of this Lease. To this end, if at any time during the Term of this Lease, Lessor fails to pay any lien or encumbrance affecting the leased property, including any past due real estate taxes, interest, and/or penalties thereto, and after receipt of Lessee's written request to Lessor to pay said sums, Lessor fails to make such payment, Lessee shall have the right, but not the obligation, to pay such amounts or any portion thereof. Lessee may deduct any such payments and any additional related expenses including reasonable attorney's fees, with interest thereon at this interest rate applicable to judgments under state law per annum from the date of payment, from the next succeeding installment(s) of rent until Lessee has been fully reimbursed for such payments, interest and fees.

21. Insurance: The Lessee shall purchase and maintain comprehensive general liability and property damage insurance with a combined single limit of coverage of no less than \$1,000,000. The Frazier Park Public Utility District shall be named as an additional insured. Lessee shall furnish a Certificate of Insurance to the Lessor upon the signing of this lease. Lessee shall provide proof of Workers Compensation Insurance if Lessee is required to obtain such insurance.
22. Damage and Destruction: Lessor shall maintain Fire and Casualty Insurance on the Monument Sign Structures and to name Lessee as an additionally insured. If Monument Sign Structure become damaged or destroyed, Lessor shall utilize their insurance policy to restore Monument Sign Structures to their original as-built condition if reasonably possible.
23. Indemnification: Lessee shall defend, indemnify and hold the Lessor and all additional named insureds and all appointed or elected officers, officials, directors, committee members, employees, volunteer workers, and any affiliated, associated, or allied entities and /or bodies of, or as may be participated in by the Lessor, or as may now or hereinafter be constituted or established harmless from all claims, actions, lawsuits, damage, losses and expenses, including attorney's fees arising in connection with the placing, operating, maintaining, servicing, protecting, and removal of its display advertising on the leased property, unless such claim, action, lawsuit or damage arises solely in connection with the acts or omissions of Lessor or its agents, employees, representatives or invitees.
24. Breach by Lessee: If Lessee breaches any provision of this Lease, and has not cured said breach after fifteen (15) days written notice by Lessor, Lessor shall have the right at its option to terminate this Lease and remove any advertising displays from the Monument Sign Structures.
25. Non-Assignable: Lessee may not assign its interest hereunder without the prior written consent of Lessor.
26. Compliance with Laws: The Lessee shall comply with all Ordinances of the County of Kern and all laws of the State of California pertaining to the property and the use thereof.
27. Eminent Domain: In the event that all or any part of the Property is acquired or sought to be acquired by or for the benefit of any entity having or delegated the power of eminent domain, Lessee shall, at its election and in its sole discretion, be entitled to: (i) contest the acquisition and defend against the taking of Lessee's interest in the property; and (ii) from the entity seeking to take the Property through eminent domain, seek to recover damages to and compensation for the fair market value of the Leasehold and Sign Structure(s) taken or impacted by the acquisition. No termination right set forth anywhere in this Lease may be exercised by Lessor if the property or any portion thereof is taken or threatened to be taken by eminent domain, or if the property is conveyed or to be conveyed to or for the benefit of any entity having the power of eminent domain.

28. Obligation: This Lease shall not obligate the Lessee in any way until it is accepted and executed by an authorized signatory of Lessee who is responsible for executing Lessee's duties under this Lease. It is understood that this written Lease between the parties constitutes the entire Lease and understanding between the parties and supersedes all prior representations, understandings, and agreements relating to the Leased Property. This lease may not be modified except in writing and signed by Lessor and an authorized agent of Lessee.
  
29. Continuation: This Lease shall be binding upon heirs, executors, personal representatives, successors and assigns for the parties hereto and Lessor agrees to notify Lessee of any change of (i) ownership of the Property, or (ii) Lessor's mailing address within seven (7) days of such change. Lessor agrees to hold Lessee harmless from any action resulting from failure to provide said notice. Lessor shall not assign its interest under this Lease or any part thereof except to a party who purchases the underlying title to the Property.
  
30. Termination: Termination of this Lease can only be undertaken as outlined in previous sections. Termination actions include, but are not limited to: water use, declination of option to extend lease term, uncured breach of lease terms by either party, eminent domain action, and/or irreparable damage to Monument Sign Structures.
  
31. The parties hereto have each carefully reviewed this Lease and have agreed to each term set forth herein. No ambiguity is presumed to be construed against either party. The Parties have executed this Agreement on the Execution Date. All provisions of the lease will enter into full force and effect on the Commencement Date of March 10, 2023.

**APPROVED AS TO FORM and CONTENT:**

**Frazier Park Public Utility District (FPPUD)**  
"Lessor"

By R. Gipson  
President, Board of FPPUD  
4020 Park Drive  
P.O. Box 1525  
Frazier Park, CA 93225

Name R. Gipson

By J. Allison  
General Manager, FPPUD  
4020 Park Drive  
P.O. Box 1525  
Frazier Park, CA 93225

Name Jonnie Allison

**Mountain Communities Chamber of Commerce**  
"Lessee"

By B. Saidi / Pres. MCCOC (11-6-23)

Name B. Saidi

Title \_\_\_\_\_  
3717 Mt. Pinos Way #A  
P.O. Box 552  
Frazier Park, CA 93225

Attachment A

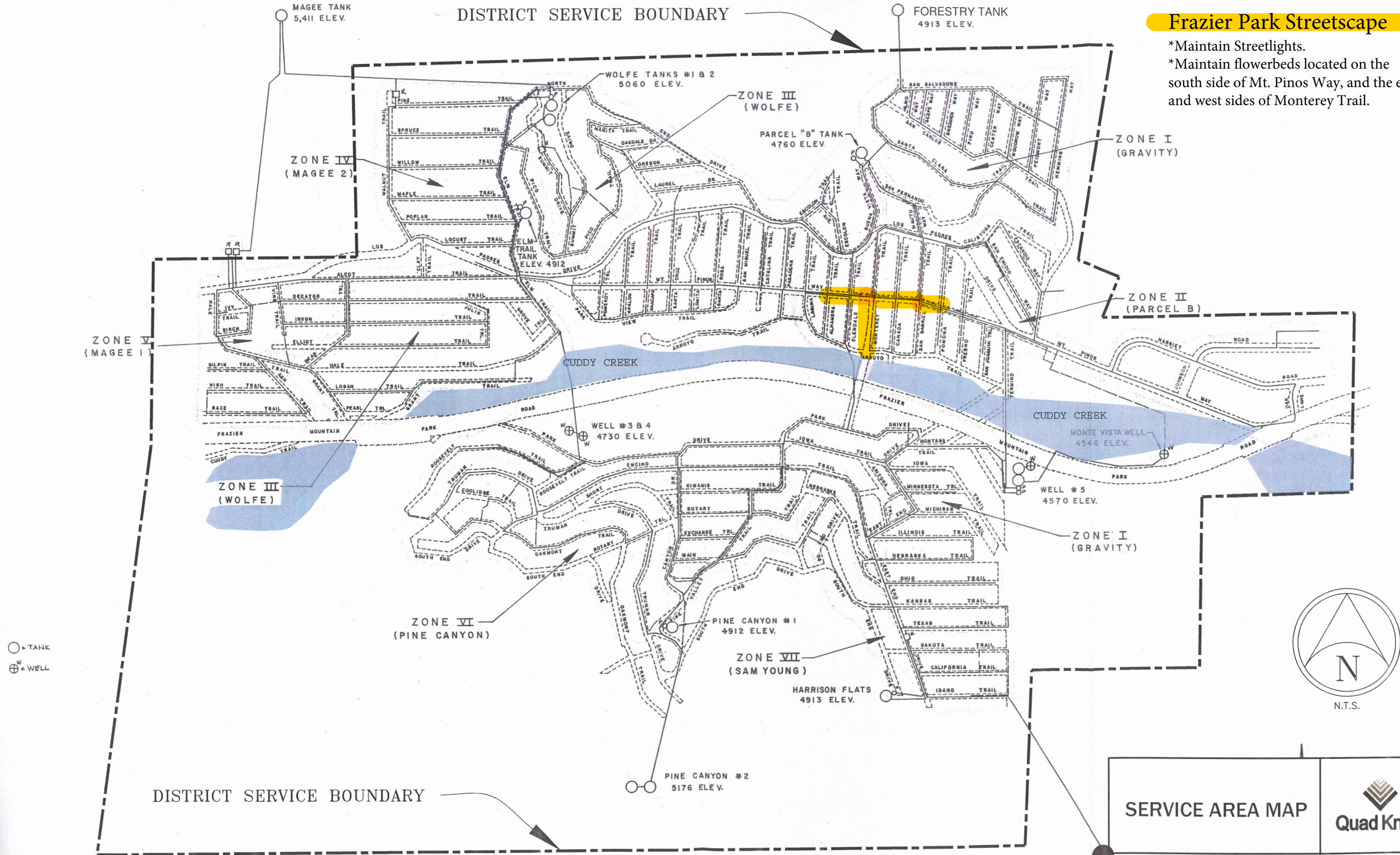
Frazier Park Streetscape


Beautification Project Map



**Frazier Park Streetscape**

- \*Maintain Streetlights.
- \*Maintain flowerbeds located on the south side of Mt. Pinos Way, and the east and west sides of Monterey Trail.



SERVICE AREA MAP	
FRAZIER PARK	FIGURE 2

DISTRICT SERVICE BOUNDARY

SAM YOUNG TANK

○ TANK  
⊕ WELL