

LEASE AGREEMENT
between
Gridley Unified School District
and
The County of Butte (Fair Association)

(Portion of 199 E. Hazel St., Butte County Fairgrounds)
(Farmer’s Hall, Feather Room)

This Lease Agreement, hereinafter “Agreement”, with reference date of July 1, 2023, is by and between Gridley Unified School District, hereinafter “District” and the County of Butte, a political subdivision of the State of California, through its General Services Department, on behalf of the County of Butte Fair Association, hereinafter “Association”, collectively “Parties”, for the lease of a portion of the Butte County Fairgrounds real property and its improvements, located at 199 E. Hazel Street, Gridley, California, commonly known as Farmers Hall as identified on **Exhibit B - Aerial Map**, attached hereto and incorporated herein, hereinafter “Project”.

WITNESSETH:

WHEREAS, Association desires to provide for District certain rights and privileges and District desires to accept such rights and privileges for the benefit of the Gridley Unified School District and the Gridley community in general.

That for, and in consideration of the payment of rent and the mutual performance of the terms, covenants and conditions contained herein and in the manner hereinafter stated, the Association leases and lets to District and District hereby leases and takes from Association upon the conditions hereinafter set forth the following described real property, hereinafter “Farmer’s Hall & Feather Room”, approximately a 26,050 square foot building hereinafter the “Premises” and asphalt parking and access roadway, hereinafter the “Parking”, as detailed in **Exhibit A: Premises and Exhibit B: Aerial Map**, attached hereto and incorporated herein, hereinafter the “Premises” and “Parking”, contained within a portion of the Butte County Fairgrounds, situate in Gridley, California.

NOW, THEREFORE, Parties agree to the following terms, covenants and conditions:

1. TERM

- 1.1. Initial Term: Begins on July 1, 2023, and terminates June 30, 2024.
- 1.2. Renewal Term: The Association and the District agree to meet during the 2023-2024 school year to discuss terms of renewal and/or extended lease period. If parties have not reached an agreement prior to July 1, 2024 the rent will be billed at the monthly rate of \$6,250 until there is an agreement in place as described in 1.3.

- 1.3. Hold Over: Any holding over after the termination of this Agreement during the “Initial Term” or “Renewal Term(s)”, shall create a Month – to – Month tenancy with terms and conditions consistent with the preceding full month of District exclusive use. Hold Over rent payment shall equal the annual rent amount as of July 1st of the, then current Regular School Year, divided by 12. Monthly Hold Over rent payment shall be due and payable on or before September 1st and each month thereafter, during any Hold Over period. Hold Over period shall not exceed one Regular School Year. In the event the District remains in Hold Over for one Regular School Year beyond the termination of this Agreement, the District shall then vacate the Premises within thirty (30) days prior to June 30th of the Hold Over period.

2. OCCUPANCY AND USE – PREMISES

- 2.1. District is in possession of the Premises.
- 2.2. Regular School Year: The Regular School Year is defined as beginning September 1st or the seventh day past the fourth Sunday in August of each calendar year, whichever is later in the year, through June 30th of each regular school year, for the term of this Agreement.
- 2.3. The District: District may propose a modification of dates for each upcoming Regular School Year with a written notice six (6) month in advance of the start of the Regular School Year. Approval of School Year modification shall be at the Association’s sole discretion.
- 2.4. Non-Exclusive Use:
 - 2.4.1. Parking: The District and the Association shall have non-exclusive use of the Parking during the Regular School Year for the term of this Agreement.
 - 2.4.2. The Association shall have controlling authority, though non-exclusive use of the Parking, during the period from July 1st through August 31st of each year, for the term of this Agreement. The District shall have the option to petition Association in writing for use the Premises and Parking, outside of the Regular School Year. District’s petition to the Association for this use, must be thirty (30) days prior to the event. Permission for District to use the Premises and Parking shall not interfere with the Association’s scheduled use and is at the sole discretion Association, permission for District use shall not be unreasonably withheld.
- 2.5. Exclusive Use: Association Shall have:
 - 2.5.1. Exclusive use of the Project, Premises and Parking for any purpose from August 1st through the seventh day past the fourth Sunday of August each calendar year and each **Blackout date(s)**, as detailed in **Exhibit C – Blackout Dates for District and Association Use**,

attached hereto and incorporated herein, hereinafter the “**Blackout Dates**” and referred to as “Blackout Periods”; for the purpose of, but not limited to, the operation of the Butte County Fair and other Association scheduled events. The Association shall take reasonable efforts to conclude operations prior to the beginning of the Regular School Year or seven days past the fourth Sunday of August each calendar year, whichever is later.

- 2.5.2. In the event of an emergency or unforeseen event including, but not limited to, flooding, fire, high wind or earthquake damage, the Association shall have controlling authority over the use of the Project, Premises and Parking for the term of this Agreement, regardless of the time of the year.
- 2.5.3. The option to petition District in writing, for use the Premises during the Regular School Year in addition to scheduled Blackout period(s). Association petition to the District must be given in writing, thirty (30) days prior to the event. Permission for Association use shall not be unreasonably withheld.
- 2.5.4. During each Blackout period(s) throughout the Regular School Year, as detailed in **Exhibit C**, the Association shall have exclusive use of the Premises and Parking. Blackout period(s) shall be determined four (4) months prior to the start of each Regular School Year, for the term of this Agreement and approved in writing by the Parties. Quarterly meeting shall be set up between the Parties to verify and schedule Blackout date(s) during each Regular School Year.
 - 2.5.4.1. The Association Exclusive use “Blackout period(s)”:
 - 2.5.4.1.1. Weekend Blackout period(s) shall begin at 12:00 pm Friday prior to the start of the event and continue through 12:00 pm the following Monday.
 - 2.5.4.1.2. Week Day Blackout period(s) shall begin at 3:00 pm of the day prior to the start of the event and continue through 12:00 pm following the last day of the Exclusive use period(s).
 - 2.5.4.1.3. Extended Weekend Blackout period(s) as requested by Association and approved in advance by District, Association shall the option to request that three (3) of the total six (6) Blackout period(s) can have extended hours. Extended Weekend Blackout period(s) shall begin at 3:00 pm of the Wednesday prior to the weekend and continue through 12:00 pm following the last day of the Exclusive use period.
 - 2.5.4.1.4. For all District approved Blackout period(s) as requested by Association, for the use of the Premises, the Association shall provide an alternate building at the Project for District’s P. E.

use during normal school hours, Monday through Friday. There shall be no additional cost to the District for the alternate building use. District use of alternate building shall be consistent with the terms and conditions of this Agreement.

- 2.6. District Use of the Premises: District shall have:
- 2.6.1. Exclusive use of the Premises during the Regular School Year outside of the Blackout period(s), as detailed in **Exhibit C** and Section 2.5.2. and 2.5.4.
 - 2.6.2. Non-exclusive use of the Premises for the period, as defined in Section 2.2 and Section 2.5, of each Regular School Year. The District shall take reasonable efforts to conclude operations prior to the end of the each Regular School Year and as detailed in **Exhibit C**.
 - 2.6.3. Non-exclusive use of the Parking during the Regular School Year and District petitioned, special use periods, outside the Regular School Year as approved in writing, 30 days prior to the use, by the Association.
 - 2.6.4. The option to petition Association in writing for use of the Premises and Parking, outside of the Regular School Year. District's petition to the Association for this use, must be thirty (30) days prior to the event. Permission for District to use the Premises and Parking shall not interfere with the Association's scheduled use and is at the sole discretion Association.
 - 2.6.5. Use of the Premises during the Regular School Year shall be for assemblies, social events, athletic programs and other uses consistent with regular school activities, with no other use(s) permitted without a thirty (30) day prior written approval of Association. Permission for District to use the Premises is at the Association's sole discretion.
 - 2.6.6. District accepts Premises subject to all local, state and federal laws, regulations and ordinances including zoning classification. Association makes no representation or warranty that Premises are now, or will be in the future, suitable for District's intended use.

3. ASPHALT PARKING AND ACCESS ROADWAY "Parking"

- 3.1. Association: In the event of an emergency, as defined in Section 2.5.2., or for scheduled maintenance and /or Premises deemed "Unsafe", the Association shall have controlling authority over the use of the Parking for the term of this Agreement, regardless of the time of the year and shall have the right to lock the Parking at any time and as detailed above.
- 3.2. Maintenance and repair: Association shall be responsible for routine maintenance of the Parking.
- 3.3. District shall:
 - 3.3.1. Have Non-Exclusive use of the Parking during Regular School Year.
 - 3.3.2. Use must be consistent with intended use, as described in Section 2. Occupancy and Use, with no other uses permitted without the prior

written approval of the Association, thirty (30) days in advance of the event.

- 3.3.3. During the Regular School Year, any damage to the Parking, directly caused by the District's use, repair shall be at the District's sole cost and responsibility, excepting normal wear and tear. Cost of repair shall be determined by the Association and invoiced to the District for immediate payment.

4. MAINTENANCE, REPAIRS AND UTILITIES

4.1. General Provision for the Premises:

- 4.1.1. Parties and Butte County Facilities Services representative, shall document and approve in writing the internal and external condition of the Premises and Parking on or before June 30th of each calendar year and before the start of each School Year, throughout the term of this Agreement. All maintenance and or repair items identified during inspections that require attention, shall be completed by the responsible Party as quickly as possible. Each responsible Party shall make every effort to complete repairs so as not to interfere with other Party's use and operation of the Premises and Parking.
- 4.1.2. Any modifications to the Premises, completed by or for the District, which required interior ADA accessibility modifications, the District shall be solely responsible for all costs and the completion of such ADA modifications. All accessibility projects, must meet the provisions of Title II of the Americans with Disabilities Act (ADA).
- 4.1.3. Utilities:
 - 4.1.3.1. Shall be in the District's name and all charges incurred shall be paid in full by the District for the term of this Agreement.
 - 4.1.3.2. District shall invoice the Association for all utility charges incurred as a result of the Association's use of the Farmer's Hall during the Exclusive Use Period(s) and any Blackout period(s), based on meter readings before and after Association's use. Meter reading shall be performed by both Parties at the same time.
- 4.1.4. Association shall, at Association's sole cost and expense:
 - 4.1.4.1. Pay for services and materials ordered by Association.
 - 4.1.4.2. Make reasonable effort to avoid disruption to District use of the Premises as a result of repairs or maintenance to the Premises and or the Project.
 - 4.1.4.3. Be responsible for Association's event preparation setup and post use cleanup of Premises, regardless of time of year and return the Premises to District in the same condition as prior to the event and excepting normal wear and tear.

- 4.1.4.4. When implementing exterior accessibility projects, shall meet the provisions of Title II of the Americans with Disabilities Act (ADA).
- 4.1.4.5. Provided District is not in default of the terms of this Agreement, regardless of time of year; Association shall be responsible for maintenance and repair for all roofing, building exterior, grounds, pest control including termites, exterior ADA compliance and Parking routine maintenance, (except damage as noted in Section 3.3.3.).
- 4.1.4.6. Pay for janitorial support during Association's exclusive use period(s).
- 4.1.4.7. In the event any required repairs, maintenance or facility modifications that are in excess of Association budget and at the discretion of Association; Association may terminate this Agreement without penalty; or if Association does not have the funds necessary to complete required repairs, at the discretion of Association, the Association may allow District to fund necessary repairs, maintenance or facility modifications and deduct the expense from the rent payment. In the event the District elects not to fund or complete required repairs, maintenance or facility modifications that are in excess of District's budget, at the discretion of District; District may terminate this Agreement without penalty. Parties shall give the other Party a sixty (60) days written notice of lease termination for this purpose.
- 4.1.5. District shall, at District's sole cost and expense:
 - 4.1.5.1. Pay for services and materials ordered by District.
 - 4.1.5.2. Be responsible for District's event preparation setup and post use cleanup of Premises, including floor treatment, regardless of time of year and return the Premises to Association in the same condition as prior to the and at the termination of this Agreement, excepting normal wear and tear.
 - 4.1.5.3. Maintain and repair the interior of the Premises including, but not limited to, all flooring, walls, wall treatments, interior building components including light fixtures, bulbs, ballast, windows, doors, restrooms, kitchen and locker rooms, all mechanical equipment, heating, ventilation and air conditioning (HVAC) equipment, and routine (quarterly), replacement of HVAC filters. Should building components be deemed past end of life by independent evaluation and need replacement the "Association" shall be responsible for replacement or could negotiate with "District" to replace on their behalf with appropriate rent credit.
 - 4.1.5.4. Kitchen shall be used for "Food Preparation" only.
 - 4.1.5.5. Bring to the attention of Association, in a timely manner, any damage and or necessary repairs.

- 4.1.5.6. Pay for janitorial support during the District Exclusive Use Periods.
- 4.1.5.7. Not make any modifications or alterations to the Premises or Parking without prior written approval by Association.
- 4.1.5.8. Comply with California Uniform Public Construction Cost Accounting Act (CUPCCAA) in all Public Projects involving the Premises.
- 4.1.5.9. Comply with Americans with Disabilities Act (ADA). Building or office space, leased for the purpose of conducting District business, shall meet the provisions of Title II of the Americans with Disabilities Act, hereinafter "ADA". Abatement efforts shall conform to the minimum requirements of the accessibility guidelines outlined in the "Federal Register" Par 3, 28 CAR Part 36.

5. LEASE PAYMENT

- 5.1. Defined: Lease Payment is defined as the rent due the Association for use of the Premises and Parking by District.
- 5.2. Lease payment: Total annual lease payment shall be due in advance of the start of each Regular School Year, during the entire Agreement term, as detailed in **Exhibit D – Lease payment and Schedule**, attached hereto and incorporated herein, hereinafter "Payment Schedule".

6. REVENUE SHARING

For the term of this Agreement, there shall be no revenue sharing for any events held at the Premises.

7. INSURANCE AND INDEMNIFICATIONS

- 7.1. Insurance:
 - 7.1.1. Association agrees to save the District in case of damage to the Premises, excluding any and all District contents, by events normally considered an Act of God.
 - 7.1.2. District shall agree to keep the Premises covered under their usual policies of public liability, fire and property damage, naming the State of California, the County of Butte, the Butte County Fair Association, California Fair Service Authority, and their officers, agents, servants of employees of each additional insured. District shall also insure against theft, damage, damage by unlawful entry, or malicious mischief of and to the Premise or Parking. Proof of insurance in the form of a certification of insurance or a declaration of self-insurance must be given to the Association at the beginning of each School Year or when the previous policy expires, whichever occurs first.
 - 7.1.3. District shall provide the Association a current Certificate of Insurance as noted in Section 7.1.2. within 30 days of full execution of this Agreement and prior to the start of each successive regular school year thereafter, for the term of this Agreement.

- 7.2. Indemnification:
- 7.2.1. Association agrees to indemnify, defend and hold District harmless from all claims, disputes, litigation, judgments and attorney fees arising from any cause resulting from the Association’s failure to maintain the Premises as required in this Agreement.
- 7.2.2. District shall indemnify, defend and hold Association harmless from all claims, disputes, litigation, judgments and attorney fees arising out of District’s use of the Premises and Parking and/or any breach of this Agreement by District.

8. PAYMENT AND NOTIFICATIONS

- 8.1. Payments: Payments shall be served by mail or courier to Association to the address provided in Section 8.2 Notifications, unless otherwise directed in writing.
- 8.2. Notifications: Notifications may be served by mail, courier or email at the following locations:

<p>Association Butte County Fair Association 199 E. Hazel Ave. Gridley, CA 95948 Matt Reed 530-846-3626 mreed@Buttecountyfair.org</p>	<p>District Gridley Unified School District 429 Magnolia Street Gridley, CA 95948 Justin Kern 530-846-4721 jkern@gusd.org</p>
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9. OTHER TERMS AND CONDITIONS

- 9.1. Ingress/Egress: For the term of this Agreement, Association shall ensure ingress and egress through Fairgrounds gates and over the Parking, in accordance with Section 2 and Section 3, as applicable to the District use. District shall help to enforce traffic restrictions and maintain control of traffic on the East Hazel/East Spruce Street Loop the “Parking”. District shall cooperate with the City Police and the County Sheriff’s Department. District shall notify persons using the described street, for school purposes, that the same applicable traffic laws that apply elsewhere in the city shall apply to the herein-described property. Additionally, restrictions applying specifically to the portion of East Hazel Street are as follows: from the intersection of Fairview Drive and Hazel Street, through the east and “loop” of Hazel Street, to the intersection of Spruce Street (said portion of Hazel Street, being part of the Butte County Fairgrounds), said Street shall be a one (1) way street; with a 15 MPH speed limited; with diagonal parking on both sides of the street. This shall be strictly enforced. District shall notify the students, faculty, and support staff of the aforementioned traffic enforcement policies.
- 9.2. No Encumbrance: District shall not subject or encumber all or any part of the Premises and Parking, or assign or transfer this Agreement or any interest in it, without the prior written consent of Association.

- 9.3. Rules and Regulations: District shall faithfully observe and comply with such rules and regulations as adopted by Association from time to time with respect to the Fairgrounds, Farmer's Hall, asphalt roadway and all portions of the Butte County Fairgrounds.
- 9.4. Hazardous Substance: District shall comply with all applicable laws pertaining to industrial hygiene; environmental conditions on, in, under or about the Fairgrounds, Farmer's Hall and the asphalt roadway including soil and the use, generation, disposal or removal of any Hazardous Material.
- 9.5. Nuisance: District shall not, and shall ensure that guests and licensees of District do not, disturb, annoy, endanger or interfere with other occupants or uses of the Fairgrounds, Famer's Hall, asphalt roadway and all portions of the Butte County Fairgrounds and neighbors, or use the Premises for any unlawful purposes.
- 9.6. Dispute: Parties agree that any dispute or claim in law or equity arising between them out of this Agreement or any resulting transaction shall be subject to mediation before any legal action may be filed in accordance with California state law.
- 9.7. Prior Agreements: This Agreement contains all of the agreements of the Parties hereto with respect to any matter covered or mentioned in this Agreement and is intended to be the final expression of the Parties. No prior agreement or understanding pertaining to any such matter shall be effective for any purpose.
- 9.8. Amendments: No provision of this Agreement may be amended or added to except by an agreement in writing signed by the Parties hereto or their respective successors in interest.
- 9.9. Severability: If any provision of this Agreement shall, to any extent, be determined by a court of competent jurisdiction or a mediator to be invalid or unenforceable, the remainder of this Agreement shall not be affected thereby, and each and every provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law, unless the effect of such severance would be to substantially alter this Agreement or the obligations of the Parties, in which case this Agreement may be immediately terminated.
- 9.10. Successors and Assigns: Except as otherwise provided in this Agreement, all of the covenants, conditions and provisions of this Agreement shall be binding upon and shall inure to the benefit of the Parties hereto and their respective heirs, personal representatives, successors and assigns.
- 9.11. Time: Time is of the essence with respect to the performance of every provision of this Agreement in which time or performance is a factor.

9.12. Waiver: The waiver of any breach shall not be construed as a continuing waiver of the same breach or a waiver of any subsequent breach.

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By their signatures below, each of the following persons represent that they have authority to execute this Agreement and to bind the Party on whose behalf their execution is made.

District:

Association:

Eric Waterbury Date
President
Gridley Unified School District

Matt Reed Date
Manager
Butte County Fair Association

Exhibit A – Premises

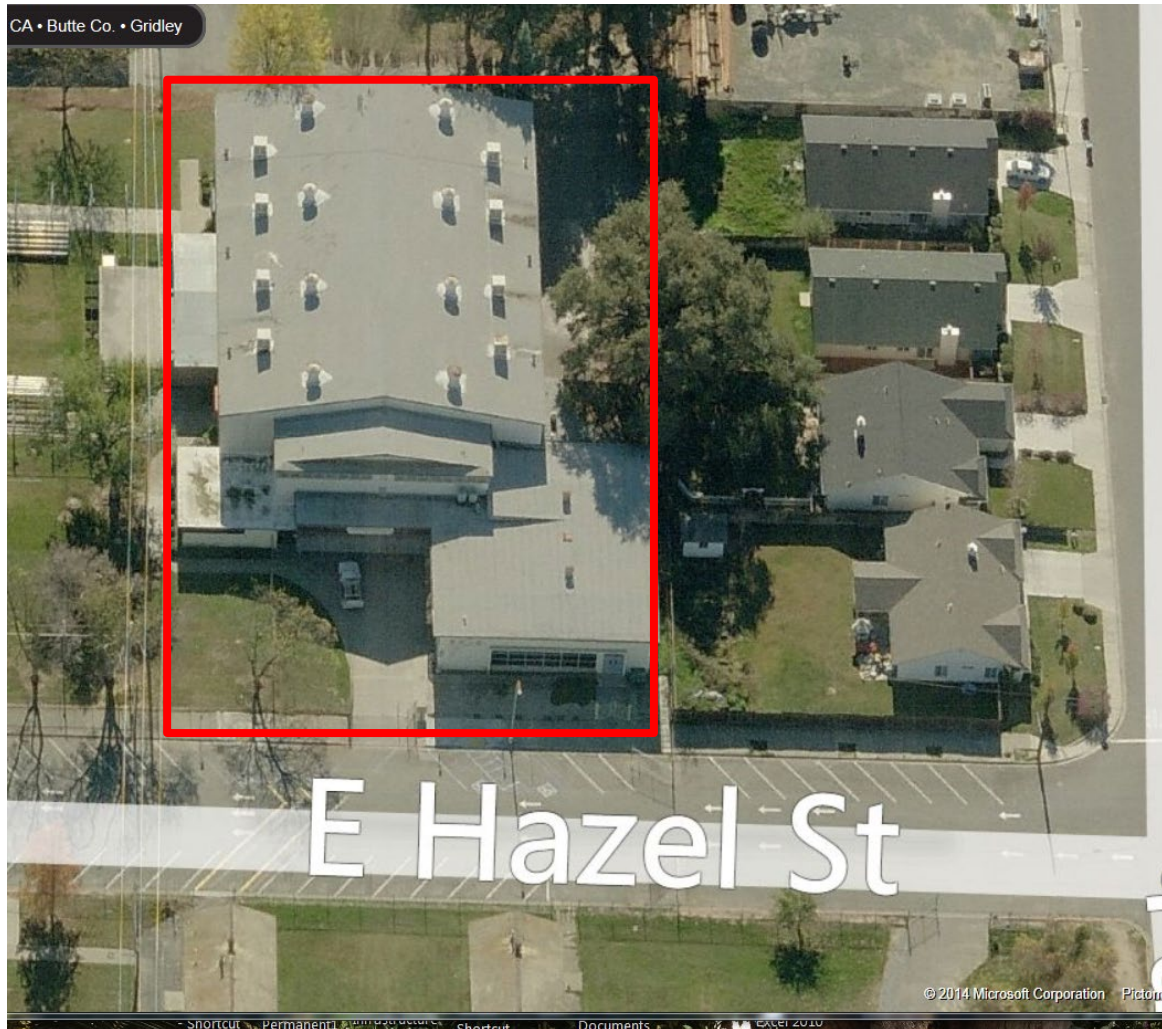


Exhibit B- Aerial Map

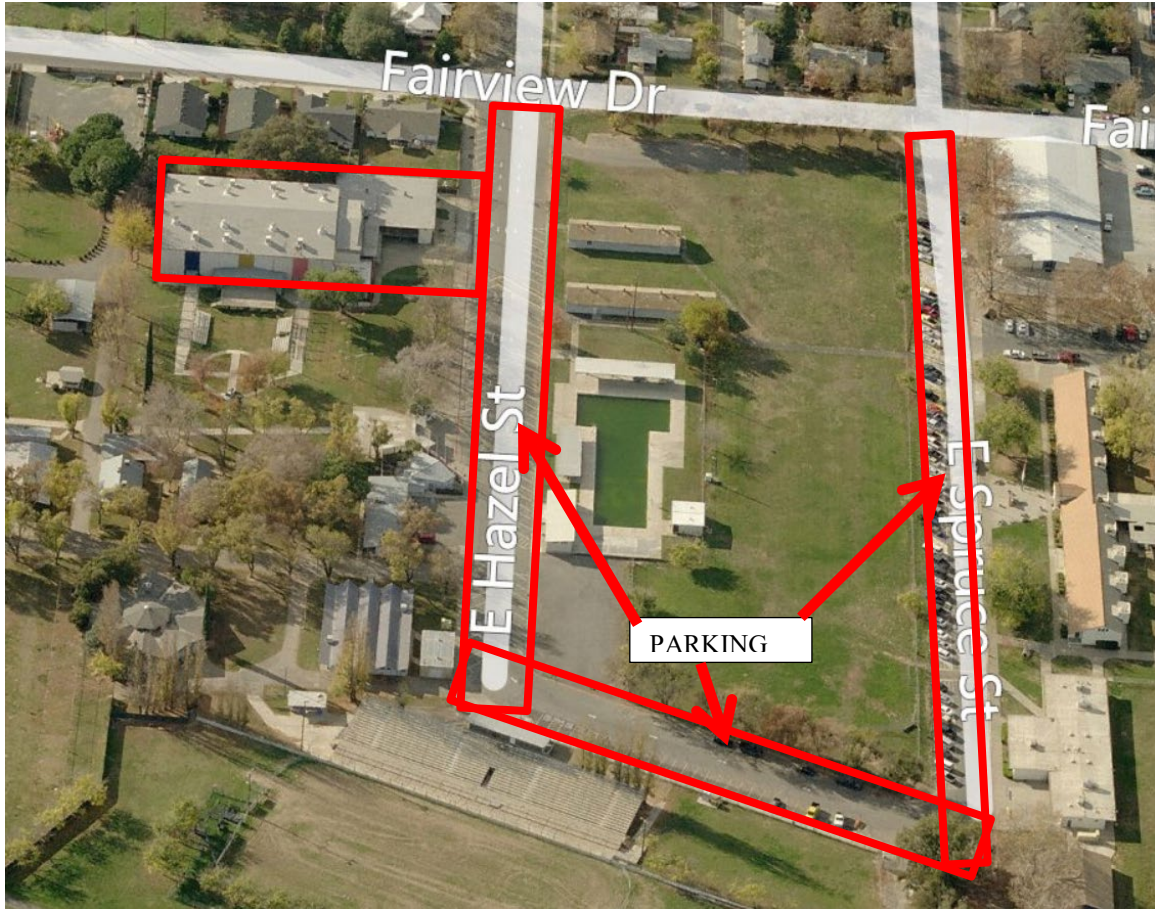


Exhibit C – Blackout Dates for District and Association Use

District Primary Usage: District shall have full use of the Farmer’s Hall/Feather Room facility, with the exception of the Association’s exclusive use periods for Four (4) Blackout weekends as defined in **Section 2 OCCUPANCY AND USE – PREMISES**. Excepting, if the exclusive use period falls on a Holiday weekend which would include those days as well. The six (6) Association exclusive use periods will be determined in the following manner:

1. First full weekend in September, and confirmed for following year, and each year thereafter, with a minimum of 90 days confirmation.
2. The second weekend in January, and confirmed for following year, and each year thereafter, with a minimum of 90 days confirmation.
3. The second weekend in March, and confirmed for following year, and each year thereafter, with a minimum of 90 days confirmation.
4. A weekend in April to be confirmed a minimum of 90 days prior to usage and each year thereafter.
5. Date discussions will be completed by the Joint Facility Committee (JFC) when needed.
6. Blackout weekends and weekday use: date discussion will be conducted by the JFC, comprising an equal number of members from the District and Association. JFC shall meet quarterly to develop the schedule of upcoming events when needed for the Parties use.

Summer Usage and Scheduling:

7. District Summer Premises and Parking Usage and Scheduling: District summer usage from July 1 to August 31. District shall petition Association for any proposed weekday usage during this period. Any and all proposed day usage is at the sole discretion of the Association.
8. The Association will have access to any or all weekends during this period, as defined by 12 pm on Friday through 12 pm on Monday (except if weekend falls on a Holiday weekend, which shall include those days as well).
9. Butte County Fair Production: The Association, for the term of this Agreement, shall have exclusive use and control of entire Project, Premises and Parking from August 1 each year, through September 1, or the seventh day past the fourth Sunday in August of each calendar year, whichever is later in the year.

Exhibit D – LEASE PAYMENT AMOUNT and SCHEDULE

1. Lease Payment for the term of this Agreement, shall be defined as the total annual rent due the Association for use of the Premises and the Parking by the District.
2. The Annual Lease Payment, detailed below, shall be paid in full on or before the start of each Regular School Year, during the entire Agreement term, regardless of exclusive use periods.
3. Annual Lease Payment Amount:
\$75,000 - July 1, 2023 – June 30, 2024
4. Total Annual Lease Payment shall be due in advance of the start of each Regular School Year, during the entire Agreement term.