

LEASE AGREEMENT

LESSOR:

THE CONSERVATION FUND
1655 N Fort Myers Dr Suite 1300
Arlington, VA 22209-3199
Attention: Lily Engle

LESSEE:

Albion Little River Fire Protection District
PO Box 634
Albion, CA 95410
ataeger@mcn.org
Attention: Alan Taeger

THIS LEASE is made and entered into this 8th day of February, 2017, between **THE CONSERVATION FUND**, hereinafter referred to as "Lessor," and Albion Little River Fire Protection District, hereinafter referred to as "Lessee." This Lease consists of the terms, covenants and provisions set forth following the signatures of the parties hereto.

DEFINITIONS

A. **Lessee.** For the purpose of this Lease, the term "Lessee" shall include all agents, servants, employees, subcontractors, successors and assigns of Albion Little River Fire Protection District.

B. **Lessor.** For the purpose of this Lease, the term "Lessor" shall mean THE CONSERVATION FUND.

C. **Property.** For the purpose of this Lease, the term "Property" shall mean the real property located in the South Half of Section 1, Township 15 North, Range 17 West, M.D.B.&M., Mendocino County, California, more particularly described on Exhibit A attached hereto and incorporated by this reference.

RECITALS

A. Lessor and Lessee desire to enter into a lease of real property on the terms and conditions hereinafter set forth.

B. This Lease, including the signature page and the attached Exhibit, is the entire agreement between Lessor and Lessee, and cannot be amended except by written agreement, signed by an authorized representative of each party.

NOW, THEREFORE, in consideration of the premises and covenants and undertakings hereinafter set forth, the parties agree as follows:

AGREEMENT

1. Lease.

Lessor agrees to lease to Lessee, and Lessee agrees to lease from Lessor, the Property as described and shown on the attached Exhibit A.

2. Lessee's Operations.

2.1 Lessee shall exclusively use the Property for the purpose of providing a temporary structure and parking space for a fire station. Lessee may construct such temporary structure as it deems necessary, and upon termination of the Lease, the temporary structure will be removed by Lessee.

2.2 Lessee shall conduct operations under this Lease in a business like and efficient manner, in accordance with industry standards and all requests of Lessor, and shall keep and observe all state and federal laws, rules and regulations now or hereinafter applicable to such operations and to the employment of labor with respect thereto including without limitation, laws, rules and regulations pertaining to protection and conservation of fish and game and the prevention of pollution of any streams and water sources. Lessee shall secure all licenses and permits and file all notices by law required relating the Lessee's performance hereunder, and shall provide to Lessor evidence of compliance with said requirements.

3. Lease Payments.

Lessee shall pay to Lessor, during the term of this Lease, the sum of One dollar (\$1.00) annually for a total of four dollars (\$4.00), payable upon execution of this Lease. All payments due under this lease shall be paid to Lessor at the address indicated above, or at such other address as Lessor may designate in writing.

4. Term.

The term of this Lease shall be for a period of approximately forty-eight (48) months commencing on January 1, 2017 and terminating on December 31, 2020. This Lease is subject to earlier termination as otherwise provided for herein. Upon the expiration of the term of this Lease, Lessee shall surrender the Property, and shall immediately remove all equipment and personal property from the premises.

5. Labor, Equipment, Materials and Permits

Unless otherwise specifically set forth in this lease, Lessee, at its sole cost and expense, shall provide and pay for all labor, equipment, materials and supplies necessary for its operations

on the Property. Lessee shall obtain and pay for all permits required to use the Property under this Lease unless otherwise specified herein, or otherwise agreed to in writing by Lessor.

6. Fire Prevention

Lessee agrees to exercise the highest degree of care to prevent and suppress fire, and shall notify Lessor immediately of any fire on, or that may come upon or threaten, the Property. Lessee shall comply with all relevant federal, state and local laws and regulations and reasonable requirements of Lessor with respect to fire prevention and control. Lessor may suspend operations when, in the absolute discretion of Lessor or federal or state forestry officials, Lessee's operations pose an extreme threat of fire on the Property.

7. Ingress and Egress.

For the term of this Lease, Lessee shall have a non-exclusive right of ingress and egress to the Property.

8. Return of Property.

Upon the termination of this Lease in any fashion, Lessee shall return the Property to Lessor in good condition and repair, reasonable wear and tear excepted. Lessee also agrees to promptly pay to Lessor the cost of repairing any damage, or to replace damaged property where applicable.

9. Indemnification.

Lessee shall defend, indemnify and hold harmless the Lessor and their affiliated companies and their officers, insurers, agents and employees from all expenses, fines, liens, claims, demands, penalties, damages, and liabilities (including (i) reasonable attorney's fees, including without limitation those at trial, and on appeal or review and (ii) reasonable consultant fees and expenses) which arise in connection with Lessee's performance of this Lease, except to the extent caused by the sole negligence of the Lessor. Lessee's obligations under this Section include, without limitation, claims of all employees, licensees, invitees, agents, and subcontractors; claims for injuries to persons or property, including property of the public (such as air, water, fish and wildlife), including land and timber, and other property owned by the Lessor; and claims for trespass, nuisance, all federal, state and local taxes, workers' compensation insurance and assessments, assessments and penalties for environmental damages and fire suppression costs. Lessee shall indemnify and hold harmless the Lessor from the consequences of all activities of its agents, subcontractors and assigns. Lessee shall, at Lessee's own cost and expense, defend any and all actions, suits or other legal proceedings that may be brought or instituted against the Lessor on any such claims and shall pay or satisfy any judgment, decree or settlement arising therefrom.

10. Repossession

Upon the expiration of the term of this Lease, Lessee promises to surrender and give up the Property to Lessor, and failing to do so, Lessor may re-enter and take possession of the Property without any formal proceedings, either by law or in equity.

11. Insurance.

11.1 Before commencing any activities under this Lease, Lessee shall, at its own cost and expense, secure a policy or policies of insurance, and during the term of this Lease, maintain such insurance in a form reasonably satisfactory to Lessor and with companies maintaining an A.M. Best's rating of A-VII or better, insuring against liability growing out of Lessee's operations, and the operations of its employees, agents, contractors, or other persons acting for or on behalf of the Lessee, including the following:

Comprehensive General Liability Insurance

Bodily Injury - \$1,000,000 per person
 \$1,000,000 per occurrence

Property Damage - \$1,000,000 per occurrence

OR

Combined Single Limit - \$1,000,000 per occurrence.

11.2 Comprehensive general liability insurance (with only standard exclusions unless consented to by Lessor in writing) shall include coverage for: operations and completed operations; independent contractors; blanket contractual liability (including liability assumed under the indemnification paragraph of this Lease, and automobile liability insurance covered owned, hired and non-owned vehicles. All policies shall by endorsement name THE CONSERVATION FUND as additional insured with respect to the performance of this Lease. The Aggregate limit shall be specific to this Lease. The coverages shall be primary, exclusive of any coverage carried by Lessor, and shall be exhausted first notwithstanding that Lessor may have other valid and collectible insurance covering the same risk. Nothing herein contained shall limit the Lessee's liability to Lessor to the scope or the amount of the insurance coverage.

11.3 Prior to commencing performance of this Lease, Lessee shall deliver to Lessor certificates from Lessee's insurance carrier evidencing the coverages described herein, and shall provide such further evidence to Lessor which shall establish that the industrial insurance required herein has been secured. All certificates of insurance shall provide on their face that the policies represented thereby will not be terminated, reduced or changed without providing thirty (30) days prior written notice to Lessor. Lessee shall also require all subcontractors and owners of vehicles and other equipment used in connecting with the performance of this

Lease to have in force and effect insurance policies satisfying the above provisions.

12. Termination Without Cause.

Upon ninety (90) days written notice to Lessee, Lessor may, for any reason whatsoever, terminate this Lease for all or any portion of the Property. In the event of such termination, the Lease Payments shall be reduced pro rata according to the number of months and acres terminated, but this Lease shall continue in full force and effect for all of the Property which is not terminated; provided, that if the Property is sufficiently reduced to make its use by Lessee uneconomical, this Lease may be terminated by Lessee. Lessor's only liability for termination without cause shall be to return payment to Lessee as set forth in this paragraph.

13. Termination for Cause.

13.1 If Lessee fails to make any payment when due under this Lease, or if Lessee is in breach of any provision of this Lease, or upon the filing of a petition of bankruptcy by or against the Lessee, or if the Lessee shall make a general assignment for the benefit of creditors, or if there shall be appointed a trustee or receiver of the Lessee or its properties, or if Lessee becomes the subject of any insolvency proceeding, Lessor may in its sole discretion, terminate this Lease upon twenty-four (24) hours notice. Lessor shall have the right to enter upon the premises without any liability to Lessee for trespass and remove all property and effects of Lessee with or without notice to Lessee and with or without process of law.

13.2 In the event of terminating for cause, Lessor may pursue all remedies as it has under applicable law. Such remedies shall be cumulative and in addition to any other remedies to which Lessor is entitled in the case of a material breach or threatened material breach of this Lease, whether provided in law or in equity.

14. Choice of Law.

This Lease shall be governed by the laws of the State of California. Lessor and Lessee represent that they are legally organized entities authorized to enter into this Lease and that their representative executing this Lease is duly authorized to bind the entity to the terms of this Lease without further approvals.

15. Venue, Expert and Attorney Fees.

In the event of any arbitration, action, suit or legal proceeding is instituted by either party to this Lease, venue shall be set in Mendocino County, California; the prevailing party shall be entitled to recover from the losing party both reasonable attorney fees and reasonable expert witness fees as determined by the court or arbitration panel, both at trial and on appeal or review and in bankruptcy, whether or not the matter in dispute involves an issue peculiar to federal bankruptcy law. Attorney fees and expert

witness fees shall be in addition to other costs and disbursements allowed by law. "Prevailing party" shall be determined by the arbitrator, or any court, as the true prevailing party (not statutorily prevailing party) after taking into consideration any settlement offers made by the parties and the number and importance of issues to be determined.

16. Waiver.

Time is of the essence in the performing of this Lease. Failure by Lessor at any time to require strict performance by Lessee of any provision hereof shall in no way affect Lessor's rights hereunder to enforce such provision nor shall any waiver by Lessor of any breach of any provision hereof be held to be a waiver of any succeeding breach of any such provision or as a waiver of the provision itself.

17. Notices.

Any notice to be given by either party to the other shall be in writing and shall be served personally, or by certified or registered mail, with postage prepaid, addressed to the party to be served its address, and such service shall be accomplished upon personal service or two days following depositing said notice in the U.S. mails.

18. Assignment.

This Lease shall not be assigned by Lessee, either in whole or in part, without the prior written consent of Lessor. If Lessor consents to assignment or subletting of any of Lessee's rights or duties hereunder, Lessee shall remain liable for performance by assignees or subcontractors in compliance with the Lease.

19. Survival of Covenants.

The covenants and obligations of Lessee shall continue until such time as all work of Lessee, including equipment removal, has been completed and shall survive to cover any expense, liability or claim of liability arising out of the acts, omissions or performance of this Lease by Lessee. The terms Lessee and Lessor shall and do include and extend to the heirs, representatives, successors and assigns of the parties hereto.

20. Severability

If any terms or provisions of this Lease are determined to be unenforceable, the remaining terms and provisions shall remain in full force and effect. If subsequent to the date of this Lease valid state or federal laws or regulations governing the relations between Lessor and Lessee take effect, this Lease shall be considered to incorporate such laws or regulations so long as they shall be effective, and any provision of this Lease in conflict therewith shall during such period be void.

21. Construction of Lease.

Section headings in this Lease are for convenience only, and shall not be considered a part of this Lease or used in its interpretation. If one or more of the provisions hereof are ruled invalid, it shall not impair the enforceability of the remainder of this Lease.

22. Final Agreement.

This document is the entire and complete agreement of the parties. There are no oral agreements between the parties hereto affecting this Lease, and this Lease supersedes and cancels any and all previous negotiations, arrangements, brochures, agreements and understandings, if any, between the parties hereto or displayed by either party to the other with respect to the subject matter thereof, and none thereof shall be used to interpret or construe this Lease. Any amendment, modification, or addendum to this Lease must be in writing and executed by both Lessor and Lessee in order to be effective and binding.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by authorized representatives on the date first written above.

“Lessor”

THE CONSERVATION FUND

By: _____

Title: _____

Date: _____

*JIMMIE G. ENNE
DEPT. GEN. COUNSEL
2/8/17*

“Lessee”

Albion Little River Fire Protection District

By: _____

Title: _____

Date: _____

*Alan Tager
Board Secretary
8 February 2017*

