

•NON-EXCLUSIVE LEASE•

BASIC LEASE INFORMATION

Date of Lease: January 28, 2013

Landlord: City of Richmond, a municipal corporation and charter city

Landlord's Address: 450 Civic Center Plaza
Richmond, CA 94804
Attn: Lieutenant Bisa French

Tenant: The Tides Center, a California non-profit corporation

Tenant's Address: The Presidio
1014 Torney Avenue
San Francisco, CA 94129
Attn: Sonya Watson

Premises: 256 24th Street, Richmond, CA 94804, consisting of approximately 7,000 square feet, as shown on Exhibit A

Commencement Date: January 28, 2013

Expiration Date: Ten (10) years after completion of the Improvements set forth in Section 1.04.

Base Rent: \$1 per month

Permitted Use: Shared use of the Premises as a family justice center to provide coordinated services to victims of domestic violence

THIS NON-EXCLUSIVE LEASE (the "Lease") is entered into as of January 28, 2013 between Landlord and Tenant.

Article 1. Premises

1.01. Lease. Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the Premises (including any rights and appurtenances in connection therewith that are necessary for the Permitted Use) upon all of the terms, covenants and conditions set forth in this Lease. The Premises consists of certain portions of the building located at 256 24th Street, Richmond, California (the "**Building**") that are shown on the attached **Exhibit A**. The Building is situated on that certain parcel of real property (the "**Real Property**") described on the attached **Exhibit B**. The parking areas serving the Building (the "**Parking Facilities**") are shown on **Exhibit A**.

1.02. Non-Exclusive Use. Tenant's use of the Premises is non-exclusive. All other Building users, including Landlord and its lessees, licensees, invitees, guests, assignees and permittees, shall be permitted to use the Premises on a twenty-four (24) hour, seven (7) days a week basis. Subject to Tenant's consent in advance, Landlord may grant to others in the future non-exclusive access to the Premises.

1.03. Acceptance of Premises. Tenant accepts the Premises in its AS IS condition existing as of the Commencement Date, subject to all matters of record and applicable laws, ordinances, rules and regulations. Tenant acknowledges that neither Landlord nor any of Landlord's agents has agreed to undertake any alterations or additions or to perform any maintenance or repair of the Premises whatsoever, except as expressly set forth herein. Tenant shall obtain all necessary permits to use the Premises for the Permitted Use.

1.04 Improvements. Landlord will perform the alterations, additions and improvements in or to the Premises set forth in the December 2010 Conceptual Design Study prepared by Shah Kawasaki (the "**Improvements**").

1.05 Reserved Easements. Landlord reserves to itself and the right to grant to others in the future nonexclusive utility easements (including easements for construction, maintenance, repair, replacement and reconstruction of such utility easements) over, under, through, across or on the Premises, provided Landlord shall use reasonable efforts to provide that such work occurring and any easement is located such that it will not unreasonably interfere with Tenant's use and enjoyment of the Premises. Tenant shall not be obligated to maintain or repair any such easement facilities unless the need for repair is attributable to Tenant's negligence or other wrongful conduct.

1.06 Landlord's Exclusive Use of Portions of the Premises. Landlord shall have exclusive use to that portion of the Premises used by the City of Richmond Police Department and as shown and labeled as "**Law**" on **Exhibit A** (the "**Exclusive PD Area**"). The Exclusive PD Area shall include the entirety of that parking area behind the Building and not shown on **Exhibit A** (the "**Exclusive PD Parking Area**"). Tenant may not enter the Exclusive PD Area without prior consent of the Police Department at its sole and absolute discretion. The Police Department may separately secure the Exclusive PD Area.

Article 2. Term, Use, Rent and Scheduling

2.01. Term.

(a) The Term shall commence upon the Commencement Date and shall continue in full force for the Term. Tenant's obligations under this Lease shall commence upon the Commencement Date. The Term shall terminate upon the Expiration Date, unless sooner terminated pursuant to the terms of this Lease.

(b) Upon the occurrence of the Expiration Date or any earlier termination of this Lease, Landlord and Tenant shall each be released and discharged from any claims or liabilities thereafter arising; provided, however, that nothing herein shall be deemed to release or discharge either party from those obligations that expressly survive the termination of this Lease, including those claims made by a third party for which Landlord has a claim of defense and indemnity against Tenant.

(c) Either party may terminate this Lease upon sixty (60) days' advance notice to the other party of such termination.

2.02. Permitted Use.

(a) Tenant shall use the Premises solely for the Permitted Use and for no other use or purpose, except as permitted by Landlord pursuant to Landlord's prior written consent, which consent may be withheld in Landlord's sole discretion. Tenant shall faithfully observe and comply with the Rules and Regulations attached to this Lease as **Exhibit C** and, after notice thereof, all modifications thereof and additions thereto from time to time promulgated in writing by Landlord.

(b) The Premises shall be operated and maintained in an efficient, business-like and first class manner.

(c) Tenant shall be permitted to use any fixtures, equipment and signs currently at the Premises that are the property of Landlord; provided that it shall be Tenant's responsibility to maintain and repair such fixtures, equipment and signs.

(d) Landlord shall be permitted to use the Premises for the Permitted Use.

2.03. Personnel. Tenant shall furnish and supervise sufficient personnel to properly and efficiently operate and maintain the Premises in accordance with the terms of this Lease. Such personnel shall either be employees or contractors of Tenant or employees of Operator. All such personnel shall be courteous to customers of the Premises and Building. Further, Tenant shall promptly attend to the reasonable complaints and/or comments of Landlord and the customers of the Premises. As used herein, "**Operator**" shall mean any third-party engaged by Tenant to operate the Premises.

2.04. Base Rent. Tenant and Landlord acknowledge that Base Rent is one dollar (\$1) monthly. Base Rent, and any additional rent and all other obligations of Tenant to make payments to Landlord shall constitute rent and is sometimes collectively referred to in the Lease as "**Rent**."

2.05. Payment of Certain Expenses by Tenant. Tenant shall pay, prior to delinquency, all expenses and costs of every kind and nature that are necessary or prudent in connection with the management, maintenance, repair, preservation and operation of the Premises including, but not limited to, the following: (1) wages, salaries and related expenses, payroll taxes, insurance and other benefits of all on-site and off-site employees and personnel engaged in the operation, maintenance, repair and security for the Premises; (2) all supplies, materials, equipment and equipment rental used in the operation, maintenance, repair and security for the Premises; (3) all fees and charges due to any Operator hired by Tenant to operate the Premises; (4) utilities, including water and power for the Premises; (5) all maintenance, janitorial and service agreements for the Premises and the equipment thereon, including, without limitation, any alarm and/or security service; (6) all operating permits and licenses and all personal property taxes, possessory interest taxes, parking, sales or use taxes, assessments or fees, business or license taxes or fees, service payments in lieu of such taxes or fees, annual or periodic license or use fees, excises, or charges of any kind that are assessed, levied, charged, confirmed or imposed by any public authority upon the operation of the Premises (or any portion or component thereof) or this Lease; (7) all insurance required under Article 6 below; (8) all data processing, accounting and legal fees for the operation of the Premises; and (9) telephone charges. Should Landlord separately invoice Tenant for any of the above expenses, Tenant shall pay such expenses as additional rent within ten (10) days of receipt of such invoices.

2.06. Payment of Certain Taxes by Tenant. Tenant shall be liable for all taxes levied against personal property and trade fixtures placed by Tenant in the Premises, which taxes shall be paid when due and before any delinquency. If any such taxes are levied against Landlord or Landlord's property and if Landlord elects to pay the same or if the assessed value of Landlord's property is increased by inclusion of personal property and trade fixtures placed by Tenant in the Premises and Landlord elects to pay the taxes based on such increase, Tenant shall pay to Landlord upon demand that part of such taxes for which Tenant is primarily liable hereunder.

Article 3. Landlord's Covenants

3.01. Basic Services. Tenant, at its sole cost and expense, shall install a separate utility meter to provide electricity to the Premises for lighting and power suitable for the Permitted Use, including heating and air conditioning ("HVAC"). Landlord shall, at Tenant's cost and expense, regularly service and maintain the HVAC system and components serving the Premises and shall have twenty-four (24) hour, seven (7) days a week access to provide such service. Landlord shall provide gas service and city water for use in connection with any plumbing fixtures now or hereafter installed in the Premises in accordance with this Lease.

3.02. Landlord shall not be liable for damages to either person or property, nor shall Landlord be deemed to have evicted Tenant, nor shall there be any abatement of Rent, nor shall Tenant be relieved from performance of any covenant on its part to be performed under this Lease by reason of any (i) deficiency in the provision of electricity, gas or water; (ii) breakdown of equipment or machinery utilized in supplying services; or (iii) curtailment or cessation of services due to causes or circumstances beyond the reasonable control of Landlord or by the making of necessary repairs or improvements, unless such deficiency, breakdown, curtailment or cessation is due to the sole active negligence or willful misconduct of Landlord.

3.03. Graphics and Signage. All new signs, notices, advertisements and graphics of every kind or character, displayed in the Premises or visible from the exterior of the Premises shall be subject to Landlord's prior written approval, at Landlord's sole discretion, and shall be constructed and installed at Tenant's sole expense, subject to all applicable laws.

3.04. Repair Obligation. Except as specifically set forth in this Lease, Landlord shall have no obligation whatsoever to maintain or repair the Premises. Landlord shall have the right, but not the obligation, to undertake work or repair that Tenant is required to perform under this Lease and that Tenant fails or refuses to perform in a timely and efficient manner. Tenant shall reimburse Landlord upon demand, as additional rent, for all costs reasonably incurred by Landlord in performing any such work or repair for the account of Tenant. The parties intend that the terms of this Lease govern their respective maintenance and repair obligations. Tenant expressly waives the benefit of any statute now or hereafter in effect to the extent it is inconsistent with the terms of this Lease with respect to such obligations or affords Tenant the right to make repairs at the expense of Landlord or to terminate this Lease by reason of the condition of the Premises or any needed repairs.

3.05. Peaceful Enjoyment. Landlord covenants with Tenant that upon Tenant paying the Rent and performing all of Tenant's covenants and agreements herein contained, Tenant shall peacefully have, hold and enjoy the Premises subject to all of the terms of this Lease. This covenant and the other covenants of Landlord contained in this Lease shall be binding upon Landlord and its successors only with respect to breaches occurring during its or their respective ownerships of Landlord's interest hereunder.

Article 4.
Tenant's Covenants

4.01. Payments by Tenant. Tenant shall pay Rent at the times and in the manner provided in this Lease. Failure to pay Rent when due shall give rise to the rights and remedies provided for in Section 6.07(b). If there is more than one Tenant, the obligations imposed under this Lease upon Tenant shall be joint and several.

4.02. Repairs by Tenant. Tenant shall be obligated to maintain and repair the Premises, to keep the same at all times in good order, condition and repair, and, upon expiration of the Term, to surrender the same to Landlord in the same condition as on the Commencement Date, reasonable wear and tear and taking by condemnation excepted. Tenant's obligations shall include, without limitation, the obligation to repair all damage caused by Tenant, its agents, employees, contractors, guests, invitees, and permittees and any others using the Premises with Tenant's express or implied permission. Tenant shall further be responsible for regular cleaning of the Premises. Tenant shall give Landlord prompt notice of any damage to or defective condition in any part of the Premises.

4.03. Waste. Tenant shall not commit or allow any waste or damage to be committed in any portion of the Premises. Tenant shall keep the Premises free of trash and refuse at all times.

4.04. Assignment or Sublease.

(a) Tenant shall not voluntarily or by operation of law assign, transfer or encumber (collectively, "**Assign**") or sublet all or any part of Tenant's interest in this Lease or in the Premises without the prior written consent of Landlord which will not be unreasonably withheld; provided, however, Tenant may sublet a part of Tenant's interest in the Premises to Contra Costa County, Community Violence Solutions, STAND! and Bay Area Legal Aid. Tenant shall also be permitted from time to time during the Term to engage an Operator to operate the Premises on Tenant's behalf. Tenant's selection of an Operator shall be subject to Landlord's approval, which approval shall not be unreasonably withheld, conditioned or delayed.

4.05. Alterations, Additions and Improvements.

(a) Tenant shall not make or allow to be made any alterations or additions in or to the Premises without first obtaining the written consent of Landlord (collectively, the "**Alterations**"). Before commencing any work relating to Alterations, Tenant shall notify Landlord of the expected date of commencement thereof and of the anticipated cost thereof. Tenant shall furnish complete drawings and specifications describing such work as well as such information as shall reasonably be requested by Landlord substantiating the cost of such work. Tenant shall not commence any such work until Landlord has reviewed and consented to the work as described in such drawings and specifications, which consent shall not unreasonably be withheld, conditioned or delayed. Tenant shall reimburse Landlord within thirty (30) days following its demand for any costs incurred by Landlord in having such drawings and specifications reviewed by its third party consultants. Landlord's consent will not be unreasonably withheld or delayed with respect to proposed alterations and additions that: (i) comply with all applicable laws, ordinances, rules and regulations; (ii) will not interfere Landlord's future use of the Premises and the Building; and (iii) will not trigger any additional costs to Landlord (other than those for which Tenant is obligated to reimburse Landlord pursuant to the terms of this Lease).

(b) Any consent given by Landlord under this Section 4.05 shall be deemed conditioned upon: (i) Tenant's acquiring all applicable permits required by governmental authorities; (ii) Tenant's furnishing to Landlord copies of such permits, together with copies of the approved plans and specifications, prior to commencement of the work thereon; (iii) Tenant's compliance with the conditions of all applicable permits and approvals in a prompt and expeditious manner; (iv) Tenant's compliance with the prevailing wage requirements set forth in Section 4.06(b) of this Lease; and (v) Tenant's providing all requested financial documentation demonstrating that Tenant has sufficient funds to complete the Alterations.

(c) Tenant shall provide Landlord with not less than ten (10) days prior written notice of commencement of the work so as to enable Landlord to post and record appropriate notices of non-responsibility. All alterations and additions permitted hereunder shall be made and performed by Tenant without cost or expense to Landlord. Tenant shall pay the contractors and suppliers all amounts due to them when due and keep the Premises free from any and all mechanics', materialmen's and other liens and claims arising out of any work performed, materials furnished or obligations incurred by or for Tenant.

(d) The Alterations and Improvements shall become the property of Landlord upon installation and shall be surrendered to Landlord without compensation to Tenant upon the termination of this Lease by lapse of time or otherwise unless Landlord conditioned its approval of any alterations, additions or improvements on Tenant's agreement to remove them, in which case Tenant shall, by the Expiration Date, remove such alterations, additions and improvements, repair any damage resulting from such removal and restore the Premises to their condition existing prior to the date of installation of such alterations, additions and improvements. Notwithstanding anything to the contrary set forth above, this clause shall not apply to movable equipment, personal property or furniture owned by Tenant. Tenant shall repair at its sole cost and expense all damage caused to the Premises, the Building or the Parking Facilities by removal of Tenant's movable equipment, personal property or furniture and such other alterations, additions and improvements as Tenant shall be required or allowed by Landlord to remove from the Premises. Nothing herein shall be construed to require Tenant to remove any structures that are located in the Premises as of the Commencement Date.

(1) All Alterations performed by or on behalf of Tenant shall be constructed in a first-class, workmanlike manner which does not disturb or interfere with Landlord, its operation of the Premises, or other tenants, invitees, guests or permittees and is in compliance with all applicable laws, ordinances, regulations and orders of any governmental authority having jurisdiction thereover, as well as the requirements of insurers of the Premises, the Building, the Parking Facilities and the Real Property. Prior to commencing any such work, if required by Landlord, Tenant shall maintain builder's risk insurance in an amount no less than the value of the completed work of alteration, addition or improvement on an all-risk basis, covering all perils then customarily covered by such insurance. In addition, prior to the commencement of any such work, if Landlord so requests, Tenant shall furnish to Landlord performance and payment bonds for the contractor(s) performing such work in forms and issued by a surety reasonably acceptable to Landlord in an amount equal to the total cost of such work of alteration, improvement or addition. Upon completion of work performed for Tenant, Tenant shall deliver to Landlord evidence of full payment therefor and full and unconditional waivers and releases of liens for all labor, services and/or materials used. Tenant shall present to Landlord and maintain on site at all times one (1) full set of Tenant's construction documents which have been accepted by Landlord and endorsed with the approval stamp and permit number of the Building Department, local Fire Marshal and all other governmental agencies having jurisdiction over the construction and occupancy of the Premises, the Building and the Real Property. Such documents shall be carefully annotated to reflect any material deviations in the work "as-built" from that initially shown, and upon completion of Tenant's work, Tenant shall cause reproducible drawings and electronic files to be delivered to Landlord which describe accurately all of Tenant's work as built. All plans, drawings, specifications and/or construction documents (the "**Alteration Documents**") provided hereunder shall be copied for and delivered to Landlord upon completion. Upon surrender of the any alterations or additions which Landlord shall elect to retain, Tenant shall assign any manufacturer's warranties issued in connection with such alterations and additions and shall provide Landlord with all repair and maintenance records relating to such alterations and additions.

4.06. Compliance With Laws and Insurance Standards.

(a) Tenant shall not occupy or use, or permit any portion of the Premises to be occupied or used in a manner that violates any applicable law, ordinance, rule, regulation, order, permit, covenant, easement or restriction of record, or for any business or purpose that is productive of fire hazard. Tenant shall not do or permit anything to be done that would result in the cancellation, or in any way increase the cost, of the all risk property insurance coverage on the Real Property, Premises, Building and/or their contents. If Tenant does or permits anything to be done that increases the cost of

any insurance covering or affecting the Real Property, Premises or Building paid for by Landlord, then Tenant shall reimburse Landlord, upon demand, as additional rent, for such additional costs. Landlord shall deliver to Tenant a written statement setting forth the amount of any such insurance cost increase and showing in reasonable detail the manner in which it has been computed. Tenant shall, at Tenant's sole cost and expense, comply with all laws, ordinances, rules, regulations and orders (state, federal, municipal or promulgated by other agencies or bodies having or claiming jurisdiction) related to the use, condition or occupancy of the Premises now in effect or that may hereafter come into effect including, but not limited to, (a) accessibility and use by individuals with disabilities, (b) environmental conditions in, on or about the Premises, and c) Chapters 2.28, 2.56 and 2.60 of the Richmond Municipal Code, if applicable. If anything done by Tenant in its use or occupancy of the Premises shall create, require or cause imposition of any requirement by any public authority for structural or other upgrading of or alteration or improvement to the Premises, Tenant shall, at Landlord's option, either perform the upgrade, alteration or improvement at Tenant's sole cost and expense or reimburse Landlord upon demand, as additional rent, for the reasonable cost to Landlord of performing such work. The judgment of any court of competent jurisdiction or the admission by Tenant in any action against Tenant, whether Landlord is a party thereto or not, that Tenant has violated any law, ordinance, rule, regulation, order, permit, covenant, easement or restriction shall be conclusive of that fact as between Landlord and Tenant.

(b) Tenant shall and shall cause the general contractor and subcontractors to pay prevailing wages in the construction of any Alterations as those wages are determined pursuant to Labor Code Sections 1720 et seq., and implementing regulations of the Department of Industrial Relations, and shall and shall cause the general contractor and subcontractors to comply with the City of Richmond employment requirements, including but not limited to the City's Living Wage Ordinance (Richmond Municipal Code Chapter 2.60), the City's Business Opportunity Ordinance (Richmond Municipal Code Chapter 2.50), and the City's Local Employment Program Ordinance (Richmond Municipal Code Chapter 2.56). Tenant shall and shall cause the general contractor and subcontractors to keep and retain such records as are necessary to determine if such prevailing wages have been paid as required pursuant to Labor Code Sections 1720 et seq. Copies of the currently applicable current per diem prevailing wages are available from the California Department of Industrial Relations website, www.dir.ca.gov. During the construction of the Alterations, Tenant shall or shall cause the general contractor to post at the Premises the applicable prevailing rates of per diem wages. Tenant shall indemnify, hold harmless and defend, (with counsel reasonably acceptable to Landlord) Landlord against any claims for damages, compensation, fines, penalties or other amounts arising out of failure or alleged failure of any person or entity (including Tenant, its general contractor and subcontractors) to pay prevailing wages as determined pursuant to Labor Code Sections 1720 et seq., and implementing regulation in connection with construction of the Alterations or any other work undertaken or in connection with the Premises. In addition, Tenant shall and shall cause the general contractor or subcontractors to promptly deliver to Landlord, upon request, documents verifying its compliance with the Living Wage Ordinance, which include documents which evidenced that each affected employee has been notified regarding the wages required to be paid pursuant to the Living Wage Ordinance. Such wages shall also be posted at the Premises. This Section 4.06(b) shall survive the expiration or sooner termination of this Lease.

4.07. No Nuisance. Tenant shall use and occupy the Premises, and control its agents, employees, contractors, invitees and visitors, in such manner so as not to create any nuisance.

4.08. Entry by Landlord. Landlord, its employees, agents and consultants, shall have the right to enter the Premises at any time to inspect the same, to perform such work as may be permitted or required under this Lease, to make repairs to or alterations of the Premises, to deal with emergencies, to post such notices as may be permitted or required by law to prevent the perfection of liens against Landlord's interest in the Premises or to show the Premises to prospective tenants, purchasers, encumbrancers or others; provided, however, that Landlord shall use commercially reasonable efforts to minimize interference with Tenant's use of the Premises. Tenant shall not be entitled to any abatement of Rent or damages by reason of the exercise of any such right of entry which is in compliance with this Section 4.08.

4.09. Estoppel Certificate. Within ten (10) business days following Landlord's request, Tenant shall execute, acknowledge and deliver written estoppel certificates addressed to (i) any mortgagee or prospective mortgagee of Landlord, or (ii) any purchaser or prospective purchaser of all or any portion of, or interest in, the Premises, on a form reasonably specified by Landlord, certifying as to such facts (if true) and agreeing to such notice provisions and other matters as such mortgagee(s) or purchaser(s) may reasonably require, including, without limitation, the following: (a) that this Lease is unmodified and in full force and effect (or in full force and effect as modified, and stating the modifications); (b) the amount of and date to which Rent and other charges have been paid in advance; and (c) acknowledging that Landlord is not in default under this Lease (or, if Landlord is claimed to be in default, stating the nature of the alleged default). However, in no event shall any such estoppel certificate require an amendment of the provisions of this Lease or otherwise affect or abridge Tenant's rights or increase Tenant's obligations hereunder. Any such estoppel certificate may be relied upon by any such mortgagee or purchaser. Failure by Tenant to execute and deliver any such estoppel certificate within the time requested shall, at Landlord's election, constitute a default hereunder.

4.10. Surrender. Subject to the provisions of Section 4.05 hereof, on the Expiration Date (or earlier termination of this Lease), Tenant shall quit and surrender possession of the Premises to Landlord in as good order and condition as they were in on the Commencement Date, reasonable wear and tear, taking by condemnation and repairs that are Landlord's responsibility under this Lease excepted. Reasonable wear and tear shall not include any damage or deterioration that would have been prevented by good maintenance practice or by Tenant performing all of its obligations under this Lease. Tenant shall, without cost to Landlord, remove all furniture, equipment, trade fixtures, debris and articles of personal property owned by Tenant in the Premises, and shall repair any damage to the Premises, the Building or the Parking Facilities resulting from such removal. Any such property not removed by Tenant by the Expiration Date (or earlier termination of this Lease) shall be considered abandoned, and Landlord may remove any or all of such items and dispose of same in any lawful manner or store same in a public warehouse or elsewhere for the account and at the expense and risk of Tenant. If Tenant shall fail to pay the cost of storing any such property after storage for thirty (30) days or more, Landlord may sell any or all of such property at public or private sale, in such manner and at such times and places as Landlord may deem proper, without notice to or demand upon Tenant. Landlord shall apply the proceeds of any such sale as follows: first, to the costs of such sale; second, to the costs of storing any such property; third, to the payment of any other sums of money that may then or thereafter be due to Landlord from Tenant under any of the terms of this Lease; and fourth, the balance, if any, to Tenant.

4.11. Tenant's Remedies. Landlord shall not be deemed in breach of this Lease unless Landlord fails within a reasonable time to perform an obligation required to be performed by Landlord. For purposes of this Section 4.11, a reasonable time shall in no event be less than thirty (30) days after receipt by Landlord of written notice specifying wherein such obligation of Landlord has not been performed; provided, however, that if the nature of Landlord's obligation is such that more than thirty (30) days after such notice are reasonably required for its performance, then Landlord shall not be in breach of this Lease if performance is commenced within said thirty (30)-day period and thereafter diligently pursued to completion.

Article 5. Environmental Matters

5.01. Hazardous Materials Prohibited.

(a) Tenant shall not cause or permit any Hazardous Material (as defined in Section 5.01(b) below) to be brought, kept, used, generated, released or disposed in, on, under or about the Premises, Building or Parking Facilities by Tenant, its agents, employees, contractors or invitees; provided, however, that Tenant may use, store and dispose of, in accordance with applicable Laws, limited quantities of standard office and janitorial supplies, but only to the extent reasonably necessary for Tenant's operations in the Premises and provided that Tenant remains liable for the release or disposal of any such supplies at or on the Premises that occurs during the Term hereof. Tenant hereby indemnifies Landlord from and against any breach by Tenant of the obligations stated in the preceding sentence, and hereby agrees to defend and hold Landlord harmless from and against any and all claims, liability, losses,

damages, costs and/or expenses (including, without limitation, diminution in value of the Premises, Building, Parking Facilities, or any portions thereof, and sums paid in settlement of claims, fines, penalties, attorneys' fees, consultants' fees and experts' fees) that arise during or after the Term as a result of such breach. This indemnification of Landlord by Tenant includes, without limitation, death of or injury to person, damage to any property or the environment and costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal, or restoration work required by any federal, state or local governmental agency or political subdivision, including the City of Richmond, because of any Hazardous Material present in, on, under or about the Premises, Building or Parking Facilities (including soil and ground water contamination) that results from such a breach. Without limiting the foregoing, if the presence of any Hazardous Material in, on, under or about the Premises, Building, or Parking Facilities caused or permitted by Tenant results in any contamination of the Premises, Building or Parking Facilities, Tenant shall promptly take all actions at its sole expense as are necessary to return the same to the condition existing prior to the introduction of such Hazardous Material; provided that Landlord's approval of such actions, and the contractors to be used by Tenant in connection therewith, shall first be obtained. This indemnification of Landlord by Tenant shall survive the expiration or sooner termination of this Lease. Notwithstanding the foregoing, in no event shall Tenant be liable for any Hazardous Materials located on the Premises as of the Commencement Date or any Hazardous Materials placed on the Premises by a party other than Tenant or Tenant's agents, contractors, employees, guests, invitees, visitors or permittees.

(b) As used in this Lease, the term "**Hazardous Material**" means any hazardous or toxic substance, material or waste that is or becomes regulated by any local governmental authority, the State of California or the United States government. The term "**Hazardous Material**" includes, without limitation, any substance, material or waste that is (i) defined as a "hazardous waste" or similar term under the laws of the jurisdiction where the Premises is located; (ii) designated as a "hazardous substance" pursuant to Section 311 of the Federal Water Pollution Control Act (33 U.S.C. § 1317); (iii) defined as a "hazardous waste" pursuant to Section 1004 of the Federal Resource, Conservation and Recovery Act, 42 U.S.C. § 6901 *et seq.* (42 U.S.C. § 6903); (iv) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 *et seq.* (42 U.S.C. § 9601); (v) hydrocarbons, petroleum, gasoline, crude oil or any products, by-products or fractions thereof; or (vi) asbestos in any form or condition.

(c) As used in this Article 5, the term "**Laws**" means any applicable federal, state or local laws, ordinances, rules or regulations relating to any Hazardous Material affecting the Premises, including, without limitation, the specific laws, ordinances and regulations referred to in Section 5.01(b) above. References to specific Laws shall also be references to any amendments thereto and to any applicable successor Laws.

5.02. Right of Entry. Landlord, its employees, agents and consultants, shall have the right to enter the Premises at any time in order to conduct periodic environmental inspections and tests to determine whether any Hazardous Materials are present. The costs and expenses of such inspections shall be paid by Landlord unless a default or breach of this Lease, violation of Laws or contamination caused or permitted by Tenant is found to exist. In such event, Tenant shall reimburse Landlord upon demand, as additional rent, for the reasonable costs and expenses of such inspections.

5.03. Notice to Landlord. Tenant shall promptly notify Landlord in writing of: (i) any enforcement, clean-up, removal or other governmental or regulatory action instituted or threatened regarding the Premises pursuant to any Laws; (ii) any claim made or threatened by any person against Tenant or the Premises relating to damage, contribution, cost recovery, compensation, loss or injury resulting from or claimed to result from any Hazardous Material; and (iii) any reports made to or received from any governmental agency arising out of or in connection with any Hazardous Material in or removed from the Premises, including any complaints, notices, warnings or asserted violations in connection therewith.

Article 6.
Insurance, Indemnity, Condemnation, Damage and Default

6.01. Landlord's Insurance. Landlord may secure and maintain policies of insurance for the Real Property, Premises, Building or Parking Facilities covering loss of or damage to the Real Property, Premises, Building or Parking Facilities but excluding all Alterations, improvements or additions to the Premises made by or on behalf of Tenant, with loss payable to Landlord. Landlord shall not be obligated to obtain insurance for Tenant's trade fixtures, equipment, furnishings, machinery or other property. Such policies shall provide protection against fire and extended coverage perils and such additional perils as Landlord deems suitable, and with such deductible(s) as Landlord shall deem reasonably appropriate.

6.02. Tenant's Insurance Requirements. Tenant, at its own cost and expense, shall provide and maintain insurance coverage as required in Exhibit D, "City of Richmond Insurance Requirements – Type 4, Lease of City Property".

6.03. Indemnity and Exoneration.

(a) Except to the extent caused by the sole, active negligence or willful misconduct of Landlord, Landlord and Landlord's representatives shall not be liable for any loss, injury or damage to person or property of Tenant, Tenant's agents, employees, contractors, invitees, guests, permittees, licensees, or any other person, whether caused by theft, fire, act of God, acts of the public enemy, riot, strike, insurrection, war, court order, requisition or order of governmental body or authority or that may arise through repair, alteration or maintenance of any part of the Premises or failure to make any such repair or from any other cause whatsoever except as expressly otherwise provided in Sections 6.05 and 6.06.

(b) Except to the extent caused by the sole, active negligence or willful misconduct of Landlord, its agents, contractors or employees, Tenant shall indemnify, protect, defend and hold the Landlord and its representatives, harmless of and from any and all claims, liability, costs, penalties, fines, damages, injury, judgments, forfeiture, losses (including without limitation diminution in the value of the Premises, Building and Parking Facilities) or expenses (including without limitation attorneys' fees, consultant fees, testing and investigation fees, expert fees and court costs) arising out of or in any way related to or resulting directly or indirectly from (i) the use or occupancy of the Premises, Building or Parking Facilities (ii) the activities of Tenant, its agents, employees, contractors or invitees in or about the Premises, Building or Parking Facilities (iii) any failure to comply with any applicable law, and (iv) any default or breach by Tenant in the performance of any obligation of Tenant under this Lease.

(c) Tenant shall indemnify, protect, defend and hold the Landlord and its representatives, harmless of and from any and all claims, liability, costs, penalties, fines, damages, injury, judgments, forfeiture, losses (including without limitation diminution in the value of the Premises, Building and Parking Facilities) or expenses (including without limitation attorneys' fees, consultant fees, testing and investigation fees, expert fees and court costs) arising out of or in any way related to or resulting directly or indirectly from work or labor performed, materials or supplies furnished to or at the request of Tenant or in connection with obligations incurred by or performance of any work done for the account of Tenant in the Premises.

(d) The provisions of this Section 6.03 shall survive the expiration or sooner termination of this Lease.

6.04. Waiver of Subrogation. Tenant agrees that in the event of loss arising out of any of the perils for which it has agreed to provide insurance against, Tenant shall look solely to its insurer for recovery. Tenant hereby grants to Landlord, on behalf of its insurers, a waiver of any right to subrogation which any such insurer of Tenant may acquire against Landlord by virtue of the payment of any loss under such insurance.

6.05. Condemnation. If all or any portion of the Premises are taken under the power of eminent domain or sold under the threat of the exercise of such power (all of which are referred to herein

as "condemnation"), this Lease shall cease and terminate as of the date of taking. All proceeds from any condemnation of the Premises shall belong and be paid to Landlord; provided that Tenant shall be entitled to any compensation separately awarded to Tenant for loss of Tenant's trade fixtures, if any.

6.06. Damage or Destruction. In the event of a fire or other casualty in the Premises, this Lease shall terminate effective immediately. The proceeds from any insurance paid by reason of damage to or destruction of the Premises or any part thereof insured by Landlord shall belong to and be paid to Landlord. The proceeds from any insurance paid by reason of damage to or destruction of the Premises or any part thereof insured by Tenant shall belong to and be paid to Tenant. Landlord and Tenant agree that the terms of this Lease shall govern the effect of any damage to or destruction of the Premises with respect to the termination of this Lease and hereby waive the provisions of any present or future statute or law to the extent inconsistent therewith.

6.07. Default by Tenant.

(a) Events Of Default. The occurrence of any of the following shall constitute an event of default on the part of Tenant:

(1) Nonpayment Of Rent. Failure to pay any installment of Rent due and payable hereunder where such failure continues for a period of five (5) business days after written notice thereof to Tenant;

(2) Other Obligations. Failure to perform any obligation, agreement or covenant under this Lease other than those matters specified in Sections 6.07(a)(1), such failure continuing for a period of thirty (30) days after written notice of such failure (or such longer period as is reasonably necessary to remedy such default, provided that Tenant commences the remedy within such thirty (30)-day period and continuously and diligently pursues such remedy until such default is cured);

(3) General Assignment. Any general arrangement or assignment by Tenant for the benefit of creditors;

(4) Bankruptcy. The filing of any voluntary petition in bankruptcy by Tenant, or the filing of an involuntary petition against Tenant, which involuntary petition remains undischarged for a period of ninety (90) days. In the event that under applicable law the trustee in bankruptcy or Tenant has the right to affirm this Lease and continue to perform the obligations of Tenant hereunder, such trustee or Tenant shall, within such time period as may be permitted by the bankruptcy court having jurisdiction, cure all defaults of Tenant hereunder outstanding as of the date of the affirmance of this Lease and provide to Landlord such adequate assurances as may be necessary to ensure Landlord of the continued performance of Tenant's obligations under this Lease;

(5) Receivership. The appointment of a trustee or receiver to take possession of all or substantially all of Tenant's assets or the Premises when possession is not restored to Tenant within ten (10) business days;

(6) Attachment. The attachment, execution or other judicial seizure of all or substantially all of Tenant's assets or the Premises, if such attachment or other seizure remains undischarged for a period of ten (10) business days after the levy thereof;

(7) Insolvency. The admission by Tenant in writing of its inability to pay its debts as they become due; the filing by Tenant of a petition seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation; the filing by Tenant of an answer admitting or failing timely to contest a material allegation of a petition filed against Tenant in any such proceeding; or, if within sixty (60) days after the commencement of any proceeding against Tenant seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation, such proceeding shall not have been dismissed.

(b) Remedies Upon Default.

(1) Termination. If an event of default occurs, Landlord shall have the right, with or without notice or demand, immediately (after expiration of any applicable notice and grace periods specified herein) to terminate this Lease, and at any time thereafter to recover possession of the Premises or any part thereof and expel and remove therefrom Tenant and any other person occupying the same, by any lawful means, and again repossess and enjoy the Premises without prejudice to any of the remedies that Landlord may have under this Lease, or at law or in equity by reason of Tenant's default or of such termination.

(2) Continuation After Default. Even though Tenant has breached this Lease and/or abandoned the Premises, this Lease shall continue in effect for so long as Landlord does not terminate Tenant's right to possession under Section 6.07(b)(1) hereof in writing, and Landlord may enforce all of its rights and remedies under this Lease, including (but without limitation) the right to recover Rent as it becomes due, and Landlord, without terminating this Lease, may exercise all of the rights and remedies of a landlord under Section 1951.4 of the Civil Code of the State of California or any amended or successor code section. Acts of maintenance or preservation, efforts to relet the Premises or the appointment of a receiver upon application of Landlord to protect Landlord's interest under this Lease shall not constitute an election to terminate Tenant's right to possession. If Landlord elects to relet the Premises for the account of Tenant, the rent received by Landlord from such reletting shall be applied as follows: first, to the payment of any indebtedness other than Rent due hereunder from Tenant to Landlord; second, to the payment of any costs of such reletting; third, to the payment of Rent due and unpaid hereunder; and the balance, if any, shall be held by Landlord and applied in payment of future Rent as it becomes due. If that portion of rent received from the reletting that is applied against the Rent due hereunder is less than the amount of the Rent due, Tenant shall pay the deficiency to Landlord promptly upon demand by Landlord. Such deficiency shall be calculated and paid monthly. Tenant shall also pay to Landlord, as soon as determined, reasonable costs and expenses incurred by Landlord in connection with such reletting or in making alterations and repairs to the Premises that are not covered by the rent received from the reletting.

(c) Damages Upon Termination. Should Landlord terminate this Lease pursuant to the provisions of Section 6.07(b)(1) hereof, Landlord shall have all the rights and remedies of a landlord provided by Section 1951.2 of the Civil Code of the State of California or any amended or successor code section. Upon such termination, in addition to any other rights and remedies to which Landlord may be entitled under applicable law, Landlord shall be entitled to recover from Tenant: (i) the worth at the time of award of the unpaid Rent and other amounts that had been earned at the time of termination; (ii) the worth at the time of award of the amount by which the unpaid Rent that would have been earned after termination until the time of award exceeds the amount of such rent loss that Tenant proves could have been reasonably avoided; (iii) 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 rent loss that Tenant proves could be reasonably avoided; and (iv) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or that, in the ordinary course of things, would be likely to result therefrom. The "worth at the time of award" of the amounts referred to in clauses (i) and (ii) shall be computed with interest at the lesser of eighteen percent (18%) per annum or the maximum rate then allowed by law. The "worth at the time of award" of the amount referred to in clause (iii) shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of the award plus one percent (1%).

(d) Late Charge. If any payment required to be made by Tenant under this Lease is not received by Landlord on or before the date the same is due, Tenant shall pay to Landlord an amount equal to five percent (5%) of the delinquency. The parties agree that Landlord would incur costs not contemplated by this Lease by virtue of such delinquencies, including without limitation administrative, collection, processing and accounting expenses, the amount of which would be extremely difficult to compute, and the amount stated herein represents a reasonable estimate thereof. Acceptance of such late charge by Landlord shall in no event constitute a waiver of Tenant's breach or default with respect to such delinquency, or prevent Landlord from exercising any of Landlord's other rights and remedies.

(e) Interest on Past-Due Obligations. Except as expressly otherwise provided in this Lease, any Rent due Landlord hereunder, other than late charges, that is not received by Landlord on the date on which it was due, shall bear interest from the day after it was due at the maximum rate then allowed by law, in addition to the late charge provided for in Section 6.06(d).

(f) Landlord's Right to Perform. Notwithstanding anything to the contrary set forth elsewhere in this Lease, in the event Tenant fails to perform any affirmative duty or obligation of Tenant under this Lease, then within five (5) business days after written notice to Tenant (and without notice in case of an emergency) Landlord may (but shall not be obligated to) perform such duty or obligation on Tenant's behalf, including, without limitation, the obtaining of insurance policies or governmental licenses, permits or approvals. Tenant shall reimburse Landlord upon demand for the reasonable costs and expenses of any such performance (including penalties, interest and attorneys' fees incurred in connection therewith). Such reasonable costs and expenses incurred by Landlord shall be deemed additional rent hereunder.

(g) Remedies Cumulative. All rights, privileges and elections or remedies of Landlord are cumulative and not alternative with all other rights and remedies at law or in equity to the fullest extent permitted by law.

(h) Waiver. Tenant waives any right of redemption or relief from forfeiture under California Code of Civil Procedure Sections 1174 and 1179, or under any other present or future law in the event Tenant is evicted and Landlord takes possession of the Premises by reason of a default.

Article 7. Parking Facilities

7.01. Parking Facilities. Tenant's use of the Parking Facilities shall be governed by the provisions of this Article 7. The Parking Facilities are shown on the attached Exhibit A. Tenant's use of the Parking Facilities shall be non-exclusive. Tenant shall not be permitted to park in the Exclusive PD Parking Area.

7.02. Prohibited Use. Tenant shall not be permitted to park or store anything whatsoever in the Parking Facilities overnight.

Article 8. Miscellaneous Matters

8.01. Security Deposit. On execution of this Lease Tenant shall deliver to Landlord the sum of \$2,500.00 (the "**Deposit**"). The Deposit shall be held by Landlord as security for the performance by Tenant of all of the provisions of this Lease. Following an event of default by Tenant under this Lease, Landlord may use, apply or retain all or any portion of the Deposit for the payment of any rent or other charge in default, or the payment of any other sum to which Landlord may become obligated by Tenant's default, or to compensate Landlord for any expense, loss or damage which Landlord may suffer thereby. If Landlord so uses or applies all or any portion of the Deposit, then within ten (10) days after demand therefor Tenant shall deposit cash with Landlord in an amount sufficient to restore the Deposit to the full amount thereof, and Tenant's failure to do so shall be a material breach of this Lease. Landlord shall not be required to keep the Deposit separate from its general accounts. If Tenant performs all of Tenant's obligations under this Lease, the Deposit, or so much thereof as has not theretofore been applied by Landlord, shall be returned, without payment of interest for its use, to Tenant (or, at Landlord's option, to the last assignee, if any, of Tenant's interest under this Lease) at the expiration of the term hereof, and after Tenant has vacated the Premises. No trust relationship is created herein between Landlord and Tenant with respect to the Deposit. Tenant waives the provisions of California Civil Code Section 1950.7, and all other present and future laws which restrict the amount or types of claim that a landlord may make

upon a security deposit or imposes upon a landlord or a successor any obligation with respect to the handling or return of security deposits.

8.02. No Brokers. Tenant and Landlord each represents and warrants to the other that they have not had any dealings with any agents, brokers, finders or other similar parties in connection with the negotiation of this Lease and the consummation of the transaction contemplated hereby. Each of Tenant and Landlord hereby agrees to indemnify, defend and hold the other free and harmless from and against liability for compensation or charges that may be claimed by any agent, broker, finder or other similar party by reason of any dealings with or actions in connection with the negotiation of this Lease and the consummation of this transaction, including any costs, expenses and attorneys' fees incurred with respect thereto.

8.03. No Waiver. No waiver by Landlord of the default or breach of any term, covenant or condition of this Lease by Tenant shall be deemed a waiver of any other term, covenant or condition hereof, or of any subsequent default or breach by Tenant of the same or of any other term, covenant or condition hereof. Landlord's consent to, or approval of, any act shall not be deemed to render unnecessary the obtaining of Landlord's consent to, or approval of, any subsequent or similar act by Tenant, or be construed as the basis of an estoppel to enforce the provision or provisions of this Lease requiring such consent. Regardless of Landlord's knowledge of a default or breach at the time of accepting Rent, the acceptance of Rent by Landlord shall not be a waiver of any preceding default or breach by Tenant of any provision hereof, other than the failure of Tenant to pay the particular Rent so accepted. Any payment given Landlord by Tenant may be accepted by Landlord on account of monies or damages due Landlord, notwithstanding any qualifying statements or conditions made by Tenant in connection therewith, which statements and/or conditions shall be of no force or effect whatsoever unless specifically agreed to in writing by Landlord at or before the time of deposit of such payment.

8.04. Recording. Neither this Lease nor a memorandum thereof shall be recorded without the prior written consent of Landlord, which consent may be withheld in Landlord's sole discretion.

8.05. Holding Over. If Tenant holds over after the expiration of the Term, such tenancy shall be from month-to-month only, and in such case Rent shall be payable at a monthly rate equal to the then fair market rent value of the Premises. Such month-to-month tenancy shall be subject to every other term, covenant and agreement contained herein. The provisions of this Section 8.05 shall not be deemed to limit or constitute a waiver of any other rights or remedies of Landlord provided herein or at law.

8.06. Transfers by Landlord. Landlord shall have the right to transfer and assign, in whole or in part, all its rights and obligations hereunder and in the Premises and other property referred to herein, and in such event and upon such transfer (any such transferee to have the benefit of, and be subject to, the rights and obligations of Landlord hereunder), Landlord shall be released from any further obligations hereunder, and Tenant agrees to look solely to such successor in interest of Landlord for the performance of such obligations.

8.07. Attorneys' Fees. In the event either party places the enforcement of this Lease, or any part of it, or the collection of any Rent due, or to become due, hereunder, or recovery of the possession of the Premises, in the hands of an attorney, or files suit upon the same, the prevailing party shall recover its reasonable attorneys' fees, costs and expenses, including those that may be incurred on appeal. Such fees may be awarded in the same suit or recovered in a separate suit, whether or not suit is filed or any suit that may be filed is pursued to decision or judgment. The term "prevailing party" shall include, without limitation, a party who substantially obtains or defeats the relief sought, as the case may be, whether by judgment or the abandonment by the other party of its claim or defense; provided however, the parties may agree to compromise or settlement in writing, which compromise or settlement may include a provision that each party is to bear their own attorneys' fees and costs. The attorneys' fee award shall not be computed in accordance with any court fee schedule, but shall be such as to fully reimburse all attorneys' fees reasonably incurred.

8.08. Termination; Merger. No act or conduct of Landlord, including, without limitation, the acceptance of keys to the Premises, if any, shall constitute an acceptance of the surrender of the

Premises by Tenant before the scheduled Expiration Date. Only a written notice shall constitute a termination of this Lease.

8.09. Amendments; Interpretation. This Lease may not be altered, changed or amended, except by an instrument in writing signed by the parties in interest at the time of the modification. The captions of this Lease are for convenience only and shall not be used to define or limit any of its provisions.

8.10. Severability. If any term or provision of this Lease, or the application thereof to any person or circumstances, shall to any extent be invalid or unenforceable, the remainder of this Lease, or the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each provision of this Lease shall be valid and shall be enforceable to the fullest extent permitted by law.

8.11. Notices. All notices, demands, consents and approvals that are required or permitted by this Lease to be given by either party to the other shall be in writing and shall be deemed to have been fully given by personal delivery or by recognized overnight courier service or when deposited in the United States mail, certified or registered, with postage prepaid, and addressed to the party to be notified at the address for such party specified on the Basic Lease Information sheet, or to such other place as the party to be notified may from time to time designate by at least fifteen (15) days' notice to the notifying party given in accordance with this Section 8.11. A copy of all notices given to Landlord under this Lease shall be concurrently transmitted to such party or parties at such addresses as Landlord may from time to time hereafter designate by notice to Tenant.

Any notice sent by registered or certified mail, return receipt requested, shall be deemed given on the date of delivery shown on the receipt card, or if no delivery date is shown, the postmark thereon. Notices delivered by recognized overnight courier shall be deemed given twenty-four (24) hours after delivery of the same to the courier. If notice is received on a Saturday, Sunday or legal holiday, it shall be deemed received on the next business day.

8.12. Force Majeure. Any prevention, delay or stoppage of work to be performed by Landlord or Tenant that is due to strikes, labor disputes, inability to obtain labor, materials, equipment or reasonable substitutes therefor, acts of God, governmental restrictions or regulations or controls, judicial orders, enemy or hostile government actions, civil commotion, or other causes beyond the reasonable control of the party obligated to perform hereunder, shall excuse performance of the work by that party for a period equal to the duration of that prevention, delay or stoppage. Nothing in this Section 8.12 shall excuse or delay Tenant's obligation to pay Rent or other charges due under this Lease.

8.13. Successors and Assigns. This Lease shall be binding upon and inure to the benefit of Landlord, its successors and assigns (subject to the provisions hereof) and shall be binding upon and inure to the benefit of Tenant, its successors.

8.14. Further Assurances. Landlord and Tenant each agree to promptly sign all documents reasonably requested to give effect to the provisions of this Lease.

8.15. No Prior Agreements. This Lease, including the exhibits and addenda attached to it, contains all agreements of Landlord and Tenant with respect to any matter referred to herein. No prior agreement or understanding pertaining to such matters shall be effective.

8.16. Applicable Law. This Lease shall be governed by, construed and enforced in accordance with the laws of the State of California. This Lease is made in Contra Costa County, California, and any action relating to this Lease shall be instituted and prosecuted in the courts of Contra Costa County, California.

8.17. Time of the Essence. Time is of the essence of each and every covenant of this Lease. Each and every covenant, agreement or other provision of this Lease on Tenant's part to be performed

shall be deemed and construed as a separate and independent covenant of Tenant, not dependent on any other provision of this Lease or on any other covenant or agreement set forth herein.

8.18. No Joint Venture. This Lease shall not be deemed or construed to create or establish any relationship of partnership or joint venture or similar relationship or arrangement between Landlord and Tenant hereunder. If requested by Landlord, Tenant shall post signs at the Premises stating that Landlord is not responsible for the day-to-day operations of the Premises.

8.19. Authority. If Tenant is a corporation, limited liability company, trust or general or limited partnership, each individual executing this Lease on behalf of Tenant represents and warrants that he or she is duly authorized to execute and deliver this Lease on Tenant's behalf and that this Lease is binding upon Tenant in accordance with its terms.

8.20. Discretion Retained By City. Landlord's execution of this Lease in no way limits the discretion of the City of Richmond in the permit and approval process in connection with the Alterations, Improvements or any other modifications to the Premises.

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the day and year first written above.

ATTEST: _____
Clerk

LANDLORD: CITY OF RICHMOND, a municipal corporation and charter city
By: _____
Name: _____
Its: _____

Reviewed by:

City Attorney

TENANT: TIDES CENTER, a California non-profit corporation
By: _____
Name: _____
Its: _____

**Exhibit A
Premises**

Exhibit B
Real Property

Exhibit C

RULES AND REGULATIONS

Tenant shall faithfully observe and comply with the following Rules and Regulations.

1. All doors opening to public corridors shall be kept closed at all times except for normal ingress and egress to the Premises, unless electrical hold backs have been installed by Landlord.
2. Landlord shall have the right to control and operate the public portions of the Building, the public facilities, and any other facilities furnished for the common use of other occupants or users of the Building. The driveways, sidewalks, halls, passages, exits, entrances and stairways of the Building shall not be obstructed by Tenant or used by Tenant for any purpose other than for ingress to and egress from the Premises. Such routes of ingress and egress are not for the general public and Landlord shall in all cases retain the right to control and prevent access thereto of all persons whose presence in the judgment of Landlord would be prejudicial to the safety, character, reputation and interests of the Building and Landlord, provided that nothing herein contained shall be construed to prevent such access to persons with whom Tenant normally deals in the ordinary course of its business. Landlord shall have the right at any time without the same constituting an actual or constructive eviction and without incurring any liability to Tenant therefor to i) make changes to common areas, the Building and the Parking Facilities, including changes in location, size, shape and number of driveways, entrances, hallways, parking spaces, ingress, egress, direction of driveways, entrances, corridors, lobby areas and walkways; ii) close temporarily any of the common areas for maintenance purposes, so long as reasonable access to the Premises remains available; and iii) demolish buildings or improvements and/or construct additional buildings or improvements on the Real Property.
3. The requirements of Tenant will be attended to only upon application to Landlord. Employees of Landlord shall not perform any work or do anything outside their regular duties unless under special instructions from Landlord.
4. The toilet rooms, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed, and no foreign substance of any kind whatsoever shall be thrown therein. The expense of any breakage, stoppage or damage resulting from the violation of this rule shall be borne by Tenant.
5. No vending machine or machines of any description other than fractional horsepower kitchen appliances shall be installed, maintained or operated upon the Premises without the prior written consent of Landlord.
6. Tenant shall not use or keep in or on the Premises, Building or Parking Facilities any kerosene, gasoline or other inflammable or combustible fluid or material.
7. Tenant shall not use, keep or permit to be used or kept, any foul or noxious gas or substance in or on the Premises, Building or Parking Facilities, or permit or allow the Premises, Building or Parking Facilities to be occupied or used in a manner unreasonably offensive or objectionable to Landlord or other occupants of the Building by reason of noise, odors, or vibrations, or interfere in any way with other Building occupants or those having business therein.
8. Tenant shall not bring into or keep within the Building, Premises or Parking Facilities any animals (except seeing eye dogs), birds, bicycles or other vehicles.
9. The Premises, Building and Parking Facilities shall not be used for the storage of merchandise or prepared foods. The Premises, Building and Parking Facilities shall not be used for lodging or for any improper, objectionable or immoral purposes.

10. Landlord reserves the right to exclude or expel from the Premises, Building and Parking Facilities any person who, in the judgment of Landlord, is intoxicated or under the influence of liquor or drugs, or who shall in any manner do any act in violation of any of these Rules and Regulations.

11. Tenant, its employees, agents, licensees, invitees, guests, and permittees, shall not loiter in the entrances or corridors, nor in any way obstruct the sidewalks, lobby, halls, stairways or elevators, and shall use the same only as a means of ingress and egress for the Premises and to use the restroom facilities.

12. Tenant shall not store any waste, trash or garbage within the interior of the Premises. No material shall be placed in the trash boxes or receptacles if such material is of such nature that it may not be disposed of in the ordinary and customary manner of removing and disposing of trash and garbage without violation of any law or ordinance governing such disposal. All trash, garbage and refuse disposal shall be made only through entry-ways provided for such purposes at such times as Landlord shall designate.

13. Tenant shall comply with all safety, fire protection and evacuation procedures and regulations established by Landlord or any governmental agency.

14. No prepared foods may be sold in or about the Premises, Building or Parking Facilities without the prior written consent of Landlord.

15. Tenant shall assume any and all responsibility for protecting the Premises from theft, robbery and pilferage, which includes keeping doors locked and other means of entry to the Premises closed.

16. No awnings or other projection shall be attached to the outside walls of the Building without the prior written consent of Landlord.

17. The sashes, sash doors, skylights, windows, and doors that reflect or admit light and air into the halls, passageways or other public places in the Building shall not be covered or obstructed by Tenant, nor shall any bottles, parcels or other articles be placed on the windowsills.

18. Tenant must comply with reasonable requests by the Landlord concerning the informing of its employees and Operator of items of importance to the Landlord.

19. Tenant shall comply with any non-smoking ordinance adopted by any applicable governmental authority.

20. The washing and/or detailing of, or general work on, automobiles shall not be allowed.

21. Tenant shall not change the locks to the Premises without the prior written consent of Landlord.

22. Landlord reserves the right at any time to change or rescind any one or more of these Rules and Regulations, or to make such other and further reasonable Rules and Regulations as in Landlord's judgment may from time to time be reasonably necessary for the management, safety, care and cleanliness of the Premises, Building and Parking Facilities, and for the preservation of good order therein, as well as for the convenience of other occupants and tenants therein. Tenant shall be deemed to have read these Rules and Regulations and to have agreed to abide by them as a condition of its occupancy of the Premises.

Exhibit D
City of Richmond Insurance Requirements for Lessees

City of Richmond - Insurance Requirements Family Justice Center

In all instances where LESSEE or its representatives will be leasing or using City of Richmond (City) property for an extended period, the City requires the following minimum insurance requirements and limits.

LESSEE shall procure and maintain for the duration of the contract or lease agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the LESSEE's, its agents', representatives', employees' or vendor's use of the premises. **Maintenance of proper insurance coverage is a material element of the contract or lease agreement. Failure to maintain or renew coverage or to provide evidence of renewal may be treated by the City as a material breach of contract.**

LESSEE agrees that in the event of loss due to any of the perils for which it has agreed to provide Commercial General Liability insurance, LESSEE shall look solely to its insurance for recovery. LESSEE hereby grants to CITY, on behalf of any insurer providing Commercial General Liability insurance to either LESSEE or CITY with respect to the services of LESSEE herein, a waiver of any right to subrogation which any such insurer of said LESSEE may acquire against the CITY by virtue of the payment of any loss under such insurance.

Original, signed certificates and original, separate policy endorsement, naming the City as an additional insured for general liability coverage, as well as a waiver of subrogation for Workers' Compensation insurance (if applicable), shall be received and approved by the City **before occupancy may occur**. However, failure to do so shall not operate as a waiver of these insurance requirements.

City reserves the right to modify or require additional coverages for specific risk exposures depending on scope of the Lease.

Minimum coverage is detailed below. The policy limits of coverage shall be made available to the full limits of the policy. The minimum limits stated herein shall not serve to reduce the policy limits of coverage of LESSEE.

Minimum Scope of Insurance – the following forms shall be provided and coverage shall be at least as broad as the following:

1. Insurance Services Office Commercial General Liability coverage (ISO Occurrence Form CG 0001).
2. Insurance Services Office Automobile Liability coverage (ISO Form CA 0001, Code 1, Any Auto).
3. Original and Separate Additional Insured Endorsements for General Liability (ISO Form CG 20 10 11/85 or its equivalent) with primary and non-contributory language.
4. Workers' Compensation Insurance as required by the State of California including Employer's Liability (for LESSEE's with employees).
5. Original and Separate Waiver of Subrogation for Workers' Compensation Insurance (if applicable).
6. Property insurance against all risks of loss to tenant improvements, betterments and contents.

Required Coverage	Minimum Limits
Workers' Compensation and Employers' Liability	Statutory limits as required by the State of California including \$1 million Employers' Liability per accident, per employee for bodily injury or disease. If LESSEE is self-insured, provide a certificate of Permission to Self-Insure, signed by the California Department of Industrial Relations and Self-Insurance. If Lessee is a sole proprietor (has no employees) than Lessee must sign "Contractor Release of Liability" found at: http://www.ci.richmond.ca.us/index.aspx?nid=61 .
General Liability (primary and excess limits combined)	\$2,000,000 per occurrence for bodily injury, personal injury and property damage. If the policy includes a general aggregate, either the general aggregate shall apply separately to this project, service or location or the minimum required aggregate limit shall be twice the per occurrence limit (\$4 million aggregate) . Policy shall also include coverage for liability arising out of the use and operation of any City-owned or City-furnished equipment used or operated by the LESSEE, its employees, agents or others with LESSEE's permission. Policy shall be endorsed to name the City of Richmond as an additional insured per the conditions detailed below.
Automobile Liability	\$1,000,000 per occurrence for bodily injury and property damage.

**City of Richmond - Insurance Requirements
Family Justice Center**

Property Insurance – Only applicable to leases of City property involving tenant improvements, betterments and contents	Total value of all tenant improvements, betterments, and contents. The City of Richmond shall be named as loss payee as its interest may appear. The insurer shall waive all rights against City.
Lessee's Contractors and Consultants	Lessee's contractors and consultants of every type that will perform work on the City's property must meet the insurance requirements listed above (except Property Insurance), and the City shall be named by each contractor and consultant as an additional insured on the general liability coverage. Such coverage shall remain in place for the duration of the contractor's or consultant's work on the premises subject to the Right of Entry Agreement.

Required Policy Conditions	
Additional Insured Endorsement	Applicable to General Liability Coverage. The City of Richmond, its officers, officials, employees, agents and volunteers are to be covered as insureds for all liability arising out of ownership, maintenance or use of that part of the premises leased or used by the LESSEE.
Primary and Noncontributory	The LESSEE's insurance coverage must be primary as it pertains to the City, its officers, officials, employees, agents and volunteers. Any insurance or self insurance maintained by the City is wholly separate from the insurance of the LESSEE, shall be excess of the LESSEE's insurance, and shall not contribute with it.
A. M. Best Rating	A:VII or Better. If the A.M. Best Rating falls below the required rating, LESSEE must replace coverage immediately and provide notice to City.
Waiver of Subrogation Endorsement Form	LESSEE's insurer will provide a Waiver of Subrogation in favor of the City for Workers' Compensation Insurance during the life of this contract. SAMPLE Endorsements can be found at http://www.ci.richmond.ca.us/index.aspx?nid=61 .
Deductibles and Self-Insured Retentions	Any deductible or self-insured retention must be declared to and approved by the City. At the option of the City either the insurer shall reduce or eliminate such deductibles or self-insured retention as respects the City or the LESSEE shall procure a financial guarantee in an amount equal to the deductible or self-insured retention guaranteeing payment of losses and related investigations, claims administration and defense expenses. LESSEE is responsible for satisfaction of the deductible and/or self-insured retention for each loss.

Umbrella/Excess Liability Policies

If an Umbrella or Excess Liability Policy is used to meet the liability limits, coverage shall be as broad as specified for underlying coverages and cover those insured in the underlying policies.

Sublets

LESSEE shall not sublet the premises without the advance written consent of the City. Sublessees shall be subject to all of the requirements stated herein. Sublessee(s) must furnish to the City for review and approval, separate certificates and endorsements.

LESSEE agrees to defend and indemnify the City of Richmond for any damage resulting to it from failure of either LESSEE or any sublessee(s) to take out or maintain the required insurance policies. The fact that insurance is

City of Richmond - Insurance Requirements
Family Justice Center

obtained by LESSEE, and/or LESSEE's Sublessees, contractors or consultants, will not be deemed to release or diminish the liability of LESSEE, including, without limitation, liability under the indemnity provisions of this contract. Damages recoverable by CITY from LESSEE or any third party will not be limited by the amount of the required insurance coverage.

Verification of Coverage

All original certificates and endorsements shall be received and approved by the City before LESSEE may occupy the premises. The City of Richmond reserves the right to require complete, certified copies of all required insurance policies including endorsements affecting the coverage at any time.

Original insurance certificates and required policy endorsements shall be mailed or delivered to the Designated Project Manager for the City of Richmond.

Insurance certificates and endorsements may be faxed to the Designated Project Manager. However, Lessee must mail the original certificates and endorsements to Designated Project Manager once faxed.

Continuous Coverage

LESSEE shall maintain the required insurance for the life of the contract or lease agreement. Should the LESSEE cease to have insurance as required during this time, LESSEE's right to use or occupy the premises may be rescinded. In the event that LESSEE fails to comply with the City's insurance requirements, the City may take such action as it deems necessary to protect the City's interests including but not limited to termination of the contract or lease agreement, eviction, or other actions as the City deems appropriate.

If LESSEE's use or occupancy of the premises extends beyond the expiration dates of the required insurance policies initially approved by the City, LESSEE must provide updated certificates and endorsements indicating that the required coverage, terms and conditions are still in place. **Renewal certificates and updated endorsements shall be mailed to the Designated Project Manager.**

Cancellation

LESSEE shall ensure that coverage shall not be cancelled, reduced or otherwise materially changed except after thirty (30) days' prior written notice has been given to the City.

Reporting Requirements

Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to the City, its officers, officials, employees or volunteers.

Consistent with Public Policy

The insuring provisions, insofar as they may be judged to be against public policy shall be void and unenforceable only to the minimum extent necessary so that the remaining terms and provisions herein may be consistent with public policy and thus enforceable.

**City of Richmond - Insurance Requirements
Family Justice Center**

In all instances where LESSEE or its representatives will be leasing or using City of Richmond (City) property for an extended period, the City requires the following minimum insurance requirements and limits.

LESSEE shall procure and maintain for the duration of the contract or lease agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the LESSEE's, its agents', representatives', employees' or vendor's use of the premises. **Maintenance of proper insurance coverage is a material element of the contract or lease agreement. Failure to maintain or renew coverage or to provide evidence of renewal may be treated by the City as a material breach of contract.**

LESSEE agrees that in the event of loss due to any of the perils for which it has agreed to provide Commercial General Liability insurance, LESSEE shall look solely to its insurance for recovery. LESSEE hereby grants to CITY, on behalf of any insurer providing Commercial General Liability insurance to either LESSEE or CITY with respect to the services of LESSEE herein, a waiver of any right to subrogation which any such insurer of said LESSEE may acquire against the CITY by virtue of the payment of any loss under such insurance.

Original, signed certificates and original, separate policy endorsement, naming the City as an additional insured for general liability coverage, as well as a waiver of subrogation for Workers' Compensation insurance (if applicable), shall be received and approved by the City **before occupancy may occur**. However, failure to do so shall not operate as a waiver of these insurance requirements.

City reserves the right to modify or require additional coverages for specific risk exposures depending on scope of the Lease.

Minimum coverage is detailed below. The policy limits of coverage shall be made available to the full limits of the policy. The minimum limits stated herein shall not serve to reduce the policy limits of coverage of LESSEE.

- Minimum Scope of Insurance** – the following forms shall be provided and coverage shall be at least as broad as the following:
1. Insurance Services Office Commercial General Liability coverage (ISO Occurrence Form CG 0001).
 2. Insurance Services Office Automobile Liability coverage (ISO Form CA 0001, Code 1, Any Auto).
 3. Original and Separate Additional Insured Endorsements for General Liability (ISO Form CG 20 10 11/85 or its equivalent) with primary and non-contributory language.
 4. Workers' Compensation insurance as required by the State of California including Employer's Liability (for LESSEE's with employees).
 5. Original and Separate Waiver of Subrogation for Workers' Compensation Insurance (If applicable).
 6. Property insurance against all risks of loss to tenant improvements, betterments and contents.

Required Coverage	Minimum Limits
Workers' Compensation and Employers' Liability	Statutory limits as required by the State of California including \$1 million Employers' Liability per accident, per employee for bodily injury or disease. If LESSEE is self-insured, provide a certificate of Permission to Self-Insure, signed by the California Department of Industrial Relations and Self-Insurance. If Lessee is a sole proprietor (has no employees) than Lessee must sign "Contractor Release of Liability" found at: http://www.ci.richmond.ca.us/index.aspx?nid=61 .
General Liability <i>(primary and excess limits combined)</i>	\$2,000,000 per occurrence for bodily injury, personal injury and property damage. If the policy includes a general aggregate, either the general aggregate shall apply separately to this project, service or location or the minimum required aggregate limit shall be twice the per occurrence limit (\$4 million aggregate) . Policy shall also include coverage for liability arising out of the use and operation of any City-owned or City-furnished equipment used or operated by the LESSEE, its employees, agents or others with LESSEE's permission. Policy shall be endorsed to name the City of Richmond as an additional insured per the conditions detailed below.
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**City of Richmond - Insurance Requirements
Family Justice Center**

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Lessee's Contractors and Consultants	Lessee's contractors and consultants of every type that will perform work on the City's property must meet the insurance requirements listed above (except Property Insurance), and the City shall be named by each contractor and consultant as an additional insured on the general liability coverage. Such coverage shall remain in place for the duration of the contractor's or consultant's work on the premises subject to the Right of Entry Agreement.

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Primary and Noncontributory	The LESSEE's insurance coverage must be primary as it pertains to the City, its officers, officials, employees, agents and volunteers. Any insurance or self insurance maintained by the City is wholly separate from the insurance of the LESSEE, shall be excess of the LESSEE's insurance, and shall not contribute with it.
A. M. Best Rating	A:VII or Better. If the A.M. Best Rating falls below the required rating, LESSEE must replace coverage immediately and provide notice to City.
Waiver of Subrogation Endorsement Form	LESSEE's insurer will provide a Waiver of Subrogation in favor of the City for Workers' Compensation Insurance during the life of this contract. SAMPLE Endorsements can be found at http://www.ci.richmond.ca.us/index.aspx?nid=61 .
Deductibles and Self-Insured Retentions	Any deductible or self-insured retention must be declared to and approved by the City. At the option of the City either the insurer shall reduce or eliminate such deductibles or self-insured retention as respects the City or the LESSEE shall procure a financial guarantee in an amount equal to the deductible or self-insured retention guaranteeing payment of losses and related investigations, claims administration and defense expenses. LESSEE is responsible for satisfaction of the deductible and/or self-insured retention for each loss.

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LESSEE agrees to defend and indemnify the City of Richmond for any damage resulting to it from failure of either LESSEE or any sublessee(s) to take out or maintain the required insurance policies. The fact that insurance is

<p style="text-align: center;">City of Richmond - Insurance Requirements Family Justice Center</p>
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obtained by LESSEE, and/or LESSEE's Sublessees, contractors or consultants, will not be deemed to release or diminish the liability of LESSEE, including, without limitation, liability under the indemnity provisions of this contract. Damages recoverable by CITY from LESSEE or any third party will not be limited by the amount of the required insurance coverage.

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If LESSEE's use or occupancy of the premises extends beyond the expiration dates of the required insurance policies initially approved by the City, LESSEE must provide updated certificates and endorsements indicating that the required coverage, terms and conditions are still in place. **Renewal certificates and updated endorsements shall be mailed to the Designated Project Manager.**

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Consistent with Public Policy

The insuring provisions, insofar as they may be judged to be against public policy shall be void and unenforceable only to the minimum extent necessary so that the remaining terms and provisions herein may be consistent with public policy and thus enforceable.

RECORDING REQUESTED BY:

City of Richmond



CONTRA COSTA Co Recorder Office
STEPHEN L. WEIR, Clerk-Recorder

DOC- 2013-0062462-00

Check Number

Tuesday, MAR 12, 2013 10:56:57

FRE \$0.0011

Ttl Pd \$0.00

Rcpt # 0001596299

kat/R6/1-29

WHEN RECORDED RETURN TO:

Kronick, Moskovitz, Tiedemann & Girard
A Professional Corporation
400 Capitol Mall, 27th Floor
Sacramento, CA 95814-4417
Attn: Deborah Fields, Public Finance

LEASE/PURCHASE AGREEMENT

between

HOLMAN CAPITAL CORPORATION

and the

CITY OF RICHMOND

Dated November 1, 2012

The term of this lease is less than 35 years.

This document is recorded for the benefit of the City of Richmond and recording is exempt from recording fees pursuant to California Government Code section 27383. This transaction is exempt from California documentary transfer tax pursuant to Section 11922 of the California Revenue and Taxation Code.

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(E) The words "herein," "hereof," "hereby," "hereunder," and other words of similar import refer to this Lease/Purchase Agreement as a whole and not to any particular Article, Section, or other subdivision.

(F) Words of any gender shall mean and include words of all other genders.

Applicable Environmental Laws means and shall include, but shall not be limited to, the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"), 42 USC Sections 9601 *et seq.*; the Resource Conservation and Recovery Act ("RCRA"), 42 USC Sections 6901 *et seq.*; the Federal Water Pollution Control Act, 33 USC Sections 1251 *et seq.*; the Clean Air Act, 42 USC Sections 7401 *et seq.*; the California Hazardous Waste Control Law ("HWCL"), California Health & Safety Code Sections 25100 *et seq.*; the Hazardous Substance Account Act ("HSAA"), California Health & Safety Code Sections 25300 *et seq.*; the Porter-Cologne Water Quality Control Act (the "Porter-Cologne Act"), California Water Code Sections 1300 *et seq.*; the Air Resources Act, California Health & Safety Code Sections 3900 *et seq.*; the Safe Drinking Water & Toxic Enforcement Act, California Health & Safety Code Sections 25249.5 *et seq.*; and the regulations under each thereof; and any other local, state, and/or federal laws or regulations, whether currently in existence or hereafter enacted, that govern:

- (1) the existence, cleanup, and/or remedy of contamination on property;
- (2) the protection of the environment from spilled, deposited, or otherwise emplaced contamination;
- (3) the control of hazardous wastes; or
- (4) the use, generation, transport, treatment, removal, or recovery of Hazardous Substances, including building materials.

Business Day means any day other than a Saturday, Sunday, or a day on which banking institutions in the State are authorized or obligated by law or executive order to be closed.

City means the City of Richmond.

Code means the Internal Revenue Code of 1986 and the regulations applicable to or issued thereunder.

Corporation means Holman Capital Corporation, a California corporation, or its successors or assigns as lessee under the Site Lease and lessor hereunder.

Effective Interest Rate means the rate of interest per annum specified on Exhibit B.

Event of Default means any of the events specified in Section 7.1 (Events of Default).

Fiscal Year means the period beginning on July 1 of each year and ending on the next succeeding June 30 or any other twelve-month period hereafter selected and designated as the official fiscal year period of the City.

Statement, Certificate, Request, Requisition, and Order of the City mean, respectively, a written statement, certificate, request, requisition, or order signed in the name of the City by the City Manager, the Director of Finance, or any other person authorized by the City to execute such instruments. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument.

Tax Certificate means the tax certificate delivered by the City at the time of the execution and delivery of this Lease/Purchase Agreement, as the same may be further amended or supplemented in accordance with its terms.

Section 1.2. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by registered mail, postage prepaid, to:

City: City of Richmond
450 Civic Center Plaza
Richmond, California 94804
Attention: Finance Director/Treasurer

Corporation: Holman Capital Corporation
29883 Santa Margarita Parkway, Suite 100
Rancho Santa Margarita, California 92688
Attention: President

The City and the Corporation may, by notice given hereunder, designate any further or different address to which subsequent notices shall be sent.

Section 1.3. Successors and Assigns. Whenever in this Lease/Purchase Agreement either the City or the Corporation is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Lease/Purchase Agreement contained by, on behalf of, or for the benefit of the City or the Corporation shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 1.4. Benefits of Agreement. Nothing in this Lease/Purchase Agreement expressed or implied is intended or shall be construed to give to any person other than the City and the Corporation any legal or equitable right, remedy, or claim under or in respect of this Lease/Purchase Agreement or any covenant, condition, or provision therein or herein contained; and all such covenants, conditions, and provisions are and shall be held to be for the sole and exclusive benefit of the City and the Corporation.

Section 1.5. Amendments. This Lease/Purchase Agreement may be altered, amended, or modified in writing as may be mutually agreed by the Corporation and the City, subject to the prior written approval of the Corporation.

Section 1.6. Effect of Headings and Table of Contents. The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall

order to ensure the enforceability of this Lease/Purchase Agreement, except as such enforceability may be limited by bankruptcy, insolvency, or other laws affecting creditors' rights generally and by the application of equitable principles.

Section 2.2. Representations and Covenants of City. The City hereby represents to the Corporation as follows:

(A) Valid Existence. The City has been duly organized and is validly existing as a municipal corporation under the laws of the State.

(B) Power to Enter into Agreements. The City is authorized under the California Government Code to enter into the Site Lease and this Lease/Purchase Agreement and perform all of its obligations thereunder and hereunder.

(C) Due Authorization. The Site Lease and this Lease/Purchase Agreement have been duly authorized by all necessary action on the part of the City.

(D) Enforceability of Agreements. The City represents, covenants, and warrants that the Site Lease and this Lease/Purchase Agreement are valid and binding obligations of the City, enforceable in accordance with their respective terms, except as such enforceability may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally and by the application of equitable principles.

(E) No Violation of Law or Breach of Contract. The execution and delivery of the Site Lease and this Lease/Purchase Agreement and compliance with the provisions thereof and hereof will not (i) violate any applicable provision of statutory law or regulation, (ii) breach or otherwise violate any existing obligation of the City under any court order or administrative decree to which the City is subject, or (iii) breach, or result in a default under, any loan agreement, note, resolution, indenture, contract, agreement, or other instrument to which the City is a party or is otherwise subject or bound.

(F) No Adverse Litigation. There are no legal or governmental proceedings or litigation pending or overtly threatened in writing wherein an unfavorable decision, ruling, or finding might adversely affect the transaction contemplated in or the validity of the Site Lease or this Lease/Purchase Agreement.

(G) No Defaults. The City has never failed to appropriate or defaulted under any of its payment or performance obligations or covenants, either under any financing lease of the same general nature as this Lease/Purchase Agreement, or under any of its bonds, notes, or other debt obligations.

(H) Financial Condition. The financial statements of the City for the year ended June 30, 2011, supplied to the Corporation (i) were prepared in accordance with generally accepted accounting principles, consistently applied, and (ii) fairly present the City's financial condition as of the date of the statements. The City has experienced no material change in its financial condition since June 30, 2011.

days thereafter or ten (10) days after written notice by the City to the Corporation, whichever is earlier.

(B) Occupancy. The City will take possession of the Leased Property upon commencement of the term of this Lease/Purchase Agreement.

Section 3.3. Modifications to the Leased Property. Subject to Section 5.5 (Liens) hereof, the City shall, at its own expense, have the right to remodel, make alterations or improvements to, or attach fixtures, structures, or signs to the Leased Property if the alterations, improvements, fixtures, structures, or signs are necessary or beneficial for the use of the Leased Property by the City, provided, however, that such actions by the City shall not materially adversely affect the value of the Leased Property.

Section 3.4. Title to the Leased Property. During the term of this Lease/Purchase Agreement, the Corporation shall have a leasehold estate in the Leased Property pursuant to the Site Lease. Upon the termination or expiration of the term of this Lease/Purchase Agreement, full title to the Leased Property shall vest in the City.

ARTICLE 4 RENTAL PAYMENTS

Section 4.1. Rental Payments. The City agrees to pay to the Corporation, its successor or assigns, as annual rental for the use of the Leased Property (subject to the provisions of Section 4.6 (Abatement of Rental) hereof) the following amounts, at the following times, in the manner hereinafter set forth:

(A) Amount and Timing. The City shall pay rental payments, comprising principal and interest components, in installments of the amounts and at the times set forth in the Schedule of Rental Payments attached as Exhibit B hereto. The interest components of the Rental Payments shall be paid by the City as and constitute interest paid on the principal components of the Rental Payments.

(B) Extension of Lease Term. If the term of this Lease/Purchase Agreement shall have been extended pursuant to Section 3.2 (Lease Term; Occupancy) hereof because of an abatement of rental, Rental Payments shall continue to be due as described herein. Rental Payment installments shall continue to be payable in installments on January 14 and July 14 in each year, continuing to and including the date of termination of this Lease/Purchase Agreement. Upon such extension of this Lease/Purchase Agreement, the principal and interest components of the Rental Payments shall be established so that the principal components will, in the aggregate, be sufficient to pay all unpaid principal components and the interest components will be sufficient to pay all unpaid interest components plus interest on the extended principal components at the Effective Interest Rate, computed on the basis of a 360-day year composed of twelve 30-day months.

(C) Rental Period. Each payment of Rental Payments shall be for the use of the Leased Property for the six-month period ending on the Payment Date.

possession of the Leased Property or a portion thereof. The amount of abatement shall be such that the resulting Rental Payments represent fair consideration for the use and possession of the portion of the Leased Property not so interfered with. Such abatement shall commence with the date of such interference and shall end only with cure thereof.

Section 4.7. No Termination Upon Damage or Destruction. The City waives the benefits of Civil Code Sections 1932, subd. 2, and 1933, subd. 4, and any and all other rights to terminate this Lease/Purchase Agreement by virtue of any such damage or destruction.

Section 4.8. Contributions/Advances. Nothing contained in this Lease/Purchase Agreement shall prevent the City from making contributions or advances to the Corporation from time to time for any purpose now or hereafter authorized by law, including the making of repairs to, or the restoration of, the Leased Property in the event of damage to or the destruction of the Leased Property.

Section 4.9. Prepayment. On any Payment Date, the City may prepay its obligations hereunder in whole by paying to the Corporation the amount shown for such date in the column headed "Purchase Option Price" on Exhibit B, together with the Rental Payment due on such date, plus the amount of any Rental Payments that were abated and that have not been otherwise paid from rental abatement insurance or other sources or paid during an extension of the lease term, plus any Rental Payments then in default. Upon such prepayment, the term of this Lease/Purchase Agreement shall terminate.

The City shall, at least thirty 30 days prior to such prepayment, notify the Corporation of its intention to prepay its obligations hereunder. The City agrees that, if following such prepayment the Leased Property are damaged or destroyed or taken by eminent domain, it is not entitled to, and by such prepayment waives the right of, abatement of such prepaid Rental Payments and shall not be entitled to any reimbursement of such Rental Payments.

ARTICLE 5 COVENANTS

Section 5.1. Quiet Enjoyment. The Corporation hereby covenants to provide the City during the term of this Lease/Purchase Agreement with quiet use and enjoyment of the Leased Property and the City shall during the term of this Lease/Purchase Agreement peaceably and quietly have, hold, and enjoy the Leased Property without suit, trouble, or hindrance from the Corporation, so long as the City observes and performs its covenants and agreements and is not in default hereunder.

Section 5.2. Right of Entry. The Corporation and its assignees shall have the right (but not the duty) to enter the Leased Property during reasonable business hours (and in emergencies at all times) (a) to inspect the same, (b) for any purpose connected with the Corporation's or the City's rights or obligations under this Lease/Purchase Agreement, and (c) for all other lawful purposes.

Section 5.3. Maintenance of the Leased Property by City. The City agrees that, at all times during the term of this Lease/Purchase Agreement, the City will, at the City's own cost and

thereafter expires, the City shall forthwith pay (or cause to be paid) and discharge such judgment. The City agrees to and shall, to the maximum extent permitted by law, indemnify and hold the Corporation and its directors, agents, successors and assigns, harmless from and against, and defend each of them against, any claim, demand, loss, damage, liability or expense (including attorney's fees) as a result of any such lien or claim of lien against the Leased Property or the Corporation's interest therein.

Section 5.6. Environmental Covenants. (A) Compliance with Laws; Hazardous Substances. The City will comply with all Applicable Environmental Laws with respect to the Leased Property and will not use, store, generate, treat, transport, or dispose of any Hazardous Substance thereon or in a manner that would cause any Hazardous Substance to later flow, migrate, leak, leach, or otherwise come to rest on or in the Leased Property; except that the City may use, store, transport, and dispose of such Hazardous Substances as are used in the ordinary course of the City fire department's activities. The City shall comply with all applicable regulations concerning the use, storage, transportation, and disposal of such Hazardous Substances. The City shall indemnify and hold the Corporation harmless from any liabilities, damages, or expenses incurred in connection with a violation by the District of this Section 5.6(A) Compliance with Laws; Hazardous Substances.

(B) Remediation. The City shall conduct and complete all investigations, studies, sampling and testing, and all remedial, removal, and other actions necessary to clean up and remove all Hazardous Substances on, from, or affecting the Leased Property, if required in accordance with all Applicable Environmental Laws and (b) in accordance with the orders and directives of all Federal, State and local governmental authorities.

(C) Notification of the Corporation. The City will transmit copies of all notices, orders, or statements received from any governmental entity concerning violations or asserted violations of Applicable Environmental Laws with respect to the Leased Property and any operations conducted thereon or any conditions existing thereon to the Corporation, and the City will notify the Corporation in writing immediately of any release, discharge, spill, or deposit of any Hazardous Substance that has occurred or is occurring that in any way affects or threatens to affect the Leased Property, or the people, structures, or other property thereon, provided that no such notification shall create any liability or obligation on the part of the Corporation.

(D) Access for Inspection. The City will permit the Corporation, its agents, or any experts designated by the Corporation to have full access to the Leased Property during reasonable business hours for purposes of such independent investigation of compliance with all Applicable Environmental Laws, provided that the Corporation has no obligation to do so, or any liability for any failure to do so, or any liability should it do so.

Section 5.7. Assignment and Subleasing by City. Neither this Lease/Purchase Agreement nor any interest of the City hereunder shall be mortgaged, pledged, assigned, sublet, or transferred by the City by voluntary act or by operation of law or otherwise, except with the prior written consent of the Corporation, which, in the case of subletting, shall not be unreasonably withheld; provided such subletting shall not affect the tax-exempt status of the interest components of the Rental Payments payable by the City hereunder. No such mortgage,

term of this Lease/Purchase Agreement for any reason. The City and the Corporation mutually agree to promptly give notice to each other and the Corporation of any claim or liability hereby indemnified against following either's learning thereof.

Section 5.11. Federal Income Tax Covenants. The City shall at all times do and perform all acts and things permitted by law and this Lease/Purchase Agreement that are necessary and desirable in order to assure that the interest component of the Rental Payments will be excludable from gross income for federal income tax purposes and shall take no action that would result in such interest not being so excludable. Without limiting the generality of the foregoing, the City agrees to comply with the provisions of the Tax Certificate. This covenant shall survive the payment in full of the City's obligations hereunder.

Section 5.12. Further Assurances. The City and the Corporation agree that they will, from time to time, execute, acknowledge, and deliver, or cause to be executed, acknowledged, and delivered such supplements hereto and such further instruments as may be necessary or proper to carry out the intention or to facilitate the performance of this Lease/Purchase Agreement.

Section 5.13. Financial Statements. During the term of this Lease/Purchase Agreement, the City shall, at the request of the Corporation, furnish or cause to be furnished to the Corporation, at the City's expense, as soon as available, the audited financial statements of the City and any interim or unaudited financial statements that may be reasonably requested by the Corporation. Posting its Comprehensive Annual Financial Report for any Fiscal Year on the City's website shall be deemed to satisfy the requirement to furnish audited financial statements for that year.

ARTICLE 6 INSURANCE; EMINENT DOMAIN

Section 6.1. Insurance Coverage. At its own expense, the City shall maintain (i) casualty insurance insuring the Leased Property against loss or damage by fire and all other risks covered by the standard extended coverage endorsement then in use in the State and any other risks reasonably required by the Corporation in an amount equal to 100% of the replacement cost without deduction for depreciation; (ii) liability insurance that protects the Corporation from liability in all events in a reasonable amount satisfactory to the Corporation; (iii) rental abatement insurance in an amount equal to at least one year's Rental Payments; and (iv) workers' compensation insurance covering all employees working on, in, near or about the Leased Property; provided that, with the Corporation's prior written consent, the City may self-insure against such risks (other than the rental abatement insurance), which self-insurance may include participation with other public agencies in mutual or other cooperative insurance or other risk management programs, including those made available through joint exercise of powers agencies.

If the Leased Property is mapped into a flood hazard zone, at its own expense, the City shall also maintain insurance insuring the Leased Property against loss or damage by flood in an amount equal to the least of (i) the maximum amount of National Flood Insurance Program flood

(B) Breach of Covenant. Failure of the City to keep, observe, or perform any other term, covenant or condition contained herein to be kept or performed by the City for a period of thirty (30) days after notice of the same has been given to the City by the Corporation;

(C) Transfer of City's Interest. Assignment or transfer of the City's interest in this Lease/Purchase Agreement or any part hereof without the written consent of the Corporation, either voluntarily or by operation of law or otherwise;

(D) Bankruptcy or Insolvency. Institution of any proceeding under the United States Bankruptcy Code or any federal or state bankruptcy, insolvency, or similar law or any law providing for the appointment of a receiver, liquidator, trustee, or similar official of the City or of all or substantially all of its assets, by or with the consent of the City, or institution of any such proceeding without its consent that is not permanently stayed or dismissed within sixty (60) days, or agreement by the City with the City's creditors to effect a composition or extension of time to pay the City's debts, or request by the City for a reorganization or to effect a plan of reorganization, or for a readjustment of the City's debts, or a general or any assignment by the City for the benefit of the City's creditors;

(E) Abandonment of the Leased Property. Abandonment by the City of any part of the Leased Property.

Section 7.2 Remedies on Default. Upon the occurrence and during the continuance of an Event of Default, it shall be lawful for the Corporation to exercise any and all remedies available pursuant to law or granted pursuant to this Lease/Purchase Agreement and, without terminating this Lease/Purchase Agreement, to collect each installment of rent as it becomes due and enforce any other term or provision hereof to be kept or performed by the City, regardless of whether or not the City has abandoned the Leased Property.

Section 7.3. No Acceleration. Notwithstanding anything herein to the contrary, there shall be no right under any circumstance to accelerate the Rental Payments or otherwise declare any Rental Payments not yet due to be immediately due and payable.

Section 7.4. No Remedy Exclusive. Each and all of the remedies given to the Corporation hereunder or by any law now or hereafter enacted are cumulative and the exercise of one right or remedy shall not impair the right of the Corporation to any or all other remedies. If any statute or rule of law validly shall limit the remedies given to the Corporation hereunder, the Corporation nevertheless shall be entitled to whatever remedies are allowable under any statute or rule of law.

Section 7.5. Corporation Defaults; City Remedies. (A) Corporation Defaults. The Corporation shall in no event be in default in the performance of any of its obligations hereunder or imposed by any statute or rule of law unless and until the Corporation shall have failed to perform such obligation within thirty (30) days or such additional time as is reasonably required to correct any such default after notice by the City to the Corporation properly specifying wherein the Corporation has failed to perform any such obligation.

IN WITNESS WHEREOF, the Corporation has executed this Lease/Purchase Agreement in its name and the City has caused this Lease/Purchase Agreement to be executed in its name by its duly authorized officer, all as of the date first above written.

HOLMAN CAPITAL CORPORATION, Lessor

By: _____

Lance Holman,
President and Chief Executive Officer

CITY OF RICHMOND, Lessee

By: _____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

State of California

County of Orange

On November 10th 2017 before me, Sean Proctor Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Lance Holman
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: Sean Proctor
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Lease / Purchase Agreement

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____ Signer's Name: _____

Corporate Officer — Title(s): _____ Corporate Officer — Title(s): _____

Individual Partner — Limited General Individual Partner — Limited General

Attorney in Fact Attorney in Fact

Trustee Trustee

Guardian or Conservator Guardian or Conservator

Other: _____ Other: _____

Signer Is Representing: _____ Signer Is Representing: _____

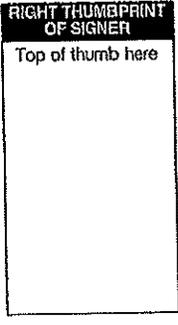
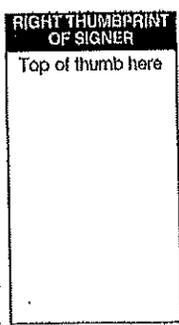


EXHIBIT A
PROPERTY DESCRIPTION

The following described real property in the City of Richmond, County of Contra Costa, State of California, described as follows:

1. 140 West Richmond Avenue, Richmond, California

PARCEL A

LOTS 4 AND 5, IN BLOCK B, AS SHOWN ON THE MAP OF "MAP OF REDIVISION OF BLOCK B, OF NICHOLL SUBDIVISION OF THE TOWN OF RICHMOND, BEING A PORTION OF LOT 44 OF THE FINAL PARTITION OF THE SAN PABLO RANCHO, CONTRA COSTA COUNTY, CALIFORNIA," FILED MAY 27, 1901, IN BOOK 89 OF DEEDS, PAGE 463, IN THE OFFICE OF THE COUNTY RECORDER OF CONTRA COSTA COUNTY.

PARCEL B

LOT 6 IN BLOCK B AS SHOWN ON THE MAP OF RESUBDIVISION OF BLOCK B OF NICHOLL SUBDIVISION, RECORDED MAY 27, 1901, IN BOOK 89 OF DEEDS, PAGE 463, IN THE OFFICE OF THE COUNTY RECORDER OF CONTRA COSTA COUNTY.

APN: 558-121-001-9

Such property is commonly known as Fire Station No. 61, 140 West Richmond Avenue, Richmond, California.

2. 1131 Cutting Boulevard, Richmond, California

PARCEL ONE:

LOTS 1 THROUGH 18, INCLUSIVE, AND LOTS 28 THROUGH 36, BLOCK 13, AS SHOWN ON THE REVISED MAP OF A PORTION OF THE NYSTROM'S ADDITION TO POINT RICHMOND, FILED FEBRUARY 26, 1909, MAP BOOK 2, PAGE 29, CONTRA COSTA COUNTY RECORDS. EXCEPTING THEREFROM:

1. AS TO LOTS 1 AND 2: THE WEST 12.5 FEET THEREOF, AS DESCRIBED IN THE DEED FROM JOHN R. NYSTROM COMPANY TO THE CITY OF RICHMOND, DATED JUNE 05, 1914 AND RECORDED SEPTEMBER 12, 1914 IN VOLUME 234 OF DEEDS, AT PAGE 191.
2. AS TO LOTS 3 AND 4: THE WEST 12.5 FEET THEREOF, AS DESCRIBED IN THE DEED FROM JOHN R. NYSTROM COMPANY, ET AL, TO THE CITY OF RICHMOND, DATED JUNE 17, 1914 AND RECORDED SEPTEMBER 12, 1914 IN VOLUME 234 OF DEEDS, AT PAGE 188.

THE ORDER OF VACATION RECORDED JUNE 05, 1964, BOOK 4632, PAGE 185, OFFICIAL RECORDS, WHICH WOULD PASS WITH A CONVEYANCE OF THE ADJACENT LOTS.

PARCEL SIX:

THAT PORTION OF AN UNNAMED ALLEY 16 FEET IN WIDTH BETWEEN LOTS 16 AND 17, BLOCK 14, AS SHOWN ON THE REVISED MAP OF A PORTION OF NYSTROM'S ADDITION TO POINT RICHMOND, FILED FEBRUARY 26, 1909, MAP BOOK 2, PAGE 29, AS DESCRIBED IN THE ORDER OF VACATION RECORDED FEBRUARY 26, 1969, BOOK 5820, PAGE 250, OFFICIAL RECORDS, WHICH WOULD PASS WITH A CONVEYANCE OF SAID LOTS 16 AND 17.

PARCEL SEVEN:

THE SOUTH ONE-HALF OF VIRGINIA AVENUE LYING BETWEEN THE EAST LINE OF 10TH STREET AND THE WEST LINE OF 12TH STREET, AS DESCRIBED IN THE ORDER OF VACATION RECORDED JUNE 05, 1964, BOOK 4632, PAGE 185, OFFICIAL RECORDS, WHICH WOULD PASS WITH A CONVEYANCE OF THE ADJACENT LOTS.

APN: 544-240-013

Such property is commonly known as Fire Station No. 67, 1131 Cutting Boulevard, Richmond, California.

3. 2904 Hilltop Drive, Richmond, California

PARCEL ONE:

PARCEL O AS SHOWN ON THE PARCEL MAP FILED IN THE OFFICE OF THE RECORDER OF CONTRA COSTA COUNTY, CALIFORNIA, ON APRIL 02, 1974, IN VOLUME 33 OF PARCEL MAPS, AT PAGES 1 TO 6.

PARCEL TWO:

THAT PORTION OF LOT 242 AS SHOWN ON THE MAP OF THE SAN PABLO RANCHO FILED MARCH 01, 1894, IN MAP RACK 2, IN THE OFFICE OF THE COUNTY RECORDER OF CONTRA COSTA COUNTY, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEASTERN CORNER OF PARCEL 2 AS DESCRIBED IN THE DEED FROM STANDARD OIL COMPANY OF CALIFORNIA TO THE CITY OF RICHMOND DATED JANUARY 21, 1963, AND RECORDED APRIL 17, 1963, IN BOOK 4346 OF OFFICIAL RECORDS, AT PAGE 548 (THE COORDINATES OF SAID CORNER BEING X=1,472,514.08 FEET AND Y=543,174.77 FEET IN THE CALIFORNIA COORDINATE SYSTEM ZONE 3); THENCE ALONG THE NORTHERLY LINE OF SAID PARCEL 2 (SAID NORTHERLY LIEN BEING THE NORTHERLY LINE OF HILLTOP DRIVE) AS FOLLOWS: NORTH 83° 22. 36. WEST, 138.11 FEET AND SOUTH 87° 27. 37. WEST, 50.00 FEET, TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING ALONG SAID NORTHERLY LINE OF SAID PARCEL 2, SOUTH 87° 27. 37. WEST, 211.54 FEET, AND NORTH 81° 27. 34. WEST, 167.73 FEET TO THE INTERSECTION OF SAID

EXHIBIT B
SCHEDULE OF RENTAL PAYMENTS

350K
Latter

<u>Due Date</u>	<u>Amount Attributable to Principal</u>	<u>Amount Attributable to Interest</u>	<u>Total Rental Payment</u>	<u>Purchase Option Price</u>
→ 7/14/2013	\$ 75,824.94	\$42,255.25	<u>\$118,080.19</u>	\$1,981,900.31
1/14/2014	87,582.02	30,498.17	<u>118,080.19</u>	1,891,690.83
7/14/2014	88,970.19	29,110.00	<u>118,080.19</u>	1,800,051.54
1/14/2015	90,380.37	27,699.82	<u>118,080.19</u>	1,706,959.75
7/14/2015	91,812.90	26,267.29	118,080.19	1,612,392.47
1/14/2016	93,268.13	24,812.06	118,080.19	1,516,326.29
7/14/2016	94,746.43	23,333.76	118,080.19	1,418,737.47
1/14/2017	96,248.16	21,832.03	118,080.19	1,319,601.87
7/14/2017	97,773.70	20,306.49	118,080.19	1,218,894.95
1/14/2018	99,323.41	18,756.78	118,080.19	1,116,591.84
7/14/2018	100,897.68	17,182.51	118,080.19	1,012,667.23
1/14/2019	102,496.91	15,583.28	118,080.19	907,095.41
7/14/2019	104,121.49	13,958.70	118,080.19	799,850.28
1/14/2020	105,771.81	12,308.38	118,080.19	690,905.32
7/14/2020	107,448.30	10,631.89	118,080.19	580,233.57
1/14/2021	109,151.35	8,928.84	118,080.19	467,807.68
7/14/2021	110,881.40	7,198.79	118,080.19	353,599.83
1/14/2022	112,638.87	5,441.32	118,080.19	237,581.80
7/14/2022	114,424.20	3,655.99	118,080.19	119,724.87
1/14/2023	116,237.74	1,842.45	118,080.19	--
Total	\$2,000,000.00	\$361,603.80	\$2,361,603.80	

12
8

Effective Interest Rate: 3.17%

"END OF DOC"

Parcel Number: 515-291-013, 515-291-014 & 515-291-017
Project Name: Transfer of Richmond Clinic
Project Number: WO550A

Grantee: City of Richmond
Address: 256 24th Street
Richmond, CA 94804-1804

**REAL PROPERTY TRANSFER AGREEMENT
BETWEEN
CONTRA COSTA COUNTY
AND THE
CITY OF RICHMOND, CALIFORNIA**

This agreement ("**Agreement**") is entered into by and between Contra Costa County, a political subdivision of the State of California (hereinafter "**County**"), and the City of Richmond, California, a municipal corporation and charter city operating under the laws of the State of California, (hereinafter "**City**").

RECITALS

- A. County is the owner of approximately 0.42 acres of improved real property located at 256 24th Street in the City of Richmond in Contra Costa County, California, and described on Exhibit "A," attached hereto and incorporated herein by reference, (APNs 515-291-013, 515-291-014 & 515-291-017). The real property contains a 7000 square foot building ("**Building**") built in 1948 that is vacant and owned by the County. The real property described in Exhibit "A," including the Building and other improvements thereon, are collectively referred to herein as the "**Property**."
- B. The City desires to make a significant capital investment to either substantially renovate, replace, or renovate and expand the existing building on the site to provide for a multi-service center to be known as the West Contra Costa Family Justice Center ("**WCCFJC**") for victims of domestic violence, sexual assault, child abuse, stalking, and human trafficking (the "**Primary Use**") or other municipal use for the benefit of the people of Contra Costa County (the "**Municipal Use**") (hereinafter, the "**Improvements**"). The Conceptual Design Study dated December 2010 by Shah Kawasaki estimated the cost of Improvements at \$1,306,974 which does not include soft costs such as project management, permits or contingencies. As a material inducement to the County to enter into this Agreement, the City has stated that it will spend at least that amount on the Improvements.

- C. Before making its investment, the City has requested title to the Property. County has agreed to transfer title to the Property to the City subject to several specific conditions further described in this Agreement, including the City's commitment to provide for the Primary Use or Municipal Use for a period of twenty-five (25) years from the Close of Escrow set forth in Section 8 (the "**Deed Restriction Period**").
- D. It is understood that the Property being acquired has been previously used as a County mental health clinic.
- E. There is contamination of the soil and/or groundwater on the Property emanating from 2500 Macdonald Avenue, Richmond, APN 515-292-021. One monitoring well, SG-4, is currently installed and the California Regional Water Quality Control Board has requested an additional monitoring well, MW-19, be installed on the Property on APN 515-291-014. Both monitoring wells are paid for and the responsibility of the owner of 2500 Macdonald Avenue, Richmond.
- F. The City has agreed to lease the building to The Tides Center, a California 503(c)(3) corporation ("**The Tides Center**") as a third party fiscal sponsor for the WCCFJC for \$1 per year for the term of the City/Tides Lease (as defined in Section 4).

The purpose of this Agreement is to transfer the County's rights and obligations regarding the Property to the City, and to establish certain ongoing obligations of the City regarding the facility, which together shall be referred to herein as the "**Transfer**".

A G R E E M E N T

NOW THEREFORE, in consideration of the agreements herein contained and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereby agree as follows:

1. **Effective Date**. It is understood that this Agreement is subject to approval by the County's Board of Supervisors (the "**Board**") and the Richmond City Council (the

"Council") , and shall be effective when approved by both the Board and the Council ("Effective Date").

2. **Purchase and Sale.** Subject to the terms and conditions in this Agreement, County agrees to convey and City agrees to accept the Property.

3. **Consideration.** The consideration for the transfer of the Property by County to the City shall be the specific performance of the following conditions by the City:

3.1 The City shall operate and maintain the Property for the Primary Use or Municipal Use during the Deed Restriction Period.

3.2 The City enters into the City/Tides Lease by January 31, 2013.

3.3 As partial consideration for this Agreement, City hereby releases and discharges County and its employees, agents, attorneys, officers, divisions, related agencies and entities, affiliates, successors and assigns, from any and all claims, demands, causes of action, obligations, damages and liabilities, which City now has or could assert in any manner related to or arising from the condition of the Property, including the Building, the presence of any hazardous substance in or around the Property, the County's ownership of the Property, this Agreement or activities taken by the parties pursuant to this Agreement, the City's acquisition of the Property, and the present or future use of the Property. City knowingly waives the right to make any claim against the County for such damages and expressly waives all rights provided by section 1542 of the California Civil Code, which provides as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR."

4. **City's Obligations.** Prior to the Close of Escrow, the City and The Tides Center will execute a mutually acceptable lease agreement (herein, the "City/Tides Lease"), setting forth all terms and conditions related to the occupancy, use, maintenance, and operation of the Building, setting forth all terms and conditions related to the occupancy, use, maintenance, and operation of the new or renovated building, and will deposit the City/Tides Lease into Escrow. The City/Tides Lease will be executed prior to the Close of Escrow, with the City/Tides Lease to become effective on the date Escrow closes.

5. **Deed Restrictions.** County will convey title to the Property to City by grant deed ("Grant Deed") subject to all covenants, conditions or restrictions, whether recorded or unrecorded. The Property is being conveyed to City for the Primary Use or Municipal Use during the Deed Restriction Period. Such use must commence within two (2) years from the recorded date of the Grant Deed. Should the City convey or attempt to convey the Property or cease to use the Property for the Primary Use or Municipal Use during the Deed Restriction Period, then County shall have the right to revoke this grant and to reenter and repossess the property under Civil Code section 885.010 et seq., or successor law or legislation. This power of termination held by the County will exist only during the Deed Restriction Period and may be exercised by County at any time following breach of this condition during such period. Upon expiration of the Deed Restriction Period, City may use, transfer, convey, lease, or otherwise dispose of the Property in any manner whatsoever without restriction.

6. **Failure to Continue the Improvements.** City has committed to spend at least \$1,306,974 to complete the Improvements in exchange for County transferring title to the Property to City, subject to the terms and conditions of this Agreement. In the event that the City has not commenced construction of the Improvements by December 31, 2013, County and City agree that City shall have the right to decide not to do the Improvements, subject to the following conditions:

- 6.1 City shall provide County with a clear deed to the Property, thereby transferring title to the Property back to County;
- 6.2 City shall have maintained the Property, including the Building, in a condition as good or better than that existing at the execution of this Agreement, less normal wear and tear, and if the Property had not been maintained to that condition, City shall expend any sum necessary to return the building to that condition, each as mutually agreed by the parties;

In the event that City has not commenced construction of the Improvements by December 31, 2013, or has commenced construction but is not diligently pursuing the completion of the Improvements, County shall have the right to terminate this Agreement for City's non-performance, and upon County's exercise of such right, City shall return the Property to County subject to the conditions described in Subsections 6.1 and 6.2 above.

7. **Conditions to County's Performance.** The County's obligation to perform under this Agreement is subject to the following conditions:

- 7.1 City's representations and warranties in this Agreement being correct as of the date of this Agreement, and as of the Close of Escrow.
- 7.2 City's performance of all obligations under this Agreement.
- 7.3 The Close of Escrow or the recording of the Grant Deed must occur no later than January 31, 2013.

If County determines that any of these conditions have not been met, County shall have the right to terminate this Agreement by delivering written notice to City and, if applicable, to the Escrow agent.

8. **Escrow.** City will establish an escrow ("**Escrow**") with a title company acceptable to City ("**Title Company**"). County and City shall each prepare and file escrow instructions as necessary with the Title Company in accordance with this Agreement.
- 8.1 **Fees and Title Insurance.** The City shall pay all escrow and recording fees incurred in this transaction and, if title insurance is desired by the City, the premium charged therefor.
- 8.2 **County's Deposit into Escrow.** Prior to the Close of Escrow, County will deliver into Escrow with the Title Company a Grant Deed, in recordable form and properly executed on behalf of County, in a form approved by County and City, conveying the Property to the City in fee simple absolute, subject to the Deed restrictions described in Section 5. **Deed Restrictions** of this Agreement.
- 8.3 **City's Deposit into Escrow.** Prior to the Close of Escrow, the City shall deposit into Escrow a fully executed City/Tides Lease.
- 8.4 **Close of Escrow.** Escrow shall close upon the conveyance of the Property to the City ("**Close of Escrow**"). On the closing date, the Title Company shall close Escrow as follows:
- A. Record the Grant Deed, marked for return to the City, care of its City Manager, which shall be deemed delivery to the City, and send a conforming copy to County, care of its Principal Real Property Agent;
 - B. Provide an executed copy of the City/Tides Lease to the County, care of its Principal Real Property Agent;
 - C. Issue the Title Policy, if requested to do so by the City;
 - D. Prorate taxes, assessments, and other charges, if any; and
 - E. Prepare and deliver to the County and to the City one signed copy each

of the Title Company's closing statement showing all receipts and disbursements of the Escrow.

If the Title Company is unable to simultaneously perform all of the instructions set forth above, the Title Company shall notify the County and the City, and retain all funds and documents pending receipt of further instructions from the County and the City.

9. **"AS IS" Condition of Property.** County hereby conveys the Property to City, and City hereby accepts the Property from County, at its own risk and in the Property's existing condition, "AS IS," with all faults. County has no obligation to improve, alter, secure, or make safe the Property for purposes of the proposed activities under this Agreement, or to correct any hazardous, unsafe, or other conditions existing on any portion of the Property. County has no liability or obligation to City, for any injury to persons or damage to property arising out of or in connection with City's acquisition or use of the Property.
10. **Survival.** All of the terms, provisions, representations, warranties, and covenants of the parties under this Agreement shall survive the assignment, expiration, or termination of this Agreement, and shall not merge in the Grant Deed or other documents following the delivery and recordation of the Grant Deed or other documents.
11. **Assignment and Successors.** This Agreement shall inure to the benefit of and shall be binding upon the parties to this Agreement and their respective heirs, successors, and assigns.
12. **Notices.** All notices (including requests, demands, approvals or other communications) under this Agreement shall be in writing. The place for delivery of all notices given under this Agreement shall be as follows:

City: City of Richmond
450 Civic Center Plaza
Richmond, CA 94804-1804
Attn: City Manager
Telephone: (510) 620-6512

County: Contra Costa County
Real Estate Division
255 Glacier Dr.
Martinez, CA 94553
Attn: Principal Real Property Agent
Telephone: (925) 313-2228

or to such other addresses as County or City may respectively designate by written notice to the other.

13. **Entire Agreement.** The parties have herein set forth the whole of their agreement.
14. **Construction.** The section headings and captions of this Agreement are, and the arrangement of this instrument is, for the sole convenience of the parties to this Agreement. The section headings, captions, and arrangement of this instrument do not in any way affect, limit, amplify, or modify the terms and provisions of this Agreement. This Agreement shall not be construed as if it had been prepared by one of the parties, but rather as if both parties had prepared it. The parties to this Agreement, and their respective counsels, have read and reviewed this Agreement, and agree that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply to the interpretation of this Agreement. The Recitals are and shall be enforceable as a part of this Agreement. Nothing in this Agreement is intended nor shall it be construed to create rights inuring to the benefits of third parties.
15. **Further Assurances.** Whenever requested to do so by the other party, each party shall execute, acknowledge, and deliver all further conveyances, assignments, confirmations, satisfactions, releases, powers of attorney, instruments of further assurance, approvals, consents, and all further instruments and documents as may be necessary, expedient, or proper in order to complete all conveyances, transfers,

sales, and assignments under this Agreement, and do all other acts, and to execute, acknowledge, and deliver all documents as requested in order to carry out the intent and purpose of this Agreement.

16. **Waiver.** A waiver or breach of any covenant or provision in this Agreement shall not be deemed a waiver of any other covenant or provision in this Agreement and no waiver shall be valid unless in writing and executed by the waiving party.
17. **Severability.** If any term or provision of this Agreement shall, to any extent, be held invalid or unenforceable, the remainder of this Agreement shall not be affected.

[This Section Intentionally Left Blank]

18. Governing Law and Venue. This Agreement shall be governed and construed in accordance with California law. The venue of any litigation pertaining to this Agreement shall be Contra Costa County, California.

19. SIGNATURES

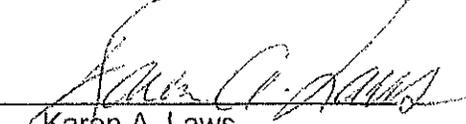
COUNTY

CONTRA COSTA COUNTY, a political subdivision of the State of California

By 
Julia R. Bueren
Public Works Director

Date: _____
(Date of Board Approval)

RECOMMENDED FOR APPROVAL:

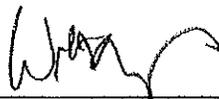
By 
Karen A. Laws
Principal Real Property Agent

APPROVED AS TO FORM:
SHARON L. ANDERSON, County Counsel

By 
Stephen M. Siproth
DEPUTY County Counsel

CITY

City of Richmond, a municipal corporation and charter city operating under the laws of the State of California

By 
William Lindsay
City Manager

Date: 11/16/12

APPROVED AS TO FORM:

By 
Bruce Reed Goodmiller
City Attorney

Date: 11/16/12

NO OBLIGATION OTHER THAN THOSE SET FORTH HEREIN WILL BE RECOGNIZED

Exhibit "A" - Legal Description

EXHIBIT "A"

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF RICHMOND, COUNTY OF CONTRA COSTA, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

Lot 118, 121, 122, 123, 124 and the South 25 feet, front and rear measurements of Lot 126 and all of Lots 127 and 128, Map of Metropolitan Square, filed April 19, 1927, Map Book 20, Page 547, Contra Costa County Records.

Assessors Parcel Numbers:

515-291-013 (Lot 128)

515-291-014 (Portion of Lot 126)

515-291-017 (Lots 118, 121, 122, 123, 124 & 127)