

# • Lease •

## BASIC LEASE INFORMATION

**Date of Lease:** May <sup>25</sup>\_\_\_\_, 2018

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

**Landlord's Address:** 450 Civic Center Plaza  
Richmond, CA 94804  
Attn: City Manager

**Tenant:** Richmond Art Center, a California non-profit corporation

**Tenant's Address:** Richmond Art Center  
2540 Barrett Avenue  
Richmond, CA 94804  
Attn: Executive Director

**Premises:** 2540 and 2544 Barrett Avenue, Richmond, CA 94804 and as more particularly shown on Exhibit A.

**Commencement Date:** July 1, 2017

**Rent Commencement Date:** July 1, 2017

**Expiration Date:** June 30, 2067

**Base Rent:** \$2,084 per month

**Permitted Use:** Community arts center, consisting of art galleries, art studios, administrative offices, and associated uses and space.

THIS LEASE is entered into as of May \_\_\_\_, 2018 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 is more particularly shown on Exhibit A.

**1.02. 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.

**1.03 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 caused by Tenant's negligence or other wrongful conduct.

**1.04. Communications Closets and Panels.** The Premises do not include the communications closets or fan room, located within 2544 Barrett Avenue and as shown on Exhibit A (the "**Communications Closets and Panels**"). Tenant shall not open or attempt to repair any of the patch panels, alarm panels, or communications equipment, nor enter the Communications Closets and Panels without the express written consent in advance of Landlord at Landlord's sole and absolute discretion. Landlord shall have access to the Communications Closets and Panels at all times without limitation.

**1.05. Parking.** The Premises do not include the parking facilities shown on Exhibit A (the "**Parking Facilities**"). Landlord grants to Tenant throughout the Term the exclusive use of the Parking Facilities from 7:00 a.m. through 7:00 p.m. and the nonexclusive use of the Parking Facilities from 7:00 p.m. through 7:00 a.m.

**Article 2.  
Term, Use and Rent**

**2.01. Term.**

(a) The Term shall commence upon the Commencement Date and shall continue in full force for the Term. Tenant's obligation to pay Rent shall commence on the Rent Commencement Date and its other obligations under this Lease shall commence upon the Commencement Date. The Term shall terminate upon the Expiration Date, unless sooner terminated or extended 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.

**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.

(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.

**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, volunteers or contractors of Tenant. All such personnel shall be courteous to customers of the Premises. Further, Tenant shall promptly attend to the reasonable complaints and/or comments of Landlord and the customers of the Premises.

**2.04. Base Rent.**

(a) Commencing on the Rent Commencement Date and throughout the remainder of the Term of this Lease, Tenant shall pay the Base Rent to Landlord in accordance with the schedule set forth on the Basic Lease Information and in the manner described below. Base Rent shall be payable in quarterly installments on or before the first day of each calendar quarter during the Term commencing on the Rent Commencement Date, in advance without demand and without any reduction, abatement, counterclaim or setoff, in lawful money of the United States, at Landlord's address specified on the Basic Lease Information sheet or at such other address as may be designated by Landlord in the manner provided for giving notice under Section 7.11 hereof. Base Rent may be prepaid at the discretion of Tenant.

(b) Base Rent shall be increased annually (the "CPI Increase") equal to the sum of (i) the Base Rent for the immediately preceding Lease Year, plus (ii) the product obtained by multiplying such amount by the percentage increase in the Consumer Price Index measured from the measuring month which is two months preceding the Lease Year in question to the measuring month fourteen months preceding the commencement of the Lease Year in question. As used herein, the term "Consumer Price Index" ("Consumer Price Index") shall mean the United States Department of Labor's Bureau of Labor Statistics Consumer Price Index, All Urban Consumers, All Items, San Francisco-Oakland-San Jose, California (1982-84 equals 100), or the successor of such index. Tenant shall continue paying the current Base Rent until the increased Base Rent has been calculated by Landlord. Landlord shall give notice to Tenant of the amount of the new Base Rent, including Landlord's calculation of the new Base Rent in accordance with this Section 2.01(b), not later than sixty (60) days after the commencement of such Lease Year. The adjusted Base Rent shall be due and payable effective as of the commencement of the Lease Year in question and Tenant shall, upon the giving of such notice, pay Landlord any shortage in Base Rent accruing between the commencement of the Lease Year in question and the date of the notice.

**2.05. Payment of Certain Expenses by Tenant.** Subject to Landlord's service, repair and maintenance responsibilities pursuant to Sections 3.01 and 3.03, the costs for which shall not be passed on to Tenant, Tenant shall pay to Landlord, prior to delinquency, all other 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) all maintenance, janitorial and service agreements for the Premises and the equipment

thereon, including, without limitation, any alarm and/or security service; (5) 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; (6) all insurance required under Article 6 below; and (7) all data processing, accounting and legal fees for the operation of the Premises. Landlord will separately invoice Tenant for the above expenses and Tenant shall pay such expenses as additional rent within ten (8) 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.** Landlord is responsible for the payment of costs for the provision of electricity, gas and water utilities to the Premises; provided, however, Landlord shall not be liable for damages to either person or property, 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.

**3.02. Graphics and Signage.** All new signs, notices, advertisements and graphics of every kind or character, displayed on the exterior of the Premises or visible from the exterior of the Premises shall be subject to Landlord's prior written approval, at Landlord's sole reasonable discretion, and shall be constructed and installed at Tenant's sole expense, subject to all applicable laws. Landlord, at its option, may include Tenant in signage, notices, advertisements and graphics on the exterior of the Premises and on the grounds of the Civic Center Plaza.

**3.03. Repair Obligation.** Landlord shall be responsible for the repair and maintenance of the exterior structure of the Premises. Landlord shall further be responsible for the repair and maintenance of the electrical, plumbing and heating systems for the Premises, and the alarm, telephone and information technology (IT) systems serving the Premises. 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.

**3.04. Real Property Taxes and Debt Service.** Subject to Section 2.06 above, Landlord shall pay any and all real property taxes, assessments and fees, general and special, ordinary and extraordinary, unforeseen as well as foreseen, of any kind that are assessed, levied, charged, confirmed or imposed by any public authority upon the Premises (or any portion or component thereof) or upon the Rent due hereunder. Landlord shall pay all debt service, ground lease rental, or similar payments due with respect to the Premises, if any.

**3.05. Peaceful Enjoyment.** Landlord covenants with Tenant that upon Tenant paying the Rent and all other charges required under this Lease 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 Base Rent at the times and in the manner provided in this Lease. All obligations of Tenant hereunder to make payments to Landlord shall constitute rent and failure to pay the same 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.** Subject to Landlord's repair and maintenance responsibilities pursuant to Section 3.03, 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, invitees and others using the Premises with Tenant's express or implied permission. Tenant shall further be responsible for regular cleaning of the Premises and its driveways and entrance/exit areas. Tenant shall give Landlord prompt notice of any damage to or defective condition in any part of the Premises. Notwithstanding anything in this Section 4.02 to the contrary, Tenant shall not enter or attempt to repair any of the communications equipment located within the Communications Closets and Panels.

**4.03. Waste.** Tenant shall take all prudent steps to prevent 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.** 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. Notwithstanding the foregoing, Tenant shall be permitted to rent portions of the facility for private events, using a standard rental form that shall be subject to Landlord's approval, which approval shall not be unreasonably withheld, conditioned or delayed. .

#### **4.05. Alterations, Additions and Improvements.**

(a) Other than any cosmetic changes such as painting, carpeting and lighting to the interior of the Premises, 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. 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 with Landlord's future use of the Premises as a community arts center; 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; and (iii) Tenant's compliance with the conditions of all applicable permits and approvals in a prompt and expeditious manner.

(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) Any and all alterations, additions or improvements made to the Premises by Tenant 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 such 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 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.

(e) All alterations, additions and improvements permitted under this Section 4.05 shall be constructed diligently, in a good and workmanlike manner with new, good and sufficient materials and in compliance with all applicable laws, ordinances, rules and regulations including, without limitation, building codes and those related to accessibility and use by individuals with disabilities.

**4.06. Compliance With Laws and Insurance Standards.** Tenant shall not occupy or use, or permit any portion of the Premises or the Parking Facilities 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; provided, however, Landlord acknowledges that Tenant uses and permits the use of kilns stored and used at the Premises to fire clays, metals and enamels. 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 Premises and/or its contents. If Tenant does or permits anything to be done that increases the cost of any insurance covering or affecting the Premises 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.

**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 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.

**4.12. Services.** Tenant shall at all times during the Term pay for and provide the services of a community art center to the residents of the City of Richmond and of surrounding communities, with particular attention to serving the residents of the City of Richmond and owners of property in Richmond (the "Services"). The Services include community and family day arts and art-making events; gallery exhibitions showcasing primarily emerging and established artists open to the public year-round; exhibition-based educational programs and tours; high quality, professional artist-taught studio arts classes and workshops for students of all ages; and scholarships to make fee-based classes affordable to those for whom the fees are prohibitive. The nature and extent of the Services and whether or not they are fee-based will depend on funding.

**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 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, reasonable quantities of appropriate and standard art studio, 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 materials and supplies at or on the Premises that occurs during the Term hereof. If the presence of any Hazardous Material in, on, under or about the Premises caused or permitted by Tenant results in any contamination of the Premises, 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. Notwithstanding the foregoing, in no event shall Tenant be liable for any Hazardous Materials placed on the Premises by a party other than Tenant or Tenant's agents, contractors or employees.

(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. Safety Precautions and Storm Water Pollution Control.**

(a) In connection with Tenant's use and occupancy of the Premises, Tenant shall take measures to minimize the potential for Hazardous Materials or other pollutants to enter the San Francisco Bay and/or the City of Richmond's storm water drainage system. The targeted pollutants include Hazardous Materials and floatable materials, oxygen demanding substances (e.g. plant debris, street litter and organic substances), bacteria and viruses, sediment, and nutrients (e.g. nitrogen and phosphorous). These measures shall pertain to the extent related to Tenant's use and occupancy of the Premises, and shall include, but not be limited to, taking all steps reasonably necessary in:

(1) Preventing fuel spills and leaks and reducing the impact to storm water by not topping off fuel tanks; using secondary containment when transferring fuel from tanker trucks to fuel tanks; using absorbent material on small spills and for general cleaning rather than hosing; carrying out all federal, state, regional and local requirements regarding underground storage tanks or installing above ground tanks; fueling mobile equipment at designated fueling areas; and designing fueling areas to prevent the run-on of storm water and the run-off of spills. "Secondary containment" means a back-up system that prevents the spread of pollutants should any spill, leak or otherwise escape.

(2) Preventing the discharge of pollutants to storm water from vehicle, boat and equipment maintenance and repair by containing waste oil under cover with absorbent material under each container; keeping drip pans or container under the areas that might drip pollutants; using a vehicle maintenance area designed to prevent storm water pollution; cleaning storm drain inlets regularly, especially after large storms; not pouring materials down storm drains; dry sweeping instead of hosing down work areas; storing idle equipment under cover, switching to non-toxic chemicals for maintenance when possible; cleaning small spills with rags and larger spills with absorbent materials; and minimizing the use of solvents.

(3) Preventing the discharge of pollutants to storm water from outdoor equipment and operations by reducing the amount of waste created; enclosing or covering all or some of the equipment; and installing secondary containment.

(4) Preventing the discharge of pollutants to storm water from vehicle and equipment washing and steam cleaning by maintaining designated wash areas, preferably covered, to prevent contact with storm water; and not permitting any wash water to enter the storm drains.

(5) Preventing the discharge of pollutants to storm water from outdoor loading/unloading of materials by parking tank trucks or delivery vehicles so that spills or leaks can be contained; covering the loading and unloading docks to reduce exposure of materials to rain; and using drip pans under hoses.

(6) Preventing the discharge of pollutants to storm water from outdoor storage areas by installing appropriate safeguards against accidental release; installing secondary containment where reasonably required; conducting regular inspections.

(7) Protecting materials from rainfall run-on, run-off and wind dispersal by storing materials indoors; complying with specific federal, state, regional and local standards regarding storage of Hazardous Material; enclosing or covering materials; periodically sweeping parking lots or other surfaces near bulk material storage areas to remove debris blown or washed from storage areas; and installing pellet traps at storm water discharge points where plastic pellets are loaded and unloaded.

(8) Preventing the discharge of pollutants to storm water from waste handling and disposal by tracking waste generation, storage, and disposal; reducing waste generation and disposal through source reductions, reuse and recycling; preventing run-on and run-off from waste management areas; and covering dumpsters and garbage cans during the rainy season.

(9) Preventing the discharge of pollutants to storm water from contaminated or erodible surface areas by leaving as much vegetation on-site as reasonably possible; minimizing soil exposure; stabilizing exposed soils; and preventing storm water run-on and run-off.

(10) Preventing the discharge of pollutants to storm water from buildings and grounds maintenance by washing and cleaning up with as little water as reasonably possible; preventing and cleaning up spills immediately; and keeping debris from entering the storm drains.

(11) Preventing the discharge of pollutants to storm water from building repair, remodeling, and construction by using appropriate containment and erosion controls; and enclosing or covering building material storage areas.

(12) Preventing the discharge of pollutants to storm water and receiving waters from over water activities by minimizing over water maintenance; limiting over water hull surface maintenance to sanding and minor painting; not spray painting vessels while they are on the water; avoid washing down boats with soap and detergent; using phosphate-free and biodegradable detergent for hull washing; keeping organic and inorganic wastes out of the water; and cleaning up spills and wastes immediately. "Over water activities" refers to activities undertaken by Tenant on the waters of San Francisco Bay or waters flowing into San Francisco Bay.

(13) Preventing the discharge of pollutants to storm water by using ground cloths when painting boats on land; using tarps, plastic sheeting, or other material to contain spray paint and blasting sand; properly disposing of surface paint chips, used blasting sand, residual paints, and other material; and sweeping any drydocks before flooding them.

**5.03. 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.

**5.04. 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.** At no cost to Tenant, Landlord may secure and maintain policies of insurance for the Premises covering loss of or damage to the Premises, but excluding all alterations, additions and improvements 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 B, "City of Richmond Insurance Requirements for Lessees".

### **6.03. Indemnity and Exoneration.**

(a) Landlord shall indemnify and hold Tenant, its directors, officers, agents and employees harmless from all claims, demands, suits, loss, damages, injury and liability (direct or indirect, including any and all costs and expenses in connection therewith) but only in proportion to and to the extent arising out of anything done or omitted to be done by the Landlord, its officers, agents and employees under or in connection with the Lease.

(b) Tenant shall indemnify and hold Landlord, its directors, officers, agents and employees harmless from all claims, demands, suits, loss, damages, injury and liability (direct or indirect, including any and all costs and expenses in connection therewith) but only in proportion to and to the extent arising out of anything done or omitted to be done by Tenant, its officers, agents and employees under or in connection with the 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 and to the extent allowable by law, 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, by Force Majeure or otherwise, this Lease shall terminate effective immediately without the need of notice by or to Tenant. 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 undismitted or 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;

(8) Dissolution or Merger. The dissolution of Tenant as a non-profit corporation by or from any means, including by failure of Tenant to maintain its non-for profit status with the State; provided, however, that the merger of Tenant with a non-profit corporation in good standing that maintains the mission of Tenant and shall be referred to as the Richmond Art Center shall not constitute a default hereunder.

(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 basic and necessary 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. Miscellaneous Matters**

**7.01. Security Deposit.** On execution of this Lease Tenant shall deliver to Landlord the sum of \$0.00 (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.

**7.02. 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.

**7.03. 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.

**7.04. 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.

**7.05. Holding Over.** If Tenant holds over after expiration or termination of this Lease without the written consent of Landlord, such tenancy shall be from month-to-month only. No holding over by Tenant after the Term shall operate to extend the Term. Any holding over with the consent of Landlord in writing shall thereafter constitute a month-to-month lease, terminable upon thirty (30) days' written notice from either party, at a monthly rental rate equal to that which Tenant was obligated to pay for the month immediately preceding the end of the Term, together with such other amounts as may become due hereunder.

**7.06. 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.

**7.07. 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.

**7.08. 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.

**7.09. 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.

**7.10. 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 7.11. 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.

**7.11. 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.

**7.12. Asbestos Notification for Commercial Property Constructed Before 1979.** Tenant acknowledges that Landlord has advised Tenant that, because of their age, the preexisting improvements, such as concrete, within the Premises may contain asbestos-containing materials ("ACMs"). If ACMs are likely to be disturbed in the course of developing any alterations, additions or improvements, Tenant shall encapsulate or remove the ACMs in accordance with an asbestos-removal plan reasonably approved by Landlord and otherwise in accordance with all applicable Hazardous Materials Laws, including giving all notices required by California Health & Safety Code Sections 25915-25919.7.

**7.13. Lead Warning Statement.** Tenant acknowledges that Landlord has advised Tenant that soils within the Premises may contain lead-based paints ("LBP"). Lead from paint, paint chips and dust can pose health hazards if not managed properly. Tenant may at its sole cost and expense, have a state-certified LBP Inspector complete a LBP inspection and abatement and, if Tenant completes such inspection, shall provide an abatement certification to Landlord. Landlord has no specific knowledge of the presence of LBP in or about the Premises.

**7.14. Certified Access Specialist Disclosure.** In accordance with Civil Code Section 1938, Landlord hereby discloses that the Premises has not undergone inspection by a Certified Access Specialist for purposes of determining whether the property has or does not meet all applicable construction related accessibility standards pursuant to Civil Code Section 55.53. As further specified in California Civil Code Section 1938: "A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises."

**7.15. 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, and its successors.

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

**7.17. 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.

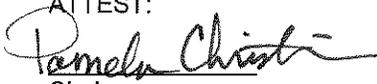
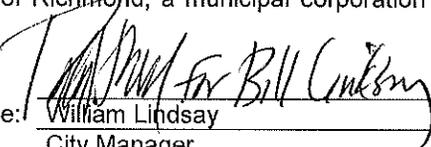
**7.18. Applicable Law.** This Lease shall be governed by, construed and enforced in accordance with the laws of the State of California. This Lease is made in Contra Costa County, California, and any action relating to this Lease shall be instituted and prosecuted in the courts of Contra Costa County,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

**7.19. 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.

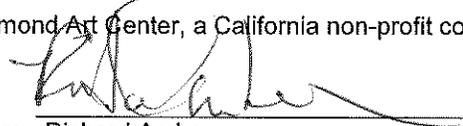
**7.20. No Joint Venture.** This Lease shall not be deemed or construed to create or establish any relationship of partnership or joint venture or similar relationship or arrangement between Landlord and Tenant hereunder. If requested by Landlord, Tenant shall post signs at the Premises stating that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

**7.21. 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.

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

ATTEST: LANDLORD: City of Richmond, a municipal corporation and charter city  
  
Clerk By:   
Name: William Lindsay  
Its: City Manager

Reviewed by:   
City Attorney

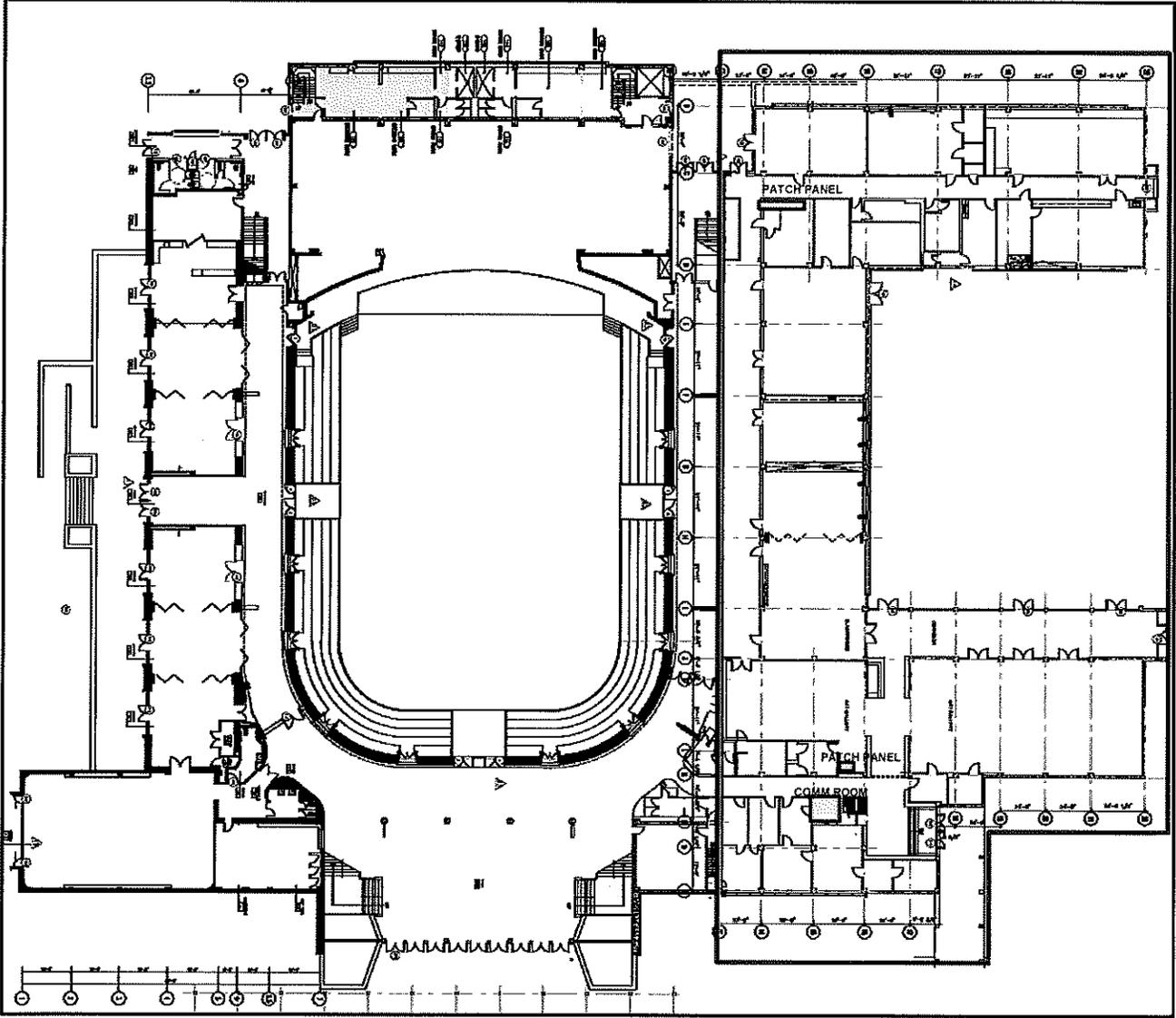
**Bruce Reed Goodmiller** TENANT: Richmond Art Center, a California non-profit corporation  
By:   
Name: Richard Ambrose  
Its: Executive Director

**Exhibit A**  
**Premises and Parking Facilities**

EXHIBIT A

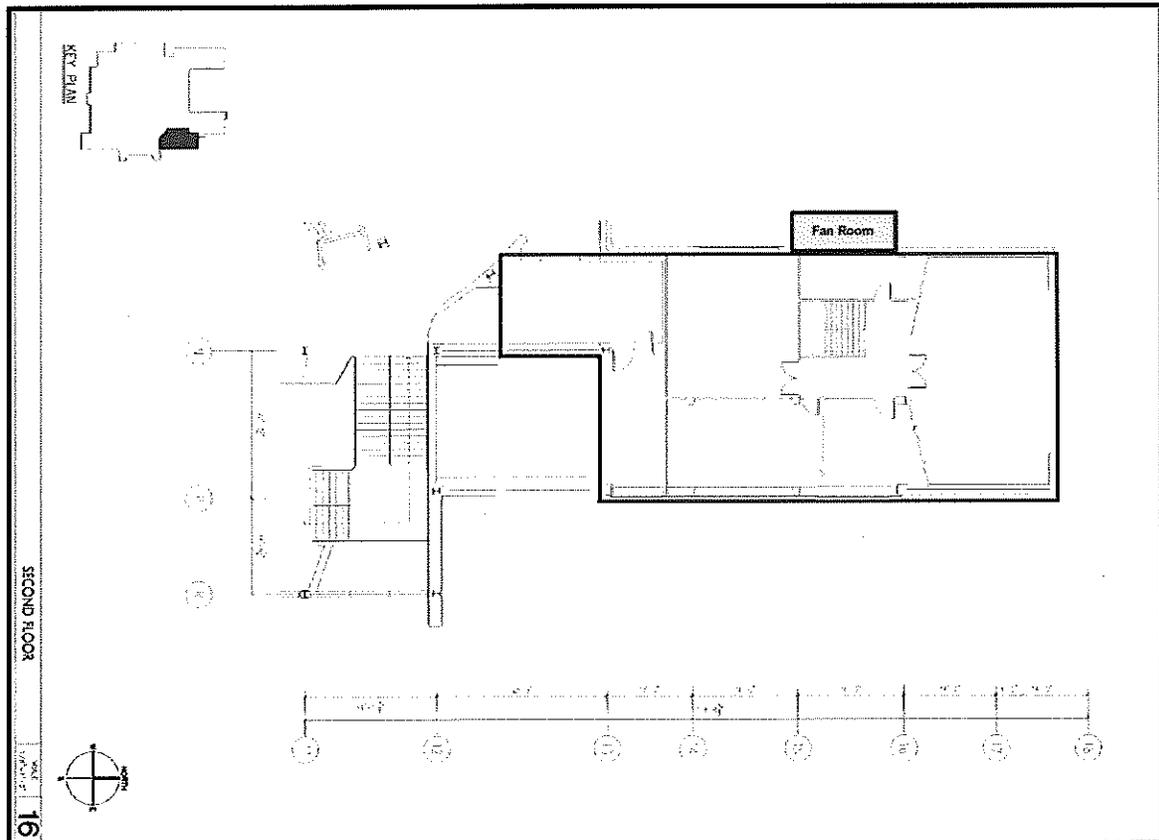
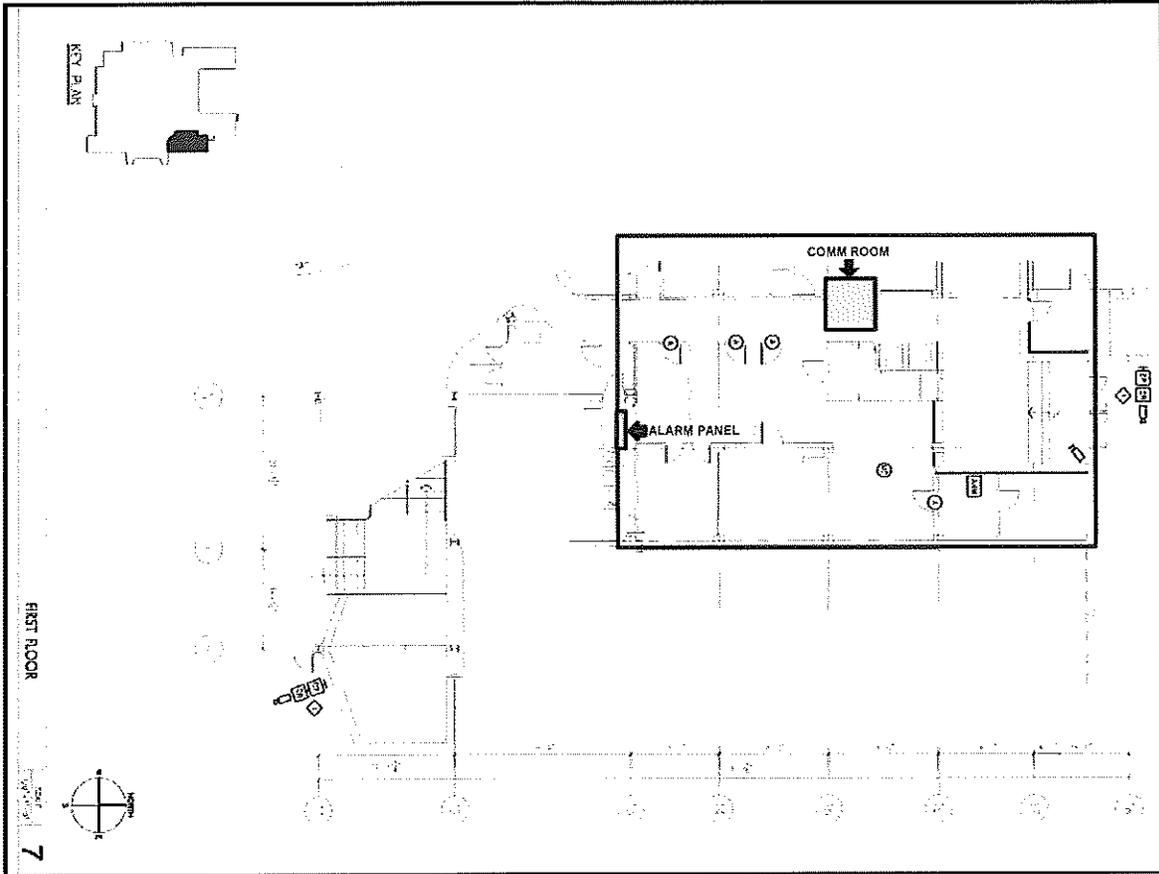
Premises

RICHMOND ART CENTER (2540 and 2544 Barrett Avenue, Richmond CA 94804)



Landlord shall have access to the areas highlighted in yellow 24 hours a day, 7 days a week.

Richmond ART Center First and Second Floor (2544 Barrett Avenue, Richmond CA 94804)



**Exhibit B**  
**City of Richmond Insurance Requirements for Lessees**

## City of Richmond - Insurance Requirements

### Richmond Art Center Lease

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 \$1,000,000 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: <a href="http://www.ci.richmond.ca.us/index.aspx?nid=61">http://www.ci.richmond.ca.us/index.aspx?nid=61</a> .
General Liability (primary and excess limits combined)	<b>\$2,000,000</b> 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 <b>minimum required aggregate limit shall be twice the per occurrence limit (\$4,000,000 aggregate)</b> .  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	<b>\$1,000,000</b> per occurrence for bodily injury and property damage.

**City of Richmond - Insurance Requirements**  
**Richmond Art Center Lease**

Property Insurance – Only applicable to leases of City property involving tenant improvements, betterments and contents	<b>Total value of all tenant improvements, betterments, and contents.</b> 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.

<b>Required Policy Conditions</b>	
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 <a href="http://www.ci.richmond.ca.us/index.aspx?nid=61">http://www.ci.richmond.ca.us/index.aspx?nid=61</a> .
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**  
**Richmond Art Center Lease**

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.





WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

This agreement shall not operate directly or indirectly to benefit anyone not named in the Schedule.

Schedule

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement #1  
Insured  
Richmond Art Center  
Insurance Company  
Employers Ins. Co.

Effective Policy No.  
EIG2092883-04

Endorsement No.  
Premium

Countersigned by Johnny J. Henne

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – SCHEDULED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

### SCHEDULE

•Name of Person or Organization:

*The City of Richmond, its officers, officials, employees, agents and volunteers.*

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

A. Section II – Who Is An Insured is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of your ongoing operations performed for that insured.

B. With respect to the insurance afforded to these additional insureds, the following exclusion is added:

#### 2. Exclusions

This insurance does not apply to "bodily injury" or "property damage" occurring after:

- (1) All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the site of the covered operations has been completed; or
- (2) That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.



WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

This agreement shall not operate directly or indirectly to benefit anyone not named in the Schedule.

Schedule

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement #1  
Insured *Richmond Art Center*  
Insurance Company *Employers Ins.*

Effective Policy No.  
*EIG2092883-04*  
Countersigned by

Endorsement No.  
Premium *waived*

*John W. Janssen*



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED – OWNERS, LESSEES OR  
CONTRACTORS – SCHEDULED PERSON OR  
ORGANIZATION**

This endorsement modifies insurance provided under the following: 2018-2497NPO

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

•Name of Person or Organization:

*City of Richmond, 450 Civic Center Plaza, Richmond, Ca. 94804  
Its Officers, officials, employees, agents and volunteers*

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

A. Section II – Who Is An Insured is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of your ongoing operations performed for that insured.

B. With respect to the insurance afforded to these additional insureds, the following exclusion is added:

**2. Exclusions**

This insurance does not apply to "bodily injury" or "property damage" occurring after:

- (1) All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the site of the covered operations has been completed; or
- (2) That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.



# PRIMARY INSURANCE FOR SPECIFIED ADDITIONAL INSURED ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:  
**COMMERCIAL GENERAL LIABILITY COVERAGE FORM**

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below:

(The following needs to be completed only when this endorsement is issued subsequent to inception of the policy.)

Named Insured <i>Richmond Art Center</i>		
Endorsement Effective <i>5/24/2018</i>	Policy Number <i>EIG2092883-04</i>	Countersigned by <i>John W. Henderson</i> (Authorized Representative)

With regard to coverage provided by this endorsement only, **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS, 4. Other Insurance**, paragraph a. **Primary Insurance** is modified as follows:

**a. Primary Insurance**

The insurance afforded to the Additional Insured per attached certificate is primary and non-contributory with respect to liability arising out of work performed by the Named Insured.

All other terms and conditions of this policy remain unchanged.

