LEASE AGREEMENT BETWEEN THE SAN LEANDRO UNIFIED SCHOOL DISTRICT AND THE CITY OF SAN LEANDRO

(APN: 075-0164-004-07, 999 East 14th Street, San Leandro, California, 94577)

THIS LEASE is made and entered into this ____ day of _____, 2013 by and between the CITY OF SAN LEANDRO, a municipal corporation ("City") and SAN LEANDRO UNIFIED SCHOOL DISTRICT, a political subdivision of the State of California ("District" or "Lessee").

RECITALS

1. On April 26, 2013, the District lost a number of portable trailers that were used for administrative purposes in a fire.

2. The City has space available temporarily for the District's administrative personnel in its Civic Center South Offices Building, located at 999 East 14th Street, San Leandro, California, 94577.

3. The City and the District now wish to enter into a lease agreement, to be effective beginning May 13, 2013 and ending October 13, 2013.

1. DESCRIPTION OF PREMISES.

For and in consideration of the faithful performance by Lessee of the agreements, covenants, terms, and conditions thereof and of the payments therein provided to be made by Lessee, City does hereby lease and demise unto Lessee and Lessee does hereby lease, hire, and take from City approximately 4,000 square feet of space located in that certain real property commonly known as the South Offices Building, San Leandro Civic Center, City of San Leandro, County of Alameda, State of California, and shown on the diagram hereto attached, marked "Exhibit A," hereinafter referred to as the "Premises," plus (1) non-exclusive access on a first-come, first-served basis to unreserved spaces in the parking lots, and (2) non-exclusive access to the "South" conference room that seats approximately fifty (50) persons that is next to the office space, on an as-needed basis and in compliance with all reservation and sign-up procedures of the City. The Lessee will accept the space as is, and will share the hallway and public restrooms with other tenants in the building. In addition, one office in the building will be used by the Police Officer's Association, and egress and ingress will be allowed as needed.

2. TERM.

The term of this lease shall be five months commencing on May 13, 2013, and ending on October 31, 2013 ("Term").

3. USE OF PREMISES.

The Premises shall be used as office space for the District's administrative personnel to conduct District business.

The Lessee shall meet all conditions of this lease.

Lessee shall not use or permit the Premises to be used in whole or in part for any purpose other than as hereinabove set forth at any time during the term of this lease except with the prior written consent of the City, nor for any purpose in violation of any present or future laws, ordinances, general rules, or regulations at any time applicable thereto of any public or governmental authority, including the City of San Leandro. Lessee shall at all times faithfully obey and comply with all laws, rules, and regulations applicable thereto adopted by federal, State, local, or other governmental bodies or departments or officers thereof. Lessee's property may not at any time be stored in hallways, may not block exit doors, or be placed in such a manner that would violate Fire Code and/or Building Code regulations.

4. ACCESS FOR PERSONS WITH DISABILITIES.

Lessee shall, at its own cost and expense, provide and maintain access within the Premises to persons with disabilities.

5. ACCESS TO TELECOMMUNICATIONS FACILITIES.

Lessee shall have access to the City's telecommunications and computer/server facilities only under direct supervision of City IT staff.

6. RENTAL FEE AND UTILITY FEE.

Lessee shall pay, without demand, as rental for the Premises a monthly fee of Two Thousand Dollars ($2,000.00), ("Rent") payable in advance by the fifth of every month. Rent for any monthly period during the Term which is less than an entire month shall be pro-rated based on actual days divided by the actual number of days in the month.

There will be no fee for utilities.

The Lessee will pay its share of custodial costs, which is Seven Hundred and Ninety Two Dollars ($792.00) per month, payable in advance on the fifth of every month. The rental payment and payment for custodial costs can be combined.

7. CONDITION AND MAINTENANCE OF PREMISES AND IMPROVEMENTS.

Lessee shall provide and maintain, at its own cost and expense, throughout the entire term of this lease, any and all equipment, fixtures, furniture, and furnishings necessary for use in and about the Premises. If any of City's equipment, fixtures, furniture or furnishings are present

and unused, District may take beneficial use of such items for the term of this lease.

The Lessee covenants and agrees, at its own cost and expense, during the entire term hereof, to keep and maintain inside of the Premises all of the equipment, fixtures, and furnishings thereon in good order and repair and in clean, presentable, and tenantable condition. Lessee hereby expressly waives the right to make such repairs at the expense of the City and the benefit of the provisions of Sections 1941 and 1942 of the Civil Code of the State of California relating thereto. The City agrees that said equipment, fixtures, furniture, and furnishings provided by Lessee shall not by reason of their installation in or upon the Premises become the property of the City, and if Lessee is not in default under this lease, Lessee may remove any or all thereof upon the termination of this lease; provided, always, that any damages resulting to the Premises by reason of said removal shall be repaired by Lessee at its own cost and expense and to the satisfaction of the City.

No structural changes, whether temporary or permanent, shall be made by Lessee to Premises without prior approval from City; any permits required for such work shall be paid for by Lessee. All improvements made on or adjacent to the Premises by the Lessee shall, upon expiration of the lease or prior to termination thereof, be and become the property of the City and shall remain upon and be surrendered with the Premises as part thereof upon such expiration or termination of this lease. Lessee agrees to remove promptly and to the satisfaction of the City, at the cost and expense of Lessee, upon the expiration of the term or the earlier termination of this lease, any and all improvements placed by Lessee upon the Premises.

8. NONDISCRIMINATION.

Lessee and its employees shall not discriminate because of race, color, national origin, ancestry, marital status, religious creed, sex, age, physical disability or mental disability, medical condition, genetic information, gender, gender identity, gender expression or sexual orientation against any person by refusing to furnish such person any facility, service, or privilege offered to or enjoyed by the general public, nor shall Lessee or its employees publicize the facilities, services, or privileges in any manner that would directly or inferentially reflect upon or question the acceptability of the patronage of any person because of any of the above.

In the performance of this lease, Lessee shall not discriminate against any employee or applicant for employment because of race, color, national origin, ancestry, marital status, religious creed, sex, age, physical disability or mental disability, medical condition, genetic information, gender, gender identity, gender expression or sexual orientation. Lessee will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, national origin, ancestry, marital status, religious creed, sex, age, physical disability or mental disability, medical condition, genetic information, gender, gender identity, gender expression or sexual orientation. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

9. FIRE INSURANCE.

Lessee, at its own cost and expense, shall and hereby agrees to carry fire insurance with extended coverage endorsements thereon on all improvements on the Premises, in an amount equal to ninety percent (90%) of the full insurable value of such improvements, naming the City and the Lessee, as their interests may appear, as the insured in any such policy or policies. The proceeds of any such insurance in the event of any loss or damage shall be used for the repair or rebuilding of the improvements made or constructed by Lessee upon the Premises. A certificate or certificates evidencing such insurance coverage shall be filed with the City prior to the commencement of construction of any improvements by the Lessee upon the Premises, and such certificates shall provide that such insurance coverage will not be cancelled or reduced without at least forty-five (45) days prior written notice to the City. At least forty-five (45) days prior to the expiration of any such policy or policies, a certificate showing that such insurance coverage has been renewed shall be filed with the City.

10. SIGNS.

No exterior signs or placards of an advertising or promotional nature shall be painted, inscribed, or placed on the Premises or any building or structure located thereon without the prior written consent of the City. Lessee agrees to remove promptly and to the satisfaction of the City, at the cost and expense of Lessee, upon the expiration of the term or the earlier termination of this lease, any and all signs and placards placed by them upon the Premises.

11. RIGHTS NONEXCLUSIVE.

It is understood and agreed that the rights of the Lessee hereunder are nonexclusive as to the Premises. However, City shall not use the Premises in a manner that would conflict with an activity or use of Premises previously scheduled by Lessee.

12. TAXES.

Lessee agrees to pay all lawful taxes, business license fees, assessments, or charges which at any time may be levied by a federal, State, County, City, or any tax or assessment levying agency upon any interest in this lease or any possessory right which Lessee may have in or to the Premises covered hereby or the improvements thereon by reason of its use or occupancy thereof or otherwise, as well as all taxes, assessments, and charges on goods, merchandise, fixtures, appliances, equipment, and property owned by them in or about Premises.

13. NO LIENS.

Lessee shall pay for all labor done or materials furnished in the repair, replacement, development, or improvement by Lessee of the Premises and shall keep the Premises and Lessee's possessory interest therein free and clear of any lien or encumbrance of any kind whatsoever created by the Lessee's act or omission, except as herein expressly permitted.

No alterations, additions, or improvements shall be made without the prior written consent of the City.

14. HOLD HARMLESS AGREEMENT AND LIABILITY INSURANCE.

It is an express condition of this lease that the City and its officers, agents, and employees shall be free from liability for any death or deaths of or any injury or injuries to any person or persons or damages to property of any kind whatsoever, whether the person or property of Lessee, its agents, or employees, sub-lessee, concessionaires, or licensees or third persons, from any cause or causes whatsoever while in or upon the Premises or any part thereof during the term of this lease or occasioned by any occupancy or use of the Premises or concessionaires, or licensees in connection therewith, and Lessee hereby covenants and agrees to indemnify and to save harmless the City and its officers, agents, volunteers and employees to the fullest extent permitted by law from all liability, charges, expenses (including legal fees), and costs on account of or by reason of any such death or deaths, injury or injuries, liabilities, claims, suits, or losses however occurring or damages growing out of same.

15. INSURANCE.

Public Liability and Property Damage.

The Lessee shall take out and maintain in the name of the Lessee and the City during the life of the lease such Public Liability Insurance as shall protect itself, the City, its officials, officers, directors, employees, volunteers and agents from claims which may arise from operations under the lease; whether such operations be by itself; by the City, its officials, officers, directors, employees, volunteers and agents; by any sub-lessee; or by anyone directly or indirectly employed by either of them. This liability insurance shall include, but shall not be limited to, protection against claims arising from bodily and personal injury and damage to property resulting from the Lessee's or City's operations, use of owned or non-owned automobiles, products, and completed operations. The amounts of insurance shall not be less than the following:

Single limit coverage applying to bodily and personal injury liability and property damage: $1,000,000, and $2,000,000 general aggregate.

The following endorsements must be attached to the certificate of insurance and policy:

(1) If the insurance policy covers on an "accident" basis, it must be changed to "occurrence."

(2) The policy must cover personal injury, as well as bodily injury.

(3) The policy must cover complete contractual liability. Exclusions of contractual liability as to bodily injuries, personal injuries, and property damage must be eliminated

for the basic policy endorsements.

(4) Broad form property damage liability must be afforded. Permission is granted for a deductible that shall not exceed $500 without special approval of the City.

(5) The City must be named as a named as additional insured under the coverage afforded with respect to the work being performed under this sublease.

(6) An endorsement shall be provided which states that the coverage is primary insurance and that no other insurance affected by the City will be called upon to contribute to a loss under this coverage.

(7) An endorsement shall be provided which states that the waiver of subrogation applies in favor of the certificate holder (the City of San Leandro).

(8) Standard form of cross-liability.

(9) Thirty (30) days' notice of cancellation.

A certificate of insurance and required endorsements evidencing such insurance coverage shall be filed with City prior to entry upon the Premises. Lessee's evidence of self-insurance through a joint powers agreement/cooperative shall satisfy this requirement.

16. WORKERS' COMPENSATION INSURANCE.

Lessee shall maintain in force during the term of this lease, in an amount of $1,000,000 and with coverage satisfactory to City, Workers' Compensation Insurance if Lessee has employees. A certificate evidencing such insurance coverage shall be filed with City prior to entry upon the Premises. Lessee's evidence of self-insurance through a joint powers agreement/cooperative shall satisfy this requirement.

17. LEASE, ASSIGNMENTS, AND SUCCESSORS.

Lessee shall not either directly or indirectly give, assign, hypothecate, encumber, transfer, or grant control of this lease or any interest, right, or privilege therein, or sublet the whole or any portion of the Premises or reassign the use of the name in whole or in part, without obtaining the prior written consent of the City, which consent shall not be unreasonably withheld.

Neither this lease or any interest therein shall be assignable or transferable in proceedings in attachment, garnishment, or execution against Lessee, or in voluntary or involuntary proceedings in bankruptcy or insolvency or receivership taken by or against Lessee or by any process of law, and possession of the whole or any part of the Premises shall not be divested from Lessee in such proceedings or by any process of law, without written consent of City. Any breach of the provisions of this paragraph shall give City the right to terminate this lease immediately.

This lease is and shall be binding upon the heirs, executors, administrators, successors and assigns of the respective parties hereto.

18. HAZARDOUS SUBSTANCES.

No goods, merchandise, or material shall be kept, stored, or sold in or upon the Premises that are in any way explosive or hazardous; and no offensive or dangerous trade, business, or occupation shall be carried on therein or thereon; and no machinery or apparatus shall be used or operated on said facilities, provided, however, that nothing in this paragraph contained shall preclude Lessee from bringing, keeping, or using on or about the Premises and building such materials, supplies, equipment, and machinery as are necessary or customary in carrying on its said activities. Potentially hazardous materials such as paints, varnishes, etc., that are kept on the premises shall be stored according to manufacturer's recommendations and in keeping with Best Management Practices for the use and storage of such materials.

19. FORFEITURE.

This lease is made upon the condition that if the rents or other sums which Lessee herein agrees to pay, or any part hereof, shall be unpaid on the date on which the same shall become due, or if default be made in any of the terms, agreements, conditions, or covenants herein contained on the part of Lessee, after notice from City and a 10-day cure period, or should Lessee abandon and cease to use the Premises for a period of ninety (90) days at any one time except when prevented by fire, earthquake, wars, strikes, or other calamity beyond its control, then and in such event, at the option of the City as evidenced by resolution of the City Council, this lease shall become forfeited, and the City may exercise all rights of entry and re-entry upon the Premises. Lessee shall not be considered in default as to any provisions of this lease when such default is the result of, or pursuant to, any process, order, or decree of any court or regulatory body.

20. OPTION TO TERMINATE.

The City and Lessee shall have the option to terminate this lease without cause upon notice given as hereinafter in Paragraph 30 set forth. Said notice of exercise of said option to terminate shall be given on or before one hundred twenty (120) days prior to the effective date thereof.

21. RIGHT OF ENTRY AS AGENT.

In any case in which provision is made herein for the termination of this lease by the City, or in the case of abandonment or vacating of the Premises by Lessee, the City, in lieu of declaring a forfeiture, may enter the Premises. In such case, the City may re-let the Premises upon such terms as it may deem proper. Lessee further agrees to save the City harmless from any loss or damage or claim arising out of the action of the City in pursuance of this paragraph.

22. SURRENDER OF PREMISES.

The Lessee covenants and agrees that at the expiration of this lease, or upon its earlier termination, Lessee will quit and surrender the Premises with all the improvements thereon in as good a state and condition as the same was when construction of such improvements were completed by Lessee, reasonable wear and tear excepted, and Lessee agrees, unless otherwise permitted in writing by the City, to remove all personal property belonging to Lessee. Upon such termination, the City shall have the right to enter upon and take possession of the Premises. Provided always, however, that nothing in this paragraph contained shall obligate Lessee to make any repairs that by any other provision of this lease it shall be relieved or exempt from making.

23. INSPECTION OF PREMISES.

The City or its duly authorized representatives, or agents and other persons for it, may enter upon the Premises at any and all reasonable times during the term of this lease for the purpose of determining whether or not Lessee are complying with the terms and conditions hereof or for any other purpose incidental to the rights of the City.

24. HOLDING OVER.

Should Lessee hold over the Premises after this lease has terminated in any manner, such holding over shall be deemed merely a tenancy from month to month and at $2,000 per month plus 10%, payable monthly in advance, but otherwise on the same terms and conditions as herein provided..

25. WAIVERS.

No waiver by the City at any time of any of the terms, conditions, covenants, or agreements of this lease shall be deemed or taken as a waiver at any time thereafter of the same or any other terms, conditions, covenants, or agreements herein contained, nor of the strict and prompt performance thereof by Lessee. No delay, failure, or omission of the City to re-enter the Premises or to exercise any right, power, privilege, or option arising from any default, nor subsequent acceptance of rent then or thereafter accrued, shall impair any such right, power, privilege, or option, or be construed to be a waiver of any such default or relinquishment thereof or acquiescence therein. It is agreed that each and all of the rights, powers, options, or remedies given to the City by this lease are cumulative, and no one of them shall be exclusive of the other or exclusive of any remedies provided by law, and that the exercise of one right, power, option, or remedy by the City shall not impair its rights to any other right, power, option, or remedy.

26. TIME OF ESSENCE.

Time is expressly declared to be of the essence of this lease.

27. CONFLICT OF INTEREST.

Lessee warrants and covenants that no official or employee of City or any business entity in which an official or employee of City is interested:

a. Has been employed or related to solicit aid in the procuring of this lease;

b. Will knowingly be employed in the performance of this contract without the immediate divulgence of such fact to City.

In the event City determines that such employment of such official, employee, or business entity is not compatible with such official's or employee's duties as an official or employee of City, Lessee, upon request of City, shall terminate such employment immediately.

For knowing breach or violation of this paragraph, City shall have the right both to annul this lease without liability and, in its discretion, to recover the full amount of such compensation paid to such official or business entity.

28. Reserved.

29. Reserved.

30. N O T I C E S . Any written notice to Lessee shall be sent to:

Song Chin-Bendib, Assistant Superintendent, Business & Operations
San Leandro Unified School District
14735 Juniper Street
San Leandro, CA 94579

Any written notice to City shall be sent to:

Tara Peterson
City of San Leandro
835 E. 14th Street
San Leandro, CA 94577
(510) 577-3432 phone
(510) 577-3310 fax

Executed as of the day first above stated:

CITY OF SAN LEANDRO
a municipal corporation

Attest:_____
Marian Handa, City Clerk

By:_____
Chris Zapata, City Manager

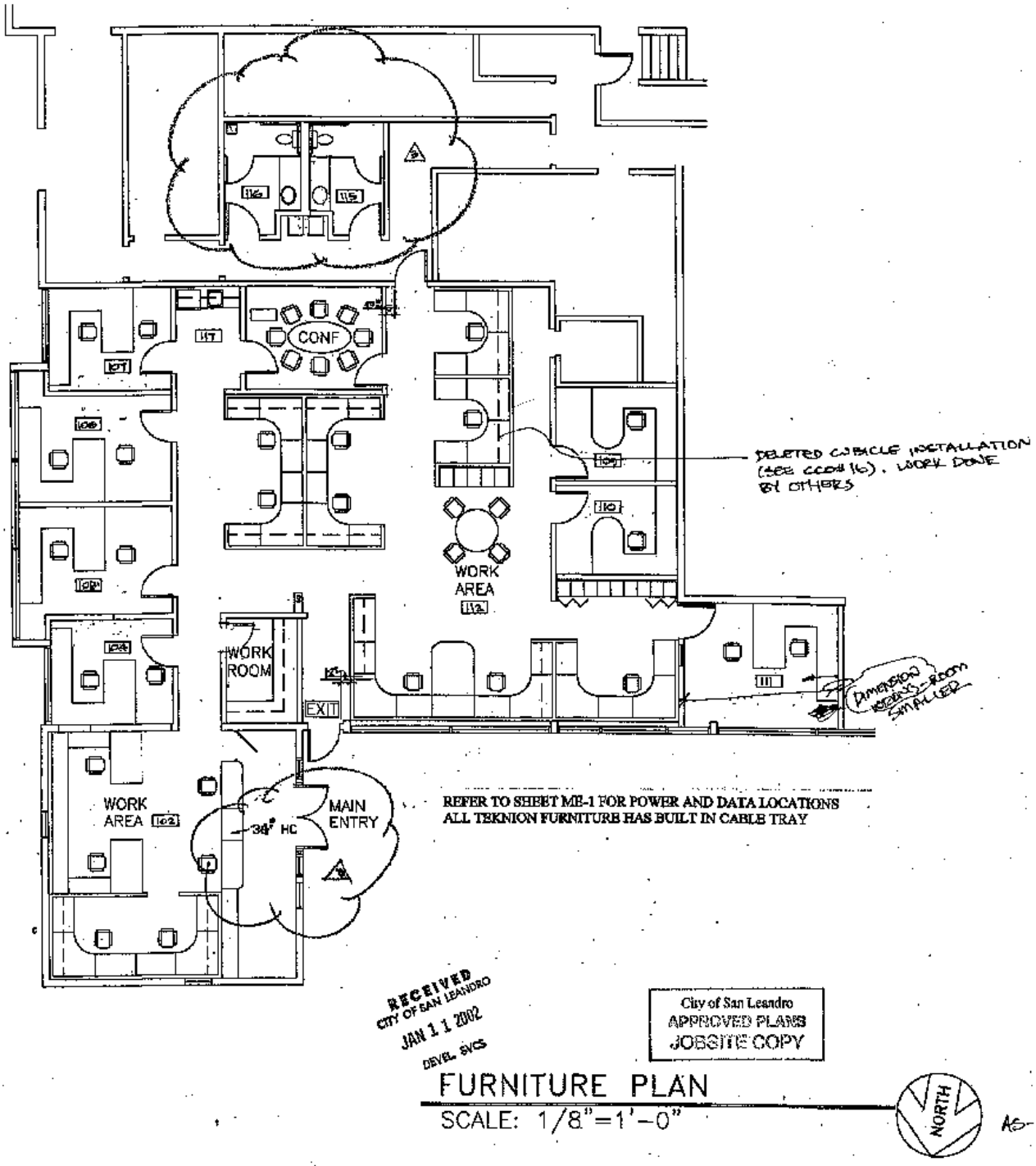
SAN LEANDRO UNIFIED SCHOOL DISTRICT
a California public school district

By:_____

Approved as to form:

_____
Ricard D. Pio Roda, City Attorney

Exhibit A



FURNITURE PLAN

SCALE: 1/8"=1'-0"

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