LEASE AGREEMENT

THIS LEASE AGREEMENT (the "Lease") is dated for convenience as of the 1st day of July, 2014 by and between the **City of San Leandro**, a charter city formed under the laws of the State of California, hereinafter referred to as "City" or "Landlord", and **San Leandro Unified School District**, a political subdivision of the State of California, hereinafter referred to as "Tenant."

1. BASIC LEASE INFORMATION

The following is a summary of basic lease information (the "Basic Lease Information"). Each item below shall be deemed to incorporate all of the terms in this Lease pertaining to such item. In the event of any conflict between the information in this Section and any more specific provision of this Lease, the more specific provision shall control.

Lease Reference Date: July 1, 2014

Landlord:	**CITY OF SAN LEANDRO**
Tenant:	**SAN LEANDRO UNIFIED SCHOOL DISTRICT**
Leased Premises Address:	**835 E. 14th Street, San Leandro, CA**
Building:	**San Leandro City Hall**
Property:	**San Leandro Civic Center**
Rentable Area:	Approximately 3,675 rentable square feet located entirely upon and within the second floor of the Building.
Term:	5 Years Commence Date: July 1, 2014 Expiration Date: Midnight July 1, 2019
Extension Option:	A one-time option to extend the Term of the Lease for an additional five (5) years until June 30, 2024
Base Rent:	Minimum Annual Base Rent: $56,000.00 for the first year, $4666.67 per month, to escalate by the Consumer Price Index for the San Francisco/ Oakland/San Jose Bay Area each year of the term. If the option is exercised, then the Minimum

Annual Base Rent shall increase by the CPI for each subsequent year until the end of the Term.

Permitted Use: The Premises shall be used for public school district administration purposes only. Absolutely no instruction or training of any kind, whether for pupils, teachers, invitees, or administrators shall occur on the Premises.

Utilities & Services: Paid by Tenant on a pro rata basis.

Janitorial: Paid by Tenant

Security Deposit: None

2. PREMISES: AS IS CONDITION:

Leased Premises: The premises (the "Premises") leased to Tenant under this Lease shall be approximately 3,675 rentable square feet of building space located entirely upon and within the second floor at 835 East 14th Street, San Leandro, California, commonly known as San Leandro City Hall (the "Building") and within what is also commonly known as the San Leandro Civic Center (the "Property"). Subject to the provisions of this Lease, Landlord leases to Tenant and Tenant leases from Landlord the Premises, as depicted in the attached Exhibit A, attached hereto and made a part hereof. The Premises shall comprise only those areas identified in the attached Exhibit A, and as further described herein.

A. As Is Condition: Tenant acknowledges and agrees that the Premises is leased by Landlord to Tenant and shall be accepted by Tenant in its "as is, where-is" condition, without representation or warranty of any kind, and subject to all applicable laws, rules and ordinances governing its use, occupancy and possession. Tenant represents and warrants to Landlord that Tenant has investigated and inspected, independently or through agents of Tenant's own choosing, the condition of the Premises and the suitability of the Premises for Tenant's intended use. Tenant has determined, based solely on its own investigation, that the Premises are suitable for Tenant's business and intended use. Tenant acknowledges and agrees that neither Landlord nor any of its agents have made, and Landlord hereby disclaims, any representations or warranties, express or implied, concerning the rentable area of the Premises, the physical or environmental condition of the Premises or any other property beneath, adjacent to, or otherwise related to the Premises, the present or future suitability of the Premises for Tenant's use or Tenant's intended uses of the Premises, or any other matter whatsoever relating to the Premises, including, without limitation, any implied warranties of merchantability or fitness for a particular purpose, or any defects, latent or patent.

San Leandro Unified School District

By: _____

Name: Michael McLaughlin, Ed.D.

Title: Superintendent of Schools

3. TERM OF LEASE:

The term of this Lease is five (5) years commencing on July 1, 2014 (hereafter "Commencement Date") and expiring at midnight on June 30, 2019 (hereafter "Expiration Date"), subject to the Extension Option described in Sections 3A and 3B below.

A. Extension Option: Landlord grants to Tenant a one-time option to extend the Term of this Lease (the "Extension Option") for an additional five (5) years (the "Extension Term"). The Extension Term shall commence on the day following the Expiration Date. Tenant may exercise the Extension Option by giving written notice to Landlord not less than one-hundred eighty (180) days prior to the Expiration Date. If any event of default by Tenant is outstanding either prior to or during the time of Tenant's exercise of the Extension Option then Landlord may elect to notify Tenant of Landlord's rejection of Tenant's exercise of the Extension Option, whereupon the Extension Option shall be null and avoid.

B. Base Rent: The Base Rent shall be $4666.67 (Four Thousand Six Hundred Sixty-Six Dollars, 67/100) per month, or $56,000.00 for the first year of the Term. Base Rent shall be increased beginning on the anniversary of the Commencement Date and each subsequent anniversary of the Commencement Date during the Term by the increase in the Consumer Price Index (CPI) for the San Francisco/Oakland/San Jose Bay Area. In no event shall the Base Rent be less than $4666.67 per month during the Term nor shall Tenant be entitled to any credit because of any decrease in the CPI. All other terms, covenants and conditions of this Lease shall continue unchanged during the Extension Term. Upon commencement of the Extension Term, the Base Rent in year five shall be used to calculate the increase by the CPI for year six based on the procedure above. Thereafter, Base Rent shall increase by the CPI each year of the Extension Term in accordance with the formula described herein.

4. BASE RENT PAYMENT: Tenant shall pay Landlord Base Rent and all other sums ("Rent") as required herein on or before the first of each month. All sums payable by Tenant to Landlord hereunder shall be paid by good check to the City of San Leandro, in care of the Finance Director, Finance Department at 835 E. 14th Street, San Leandro, California, 94577, or such other place as Landlord may

designate in writing. Tenant may pre-pay Base Rent to Landlord at the beginning of each year of the Term, or the full amount of the annual Base Rent at any time during the Term without penalty.

A. Late Charge: A late charge equivalent to six percent (6%) of any Rent, or any portion of Rent, or any portion thereof due and unpaid for more than fifteen (15) days, shall be paid by Tenant for each month that such Rent remains due and unpaid, plus any attorneys' fees incurred by Landlord by reason of Tenant's failure to pay such Rent. Landlord and Tenant have agreed upon the late payment charge, after negotiation, as a reasonable estimate of the additional administrative costs and detriment the Landlord will incur as a result of any such failure by Tenant, the actual costs thereof being extremely difficult if not impossible to determine. The late payment charge constitutes liquidated damages to compensate Landlord for its damages resulting from such failure to pay and shall be paid to Landlord together with such unpaid amount.

B. Default Interest: Any Rent, if not paid within five (5) days following the due date, shall bear interest from the due date until paid at the rate of ten percent (10%) per year or, if a higher rate is legally permissible, at the highest rate an individual is permitted to charge under law (the "Interest Rate"). However, interest shall not be payable on late charges incurred by Tenant nor on any amount on which late charges are paid by Tenant to the extent this interest would cause the total interest to be in excess of that which an individual is lawfully permitted to charge. Payment of interest shall not excuse or cure any default by Tenant

C. Holding Over: Any holding over after the expiration of the Term with the express consent of Landlord shall be construed to automatically extend the Term of this Lease on a month-to-month basis at a Base Rent equal to One Hundred & Fifty percent (150%) of the latest Base Rent payable by Tenant hereunder prior to such expiration. Any holding over without Landlord's consent shall constitute a default by Tenant and entitle Landlord to exercise any or all of its remedies as provided herein, notwithstanding that Landlord may elect to accept one or more payments of Rent, and whether or not such amounts are at the holdover rate specified above or the rate in effect at the end of the Term of the Lease, without waiving Landlord's right to seek immediate possession of the Premises.

5. USE OF PREMISES:

A. Permitted Use: Tenant shall use the Premises for public school district administration purposes only. Absolutely no instruction or training of any kind, whether for pupils, teachers, invitees, or administrators, shall occur within, around, or upon the Premises. Changes in the types of use shall be made only upon the express written consent of Landlord.

B. The Premises shall not be used for the storage of merchandise held for sale to the general public. No commercial cooking for public sale shall occur within the Premises.

C. Prohibited Use: Without limiting the foregoing, Tenant shall not do, and shall use its best efforts to prevent anything being done in or about the Premises or bring or keep anything therein that will in any way conflict with any law which may now or hereafter be enacted, or create a nuisance or commit or suffer to be committed any waste upon the Premises, or use or allow the Premises to be used for any unlawful purpose. No fire-arms or any explosive materials shall be stored or kept within the Premises at any time.

6. OTHER LEASE PROVISIONS: This lease, and any amendments hereto shall be subject to the approval of the City Council for the City of San Leandro.

Tenant shall not use or permit the Premises, or any part thereof, to be used for any purposes other than the purposes set forth in Paragraph 5 of this Lease. Tenant shall not perform any act, which will cause a cancellation of any insurance policy covering the Premises or any part thereof.

Tenant, at Tenant's expense, shall comply with all laws, rules, orders, ordinances, directions, regulations, and requirements of federal, state, county and municipal authorities, now in force or which may hereafter be in force, which shall impose any duty upon Landlord or Tenant with respect to the use, occupation or alteration of the Premises. Tenant further understands and agrees to be responsible and comply with 42 USC Section 12101, et seq., (the "Americans with Disabilities Act") within the leased Premises, as well as with all similar state laws, including but not limited to California Government Code Section 12900 et seq., (the "Fair Employment and Housing Act") and California Civil Code Section 51 et seq., (the "Unruh Civil Rights Act"). Tenant's failure to comply with any such law, ordinance, rule or regulation shall constitute a material breach of this Lease. Tenant shall not create a public or private nuisance on the Premises, or allow any sale by auction upon the Premises, or commit or suffer to be committed any waste upon the Premises.

7. UTILITIES, WASTE MANAGEMENT AND PARKING: Tenant shall pay for all utility costs attributable to its use of the Premises, whether on a pro rata basis, or by separate meter. Tenant shall comply with all of Landlord's orders and directions related to Tenant's waste management, composting and recycling within the Premise.

A. Tenant understands and acknowledges that parking spaces, except for those designated for specific City vehicles, within the San Leandro Civic Center in both the North and South Lots are available on a first come, first serve basis. No parking spaces in the San Leandro Civic Center shall be for the exclusive

use of Tenant. Tenant is not entitled to, and shall not reserve for itself by any means or devices, including but not limited to barriers, cones, or special striping, painting or markings, any parking spaces in the San Leandro Civic Center. Any actions by Tenant, or employees of Tenant that violate this Paragraph shall constitute a material breach of this Lease. Tenant shall make best efforts to park within the Civic Center parking lots as a first priority to minimize parking impacts to adjacent residences.

8. ASSIGNMENT OF LEASE:

A. It is understood and agreed by both Landlord and Tenant that the terms of this Lease were negotiated to facilitate the use of the Premises by the Tenant to facilitate providing services and programs to the community and the schools of the San Leandro Unified School District. In accordance with this understanding, Tenant shall not assign or hypothecate this Lease or any interest herein and if so the Lease shall be void and shall constitute a material breach and an event of default under the terms of the Lease.

9. ALTERATIONS & IMPROVEMENTS:

A. All alterations, additions, or improvements to the Premises shall be subject to the following conditions, which Tenant covenants to observe and perform:

(1) No approval by Landlord or any of its agents of the plans, any changes thereto or of any alterations and improvements for purposes of this Lease shall be deemed to constitute approval of or compliance with any federal or state regulatory authority with jurisdiction over Tenant (including without limitation, any regulations of the California Department of Education, or Division of the State Architect) or Tenant's use hereunder, and nothing herein shall limit Tenant's obligation to obtain all such regulatory approvals at Tenant's sole cost.

(2) All work shall be done in a good and workmanlike manner and in compliance with the applicable building and zoning codes, terms of and conditions imposed on any permit or authorization for construction to or on the Premises, including, but not limited to, compliance with disability accessibility standards pursuant to Title 24 of the California Code of Regulations, California Building Code, California Education Code, the Americans with Disabilities Act, the California Fair Employment and Housing Act, and the Unruh Civil Rights Act.

(3) All work shall be prosecuted to completion with reasonable dispatch, unavoidable delays excepted.

(4) At the completion of any work described in this paragraph, Tenant must furnish to Landlord one reproducible "as built" drawing of all alterations, additions or improvements made in the Premises.

(5) Tenant will post appropriate notices to protect Landlord to avoid any liability for liens or other obligations connected with the alteration or improvement. Tenant will at all times post such notices and will ensure that such notices remain posted until the completion and acceptance of such work.

B. All capital improvements or any other alterations, additions, or improvements permanently affixed to the Premises shall immediately upon construction become part of the realty, shall be owned by Landlord and shall, at the end of the term hereof, remain on the Premises without compensation to Tenant.

C. In addition to any other remedy available to the Landlord, the Landlord may require Tenant to remove, at Tenant's expense, any or all alterations, additions or improvements under the provisions of this paragraph; and Landlord may require Tenant to repair in good workmanlike fashion any damage occasioned thereby at Tenant's expense.

D. At the termination of this Lease, Tenant shall leave the Premises free and clear of all debris, except any equipment and furniture that belongs to the Landlord, and in as good condition as when leased and subsequently improved, excepting reasonable wear and tear. Tenant shall repair any damage to the Premises for which Tenant is liable under this Lease. If Tenant fails to remove any improvements, equipment, furniture or trade fixture when requested to do so by Landlord or fails to leave the property in the condition required herein, Landlord will remove such items and correct such conditions at Tenant's expense.

E. All alterations and improvements that may be required by the Tenant for the uses described in Section 5, Use of Premises, shall be done by the Tenant at its sole cost and expense, and shall comply with all planning, building, electrical, health, fire and safety codes of the City of San Leandro.

F. Prior to undertaking any such improvements, all plans and specifications for such alterations and improvements shall be submitted by Tenant to Landlord in writing and be reasonably approved or rejected by Landlord in writing within forty-five (45) days of such submission.

G. Landlord reserves the right at any time to make alterations, additions, deletions or improvements to the Building's Systems, provided that any such alterations or additions shall not materially affect the functional utilization of the Premises for the uses permitted hereunder, and provided that Landlord gives Tenant ten (10) days prior written notice of such non-emergency work.

10. REPAIRS AND MAINTENANCE:

A. Repairs: Landlord shall be responsible for making any and all repairs and maintenance of and to the Premises, at its sole cost and expense, including without limitation, the structure of the building, the foundations, bearing and exterior walls, windows, and the roof. Tenant shall be responsible for making any and all repairs and maintenance to the floors, any interior plumbing required to connect Tenant's fixtures and any electrical (wiring, fixtures and equipment) and Tenant shall maintain the Premises in good repair and working order and in a clean, secure, safe and sanitary condition. Tenant shall also be responsible for and pay for any damage to the Premises or the Property, caused by any act or omission of Tenant or Tenant's agents, invitees or any other third party, except for damage caused by Landlord or its agents. Tenant shall promptly make all repairs and replacements: (a) at its sole expense, (b) by licensed contractors or qualified mechanics approved by Landlord, (c) so that the same shall be at least equal in quality, value and utility to the original work or installation, (d) in a manner and using equipment and materials that will not interfere with or impair the operations, use or occupation of the Premises or the building systems, and (e) in accordance with any applicable Landlord rules and regulations and all applicable federal, State, and local laws, rules and regulations. Prior to undertaking any such repairs and maintenance, all plans and specifications for such repairs and maintenance shall be submitted by Tenant to Landlord in writing and be reasonably approved or rejected by Landlord in writing within forty-five (45) days of such submission.

B. Access by Landlord: Landlord shall have 24/7 access to Tenant's space for the purpose of HVAC maintenance and operations; Tenant acknowledges that the HVAC maintenance room is located within Tenant's Leased Premises. City maintenance staff shall announce themselves to District staff upon entering the Leased Premises, and shall not be denied reasonable admittance for the purpose of diagnosing, maintaining and replacing City Hall HVAC equipment located within the Leased Premises.

C. Holding Landlord Harmless: Tenant shall promptly pay for all labor and materials used on or in the Premises to design, construct, install, or otherwise complete Tenant's alterations, repairs, maintenance, or improvements during the Term of this Lease and shall indemnify and hold Landlord, its officers, employees, agents, contractors, and subcontractors free and harmless from all claims of whatsoever nature, whether liens of mechanics or others, or claims to include but not limited to claims under the Worker's Compensation Insurance Act of the State of California in relation thereto arising out of the design, construction, installation, or other activity connected with Tenant's alteration, repair, maintenance or improvement to the Premises. Tenant shall be responsible for and shall pay prevailing wages in accordance with the California Labor Code for all labor used to improve, alter, reconstruct, or demolish the Premises, to the extent the payment of prevailing wages is applicable to such work.

11. DESTRUCTION OF DEMISED PREMISES:

A. If the Premises are totally destroyed by fire or other casualty, then this Lease shall terminate. If the Premises are damaged or destroyed at any time during the Term by a casualty that is not ordinarily insurable, to an extent in excess of thirty percent (30%) of the replacement cost of the Building, then either party may terminate this Lease by giving written notice to the other within forty-five (45) days following the date such damage or destruction occurs. If the damage to the Premises cannot be repaired within one hundred twenty (120) days after the date of such damage or destruction, either party may terminate this Lease by giving written notice to the other party within forty-five (45) days following the date such damage or destruction occurs. In such event, this Lease will be deemed terminated as of the date such damage occurred and all Rent payments will be prorated as of such date.

B. If neither party exercises a right pursuant to this Section to terminate this Lease in the event of damage or destruction, Landlord will promptly commence and diligently prosecute to completion such repairs as are necessary to restore the Premises to substantially the same condition as they were in immediately prior to such damage or destruction. All Rent will be equitably reduced, based on the extent to which the damage or destruction interferes with Tenant's use of the Premises, between the date of the damage or destruction and the date of complete restoration. In the event that such repairs and restoration are not substantially completed within six (6) months from the date such damage occurred, then Tenant, at its option, may terminate this Lease by giving written notice to Landlord at any time prior to Landlord's completion of such repairs and restoration, which termination shall be effective thirty (30) days following the date of such notice.

C. If either party elects to terminate this Lease pursuant to this Section, Tenant will deliver the Premises to Landlord in its damaged condition and neither party will have any obligation to repair or rebuild. In such event any insurance proceeds will belong to Landlord except any portion covering loss of or damage to Tenant's personal property.

D. Landlord and Tenant intend that the provisions of this Section govern fully in the event of any damage or destruction of the Premises, and accordingly, Landlord and Tenant each hereby waive the provisions of any statute, including California Civil Code Sections 1932(2) and 1933(4), with respect to any rights or obligations concerning damage or destruction in absence of any express agreement among the parties.

12. PROHIBITED USES; COMPLIANCE WITH LAW: Tenant shall not do, and shall use Tenant's best efforts to prevent any thing being done, in or about the Premises or bring or keep anything therein, which will in any way conflict with any valid law which may now or hereafter be enacted, or create a nuisance, or commit or

suffer to be committed any waste upon the Premises, or use or allow the Premises to be used for any unlawful purpose, or place any loads upon the floor that endanger the structure, or obstruct the sidewalks or passageways or stairways, in front of, within or adjacent to the Premises, or do or permit to be done anything in any way tending to unreasonably disturb the occupants of the Building.

A. Tenant shall promptly comply, at its sole expense, with all present or future laws, orders, regulations and requirements of all governmental authorities relating to the Premises or the use or occupancy thereof, whether in effect at the time of the execution of this Lease or adopted at any time thereafter and whether or not within the present contemplation of the parties. Tenant further understands and agrees that it is Tenant's obligation, at its sole cost, to cause the Premises and Tenant's uses thereof to be conducted in compliance with the Americans With Disabilities Act, 42 U.S.C.A. Sections 12101 et seq., and as required by any similar statute or regulation, provided that Tenant and landlord have the right to immediately terminate this Lease if the cost of complying with this sentence exceeds $50,000. Tenant understands and agrees that Landlord shall not be responsible and obligated to cause the Premises and Tenant's uses thereof to be conducted in compliance with the Americans with Disabilities Act, 42 U.S.C.A. Section 12101 et seq., or any similar statute or regulation, and Tenant hereby waives all rights to make such Americans With Disabilities Act capital improvements at Landlord's expense. Tenant also agrees to indemnify and hold Landlord harmless against any claims, actions or lawsuits in which a violation of the American with Disabilities Act, or any similar statute or regulation, is alleged. Any alteration and improvements made by or on behalf of Tenant pursuant to the provisions of this Section shall comply with the provisions of Section 9, Alteration and Improvements and Section 10, Repairs and Maintenance above. The parties acknowledge and agree that Tenant's obligation to comply with all laws as provided herein is a material part of the bargained for consideration under this Lease. Tenant's obligation under this Section shall include, without limitation, the responsibility of Tenant to make substantial or structural repairs and alterations to the Premises (including any of the Tenant's improvements or alterations), regardless of, among other factors, the relationship of the cost of curative action to the Rent under this lease, the length of the then remaining Term hereof, the relative benefit of the repairs to Tenant or Landlord, the degree to which the curative action may interfere with Tenant's use or enjoyment of the Premises, the likelihood that the parties contemplated the particular law involved, and whether the law involved is related to Tenant's particular use of the Premises. Failure to comply with all laws as provided herein, ordinances, rules or regulations shall constitute a material breach of this Lease.

13. WAIVER OF CLAIMS; INDEMNIFICATION:

A. Limitation on Landlord's Liability; Waiver of Claims: Landlord shall not be responsible for or liable to Tenant, and Tenant hereby assumes the risk

of, and waives and releases Landlord, its Invitees (as defined below), and its Agents from all Claims (as defined below) for, any injury, loss or damage to any person or property in or about the Premises by or from any cause whatsoever including, without limitation, (i) any act or omission of persons (other than Landlord, its Invitees, or its Agents) occupying adjoining areas of the Building or any part of the Building adjacent to or connected with the Premises, (ii) theft, (iii) explosion, fire, steam, oil, electricity, water, gas or rain, pollution or contamination, (iv) stopped, leaking or defective Building Systems, (v) Building defects, and (vi) any other acts, omissions or causes. Nothing in this Section shall relieve Landlord from liability caused solely and directly by the gross-negligence or willful misconduct of Landlord or its Agents, but landlord shall not be liable under any circumstances for any consequential, incidental or punitive damages.

B. Tenant's Indemnity: Tenant, on behalf of itself and its successors and assigns, shall indemnify, defend and hold harmless ("Indemnify") Landlord including, but not limited to, all of its elected and appointed officials, officers, directors, contractors and employees (collectively, "Agents"), and their respective heirs, legal representatives, successors and assigns (individually and collectively, the "Indemnified Parties"), and each of them from and against any and all liabilities, losses, costs, claims, judgments, settlements, damages, liens, fines, penalties and expenses, including, without limitation, direct and vicarious liability of every kind (collectively, "Claims"), incurred in connection with or arising in whole or in part from: (a) any accident, injury to or death of a person, including, without limitation, employees of Tenant, or loss of or damage to property, howsoever or by whomsoever caused by Tenant, its Invitees or its Agents, occurring in or about the Premises; (b) any default by Tenant in the observation or performance of any of the terms, covenants or conditions of this Lease to be observed or performed on Tenant's part; (c) the use or occupancy or manner of use or occupancy of the Premises by Tenant, its Agents, or clients, customers, invitees, guests, licensees, assignees or subtenants of Tenant (collectively, "Invitees"), or any person or entity claiming through or under any of them; (d) the condition of the Premises; (e) any construction or other work undertaken by Tenant on the Premises whether before or during the Term of this Lease; or (f) any acts, omissions or negligence of Tenant, its Agents or its Invitees, in, on or about the Premises or the Property; all regardless of the active or passive negligence of, and regardless of whether liability without fault is imposed or sought to be imposed on, the Indemnified Parties, except to the extent that such Indemnity is void or otherwise unenforceable under applicable law in effect on or validly retroactive to the Lease Commencement Date and further except only such Claims as are caused exclusively by the willful misconduct or gross negligence of the Indemnified Parties. The foregoing Indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and Landlord's costs of investigating any Claims. Tenant specifically acknowledges and agrees that it has an immediate and independent obligation to defend the Landlord from any Claim which actually or potentially falls within this indemnity provision even if such allegation is or may be groundless, fraudulent or false, which obligation

arises at the time such Claim is tendered to Tenant by Landlord and continues at all times thereafter. Tenant's obligations under this Section shall survive the termination of the Lease.

14. INSURANCE: The Tenant, and any contractors and sub-contractors making repairs, alterations or improvements for Tenant, shall:

A. Tenant's Insurance Obligations. The Tenant shall procure and maintain during the Term of this Lease at Tenant's sale cost and expense the following insurance (and increased yearly as applicable), and supply Landlord certificates of insurance:

(1) Comprehensive or commercial general liability insurance with limits not less than Two Million Dollars ($2,000,000) each occurrence combined single limit for bodily injury and property damage, including contractual liability, independent contractors, sudden and accidental pollution, broad-form property damage all of which shall be primary coverage responding to any and all structure and property losses related to Tenant's building usage, personal injury, products and completed operations, and explosion, collapse and underground (XCU),

(2) Fire and extended coverage insurance in an amount equal to one hundred percent (100%) of the full replacement value of the Leased Premises, will be provided by Lessee. The cost of this coverage will be born by the Lessee. The Policy shall be endorsed to name Lessor as Loss Payee.

(3) Comprehensive or Business Automobile Liability Insurance with limits not less than One Million Dollars ($1,000,000) each occurrence Combined Single Limit for Bodily Injury and Property Damage including coverage for Owned, Non-owned and Hired Vehicles, as applicable.

(4) Workers' Compensation, with Employer's Liability limits (including employment practices coverage) not less than One Million Dollars ($1,000,000) each, if applicable.

(5) If any policies are written on a claims-made form, Tenant agrees to maintain such insurance continuously in force for three years following completion of this Lease or extend the period for reporting claims for three years following the completion of this Lease to the effect that occurrences which take place during the contract period shall be insured for the three years following the completion of the Lease.

(6) The Public Liability and Comprehensive Automobile Liability Insurance shall be endorsed to provide the following:

(i) Name as additional insured the City of San Leandro, its City Council, officers, directors, and employees.

(ii) That such policies are primary insurance to any other insurance available to the additional insured, with respect to any claims arising out of this Agreement, and that insurance applies separately to each insured against whom claim is made or suit is brought

(7) The Tenant's and its contractors' and sub-contractors' Certificate(s) of Insurance shall include the additional insured, loss payable to Landlord and thirty (30) days advance written notice to the Landlord of cancellation, non-renewal or reduction in coverage. Tenant shall maintain in full force and effect and at Tenant's and its contractors' and sub-contractors' own expense the insurance policies with companies certified by the California Insurance Commission. In the event Tenant shall fail to procure such insurance, or to deliver such policies or certificates, Landlord may procure, at its option, the same for the account of Tenant, and the cost thereof shall be paid by Tenant within five (5) business days after delivery to Tenant of bills therefor.

(8) Upon Landlord's request, Tenant and Landlord shall periodically review the limits and types of insurance carried pursuant to this Section. If the general commercial practice in the City of San Leandro or County of Alameda is to carry liability insurance in an amount or coverage materially greater than the amount or coverage then being carried by Tenant for risks comparable to those associated with the Premises, then Tenant shall, at Landlord's request, increase the amounts or coverage carried by Tenant to conform to such general commercial practice at no additional cost to Landlord.

(9) Approval of the insurance by Landlord shall not relieve or decrease the liability of the Tenant hereunder. The entire responsibility for any and all injury to the public and to individuals and damage to property resulting from work and activities arising from this lease shall rest entirely with the Tenant. Contracts entered into by Tenant with contractors and subcontractors in connection with operations under this Lease shall not relieve Tenant of any of its responsibilities under this Lease, nor act as a waiver by Landlord of any of the conditions thereof.

(10) Notwithstanding anything to the contrary in this Lease, if any of the required insurance coverages lapses, this Lease shall terminate upon ten (10) business days written notice of such termination from Landlord to Tenant, unless Tenant has taken appropriate steps to renew the insurance coverage within the notice period.

(11) Tenant shall be responsible, at its sole expense, for separately insuring Tenant's personal property.

B. Tenant acknowledges that Landlord may self-insure partially or entirely against casualty, property damage and public liability risks and agrees that Landlord may at its sole election, but shall not be required to, carry any third party insurance with respect to the Building, the Premises or otherwise. Nothing in this

sub-paragraph 14B shall reduce or otherwise modify Tenant's obligation to maintain insurance as required under this Paragraph 14. At all times, Tenant's insurance shall be primary to any insurance that Landlord may choose to carry.

15. ACCESS BY LANDLORD: Landlord reserves for itself and any of its designated agents, the right to enter the Premises as follows: (i) on a regular basis without advance notice to inspect the Premises; (ii) on an occasional basis, at all reasonable times after giving Tenant reasonable advance written or oral notice, to show the Premises to prospective tenants or other interested parties, to post notices of non-responsibility, to conduct any environmental audit of Tenant's use of the Premises, to repair, alter or improve any part of the Building, Building Systems or the Premises, and for any other lawful purpose; and (iii) on an emergency basis without notice whenever Landlord believes that emergency access is required. Landlord shall have the right to use any means that it deems proper to open doors in an emergency in order to obtain access to any part of the Premises, and any such entry shall not be construed or deemed to be a forcible or unlawful entry into, or a detainer of, the Premises, or an eviction, actual or constructive, of Tenant from the Premises or any portion thereof. Tenant shall not alter any lock or install any new or additional locking devices without the prior written consent of Landlord. All locks installed in the Premises (excluding Tenant's vaults, safes or special security areas, if any, designated by Tenant in writing to Landlord) shall be keyed to the Premises master key system, and Landlord shall at all times have a key with which to unlock all such doors.

16. NO WAIVER OF SUBSEQUENT BREACHES OR DEFAULTS: Landlord's failure to take action because of any default or breach of any of the terms, covenants or conditions herein to be performed by the Tenant shall not be construed as a waiver thereof, nor shall any custom or practice which may arise between the parties in the course of administering this Lease, be construed to waive or to lessen the right of Landlord to insist upon the performance by Tenant of any term, covenant or condition hereof, or to exercise any rights given it on account of any such defaults. A waiver of a particular breach or default shall not be deemed to be a waiver of the same or any other subsequent breach or default.

17. TENANT DEFAULTS AND CURE: If Tenant violates any provision or fails to perform any obligation under this Lease, Landlord may, at its option, take one or more of any of the following actions:

A. Terminate the lease with 30 days prior written notice.

B. Provide Tenant with written notice of 30 days to cure the default. The written notice shall inform the Tenant that if the default is not cured within the 30 day period, the lease will be terminated immediately after the expiration of the 30th day.

C. Landlord may opt to cure the default, in which event the Landlord will provide Tenant with written notice that it intends to cure and that the reasonable cost thereof becomes immediately due and payable to Landlord as additional rent. Tenant's failure to pay Landlord for cure within 10 days after submission of an invoice to Tenant will result in the immediate termination of the Lease upon expiration of the 10th day.

D. Pursue any other remedy available at law or equity.

18. INSOLVENCY: Each of the following events relating to insolvency by Tenant shall be a breach of this Lease.

A. A general assignment by Tenant for the benefit of its creditors; or the admission in writing by Tenant of its inability to pay its debts as they become due; either (i) the appointment of a receiver or trustee to take possession of all or substantially all of the assets of Tenant or to control the governance of Tenant, or (ii) any action or proceeding commenced by or against Tenant under any insolvency or bankruptcy act, or under any other statute or regulation having as its purpose the protection of creditors, which is not discharged in accordance with Section 17, Tenant Defaults and Cure. Upon the happening of (i) or (ii), Landlord shall have the right, subject to the rights of Tenant and any trustee in such proceedings, to terminate this Lease. If under the law then applicable, Tenant or the trustee has the right to affirm this Lease and continue to perform the obligations of Tenant hereunder, Tenant or the trustee shall cure all defaults of Tenant outstanding as of the date of the affirmation of this Lease and provide to Landlord such adequate assurances as may be necessary to assure Landlord of the continued performance of Tenant's obligations under this Lease. Specifically, but without limiting the generality of the foregoing, Tenant or the trustee shall assure Landlord that (i) the rent required to be paid or discharged by Tenant shall be paid or discharged in full at the times and in the manner herein specified, and (ii) the Premises shall continue to be operated only for the purposes permitted under Section 5, Use of Premises. The provisions of this section have been included in this lease to assure that the basic understandings between Landlord and Tenant with respect to Tenant's use of the Premises and the benefits to Landlord therefrom are preserved consistent with the purpose and intent of applicable state receivership, conservatorship, or similar laws.

19. DISCRIMINATION CLAUSE: Tenant shall not discriminate in any programs or activities for which the Premises are leased on the basis of race, color, creed, national origin, age, sex, sexual orientation, or disability. Any such act of discrimination will constitute a breach of the terms of this Lease, and Tenant shall defend and indemnify Landlord against any claim of discrimination in accordance with the provisions of Section 13 of this Lease.

20. EMINENT DOMAIN: Should the demised Premises or any portion thereof be taken for public use by right of eminent domain with or without litigation,

this Lease shall terminate as of the date of taking, and any award for compensation or damages, whether attained by agreement prior to or during the time of trial, or by judgment or verdict after trial, other than that portion of said award, if any, based upon a taking of Tenant's personal property, shall belong and be paid to Landlord. Any other portion of the award including those portions based on Tenant's leasehold estate and fixtures shall belong to and be paid to Landlord. Landlord and Tenant intend that the provisions of this Section 20 govern fully in the event of a taking and accordingly, the parties each hereby waive any rights under 1265.120 and 1265.130 of the California Code of Civil Procedure or under any similar law now or hereafter in effect.

21. SUBORDINATION: This Lease is and shall be subordinate to any reciprocal easement agreement, ground lease, facilities lease or other underlying lease and the lien of any mortgage or deed of trust and all renewals, modifications, consolidations, replacements and extensions of any of the foregoing, that may now exist or hereafter be executed by Landlord affecting the Property, or any part thereof, or Landlord's interest therein, without the necessity of executing any instrument to effectuate such subordination; provided, however, upon Landlord's request, Tenant, or Tenant's successor-in-interest, shall execute and deliver any and all instruments desired by Landlord evidencing such subordination in the manner requested by Landlord. Notwithstanding the foregoing, Landlord or the holder shall, in its respective discretion, have the right to subordinate any such interests to this Lease. If any ground lease or underlying lease terminates for any reason or any mortgage or deed of trust is foreclosed or a conveyance in lieu of foreclosure is made for any reason Tenant shall attorn to the successor-in-interest to Landlord at the option of such successor-in-interest. The provisions of this Section shall be self-operative and no further instrument shall be required. Tenant agrees, however, to execute and deliver, upon demand by Landlord and in the form requested by Landlord, any additional documents evidencing the priority or subordination of this Lease.

22. NOTICES: Any notice given under this Lease shall be effective only if in writing and given by delivering the notice in person or by sending it first-class mail or certified mail with a return receipt requested or by overnight courier, return receipt requested, with postage prepaid, to: (a) Tenant (i) at Tenant's address set forth below, or (ii) at any place where Tenant or any Agent of Tenant may be found if sent subsequent to Tenant's vacating, abandoning or surrendering the Premises; or (b) Landlord (i) at Landlord's address set forth below; or (c) to such other address as either Landlord or Tenant may designate as its new address for such purpose by notice given to the other in accordance with the provisions of this Section at least ten (10) days prior to the effective date of such change. Any notice hereunder shall be deemed to have been given two (2) days after the date when it is mailed if sent by first-class or certified mail, one day after the date it is made if sent by overnight courier, or upon the date personal delivery is made. Tenant shall promptly provide

Landlord with copies of any and all notices received regarding any alleged violation of laws or insurance requirements or any alleged unsafe condition or practice.

FOR LANDLORD: City Manager
City of San Leandro
835 East 14th Street
San Leandro, CA 94577

FOR TENANT: Superintendent of Schools
San Leandro Unified School District
835 East 14th Street
San Leandro, CA 94577

23. LICENSE FEES, TAXES AND PERMITS: Tenant shall pay at its expense and discharge all lawful taxes and assessments which, during the term hereof, may become a lien upon or which may be levied by the State, County, or other tax levying body, upon any taxable interest of Tenant acquired in this Lease or on any taxable possessory right which Tenant may have in or to the Premises as well as all taxes on taxable property of whatsoever nature owned by Tenant and located on said Premises. Tenant agrees to provide any information to Landlord required by any applicable federal, State or local tax codes. It shall be the responsibility of the Tenant to obtain all necessary use permits, building permits and/or conditional use permits at no cost to Landlord.

24. TERMINATION: It is mutually understood and agreed that in the event there is a breach of this Lease or material noncompliance by Tenant that is not cured within the applicable cure period as set forth in Section 17, Tenant Default and Cure, Landlord can immediately terminate this Lease, in addition to Landlord's rights to terminate for breach of the Lease as set forth in Section 17, Tenant Default and Cure.

25. SURRENDER OF PREMISES: Upon the Termination Date or other termination of this Lease, Tenant shall peaceably quit and surrender to Landlord the Premises together with the Tenant improvements and all alterations approved by Landlord in good order and condition, except for normal wear and tear after Tenant's having made the last necessary repair required on its part under this Lease, and further except for any portion of the Premises condemned and any damage and destruction for which Tenant is not responsible hereunder. The Premises shall be surrendered free and clear of all liens and encumbrances other than liens and encumbrances existing as of the date that this Lease is entered and any other encumbrances created by Landlord. Immediately before the Termination Date or other termination of this Lease, Tenant shall remove all of Tenant's personal property as provided in this Lease, and repair any damage resulting from the removal. Any items of Tenant's personal property remaining in the Premises after

the Termination Date or sooner termination of this Lease may, at Landlord's option, be deemed abandoned and disposed of in accordance with Section 1980 et seq. of the California Civil Code or in any other manner allowed by law.

Concurrently with the surrender of the Premises, Tenant shall, if requested by Landlord, execute, acknowledge and deliver to Landlord a quitclaim deed to the Premises and any other instrument reasonably requested by Landlord to evidence or otherwise effect the termination of Tenant's leasehold estate hereunder and to effect such transfer or vesting of title, as necessary, to the Tenant improvements or other improvements or equipment which remain part of the Premises.

26. WAIVER OF DAMAGES: Except to the extent that damage is caused by the gross negligence or willful misconduct of Landlord or its agents, Tenant hereby expressly waives any and all claims for compensation for any and all loss or damage sustained by reason of any defect, deficiency, failure or impairment of any service to, from, or in the demised Premises, on account of the water supply system, drainage, sewer system, gas, electric or telephone or utility services, which may occur from time to time from any cause, or from any liability or loss resulting from gas, oil, water or other fluid, and Tenant hereby expressly agrees to release and discharge Landlord, and its Board, officers, servants, agents, and employees from any and all liability, demands, claims, judgments, actions and causes of action, except intentional acts or gross negligence, arising from any of the causes aforesaid.

27. LEASE BINDS SUCCESSORS: Subject to the provisions hereof relating to assignment, this lease shall bind and inure to the benefit of the heirs, executors, administrators, successors and assigns of the parties hereto.

28. LIABILITY TO OTHERS: Nothing in this lease shall be construed to create any duties to, any standard of care with reference to, or any liability to anyone not a party except as otherwise expressly provided herein. No elective or appointive board, commission, member, officer, employee or other Agent of Landlord shall be personally liable to Tenant, its successors and assigns, in the event of any default or breach by Landlord or for any amount which may become due to Tenant, its successors and assigns, or for any obligation of Landlord under this Lease.

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

30. ATTORNEYS' FEES: In the event that either Landlord or Tenant fails to perform any of its obligations under this Lease or in the event a dispute arises concerning the meaning or interpretation of any provision of this Lease, the

defaulting party or the party not prevailing in such dispute, as the case may be, shall pay any and all costs and expenses incurred by the other party in enforcing or establishing its rights hereunder (whether or not such action is prosecuted to judgment), including, without limitation, court costs and reasonable attorneys' fees. For purposes of this Lease, reasonable fees of attorneys of Landlord shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the subject matter area of the law for which Landlord's attorney's services were rendered who practice in the County of Alameda.

31. SECTION HEADINGS: The Section headings contained herein are for convenience in reference and are not intended to define the scope of any provision of this Agreement.

32. ENTIRE AGREEMENT; AUTHORITY: This agreement represents the entire agreement between the parties, particularly as to Sections 1, 2, 3, 4 and 5, inclusive. All approvals, consents or other determinations permitted or required by Landlord hereunder shall be made by or through Landlord's Director of Engineering and Transportation unless otherwise provided in this Lease, subject to applicable law.

33. TIME IS OF THE ESSENCE CLAUSE: Time is of the essence with respect to all provisions of this Lease in which a definite time for performance is specified.

34. SURVIVAL OF INDEMNITIES: Termination of this Lease shall not affect the right of either party to enforce any and all indemnities and representations and warranties given or made to the other party under this Lease, nor shall it affect any provision of this Lease that expressly states it shall survive termination hereof.

35. HAZARDOUS MATERIALS:

A. Definitions: As used herein, the following terms shall have the meanings set forth below:

(i) Environmental Laws shall mean any present or future federal, state, local or administrative law, rule, regulation, order or requirement relating to Hazardous Material (including, without limitation, its use, handling, transportation, production, disposal, discharge or storage), or to health and safety, industrial hygiene or the environment, including, without limitation, soil, air and groundwater conditions.

(ii) "Hazardous Material" shall mean any material that, because of its quantity, concentration or physical or chemical characteristics, is at any time now or hereafter deemed by any federal, state or local governmental authority to pose a present or potential hazard to human health, welfare or safety or to the environment. Hazardous Material includes, without limitation, any material or

substance defined as a hazardous substance, or pollutant or contaminant pursuant to the Comprehensive Environmental Response, Compensation and liability Act of 1980 (CERCLA, also commonly known as the Superfund law), as amended, (42 U.S.C. Sections 9601 et seq.) or pursuant to Section 25316 of the California Health & Safety Code; any hazardous waste listed pursuant to Section 25140 of the California Health & Safety Code; and petroleum, including crude oil or any fraction thereof, natural gas or natural gas liquids.

(iii) "Investigate and Remediate" ("Investigation" and "Remediation") shall mean the undertaking of any activities to determine the nature and extent of Hazardous Material that may be located in, on, under or about the Property or that has been, are being or threaten to be Released into the environment, and to clean up, remove, contain, treat, stabilize, monitor or otherwise control such Hazardous Material.

(iv) "Release" when used with respect to Hazardous Material shall include any actual or imminent spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into or inside the Premises, or in, on, under or about any other part of the Property or into the environment.

B. NO HAZARDOUS MATERIALS: Tenant covenants and agrees that neither Tenant nor any of its Agents or Invitees shall cause or permit any Hazardous Material to be brought upon, kept, used, stored, generated or disposed of in, on or about the Premises, or transported to or from the Premises, with the sole exception that Tenant may keep and use such substances in the Premises in such reasonably limited amounts as are customarily used for general office purposes (such as copy toner and other normal office and cleaning supplies) so long as such storage or use are in compliance with all applicable Environmental Laws at all times. Tenant shall give immediate written notice to Landlord of: (a) any action, proceeding or inquiry by any governmental authority (including, without limitation, the California State Department of Health Services, the State or any Regional Water Quality Control Board, the Bay Area Air Quality Management District or any local governmental entity) against Tenant with respect to the presence or Release or suspected presence or Release of Hazardous Material on the Premises, Building or Property or the migration thereof from or to other property; (b) all demands or claims made or threatened by any third party against Tenant or the Premises, Building or Property relating to any loss or injury resulting from any Hazardous Materials: (c) any Release of Hazardous Material on or about the Premises or any other part of the Property has occurred that may require any Investigation or Remediation; and (d) all matters of which Tenant is required to give notice pursuant to Section 25359.7 of the California Health and Safety Code.

C. TENANT'S ENVIRONMENTAL INDEMNITY: If Tenant breaches any of its obligations contained in this Section, or, if any act or omission of Tenant,

its Agents or Invitees, results in any Release of Hazardous Material in, on, under or about the Premises or any other part of the Property in violation of any applicable Environmental Laws, then, without limiting Tenant's Indemnity obligations contained herein, Tenant shall, on behalf of itself and its successors and assigns, Indemnify the Indemnified Parties, and each of them, from and against all Claims (including, without limitation, damages for decrease in value of the Premises or the Property, the loss or restriction of the use of rentable or usable space or of any amenity of the Premises or the Property and sums paid in settlement of claims, attorneys' fees, consultants' fees and experts' fees and costs) arising during or after the Term of this Lease and relating to such Release. The foregoing Indemnity includes, without limitation, costs incurred in connection with activities undertaken to Investigate and Remediate Hazardous Material and to restore the Property to its prior condition, fines and penalties assessed for the violation of any applicable Environmental Laws, and any natural resource damages. Without limiting the foregoing, if Tenant or any of its Agents or Invitees, causes or permits the Release of any Hazardous Materials in, on, under or about the Premises or any other part of the Property, Tenant shall immediately and at no expense to Landlord take any and all appropriate actions to return the Premises or the Property affected thereby to the condition existing prior to such Release and otherwise Investigate and Remediate the Release in accordance with all Environmental Laws. Tenant specifically acknowledges and agrees that it has an immediate and independent obligation to defend Landlord from any claim which actually or potentially falls within this indemnity provision even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to Tenant by Landlord and continues at all times thereafter. Tenant shall afford Landlord a full opportunity to participate in any discussions with governmental regulatory agencies regarding any settlement agreement, cleanup or abatement agreement, consent decree, or other compromise or proceeding involving Hazardous Material.

36. SURVIVAL OF OBLIGATION: Tenant's obligations under this Agreement shall survive the Termination Date or other termination of this Lease.

TENANT:

SAN LEANDRO UNIFIED SCHOOL DISTRICT

By: _____
Michael McLaughlin, Ed.D.

Its: Superintendent of Schools

Date: 7/3/14

LANDLORD:

CITY OF SAN LEANDRO

By: _____
Chris Zapata

Its: City Manager

Date: 7/15/14

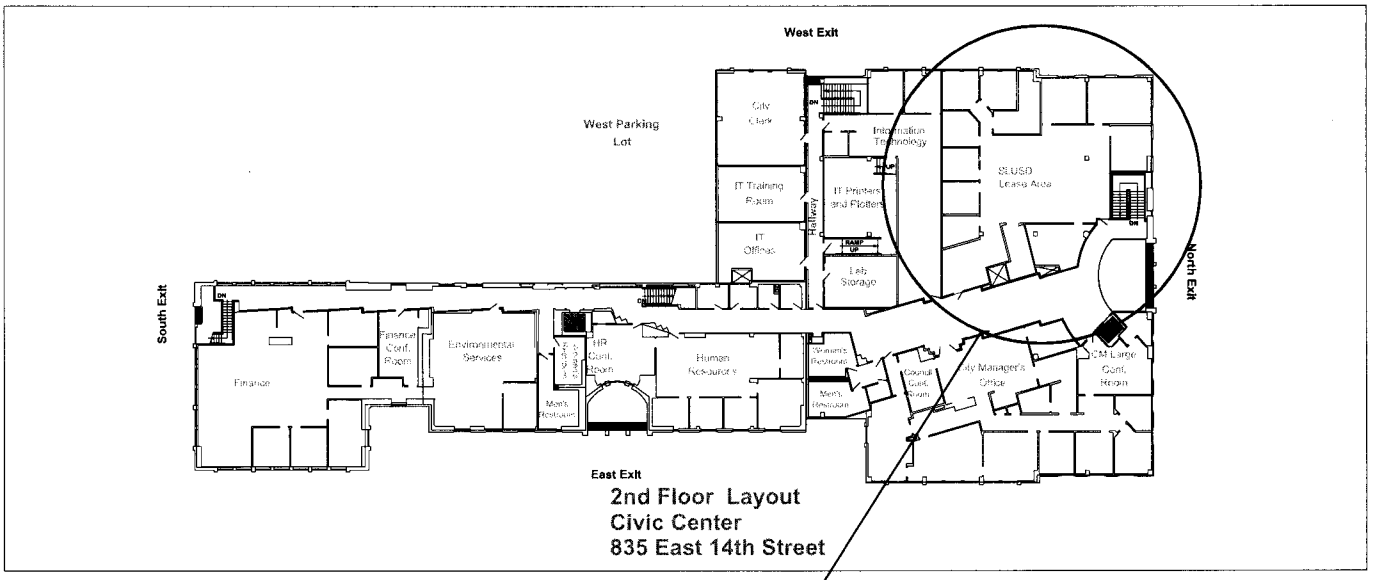
APPROVED AS TO LEGAL FORM:

By: _____
Richard D. Pio Roda

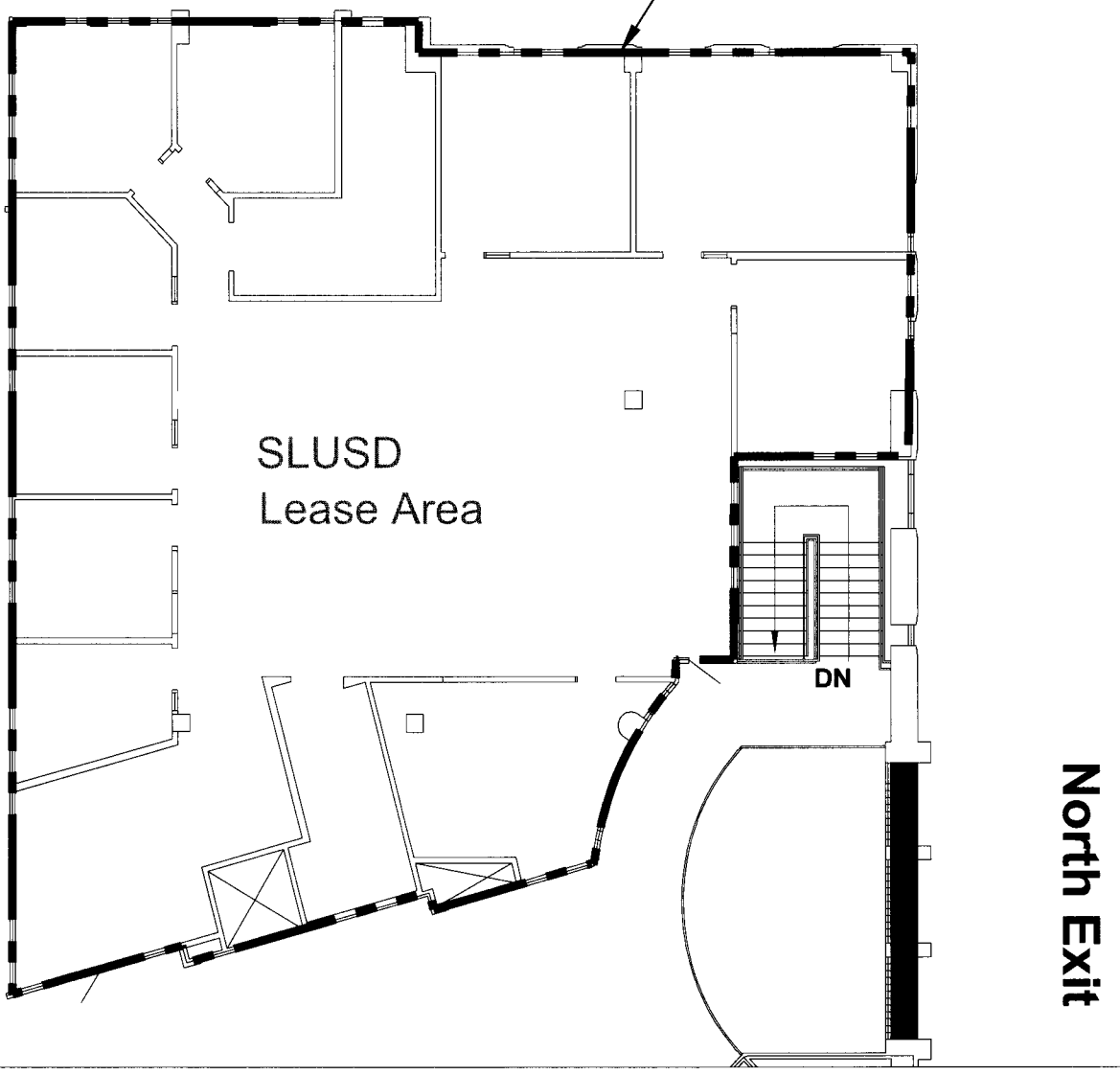
Title: City Attorney

2281396.1

EXHIBIT A



2nd Floor Layout
Civic Center
835 East 14th Street



SLUSD LEASE AREA

July, 2014