

PUBLIC REVIEW DRAFT

GROUND/BUILDING LEASE

between

CITY OF DAVIS,
a California municipal corporation

("Landlord")

and

COUNTY OF YOLO,
a California public body, corporate and politic

("Tenant")

_____, 2022

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DRAFT

GROUND/BUILDING LEASE

THIS GROUND/BUILDING LEASE (the "Lease") is dated for reference purposes and entered into as of _____, 2022, by and between the CITY OF DAVIS, a California municipal corporation ("Landlord"), and the COUNTY OF YOLO, a California public body, corporate and politic ("Tenant").

RECITALS

A. Landlord owns the land described on Exhibit "A" attached hereto and the improvements thereon, including two buildings known as Building A and Building B (collectively, the "Property" or the "Premises"), with a street address of 1752 Drew Circle, Davis CA 95618.

B. Tenant desires to lease the Property from Landlord, and Landlord desires to lease the Property to Tenant, upon and subject to the terms and conditions set forth in this Lease;

NOW THEREFORE, in consideration of the mutual promises contained herein, Landlord and Tenant agree as follows:

1. Lease of Property; Initial Improvements by Landlord.

Landlord hereby leases the Property to Tenant, and Tenant hereby leases the Property from Landlord, upon and subject to the terms hereinafter set forth.

Landlord shall complete the repairs/improvements described on Exhibit "B" and such other repairs/improvements that Landlord discovers are needed during Landlord's completion of the repairs/improvements described on Exhibit "B" in order to comply with Landlord's initial obligations under Section 5 below (collectively, the "Initial Improvements") before delivering the Property to Tenant. If Landlord fails to complete such improvements by _____, 202__, as delayed by Force Majeure delays (as described in Section 12.4), then Tenant may terminate this Lease by written notice to Landlord.

2. Term of Lease; Possession

2.1 Term. The term of this Lease (the "Term") shall commence on the date on which the Initial Improvements are completed and Landlord so informs Tenant in writing ("Term Commencement Date"), and shall continue until the date that is five (5) calendar years thereafter, subject to termination as set forth in this Lease.

2.2 Possession; Title; Condition. Tenant shall be entitled to take possession of the Property for the purposes of making initial Tenant improvements to the Property that are approved by Landlord, and then for the uses described on Exhibit "B" upon the Term Commencement Date.

Tenant acknowledges that Tenant has already inspected the Property and a title report for the Property. Tenant accepts the Property, subject to the completion of the Initial Improvements described on Exhibit "B", without representation or warranty (express or implied)

and subject to all matters of record and all defects and conditions, whether patent or latent, and subject further to all legal requirements such as taxes, assessments, zoning, use permit requirements and building codes, based solely on Tenant's own inspection, analysis and evaluation and not in reliance on any information provided by or on behalf of Landlord.

As to title matters, Tenant acknowledges that it may obtain a leasehold title insurance policy, at Tenant's cost, insuring the leasehold estate created by this Lease and the priority thereof.

The Property (including the buildings) has not been inspected by a Certified Access Specialist (CASP). A Certified Access Specialist (CASP) can inspect the Property and determine whether the Property complies with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the Property, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the Property 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.

In that regard, the parties hereby agree that in the event Tenant requests a CASp inspection, Tenant shall pay any such inspection fees and the cost of making any such repairs (to the extent not included in the Initial Improvements to be completed by Landlord).

2.3 Option To Extend. If the Parties mutually agree to an extension of this Lease, they may exercise three (3) additional option years, either as 1 three (3) year extension or 3 one (1) year extensions. Tenant must notify landlord in writing ninety (90) days or more prior to the expiration of the lease to request an extension. Landlord shall have forty-five (45) days from the date of the written request to accept or deny the option period. All communications shall be handled in accordance with Section 12.3.

2.4 Landlord's Rights of Entry. Landlord and Landlord's agents shall have the right to enter the Property: (i) in the event of an emergency; (ii) to perform Landlord's obligations under this Lease (and such entries shall be coordinated by/with Landlord's property manager); and (iii) for the purpose of ascertaining that Tenant is complying with the terms of this Lease. Prior to entering individual units, Landlord shall make reasonable efforts to notify both Tenant and the unit's residents at least forty-eight (48) hours prior to entry except in the case of emergencies when no notice shall be required (but Landlord will use reasonable efforts to give prior or contemporaneous notice).

2.5 Termination By Option. Both Parties shall have the right, in their sole and absolute discretion, to terminate this Lease upon ninety (90) days' prior written notice.

Should the Lease be terminated without good cause, the non-terminating party shall be eligible to recover a prorated amount of the funds spent on tenant specific improvements. Good cause includes, but is not limited to, the loss of funding or an ongoing threat to the safety or welfare of Property residents or the surrounding community, or both,

arising in connection operation of the Property pursuant to this Lease. Funds spent to make the building habitable shall not be recoverable by Landlord.

2.6 Relocation Claims/Liabilities. In the event that Landlord or Tenant has any relocation obligations or liabilities upon the expiration or earlier termination of this Lease, for any reason, such obligations and liabilities shall be satisfied by Tenant, and Tenant shall defend, indemnify and hold Landlord harmless from and against any and all claims, liabilities, damages, losses, costs and expenses arising from or relating to such relocation obligations/liabilities.

3. Rent; Rent Commencement Date

3.1 Rent

Commencing on the Term Commencement Date, Tenant shall pay to Landlord Twenty-One Thousand Five Hundred Seventy-Nine and No/100 Dollars (\$21,579.00) per month, prorated for any partial month, as rent for the Property.

Rent shall invoiced be by Landlord and paid monthly by Tenant. Each installment of the Base Rent shall be payable on the first business day of each calendar month.

Rental amount above does not include Tenant's cost of utilities or contribution to security service. As monthly rental invoices are submitted, additional lines for utilities and security services will also be submitted to Tenant.

Base Rent may be increased annually after the third year of the Lease. Annual rent increases are limited to 5% plus the change in the regional Consumer Price Index (CPI) between April (two calendar years before the rent adjustment) and April (one year before the rent adjustment) or no more than 10% of the lowest gross rental rate charged to Tenant during any 12-month period before the effective date of the increase. Landlord shall provide ninety (90) days prior written notice to Tenant of any rent increase.

3.2 Rental Proceeds. Landlord will use revenue generated from the Lease to pay operational expenses related to the management and upkeep of the Property, including funds set aside for long-term facility needs. Revenue in excess of operational costs will be prioritized for use to provide support services for non-CalWORKS residents of Pacifico or otherwise reinvested in the Premises.

3.3 Place for Payment. All Base Rent and other sums that become payable to Landlord under this Lease (collectively, "Rent") shall be paid to Landlord on or before the due date in lawful currency of the United States at Landlord's offices located at 23 Russell Boulevard, Davis, CA 95616, or at any other place that Landlord may designate by written notice to Tenant.

4. Utilities. Landlord shall obtain, and pay all charges for, gas, electricity, telephone service, water, sewer service, trash removal and other utilities and services furnished to the Property during the Term; however, Landlord shall not be liable for disruptions of service by any

utility provider. Landlord will bill Tenant on a monthly basis for recoupment of the previous month's utility charges as part of the monthly billing.

5. Maintenance, Security; Property Management. Except to the extent the damage or need for repair was caused by Tenant or its contractors, subtenants or licensees, and in addition to the Initial Improvements, Landlord shall be responsible for structural repairs, roof repairs, floor and ceiling repairs, dry rot and mold issues, pest control, janitorial services for common areas, compliance with new laws and changes in laws, exterior maintenance (including windows and doors), electrical and plumbing system repairs, sewer system repairs, HVAC repairs, foundation repairs, and repairs to stairways, external walkways and external surface parking areas. Additionally, Landlord shall reasonably maintain outside landscaping.

Additionally, Landlord shall provide security services up to eighty-eight (88) hours per week when Landlord's property manager and CalWorks staff are not onsite, but the scope of such services shall be subject to agreement between Landlord and Tenant. The Parties shall meet once every three (3) months during the first year this Lease and annually thereafter to discuss the need and scope for these services. Security services may be terminated by mutual written agreement between the Parties at any time during the term of this Lease.

Landlord shall provide Tenant a copy of all agreements for security services and at least sixty (60) days' written notice of any price increases for these services. Tenant shall reimburse Landlord for fifty percent (50%) of the cost of all security services on a monthly basis as included with the rent and utility billing with evidence of the costs. Landlord shall not be liable for the negligence or willful misconduct or breach of security service contract by any security contractor so long as indemnification of both Parties for said conduct is included in the security service contract. The Parties shall meet and confer regarding the replacement of the security contractor in the case of negligence, willful misconduct or breach.

Landlord may engage a property manager to manage Landlord's maintenance, repair and security obligations under this Lease. When a property manager is engaged, the property manager shall be onsite at least forty (40) hours a week; shall cause a maintenance employee to be onsite at least twenty (20) hours a week; shall coordinate with a resident liaison appointed in writing by Tenant to Landlord to give an initial response to questions by residents when the property manager is not onsite; shall designate a phone number and email address to be used for after-hours emergencies; and shall work with the Tenant to attempt to minimize disruption to occupants that may be caused by common area janitorial services. However, Landlord shall not be liable for the negligence or willful misconduct or breach of the property management agreement/contract by any property manager, and shall have only the obligation to consider replacing such property manager contractor in the case of its negligence, willful misconduct or breach.

Except for Landlord's obligations as detailed in Exhibit D, Tenant shall maintain the Property in good condition and repair, and in a clean and safe condition. Tenant shall be responsible for installation and repair of security lighting and security cameras on the Property, at Tenant's sole cost and expense, and Tenant shall comply with all applicable laws in connection therewith. The Parties shall meet and confer as to other security items that may be deemed necessary during the term of this Lease, such as the addition of security fences to the

Property, and mutually determine the proportional share of the cost for those security related improvements. In no event shall Landlord be obligated to monitor use of parking spaces or tow or ticket any cars in connection therewith.

6. Permitted Uses; Meetings/Reports; Hazardous Materials

Tenant shall use the Property for the uses described on, and shall otherwise comply with, Exhibit "B" (including parking for such uses, in the surface parking lot that is part of the Property), subject to applicable laws, and for no other uses. Tenant shall not use or permit the Property or any portion of the Property to be improved, developed, used, or occupied in any manner or for any purpose that is in any way in violation of any federal, state or local law, ordinance, or regulation.

Tenant's onsite Case Manager shall deliver monthly reports to Landlord's property manager pursuant to the last section of Exhibit "C".

Additionally, Landlord, Tenant and Landlord's property manager shall meet monthly (or have a telephone conference monthly) for the first six months of the term of this Lease and shall thereafter have a meeting (or conference call) quarterly, in order to review the Tenant's use of the Property and the parties' compliance with the terms of this Lease.

Finally, Tenant shall provide an annual report to Landlord, on or before February 1 of each calendar year during the term of this Lease, which may be shared by Landlord with the public, describing the number of households and total number of individuals housed and served at the Property in the previous 12 months, and the types of services provided by Tenant.

The Parties shall complete an outreach plan prior to occupancy that provides for notice to the residents of the Premises and separately to the surrounding community of meetings, both in person and/or over Zoom, to allow for feedback. Meetings for residents shall occur at least quarterly and a meeting shall be held at least annually for the surrounding community. The Parties agree to make available publicly contact information that may be used by both residents and the surrounding community for submission of any questions or concerns.

6.1 Hazardous Materials

(a) Definitions.

"Hazardous Materials" shall mean any substance that now or in the future requires investigation or remediation under, or is regulated or defined as a hazardous waste or hazardous substance, by any governmental authority or instrumentality or any law, regulation, rule or order, or any amendment thereto, including, without limitation, the Comprehensive Environmental Response Compensation and Liability Act, 42 U.S.C. § 9601 et seq. and the Resource Conservation and Recovery Act, 42 U.S.C. § 9601 et seq., or that is otherwise toxic, explosive, corrosive, flammable, infectious, mutagenic, radioactive, carcinogenic, a pollutant or a contaminant, including gasoline, diesel, petroleum hydrocarbons, polychlorinated biphenyls (PCBs), asbestos, radon and urea formaldehyde foam insulation.

“Environmental Requirements” shall mean all present and future governmental laws, regulations, rules, orders, permits, licenses, approvals, authorizations and other requirements of any kind applicable to Hazardous Materials, including common law tort principles (such as public and private nuisance and strict liability for conducting abnormally dangerous activities).

“Handle,” “Handled” or “Handling” shall mean any installation, handling, generation, storing, treatment, use, disposal, discharge, release, manufacture, refinement, emission, abatement, removal, transportation, presence or migration of any Hazardous Materials brought on the Property by Tenant or Tenant’s Representatives, or any other activity or any type in connection with or involving Hazardous Materials.

“Tenant’s Representatives” shall mean all Tenant’s officers, employees, contractors, representatives, assignees, sublessees, licensees, agents, invitees, and any trespassers on the Property.

(b) Indemnification by Tenant. In addition to, and not in derogation of any other indemnification contained in this Lease, Tenant agrees to indemnify, defend and hold harmless Landlord, its successors and assigns, and its and their directors, officers, shareholders, employees, agents and affiliates from all costs, expenses, damages, liabilities, claims, fines, penalties, interest, judgments, and losses of any kind arising from or in any way related to Tenant’s or Tenant’s Representatives’ Handling of Hazardous Materials during the Term or failure to comply in full with this Section 6.1 (collectively, “Environmental Losses”), including consequential damages, damages for personal or bodily injury, property damage, damage to natural resources occurring on or off the Property, encumbrances, liens, costs and expenses of investigations, monitoring, clean up, removal or remediation of Hazardous Materials, defense costs of any claims (whether or not such claim is ultimately defeated), good faith settlements, attorneys’ and consultants’ fees and costs, and losses attributable to the diminution of value, loss or use or adverse effects on marketability or use of any portion of the Property, whether or not such Environmental Losses are contingent or otherwise, matured or unmatured, foreseeable or unforeseeable. If Landlord is ever made a party to any action or proceeding by reason of a matter for which Tenant is obligated to indemnify Landlord, then Tenant, upon notice from Landlord, shall, at Landlord's option, either defend that action or proceeding on behalf of Landlord at Tenant's expense with counsel satisfactory to Landlord or reimburse Landlord for all defense costs Landlord actually incurs in defending against such action or proceeding, whether or not the action or proceeding is ultimately defeated. This indemnity is intended by the parties to be as broad and comprehensive as possible under law and shall apply regardless of the fault (including active or passive negligence) of either Tenant or Landlord.

(c) Landlord’s Consent. Tenant and Tenant’s Representatives shall not Handle any Hazardous Materials at or about the Property without Landlord’s prior written consent, which consent may be granted, denied, or conditioned upon compliance with Landlord’s requirements, all in Landlord’s absolute discretion.

(d) Release of Hazardous Materials. In the event of any release, discharge or other event caused or contributed to by the acts or omissions of the Tenant or Tenant’s Representatives which poses a threat of damage or contamination to the Property or the

environment, whether discovered by Landlord or Tenant, Tenant shall fully document the facts relating to the event, including the circumstances existing prior to and after the occurrence of the event, the precise nature of the release, discharge or event, including specific compounds and quantities involved, and all actions Tenant has taken and will take to remediate the release, discharge or event. Tenant shall provide such documentation to Landlord promptly after the occurrence in question. Tenant shall pay the reasonable costs and fees charged by Landlord's environmental consultants to review such documentation and provide peer review confirming the adequacy of the measures, past and future, taken by Tenant to remediate the problem.

6.2 Compliance with Applicable Requirements. Tenant, shall, at Tenant's sole expense, fully, diligently and in a timely manner, comply with all applicable laws, building codes, regulations, ordinances, rules, directives, covenants, or restrictions of record (collectively, "Applicable Requirements"), without regard to whether such Applicable Requirements are now in effect or become effective hereafter. Tenant shall, within ten (10) days after Landlord delivers written request to Tenant, provide Landlord with copies of all permits and other documents, and other information evidencing Tenant's compliance with any Applicable Requirements specified by Landlord. Tenant shall immediately notify Landlord in writing (with copies of any documents involved) of any threatened or actual claim, notice, citation, warning, complaint or report pertaining to or involving the failure of Tenant or the Property to comply with any Applicable Requirements.

6.3 Inspection. Landlord and Landlord's consultants shall have the right, but not the obligation, to enter into the Property at any time in the case of an emergency, and otherwise at reasonable times upon at least 48 hours advance notice, for the purpose of (a) inspecting the condition of the Property and reviewing all permits, reports, plans and other documents regarding the Handling of Hazardous Materials, (b) verifying compliance by Tenant with this Lease and (c) performing Tenant's obligations under Section 6.2 if Tenant has failed to timely do so. The cost of any such inspections shall be paid by Landlord, unless a significant and material violation of Applicable Requirements or a contamination is found to exist or be imminent, or the inspection is requested or ordered by a governmental authority other than Landlord. In such case, Tenant shall upon request reimburse Landlord for the reasonable cost of such inspections, so long as such inspection is reasonably related to the significant and material violation or contamination. Tenant shall pay, in any case, all such costs incurred pursuant to clause (c) above.

7. Alterations/Additional Improvements

7.1 Improvements. After the Initial Improvements are constructed, Tenant shall not materially alter or improve the Project without Landlord's prior written consent (in its proprietary capacity under this Lease, in addition to any required governmental approvals and permits). Such alterations and improvements by Tenant are referred to herein as "Work".

7.2 Construction Contracts. All Work shall be performed only by competent and qualified contractors duly licensed under the laws of the State of California pursuant to written contracts with such contractors. Tenant shall enter into a general construction contract for any Work (the "General Construction Contract") with a contractor reasonably acceptable to Landlord requiring the contractor to cause the Work to be performed in a manner and timeframe

consistent with the terms of this Lease. Without limiting the conditions on which Landlord may grant its consent to any contractor, Landlord may require that such contractor furnish performance and payment bonds issued by a licensed corporate surety on terms and conditions and in amounts satisfactory to Landlord. Any improvements to the property may be subject to the California Uniform Public Construction Cost Accounting Act (CUPCCAA) should public funds be used for improvements to Property.

7.3 Review of Plans and Permits. Landlord shall not be deemed to have reviewed any plans, drawings or specifications from an engineering or technical standpoint, and Landlord shall have no liability whatsoever to Tenant or any third party based on or arising out of any patent or latent defect in the design or construction of the Work, whether or not such defect is actually known or apparent to Landlord.

7.4 Compliance with Laws; Quality. Tenant shall cause all Work to be completed: (a) in a workmanlike manner with only new and high-quality building materials, as determined by Landlord in its reasonable discretion; (b) in compliance with all applicable building codes and other applicable laws, ordinances, regulations, and orders of all federal, state, county, and local governmental agencies or entities having jurisdiction over the Property; and (c) in compliance with all applicable insurance requirements. Without limiting the generality of the foregoing provisions, Tenant shall not permit any component of any Work to be commenced until all building permits and other governmental permits, licenses and approvals required in connection with such component of the Work have been issued.

7.5 Notices of Non-responsibility. Landlord shall, at any and all times during the Term, have the right to post and maintain on the Property and to record as required by law any notice or notices of non-responsibility provided for by the mechanics' lien laws of the State of California. Tenant shall give Landlord not less than thirty (30) days' written notice prior to the commencement of any Work (including site preparation work) or the delivery of building materials to the Property.

7.6 Mechanics' Liens. At all times during the Term, Tenant shall keep the Property and all building and improvements now or hereafter located on the Property free and clear of all liens and claims of liens for labor, services, materials, supplies, or equipment performed on or furnished to the Property. Should Tenant fail to pay and discharge or cause the Property to be released from any such lien or claim of lien within thirty (30) days after service on Tenant of written request from Landlord to do so, Landlord may pay, adjust, compromise and discharge any such lien or claim of lien on such terms and manner as Landlord may deem appropriate. In such event, Tenant shall, on or before the first day of the next calendar month following any such payment by Landlord, reimburse Landlord for the full amount paid by Landlord in paying, adjusting, comprising, and discharging such lien or claim of lien, including any attorneys' fees and other costs expended by Landlord, together with interest as provided in Section 14.5 from the date of payment by Landlord to the date of repayment by Tenant.

7.7 Ownership of Improvements. Any and all buildings and improvements placed or erected on the Property as well as any and all other alterations, additions, improvements and fixtures (except for improvements that are excluded from the Property and also except for Tenant's furniture and trade fixtures) made or placed in or on the Property by

Tenant shall be owned by Tenant until the expiration of this Lease, shall be considered part of the real property of the Property, and shall remain on the Property at expiration of lease. If Landlord so elects and upon written notice to Tenant, improvements shall be demolished and removed by Tenant from the Property at Tenant's sole expense. Tenant shall not remove any improvements from the Property except for outdoor play structures, fences, security cameras, hardware or servers and/or infrastructure related to broadband connectivity or county telecommunications, commit or permit any waste, or destroy or modify any improvements on the Property except as expressly permitted by this Lease.

8. Damage. Should, at any time during the Term, any buildings or improvements now or hereafter on the Property be destroyed in whole or in material part by fire or other casualty, then Landlord or Tenant may terminate this Lease by written notice to the other given within ninety (90) days thereafter. If neither party so terminates, and the casualty is covered by Landlord's insurance, then Landlord shall subject to receipt of such insurance proceeds, repair the damage and pay any deductible amounts, subject to reimbursement from Tenant under Tenant's indemnification obligations under this Lease if applicable (i.e., if the damage was caused by Tenant or its sublessees), and rent shall be abated during the period of reconstruction/repair.

9. Indemnity and Insurance.

9.1 Exculpation of Landlord. Landlord shall not be liable to Tenant for any damage to Tenant or Tenant's property for any cause, except for any damage to Tenant or Tenant's property resulting from the gross negligence and/or willful misconduct of Landlord or its employees, officers, agents or authorized representatives; however, in no event shall Landlord be liable for consequential damages consisting of "lost revenue" or other damages in the nature of lost revenue. Tenant waives all claims against Landlord except as provided in the previous sentence.

9.2 Indemnity. In addition to any other defense and/or indemnity obligations set forth elsewhere in this Lease, Tenant shall defend, indemnify and hold Landlord and its officers, directors, employees, agents and affiliates and their respective assets, including the Property and all improvements now or hereafter on the Property, free and harmless against and from any and all liabilities, claims, losses, damages, and expenses (including attorneys' fees and court costs) resulting from or arising out of Tenant's and its licensees, contractors, subtenants and invitees, occupation and use of and activities on the Property, specifically including any liability, claim, loss, damage, or expense arising by reason of:

(a) The death or injury of any person, including any person who is an employee or agent of Tenant, or the damage to or destruction of any property, including property owned by Tenant or by any person who is an employee or agent of Tenant, from any cause whatsoever while such person or property is on the Property;

(b) Any work performed on the Property or materials furnished to the Property at the instance or request of Tenant or any person or entity acting for or on behalf of Tenant;

(c) Tenant's failure to comply with any requirement of law or any requirement imposed on Tenant or the Property by any governmental agency or authority; or

(d) Tenant's failure to perform any of Tenant's obligations under this Lease when and as required by the terms hereof.

9.3 Liability Insurance. Tenant shall, at Tenant's own cost and expense, secure promptly after execution of this Lease and maintain during the entire Term a broad form comprehensive coverage policy of public liability insurance issued by an insurance company acceptable to Landlord and authorized to issue liability insurance in the State of California and having a rating of not less than "A-13" as set forth in the then current Best's Insurance Guide, or participation in a California public entity self-funded public liability coverage program, insuring Tenant and Landlord (as additional insured) against loss or liability caused by or connected with Tenant's occupation, use, disuse, or condition of the Property under this Lease in amounts not less than:

(a) \$5,000,000 for commercial general liability on an "occurrence" basis, including bodily injury or death with an annual aggregate limit of \$5,000,000.

(b) \$2,000,000 for damage to or destruction of any property of others. All public liability insurance and property damage insurance shall insure performance by Tenant of the indemnity provisions of this Lease. Landlord shall be named as additional insured on each insurance policy required by this Section, and such policies shall contain cross liability endorsements.

9.4 Evidence of Insurance. Prior to entering the Premises for any purpose, Tenant shall deliver to Landlord insurance certificates showing that Tenant has obtained and is maintaining the insurance required by this Section 9. Upon written request of Landlord, Tenant shall deliver to Landlord a complete and correct copy of each insurance policy required by this Section 9. All insurance policies required by express provisions of this Lease shall be non-assessable and shall contain language to the effect that (a) any loss shall be payable notwithstanding any act or negligence of Landlord that might otherwise result in the forfeiture of the insurance, (b) that the insurer waives the right of subrogation against Landlord, and (c) the policies are primary and non-contributing with any insurance that may be carried by Landlord.

9.5 Notice of Cancellation of Insurance. Each insurance policy required by this Section 9 shall contain a provision that it cannot be cancelled or materially changed for any reason unless 30 days' prior written notice of such cancellation or change is given to Landlord in the manner required by this Lease for service of notices on Landlord by Tenant.

10. Assignment and Subletting

10.1 Landlord's Consent Required. Except for subleases and license agreements that comply with this Lease and the use provisions of this Lease and of which Tenant shall have notified Landlord in writing, Tenant shall not voluntarily or by operation of law assign, encumber or otherwise transfer the Leasehold Estate or any right or interest in this Lease or the Property, or permit all or any portion of the Property to be occupied by anyone other than Tenant, without the express prior written consent of Landlord, in its sole and absolute discretion.

Tenant shall promptly deliver copies of all subleases to Landlord. Any such assignment, subletting, or other transfer without the prior written consent of Landlord, whether voluntary or involuntary, by operation of law or otherwise, shall be void and shall constitute an Event of Default.

11. Default and Remedies

11.1 Events of Default. Any of the following events shall constitute an “Event of Default” under this Lease:

(a) Tenant fails to make any payment of money called for by any provision of this Lease (whether to Landlord or any third party) within thirty (30) business days after delivery of written notice by Landlord that the payment is past due; or

(b) Tenant assigns, sublets or otherwise transfers this Lease in violation of Section 10 or otherwise violates Section 10;

(c) Tenant fails to perform fully and when due any of its other covenants, conditions or obligations under this Lease and after written notice from Landlord specifying the nature of such failure of Tenant, Tenant: (i) does not promptly commence taking all necessary and appropriate actions to remedy such failure, or (ii) does not thereafter diligently and continuously pursue all such remedial actions, or (iii) does not fully cure such failure within the minimum period of time reasonably required under the circumstances to achieve a cure, but in any event within ninety (90) days after Landlord’s written notice of such failure, time being strictly of the essence; provided, however, that Tenant shall not be entitled to cure the breach of any covenant that is “non-curable”; or

(d) any right or interest of Tenant is subjected to attachment, execution, or other levy, or to seizure under legal process, which is not released within thirty (30) days; or

(e) a receiver is appointed to take possession or control of the Property, the Leasehold Estate, or Tenant’s operations on the Property for any reason, including assignment for benefit of creditors or voluntary or involuntary bankruptcy proceedings; or

(f) Tenant makes a general assignment for the benefit of creditors or a voluntary or involuntary petition is filed by or against Tenant under any law for the purpose of adjudicating Tenant a bankrupt, or for extending time for payment, adjustment or satisfaction of Tenant’s liabilities, or for reorganization, dissolution or arrangement on account of or to prevent bankruptcy or insolvency, unless such assignment or proceeding, and all consequent orders, adjudications, custodies and supervisions are dismissed, vacated or otherwise permanently stayed or terminated within sixty (60) days after such assignment, filing or other initial event.

11.2 Remedies. Upon the occurrence of any Event of Default, and without the giving of any additional notice not otherwise required hereunder or by law, Landlord may exercise the following rights and remedies in addition to all other rights and remedies provided by law or equity, either cumulatively or in the alternative:

(a) Maintain this Lease and Tenant's right to possession of the Property in effect and continue to enforce all of Landlord's rights and remedies hereunder, including the remedy described in California Civil Code Section 1951.4 (granting the landlord the right to continue a lease in effect after a tenant's breach and abandonment and to recover all rent as it becomes due if the tenant has the right to sublet or assign, subject only to reasonable limitations) provided that upon Landlord's election of such remedy, Landlord may not unreasonably withhold its consent to any assignment or subletting. Acts of maintenance or preservation or efforts to re-let the Property or the appointment of a receiver upon initiative of Landlord to protect Landlord's interest under this Lease shall not constitute a termination of this Lease or Tenant's right to possession unless written notice of termination is given by Landlord to Tenant.

(b) Pursue any other remedy now or hereafter available under the laws or judicial decisions of the State of California. The expiration or termination of this Lease and/or the termination of Tenant's right to possession shall not relieve Tenant from liability under any indemnity provisions of this Lease as to matters occurring or accruing during the Term or by reason of Tenant's occupancy of the Property.

(c) Upon an Event of Default by Tenant, in addition to the foregoing remedies, City shall also be entitled to terminate Tenant's right to possession of the Property by written notice to Tenant, in which case this Lease shall terminate and Tenant shall immediately surrender possession of the Property to Landlord. In such event Landlord shall be entitled to recover from Tenant: (i) the unpaid Rent that had been earned at the time of termination; plus (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 rental loss that Tenant proves could have been reasonably avoided; plus (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 rental loss that Tenant proves could be reasonably avoided; plus (iv) any other amounts necessary to compensate Landlord for all the detriment caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, including the cost of recovering possession of the Property, expenses of re-letting, including necessary renovation and alteration of the Property, reasonable attorneys' fees. The worth at the time of award of the amount referred to in clause (iii) of the immediately preceding sentence shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%). If termination of this Lease is obtained through the provisional remedy of unlawful detainer, Landlord shall have the right to recover in such proceeding any unpaid Base Rent and damages as are recoverable therein, or Landlord may reserve the right to recover all or any part thereof in a separate suit. If any notice required under Section 11.1 was not previously given, a notice to pay rent or quit, or to perform or quit given to Tenant under the unlawful detainer statute shall also be deemed to constitute the notice required by Section 11.1. In such case, any applicable grace period required by Section 11.1 and the unlawful detainer statute shall run concurrently, and the failure of Tenant to cure the Event of Default within the greater of the two such grace periods shall constitute both an unlawful detainer and an Event of Default entitling Landlord to the remedies provided for in this Lease and/or by said statute. If a notice is required under Section 11.1 is given, Tenant expressly agrees that it shall satisfy the notice requirements of the unlawful detainer statutes and laws.

11.3 Landlord's Performance of Tenant's Obligations. If Tenant fails to perform any affirmative duty or obligation under this Lease within ten (10) days after written notice (or in case of an emergency, without notice), the Landlord may, at its option, perform such duty or obligation on Tenant's behalf, including the obtaining of reasonably required bonds, insurance policies, or governmental permits, licenses and approvals. The costs and expenses of any such performance by Landlord shall be due and payable by Tenant upon Landlord's written demand. If any check given to Landlord by Tenant shall not be honored by the bank upon which it is drawn, Landlord, at its option, may require that all future payments by Tenant to Landlord be made by bank cashier's check.

11.4 Remedies Cumulative. The remedies given to Landlord in this Section shall not be exclusive but shall be cumulative with and in addition to all remedies now or hereafter allowed by law and elsewhere provided in this Lease.

11.5 Waiver of Breach. The waiver by Landlord of any breach of Tenant of any of the provisions of this Lease shall not constitute a continuing waiver or a waiver of any subsequent breach by Tenant either of the same or a different provision of this Lease. No waiver, benefit, privilege or service voluntarily given or performed by either party shall give the other any contractual right by custom, estoppel or otherwise. The subsequent acceptance of rent pursuant to this Lease shall not constitute a waiver of any preceding default by Tenant other than default in the payment of the particular rental payment so accepted, regardless of Landlord's knowledge of the preceding breach at the time of accepting the rent, nor shall acceptance of rent or any other payment after termination constitute a reinstatement, extension or renewal of the Term or revocation of any notice or other act by Landlord.

12. Miscellaneous

12.1 Tenant's Duty to Surrender Property. At the expiration or any earlier termination of the Term, Tenant shall surrender to Landlord the possession of the Property and all improvements and fixtures installed or constructed by or for Tenant thereon free and clear of all claims to or against them by Tenant or any third person or party. Tenant shall leave the surrendered property in good, safe and broom-clean condition. All property that Tenant is required to surrender shall become Landlord's property at termination of this Lease, or, if Landlord so elects and upon written notice to Tenant, shall be demolished and removed by Tenant at Tenant's sole expense, and all property that Tenant is not required to surrender but that Tenant does not remove shall become Landlord's property at termination of this Lease, or, if Landlord so elects and upon written notice to Tenant, shall be demolished and removed by Tenant at Tenant's sole expense (without obligation or liability to Tenant, and Tenant hereby waives all statutes and laws to the contrary). If Tenant fails to surrender the Property at the expiration or earlier termination of this Lease, Tenant shall defend and indemnify Landlord from all liability and expense resulting from the delay or failure to surrender, including claims made by any succeeding tenant or any purchaser or prospective purchaser founded on or resulting from Tenant's failure to surrender.

12.2 Holding Over. Notwithstanding Landlord's acceptance of Rent after expiration or any earlier termination of the Term, any holding over by Tenant shall not constitute a renewal or extension of the Term or give Tenant any rights in or to the Property. In the event

that Tenant holds over, then the Base Rent shall be increased to one hundred and fifty percent (150%) of the Base Rent applicable during the month immediately preceding the expiration or earlier termination of the Term. Nothing contained herein shall be construed as a consent by Landlord to any holding over by Tenant.

12.3 Survival. Each obligation of Tenant's obligations under this Lease that, by its nature, is to be, or may need to be, performed after the expiration or any earlier termination of this Lease shall survive such expiration or termination.

12.4 Force Majeure Delays. Should the performance of Landlord's improvements/repairs be prevented or delayed by reason of any act of God, strike, war, lockout, labor trouble, or inability to secure materials, then the time for performance will be extended for a period equivalent to the period of delay and performance of the act during the period of delay will be excused.

12.5 Interest on Overdue Payments. All Rent and other sums of any nature that Tenant fails to pay to Landlord when due under any provision of this Lease or that Landlord pays to any third party on behalf of Tenant pursuant to any provision of this Lease shall bear interest from the date due to Landlord or paid by Landlord, as applicable (the "Due Date"), at the lesser of the maximum rate permitted by law or rate of eight percent (8%) per annum, accruing daily but not compounded. The fact that Landlord is entitled to interest under this Section shall not be construed to excuse or mitigate any default by Tenant.

12.6 Dispute Resolution. Disputes arising under this Lease will be resolved, whenever possible, through the process of meeting and conferring in good faith or mediation. To that end, in the event of a dispute as to compliance with the terms and conditions of this Lease, the Parties agree as follows:

- (a) Either party will provide the other, as soon as reasonably possible after an event giving rise to concern, a written notice setting forth, with specificity, the issues to be resolved;
- (b) The Parties will meet and confer in a good faith attempt to resolve the dispute through negotiation no later than ten days after receipt of the notice, unless both Parties agree in writing to an extension of time;
- (c) If the dispute is not resolved to the satisfaction of the Parties within 30 calendar days after the first meeting, then either party may seek to have the dispute resolved by mediation offered by JAMS or another mediation service that the Parties may agree to;
- (d) If the Parties agree to mediation, each party shall bear its own costs, attorneys' fees and one half the costs and expenses of JAMS, or other mediation service and the mediator. There shall be a single neutral mediator named by mutual agreement of the Parties;
- (e) If the Parties are unable to resolve their dispute, the Parties may mutually agree arbitrate the dispute through JAMS or another arbitration service that the Parties may mutually agree to;

(f) If either Party does not agree to arbitration, then either Party may seek resolution through litigation;

(g) The provisions of Section 1283.05 of the California Code of Civil Procedure will apply to any arbitration; however, no discovery authorized by that section may be conducted absent good cause and leave of the arbitrator. The arbitral award will be in writing, and provide reasons for the decision. However, either party may file an appeal pursuant to the procedures authorized by JAMS.

12.7 Estoppel Certificates by Tenant. Tenant shall within ten (10) days after written notice from Landlord execute, acknowledge and deliver to Landlord an estoppel certificate in writing, in form similar to the then most current "Tenancy Statement" form published by the American Industrial Real Estate Association, plus such additional information, confirmation and statements as may be reasonably requested by Landlord. Any such statement by Tenant may be given by Landlord to any prospective purchaser or encumbrancer of the Property. Such purchaser or encumbrancer may rely conclusively upon such statement as true and correct. If Tenant does not deliver such statement to Landlord within such 10-day period, Landlord and any prospective purchaser or encumbrancer may conclusively presume that: (a) the terms and provisions of this Lease have not been changed except as otherwise represented by Landlord; (b) this Lease has not been canceled or terminated except as otherwise represented by Landlord; (c) not more than one month's Base Rent has been paid in advance; and (d) Landlord is not in default under this Lease. In such event, Tenant shall be estopped from denying the truth of any such presumption. If Landlord desires to finance, refinance, or sell the Property or any part thereof, Tenant shall deliver to any potential lender or purchaser designated by Landlord such financial statements as may be reasonably required by such lender or purchaser, including Tenant's financial statements for the past three years. All such financial statements shall be received by Landlord and such lender or purchaser in confidence and shall be used only for the purposes herein set forth.

12.8 Limitation on Landlord's Liability. The obligations of Landlord under this Lease shall not constitute personal obligations of Landlord's councilmembers, officers, employees or affiliates, and Tenant shall not seek recourse against Landlord's individual councilmembers, officers, employees or affiliates, or any of their personal assets for such satisfaction.

12.9 Subordination; Attornment; Non-Disturbance

(a) Subordination. This Lease shall be subject and subordinate to any deed of trust or other hypothecation or security device (collectively, "Security Device"), now or hereafter placed by Landlord upon the Property, to any and all advances made on the security thereof, and to all renewals, modifications, and extensions thereof. Tenant agrees that the holders of any such Security Devices shall have no liability or obligation to perform any of the obligations of Landlord under this Lease.

(b) Attornment. Subject to the non-disturbance provisions of paragraph (c) below, Tenant agrees to attorn to any lender or any other party who acquires ownership of the Property by reason of a foreclosure of a Security Device, and in the event of

such foreclosure, such new owner shall not (i) be liable for any act or omission of any prior lessor or with respect to events occurring prior to acquisition of ownership, (ii) be subject to any offsets or defenses that Tenant might have against any prior lessor, or (iii) be bound by any prepayment of more than one calendar month's Base Rent.

(c) Non-Disturbance. With respect to Security Devices entered into by Landlord after the execution of this Lease, Tenant's subordination of this Lease shall be subject to receiving a commercially reasonable non-disturbance agreement (a "Non-Disturbance Agreement") from the lender to the effect that Tenant's possession of the Property shall not be disturbed so long as Tenant is not in default hereunder and attorns to the record owner of the Property.

(d) Self-Executing. The agreements contained in this Section 12.9 shall be effective without the execution of any further documents; provided, however, that, upon the written request of Landlord or any lender in connection with a sale, financing or refinancing of the Property, Tenant and Landlord shall execute such further writings as may be reasonably required to separately document the subordination, attornment and Non-Disturbance Agreement provided for herein.

12.10 Consents. Whenever the consent, approval, judgment or determination of Landlord is required or permitted under any provision of this Lease, Landlord's City Manager may give the same provided it is in writing. Landlord's actual reasonable costs and expenses (including architects', attorneys', engineers' and other consultants' fees) incurred in the consideration of, or response to, a request by Tenant for any Landlord consent shall be paid by Tenant upon receipt of an invoice and supporting documentation therefor. Landlord's consent to anything shall not constitute an acknowledgment that no default or no Event of Default by Tenant of this Lease exists, nor shall such consent be deemed a waiver of any then-existing default or Event of Default, except for any waiver as may be otherwise specifically stated in writing by Landlord at the time of such consent. The failure to specify herein any particular condition to Landlord's consent shall not preclude the imposition by Landlord at the time of consent of such further or other conditions as are then reasonable with reference to the particular matter for which consent is being given. The review or approval by Landlord of any item to be reviewed or approved by Landlord under the terms of this Lease shall not impose upon Landlord any liability for accuracy or sufficiency of any such item or the quality or suitability of such item for its intended use; any such review or approval is for the sole purpose of protecting Landlord's interest in the Property or under this Lease, and no third parties, including Tenant or the representatives and visitors or Tenant or any person or entity claiming by, through or under Tenant, shall have any rights hereunder.

12.11 Reservations by Landlord. Landlord reserves to itself the right, from time to time and without the consent or joinder of Tenant, to grant such easements, rights and dedications as Landlord may deem necessary, and to cause the recordation of parcel maps and restrictions, so long as such easements, rights, dedications, maps and restrictions do not unreasonably interfere with the use of the Property by Tenant. Tenant agrees to sign any documents reasonably requested by Landlord to effectuate any such easement rights, dedication, map or restrictions.

12.12 Jurisdiction and Governing Law. Any action brought by Landlord against Tenant in connection with this Lease or any matter that in any way relates to the transactions contemplated by this Lease may be brought by Landlord in any court in Yolo County or in any other court of competent jurisdiction, wherever located, having personal jurisdiction over Tenant. The judgment in any such action may be enforced by any court of competent jurisdiction wherever located. Without limiting the generality of the foregoing, Tenant hereby submits to the jurisdiction and venue of any court in Yolo County, California. In connection with any action brought by either party hereto against the other party, Landlord may take depositions in the State of California or in any other locations worldwide in which Tenant maintains an office or records; Tenant shall take depositions only in the State of California. Regardless of who initiates an action or the jurisdiction and venue in which such action is brought, this Lease and all matters that in any way relate to the transactions contemplated by this Lease shall be governed by the laws of the State of California.

12.13 Notices. Except as may be otherwise expressly provided in this Lease, all notices required or permitted by this Lease shall be in writing and may be delivered by overnight courier or may be sent by certified mail, with postage prepaid, and shall be deemed sufficiently given if served in a manner specified in this Section. Until changed by a notice given in accordance with the provisions of this Section, the respective addresses of Landlord and Tenant for the purpose of receiving notices required or permitted by this Lease are as follows:

Landlord: City of Davis
23 Russell Boulevard
Davis, CA 95616
Attn: City Manager

Tenant: County of Yolo
137 N. Cottonwood Street
Woodland, CA 95695
Attn: HHS A Director

Any notice sent by 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 overnight courier that guarantee next day delivery shall be deemed given on the next business day 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.

12.14 Successors and Assigns. This Lease shall be binding on and enforceable by, and shall inure to the benefit of, Landlord and Tenant and their respective successors, and assigns, subject to the provisions of Section 10.

12.15 Time of Essence. Time is of the essence of each provision of this Lease in which time is a factor.

12.16 Memorandum of Lease. Concurrently with their execution of this Lease, Landlord and Tenant shall execute and acknowledge a memorandum of this Lease in the form of Exhibit "E", and shall record it in the Official Records of Yolo County.

12.17 Counterparts. This Lease may be executed in counterparts, all of which together shall constitute one and the same document.

12.18 Partial Invalidation. Should any provision of this Lease be held by a court of competent jurisdiction to be either invalid, void, or unenforceable, the remaining provisions of this Lease shall remain in full force and effect unimpaired by the holding.

12.19 Entire Agreement. This Lease constitutes the sole and complete agreement between Landlord and Tenant regarding the subject matter hereof.

12.20 Amendments. This Lease may be modified only by a written instrument signed by the parties in interest at the time of the modification. Tenant agrees to make such reasonable non-monetary modifications to this Lease as may be reasonably required by a lender in connection with any financing or refinancing of the Property, provided that such modifications do not materially change Tenant's obligations hereunder. Landlord agrees to make such reasonable non-monetary modifications to this Lease as may be reasonably required by Tenant's lender in connection with any financing or refinancing of the Improvements or any Work (including, without limitation, a reasonable additional cure period based on the lender's need to obtain possession by receiver or foreclosure in order to cure non-monetary defaults), provided that such modifications do not materially increase Landlord's obligations hereunder or materially decrease Landlord's rights.

12.21 Construction of Lease. This Lease shall be construed fairly as to all parties and not in favor of or against any party, regardless of which party prepared this Lease.

12.22 Effect of Delivery. The delivery of any unexecuted draft of this Lease shall not constitute an offer by the delivering party or otherwise bind the delivering party or create any enforceable rights in favor of the other party. This Lease shall not be binding or enforceable unless and until it is approved, executed and delivered by both Landlord and Tenant.

12.23 Effect on Landlord Governmental Capacity. Although Landlord is a governmental entity, none of Landlord's consents, approvals or performance of obligations under this Lease shall constitute consents, approvals or acts in the Landlord's governmental capacity, but shall only constitute consents, approvals and acts by Landlord in its proprietary capacity as the landlord under this Lease.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease as of the date first above written.

LANDLORD:

CITY OF DAVIS,
a municipal corporation

By: _____
Print Name: _____
Title: _____

TENANT:

COUNTY OF YOLO

By: _____
Print Name: _____
Title: _____

ATTEST:

Zoe Mirabile, City Clerk

APPROVED AS TO FORM:

Inder Khalsa, City Attorney

ATTEST:

Julie Dachtler, Senior Deputy Clerk
Yolo County Board of Supervisors

By: _____
Deputy (Seal)

APPROVED AS TO FORM:

By: _____
Philip J. Pogledich, County Counsel

DRAFT

EXHIBIT "A"

DESCRIPTION OF LAND

The land described below, and the improvements thereon:

Real property situated in the State of California, County of Yolo, City of Davis being a merger of Parcel A and Parcel B of the lot line adjustment recorded in the office of the Yolo County Recorder in Document No. 1999-0019378-00, described as follows:

Beginning at the Northeast Corner of Parcel A, thence along the boundary lines of said Parcel A and Parcel B the following seventeen (17) courses:

(1) South 06 degrees 20' 06" East 130.36 feet; (2) South 45 degrees 44' 07" West 60.89 feet; (3) North 82 degrees 26' 05" West 401.49 feet; (4) North 83 degrees 52' 36" West 4.86 feet; (5) North 07 degrees 33' 55" East 50.09 feet; (6) South 82 degrees 26' 05" East 17.00 feet; (7) North 07 degrees 33' 55" East 108.00 feet; (8) South 86 degrees 27' 08" East 68.13 feet; (9) South 76 degrees 52' 55" East 19.00 feet; (10) South 74 degrees 27' 15" East 39.99 feet; (11) South 89 degrees 57' 56" East 19.00 feet; (12) South 81 degrees 01' 01" East 51.14 feet; (13) South 85 degrees 42' 08" East 19.00 feet; (14) South 87 degrees 29' 21" East 31.55 feet; **(15)** South 89 degrees 51' 07" East 28.00 feet; (16) South 75 degrees 53' 21" East 54.42 feet; (17) North 83 degrees 40' 41" east 69.01 feet to the Point of Beginning.

EXCEPTING THEREFROM all oil, gas, sulfur and other mineral and substances within the underlying and which may be produced from the herein described property together with the perpetual subsurface right of ingress and egress for the purpose of prospecting, exploring for, mining and extracting said substances, but excluding therefrom all rights in and to the surface and the subsurface down to a depth of 500 feet measured vertically from the surface of said land, as reserved in Deed recorded October 17, 1991 in Book 2273 as Instrument No. 26795.

EXHIBIT "B"

LANDLORD AND TENANT IMPROVEMENTS

Landlord agrees to undertake the following tasks to repair and rehabilitate the Premises, at its own expense.

Property must be habitable prior to occupancy. Through the course of this lease's discovery process the landlord has shared with the tenant several reports and assessments indicating the need for some mold remediation, water damage repair and other required repairs for occupancy. All of these repairs must be made prior the enactment of this lease and completed to both the landlord and tenant's satisfaction.

Internal items, up to and including, the following:

1. Any structural or code issues
2. Any major plumbing structural issues
3. Any major electrical structural issues
4. Dry rot, mold or major wall or floor damage
5. HVAC systems repair or upgrades
6. Basic paint and flooring.
7. Basic electrical fixtures and lighting.

External items, up to and including, the following:

1. Any structural or code issues related to building exterior
2. Roofing
3. Siding
4. Any window and/or door issues
5. Any issues with hardscape, asphalt or parking lot
6. Any external issues with utility lines, sewer lines or water lines
7. Any needed maintenance with stairs, walkways, entryways and external doors

Tenant agrees to undertake certain tasks to remodel the Project. This work shall consist of repairs associated with making the Premises habitable and are to be done at Lessee's own expense.

Internal items, up to and including, the following:

1. Remodels of kitchens, common areas and office spaces.
2. Reconfiguration of Bathrooms Installation
3. Security Lighting
4. Security Cameras and Systems
5. Appliances
6. Furnishings
7. Security Fencing
8. Upgrades to paint, flooring or fixtures as needed for program purposes.

EXHIBIT "C"

USES BY TENANT

The Property leased to Tenant shall be used for the CalWorks Program operated by Tenant, which is described below (and for no other purpose), and all costs thereof shall be the responsibility of Tenant (unless a cost is the obligation of Landlord under the express terms of the Lease).

CalWorks Program

Housing a maximum of 40 families; providing support services to such families (and only such families), with a goal of moving participants into permanent housing.

To facilitate ongoing progress on individual objectives, a case manager will provide in-person support to clients on an ongoing basis, speaking by telephone and engaging in collateral and linkage activities as needed for effective implementation of the client's intervention plan. During times of crisis, high stress, transition or other related need, a case manager may meet daily with a client. 24/7 telephone and in person crisis response with Yolo County Health and Human Services Agency ("HHSA") and Contractor Access staff as well as local law enforcement is additionally available to all clients being served in units.

CalWorks shall utilize a Housing First model, prioritizing assessment and referral/placement to appropriate housing as soon as possible, and shall provide supportive services as needed, such as recreational and social activities, employment programs, and civil, legal and educational activities. Program participants will receive case management across a broad spectrum of interventions, targeted to the unique needs of each individual/family receiving services. Case management services include but are not limited to the following:

- Assistance in obtaining and maintaining public financial benefits and Medi-Cal or Medi-Care
- Referrals and navigation support for co-occurring and/or comorbid conditions
- Opportunities to learn and implement socialization skills
- Housing skills, such as budgeting, grocery shopping, meal preparation and cleaning
- Landlord and good neighbor relationship skills
- Promotion of pro-social activities, such as groups on creative or artistic expression
- Transportation to and from appointments, such as mental and physical health care, benefits, or community-based socialization opportunities
- Providing information on 24-hour crisis services and supports
- Individualized supports
- Primary care linkage and coordination

Residents will not have access to the other buildings at Pacifico, with the exception of the property management office which may be located in one of such other buildings.

Tenant will provide a minimum of 1 Case Manager onsite during regular business hours with a total of 2 staffed to the Property. The Case Manager will be the primary point of contact for the

Landlord's Property Manager if there are questions or concerns related to the use of the Property. County will pilot a six (6) month after-hours case management contact through a local CBO or property management provider. After completing the pilot period, the Parties shall meet and confer regarding the continued need for these services.

Tenant will provide emergency contact information for Health and Human Services Agency Service Center Branch Director and Deputy Branch Director.

Duration of CalWorks HSP Services

CalWorks HSP participants shall be eligible to receive rental assistance and supportive services until children in the household "age-out" of the program or the family's income increases to where it disqualifies them from continuing to receive CalWorks Housing benefits. (Ideally this period will be less than one year but can last as long as three years or more.)

Generally, once eligibility for CalWorks rental assistance ends, that is the end of the service linkage, although most participants will be eligible for 6 months of CalFresh benefits (food stamps). The program shall be income based so if the client's income situation changes, they can re-apply for CalWorks or eviction assistance through the program.

Monitoring of Units

Service Providers will make visual inspection of each unit monthly in order to monitor cleanliness, maintenance issues, habitability and good housekeeping practices. Tenant's onsite Case Manager shall send a monthly written report to Landlord's Property Manager with a brief report on the status of each unit.

EXHIBIT "D"

ONGOING MAINTENANCE RESPONSIBILITIES

Exterior

City is responsible for regular maintenance and normal wear and tear of the exterior of all buildings, including

- Any structural or code issues related to building exterior
- Roofing
- Siding
- Any window and/or door issues (not related to tenant damage)
- Any issues with hardscape, asphalt or parking lot
- Any external issues with utility lines, sewer lines or water lines

County is responsible for exterior work specific to the CalWORKS program, including

- Playground or play/outdoor fixtures and furniture
- Security Fencing
- Security lighting
- Security Cameras

County will coordinate with Property Management to allow access to CalWORKS program exterior space for routine landscape maintenance work.

Interior

City is responsible to repair, rehabilitate and maintain the following:

- Any structural or code issues
- Any major plumbing structural issues
- Any major electrical structural issues
- Dry rot, mold or major wall or floor damage
- HVAC systems repair or upgrades
- Provide regular pest control

County is responsible to determine and construct interior configuration necessary to house CalWORKS program. Second and third floors should be limited to living spaces. The first floor of each building may be combinations of living spaces and administrative space required to serve the CalWORKS program participants at Pacifico. County is responsible for

- Paint
- Carpet or other floor finishes
- Reconfiguration of bathrooms
- Lighting
- Appliances
- Furnishings
- Wi-Fi and broadband access

City will work with County to review and approve tenant improvements necessary to house the CalWORKS program.

EXHIBIT "E"

FORM OF MEMORANDUM OF LEASE

(Attached.)

DRAFT

RECORDING REQUESTED BY, AND
WHEN RECORDED MAIL TO:

City of Davis
23 Russell Boulevard
Davis, CA 95616
Attn: City Clerk

[Space Above For Recorder's Use Only]

The undersigned Lessor declares that this Memorandum of Ground Lease is exempt from Recording Fees pursuant to California Government Code Section 27383.

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE (this "**Memorandum**") is dated as of _____, 2022 and is entered into by and between the CITY OF DAVIS, a municipal corporation ("**Landlord**") and the COUNTY OF YOLO, a California public entity, corporate and politic ("**Tenant**").

RECITALS

A. Landlord and Tenant executed that certain Ground/Building Lease dated _____, 2022 (the "**Lease**") affecting the land described on Exhibit "A" and improvements thereon (the Property).

B. Landlord and Tenant now desire to record this Memorandum in order to, among other things, comply with law requiring that municipal leases be recorded, giving constructive notice of the existence of the Lease, and permitting the Tenant to obtain title insurance.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, and the covenants and conditions contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant hereby agree as follows:

Landlord has leased the Property to Tenant, and Tenant has leased the Property from Landlord for a term of 5 years commencing on the Term Commencement Date described therein, and upon and subject to the terms and conditions set forth in the Lease. The Lease is hereby incorporated herein by this reference.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Memorandum as of the date and year first above written.

LANDLORD:

CITY OF DAVIS,
a municipal corporation

By: _____
_____, _____

ATTEST:

_____, City Clerk

TENANT:

COUNTY OF YOLO

By: _____
Print Name: _____
Title: _____

ATTEST
Julie Dachtler, Senior Deputy Clerk
Yolo County Board of Supervisors

By: _____
Deputy (Seal)

EXHIBIT A
DESCRIPTION OF LAND

(Attached.)

DRAFT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF _____

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

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

WITNESS my hand and official seal.

Place Notary Seal Above

Signature of Notary Public

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF _____

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WITNESS my hand and official seal.

Place Notary Seal Above

Signature of Notary Public