REAL ESTATE PURCHASE AND SALE AGREEMENT

This Real Estate Purchase and Sale Agreement (this "Agreement") is entered into as of December ____, 2022, by and between Cordova Community Council Foundation, a California nonprofit benefit corporation ("Seller"), and the City of Rancho Cordova, a California municipal corporation (the "City"). The City and the Seller are collectively referred to herein as the "Parties."

Recitals

- A. Seller owns that certain real property located at 2300 Mineshaft Lane, Rancho Cordova, Sacramento County (the "County"), California, APN 072-0231-014, as more particularly described and depicted Exhibit A attached hereto and incorporated herein by this reference (the "Foundation Property");
- B. The City desires to purchase a portion of the Foundation Property (as further defined below, the "**Property**"), as more particularly described and depicted on <u>Exhibit B</u> attached hereto and incorporated herein by this reference, for the construction of the Rancho Cordova Interchange Project (the "**Project**"); and
- C. The City hired Bender Rosenthal Incorporated (the "**Appraiser**") to prepare an appraisal of the Property (defined below), and the Appraiser determined the fair market value of the Property to be Four Million Eight Hundred Ninety Thousand Dollars (\$4,890,000) (the "**Fair Market Value**"); and
- D. The City has agreed to pay Seller the Fair Market Value for the purchase of the Property; and
- E. The City has also agreed to pay Seller Thirty Thousand Dollars (\$30,000) in relocation costs (the "**Relocation Payment**") pursuant to the federal Uniform Relocation and Real Property Acquisition Act.
 - F. Construction of the Project is not expected to begin until January 2025; and
- G. There is a building located on the Property (the "**Building**") to be purchased pursuant to this Agreement and a portion of which is on property to be retained by the Seller; and
- H. Seller desires to lease the Property from the City following Closing (defined below) on the Property until June 30, 2024; and
- I. Upon Closing on the Property, the Parties agree to enter into a lease agreement (the "**Lease Agreement**") substantially in the form attached as <u>Exhibit C</u> to this Agreement and incorporated herein by this reference; and
- J. Seller desires to move the Building to the remainder portion of the Foundation Property during the term of the Lease Agreement.

K. The City and Seller shall, pursuant to Section 21.7(a) of Title 49, Code of Federal Regulations, comply with all elements of Title VI of the Civil Rights Act of 1964 in effecting this Agreement. This requirement under Title VI and the Code of Federal Regulations is to complete the USDOT-Non-Discrimination Assurance requiring compliance with Title VI of the Civil Rights Act of 164, 49 C.F.R Section50.3; and

- L. No person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity that is the subject of this Agreement; and
- M. The City and Seller have agreed to enter into this Agreement for City to purchase the Property, subject to the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, City and Seller hereby agree as follows:

- 1. <u>Purchase and Sale</u>. Subject to the terms and conditions set forth in this Agreement, Seller agrees to sell to City, and City agrees to purchase from Seller, the following (collectively, the "**Property**"):
- (a) The land, including all easements, rights (air, water, etc.) and appurtenances thereto, mineral, oil gas and other hydrocarbon substances on or under the Property;
 - (b) Any existing improvements on the Property (the "Improvements");
- (c) The interest of Seller in and to any and all of the following: governmental licenses, permits, approvals, applications, subdivision maps, entitlements, certificates, rights under development agreements, school fee mitigation agreements, utility and other reimbursement rights, building permit and development allocations, and any other development rights or entitlements relating to the Property, and all utility permits (including "will serve" letters) relating to the Property (collectively, the "Licenses and Permits"); and
- (d) The right to use in connection with its development of the Propertyall surveys, plans, specifications, engineering, geotechnical, soil and other tests, studies and reports, environmental studies, title policies, and all other intangible rights pertaining to the ownership and operation of the Property, relating to the Property and the Improvements (collectively the "**Documents**").
- 2. <u>Term of Agreement</u>. This Agreement will commence and be effective upon the parties' execution hereof (the "**Effective Date**"). This Agreement will remain in full force and effect until the earlier to occur of the following: (i) City, pursuant to Section 5(a) notifies Seller before the Feasibility Period expires, that City will not purchase the Property; (ii) the deadline for Close of Escrow set forth in Section 8(b), or (iii) termination prior to Close of Escrow in accordance with the terms hereof (the "**Agreement Term**").

3. <u>Relocation Payment</u>. The City will deposit the Relocation Payment into Escrow at least one day before Close of Escrow (defined below). The Relocation Payment will be paid to Seller at Close of Escrow.

- 4. <u>Purchase Price</u>; <u>Payment of Purchase Price</u>. The purchase price for the Property (the "**Purchase Price**") is Four Million Eight Hundred Ninety Dollars (\$4,890,000). City shall pay the Purchase Price for the Property as follows:
- (a) Within five (5) business days after the Effective Date, City shall deposit into the Escrow established pursuant to Section 6(a) Five Hundred Thousand Dollars (\$500,000) (the "**Deposit**"), plus the full amount of Independent Consideration (as defined in Section 4(b) below). The Escrow Agent shall release to Seller the Independent Consideration in accordance with Section 4(b) below. The Escrow Agent shall release the Deposit to the Seller one day following receipt of the Deposit into Escrow. In the event that this Agreement is terminated for any reason other than a default by City, the Deposit shall be immediately refunded from Seller to City prior to termination of this Agreement.
- (b) Along with the Deposit, City shall deposit into Escrow the amount of One Hundred Dollars (\$100) (the "Independent Consideration") as independent consideration for Seller's performance during the Feasibility Period under this Agreement and which shall be retained by Seller in all instances. The Independent Consideration shall be non-refundable to City as independent consideration for the right and option to conduct due diligence extended to City under this Agreement, including, without limitation, the right and option to terminate the Agreement before the Feasibility Period expires. The Independent Consideration shall be released to Seller immediately following City's deposit of such funds into Escrow. In all instances under this Agreement in which City elects to terminate or is deemed to have terminated the Agreement and any portion of the Deposit is returned to City, Seller shall retain the Independent Consideration when the Deposit or any portion thereof is returned to City. The Independent Consideration shall not be applicable towards the Purchase Price or treated as consideration given by City for any purpose other than stated in this Section4(b).
- (c) The full amount of the Deposit shall be applicable to the Purchase Price at Closing. City shall pay the full remaining amount of the Purchase Price in immediately available funds at Close of Escrow.
- (d) LIQUIDATED DAMAGES. FROM AND AFTER THE EFFECTIVE DATE, IF THE SALE OF THE PROPERTY UNDER THE TERMS OF THIS AGREEMENT IS NOT CONSUMMATED DUE TO A DEFAULT OF CITY (SUBJECT TO ANY APPLICABLE NOTICE AND CURE RIGHTS UNDER SECTION 13(a)), SELLER MAY INSTRUCT ESCROW AGENT TO CANCEL THE ESCROW AND SELLER WILL THEREUPON BE RELEASED FROM SELLER'S OBLIGATIONS HEREUNDER WITH RESPECT TO THE PROPERTY (EXCEPT FOR THOSE OBLIGATIONS THAT THIS AGREEMENT STATES SURVIVE TERMINATION) AND THE DEPOSITS, INCLUDING ALL DEPOSITS RELEASED TO SELLER AS WELL AS ANY PORTION OF THE DEPOSITS IN ESCROW AT THE TIME OF THE DEFAULT (INCLUDING ANY INTEREST EARNED FROM THE INVESTMENT OF THE DEPOSITS) SHALL BE PAID TO AND RETAINED BY SELLER AS LIQUIDATED DAMAGES. CITY AND SELLER AGREE THAT, BASED UPON THE CIRCUMSTANCES NOW EXISTING, KNOWN AND

UNKNOWN, IT WOULD BE IMPRACTICAL OR EXTREMELY DIFFICULT TO ESTABLISH SELLER'S DAMAGES IN THE EVENT THE SALE IS NOT CONSUMMATED BY REASON OF CITY'S DEFAULT. ACCORDINGLY, CITY AND SELLER AGREE THAT, IN THE EVENT THE SALE OF THE PROPERTY DOES NOT OCCUR DUE TO A DEFAULT OF CITY UNDER THIS AGREEMENT (SUBJECT TO ANY APPLICABLE NOTICE AND CURE RIGHTS UNDER SECTION 13(a)), IT WOULD BE REASONABLE AT SUCH TIME TO AWARD SELLER LIQUIDATED DAMAGES EQUAL TO THE AMOUNT OF THE DEPOSITS MADE BY CITY AS OF THE DATE OF CITY'S DEFAULT, INCLUDING ALL DEPOSITS RELEASED TO SELLER AS WELL AS ANY PORTION OF THE DEPOSITS IN ESCROW AT THE TIME OF THE DEFAULT. SUCH RECOVERY OF THE DEPOSITS BY SELLER IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER PURSUANT TO SECTIONS 1671, 1676 AND 1677 OF THE CALIFORNIA CIVIL CODE, AND SHALL NOT BE DEEMED TO CONSTITUTE A FORFEITURE OR PENALTY WITHIN THE MEANING OF SECTION 3275 OR SECTION 3369 OF THE CALIFORNIA CIVIL CODE OR ANY SIMILAR PROVISION. IN ADDITION, CITY SHALL PAY ALL TITLE AND ESCROW CANCELLATION CHARGES. SELLER'S RETENTION OF THE DEPOSITS IS NOT INTENDED AS A FORFEITURE OR PENALTY UNDER CALIFORNIA LAW, BUT INSTEAD IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER PURSUANT TO THE CALIFORNIA CIVIL CODE. SELLER HEREBY WAIVES THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 3389. SELLER AGREES THAT THESE LIQUIDATED DAMAGES ARE IN LIEU OF ANY OTHER MONETARY RELIEF OR OTHER REMEDY, INCLUDING WITHOUT LIMITATION SPECIFIC PERFORMANCE, TOWHICH SELLER OTHERWISE MIGHT BE ENTITLED UNDER THIS AGREEMENT, AT LAW OR IN EQUITY, RELATING TO CITY'S BREACH OF THIS AGREEMENT. NOTWITHSTANDING THE FOREGOING, IN NO EVENT SHALL THIS SECTION 4(d) LIMIT THE DAMAGES RECOVERABLE BY EITHER PARTY AGAINST THE OTHER PARTY DUE TO (A) THE OTHER PARTY'S OBLIGATION TO INDEMNIFY SUCH PARTY IN ACCORDANCE WITH THIS AGREEMENT, OR (B) THIRD PARTY CLAIMS. BY THEIR SEPARATELY EXECUTING THIS SECTION 4(d) BELOW, CITY AND SELLER ACKNOWLEDGE THAT THEY HAVE READ AND UNDERSTOOD THE ABOVEPROVISION COVERING LIQUIDATED DAMAGES, AND THAT EACH PARTY WAS REPRESENTED BY COUNSEL WHO EXPLAINED THE CONSEQUENCES OF THIS LIQUIDATED DAMAGES PROVISION AT THE TIME THIS AGREEMENT WAS EXECUTED. BOTH PARTIES ACKNOWLEDGE AND AGREE THAT SAID AMOUNT IS PRESENTLY A REASONABLE SUM CONSIDERING ALL OF THE CIRCUMSTANCES EXISTING ON THE DATE OF THIS AGREEMENT, INCLUDING THE RELATIONSHIP OF THE SUM TO THE RANGE OF HARM TO SELLER THAT REASONABLY COULD BEANTICIPATED, AND THAT PROOF OF ACTUAL DAMAGES WOULD BE COSTLY ANDEXTREMELY DIFFICULT OR IMPRACTICABLE.

Seller's Initials	City's Initials

5. <u>City's Decision to Purchase or Not Purchase the Property.</u>

(a) City may, in its sole and absolute discretion, without any reason or cause, at any time before the Feasibility Period expires, decide that City will not purchase the Property. If City notifies Seller at any time before the Feasibility Period expires that City will not purchase the Property or if City fails to give Seller a Notice to Proceed (as defined in Section 5(b) below) prior to the expiration of the Feasibility Period, then (i) Seller shall promptly return to City the full amount of the Deposit and any interest accrued thereon, (ii) this Agreement shall immediately terminate, and (iii) the parties hereto will have no further obligations to each other (except for those obligations that this Agreement states shall survive termination).

- (b) If City, before the Feasibility Period expires, elects to proceed with the transaction hereunder, then City shall issue to Seller a written notice specifying that City elects to proceed with the transaction contemplated by this Agreement (the "Notice to Proceed"). The Notice to Proceed will specifically state (i) that it is "a Notice to Proceed pursuant to Section 5(b) of the Real Estate Purchase and Sale Agreement dated December _____, 2022 between City and Seller." City's failure to deliver the Notice to Proceed in accordance with the preceding provisions of this subsection on or before the date the Feasibility Period expires is not a default by City under this Agreement, but such failure will be deemed City's determination not to proceed with the purchase of the Property and will terminate this Agreement (other than the obligations of City and Seller that expressly survive termination pursuant to another provision hereof).
- (c) If City gives the Notice to Proceed at any time prior to the expiration of the Feasibility Period, and if (i) City then fails to timely make, or to instruct Escrow Agent to release to Seller, the Deposit as provided herein, or (ii) for any reason other than Seller's default or breach of its obligations under this Agreement, Escrow does not close, then, except inthe event of Seller's default or breach, or any other event that entitles City to a refund of the Deposit as specifically set forth in this Agreement, Seller may retain the amount of the Deposit, including the Deposit that has been released from Escrow to Seller, if any, and any portion of the Deposit in Escrow, as of the date of termination. In such event, the parties hereto will have no further obligations to each other, except for those obligations that this Agreement states survive termination.

6. <u>City's Feasibility/Title Review.</u>

(a) City, without incurring any obligation to purchase the Property, may conduct due diligence regarding the Property for a period beginning on the Effective Date and continuing through 5:00 PM Pacific Time on the date that is sixty (60) days after the Effective Date (the "Feasibility Period"). Seller has delivered, or shall within five (5) days after the Effective Date deliver to City or provide City with access to, either through hard copies or through addresses to websites (for publicly available documents), complete copies of all of the following documents and materials to the extent they exist and are in Seller's possession or control concerning the Property, the Improvements, and the improvement, development, remediation, and operation thereof (collectively, the "Reports"): surveys, including boundary, topographic and tree surveys; subdivision reports; covenants, conditions and restrictions; correspondence or other materials; existing title policies; maps; soils reports; environmental,

natural resource and biological studies and reports; engineering and architectural studies; tentative subdivision map application and materials, including designs and improvement plans; government zoning letters; specific plans and conditions of approval; "will-serve" letters; development agreements; grading, improvement and landscape plans and similar data; all material relating to earthquake faults and flood zones; any leases and subleases; all service, maintenance, management, brokerage, consulting, advertising and other agreements; all licenses, permits, certificates, entitlements and approvals; property tax bills, utility bills and similar records; any other existing contractual obligations; and all feasibility studies. City shall have the right to contact any governmental and public entities, and any of Seller's consultants (at City's cost), regarding the Property. At all times after the Effective Date and throughout the Agreement Term, City, and its employees, representatives, consultants, and agents, will have the right to enter the Property during reasonable business hours for all purposes in connection with its due diligence; provided, however, that City shall give Seller at least forty eight (48) hours prior notice of any entry onto the Property or any of the Improvements by City or its employees, representatives, consultants, and agents and Seller shall have the right tohave a representative present during City's due diligence activities on the Property. City shall keep the Property free and clear of any mechanic's or other liens arising out of City's entry of the Property for due diligence purposes. City may undertake any testing, surveying, drilling, or other analysis of the Property that City deems necessary during the Feasibility Period and throughout the Agreement Term, including the right to conduct any subsurface testing of the Property; provided that, for any subsurface testing, City shall provide Seller with at least three (3) business days prior written notice, which notice shall include a proposal from the engineer who will perform the invasive testing, outlining the scope of such tests and studies. Upon the completion or abandonment of any inspection or test, City shall restore the Property to its condition prior to such inspection or test. Seller shall have the right to have a representative present during any such testing; provided, however, that Seller's inability or failure to have a representative present shall not require City to re-schedule or postpone the testing. City shall not disclose to any third party any results or reports regarding environmental testing performed by City on the Property, except as required by applicablelaw and except for City's disclosure to its employees, representatives, consultants, agents, and source of capital. Any and all inspections and testing will be at City's sole cost and expense.

If Escrow does not close as provided in this Agreement or this Agreement is terminated prior to Closing for any reason other than Seller's breach that Seller does not timely cure, then City shall promptly return the Reports to Seller.

(b) Within five (5) business days after the Effective Date, City and Seller shall cause First American Title Company (the "Title Company") to issue and deliver to City a preliminary American Land Title Association title report ("Title Report") and legible copies of all exceptions to title referred to in the Title Report. By no later than twenty (20) days before the expiration of the Feasibility Period, City shall notify Seller in writing of any objection to any exception therein (other than current non-delinquent taxes or assessments) or as disclosed in a current ALTA-ACSM Urban Survey of the Property (the "Survey"), which Survey City, at City's sole cost and expense, may cause to be prepared in connection with City's review of title to the Property (collectively, "Title Defects"). City's failure to provide notice of the Title Defects to Seller on or before such date shall constitute City's approval of the Title Report. If City timely notifies Seller of its Title Defects, then Seller may notify Cityin writing within fifteen (15) days thereafter that: (i) Seller will remove the Title Defects on or before the Close of

Escrow, or (ii) Seller will not remove any or certain specified Title Defects. Seller's failure to address any Title Defects in any notice, or failure to give a timely notice as to any Title Defects, shall constitute Seller's election not to remove such Title Defects. If Seller elects to cure any of the Title Defects, they shall be removed from record title by Seller at Seller's expense (or otherwise rendered acceptable to City) prior to or at Closing and such TitleDefects will not appear on the title insurance policy issued to City by Title Company. If Seller does not provide City with timely written notice that Seller shall remove all Title Defects, then City may, as its sole and exclusive remedy, decline to deliver a Notice to Proceed and this Agreement shall terminate in accordance with Section 5(a) above. If City waives (or is deemed to have waived) any Title Defect, Seller shall have no obligation to remove or otherwise address such Title Defect, and such Title Defect shall be deemed approved. Except for Title Defects Seller removes or is obligated to remove, the exceptions shown on the preliminary title report, and any encumbrances arising from the acts of City or City's Agents, will be deemed "Permitted **Exceptions.**" Notwithstanding any of the above, Seller shall remove at or before Closing all monetary liens and monetary encumbrances on the Property (that were not caused by City or City's Agents and except those expressly assumed by City), other than current, non-delinquent taxes or assessments, and City has no obligation hereunder to object to such items in order to obligate Seller to remove such items. Seller shall not after the Effective Date cause or consent to any new encumbrance or exception to title, including any easement, mortgage, or lien, that will remain in effect after the Closing, to be placed on the Property without City's prior written consent.

After the expiration of the Feasibility Period, but prior to the Close of Escrow, City may notify Seller in writing (the "Subsequent Title Defects Notice") of any objection(s) to title exceptions (i) raised by the Title Company after the expiration of the Feasibility Period and prior to the Close of Escrow and (ii) not otherwise known to or caused City prior to the expiration of the Feasibility Period, provided that City must notify Seller of such objection(s) to title within five (5) business days of being made aware of the existence of such exception (each, a "Title Report Update Review Period"). Should City fail to provide a Subsequent Title Defects Notice to Seller prior to the expiration of the Title Report Update Review Period, City shall be deemed to have approved such matterswhich shall then be considered Permitted Exceptions as defined above. If, however, City timely objects to such new exception, then Seller shall have until 5:00 p.m. Pacific Time on the tenth (10th) business day after Seller's receipt of City's objection in which to notify City, in Seller's sole discretion, either that Seller will remove or will not remove the disapproved exception(s) prior to the Close of Escrow. Seller failure to timely respond to the Subsequent Title Defects Notice means Seller will not remove any exception(s) disapproved by City. If Seller elects not to remove any disapproved exception(s), then City shall have until 5:00 p.m. Pacific Time on the third (3rd) business day thereafter in which to elect (I) to terminate this Agreement by written notice to Seller or (II) to waive in writing City's previous disapproval of (and thereby accept) any items that Seller does not elect to remove, in which case such exceptions shall be Permitted Exceptions. If City fails to timely respond to Seller's election not to remove such items, City shall have waived it objection thereto. If City gives Seller timely written notice of termination, then this Agreement shall thereupon terminate without further action by the parties. If this Agreement is terminated in accordance with this subsection, then, notwithstanding anything to the contrary contained in this Agreement, the Reports shall be returned to Seller, the Termination (defined in Section 14 below) may be recorded, all of the Deposit shall be returned promptly to City and the parties shall have no further obligation to one another hereunder

except to the extent any such obligation expressly survives the termination of this Agreement; provided, however, if the termination is due to Seller's breach, then, in addition to matters set forth in the foregoing sentence, Seller shall reimburse City for all of City's Costs (as defined in Section 8(c) below) incurred by City through the date of termination. Notwithstanding any of the foregoing, Seller must remove any new exception that violates Seller's obligations in the last sentence of Section 7(b) above.

(c) City shall defend, indemnify and hold harmless Seller from and against any and all losses, expenses, claims, damages and injuries to person or property to the extent caused by the acts or omissions of City, its employees, consultants, contractors and subcontractors on the Property in connection with such entry on the Property as contemplated herein, including against any mechanic's, workers' or other liens on the Property, by reason of the work or activities conducted on the Property by or for City; provided, however, City shall not be responsible or liable for any act or omission of Seller or any of Seller's agents, representatives, employees, contractors, subcontractors, invitees, or consultants, or for any adverse condition or defect on or affecting the Property not caused by City, its employees, consultants, contractors or subcontractors, but discovered during such inspections.

7. <u>Escrow/Closing</u>.

- (a) Immediately upon the Parties' execution of this Agreement, the parties shall open an escrow (the "Escrow") with First American Title Company, 211 East Caldwell Ave., Visalia, CA 93277 (Attn.: Ann Kay) telephone (559) 306-3387, Akay@firstam.com ("Escrow Agent") for the purpose of facilitating City's purchase of the Property.
- (b) The Escrow will close ("Closing" or "Close of Escrow") on the date (the "Closing Date") that is the date that is thirty (30) days after City delivers the Noticeto Proceed.
- (c) Notwithstanding any provision herein to the contrary, the Close of Escrow, and City's obligations under this Agreement, shall be subject to the satisfaction of the following conditions at or prior to the time prescribed herein (collectively, "City's Closing Conditions"). Except as specifically set forth below, City has the right to waive any of City's Closing Conditions in City's sole discretion.
- (i) At Close of Escrow, the Title Company shall issue and deliver to City a policy of title insurance (the "Title Policy") for the Property, together with the endorsements requested by City, insuring City's fee simple title to the Property in the amount of the Purchase Price, subject only to the Permitted Exceptions, or the Title Company shall have irrevocably committed in writing to issue such Title Policy. City shall have the right to obtain an ALTA extended coverage owner's Title Policy, provided that (a) City shall bear allcosts associated with the issuance of the Title Policy in excess of the cost of a standard coverage owner's title policy with the endorsements referred to herein, and (b) the Closing shall not be delayed by reason of the issuance of the Title Policy in the extended coverage form rather than in the standard coverage form. At the Closing, Seller shall execute and deliver an owner's affidavit in the Title Company's standard form if and to the extent required by the Title Company as a condition to the issuance of the Title Policy in the extended coverage form;

(ii) Seller shall have performed, observed and complied with all covenants, agreements, and conditions required by this Agreement to be performed, observed, and complied with on its part, in sufficient time to permit the Close of Escrow;

- (iii) All representations and warranties of Seller shall be true and correct as of the date hereof and as of the Close of Escrow;
- (iv) There shall have occurred no material adverse change affecting the physical condition of the Property since the end of the Feasibility Period (unless such material adverse change arose from any action or omission of City or its employees, consultants, contractors and subcontractors); and
- Seller shall have delivered into the Escrow all of the executed (v) documents required under Section 8(e) below. Each of the foregoing conditions is for City's sole benefit. If any conditions precedent to City's obligations set forth above are not satisfied or waived in writing by City at or prior to the times prescribed therein, then, City may delay the Close of Escrow, at no cost to City, for a period of up to thirty (30) days, to allow the parties to cooperate to satisfy the unsatisfied condition, which the parties covenant to cooperate in good faith to accomplish. If such condition(s) remain unsatisfied after such delay, or if City declines to exercise its delay right, the City may either (i) decline to proceed with Close of Escrow and terminate this Agreement, or (ii) if the failed condition is due to a breach or default by Seller, City shall have the rights and remedies set forth below. If City declines to proceed with Close of Escrow, then all rights, obligations and liabilities of Seller and City under this Agreement will terminate (except for any obligations or liabilities under this Agreement which specifically set forth that such obligations or liabilities survive the termination of this Agreement) and Seller shall promptly return all of the Deposit (except the Independent Consideration) to City. If due to Seller's default under or breach of this Agreement that Seller does not timely cure in accordance with Section 13(a) below, the Close of Escrow does not timely occur or this Agreement is terminated prior to the Closing, then City shall have the right to elect to: (A) terminate this Agreement upon written notice to Seller and Escrow Agent, in which event, (I) Escrow Agent shall automatically return all sums deposited by City and then held by Escrow Agent, (II) Seller shall promptly return to City the full amount of the Deposit previously released to Seller (except the Independent Consideration); and (B) City shall have the right to seek to specifically enforce Seller's performance of this Agreement, in which event City may record a notice of pendency of action against the Property.
- (d) Notwithstanding any provision herein to the contrary, the Close of Escrow, and Seller's obligations under this Agreement, shall be subject to the satisfaction of the following conditions at or prior to the time prescribed herein. Except as specifically set forth below, Seller has the right to waive any of the following conditions in Seller's sole discretion.
- (i) City shall have performed, observed and complied with all covenants, agreements, and conditions required by this Agreement to be performed, observed, and complied with on its part, in sufficient time to permit the Close of Escrow;
- (ii) All representations and warranties of City shall be true and correct as of the date hereof and as of the Close of Escrow; and

(iii) City shall have delivered into the Escrow all of the executed documents required under Section 8(f) below.

Each of the foregoing conditions is for Seller's sole benefit. If any conditions precedent to Seller's obligations set forth above are not satisfied or waived in writing by Seller at or prior to the times prescribed therein (subject to City's notice and cure rights under Section 13(a) below), then Seller may decline to proceed with Close of Escrow and terminate this Agreement. If Seller declines to proceed with Close of Escrow, then all rights, obligations and liabilities of Seller and City under this Agreement will terminate (except for any obligations or liabilities under this Agreement which specifically set forth that such obligations or liabilities survive the termination of this Agreement) and, if the failure to satisfy any condition is due to a breach by City that City does not timely cure in accordance with Section 13(a) below, then Seller shall be entitled to the release of and to retain all of the Deposit as liquidated damages in accordance with Section 4(d).

- (e) At or before Closing, Seller shall execute and deliver to the Escrow Agent the following:
 - (i) A grant deed (the "**Deed**") in the form attached hereto as <u>Exhibit D</u>;
- (ii) If required by the Title Company, an appropriate mechanic's lien affidavit;
- (iii) A certification as to the non-foreign status of Seller in the form reasonably required by Escrow Agent and City, and a Withholding Exemption Certificate on California Franchise Tax Board Form 593W, both duly executed by Seller;
 - (iv) The executed Lease Agreement;
- (v) As applicable, appropriate evidence of Seller's formation, existence and authority to sell and convey the Property; and
- (vi) Such other documents that the Title Company may reasonably require in connection with issuance of the owner's policy to City.
- (f) At or before Closing, City shall execute and deliver to the Escrow Agent the following:
- (i) The balance of the Purchase Price and any additional sums necessary to pay City's share of the closing costs (subject to probations and adjustments, and a credit for the Deposit);
 - (ii) The amount of the Relocation Payment.
 - (iii) The executed Lease Agreement;
 - (iv) City's authorizing Resolution to purchase the Property.

(g) At or before Closing, Seller and City shall each execute counterpart closing statements in a customary form, and such other documents that are reasonably necessary to consummate Closing.

8. <u>Closing Costs/Prorations</u>.

- (a) At Closing, personal property taxes, real property taxes and any other assessments against the Property, assessments, and any other items of income and expense with respect to the Property, shall be prorated between the parties as of the Closing by the Escrow Agent on the basis of 30-day months. City does not pay ad valorem taxes.
- (b) City shall pay all City and County transfer taxes and recording fees. City shall pay the full premium for an ALTA extended Title Policy, and any endorsements thereto, one-half of the City transfer taxes, and all Escrow fees and charges. City shall pay all other Closing cost and charges, as determined by the Escrow Agent. Seller shall pay any delinquent property taxes and other charges/fees collected with the delinquent property taxes. Each party shall be responsible for its own attorneys' fees and consulting costs.
- 9. Seller's Representations and Warranties. Seller makes the following representations and warranties, each of which shall be continuing and shall survive the Closing for a period of six (6) months after the Closing (the "Survival Period"). Whenever a representation or warranty is being made "to Seller's knowledge," such qualification indicates that the warranty is being made to the current actual knowledge of the Executive Director, without any implied, imputed or constructive knowledge and without any independent investigation having been made or any implied duty to investigate. No claim for a breach of any representation or warranty of Seller shall be actionable or payable if the breach in question results from or is based on a condition, state of facts or other matter of which City has actual knowledge prior to Closing and City closed Escrow despite such knowledge. Nothing in the foregoing sentence shall preclude City from its remedies for termination of this Agreement before the Closing due to a Seller breach or default that Seller does not timely cure. Seller shall have no liability to City for a breach of any representation or warranty unless written notice containing a description of the specific nature of such breach shall have been given by City to Seller prior to the expiration of the Survival Period and any court action or other legal proceeding shall have been commenced by City against Seller within the Survival Period. Except as expressly set forth in this Agreement, Seller has not made any warranty or representation, express or implied, written or oral, concerning the Property or the Property.
- (a) Seller has the full right and authority and has obtained any and all consents required to enter into this Agreement and to consummate or cause to be consummated the transactions contemplated hereby. This Agreement has been, and all of the documents to be delivered by Seller at the Closing will be, authorized and properly executed and constitutes, or will constitute, as appropriate, the valid and binding obligation of Seller. Except as disclosed in the Title Report, Seller has not entered into any contracts, agreements or understandings, verbal or written, for the sale, transfer or lease of any portion of the Property and no party has a right or option to purchase the Property.

(b) Except to the extent disclosed in any reports or information provided by Seller to City, or otherwise disclosed to City, Seller has no knowledge of, nor has Seller, to Seller's knowledge, received written notice of any lawsuits, condemnation or eminent domain proceedings, or litigation pending, threatened or which have been filed against Seller that would materially affect the Property or use thereof, or Seller's ability to perform hereunder. Except to the extent disclosed in any reports or information provided to City, and except for this Agreement, and other documents related to this Agreement, Seller has not entered, and throughout the Agreement Term will not enter, into any agreements that will affect City or the Property after the Closing unless City provides consent to Seller to do so, which consent City may withhold, condition or delay in its sole discretion.

- (c) Except to the extent disclosed in any reports or information provided by Seller to City or disclosed to City through any physical testing or inspection of the Property,to Seller's knowledge, (i) there are no Hazardous Substances on, in or under the Property in violation of any applicable Environmental Laws relating thereto, (ii) neither Seller nor any prior tenants of Seller have generated, produced, used, reused, sold, stored, transported or disposed of Hazardous Substances on, in or under the Property in violation of any applicable Environmental Laws relating thereto, and (iii) there are not currently and have not been in the past any underground or other above-ground storage tanks situated on the Property. All capitalized terms used in this Section 10(c) are defined in Exhibit E.
- (d) Except to the extent disclosed in any reports or information provided by Seller to City or disclosed to City through any physical testing or inspection of the Property, to Seller's knowledge, Seller is not aware of, nor has Seller received, any notice from any governmental authority that any condition at the Property violates any material provision of applicable building codes, zoning or land use laws, other local, state or federal laws and regulations, or restrictive easements or covenants affecting the Property.
- Seller is not a "foreign person" within the meaning of Section 1445(f) of (e) the Internal Revenue Code and Seller is not, nor is any person who owns a controlling interest inor otherwise controls Seller, (a) listed on the Specially Designated Nationals and Blocked Persons List maintained by the Office of Foreign Assets Control ("OFAC"), Department of the Treasury, and/or on any other similar list maintained by the OFAC pursuant to any authorizing statute, Executive Order or regulation (collectively, "OFAC Laws and Regulations"); or (b) a person either (i) included within the term "designated national" as defined in the Cuban Assets Control Regulations, 31 C.F.R. Part 515, or (ii) designated under Sections 1(a), 1(b), 1(c) or 1(d)of Executive Order No. 13224, 66 Fed. Reg. 49079 (published September 25, 2001) or similarly designated under any related enabling legislation or any other similar Executive Orders (collectively, the "Executive Orders"). Neither Seller nor any of its principals is (x) a person orentity with which City is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law, or that commits, threatens or conspires to commit or supports "terrorism" as defined in the Executive Orders, or (y) is affiliated or associated with a person or entity listed in the preceding clause (x). To Seller's knowledge, neither Seller nor any of its principals or affiliates, (I) deals in, or otherwise engages in any transaction relating to, any property or interests in property blocked pursuant to the Executive Orders or (II) engages in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law. Asused in this Agreement, "Anti-Terrorism Law" means the OFAC Laws and Regulations,

the Executive Orders and the Uniting and Strengthening America by Providing Appropriate ToolsRequired to Intercept and Obstruct Terrorism Act of 2001, Pub. L. No. 107-56, 115 Stat. 272 (2001), as amended.

- (g) The entering into this Agreement and the sale of the Property to City does not constitute a violation or breach by Seller of: (i) any contract, agreement, understanding or instrument to which it is a party by which Seller or the Property is subject or bound; or (ii) any judgment, order, writ, injunction or decree issued against or imposed upon them.
- (h) There are no real property leases affecting the Property. Except to the extent disclosed in the Preliminary Title Report or any other reports or information provided by Seller to City, to Seller's knowledge there are no parties in possession or occupancy of any of the Property or any parts thereof other than Seller, nor are there any parties who have any leasehold or other possessory rights with respect to any of the Property or any part thereof other than Seller.
- (i) Seller has provided to City all materials and Reports set forth in Section 6(a) in Seller's possession or control or Seller has made such materials and Reports available to City through either hard copies or website addresses and to Seller's knowledge all such Reports are complete and do not contain any materially false or misleading information. Seller shall promptly deliver to City any new versions of the Reports and other documents or materials prepared by third parties and provided to Seller (excluding Proprietary Information) that come into Seller's possession following the date of this Agreement that Seller would have provided to City initially as part of the production from Section 6(a).
- City's Purchase "As-Is". As of the date of the expiration of the Feasibility 10. Period, City will have examined and inspected the Property and will know and be satisfied with the physical condition, quality, quantity, and state of repair of the Property in all respects and shall have determined that the same is acceptable to City "AS-IS." City acknowledges that, except for Seller's representations, warranties and covenants set forth in this Agreement, City is acquiring the Property in "AS-IS" condition solely in reliance on its own inspections and examination and its own evaluation of the Property. City agrees that, other than as set forth in this Agreement or in any document provided to City by Seller, no representations, statements or warranties have at any time been made by Seller or Seller's agents as to the physical condition, quality, quantity, or state of repair of the Property or related to the operation or prospects for the Property. City acknowledges and agrees that during the Feasibility Period: (i) City will review all instruments, records, and documents which City deems appropriate and advisable to review in connection with this transaction, including but not limited to any of the entitlements, architectural drawings, plans, specifications, surveys, building and occupancy permits, and any licenses, contracts, warranties and guarantees relating to the Property, and City, by proceeding with this transaction following the expiration of the Feasibility Period, will be deemed to have determined that the same and information and data contained therein and evidenced thereby are satisfactory to City; (ii) City will review all applicable laws, ordinances, and governmental regulations (including but not limited to those relative to building, zoning, and land use) affecting the development use, occupancy, or enjoyment of the Property; (iii) City will, at its own cost and expense, make its own independent investigation respecting the Property and is relying thereon and on the advice of its consultants in entering into this Agreement and, by proceeding with this transaction following the expiration of the Feasibility

13

Period, will be deemed to have determined that the same are satisfactory to City; and (iv) except for Seller's representations, warranties and covenants herein, City expressly waives and relinquishes any rights it may have under, and specifically releases Seller from any liability with respect to, any laws or regulations requiring disclosure of natural hazards affecting the Property except as expressly provided herein.

- 11. Risk of Loss. Seller shall bear all risk of loss related to the Property prior to Closing. If, at any time prior to Closing, the Property or any substantial and material portion thereof is destroyed or damaged (a "Damage"), or if any governmental entity or agency takes, attempts to take, or commences any proceeding or procedure to take the Property, or any substantial and material portion thereof, by eminent domain (a "Taking"), Seller shall promptly notify City. Within fifteen (15) days of receipt of Seller's notice, City may either (i) terminate this Agreement by delivery of written notice to Seller, whereupon both parties will be relieved of all further obligations under this Agreement (except for those that this Agreement states shall survive termination), the entire amount of the Deposit (except for the Independent Consideration) shall be returned promptly to City, whether or not previously released to Seller; or (ii) continue this Agreement in full force and effect, in which event there shall be no adjustment to the Purchase Price and no return of the Deposit due to such Damage or Taking, but Seller shall assign to City all of Seller's rights, if any, to any condemnation award and/or insurance proceeds with respect to such Taking or Damage.
- 12. <u>Brokers/Commissions</u>. City and Seller each represent and warrant tothe other that, there are no other real estate brokers, salesman or finders involved in this transaction. If a claim for brokerage fees or commissions in connectionwith this transaction is made by any broker, salesman or finder claiming to have dealt by, through or on behalf of one of the parties hereto, such party (the "**Indemnitor**") shall indemnify, defend and hold harmless the other party hereto (the "**Indemnitee**"), and Indemnitee's officers, directors, agents and representatives, from and against any and all liabilities, damages, claims, costs, fees, and expenses whatsoever, including reasonable attorneys' fees and court costs through all trial and all appellate levels, with respect to said claim for brokerage.

13. Default/Remedies.

- (a) Notwithstanding any other provision of this Agreement, a party shall not be in default or breach of this Agreement or have waived any right hereunder unless (i) as to a failure to timely perform an obligation, such party fails to cure any failure to timely perform such obligation within ten (10) business days after such party receives written notice of same from the other party; provided, however, that with respect to any obligation of either party to timely pay money (including timely making Deposit) or to either party's obligations to timely deposit into Escrow the documents and other items required for the Close of Escrow, the cure period shall be five (5) business days; and (ii) with respect to any party's right to exercise or give notice of exercise of any right hereunder, the cure period shall be three (3) business days.
- (b) For any Seller breach of Seller's representations or warranties first occurring or discovered by City after the Close of Escrow, City shall have the right to pursue recovery from Seller of City's damages as a result of such breach but only if City files any such claim prior to the expiration of the Survival Period.

14. Miscellaneous.

(a) <u>Assignment</u>. Neither party may assign this Agreement, unless such party first obtains the written consent of the other party, which consent such other party shall not unreasonably withhold, condition, or delay. Any assignment of this Agreement by Seller with City's consent shall release Seller from the obligations of the Seller hereunder.

(b) Notices. All notices or other communication provided for under this Agreement shall be in writing, shall be effective upon receipt or refusal to accept delivery (provided that if any such notice is delivered on a Saturday, Sunday or state or national holiday, then such notice shall not be deemed received until the next business day), and shall be (i) delivered personally, (ii) sent by registered or certified mail, return receipt requested, postage prepaid, or by private overnight courier service, addressed to the person to receive such notice or communication at the following address, or (iii) sent via email to the email address set forth below, with a copy of such notice concurrently sent by either of the methods set forth in the preceding clauses (i) or (ii). The address of any party for purposes of notices shall be the address set forth below; provided that any party may change its address by giving notice to the other parties hereto in accordance herewith.

Notice to Seller must be addressed as follows:

Cordova Community Council Foundation 2729 Prospect Park Drive Rancho Cordova, CA 95670 Attn: Executive Director

Notice to City must be addressed as follows:

City of Rancho Cordova 2729 Prospect Park Drive Rancho Cordova 95670 Attn: Public Works Director Phone:

- (c) Entire Agreement/Binding Effect. This instrument and the attached Exhibits constitute the entire agreement between the parties relating to the Agreement. Any prior agreements, promises, negotiations, or representations not expressly set forth in this Agreement are of no force and effect. Any amendment to this Agreement will be of no force and effect unless it is in writing and signed by all parties. This Agreement shall bind and inure to the benefit of the parties to this Agreement and their employees, agents, representatives, heirs, personal representatives, successors, and assigns, except as otherwise provided in this Agreement.
- (d) <u>Governing Law/Venue and Jurisdiction/Interpretation</u>. Any litigation arising under this Agreement will be prosecuted in the Superior Court of California, County of Sacramento. The laws of the State of California govern all matters arising out of this Agreement. All of the parties to this Agreement have participated fully in negotiating and drafting this Agreement, so if any ambiguity or a question of intent or interpretation arises, this Agreement is

to be construed as if the parties had drafted it jointly, as opposed to being construed against a party because it was responsible for drafting one or more provisions of this Agreement. In construing this Agreement, the singular forms of nouns and pronouns include the plural, and vice versa and the use of any gender shall include every other gender and all captions and Section headings are to be discarded.

- (e) <u>Severability</u>. In the event any interpretation of a provision of this Agreement is determined by appropriate judicial authority to be illegal or otherwise invalid, such provision will be given its nearest legal meaning or reconstrued as deleted as such authority determines and the remainder of this Agreement will continue in full force and effect.
- (f) <u>Exhibits</u>. All of the Exhibits to this Agreement are incorporated in and made a part of this Agreement.
- respect to performance of each of the parties' obligations under this Agreement. Except as expressly provided otherwise herein, the expiration of any period of time prescribed in this Agreement shall occur at 11:59 p.m. Pacific Time of the last day of the period. The parties agree that in the event that any date on which performance is to occur falls on a Saturday, Sunday or state or national holiday, then the time for such performance will be extended to 11:59 p.m. on the next business day thereafter occurring.
- (h) Execution. This Agreement may be executed in any number of counterparts, each of which, when executed, will be deemed to be an original, and all of which will be deemed to be one and the same instrument. Seller and City each (i) has agreed to permit the use from time to time, where appropriate, of emailed pdf signatures in order to expedite the transaction contemplated by this Agreement, (ii) intends to be bound by its respective emailed pdf signature, (iii) is aware that the other will rely on the emailed pdf signature, and (iv) acknowledges such reliance and waives any defenses to the enforcement of this Agreement and the documents affecting the transaction contemplated by this Agreement based on the fact that a signature was sent by emailed pdf only.
- (i) <u>Confidentiality</u>. The parties agree that the terms set forth in this Agreement, and all information exchanged with respect to the Property, are to remain confidential and are not to be revealed or disclosed to any person or party whatsoever, except: (i) with the consent of the other parties; (ii) as may be disclosed to a party's attorneys, accountants, and other representatives that are involved in connection with the consummation of this transaction; (iii) each party's investors and/or lenders; (iv) in accordance with the provisions of this Agreement; (v) as may be required by applicable law or court order; (vi) as may be necessary for City to obtain Final Approval of any of the Entitlements or any other necessary or appropriate governmental approvals; (vii) in connection with any litigation between the parties; and (viii) with respect to the information exchanged about the Property, City may disclose same in its sole discretion after the Closing.
- (j) <u>Exclusivity</u>. At no time during the Agreement Term shall Seller or any agent or representative of Seller accept any other offer for the purchase and sale of the Property, or any part thereof, nor will they show the Property to any third party for such purposes and at no time after City provides Seller with a Notice to Proceed shall Seller or any agent or

representative of Seller solicit, negotiate, encourage, or accept any other offer for the purchase and sale of the Property, or any part thereof.

- (k) 1031 Exchange. Notwithstanding anything to the contrary set forth in this Agreement, City acknowledges and agrees that Seller may assign its interest in this Agreement to an exchange facilitator for the purpose of accomplishing an exchange of the Property in a transaction which will qualify for treatment as a tax deferred exchange pursuant to the provisions of Section 1031 of the Internal Revenue Code of 1986 and applicable state revenue and taxation code sections (a "1031 Exchange"). City agrees to cooperate reasonably with Seller in implementing any such assignment and 1031 Exchange, including the execution of any necessary documentation in connection therewith, provided that such cooperation shall not entail any additional expense or liability to City beyond its existing obligations under this Agreement, nor shall City be required to take title to any other property. No such assignment by Seller shall relieve Seller from any of its obligations hereunder, nor shall Seller's ability to consummate a tax deferred exchange be a condition to the performance of Seller's obligations under this Agreement. The Closing is not predicated or conditioned upon the completion of any 1031 Exchange
- (l) <u>No Waiver</u>. Except as otherwise expressly provided in this Agreement, no waiver by any party of the performance or satisfaction of any covenant or condition shall be valid unless in writing and shall not be considered to be a waiver by such party of any other covenant or condition hereunder.
- (m) <u>Survival</u>. The provisions of this Agreement shall not merge with the delivery of the Deed but shall, except as otherwise provided in this Agreement, survive the Closing.
- (n) <u>Captions</u>. Section titles or captions contained in this Agreement are inserted as a matter of convenience only and for reference, and in no way define, limit, extend or describe the scope of this Agreement.
- (o) <u>Force Majeure</u>. If either City or Seller cannot perform any of its obligations under this Agreement due to events beyond its control, the time provided for performing such obligations shall be extended by a period of time equal to the duration of such events. Events beyond City's or Seller's control include acts of God, pandemics and epidemics, war, civil commotion, terrorism, labor disputes, strikes, earthquakes, fire, flood or other casualty, shortages of labor or material, government regulation or restriction, and weather conditions, but do not include financial inability to perform.

SIGNATURES ON FOLLOWING PAGE

17

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

SELLER:
Cordova Community Council Foundation, a California nonprofit corporation
By: Name: Its:
CITY:
City of Rancho Cordova, a California municipal corporation
By: City Manager
ATTEST:
City Clerk
APPROVED AS TO FORM:
City Attorney

LIST OF EXHIBITS

Exhibit A Legal Description and Depiction of Foundation Property

Exhibit B Legal Description and Depiction of Property

Exhibit C Lease Agreement

Exhibit D Form of Grant Deed

Exhibit E Environmental Definitions

EXHIBIT A

Legal Description and Description of Foundation

Property

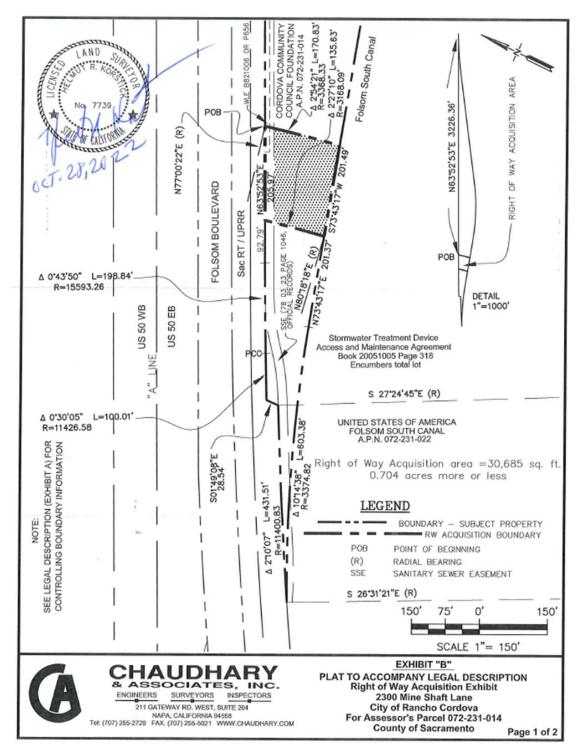
THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF RANCHO CORDOVA, IN THE COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

The land described herein is situated in the state of California, County of Sacramento, City of Rancho Cordova, described as follows: All that portion of Section 20, Township 9 North, Range 7 East, lying Southerly of the right of way of the Southern Pacific Railroad Company and lying Northwesterly of the following described line: Beginning at a point on the Southeasterly line of the Southern Pacific Company's Placerville Branch railroad right of way, from which point a 2" iron pipe monument stamped "A-G Corp. re 2675", as shown in Book 12 of Surveys, Page 29, bears North 63° 52' 49" East 1541.40 feet; thence from said point of beginning along the arc of a 5000.00 foot radius curve to the left, said arc being subtended by a chord bearing South 60° 18' 27" West 605.86 feet; thence South 56° 50' 03" West 1582.40 feet; thence along the arc of a 2825.00 foot radius curve to the right, said arc being subtended by a chord bearing South 65° 16' 31" West 829.39 feet; thence South 73° 43' 00" West 69.20 feet; thence along the arc of a 3375.00 foot radius curve to the left, said arc being subtended by a chord bearing South 68° 27' 40" West 618.30 feet to a point on said Southeasterly line of the Southern Pacific Company's Placerville Branch railroad and the point of ending.

APN: 072-0231-014-0000

20

EXHIBIT B
Leal Description and Depiction of Property



Right of Way Acquisition

Sacramento Co APN 072-231-014

All that real property situated in the City of Rancho Cordova, County of Sacramento, State of California, being a portion of the Lands of the Cordova Community Council Foundation (a California nonprofit corporation) as described in that certain Grant Deed Recorded November 22, 2017 in Document Number 201711221356 in the Office of the County Recorder of said Sacramento County, said portion being more particularly described as follows:

Beginning at a point on the northwesterly line of said Lands of Cordova Community Council Foundation, said point being South 63°52'53" East 3226.36 feet from the northeast corner of said Lands; thence into said Lands of the Cordova Community Council Foundation along a non-tangent curve to the right, concave to the southwest, whose center bears South 77°00'22" West, having a radius of 3368.33 feet, an included angle of 02°54'21", an arc length of 170.83 feet to the southeasterly line of said Lands of Cordova Community Council Foundation; thence along said southeasterly line South 73°43'17" West, 201.49 feet; thence into said Lands of the Cordova Community Council Foundation along a non-tangent curve to the left, concave to the southwest, whose center bears South 80°18'18" West, having a radius of 3168.09 feet, having an included angle of 02°27'10", an arc length of 135.63 feet to the northwesterly line of said Lands of Cordova Community Council Foundation; thence along said northwesterly line North 63°52'53" East, 205.97 feet to the Point of Beginning.

SEE EXHIBIT B (ATTACHED).

Area: 30,685 sq. ft. (0.704 acres)

The Basis of bearing for the above description is the California Coordinate System (1983), Zone 2.

Distances are in Grid. Multiply by 1.00005 to obtain ground distances.

The real property description has been prepared by me in conformance with the Professional Land Surveyors Act.

Signature

Licensed Land Surveyor (PLS 7739)

Date (CT, 28 20)

Page 2 of 2

24' Access Easement

Sacramento Co APN 072-231-014

All that real property situated in the City of Rancho Cordova, County of Sacramento, State of California, being a portion of the Lands of the Cordova Community Council Foundation (a California nonprofit corporation) as described in that certain Grant Deed Recorded November 22, 2017 in Document Number 201711221356 in the Office of the County Recorder of said Sacramento County, said portion being more particularly described as follows:

Beginning at a point on the northwesterly line of said Lands of Cordova Community Council Foundation, said point being South 63°52'53" West 3236.63 feet from the northeast corner of said Lands; thence along said northwest line North 63°52'53" East 993.66 feet; thence into said Lands along a tangent curve to the right, concave to the south, having a radius of 112.00 feet, having an included angle of 24°45'50", an arc length of 48.41 feet; thence North 88°38'43" East 98.73 feet; thence along a tangent curve to the left, concave to the west, having a radius of 18.00 feet, having an included angle of 114°45'46", an arc length of 36.05 feet; thence North 26°07'03" West 35.31 feet to a Point on said northwesterly line of the Lands of Cordova Community Council Foundation; thence along said line North 63°52'53" East 24.00 feet; thence into said Lands South 26°07'03" East 35.31 feet; thence along a tangent curve to the right, concave to the west, having a radius of 42.00 feet, having an included angle of 114°45'46", an arc length of 84.13 feet; thence South 88°38'43" West 98.73 feet; thence along a tangent curve to the left, concave to the south, having a radius of 88.00 feet, having an included angle of 24°45'50", an arc length of 38.03 feet; thence South 63°52'53" West 999.36 feet; thence along a non tangent curve to the left, whose center point bears South 77°28'01" West, having a radius of 3358.33 feet, having an included angle of 00°25'15", an arc length of 24.67 feet to the Point of Beginning.

SEE EXHIBIT B (ATTACHED).

Area: 29,612 sq. ft. (0.68 acres)

The Basis of bearing for the above description is the California Coordinate System (1983), Zone 2.

Distances are in Grid. Multiply by 1.00005 to obtain ground distances.

The real property description has been prepared by me in conformance with the

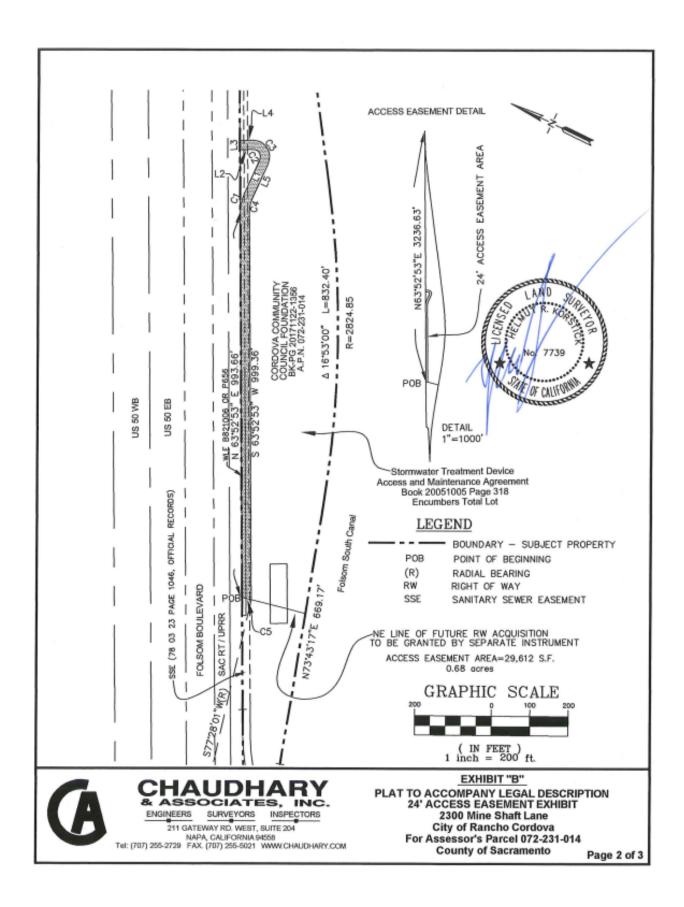
Professional Land Surveyors Act.

Signature

Licensed Land Surveyor (PLS 7739)

Date

Page 1 of 3



LINE AND CURVE TABLES

LINE TABLE				
LINE	LENGTH	BEARING		
L1	98.73	N88"38'43"E		
L2	35.31	N26'07'03"W		
L3	24.00	N63'52'53"E		
L4	35.31	S26'07'03"E		
L5	98.73	S88'38'43"W		

	CURVE	TABLE	
CURVE	LENGTH	RADIUS	DELTA
C1	48.41	112.00'	24'45'50"
C2	36.05	18.00'	114*45'46"
C3	84.13	42.00"	114*45'46"
C4	38.03	88.00'	24'45'50"
C5	24.67	3358.33	00"25"15"



CHAUDHARY & ASSOCIATES, INC. ENGINEERS SURVEYORS INSPECTORS 211 GATEWAY RD. WEST, SUITE 204 NAPA, CALIFORNIA 94588 Tel: (707) 255-2729 FAX. (707) 255-5021 WWW.CHAUDHARY.COM

EXHIBIT "B"

PLAT TO ACCOMPANY LEGAL DESCRIPTION 24' ACCESS EASEMENT EXHIBIT 2300 Mine Shaft Lane City of Rancho Cordova For Assessor's Parcel 072-231-014 **County of Sacramento**

Page 3 of 3

EXHIBIT C

Lease Agreement

LEASE AND UTILITY AGREEMENT

by and between the

CITY OF RANCHO CORDOVA

A California municipal corporation

and

CORDOVA COMMUNITY COUNCIL FOUNDATION

A California Nonprofit Corporation

_____, 2023

TABLE OF CONTENTS

RECITALS	1
ARTICLE I DEFINITIONS; DEMISE OF PROPERTY	1
1.1 DEFINITIONS	1
1.2 INCORPORATION OF RECITALS.	2
1.3 CREATION OF LEASE	
ARTICLE II TERM OF LEASE; RENT	
<u>2.1</u> <u>TERM</u>	
2.2 RENT	
2.3 ADDITIONAL RENT 2.4 TRIPLE NET LEASE	
ARTICLE III TAXES, ASSESSMENTS AND OTHER CHARGES	
3.1 INSTALLMENTS	
3.1.2 EVIDENCE OF PAYMENT.	
3.2 CITY RIGHT TO CONTEST.	
3.3 CITY DUTY TO FILE	
ARTICLE IV USE OF PROPERTY	5
4.1 PERMITTED USES.	5
4.2 PROHIBITED USES	
ARTICLE V ALTERATIONS AND NEW CONSTRUCTION	5
5.1 CHANGES AND ALTERATIONS	5
5.2 PERMANENT UTILITIES	6
5.3 RIGHT OF ENTRY	6
ARTICLE VI NONDISCRIMINATION, MAINTENANCE	7
<u>6.1</u> <u>USES</u>	7
6.2 NONDISCRIMINATION	_
6.3 EASEMENTS; RESERVATION OF RIGHTS	
6.4 MAINTENANCE	
6.5 <u>CITY RIGHT TO CONTEST.</u>	
ARTICLE VII CONDITION OF THE PREMISES; ENVIRONMENTAL MATTERS	
7.1 CONDITION OF THE PROPERTY.	
7.1.1 AS-IS CONDITION	
7.1.2 NO REPRESENTATION 7.2 CITY'S COVENANTS	
7.2 <u>CITY'S COVENANTS</u>	
7.4 DEFINITIONS	
7.4.1 HAZARDOUS MATERIALS	

	HAZARDOUS MATERIALS LAWS	12
ARTICLE V	TII [RESERVED]	12
	X INDEMNITY AND INSURANCE	
	<u>MNITY</u>	
	RANCE REQUIREMENTS	
	DAMAGE AND DESTRUCTION	
	AGE OR DESTRUCTION	
	CE REQUIRED.	
ARTICLE X	I THE CITY'S RIGHT TO PERFORM TENANT'S COVENANTS	14
	II MORTGAGES	
12.1 NON:	SUBORDINATION OF FEE	14
	FINANCING	
	 III ASSIGNMENT, TRANSFER, SUBLETTING; NONDISTURBAN	
	RNMENT	
13.1 REST	RICTIONS ON TRANSFER	14
	RVED	
13.3 ASSU	MPTION AGREEMENT AND RELEASE	15
	<u>DISTURBANCE</u>	
ARTICLE X	IV DEFAULT, REMEDIES AND TERMINATION	16
14.1 EVEN	VT OF DEFAULT	16
	CE AND OPPORTUNITY TO CURE.	
11.2 11011	<u>CETHIO OTT ORTOTITT TO CORE.</u>	1 /
14.2.1	NOTICE OF DEFAULT.	1 / 17
14.2.1 14.2.2	NOTICE OF DEFAULTFAILURE TO GIVE NOTICE; NO WAIVER	17 17
14.2.1 14.2.2 14.3 .THE	NOTICE OF DEFAULT FAILURE TO GIVE NOTICE; NO WAIVER CITY'S REMEDIES	17 17 17
14.2.1 14.2.2 14.3 .THE 14.4 REM	NOTICE OF DEFAULT FAILURE TO GIVE NOTICE; NO WAIVER CITY'S REMEDIES EDIES CUMULATIVE	17 17 17 18
14.2.1 14.2.2 14.3 .THE 14.4 REM 14.5 RESE	NOTICE OF DEFAULT. FAILURE TO GIVE NOTICE; NO WAIVER CITY'S REMEDIES EDIES CUMULATIVE RVED.	
14.2.1 14.2.2 14.3 .THE 14.4 REM 14.5 RESE 14.6 SURV	NOTICE OF DEFAULT. FAILURE TO GIVE NOTICE; NO WAIVER CITY'S REMEDIES EDIES CUMULATIVE RVED. IVAL OF OBLIGATIONS	
14.2.1 14.2.2 14.3 .THE 14.4 REM 14.5 RESE 14.6 SURV	NOTICE OF DEFAULT. FAILURE TO GIVE NOTICE; NO WAIVER CITY'S REMEDIES EDIES CUMULATIVE RVED.	
14.2.1 14.2.2 14.3 .THE 14.4 REM 14.5 RESE 14.6 SURV	NOTICE OF DEFAULT. FAILURE TO GIVE NOTICE; NO WAIVER CITY'S REMEDIES EDIES CUMULATIVE RVED. /IVAL OF OBLIGATIONS. V GENERAL PROVISIONS	
14.2.1 14.2.2 14.3 .THE 14.4 REM 14.5 RESE 14.6 SURV ARTICLE X 15.1 FORG 15.2 RESE	NOTICE OF DEFAULT. FAILURE TO GIVE NOTICE; NO WAIVER CITY'S REMEDIES EDIES CUMULATIVE RVED. /IVAL OF OBLIGATIONS V GENERAL PROVISIONS CE MAJEURE; EXTENSION OF TIMES OF PERFORMANCE. RVED.	
14.2.1 14.2.2 14.3 .THE 14.4 REM 14.5 RESE 14.6 SURV ARTICLE X 15.1 FORG 15.2 RESE 15.3 THE	NOTICE OF DEFAULT. FAILURE TO GIVE NOTICE; NO WAIVER CITY'S REMEDIES EDIES CUMULATIVE RVED. IVAL OF OBLIGATIONS V GENERAL PROVISIONS E MAJEURE; EXTENSION OF TIMES OF PERFORMANCE. RVED. CITY'S RIGHT TO ENTER THE PROPERTY	
14.2.1 14.2.2 14.3 .THE 14.4 REM 14.5 RESE 14.6 SURV ARTICLE X 15.1 FORG 15.2 RESE 15.3 THE	NOTICE OF DEFAULT. FAILURE TO GIVE NOTICE; NO WAIVER CITY'S REMEDIES EDIES CUMULATIVE RVED. IVAL OF OBLIGATIONS V GENERAL PROVISIONS E MAJEURE; EXTENSION OF TIMES OF PERFORMANCE. RVED. CITY'S RIGHT TO ENTER THE PROPERTY	
14.2.1 14.2.2 14.3 .THE 14.4 REM 14.5 RESE 14.6 SURV ARTICLE X 15.1 FORG 15.2 RESE 15.3 THE G	NOTICE OF DEFAULT. FAILURE TO GIVE NOTICE; NO WAIVER CITY'S REMEDIES EDIES CUMULATIVE RVED. /IVAL OF OBLIGATIONS V GENERAL PROVISIONS CE MAJEURE; EXTENSION OF TIMES OF PERFORMANCE. RVED.	
14.2.1 14.2.2 14.3 .THE 14.4 REM 14.5 RESE 14.6 SURV ARTICLE X 15.1 FORG 15.2 RESE 15.3 THE G 15.4 REPE 15.5 MISC 15.5.1	NOTICE OF DEFAULT. FAILURE TO GIVE NOTICE; NO WAIVER CITY'S REMEDIES EDIES CUMULATIVE RVED. IVAL OF OBLIGATIONS E MAJEURE; EXTENSION OF TIMES OF PERFORMANCE. RVED. CITY'S RIGHT TO ENTER THE PROPERTY ESENTATIONS OF THE CITY AND LESSEE. ELLANEOUS SEVERABILITY	
14.2.1 14.2.2 14.3 .THE 14.4 REM 14.5 RESE 14.6 SURV ARTICLE X 15.1 FORO 15.2 RESE 15.3 THE O 15.4 REPR 15.5 MISO	NOTICE OF DEFAULT. FAILURE TO GIVE NOTICE; NO WAIVER CITY'S REMEDIES. EDIES CUMULATIVE RVED. IVAL OF OBLIGATIONS. V GENERAL PROVISIONS. E MAJEURE; EXTENSION OF TIMES OF PERFORMANCE. RVED. CITY'S RIGHT TO ENTER THE PROPERTY ESENTATIONS OF THE CITY AND LESSEE. ELLANEOUS SEVERABILITY NOTICES.	
14.2.1 14.2.2 14.3 .THE 14.4 REM 14.5 RESE 14.6 SURV ARTICLE X 15.1 FORG 15.2 RESE 15.3 THE G 15.4 REPR 15.5 MISO 15.5.1 15.5.2 15.5.3	NOTICE OF DEFAULT. FAILURE TO GIVE NOTICE; NO WAIVER CITY'S REMEDIES EDIES CUMULATIVE RVED. IVAL OF OBLIGATIONS. V GENERAL PROVISIONS CE MAJEURE; EXTENSION OF TIMES OF PERFORMANCE. RVED. CITY'S RIGHT TO ENTER THE PROPERTY ESENTATIONS OF THE CITY AND LESSEE. ELLANEOUS SEVERABILITY NOTICES. CAPTIONS; CONSTRUCTIO	
14.2.1 14.2.2 14.3 .THE 14.4 REM 14.5 RESE 14.6 SURV ARTICLE X 15.1 FORG 15.2 RESE 15.3 THE G 15.4 REPE 15.5 MISC 15.5.1 15.5.2 15.5.3 15.5.4	NOTICE OF DEFAULT FAILURE TO GIVE NOTICE; NO WAIVER CITY'S REMEDIES EDIES CUMULATIVE RVED IVAL OF OBLIGATIONS V GENERAL PROVISIONS E MAJEURE; EXTENSION OF TIMES OF PERFORMANCE. RVED CITY'S RIGHT TO ENTER THE PROPERTY ESENTATIONS OF THE CITY AND LESSEE. ELLANEOUS SEVERABILITY NOTICES CAPTIONS; CONSTRUCTIO SUCCESSORS AND ASSIGNS	
14.2.1 14.2.2 14.3 .THE 14.4 REM 14.5 RESE 14.6 SURV ARTICLE X 15.1 FORG 15.2 RESE 15.3 THE G 15.4 REPR 15.5 MISO 15.5.1 15.5.2 15.5.3	NOTICE OF DEFAULT. FAILURE TO GIVE NOTICE; NO WAIVER CITY'S REMEDIES EDIES CUMULATIVE RVED. IVAL OF OBLIGATIONS. V GENERAL PROVISIONS CE MAJEURE; EXTENSION OF TIMES OF PERFORMANCE. RVED. CITY'S RIGHT TO ENTER THE PROPERTY ESENTATIONS OF THE CITY AND LESSEE. ELLANEOUS SEVERABILITY NOTICES. CAPTIONS; CONSTRUCTIO	

15.5.7	ATTORNEYS' FEES	. 22
	INDEMNITY INCLUDES DEFENSE COSTS	
	NO THIRD-PARTY BENEFICIARIES; DISCLAIMER OF PARTNERSHIP,	
LENDER	R/BORROWER RELATIONSHIP.	. 22
15.5.10	ENTIRE AGREEMENT.	. 23
15.5.11	WAIVER; MODIFICATION	. 23
15.5.12	TIME IS OF THE ESSENCE.	. 23
15.5.13	COUNTERPARTS	. 23
15.5.14	NON-LIABILITY OF OFFICIALS, EMPLOYEES AND AGENTS	. 23
		

Exhibit A Property Description

DRAFT 12-12-22

This LEASE AND UTILITY AGREEMENT (this "Lease" or this "Agreement"), dated as of _______, 2023 (the "Effective Date"), is entered into by and between the City of Rancho Cordova, a California municipal corporation (the "City") and Cordova Community Council Foundation, a California nonprofit benefit corporation ("Lessee"). The City and Lessee are hereafter each referred to as a "Party" and collectively referred to as the "Parties."

RECITALS

- A. The City is the owner of fee title to a portion of real property located at 2300 Mineshaft Lane, Rancho Cordova, Sacramento County (the "County"), California, APN 072-0231-014, as more particularly described in <u>Exhibit A</u> attached hereto and incorporated herein by this reference (the "Property").
- B. The City purchased the Property from the Lessee in order to construct an interchange project (the "**Project**").
- C. There is a building located on the Property (the "**Building**") that Lessee is currently using and that Lessee desires to continue to use during the term of this Lease and to relocate to location on the adjacent property owned by Lessee (the "**Foundation Property**").
- D. During the term of this Agreement, the City has agreed to establish new utility connections with Sacramento Municipal Utility District for electricity and with Golden State Water for water (together the "Utilities") to a location on the Foundation Property.
- E. The City has agreed to lease the Property, including the Building, to Lessee for Lessee to use for non-profit events and to relocate the Building (the "**Permitted Use**"), as set forth in this Agreement.
- F. The City has determined that this Agreement is consistent with the General Plan and will be of benefit to the health and welfare of the citizens of Rancho Cordova.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and Lessee hereby agree as of the Effective Date as follows:

ARTICLE I DEFINITIONS; DEMISE OF PROPERTY

- 1.1 <u>Definitions</u>. For purposes of this Agreement, the following terms have the meanings set forth in this Section. Additional definitions are set forth in the Recitals and the text of this Agreement.
 - (a) "Applicable Laws" means all applicable state, local and federal laws and regulations.
 - (b) "Rent" is defined in Section 2.2.

- (c) "Claims" is defined in Section 3.2.
- (d) "Commencement Date" is defined in Section 2.1.
- (e) "Expiration Date" is defined in Section 2.1.
- (f) "Fixtures" is defined in Article IV.
- (g) "Force Majeure" is defined in <u>Section 15.1</u>.
- (h) "Hazardous Materials" is defined in Section 7.4.1.
- (i) "Hazardous Materials Claims" is defined in Section 7.2(c).
- (i) "Hazardous Materials Laws" is defined in Section 7.4.2.
- (k) "Impositions" is defined in Section 3.1.
- (1) "Indemnitees" is defined in Section 3.2.
- (m) "Lease Termination" is defined in Section 2.1.
- (n) "**Property**" is defined in <u>Recital A</u>.
- (o) "Remedial Work" is defined in Section 7.2(e).
- (p) "Permitted Use" is defined in Recital D and Article IV.
- (q) "Term" is defined in Section 2.1.
- 1.2 <u>Incorporation of Recitals</u>. The Parties acknowledge the truth of the Recitals set forth above, and all such Recitals are hereby incorporated into this Agreement.
- 1.3 <u>Creation of Lease</u>. The City hereby leases to Lessee, and Lessee hereby leases from the City, the Property, including the Building, for the Term subject to the terms and conditions and for the purposes set forth in this Agreement.

ARTICLE II TERM OF LEASE; RENT

2.1 <u>Term.</u> The term of occupancy of Lessee (the "Occupancy Term") shall commence on the date that the City closes on the purchase of the Property (the "Commencement Date"), and unless terminated earlier pursuant to the provisions hereof, shall expire on June 30, 2024 (the

"Occupancy Expiration Date"). Lessee shall vacate the Building and remove all personal property from the Building and the Property on or prior to the Occupancy Expiration Date.

Either party has the right to terminate the Occupancy Term prior to the Occupancy Expiration Date by mutual agreement, to be evidenced in writing thirty (30) days prior to the early termination date. Subject to Article V below, the termination of this Agreement shall be referred to as "Lease Termination."

- 2.2 Rent. On the Commencement Date, and on each anniversary of the Commencement Date during the Occupancy Term, and any extension of the Occupancy Term, Lessee shall pay to the City rent for the Property ("Rent") in the amount of One Dollar (\$1.00).
- 2.3 <u>Additional Rent</u>. As additional Rent, Lessee shall pay and discharge when due, all Impositions described in <u>Article III</u>, including but not limited to all taxes, insurance premiums, utility costs, and all other liabilities and obligations which Lessee assumes or agrees to pay or undertake pursuant to this Agreement.
- 2.4 <u>Triple Net Lease</u>. This is a triple net lease to Lessee. It is the intent of the Parties that the Rent shall be an absolutely net return to the City and that Lessee shall pay all costs and expenses relating to the Property and the Building of any kind or nature whatsoever. Such costs and expenses shall include, without limitation, all amounts attributable to, or paid or incurred in connection with, the ownership, operation, repair, restoration, maintenance and management of the Property and the Building; real property taxes; rent taxes; gross receipt taxes (whether assessed against the City or assessed against Lessee and collected by the City, or both); water and sewer charges; insurance premiums; utilities; refuse disposal; lighting (including outside lighting); fire detection systems including monitoring, maintenance and repair; security; janitorial services; labor; air-conditioning and heating; maintenance and repair costs and service contracts; costs of licenses, permits and inspections; costs of landscaping; and all other costs and expenses paid or incurred with respect to the Property and the Building.

ARTICLE III TAXES, ASSESSMENTS AND OTHER CHARGES

3.1 <u>Impositions</u>. Throughout the Term, Lessee shall pay prior to delinquency, all real property taxes, possessory interest taxes, license and permit fees, sales, use or occupancy taxes, assessments whether general or special, ordinary or extraordinary, unforeseen, as well as foreseen, of any kind or nature whatsoever, pertaining to the Property and the Building or part thereof, including, but not limited to (i) any assessment, levy, imposition or charge in lieu of or in substitution for real estate taxes, and (ii) any assessment for public improvements or benefits which is assessed, levied, or imposed upon or which becomes due and payable and a lien upon (a) the Property or any part thereof or any personal property, equipment or other facility used in the operation thereof, (b) the rent or income received by Lessee from subtenants or licensees, (c) any use or occupancy of the Property or part thereof, or (d) this transaction or any document to which Lessee is a party creating or transferring an estate or interest in the Property or part thereof. All of the foregoing are hereinafter referred to as "**Impositions**."

3.1.1 <u>Installments</u>. If by law any Imposition is payable, or may at the option of the taxpayer be paid in installments (whether or not interest shall accrue on the unpaid balance of such Imposition), Lessee may pay the same together with any accrued interest on the unpaid balance of such Imposition in installments as the same respectively become due and before any fine or penalty may be added thereto for the nonpayment of any such installment and interest. Any Impositions relating to tax years that are only partially included in the Term of this Agreement shall be prorated between Lessee and the City.

- 3.1.2 <u>Evidence of Payment</u>. Upon request by the City, Lessee shall furnish, in form satisfactory to the City, evidence of payment prior to delinquency of all Impositions payable by Lessee.
- 3.1.3 <u>Exemption from Possessory Interest Tax</u>. It is Lessee's sole responsibility to apply to the County for an exemption from Possessory Interest Taxes if Lessee's non-profit status entitles it to such exemption.
- 3.2 Lessee Right to Contest. Lessee shall have the right before any delinquency occurs to contest or object to the amount or validity of any Imposition by appropriate legal proceedings, but such right shall not be deemed or construed in any way as relieving, modifying or extending Lessee's covenant to pay any such Imposition at the time and in the manner required by law. Any such contest shall be conducted in accordance with and subject to the requirements of all Applicable Laws and otherwise in a manner that does not subject the City's title to the Property to foreclosure or forfeiture. Lessee shall indemnify, defend, and hold the City and its board members, employees, agents and representatives (all of the foregoing, collectively the "Indemnitees") harmless from and against all liabilities, losses, damages, fines, deficiencies, penalties, claims, demands, suits, actions, causes of action, legal or administrative proceedings, judgments, costs and expenses (including without limitation reasonable attorneys' fees and court costs) (all of the foregoing, collectively "Losses") arising as a result of or in connection with any such contest brought by Lessee. During any contest of an Imposition, Lessee shall (by payment of disputed sums, if necessary) prevent any advertisement of tax sale, foreclosure of, or any divesting of the City's title, reversion or other interest in the Property. Upon final determination of the amount or validity of any Imposition contested pursuant to this Section 3.2, Lessee shall immediately pay such Imposition and all costs and expenses relating to such challenge.
- 3.3 <u>Lessee Duty to File</u>. Lessee shall have the duty of making or filing any declaration, statement or report which may be necessary or advisable in connection with the determination, equalization, reduction or payment of any Imposition which is or which may become payable by Lessee under the provisions of this <u>Article III</u>, and shall notify the City in writing upon making such filing, declaration, statement or report, and the City shall not be responsible for the contents of any such declaration, statement or report; provided however, the City shall cooperate with Lessee in connection with the foregoing, including joinder in any application pertaining thereto to the extent required under Applicable Law, all at no cost to the City.

ARTICLE IV USE OF PROPERTY

- 4.1 <u>Permitted Use</u>. Lessee is only permitted to use the Property for community events that have been held on the Property in the past at this location and for the relocation of the Building (the "**Permitted Use**").
- 4.2 <u>Prohibited Uses</u>. Lessee shall not use the Property or the Building for (i) drug rehabilitation programs or (ii) as a homeless shelter or for any other overnight occupation.
- 4.3 <u>Relocation of Building</u>. Lessee has the right to relocate the Building to property owned by Lessee at any time during the Term of this Agreement with ten (10) days written notice to the City. If Lessee elects to relocate the Building, then Lessee shall also remove any remaining debris or combustible materials related to the removal of the Building. Lessee hereby agrees that if Lessee does not elect to relocate the Building, the City has the right to demolish the Building upon the termination of this Agreement.

ARTICLE V ALTERATIONS AND NEW CONSTRUCTION; CITY CONSTRUCTION OF UTILITIES

- 5.1 <u>Changes and Alterations</u>. Lessee shall not make any changes to the Property or the Building.
- 5.2 <u>Permanent Utilities</u>. The City has the sole responsibility to move the Utilities that are located on the Property to a permanent site designated by Lessee on the Foundation Property. The City must provide the connections to the Utilities no later than June 30, 2024.
- 5.3 <u>Right of Entry</u>. Lessee hereby provides City and the providers of the Utilities with a license to enter the Property and to enter the Foundation Property to construct the connections to the Utilities (the "**Permitted Activities**"). The license to enter is subject to the following:
- 5.3.1 City will provide at least twenty-four (24) hours advance notice prior to entering onto the Property or the Foundation Property to effect the Permitted Activities.
- 5.3.2 City will permit only licensed and responsible City parties to enter upon the Property.
- 5.3.3 City and City parties will comply with all applicable laws, regulations, rules and permits pertaining to the Property and the Foundation Property, including, but not limited to, the Occupational Health & Safety Act and all applicable environmental laws, health and safety laws and regulations, whether federal, state or local.
- 5.3.4 City shall be liable for any damage to the Property or Foundation Property that occurs as a result of this Agreement and the Permitted Activities, except and to the extent: 1) such

damage is required as a condition to City's completion of the Permitted Activities, in which case City shall, to the extent necessary and feasible, promptly restore the Foundation Property to the condition existing prior to the commencement of such activities; and 2) the damage is caused by the gross negligence or willful misconduct of the Lessee. Any damage to the Foundation Property caused by City parties in violation of this Agreement shall be immediately repaired to the satisfaction of the Lessee at City's sole cost and expense.

- 5.3.5 City agrees to promptly pay before delinquency any and all labor and materials expended or used in connection with the Permitted Activities. City shall at all times keep the Foundation Property free and clear of all liens and encumbrances affecting title to the Foundation Property in connection with the Permitted Activities.
- 5.3.6 City covenants that it shall enter the Property and the Foundation Property in such manner and at such time as shall not interfere with any other existing use of the Property or the Foundation Property. The Lessee covenants that it will reasonably cooperate with City so that City parties' entry may be handled in an efficient manner and so as to avoid any unreasonable delays with respect to the Permitted Activities.

ARTICLE VI NONDISCRIMINATION, MAINTENANCE

- 6.1 <u>Uses</u>. Lessee may use the Property for the Permitted Use as described herein and for no other purposes without the prior written consent of the City. Lessee shall not use or permit the Property or the Building to be used in whole or in part during the Term for any purpose other than as permitted pursuant to this Agreement.
- 6.2 <u>Nondiscrimination</u>. Lessee herein covenants by and for itself, it's heirs, executors, administrators, and assigns, and all persons claiming under or through it, and this lease is made and accepted upon and subject to the following conditions: that there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the premises herein leased.
- 6.3 <u>Easements; Reservation of Rights</u>. The City reserves the right to locate and construct its own utilities and to grant nonexclusive easements across the Property for utility and other purposes including the installation, maintenance, repair and replacement of utilities; provided that the exercise of such rights do not unreasonably interfere with Lessee's use of the Property for the purposes set forth herein.
- 6.4 <u>Maintenance</u>. At Lessee's sole cost and expense throughout the Term, Lessee shall operate, maintain and manage the Property and the Building including all walls, windows, roofs, landscaping and improvements thereon in good order and repair and in neat, clean sanitary and safe condition in compliance with all local, state and federal laws, statutes and regulations relating

to the use, occupancy or operation of the Property and the Building. Lessee shall ensure that the Property is served by adequate lighting in accordance with applicable building codes. Lessee shall keep and maintain all portions of the Property in a clean and orderly condition, free of accumulation of dirt, rubbish, and graffiti. The City has no responsibility for any maintenance of any part of the Property or the Building under this Lease

6.5 <u>Lessee Right to Contest</u>. Lessee shall have the right to contest by appropriate proceedings, in the name of Lessee, and without cost or expense to the City, the validity or application of any Applicable Law. If compliance with any Applicable Law may legally be delayed pending the prosecution of any such proceeding without the incurrence of any lien, charge or liability against the Property or City's interest therein, and without subjecting Lessee or the City to any liability, civil or criminal, for failure so to comply therewith, Lessee may delay compliance therewith until the final determination of such proceeding. Lessee shall indemnify, defend (with counsel approved by the City), protect and hold the Indemnitees harmless from and against all Claims arising in connection with any such contest brought by Lessee. The foregoing indemnity obligation shall survive the expiration or earlier termination of this Agreement.

ARTICLE VII CONDITION OF THE PREMISES; ENVIRONMENTAL MATTERS

7.1 <u>Condition of the Property</u>.

- 7.1.1 <u>AS-IS Condition</u>. Lessee will lease the Property in its "AS IS" condition as such condition exists as of the Commencement Date. Lessee is responsible for ensuring that the Property and the Building meet the requirements of all Applicable Laws including, but not limited to, all requirements of the Americans with Disabilities Act.
- 7.1.2 No Representations. Lessee acknowledges that except as expressly set forth herein, the City makes no representations or warranties expressed or implied regarding the condition of the Property or the fitness or suitability thereof for Lessee's purposes, including but not limited to, the condition of the soil, its geology, topography, the presence or absence of fill, the presence or absence of Hazardous Materials, drainage, flood zone designation, or compliance with Hazardous Materials Laws, and no patent or latent defect or deficiency in the condition of the Property shall affect the rights of Lessee or the City hereunder. Lessee shall rely solely on its own independent investigation and judgment as to all matters relating to the Property. Lessee acknowledges and agrees that prior to the Effective Date it has made such investigations of the Property, including without limitation such inquiries of governmental agencies, soils testing, tests and inspections as City deemed necessary to determine the condition of the Property, and has approved all such characteristics and conditions and shall lease the Property in its condition as of the Effective Date "AS-IS" "WHERE-IS" AND WITH ALL FAULTS. Lessee further acknowledges that the City has made available all data and information on the Property available to the City, including but not limited to the ADA condition of the Property, but without warranty or representation by the City as to the completeness, correctness or validity of such data and information, except as otherwise set forth in this Agreement.
- 7.2 <u>Lessee's Covenants</u>. Lessee hereby covenants and agrees that throughout the Term:

(a) The Property, the Building, and the use and operation thereof, shall be in compliance with all Hazardous Materials Laws, and Lessee shall not cause or permit the Property, the Building or any portion thereof to be in violation of any Hazardous Materials Laws.

- (b) Lessee shall not permit the Property, the Building, or any portion thereof to be a site for the use, generation, treatment, manufacture, storage, disposal or transportation of Hazardous Materials nor shall Lessee permit the presence or release of Hazardous Materials in, on, under, about or from the Property or the Building with the exception of materials customarily used in construction, operation, use or maintenance of childcare facilities, provided such materials are used, stored and disposed of in compliance with Hazardous Materials Laws.
- (c) Upon receiving knowledge of the same, Lessee shall immediately advise the City in writing of: (i) any and all enforcement, cleanup, removal or other governmental or regulatory actions instituted, completed or threatened against Lessee, the Building or the Property pursuant to any applicable Hazardous Materials Laws; (ii) any and all complaints, claims, citations, demands, inquiries, reports, or notices made or threatened by any third party against Lessee, the Building or the Property relating to damage, contribution, cost recovery, compensation, loss or injury resulting from any Hazardous Materials; (iii) the presence or release of any Hazardous Materials in, on, under, about or from the Building or the Property; or (iv) Lessee's discovery of any occurrence or condition on any real property adjoining or in the vicinity of the Property classified as "Border Zone Property" under the provisions of California Health and Safety Code, Sections 25220 et seq., or any regulation adopted in connection therewith, that may in any way affect the Property pursuant to any Hazardous Materials Laws or cause it or any part thereof to be designated as Border Zone Property. The matters set forth in the foregoing clauses (i) through (iv) are hereinafter referred to as "Hazardous Materials Claims." The City shall have the right to join and participate in, as a party if it so elects, any legal proceedings or actions initiated in connection with any Hazardous Materials Claim, and to have its reasonable attorney's fees in connection therewith paid by Lessee.
- (d) Without the City's prior written consent, which shall not be unreasonably withheld, Lessee shall not take any remedial action in response to the presence of any Hazardous Materials in, on, under, or about the Building or the Property (other than in emergency situations or as required by governmental agencies having jurisdiction in which case the City agrees to provide its consent), nor enter into any settlement agreement, consent decree, or other compromise with respect to any Hazardous Materials Claim.
- (e) If the presence of any Hazardous Material in the Building or on the Property due to any of the occurrences specified in Section 7.3 (Environmental Indemnity) results in any contamination of the Property in violation of Hazardous Materials Laws, Lessee shall promptly take all actions at its sole expense as are necessary to remediate the Property as required by law; provided that the City's approval of such actions shall first be obtained, which approval may be withheld in the City's reasonable discretion. All costs and expenses of any Remedial Work shall be paid by Lessee, it being understood that the City shall incur no cost, expense or liability in connection with any Remedial Work. The City shall have the right, but no obligation, to join and participate in, as a party if it so elects at the City's cost, any legal proceedings or actions initiated

Work" means all investigation, testing, analysis, monitoring, restoration, abatement, detoxification, containment, handling, treatment, removal, storage, decontamination, clean-up, transport, disposal or other ameliorative work or response action required by (i) any Hazardous Materials Laws, (ii) any order or request of any federal, state or local governmental agency, or (iii) any judgment, consent decree, settlement or compromise with respect to any and all enforcement, clean-up, removal, remedial or other governmental or regulatory actions or agreements or orders threatened, instituted, or completed pursuant to any Hazardous Materials Laws or any actions, proceedings or claims by such entities or third parties relating to or arising out of the breach of any Hazardous Materials Laws or the presence or release of any Hazardous Material in, on, under or from the Building or the Property.

Environmental Indemnity. Lessee shall indemnify, defend (with counsel reasonably 7.3 acceptable to the City) and hold the Indemnitees harmless from and against all Claims arising during the Term and resulting, arising, or based directly or indirectly in whole or in part, upon (i) the use, generation, discharge, transport, storage or disposal of any Hazardous Materials on, under, in or about, or the transportation of any such Hazardous Materials to or from the Property during the Term, (ii) the failure of Lessee, Lessee's employees, agents, contractors, subcontractors, licensees, permittees, or any person acting on behalf of any of the foregoing to comply with Hazardous Materials Laws, or (iii) the breach by Lessee of any of its covenants contained in this Article VII. The foregoing indemnity shall further apply to any residual contamination in, on, under or about the Property or affecting any natural resources, and to any contamination of any property or natural resources arising in connection with the generation, use, handling, treatment, storage, transport or disposal of any such Hazardous Materials, and irrespective of whether any of such activities were or will be undertaken in accordance with Hazardous Materials Laws and shall include, without limitation, any Claims arising in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work ordered by a court or required by any federal, state, or local governmental agency or political subdivision. This Section 7.3 shall survive the expiration or earlier termination of this Agreement.

7.4 <u>Definitions</u>.

7.4.1 <u>Hazardous Materials</u>. As used herein, "**Hazardous Materials**" means any substance, material, or waste which is or becomes regulated by any local, state or federal authority, agency or governmental body, including any material or substance which is: (i) defined as a "hazardous waste," "extremely hazardous waste," or "restricted hazardous waste" under Sections 25115, 25117 or 25122.7, or listed pursuant to Section 25140 of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law); (ii) defined as a "hazardous substance" under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act); (iii) defined as a "hazardous material," "hazardous substance," or "hazardous waste" under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory); (iv) defined as a "hazardous substance" under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances); (v) petroleum; (vi) friable asbestos; (vii) polychlorinated biphenyls; (viii) listed under Article 9 or defined as "hazardous" or "extremely hazardous" pursuant to Article 11 of Title

22 of the California Administrative Code, Division 4, Chapter 20; (ix) designated as "hazardous substances" pursuant to Section 311 of the Clean Water Act (33 U.S.C. §1317); (x) defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. §6901, et seq. (42 U.S.C. §6903); or (xi) defined as "hazardous substances" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §9601, et seq., as the foregoing statutes and regulations now exist or may hereafter be amended.

7.4.2 <u>Hazardous Materials Laws</u>. As used herein "**Hazardous Materials Laws**" means all federal, state and local laws, ordinances, regulations, orders and directives pertaining to Hazardous Materials, including without limitation, the laws, statutes and regulations cited in the preceding <u>Section 7.4.1</u>, as any of the foregoing may be amended from time to time.

ARTICLE VIII [RESERVED]

ARTICLE IX INDEMNITY AND INSURANCE

- Indemnity. Lessee shall indemnify, defend (with counsel reasonably acceptable to the 9.1 City) and hold the Indemnitees harmless from and against any and all Claims arising during the Term and arising from or in connection with any of the following: (i) Lessee's (including its employees, agents, representatives, guests, invitees, contractors, and consultants) (collectively, the "Lessee Parties") operation or management of the Property, (ii) any work or thing done on or in the Property by the Lessee Parties, (iii) any condition of any alteration or addition constructed by the Lessee Parties on the Property, (iv) any breach or default by the Lessee Parties in the performance of any covenant or agreement to be performed by Lessee pursuant to the terms of this Agreement, (v) any gross negligence of the Lessee Parties, (vi) any accident, injury or damage caused to any person and occurring during the Term in or on the Property, and (vii) the furnishing of labor or materials by the Lessee Parties. In the event any such action or proceeding is brought against the City by reason of any such Claim, Lessee, upon notice from the City, covenants to defend such action or proceeding by counsel reasonably satisfactory to the City. If an insurer under insurance required to be maintained by Lessee hereunder shall undertake to defend the City under a reservation of rights with respect to ultimate coverage and the City shall reasonably deem it necessary to retain independent counsel with respect to such matter, Lessee shall pay the reasonable fees of such counsel. The obligations of Lessee under this Article IX shall not apply to any Claim or other matter to the extent such arises as a result of the gross negligence or willful misconduct of the Indemnitees. This Section shall survive the expiration or earlier termination of this Agreement.
- 9.2 <u>Insurance Requirements</u>. Lessee shall procure, at its sole expense, and maintain in full force and effect during the Term, the following insurance naming the City as additional insured and/or loss payee:

a. Comprehensive General Liability insurance against claims for bodily and personal injury, death and property damage caused by or occurring in conjunction with the operation of the Property with a policy limit of at least Two Million Dollars (\$2,000,000) per occurrence.

- b. Lessee shall maintain property insurance covering all risks of loss including flood (if required) for 100% of the replacement value of the Building, the Property and any Improvements, naming the City as loss payee as its interests may appear.
- c. Workers' compensation insurance that complies with the statutory requirements of the state of California.
- d. Automobile liability insurance for owned, hired and non-owned vehicles, with a combined single limit of at least One Million Dollars (\$1,000,000).

If Lessee undertakes the construction of the Improvements pursuant to <u>Article V</u>, Lessee shall ensure that its general contractor carries liability, property damage, workers' compensation, and builder's risk insurance throughout construction of the Improvements, naming the Indemnitees as additional insureds and otherwise in compliance with all requirements set forth in this <u>Section 9.2</u>.

ARTICLE X DAMAGE AND DESTRUCTION

10.1 <u>Damage or Destruction</u>. In the event of any damage to or destruction of the Property during the Term, Lessee shall elect by written notice delivered to the City within one hundred eighty (180) days following the date of the occurrence of the damage to either terminate this Agreement or restore and rebuild the Building or the Property to be useable for the Permitted Use, subject to any restrictions imposed by changes in any Applicable Law. If Lessee elects to restore the Building or the Property or any improvements thereon, Lessee shall commence diligently and continuously to carry out such rebuilding to full completion as soon as possible and shall commence reconstruction of the Building or the Property by the date upon which insurance proceeds are made available for such work, or such reasonable period of time that is necessary to design a new Building and to get such approvals and permits that are necessary to construct the new Building.

If Lessee does not elect to restore the Building or the Property to be useable for the Permitted Use the City may exercise its right to terminate this Agreement pursuant to <u>Section 14.3</u>. This Agreement shall terminate upon delivery of written notice of Termination by the City to Lessee. If this Agreement is terminated pursuant to this paragraph on or before the Expiration Date, Lessee shall promptly remove the Building from the Property and vacate the Property.

10.2 <u>Notice Required</u>. In the event of material damage to or destruction of the Building, the Property, or any part thereof, Lessee shall promptly give the City notice of such occurrence and take all actions reasonably required to protect against hazards caused by such damage or destruction. For purposes of this <u>Article X</u>, damage or destruction shall be deemed to be material if the estimated cost to repair equals or exceeds One Hundred Thousand Dollars (\$100,000).

ARTICLE XI THE CITY'S RIGHT TO PERFORM TENANT'S COVENANTS

If Lessee shall at any time fail to pay any Imposition or other charge payable by Lessee to a third party as required by this Agreement, or to comply with the requirements set forth in Section 9.2 pertaining to insurance, or to make any other payment or perform any other act on its part to be made or performed hereunder within the time permitted by this Agreement, then the City, after thirty (30) days' written notice to Lessee and without waiving or releasing Lessee from any obligation of Lessee hereunder, may (but shall not be required to): (i) pay such Imposition or other charge payable by Lessee; (ii) pay for and maintain the insurance policies required pursuant to this Agreement, or (iii) make such other payment or perform such other act on Lessee's part to be made or performed under this Agreement; and the City may enter upon the Property for such purpose and take all such action thereon as may be reasonably necessary therefor.

All sums paid by the City and all costs and expenses incurred by the City in connection with any such payment or the performance of any such act shall constitute additional Rent payable by Lessee under this Agreement and shall be paid by Lessee to the City on demand.

ARTICLE XII MORTGAGES

12.1 <u>Non-Subordination of Fee</u>. Nothing in this Agreement shall be construed as an agreement by the City to subordinate its fee interest in the Property or its right to rent payments hereunder or any other right of the City herein.

ARTICLE XIII ASSIGNMENT, TRANSFER, SUBLETTING; NONDISTURBANCE AND ATTORNMENT

- 13.1 <u>Restrictions on Transfer</u>. Lessee shall not sublease or otherwise convey ("**Transfer**") its leasehold interest hereunder or any portion of its interest in the Property.
- 13.2 Reserved.
- 13.3 Reserved.
- 13.4 <u>Nondisturbance</u>. Provided that Lessee is not in default under this Agreement, Lessee's possession, use and enjoyment of the Property shall not be interfered with, disturbed or diminished, or otherwise affected in any manner as a result of any act or omission of the City, or any exercise of any remedies under this Agreement. Lessee shall also ensure that its possession, uses and enjoyment of the Property does not interfere with, disturb or diminish or otherwise affect in any manner any other tenants on the Property.

ARTICLE XIV DEFAULT, REMEDIES AND TERMINATION

- 14.1 <u>Event of Default</u>. Lessee shall be in default under this Agreement upon the continuation of any of the following for ninety (90) days after the City gives Lessee a written Notice of Default (as defined in <u>Section 14.2.1</u>); provided however, if the default is of a nature that it cannot be cured within ninety (90) days, an Event of Default shall not arise hereunder if Lessee commences to cure the default within ninety (90) days and thereafter prosecutes the curing of such default with due diligence and in good faith to completion ("**Events of Default**"):
- (a) <u>Monetary Obligation</u>. Lessee at any time is in default hereunder as to any obligation (including without limitation, Lessee's obligation to pay taxes and assessments due on the Property or part thereof, subject to Lessee's rights to contest such charges pursuant to <u>Section 3.2</u>);
- (b) <u>Insurance</u>. Lessee fails to obtain and maintain any insurance required pursuant to Section 9.2 of this Agreement; or
- (c) <u>Permitted Use</u>. If Lessee uses the Property or the Building for a purpose other than the Permitted Use.

14.2 <u>Notice and Opportunity to Cure.</u>

- 14.2.1 <u>Notice of Default</u>. Upon the occurrence of a default hereunder, the non-defaulting party shall deliver a notice to the nonperforming party (the "**Notice of Default**"), stating the nature of the obligation which such nonperforming party has failed to perform, and stating the applicable period of time, if any, permitted to cure the default.
- 14.2.2 <u>Failure to Give Notice</u>; <u>No Waiver</u>. Failure to give, or delay in giving, the Notice of Default shall not constitute a waiver of any obligation, requirement or covenant required to be performed hereunder. No failure or delay by either party in asserting any rights and remedies as to any breach shall operate as a waiver of any breach or of any such rights or remedies. Delay by either party in asserting any of its rights and remedies shall not deprive such party of the right to institute and maintain any action or proceeding which it may deem appropriate to protect, assert or enforce any such rights or remedies.
- 14.3 <u>The City's Remedies</u>. Upon the occurrence of any Event of Default, following Lessee's opportunity to cure set forth in <u>Section 14.2.1</u>, and in addition to any and all other rights or remedies of the City hereunder and/or provided by law, the City shall have the right to terminate this Agreement.
- 14.4 <u>Remedies Cumulative</u>. No remedy shall be considered exclusive of any other remedy, but the same shall be cumulative and shall be in addition to every other remedy provided hereunder.

14.5 Reserved.

14.6 <u>Survival of Obligations</u>. Nothing herein shall be deemed to affect the right of the City under <u>Article IX</u> of this Agreement to indemnification for liability arising prior to the termination of this Agreement for personal injuries or property damage, nor shall anything herein be deemed to affect the right of the City to equitable relief where such relief is appropriate. No expiration or termination of the Term by operation of law, or otherwise, and no repossession of the Improvements or any part thereof shall relieve Lessee of its previously accrued liabilities and obligations hereunder, all of which shall survive such expiration, termination or repossession.

ARTICLE XV GENERAL PROVISIONS

15.1 Force Majeure; Extension of Times of Performance. Subject to the limitations set forth below, performance by either Party shall not be deemed to be in default, and all performance and other dates specified in this Agreement shall be extended where delays are due to: war, insurrection, strikes, lockouts, riots, floods, earthquakes, fires, casualties, acts of God, acts of the public enemy, epidemics, quarantine restrictions, freight embargoes, governmental restrictions or priority, litigation, including court delays, unusually severe weather, acts or omissions of the other Party, acts or failures to act of any public or governmental agency or entity (other than the Parties which shall not excuse delay in performance), or any other cause beyond the affected Party's reasonable control (all of the foregoing "Force Majeure"). An extension of time for any such cause shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause, if notice by the Party claiming such extension is sent to the other Party within thirty (30) days of the commencement of the cause and such extension is not rejected in writing by the other Party within ten (10) days of receipt of the notice. Neither Party shall unreasonably withhold consent to an extension of time pursuant to this Section.

Times of performance under this Agreement may also be extended in writing by the mutual agreement of Lessee (acting in the discretion of its City Manager unless he or she determines in his or her discretion to refer such matter to City Council) and the City. Each Party expressly assumes the risk of such adverse economic or market changes and/or financial inability, whether or not foreseeable as of the Effective Date.

15.2 Reserved.

- 15.3 <u>The City's Right to Enter the Property</u>. The City and its agents may enter the Property from time to time with 14 days' notice to ensure that the Property is being used or improved in compliance with the Permitted Use.
- 15.4 Representations of the City and Lessee.
- 15.4.1 Lessee hereby represents and warrants that all of the following are true and correct as of the Effective Date:
- (a) Lessee has taken all requisite action in connection with the execution of this Agreement and the undertaking of the obligations set forth herein. This Agreement constitutes the

legally valid and binding obligation of Lessee, enforceable against Lessee in accordance with its terms, except as it may be affected by bankruptcy, insolvency or similar laws or by legal or equitable principles relating to or limiting the rights of contracting parties generally; and

- (b) The execution of this Agreement and the acceptance of the obligations set forth herein do not violate any court order or ruling binding upon Lessee or any provision of any indenture, agreement or other instrument to which Lessee is a party or may be bound. Neither the entry into nor the performance of this Agreement will violate, be in conflict with or constitute a default under any charter, bylaw, partnership agreement, trust agreement, mortgage, deed of trust, indenture, contract, judgment, order or other agreement, charge, right or interest applicable to Lessee.
- 15.4.2 The City hereby represents and warrants that all of the following are true and correct as of the Effective Date:
- (a) The City has taken all requisite action in connection with the execution of this Agreement and the undertaking of the obligations set forth herein. This Agreement constitutes the legally valid and binding obligation of the City, enforceable against the City in accordance with its terms, except as it may be affected by bankruptcy, insolvency or similar laws or by legal or equitable principles relating to or limiting the rights of contracting parties generally; and
- (b) The execution of this Agreement and the acceptance of the obligations set forth herein do not violate any court order or ruling binding upon the City or any provision of any indenture, agreement or other instrument to which the City is a party or may be bound. Neither the entry into nor the performance of this Agreement will violate, be in conflict with or constitute a default under any charter, bylaw, partnership agreement, trust agreement, mortgage, deed of trust, indenture, contract, judgment, order or other agreement, charge, right or interest applicable to the City.

15.5 Miscellaneous.

- 15.5.1 Severability. If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.
- 15.5.2 <u>Notices</u>. Except as otherwise specified herein, all notices to be sent pursuant to this Agreement shall be made in writing, and sent to the Parties at their respective addresses specified below or to such other address as a Party may designate by written notice delivered to the other parties in accordance with this Section. All such notices shall be sent by:
 - (i) personal delivery, in which case notice is effective upon delivery;

(ii) certified or registered mail, return receipt requested, in which case notice shall be deemed delivered on receipt if delivery is confirmed by a return receipt;

- (iii) nationally recognized overnight courier, with charges prepaid or charged to the sender's account, in which case notice is effective on delivery if delivery is confirmed by the delivery service; or
- (iv) electronic transmission, in which case notice shall be deemed delivered upon transmittal, provided that a duplicate copy of the notice is promptly delivered by first-class or certified mail or by overnight delivery. Any notice given electronically shall be considered to have been received on the next business day if it is received after 5:00 p.m. recipient's time or on a nonbusiness day.

City: City of Rancho Cordova 2729 Prospect Park Drive Rancho Cordova, CA 95670 Attn: Public Works Director Phone:

Lessee: Cordova Community Council Foundation

2729 Prospect Park Drive, Suite 117

Rancho Cordova, CA 95670 Attn: Executive Director Phone:

- 15.5.3 <u>Captions</u>; <u>Construction</u>. The section headings and captions used herein are solely for convenience and shall not be used to interpret this Agreement. The Parties acknowledge that this Agreement is the product of negotiation and compromise on the part of both Parties, and the Parties agree that since both Parties have participated in the negotiation and drafting of this Agreement with the advice of counsel, this Agreement shall not be construed as if prepared by one of the Parties, but rather according to its fair meaning as a whole, as if both Parties had prepared it.
- 15.5.4 <u>Successors and Assigns</u>. Subject to the restrictions on transfer set forth in <u>Article XV</u>, this Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective successors and assigns. Any reference in this Agreement to a specifically named Party shall be deemed to apply to any permitted successor and assign of such Party who has acquired an interest in compliance with this Agreement as if in every case so expressed.

15.5.5 Reserved.

15.5.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California without regard to principles of conflicts of laws. Any action to enforce or interpret this Agreement shall be filed in the Superior Court of Sacramento County, California or in the Federal District Court for the Northern District of California.

15.5.7 <u>Attorneys' Fees</u>. If either Party commences an action against the other to enforce any obligation contained herein, or to interpret any provision hereof, the prevailing party shall be entitled to recover from the other Party reasonable counsel fees, costs and necessary disbursements, as determined by the court having jurisdiction over the action.

- 15.5.8 <u>Indemnity Includes Defense Costs</u>. In any case where either Party is obligated under an express provision of this Agreement, to indemnify and to save the other Party harmless from any damage or liability, the same shall be deemed to include defense of the indemnitee by the indemnitor, such defense to be through legal counsel reasonably acceptable to the indemnitee.
- 15.5.9 No Third-Party Beneficiaries; Disclaimer of Partnership, Lender/Borrower Relationship. Nothing contained in this Agreement is intended to or shall be deemed to confer upon any person, other than the Parties any rights or remedies hereunder. The relationship of the parties under this Agreement is solely that of the landlord and tenant, and it is expressly understood and agreed that the City does not as a result of this Agreement in any way nor for any purpose become a partner of Lessee or a joint venturer with Lessee in the conduct of Lessee's business or otherwise. This Agreement is not intended to, and shall not be construed to, create the relationship of principal and agent, partnership, joint venture, or association as between the City and Lessee. It is further expressly understood and agreed that this Agreement is not intended to, and shall not be construed to create the relationship of lender and borrower, and the City does not, solely as a result of this Agreement, become a lender to Lessee.
- 15.5.10 Entire Agreement. This Agreement, together with Exhibit A, which by this reference is hereby incorporated herein, contains the entire agreement between the Parties relative to the transactions covered hereby. All previous correspondence, communications, discussions, agreements, understandings or proposals and acceptances thereof between the Parties or their representatives, whether oral or written, are deemed to have been integrated into and superseded by this Agreement and are of no further force and effect except as expressly provided in this Agreement.
- 15.5.11 <u>Waiver; Modification</u>. No waiver of any breach of any covenant or provision of this Agreement shall be deemed a waiver of any subsequent breach of the same or any other covenant or provision hereof. No waiver shall be valid unless in writing and executed by the waiving party. An extension of time for performance of any obligation or act shall not be deemed an extension of the time for performance of any other obligation or act, and no extension shall be valid unless in writing and executed by the waiving party. This Agreement may be amended or modified only by a written instrument executed by the Parties.
- 15.5.12 <u>Time is of the Essence</u>. Time is of the essence of this Agreement and of each provision hereof.
- 15.5.13 <u>Counterparts</u>. This Agreement may be executed in one or more counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument.

15.5.14 <u>Non-Liability of Officials, Employees and Agents</u>. No member, official, employee or agent of Lessee shall be personally liable to City or its successors in interest in the event of any default or breach by Lessee or for any amount which may become due from Lessee or Lessee's permitted successors in interest pursuant to this Agreement.

SIGNATURES ON THE NEXT PAGE

IN WITNESS WHEREOF, the Parties have entered into this Lease as of the Effective Date.

TENANT: CORDOVA COMMUNITY . COUNCIL FOUNDATION	<u>CITY</u> : CITY OF UNION CITY
By:	By:City Manager
	ATTEST:
	City Clerk
	APPROVED AS TO FORM
	City Attorney

DRAFT 12-12-22

Exhibit A

PROPERTY (Attach Depiction)

3881510.6 A-1

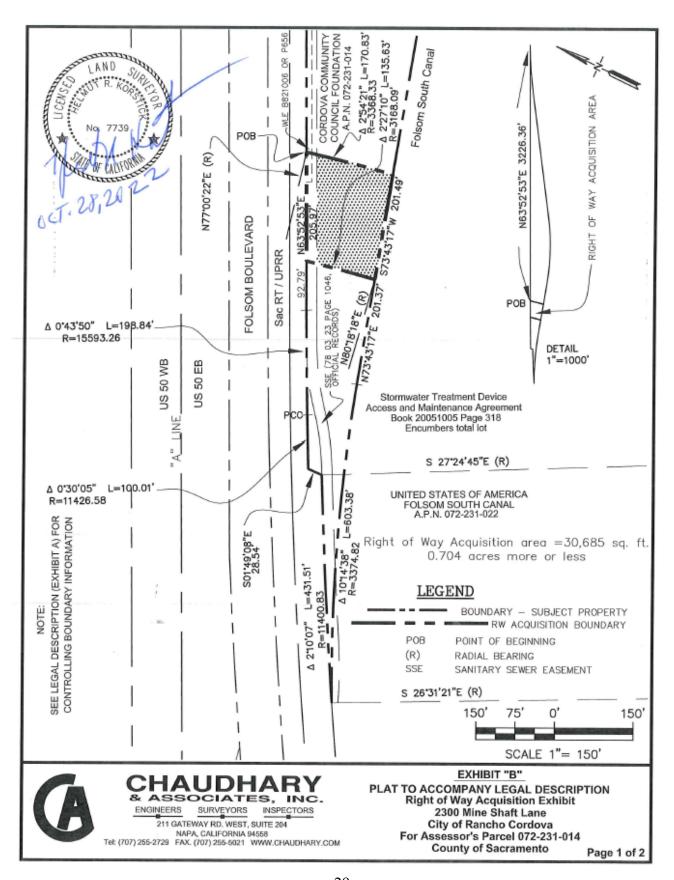
EXHIBIT D				
Form of Deed				
Recording Requested by and when Recorded, return to:				
City of Rancho Cordova 2729 Park Drive Rancho Cordova 95670 Attention: City Clerk				
EXEMPT FROM RECORDING FEES PER GOVERNMENT CODE §§6103, 27383				
APN:				
GRANT DEED				
The undersigned Grantor declares: Documentary transfer tax is Exempt under Rev. & Tax Code Section 11922 – Transfer to public entity FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, Cordova Community Council Foundation, a California nonprofit public benefit corporation ("Grantor") hereby grants to the City of Rancho Cordova, that certain property (the "Property") located in the City of Rancho Cordova, County of Sacramento, State of California, as more particularly described on Exhibit 1 attached hereto. Together with all and				
appertaining.	nd appurtenances thereunto belonging or in anywise			
IN WITNESS WHEREOF, the undersigned have executed this Grant Deed dated as of, 20				
GRANTOR:				
Cordova Community Council Foundationa California nonprofit corporation	on			
By: Name:				

ACKNOWLEDGMENT

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				
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.				
WITNESS my hand and official	seal.			
Signature				

Exhibit 1 to Grant Deed



Oct. 28, 2022

EXHIBIT A

LEGAL DESCRIPTION

Right of Way Acquisition

Sacramento Co APN 072-231-014

All that real property situated in the City of Rancho Cordova, County of Sacramento, State of California, being a portion of the Lands of the Cordova Community Council Foundation (a California nonprofit corporation) as described in that certain Grant Deed Recorded November 22, 2017 in Document Number 201711221356 in the Office of the County Recorder of said Sacramento County, said portion being more particularly described as follows:

Beginning at a point on the northwesterly line of said Lands of Cordova Community Council Foundation, said point being South 63°52′53" East 3226.36 feet from the northeast corner of said Lands; thence into said Lands of the Cordova Community Council Foundation along a non-tangent curve to the right, concave to the southwest, whose center bears South 77°00′22" West, having a radius of 3368.33 feet, an included angle of 02°54′21", an arc length of 170.83 feet to the southeasterly line of said Lands of Cordova Community Council Foundation; thence along said southeasterly line South 73°43′17" West, 201.49 feet; thence into said Lands of the Cordova Community Council Foundation along a non-tangent curve to the left, concave to the southwest, whose center bears South 80°18′18" West, having a radius of 3168.09 feet, having an included angle of 02°27′10", an arc length of 135.63 feet to the northwesterly line of said Lands of Cordova Community Council Foundation; thence along said northwesterly line North 63°52′53" East, 205.97 feet to the Point of Beginning.

SEE EXHIBIT B (ATTACHED).

Area: 30,685 sq. ft. (0.704 acres)

The Basis of bearing for the above description is the California Coordinate System (1983), Zone 2.

Distances are in Grid. Multiply by 1.00005 to obtain ground distances.

The real property description has been prepared by me in conformance with the Professional Land Surveyors Act.

Signature

Licensed Land Surveyor (PLS 7739)

OCT. 28, 202

Date

Page 2 of 2

EXHIBIT E

Environmental Definitions

As used in Section 10(c) of this Agreement, the following terms have the meanings set forth below:

"Contamination" – the Release or presence of Hazardous Substances in, on, underlying or surrounding the Property (including soils and groundwater), including migration of or depositing of Hazardous Substances onto or under adjoining or neighboring properties or the release or presence of Hazardous Substances from or associated with the Property at any other offsite location.

"Environmental Laws" – any and all federal, state, or local laws (including common law), rules, regulations, orders, ordinances, permits, authorizations, writs, judgments, injunctions, decrees or determinations, whether issued by a court or government agency, in effect during the period of this Agreement relating to the protection of the environment, the Release of any Hazardous Substances into the environment, the generation, management, transportation, storage, treatment and disposal of Hazardous Substances, or the pollution of air, soil, groundwater or surface water (including, without limitation, the Clean Air Act, the Toxic Substance Control Act, the Clean Water Act, the Comprehensive Environmental Response Compensation and Liability Act, and the Resource Conservation and Recovery Act, all as amended, including similar state or local laws).

"Hazardous Substance" – any toxic or hazardous substance, material or waste, pollutant, hazardous substance or wastes, petroleum or petroleum derived substance or waste, radioactive substance, material or waste, asbestos containing materials, or any constituent of any such substance or waste regulated under or defined by or pursuant to any Environmental Law.

"Release" – any release, spill, emission, leaking, pumping, injection, deposit, disposal, discharge, dispersal, leaching or migration into the environment or into or out of the Property, including the movement of Hazardous Substances through or in the air, soil, surface water or groundwater of the Property or adjoining properties.

3862469.6