

**LEASE BETWEEN
THE DIXON PUBLIC LIBRARY DISTRICT
AND
ECONOMY DRIVING SCHOOL**

This Lease ("Lease") is entered into as of April 1, 2012 ("Effective Date"), by and between Landlord and Tenant.

1. BASIC LEASE PROVISIONS.

1.1 Landlord means the Dixon Public Library District, a special independent library district governed by the laws of California.

1.2 Tenant means Economy Driving School, a ~~California corporation~~ ^{S.M.M.} *A.A.*

1.3 Landlord's Building means the commercial property located at 200 North First Street in Dixon, California.

1.4 Premises means the area crosshatched on Exhibit A, attached to and incorporated into this Lease, containing approximately 750 square feet of "Floor Area" (as defined below) (Section 2.1).

1.5 Permitted Use means operation of driving school business subject to the limitations of Sections 6.1 and 6.2.

1.6 The Term of this Lease is month-to-month, commencing as of April 1, 2012 and expiring with thirty (30) days written notice by either Landlord or Tenant ("Expiration Date").

1.7 Minimum Rent means \$ 650.00 per month, subject to adjustment as more particularly set forth in this Lease (Sections 3.2 and 3.2).

1.8 Landlord's Address for Rent and Notices (Section 14.1):

Dixon Public Library District
Attn: Gregg T. Atkins
230 North First Street
Dixon, CA 95620
Telephone (707) 678-1805; Facsimile (707) 678-3515

1.9 There is no Security Deposit.

1.10 Tenant's Address for Notices (Section 14.1):

Economy Driving School
Attn: Sue Avery
200 North First Street, Suite B
Dixon, CA 95620
Telephone (707) 678-1411

2. PREMISES.

2.1 Lease of Premises. Subject to the provisions of this Lease, Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the Premises, which are a part of the Landlord's Building.

2.2 Reservation. Landlord reserves the right to use the exterior walls, floor, roof, and space in, above, and below the Premises for the installation, maintenance, use, and replacement of pipes, ducts, utility lines, systems, and structural elements serving Landlord's Building and for such other purposes as Landlord deems necessary. In exercising its rights reserved in this Lease, Landlord will not materially and unreasonably interfere with the operation of Tenant's business on the Premises.

2.3 Floor Area. "Floor Area" means all areas designated by Landlord for the exclusive use of a tenant measured from the exterior surface of exterior walls. Tenant has access to and use of restrooms shared by other tenants.

3. RENT.

3.1 Rent. From and after the Commencement Date, Tenant will pay "Rent" to Landlord at the address set out in Section 1.8 or such other place as Landlord may from time to time designate in writing to Tenant, without prior demand, deduction, or setoff, as more particularly set forth in this section.

3.2 Minimum Rent. Tenant will pay to Landlord Minimum Rent, initially at the monthly rate provided in Section 1.7 and thereafter as adjusted in accordance with Section 3.3 below, on or before the tenth day of each calendar month during the Term commencing on the Commencement Date.

3.3 Additional Rent. All monetary obligations of Tenant under this Lease that are in addition to the Minimum Annual Rent are deemed "Additional Rent." Minimum Rent and Additional Rent are sometimes collectively referred to as "Rent."

3.4 Late Payments. If any installment of Minimum Rent or Additional Rent is not received by Landlord from Tenant within five (5) days after the date when due, Tenant will immediately pay to Landlord a late fee of Fifty and No/100 Dollars (\$50.00). Landlord and Tenant agree that this late fee represents a reasonable estimate of the costs and expenses Landlord will incur and is fair compensation to Landlord for its loss suffered by reason of late payment by Tenant. If Tenant's check should for any reason fail to clear the bank and is returned unpaid to Landlord twice in any twelve (12)-month period, then for the next twelve (12) calendar months, at Landlord's option, Tenant must pay Rent by cashier's or certified check.

4. UTILITIES.

4.1 Utilities.

(a) Payments. Tenant agrees to pay directly to Pacific Gas & Electric all charges for services supplied to Tenant. Landlord agrees to pay all other utility charges.

5. COMMON AREA.

5.1 Common Area Definition. "Common Area," as used in this Lease, means all areas within the exterior boundaries of the Landlord's Building now or later made available for the general use of Landlord, Tenant and other tenants entitled to occupy Floor Area in the Landlord's Building. Such definition would include interior hallways and restrooms.

5.2 Nonexclusive Use. The use and occupancy by Tenant of the Premises includes the nonexclusive use of the Common Area in common with Landlord and other tenants of the Landlord's Building and their customers and invitees.

(a) Control of and Changes to Common Area. Landlord has the sole and exclusive control of the Common Area, and the right to make changes to the Common Area.

5.3 Parking. Landlord provides no parking for tenants.

6. TENANT'S CONDUCT OF ITS BUSINESS.

6.1 Permitted Trade Name and Use. Tenant will use the Premises solely for the use specified in Section 1.5 and for no other use or purpose without Landlord's prior written consent.

6.2 Prohibited Uses. Tenant will not use the Premises or Common Area in violation of rules and regulations which are promulgated by Landlord and delivered to Tenant from time to time governing the Landlord's Building; in ways that are not inconsistent with any express provisions of this Lease or which could (a) damage, deface, or overload the plumbing, electrical, "HVAC System" (as defined below) or structural systems of the Premises; (b) make void or voidable or increase the premium on any insurance coverage on the Landlord's Building or parts thereof; (c) be in a manner which is a public or private nuisance, including any that creates undue noise, sound, vibration, litter, or odor.

6.3 Compliance with Law. Tenant, at Tenant's sole expense, will comply with all applicable local, state, and federal statutes, regulations, rules, codes (including building codes), ordinances, and other requirements of governmental authorities now or hereafter in effect (Applicable Laws) pertaining to the use or condition of the Premises and the conduct of Tenant's business. Tenant must give Landlord immediate written notice on Tenant's becoming aware that the use or condition of the Premises is in violation of any Applicable Laws.

7. REPAIRS AND MAINTENANCE.

7.1 Landlord's Repair Obligations. Landlord will maintain in good condition and repair the structural components and foundations, roofs, and exterior surfaces of the exterior walls of all buildings (exclusive of doors, door frames, door checks, windows, window frames

7.2 Tenant's Repair Obligations. Except for the portions and components of the Premises to be maintained by Landlord as set forth in Section 7.1, Tenant, at its expense, will keep the Premises and all utility facilities and systems exclusively serving the Premises (Tenant Utility Facilities) in first-class order, condition, and repair and will make replacements necessary to keep the Premises and Tenant Utility Facilities in such condition; provided that Tenant has no right to spray paint the exterior or interior of the windows or doors. All replacements will be of a quality equal to or exceeding that of the original.

7.3 Alterations. Before initially opening the Premises for business, Tenant has the right to install a temporary partition or wall in the location marked on Appendix B; Tenant will remove said temporary partition or wall at conclusion of lease if so desired by Landlord. Thereafter Tenant will make no further alterations unless specifically approved in writing by Landlord.

7.4 Trash Removal. Tenant will deposit trash only within receptacles approved by Landlord.

7.5 Pest Control Requirements. If any event of pest or vermin infestation is found in the Premises or anywhere else in the Landlord's Building that may be directly related to Tenant's or Tenant's employees or customer's use of the Premises or the operation of Tenant's business, then Tenant, at Tenant's expense, will have a bonded, professional pest-and-sanitation control operator immediately remedy such event of infestation.

7.6 Odor and Noise Control. Throughout Term Tenant will, at Tenant's sole expense, maintain the Premises in a clean, sanitary, and quiet manner and will take such steps as may be necessary, in the reasonable discretion of Landlord, to keep the Premises and/or contiguous other tenant-occupied premises and the Landlord's Building free of nuisances, odors, and loud sounds, including music associated with Tenant's business or from the operation of any instrument, apparatus, equipment, radio, television, or amplification system. On Tenant's receipt of notice of any complaint of odor or noise that may be resulting from, directly or indirectly, the operation of Tenant's business, Tenant, at Tenant's sole expense, will take such steps as may be necessary to immediately remedy such odor or noise.

8. INSURANCE.

8.1 Tenant's Insurance. Tenant, at its sole cost and expense, commencing on the effective date, will procure, pay for, and keep in full force and effect the following types of insurance, in at least the amounts and in the forms specified below:

(a) Comprehensive or commercial general liability insurance with coverage limits of not less than the combined single limit for bodily injury, personal injury, death, and property damage liability per occurrence (One Million and No/100 Dollars (\$1,000,000)) or the limit carried by Tenant, whichever is greater, insuring against any and all liability of the insureds with respect to the Premises or arising out of the maintenance, use, or occupancy of the Premises or related to the exercise of any rights of Tenant under this Lease, subject to increases in amount as Landlord may reasonably require from time to time. All such liability insurance must specifically insure the performance by Tenant of the indemnity agreement as to liability for injury to or death of persons and injury or damage to property set forth in Section 8.4.

8.2 Policy Form. All policies of insurance required of Tenant under this Lease will be issued by insurance companies with general policyholder's rating of not less than an A and a financial rating of not less than Class X, as rated in the most current available "Best's Key Rating Guide," and which are admitted and qualified to do business in the State of California. All such policies will name and will be for the mutual and joint benefit and protection of Tenant and Landlord.

8.3 Blanket Policies. Despite anything to the contrary contained in this Section 8, Tenant's obligation to carry insurance may be satisfied by coverage under a so-called blanket

policy or policies of insurance; provided that the coverage afforded Landlord will not be reduced or diminished and the requirements set forth in this Lease are otherwise satisfied by such blanket policy or policies.

8.4 Indemnity. "Landlord," for the purposes of this Section 8.4, means and includes Landlord and Landlord's directors, officers, shareholders, members, partners, agents, and employees. To the fullest extent permitted by law, Tenant covenants with Landlord that Landlord will not be liable for any damage or liability of any kind or for any injury to or death of persons or damage to property of Tenant or any other person occurring from and after Substantial Completion of the Premises (or such earlier date if Tenant is given earlier access to the Premises) from any cause whatsoever related to the use, occupancy, or enjoyment of the Premises by Tenant or any person thereon or holding under Tenant including damages resulting from any labor dispute. Tenant will pay for, defend, indemnify, and hold Landlord harmless against and from any real or alleged damage or injury and from all claims, judgments, liabilities, costs, and expenses, including attorney fees and costs, arising out of or connected with Tenant's use of the Premises and its facilities, or any repairs, Alterations, or improvements (including original improvements and fixtures specified as Tenant's Work) that Tenant may make or cause to be made on the Premises, any breach of this Lease by Tenant and any loss or interruption of business or loss of rental income resulting from any of the foregoing; provided that (and though Tenant will in all cases accept any tender of defense of any action or proceeding in which Landlord is named or made a party and will, despite any allegations of negligence or misconduct on the part of Landlord, defend Landlord as provided in this Section 8.4) Tenant will not be liable for such damage or injury to the extent, and in the proportion, that the same is ultimately determined to be attributable to the negligence or misconduct of Landlord. This obligation to indemnify will include all of Landlord's attorney fees, litigation costs, investigation costs, and court costs and all other costs, expenses, and liabilities incurred by Landlord or its counsel from the first notice that any claim or demand is to be made or may be made. Tenant's obligations under this Section 8.4 survive the termination of this Lease.

8.5 Waiver of Subrogation. Except to the extent that insurance required to be maintained by Tenant under this Section 8 covers loss to Landlord, Landlord and Tenant each waive any rights each may have against the other on account of any loss or damage occasioned to Landlord or Tenant, as the case may be, their respective property, the Premises or its contents, or to other portions of the Landlord's Building arising from any liability, loss, damage, or injury caused by fire or other casualty for which property insurance is carried or required to be carried under this Lease. The insurance policies obtained by Landlord and Tenant under this Lease will contain endorsements waiving any right of subrogation that the insurer may otherwise have against the noninsuring party. If Landlord has contracted with a third party for the management of the Landlord's Building, the waiver of subrogation by Tenant in this Section 8.5 will also run in favor of such third party.

8.6 Failure by Tenant to Maintain Insurance. If Tenant refuses or neglects to secure and maintain insurance policies complying with the provisions of this Section 8, Landlord may secure the appropriate insurance policies and Tenant must pay, on demand, the cost of same to Landlord as Additional Rent.

8.7 Sufficiency of Coverage. Neither Landlord nor any of Landlord's agents makes any representation that the types of insurance and limits specified to be carried by Tenant under this Lease are adequate to protect Tenant. If Tenant believes that any such insurance coverage is

insufficient, Tenant will provide, at its own expense, such additional insurance as Tenant deems adequate. Nothing contained in this Section 8.7 will limit Tenant's liability under this Lease.

9. DAMAGE/DESTRUCTION.

9.1 Insured Casualty. In the case of damage by fire or other perils covered by the insurance required under Section 8, Landlord and Tenant each have the right to terminate this Lease

9.2 Waiver of Termination. Tenant waives any statutory rights of termination that may arise by reason of any partial or total destruction of the Premises.

10. ASSIGNMENT AND SUBLEASES.

10.1 Landlord's Consent Required. Tenant will not assign; sublet; enter into franchise, license, or concession agreements; change ownership or voting control; or otherwise transfer (including any transfer by operation of law) all or any part of this Lease, Tenant's interest in the Premises, or Tenant's business (collectively, Assignment or Assign) without first procuring the written consent of Landlord (which consent will not be unreasonably withheld) subject to the terms, covenants, and conditions contained in this Lease. Under no circumstances will Tenant mortgage, encumber, pledge, or hypothecate this Lease or its interest in the Premises.

10.2 No Releases. No Assignment or Permitted Assignment, whether with or without Landlord's consent, will relieve Tenant from its covenants and obligations under this Lease.

10.3 Form. Any Assignment must be evidenced by an instrument in form and content satisfactory to Landlord and executed by Tenant and the transferee, assignee, sublessee, licensee, or concessionaire, as the case may be.

10.4 Acceptance of Rent. The acceptance by Landlord of any payment due under this Lease from any person other than Tenant will not be deemed to be a waiver by Landlord of any provision of this Lease or to be a consent to any assignment or subletting.

10.5 Tenant Remedies. If Landlord withholds or conditions its consent and Tenant believes that Landlord did so contrary to the terms of this Lease, then Tenant's sole remedy will be to prosecute an action for declaratory relief to determine if Landlord properly withheld or conditioned its consent, and Tenant hereby waives all other remedies.

11. SIGNAGE AND ADVERTISING.

11.1 General Prohibition. Except as permitted by this Lease or as expressly permitted by Landlord in writing, Tenant will not place or permit the placing outside of or on the defined exterior roof, doors, windows, or walls of the Premises or Common Areas or within four (4) feet of such doors or windows any signs, lettering, placards, sign easels, awnings, aerials, flagpoles, or the like. No advertising medium may be utilized by Tenant that can be heard or seen outside the Premises including flashing lights, searchlights, loudspeakers, phonographs, radios, or televisions. Tenant will not display, paint, place, or distribute any handbill, bumper sticker, or other advertising device on any vehicle parked in the Landlord's Building. Tenant will, on Landlord's request, remove any such sign, advertisement, decoration, marquee, or awning in violation of this Section 11.1 within three (3) days following such request. If Tenant fails to

remove any such sign, advertisement, decoration, marquee, or awning within such three (3)-day period, then Landlord may enter the Premises and remove the same.

11.2 Exterior Premises Signs. Tenant has the nonexclusive right to install and use on the glass windows and doors of the building in which the Premises is located. With the exception of the roof, exterior signs ("Tenant's Exterior Signs") that comply with Applicable Laws, and are approved by Landlord (whose approval will not be unreasonably withheld) are permitted. Tenant will, at its own cost and expense, (a) acquire all permits for Tenant's Exterior Signs; and (b) design, fabricate, and install Tenant's Exterior Signs. Tenant will pay all costs to maintain and keep in good repair and aesthetic condition all installations, signs, and advertising devices that it is permitted by Landlord to maintain. On expiration or termination of this Lease, Tenant will promptly remove all such installations, signs, and devices at its own expense and reimburse Landlord for the cost to repair and repaint any damage and discoloration caused by such removal or original installation.

12. DEFAULTS BY TENANT.

12.1 Events of Default. Should Tenant at any time be in default with respect to any payment of Minimum Rent, Additional Rent, or any other charge payable by Tenant under this Lease for a period of five (5) days after written notice from Landlord to Tenant, or should Tenant be in default in the prompt and full performance of any other of its promises, covenants, or agreements under this Lease for more than thirty (30) days (provided that if the default cannot be rectified or cured within such thirty (30)-day period, the default will be deemed to be rectified or cured if Tenant, within such thirty (30)-day period, has commenced to rectify or cure the default and thereafter diligently and continuously prosecutes same to completion) after written notice thereof from Landlord to Tenant specifying the particulars of the default, then Landlord may treat the occurrence of any one (1) or more of the foregoing events as a breach of this Lease and, in addition to any or all other rights or remedies of Landlord by law provided, Landlord has the right, at Landlord's option, without further notice or demand of any kind to Tenant or any other person, (a) to declare the Term ended and to reenter and take possession of the Premises and remove all persons therefrom; or (b) without declaring this Lease terminated and without terminating Tenant's right to possession, to reenter the Premises and occupy the whole or any part for and on account of Tenant and to collect any unpaid rentals and other charges that have become payable or that may thereafter become payable; or (c) even though it may have reentered the Premises as provided in subclause (b) above, to thereafter elect to terminate this Lease and all of the rights of Tenant in or to the Premises. Any notice required to be given by Landlord above will be instead of, and not in addition to, any notice required under the laws of the State of California.

12.2 Landlord Remedies. Should Landlord elect to terminate this Lease under the provisions of Section 12.1(a) or (c), Landlord may recover from Tenant, as damages, the following: (a) the worth at the time of award of any unpaid rental that had been earned at the time of the termination; plus (b) the worth at the time of award of the amount by which the unpaid rental that would have been earned after termination until the time of award exceeds the amount of rental loss Tenant proves could have been reasonably avoided; plus (c) the worth at the time of award of the amount by which the unpaid rental for the balance of the Term after the time of award exceeds the amount of rental loss that Tenant proves could be reasonably avoided; plus (d) any other amounts necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which, in the ordinary course of things, would be likely to result therefrom plus, at Landlord's election, any other

amounts in addition to or instead of the foregoing as may be permitted from time to time by the laws of the State of California. As used in subclauses (a) and (b) above, the "worth at the time of award" is computed by allowing interest at the Interest Rate. As used in subclause (c) above, the "worth at the time of award" is computed by discounting such amount at the discount rate of the Federal Reserve Bank situated nearest to the location of the Landlord's Building at the time of award plus one percent (1%).

12.3 Definition of Rental. For purposes of this section only, "rental" will be deemed to be Minimum Annual Rent, Additional Rent, and all other sums required to be paid by Tenant under the terms of this Lease. All sums, other than Minimum Annual Rent, will, for the purpose of calculating any amount due under the provisions of Section 12.2(c), be computed on the basis of the average monthly amount accruing during the immediately preceding sixty (60)-month period, except that if it becomes necessary to compute these sums before the sixty (60)-month period has occurred, then these sums will be computed on the basis of the average monthly amount accruing during the shorter period.

12.4 written notice of the assignment including the post office address of Landlord's Lender, then Tenant will also give written notice of any default by Landlord to Landlord's Lender, specifying the default in reasonable detail and affording Landlord's Lender a reasonable opportunity to make performance for and on behalf of Landlord. If and when Landlord's Lender has made performance on behalf of Landlord, the default will be deemed cured.

13. ENVIRONMENTAL MATTERS.

13.1 Hazardous Materials. Tenant, at its sole cost and expense, will comply with all federal, state, and local laws and regulations relating to the storage, use, handling, and disposal of hazardous, toxic, or radioactive matter (collectively, Hazardous Materials). Tenant will immediately notify Landlord and provide to Landlord a copy or copies of any environmental entitlements or inquiries related to the Premises. The cleanup and disposal of any Hazardous Materials located or released onto or about the Landlord's Building by Tenant or its agents, contractors, or employees will be performed by Tenant at Tenant's sole cost and expense and will be performed in accordance with all applicable laws, rules, regulations, and ordinances, following a site assessment and removal/remediation plan prepared by a licensed and qualified geotechnical engineer and submitted to and approved in writing by Landlord prior to the commencement of any work. Despite the foregoing, Landlord in Landlord's sole and absolute discretion may elect, by written notice to Tenant, to perform the cleanup and disposal of such Hazardous Materials from the Premises and/or the Landlord's Building. In such event, Tenant will pay to Landlord the actual cost of same on receipt from Landlord of Landlord's written invoice. Despite any other term or provision of this Lease, Tenant will permit Landlord or Landlord's agents or employees to enter the Premises at any time, on reasonable notice, to inspect, monitor, and/or take emergency or long-term remedial action with respect to Hazardous Materials on or affecting the Premises or to discharge Tenant's obligations under this Lease with respect to such Hazardous Materials when Tenant has failed, after demand by Landlord, to do so. All costs and expenses incurred by Landlord in connection with performing Tenant's obligations under this Section 13 will be reimbursed by Tenant to Landlord within thirty (30) days of Tenant's receipt of written request.

13.2 Conservation. Tenant will cooperate with and participate in conservation programs for water, electricity, and natural gas and recycling programs instituted by the

governmental entity with jurisdiction over the Landlord's Building and/or Landlord, including those for the collection of cardboard, metals, plastics, and glass.

14. MISCELLANEOUS PROVISIONS.

14.1 Notices. Every notice, demand, or request (collectively, Notice or Notices) required under this Lease or by law to be given by either party to the other will be in writing. Notices must be given by personal service or by United States certified or registered mail, postage prepaid, return receipt requested, or by telegram, mailgram, or same-day or overnight private courier, addressed to the party to be served at the address indicated in Section 1 or such other address as the party to be served may from time to time designate in a Notice to the other party. Copies of any Notice will be sent to the addresses, if any, designated for service of copies of Notices in Section 1.

14.2 Landlord's Building Remodeling. Landlord has the right, at any time and from time to time during the Term, on not less than sixty (60) days' prior written notice to Tenant, to remodel, renovate, or expand the Landlord's Building or a portion thereof. If such remodel, renovation, or expansion will materially and adversely affect Tenant's operations from the Premises, as reasonably determined by Landlord, or if Landlord will need to utilize the Premises in connection with the remodel, renovation, or expansion, then Landlord has the following options: (a) cause Tenant to vacate the Premises during the period necessary for Landlord to effect the remodel, renovation, or expansion (or during the period when Tenant will be unable to reasonably operate from the Premises), in which event Tenant will have no obligation to pay Minimum Rent or Additional Rent; or (b) terminate this Lease, in which event Landlord will pay to Tenant, within sixty (60) days following the date Tenant vacates the Premises, the unamortized cost of all permanently affixed leasehold improvements (the cost of which will be evidenced by invoices and proofs of payment of same) installed in the Premises by Tenant (and paid for by Tenant without any contribution from Landlord), which amortization will be determined on a straight-line basis over the initial Term; and on payment by Landlord, Tenant will provide Landlord with a bill of sale for said permanently affixed leasehold improvements.

14.3 Failure to Substantially Complete Premises. Despite anything to the contrary contained in this Lease, (a) if for any reason Substantial Completion of the Premises has not occurred on or before the last day of the twenty-fourth (24th) month following the Effective Date; or (b) if Landlord should at any time postpone or abandon the development or construction of the Landlord's Building or that portion of the Landlord's Building in which the Premises are located, then either party may elect to terminate this Lease by giving thirty (30) days' notice of such election to the other party. If such notice is given, this Lease and the rights and obligations of the parties under this Lease will cease and terminate. If this Lease is terminated under this Section 14.3, neither party will have any further or additional rights, remedies, claims, or liability arising out of this Lease or the termination of this Lease.

14.4 Force Majeure. Any prevention, delay, or stoppage due to strikes; lockouts; labor disputes; acts of God; inability to obtain labor or materials or reasonable substitutes therefor; governmental restrictions, regulations, or controls; judicial orders; enemy or hostile governmental action; terrorism; civil commotion; fire or other casualty; and other causes (except financial) beyond the reasonable control of the party obligated to perform will excuse the performance by that party for a period equal to the prevention, delay, or stoppage, except the obligations imposed with regard to Minimum Rent and Additional Rent to be paid by Tenant under this Lease.

14.5 Confidentiality. Landlord and Tenant agree that the terms of this Lease are confidential and constitute proprietary information of the parties to this Lease. Disclosure of the terms of this Lease could adversely affect the ability of Landlord to negotiate with other tenants of the Landlord's Building. Each of the parties to this Lease agrees that such party, and its respective partners, officers, directors, employees, agents, and attorneys, will not disclose the terms and conditions of this Lease to any other person without the prior written consent of the other party to this Lease except under a court order of competent jurisdiction; provided that Landlord may disclose the terms of this Lease to any lender now or hereafter having a lien on Landlord's interest in the Landlord's Building, or to any potential purchaser of Landlord's interest in the Landlord's Building, and either party may disclose the terms of this Lease to its respective independent accountants who review its respective financial statements or prepare its respective tax returns, to any prospective transferee of all or any portion of their respective interests under this Lease (including a prospective sublessee or assignee of Tenant), to any governmental entity, agency, or person to whom disclosure is required by applicable law, regulation, or duty of diligent inquiry, and in connection with any action brought to enforce the terms of this Lease, on account of the breach or alleged breach of this Lease or to seek a judicial determination of the rights or obligations of the parties under this Lease.

14.6 Termination and Holding Over. On the expiration or earlier termination of the Term, Tenant will peaceably and quietly surrender the Premises broom-clean and in the same condition (including, at Landlord's option, the demolition and removal of any Alterations made by Tenant to the Premises, unless at the time Landlord gave its consent to such Alterations Landlord agreed in writing that Tenant would not have to demolish and remove such Alterations on the termination of this Lease) as the Premises were in on delivery of possession of same to Tenant by Landlord (reasonable wear and tear and any damage to the Premises that Tenant is not required to repair under Section 9 excepted). Subject to the foregoing, Tenant will remove from the Premises all of Tenant's trade fixtures, furniture, equipment, signs, improvements, additions, and Alterations to the extent such items are not permanently affixed to the Premises and immediately repair any damage occasioned to the Premises by reason of such removal so as to leave the Premises in a neat and clean condition. At Landlord's election, any property left in the Premises by Tenant after the expiration or earlier termination of the Term will become the property of Landlord without any cost to Landlord. Should Tenant hold over in the Premises beyond the expiration or earlier termination of this Lease, the holding over will not constitute a renewal or extension of this Lease or give Tenant any rights under this Lease. In such event, Landlord may, in its sole discretion, treat Tenant as a tenant at will, subject to all of the terms and conditions in this Lease, except that Minimum Annual Rent will be an amount equal to one and one-half (1½) times the sum of Minimum Annual Rent that was payable by Tenant for the twelve (12)-month period immediately preceding the expiration or earlier termination of this Lease.

14.7 Miscellaneous Provisions.

(a) Any waiver by either party of a breach by the other party of a covenant of this Lease will not be construed as a waiver of a subsequent breach of the same covenant.

(b) It is understood that there are no oral or written agreements or representations between the parties of this Lease that affect any of the terms of this Lease, and this Lease supersedes and cancels any and all previous negotiations, arrangements, representations, brochures, agreements, and understandings, if any, between Landlord and Tenant. No provision of this Lease may be amended except by an agreement in writing signed by Landlord and Tenant.

(c) This Lease will be governed by and construed in accordance with the laws of the State of California, County of Solano without giving effect to the choice of law provisions.

(d) Subject to the terms of this Lease, all rights and obligations of Landlord and Tenant under this Lease extend to and bind the respective heirs, executors, administrators, and the permitted concessionaires, successors, subtenants, and assignees of the parties. If there is more than one (1) Tenant under this Lease, each is bound jointly and severally by the terms, covenants, and agreements contained in this Lease.

(e) Each individual executing this Lease on behalf of the Landlord and Tenant warrants that he or she is duly authorized to execute and deliver this Lease on behalf of the Landlord or Tenant and that this Lease is binding upon the Landlord and Tenant.

(f) Tenant waives any and all rights of redemption granted under any present and future laws in the event Landlord obtains the right to possession of the Premises by reason of the violation by Tenant of any of the covenants and conditions of this Lease or otherwise.

(g) Tenant represents and warrants that it has not had any dealings with any realtors, brokers, or agents in connection with the negotiation of this Lease, except as identified to Landlord, and agrees to pay any realtors, brokers, or agents not identified and to hold Landlord harmless from the failure to pay any realtors, brokers, or agents and from any cost, expense, or liability for any compensation, commission, or charges claimed by any other realtors, brokers, or agents claiming by, through, or on behalf of Tenant with respect to this Lease and/or the negotiation of this Lease.

(h) The voluntary or other surrender of this Lease by Tenant or a mutual cancellation of this Lease will not effect a merger and will, at Landlord's sole option, terminate all existing subleases or subtenancies or operate as an assignment to Landlord of any or all of such subleases or subtenancies.

(i) Any claim, demand, cause of action, or defense of any kind by Tenant that is based on or arises in connection with this Lease, the negotiations prior to its execution, or any asserted statement, representation, arrangement, agreement, or understanding between Landlord and Tenant that is not expressly stated in this Lease will be barred unless Tenant commences an action thereon, or interposes in a legal proceeding a defense based thereon, within six (6) months after the date of the asserted inaction or omission, or the date of the occurrence of the event or action to which the claim, demand, cause of action, or defense relates, whichever applies.

(j) Should Landlord sell, exchange, or assign this Lease (other than a conditional assignment as security for a loan), then Landlord, as transferor, will be relieved of any and all obligations on the part of Landlord accruing under this Lease from and after the date of such transfer, provided that Landlord's successor in interest will assume such obligations from and after such date. Written notice of any such transfer will be given to Tenant.

(k) Tenant will pay all costs for work performed by or on account of it and will keep the Premises and the Landlord's Building free and clear of mechanics' liens or any other liens. Tenant will give Landlord immediate notice of any lien filed against the Premises or the Landlord's Building as a result of any work of improvement performed by or on behalf of Tenant. Tenant will immediately cause any lien to be discharged or removed of record by either paying the amount thereof or recording a statutory lien release bond in an amount equal to one hundred

fifty percent (150%) of the amount of said lien, or such other amount as may be adequate to cause the lien to be released as an encumbrance against the Premises and the Landlord's Building.

(l) Landlord and Tenant desire and intend that any disputes arising between them with respect to or in connection with this Lease be subject to expeditious resolution in a court trial without a jury. Therefore, Landlord and Tenant each hereby waive the right to trial by jury of any cause of action, claim, counterclaim, or cross-complaint in any action, proceeding, or other hearing brought by either Landlord against Tenant or Tenant against Landlord on any matter arising out of, or in any way connected with, this Lease, the relationship of Landlord and Tenant, Tenant's use or occupancy of the Premises, or any claim of injury or damage, or the enforcement of any remedy under any law, statute, or regulation, emergency or otherwise, now or hereafter in effect.

(m) In the event that, at any time after the date of this Lease, either Landlord or Tenant institutes any action or proceeding against the other relating to the provisions of this Lease or any default under this Lease, the party not prevailing in such action or proceeding will reimburse the prevailing party for its actual attorney fees, and all fees, costs, and expenses incurred in connection with such action or proceeding, including any post-judgment fees, costs, or expenses incurred on any appeal or in collection of any judgment.

(n) Tenant acknowledges that Tenant's failure to submit any required document, certificate, report, statement of Gross Sales, or insurance policy or certificate as and when required in this Lease will cause Landlord to incur additional costs of administration and agrees that in the event Tenant fails to submit any required document, certificate, report, statement of Gross Sales, or insurance policy or certificate as and when required in this Lease, Tenant will pay to Landlord a "Service Charge" in the amount of One Hundred and No/100 Dollars (\$100.00). Tenant agrees that such Service Charge will not constitute damages, and that neither Tenant's payment of such Service Charge nor Landlord's acceptance of such payment will result in a cure of any default under this Lease, or waiver of any default under this Lease by Landlord.

(o) Landlord, its agents, contractors, servants, and employees may enter the Premises following reasonable notice to Tenant and Landlord's good faith efforts to coordinate such entry with Tenant's onsite management so as to minimize interference with Tenant's business operations (except in a case of emergency) (i) to examine the Premises; (ii) to perform any obligation or exercise any right or remedy of Landlord under this Lease; (iii) to make repairs, alterations, improvements, or additions to the Premises or to other portions of the Landlord's Building as Landlord deems necessary or desirable; (iv) to cure any Tenant default (after Landlord has provided Tenant notice and an opportunity to cure such default under Section 12); (v) to perform work necessary to comply with laws, ordinances, rules, or regulations of any public authority or of any insurance underwriter; and (vi) to perform work that Landlord deems necessary to prevent waste or deterioration in connection with the Premises should Tenant fail to commence such repairs or, after commencing same, fail to diligently pursue such repairs to completion within three (3) days after written demand by Landlord. If Landlord makes any repairs that Tenant is obligated to make under the terms of this Lease, Tenant will pay the cost of such repairs to Landlord, as Additional Rent, promptly on receipt of a bill from Landlord for same. In exercising its right of entry provided in this Section (o), Landlord will not materially and unreasonably interfere with the operation of Tenant's business on the Premises.

(p) Landlord has no responsibility to provide security. Tenant has the sole responsibility of providing security for the Premises and the persons therein. Under no circumstances will Landlord be liable to Tenant or to any other person by reason of any theft, burglary, robbery, assault, trespass, unauthorized entry, vandalism, or any other act of any third person occurring in or about the Premises. To the extent that, in Landlord's reasonable opinion, the conduct of Tenant's business causes the need for security services or measures at the Landlord's Building that are in addition to those otherwise provided by Landlord, Tenant will alone bear the incremental costs for such services or measures. Tenant agrees to pay such costs to Landlord within thirty (30) days following reasonable evidence.

(q) This Lease may be executed simultaneously or in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same License.

Executed on the dates set forth below, but this Lease is effective as of the Effective Date.

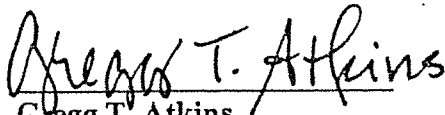
LANDLORD:

TENANT:

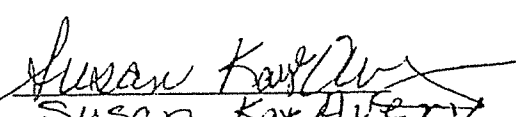
Dixon Public Library District,
a special independent library district

Economy Driving School

By:


Gregg T. Atkins,
District Librarian

By:


Name: Susan Kay Avery
Title: OWNER

Dated:

4-13-2012

Dated:

4/16/12

Minutes—Draft

DIXON PUBLIC LIBRARY DISTRICT
GOVERNING BOARD OF LIBRARY TRUSTEES
7:00 P. M., THURSDAY, August 13, 2015,
REGULAR MEETING

MEETING LOCATION
DIXON CITY COUNCIL CHAMBERS
600 EAST A STREET, DIXON, CA 95620

1. Call to Order
Mr. Gabby called the meeting to order at 7 pm
2. Business meeting
 - a. Pledge of Allegiance
Pledge of Allegiance said
 - b. Roll Call
Trustees
John Gabby, President—present
Andrew Bloom, Vice President—present
Guy Garcia, Clerk—absent
Caitlin O’Halloran, Member—present
Joe Dipaola, Member—present

Staff
Steve Arozena, Library Director—present
3. Notice to the Public
None
4. Correspondence
None
5. Consent Agenda
None
6. Public Comment
None
7. Guests & Presentations

8. Director's Report

One Book, One Community

The Library supports Ms. O'Halloran's idea of trying out a one book, one community project for Dixon. Mr. Arozena stated that he sent out to each Board member a guide from the American Library Association on how to conduct such a program. Ms. O'Halloran had suggested that the community read Malcolm Gladwell's "The Tipping Point." Mr. Arozena presented a short summary of the ideas in the book. Ms. O'Halloran stated that the library should be involved in trying to get the community reading the book. Mr. Bloom asked how many copies of the book would be needed. Mr. Arozena said that those sorts of topics are covered in the ALA program guide.

Summer Reading Club

Mr. Arozena stated that the totals of the SRC were down from the year before, but he believes that the lack of a children's librarian was responsible for the lower figures. 672 people attended the series of special programs. Two programs drew more than 100 attendees. 450 children participated in the Summer Reading Program, down by more than 100 from last year. Mr. Dipaola said that he would like to see tutors available in the library and other places in the city for children to take advantage of.

Budget

Mr. Arozena stated that everyone has been given a copy of the final budget from 2014-15 and the budget for 15-16 covering the first month. Mr. Dipaola stated that it looks like the budget is sufficient to allow for the beginning phases of remodeling the Miller Building.

Ongoing Business

Willdan Report

Mr. Arozena said that the consultant will rewrite the report with revised population projections. Mr. Dipaola said that the report's projection of the library only needing 800 additional square feet by 2040 was ridiculous. The Miller Building project could potentially add 4900 square feet to the library providing extra office space, a programming room and study rooms for the public.

Miller Building

Mr. Arozena said he talked with seven or eight architects and that only two were potentially interested in the project. One provided a written proposal for \$55,000 to develop basic plans and an estimate for the project. Mr. Dipaola expressed concern that the figure of \$55,000 be adhered to and pointed out that the city and public need to have the opportunity to look at how the renovation plans are drawn up before going out for an RFP. He also stated that the building couldn't be renovated and then sold. It could be sold before the renovation, but it would not sell for much. He also stated that we shouldn't be using it the way we are now as it is not safe or up to code and is a liability to the library. Mr. Dipaola motioned to adopt the Henley proposal. Ms. O'Halloran seconded. Gina Dupell approached the podium to ask whether the funding would come out of Fund 428. Mr. Dipaola said that it should come out of 426 due to Measure L money. Ms. Dupell

stated that Measure L money is in 426 and impact fees are in 428. Mr. Dipaola said that some general fund monies will have to be spent somewhere along the line. Mr. Dipaola and Mr. Gabby discussed what to do if the building turns out to be too expensive to renovate. The consensus was that it would have to be sold at a minimum cost. Funds are to come out of 428 to pay for the architect's planning and estimate. Nancy Schrott approached the podium to ask what would happen to the second floor. Mr. Dipaola stated that the building needs to be ADA compliant and that without an elevator, the second floor would be only accessible to the staff. He said that there would need to be an ADA compliant office space on the first floor to accommodate any disabled staff person if the need arose. Ms. Schrott asked whether materials would be processed on the second floor. Mr. Dipaola stated that the processing would largely take place in its current space, but that there will be a work space on the second floor of the Miller Building. The motion was passed 4-0 to approve funding under 428 consulting fees. Ms. Werrin then approached the podium to ask whether the library needed to compare bids from other firms and go out for an RFP before proceeding. Mr. Dipaola stated that he doesn't think that the proposal would violate any government codes, but would look into it.

Vacaville Redevelopment Agency proposal

Mr. Arozena stated that he spoke with two sources who informed him that all interested parties received the same letter from the City of Vacaville regarding the transfer of property from the Vacaville Redevelopment Agency to the City of Vacaville. He was told that the downtown parking lots were not at issue as far as the Dixon Public Library, but that one property off Orange Drive was involved. He said that the County and City of Vacaville are working on an agreement and that we should wait to see what is offered to us and the Board can at that point decide whether or not to accept the offer. Mr. Arozena said that he would get the Board a copy of the parcels involved. No action was taken.

Implementation of Policy 4001—Rules of Conduct

Mr. Arozena said that the Board decided to create a new policy regarding body odor. The Board directive was that only the Director should be the one who enforces the policy after a public complaint. Mr. Arozena said that there have been several complaints about body odor when he is not there and wants to be able to have the Librarian in charge be able to enforce the policy in his absence. Mr. Bloom moved to approve policy change. Ms. O'Halloran seconded. The Board voted to accept the policy 4-0.

Moreno Contract

Mr. Arozena stated that he had a contract extension for Moreno Construction for next year. The Board stated that they were satisfied with Mr. Moreno's work for the library. Mr. Bloom moved to approve the contract. Ms. O'Halloran seconded. The Board voted 4-0 to accept the new contract.

Staff health/life insurance

Mr. Arozena stated that he contacted all of the state special districts and sought to get different proposals from other insurance agencies rather than SDRMA. He asked the Board to consider paying part of the cost of health insurance for staff dependents as the cost was extremely high for employees to do so. He stated that up until 2008, the library paid 60% of the dependents' coverage, but in that year decided to require staff to pay the entire amount. Mr. Arozena said that we are the only library in the area who doesn't pay a percentage of the cost. He pointed out that we have a policy that does state that we should remain competitive with Solano and Yolo counties and that if we don't pay for some of the health insurance costs, that we can't be considered to be competitive if they do pay some of the employee's costs. He said that health insurance costs can easily be more than half of an employee's paycheck if they have more than one dependent to cover. Mr. Dipaola asked what the financial ramifications would be. Mr. Arozena stated that the maximum cost would be over \$18,000 per employee if the Board decided to cover 100% of the cost. He also stated that the decision had to be made as to whether the policy would cover only children, or whether employee's spouses who had no work-provided coverage would be included. Mr. Dipaola asked how many people would be affected by the policy. Mr. Arozena said two librarians currently, but that as many as five employees could potentially be involved in the future. Mr. Bloom voiced concern about the future in that up to five employees could be affected by the policy and that the potential cost could be as much as \$18,000 x 5 if the Board decided to fund 100%. Mr. Arozena presented some potential language for a policy as suggested by the library's attorneys. Mr. Dipaola stated that he did not want to adopt it as policy for fears of future litigation and suggested that it be adopted as an employee fringe benefit that can be tailored to current and future budgets. Mr. Gabby asked what local libraries were paying. Mr. Arozena stated that Solano pays 75%, Napa pays 87.5% and Yolo 90% of the cost. Mr. Gabby suggested that it start at 75%. Mr. Arozena asked if the Board would consider making the change retroactive to April. Mr. Dipaola and Ms. O'Halloran said that they were not comfortable making the change retroactive based on one person's circumstances. Ms. Dupell stated that the cost for one dependent was \$1000 per month and the cost for two \$2000 per month according to SDRMA. After further discussion, the figure of \$18,000 per year was agreed upon for 100% coverage of more than one dependent. Mr. Gabby made a motion to adopt the 75% medical coverage for spouses and dependents retroactive to July 1st. Ms. O'Halloran seconded. The Board passed the measure 4-0. Mr. Arozena asked if the Board would also consider life insurance for employees. The Board decided not to address the subject at this time and to wait until the financial ramifications of the health insurance coverage becomes clear. Ms. Werrin asked if the health insurance would cover part-time people. Mr. Dipaola said that the motion only covered full-time employees. Ms. Dupell asked if we should revisit the health insurance impact in 90 days and redistribute funding at that time. Mr. Dipaola said that he had asked that the life insurance subject be revisited in 90 days after seeing what ramifications the health insurance coverage has on the budget. Mr. Bloom clarified that Ms. Dupell was asking if money needed to be transferred to cover the health insurance and that the library should have a report ready for next meeting to clarify the amount.

Approval of Minutes from June 16, 2015 meeting

Mr. Bloom moved to approve the minutes. Ms. O'Halloran seconded. The Board approved the minutes 4-0.

Meeting adjourned.

John Gabby, Board President

Guy Garcia, Clerk