

POLICY AND PROCEDURE HANDBOOK

POLICY TITLE: Vacation Leave
POLICY NUMBER: 3020

3020.1 This policy will apply to regular and probationary full-time and part-time employees in all classifications.

3020.2 Paid vacations will be accrued according to the following schedule on an annual basis:

- (a) During the first three (3) years of continuous work, eighty (80) hours during each fiscal year;
- (b) Four (4) through ten (10) years of service, one hundred twenty (120) hours during each fiscal year;
- (c) After ten (10) years of service, one hundred sixty (160) hours during each fiscal year;
- (d) Vacation accrual is based on a forty (40) hour work week. Employees working less than forty (40) hours per week, but working 20 or more regularly scheduled hours per week, will receive a pro-rata allocation of vacation hours.

3020.2.1 If a new employee has at least fifteen (15) continuous years of service in the same or similar job position with a different library, the Library Director may advance the employee to the starting point of (b) above, subject to approval by the Board of Trustees.

3020.3 Employees may take their vacation time all at once, or incrementally. No vacation may be taken until the employee has completed at least six months in regular employee status.

3020.4 Vacation time is accrued at the end of each month.

3020.5 Vacation time may be accumulated. The total accumulated vacation time will not exceed thirty (30) days or two hundred forty (240) hours.

3020.6 The Library District will not require an employee to take vacation time in lieu of sick leave or leave of absence during periods of illness. However, the employee may elect to take vacation time in case of extended illness where sick leave has been exhausted, subject to providing certification from the employee's treating physician and approval by the Library Director.

3020.7 If a holiday falls on a workday during an employee's vacation period, that day will be considered as a paid holiday and not vacation time.

3020.8 Vacations may be scheduled at any time during the year, subject to prior approval by the Library Director.

3020.9 Probationary employees will not accrue vacation time during the probationary period. If regular status is granted at the completion of an employee's probationary period, the employee will immediately accrue vacation time calculated from the date of employment; provided, however, that no vacation may be taken until the employee has completed at least six (6) months in regular employee status.

Adopted 02/27/2006

Revised 10/09/2014

Minutes—Approved
DIXON PUBLIC LIBRARY DISTRICT
GOVERNING BOARD OF LIBRARY TRUSTEES
7:00 P. M., Thursday, November 12, 2015,
REGULAR MEETING

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

1. Call to Order

Mr. Bloom 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—absent

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

■ Library Activities

- Mr. Arozena stated that the new Children's Librarian, Jim Tinder, has made it a priority to do outreach to the schools. He has visited several of the local public and private schools and had visits from others at the library. He is trying to reach out to other schools to arrange regular visits with them as well.
- The Food for Fines program is currently on at the library and will run through November 19. People can bring in canned food and receive one dollar off their fines up to a maximum of ten dollars. The food will be picked up by the Solano/Contra Costa Food Bank.
- Mr. Arozena stated that the phones are now working and the library has VOIP. Mr. Dipaola asked if the aggregator box was working correctly and if the one line had been disconnected to fix the problem. Mr. Arozena confirmed that we are using two lines from WAVE and one from AT&T.
- Mr. Arozena said that there is now a small circulating collection of materials for children at the Migrant Center. Mr. Dipaola said that the center is about to close until next April and that he will try to get the books ready to go back to the library.
- Mr. Arozena said that so far the increased amount the library contributes toward health insurance for full-time employees has not made a large negative impact on the budget. With 33% of the budget year done, the health insurance spending is at 39% of the budgeted amount.

9. Ongoing Business

- **Resolution on adoption of new facilities fees from Willdan Report**
- Mr. Arozena explained that the attorney drew up a resolution to officially adopt the Willdan Report. This resolution will be presented with the report at the Solano County Board of Supervisor.
- Mr. Dipaola stated that he wanted it put into the record that he sees the necessity of adopting the new fees as presented by Willdan at this time, but that the Board has not decided what to do with the Miller Building yet and that the fees may need to be readjusted in the future to reflect new circumstances. He also stated that he does not agree with all of the findings of Willdan.
- Ms. O'Halloran moved to approve the resolution. Mr. Bloom seconded. The motion passed 3-0.
- **Adoption of Annual Impact Fee Report**
- Mr. Arozena said that the annual impact fee report based on 2014/15 figures needs to be approved by the Board before

being presented to the Solano County Board of Supervisors. Mr. Arozena wanted to clarify that this is based on what has been collected based on the old rate, not the new one implemented by the Willdan report.

- Ms. O'Halloran moved to approve the resolution. Mr. Bloom seconded. The motion passed 3-0.
- **Miller Building update**
- Mr. Arozena stated that there had been some concern about the suitability of the Miller Building for tenants due to potential health hazards or liability. He said that he met with Mr. Gabby and decided to have new inspections done on the property rather than base things on the findings of a report done in 2008. He stated that two reports were done—one covered the physical state of the building and the second was done to assess the building for environmental hazards. The first inspector recommended some repairs to be done in the future, but saw no reason why a tenant couldn't stay there through next September. Mr. Dipaola asked if that is specifically stated in the report, or whether it was verbal. Mr. Arozena said it was verbal and he doesn't think it specifically says that in the report. Mr. Dipaola said that he has concerns that the library is still open to liability. He agrees that it would be a difficult thing to remove the current tenant, but thinks that if the report does not specifically state that it is safe for a tenant to occupy the space that we are still liable if anything were to occur in the building. He would like to see someone saying that it is safe for the public. He asked that we ask the driving school for an addendum to the contract that states that we are renting the building to her "as is" and to see if she has insurance to cover any incidents that might occur during her term of rental. The environmental inspector did not find any asbestos. There is a mold problem on the second floor (which is currently empty.) Lead paint was found on the lower floor, but shouldn't be an issues since only adults use the area. Mr. Dipaola stated that we would need to have these surveys done as part of the architect's review of the building anyways. Mr. Arozena said that that was true and that the architect knocked off \$3,000 of his price as we had the surveys done. Ms. Savage (public) approached the podium and asked if the insurance company wouldn't just require us to fix problems with the building. Mr. Dipaola stated that he isn't sure that the carrier even knows that we rent the building out. Mr. Bloom stated that we should alert the carrier that we have rented out the building and its state according to the recent inspections.

- **Adoption of agreement with architect for Miller project**
- Mr. Arozena said that the agreement is what attorneys on both sides came up with. Mr. Dipaola asked if the drawings were enough for a contractor to work with. Mr. Arozena said he would contact the architect. Mr. Dipaola said that there are only three options as far as the Miller Building goes—rental, renovation or sale. He said he is not sure whether rental is an option as library monies may not be used for non-library uses. Ms. O'Halloran said she is not comfortable moving on with the project beyond the basic plans without public input. Mr. Dipaola suggested that we get a set of the 'as-is' plans and then approach the public for their input. Mr. Bloom suggested that we confirm what we get with as-is plans and reconvene with the next meeting. Mr. Dipaola said that we should divide the project into two phases and get clarification from the architect as to what the conceptual drawings include. Mr. Dipaola moved to postpone the item until the next meeting. Ms. O'Halloran seconded. The board voted to postpone the item 3-0.
- **Approval of minutes of October 8, 2015 meeting**
- Ms. O'Halloran moved to approve. Mr. Bloom seconded. The Board voted 3-0 to approve the minutes.
- **Approval of vacation time in concordance with policy 3020.2.1**
- Mr. Arozena stated that a new full-time hire has 14.5 years experience at his last job and one year prior to that in a similar position. The policy states that at 15 years experience that the Board can approve a higher level of vacation. Mr. Arozena asked that the Board accept the prior experience and move him to the next level of vacation accrual. Ms. Savage from the public asked if prior experience was usually taken into account in these matters. Mr. Arozena said he thought the level was close enough in this case to warrant the increased accrual. Ms. O'Halloran stated that she would be more comfortable with a policy change rather than a one-time approval. Mr. Bloom concurred that the policy should be changed.
- **Adoption of calendar for 2016**
- Mr. Arozena gave the Board a list of proposed dates for the meetings of 2016. He said they are all the second Thursday of each month and that the proposed list had been cleared with the city. Ms. O'Halloran moved to accept the dates. Mr. Bloom seconded. The measure passed 3-0.

Meeting adjourned.

John Gabby, President

Guy Garcia, Clerk

ATKINSON, ANDELSON, LOYA, RUUD & ROMO

A PROFESSIONAL CORPORATION

ATTORNEYS AT LAW

2485 NATOMAS PARK DRIVE, SUITE 240
SACRAMENTO, CALIFORNIA 95833-2937
(916) 923-1200

FAX (916) 923-1222
WWW.AALRR.COM

CERRITOS
(562) 653-3200

FRESNO
(559) 225-6700

IRVINE
(949) 453-4260

PASADENA
(626) 583-8600

PLEASANTON
(925) 227-9200

RIVERSIDE
(951) 683-1122

SAN DIEGO
(858) 485-9526

OUR FILE NUMBER:

006087.00001
13589508.1

December 7, 2015

VIA EMAIL
(arozenas@dixonlibrary.com)

Steve Arozena
Library Director
Dixon Public Library District
230 North First Street
Dixon, CA 95620

Re: Legal Services Fees (2016-17) And Updated Legal Services Agreement

Dear Steve:

The cost of providing legal services has increased during the past years, since we first began serving the Library in 2012. In fact, we have not raised our rates since that time. However, although our team of experienced attorneys makes every effort to perform work as expertly and efficiently as possible, we must increase each of our hourly rates by approximately \$20.00 per hour. We have also added a rate for "Senior Partners." Therefore, effective July 1, 2016, our hourly rates will be as follows:

Senior Partners	\$245.00
Partners/Senior Counsel (My Rate)	\$240.00
Senior Associates	\$225.00
Associates	\$220.00
Electronic Technology Litigation Specialist	\$180.00
Non-Legal Consultants	\$160.00
Senior Paralegals/Law Clerks	\$160.00
Paralegals/Legal Assistants	\$150.00

Based upon market surveys, our rates continue to be well below our competitors.

Also enclosed with this letter is an updated Agreement for Legal Services. Our firm periodically reviews and revises our standard legal services agreement. While the enclosed Agreement is substantially the same as our existing legal services agreement, it further

ATKINSON, ANDELSON, LOYA, RUUD & ROMO

December 7, 2015

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incorporates firm policy and billing practices. For example, we now offer training opportunities on a fixed fee basis, as follows:

A full day of training (up to 8 hours)	\$4,000
A half day of training (up to 4 hours)	\$2,750
A two hour training	\$2,250
A one hour training	\$1,500

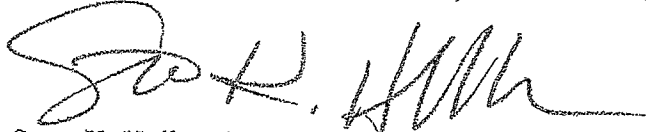
Please review the enclosed Agreement and feel free to contact me with any questions.

Our current written Agreement for Legal Services authorizes rate increases without executing a new Agreement or formal action by the Governing Board.

The current Legal Services Agreement will continue in effect until you sign and return the enclosed updated Agreement.

Very truly yours,

ATKINSON, ANDELSON, LOYA, RUUD & ROMO



Scott K. Holbrook

SKH:bms
Enclosure

AGREEMENT FOR LEGAL SERVICES

I. PARTIES

This Agreement for Special Services ("Agreement") is entered into by and between the law firm of ATKINSON, ANDELSON, LOYA, RUUD & ROMO, a professional corporation, hereinafter referred to as the "Law Firm" and, Dixon Public Library District, hereinafter referred to as "District."

II. PURPOSE

The District desires to retain and engage Law Firm to perform legal and, upon request, non-legal consultant services on the District's behalf. Law Firm accepts this engagement on the terms and conditions contained in this Agreement.

III. TERMS AND CONDITIONS

A. Fees For Services

1. Standard Hourly Rate Services

District agrees to pay the Law Firm at the following standard hourly rates:

Senior Partners	\$245.00
Partners/Senior Counsel	\$240.00
Senior Associates	\$225.00
Associates	\$220.00
Electronic Technology Litigation Specialist	\$180.00
Non-Legal Consultants	\$160.00
Senior Paralegals/Law Clerks	\$160.00
Paralegals/Legal Assistants	\$150.00

2. Fixed Fee Services

District agrees to pay the Law Firm a fixed fee for the following services:

A full day of training (up to 8 hours)	\$4,000
A half day of training (up to 4 hours)	\$2,750
A two hour training	\$2,250
A one hour training	\$1,500

The Law Firm may modify legal services rates effective July 1st of any year by providing thirty (30) days' written notice to District; however, should District object in writing to the modified rates within the thirty (30) day period, no change will be made until the rate is mutually agreed to by the parties.

B. Fee Arrangements For Specialized Legal Services

Agreements for legal fees at other than the hourly rates set forth above may be made by written mutual agreement for special projects or particular scopes of work. The Law Firm shall inform the District of the rates for specialized services and the Superintendent or designee is authorized to agree to such rates in writing prior to any billings for specialized legal services by the Law Firm.

C. Costs And Expenses

In addition to the fees described above, the District agrees to pay a five percent (5%) "administrative fee" calculated and based on the total monthly billed fees to cover certain operating expenses of the Law Firm incurred in providing services to the District. This administrative fee is in lieu of the Law Firm charging District for telephone charges (\$.07 per minute), incoming and outgoing faxes (\$2.00 per page), photocopies (\$.20 per page), mailing fees, messenger services, computer database (e.g., Westlaw) searches (billed at vendor's standard retail rate), word processing (\$40.00 per hour), and travel expenses including mileage at IRS rate, parking, meals, and lodging (excluding airfare).

Costs relating to fees charged by third parties retained to perform services ancillary to the Law Firm's representation of District are not included in the administrative fee and are charged separately. These include, but are not limited to, deposition and court reporter fees, transcript costs, witness fees (including expert witnesses), process server fees, and other similar third party fees. The Law Firm shall not be obligated to advance costs on behalf of the District; however, for purposes of convenience and in order to expedite matters, the Law Firm reserves the right to advance costs on behalf of the District with the prior approval of the Superintendent or designee in the event a particular cost item exceeds \$2,000.00 in amount, and without the prior approval of the Superintendent or designee in the event a particular cost item totals \$2,000.00 or less.

If the Law Firm retains, with authorization from the District, experts or outside consultants for the benefit of the District, rather than the District contracting directly with any expert or outside consultant, the District agrees to pay a five percent (5%) "consultant processing

fee" in addition to the actual costs paid by the Law Firm to the expert or outside consultant in order to offset related costs to the Law Firm resulting from administering and initially paying such expert and outside consultant fees on behalf of the District. This fee shall not apply to the services of Law Firm-provided non-legal consultants as set forth in paragraph H, below.

D. Billing Practices

1. A detailed description of the work performed and the costs and expenses advanced by the Law Firm will be prepared on a monthly basis as of the last day of the month and will be mailed to the District on or about the 15th of the following month, unless other arrangements are made. Payment of the full amount due, as reflected on the monthly statement, will be due to the Law Firm from the District by the 10th of the month following delivery of the statement, unless other arrangements are made. In the event that there are funds of the District in the Law Firm's Trust Account at the time a monthly billing statement is prepared, funds will be transferred from the Law Firm's Trust Account to the Law Firm's General Account to the extent of the balance due on the monthly statement and a credit will be reflected on the monthly statement. Any balance of fees or costs advanced remaining unpaid for a period of 30 days will be subject to a 1% per month service charge.

2. The Law Firm shall bill in one-quarter hour increments. Certain tasks shall be billed at established minimum time increments. These include: (a) telephone conference (.25 hour); (b) electronic correspondence (.25 hour); (c) standard written correspondence (.50 hour); (d) provide a document (.50 hour). Under some circumstances, the Law Firm may charge its regular hourly rate to more than one client for services provided concurrently during the same time period, such as in the course of traveling to the District or while providing legal services at the District.

3. District agrees to review the Law Firm's monthly statements promptly upon receipt and to notify the Law Firm, in writing, with respect to any disagreement with the monthly statement. Failure to communicate written disagreement with the Law Firm's monthly statement within thirty (30) days of the District's receipt thereof shall be deemed to signify the District's agreement that the monthly billing statement accurately reflects the services performed; and the proper charge for those services.

E. Termination Of Representation

The District has the right, at any time, and either with or without good cause, to discharge the Law Firm as the District's attorneys. In the event of such a discharge of the Law Firm by the District, however, any and all unpaid attorneys' fees and costs owing to the Law Firm from the District shall be immediately due and payable.

The Law Firm reserves the right to discontinue the performance of legal services on behalf of the District on a particular matter upon the occurrence of any one or more of the following events: (1) upon order of a court of law requiring the Law Firm to discontinue the performance of legal services; (2) upon a determination by the Law Firm in the exercise of its reasonable and sole discretion, that state or federal legal ethical principles require it to discontinue the performance of legal services; (3) upon a failure of the District to perform any of

the District's obligations with respect to the payment of the Law Firm's fees, costs or expenses as reflected on the monthly bill; and/or (4) upon a failure of the District to perform any of the District's obligations with respect to the duty of cooperation with the Law Firm in connection with the Law Firm's representation of the District.

In the event that the Law Firm ceases to perform services for the District on a matter, the District agrees that it will promptly pay to the Law Firm any and all unpaid fees and costs advanced, and retrieve all of its files, signing a receipt therefor. Further, the District agrees that, with respect to any litigation where the Law Firm has made an appearance in a court of law on its behalf, the District will promptly execute an appropriate Substitution of Attorney form. Any termination of Law Firm's representation on such a matter may be subject to approval by the applicable court of law.

F. Consent To Joint Representation

The District acknowledges that from time to time Law Firm may be asked to perform legal services on a matter affecting two or more public education local agencies. In such situations before proceeding with representation, Law Firm shall seek separate written consent to joint representation from all involved parties if permissible according to ethical principles applicable to attorneys. The District acknowledges that it is often in the best interest of the District for such representation to commence without undue delay which may result from waiting until a regularly-scheduled Board meeting. Therefore, pursuant to Education Code section 7, the Governing Board of the District hereby delegates to the Superintendent or designee authority to consent to joint representation in the circumstances described in this paragraph.

G. Client Cooperation

The District agrees to fully cooperate with the Law Firm in connection with the Law Firm's representation of the District, including but not limited to, attending mandatory court hearings and other appearances, making its employees and officials available, and providing accurate information documentation necessary to enable the Law Firm to adequately represent the District.

H. Services Performed By Law Firm Provided Non-Legal Consultants

The Law Firm has an affiliation with non-legal consultants who are available to provide services in areas including, but not limited to, personnel/business office audits, human resources/collective bargaining consultation, special education consultation, public/employee relations surveys and communications, media and public relations, budget analysis/support services, instructional coaching/counseling at school improvement sites, leadership coaching, board/superintendent relations and best practices, and interim management placement.

Because the Law Firm has a financial interest in the District's use of these affiliated non-legal consultants, the rules of the State Bar of California require that the District provide its informed written consent to this arrangement to prior to utilizing these services. Execution of this Agreement shall be deemed "informed consent" for the purpose of this paragraph. The District is hereby advised that it may seek the advice of an independent attorney of your choice prior to providing such written consent.

Please also be advised that because the services of these non-legal consultants are provided to the District outside of the attorney-client relationship, communications with these non-legal consultants will not be protected from disclosure by the attorney-client privilege.

I. Consent To Law Firm Communication

As part of our commitment to client service, the Law Firm will send the District periodic alerts on case developments and legislative changes, and notices of breakfast briefings, conferences, and other training opportunities designed to help the District with daily legal concerns. The Law Firm will send those and other additional service notices to the District via regular mail and/or electronic mail at the email address which you designate or the email used in your daily communications with us. By execution of this Agreement, the District and designated contact(s) consent to receive such communications by electronic mail subject to the right to unsubscribe at any time.

J. Miscellaneous

1. The Law Firm maintains errors and omissions insurance coverage applicable to the services to be rendered.

2. The parties agree that the Law Firm, while engaged in carrying out and complying with any of the terms and conditions of this Agreement, is an independent contractor and is not an employee of the District.

3. After a file on a matter is closed, the District has a right to request the Law Firm to return the file to the District. Absent such a request, the Law Firm shall retain the file on the District's behalf.

IV. BINDING ARBITRATION

The parties agree that all disputes which arise between the District and the Law Firm, whether financial or otherwise regarding the attorney-client relationship, shall be resolved by binding arbitration. The parties agree to waive their right to a jury trial and to an appeal.

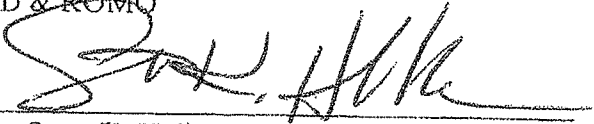
V. DURATION

This Agreement shall commence upon execution of both of the parties below and continue until work is completed or the Agreement is terminated as provided above. This Agreement replaces all prior agreements between the parties.

"Law Firm"

ATKINSON, ANDELSON, LOYA,
RUUD & ROMO

Dated: 12-9-15

By: 
Scott K. Holbrook

"DISTRICT"

DIXON PUBLIC LIBRARY DISTRICT

Dated: 12-7-15


By: 
Steve Arozena, Library Director

EXHIBIT A

TECHNOLOGY QUESTIONNAIRE

Please understand that by agreeing to the use of any means of communication other than in-person private meetings or two-way (as opposed to multiparty) land line telephone conversations, you will be giving your consent to, and accepting any risks of disclosure of, confidential information to third parties that may be attendant upon the use of those means of communication.

The Law Firm **May Use** the following cellular phones, facsimile numbers and email addresses for the purposes of transmitting confidential information:

Cellular telephone number(s):	817-909-0481		_____
Facsimile number(s)	_____		_____
Email Address(es):	arorens@obixonlibrary.com		saroren@yahoo.com

The Law Firm **Should Not Use** the following cellular phones, facsimile numbers and email addresses for the purposes of transmitting confidential information. Note that if you use an email address when communicating with us, you consent to our use of that number to reply to you even if you have indicated below that we should not use that email address.

Cellular telephone number(s):	_____		_____
Facsimile number(s)	707 678 3515		_____
Email Address(es):	_____		_____

Are there other communications and confidentiality issues which we should be aware of in connection with this engagement? Yes No If yes is checked, please explain:

Dated: 12-7-15

Signature 

Client Name Dixon Public Library

Name of Signer Steve Avorenc

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:

Dixon Public Library District,
a special independent library district

By:

Gregg T. Atkins
Gregg T. Atkins,
District Librarian

Dated:

4-13-2012

TENANT:

Economy Driving School

By:

Name:

Title:

Dated:

Susan Kay Avery
Susan Kay Avery
OWNER
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