

LEASE

by and among

SLEEPY HOLLOW CHARITABLE FOUNDATION,

as Landlord,

and

SLEEPY HOLLOW FIRE PROTECTION DISTRICT

as Tenant

and

SLEEPY HOLLOW HOMES ASSOCIATION OF MARIN COUNTY

as Consenting Party

Dated as of _____, 2019

**LEASE
1317 BUTTERFIELD ROAD
SAN ANSELMO, CALIFORNIA**

Basic Lease Terms

DATE: _____, 2019

TENANT: Sleepy Hollow Fire Protection District (“SHFPD”)

LANDLORD: Sleepy Hollow Charitable Foundation (“SHCF”)

PREMISES: An approximately 37,728 square foot property and approximately 6,400 square foot community building (“Building”) (together, the “Project”), and disaster planning and recovery center, as depicted in the plans dated _____, 201_ and received by the Marin County Community Development Agency (“MCDA”) as an amendment to the design approval approved by the Marin County Board of Supervisors Resolution No. 2014-100 dated October 28, 2014 and as further modified and approved by Marin County in September 2017 (the “Plans”).

RENTABLE AREA:

Shared use of the entire Project for emergency planning and shelter purposes as depicted in the Plans in the event of a declared emergency, a practice session, or other uses consistent with the operation of a fire protection district (collectively, the “Emergency Space”); shared use of the Legends Room and Founders Room for all public or closed-session meetings of SHFPD (as coordinated with SHCF); shared use of the gathering rooms and other public spaces for SHFPD events (as coordinated with SHCF), and exclusive use of the office space and storage spaces depicted in the Plans (the “Leased Office Space” and the “CERT Storage”). SHFPD shall also have the right to post all required legal notices in an area of the Building facing Butterfield Road readily visible from the outside 24 hours per day. SHFPD will lease the Emergency Space from SHCF, and SHCF will lease the Emergency Space to SHFPD.

BUILDOUT:

SHCF, at its own cost and expense, shall construct the Community Center and Emergency Space as depicted in the Plans. SHCF has disclosed, and SHFPD is aware, that the Plans require final approval from the MCDA, and that construction details will be confirmed after MCDA has approved the Plans and a final contract price for construction has been accepted by the SHCF. Any material modifications to the Plans (including portions of the Project other than the Emergency Space) shall require SHFPD’s review and approval, not to be unreasonably withheld, conditioned or delayed.

PERMITTED USE: Office, educational, training, public assembly, emergency, and other uses consistent with the operation of a fire protection district as authorized by California law, including without limitation, current and emergency community wildfire planning, training, regular, special, and emergency public meetings, preparation, communications, response, evacuation services, and the storage, maintenance, repair, and use of certain SHFPD equipment. SHFPD shall at all times have full and exclusive use of the Office Space. SHFPD's use of the Emergency Space shall be on a preferential, non-exclusive basis with priority over other users (as coordinated in advance with SHCF) except in the event of an emergency, in which event SHFPD shall have exclusive use and use by others shall be suspended so long as the emergency declaration remains in effect and for a reasonable time thereafter.

COMMENCEMENT DATE: Upon SHCF's receipt of a certificate of occupancy for and delivery of possession of the Emergency Space and the Project and compliance with all conditions precedent specified herein.

EARLY OCCUPANCY: SHFPD shall have the right to access the Emergency Space for the purpose of installation of its furniture, fixtures and equipment ("FF&E") not less than thirty (30) days prior to the Commencement Date or issuance of a temporary certificate of occupancy, if required for installation of such FF&E.

EXPIRATION DATE: Fifteen (15) years from the date that is the first day of the calendar month after the Commencement Date, or upon thirty days written notice by SHFPD if SHCF fail to receive a certificate of occupancy for and delivery of possession of the Emergency Space and the Project in compliance with all conditions precedent specified herein by January 1, 2021.

INITIAL TERM: Fifteen (15) years plus any partial month in the event the Commencement Date is any day other than the first of such calendar month.

BASE RENT: The Base Rent shall be Seven Thousand Five Hundred Dollars (\$7,500.00), per month, with no escalations for the Initial Term.

ADDITIONAL RENT: No pass-through of operating expenses, maintenance, insurance costs, real estate taxes or other expenses associated with the use and operation of the Building by Landlord; provided, however, that Tenant shall be obligated to pay any personal property taxes, janitorial expenses associated with its Office Space, and maintenance of the interior portion of the Office Space, all in accordance with the terms of this Lease.

SECURITY DEPOSIT: Tenant shall deliver to Landlord, upon the complete execution of this Lease, the Security Deposit in the sum of Fifty Thousand Dollars (\$50,000.00).

NOTICES:

All notices to Tenant shall be addressed:

Prior to the Commencement Date:

Board of Directors
Sleepy Hollow Fire Protection District
c/o Thomas J. Finn, Director/Secretary
San Anselmo, California 94960-1148

with a copy to:

Nossaman LLP
Attention: Danielle S. Gensch, Esq.
50 California Street, 34th Floor
San Francisco, California 94111

Following the Commencement Date:

Board of Directors
Sleepy Hollow Fire Protection District
1317 Butterfield Road
San Anselmo, California 94960

All notices to Landlord shall be addressed:

Board of Directors
Sleepy Hollow Charitable Foundation
1317 Butterfield Road
San Anselmo, California 94960

with a copy to:

Board of Directors
Sleepy Hollow Homes Association
1317 Butterfield Road
San Anselmo, California 94960

_____ Novato,

EXHIBITS:

Exhibit A - Rules and Regulations

- Exhibit B – Intentionally omitted
- Exhibit C – Floor Plan Depicting Premises
- Exhibit D – Site Plan
- Exhibit E – Form of Subordination, Nondisturbance, and
Attornment Agreement

These Basic Lease Terms are incorporated into and made a part of the Lease. In the event of any conflict between the Basic Lease Terms and the Lease, the Lease shall govern and control.

IN WITNESS WHEREOF, the Parties hereto have executed these Basic Lease Terms as of the day and year appearing next to each signature below.

TENANT:

Sleepy Hollow Fire Protection District

By: _____
Name: _____
Title: _____

Date: _____

LANDLORD:

Sleepy Hollow Charitable Foundation

By: _____
Name: _____
Title: _____

Date: _____

CONSENTING PARTY

Sleepy Hollow Homes Association

By: _____
Name: _____
Title: _____

Date: _____

LEASE AGREEMENT

This Lease is made with reference to the following facts and objectives:

A. SHCF is a nonprofit public benefit corporation organized under the Nonprofit Public Benefit Corporation Law of the State of California, and is organized for public and charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code") and Sections 214 and 23701d of the California Revenue and Taxation Code, as amended. The specific purposes of the SHCF are to (1) provide disaster planning, response, and recovery services; (2) educate the public about safety, environmental, and other issues; (3) provide programming and space for older adults; (4) provide child care in accordance with the Code; (5) operate fitness facilities in accordance with the Code; and (6) engage in any other charitable activities.

B. SHHA is a nonprofit mutual benefit association organized in the State of California and formed under Section 501(c)(4) of the Internal Revenue Code. SHHA is the owner of the real property located at 1317 Butterfield Road, San Anselmo, California and has or will lease the property to SHCF for the express purpose that SHCF shall construct, own, operate, and maintain the Building. SHHA approves and consents to the terms of this Lease.

C. Tenant is an autonomous Special District of the State of California responsible for fire protection and emergency services in the unincorporated area of Sleepy Hollow in Marin County, California.

D. Tenant has found and determined that this Lease will assist in the full implementation of Tenant's Strategic Plans and therefore this Lease will serve the health, safety, and welfare of the residents and others within the Sleepy Hollow Fire Protection District's jurisdictional boundaries (the "District"). Among other public benefits, the Building exists in a secure central location in the District, fully and immediately accessible to the public in the event of a public safety emergency, and will include:

- Storage space for emergency and Community Emergency Response Team ("CERT") supplies including drinking water, nutrition, cots and bedding, First Aid supplies, defibrillator, eyewash station, hand tools, portable generators, helmets, and gloves.
- Dedicated office space, signage, and public message board for Tenant's use, fully accessible to Tenant at all times, with separate entry access to the Office Space from both the exterior and interior of the Building.
- Meeting and classroom training space with marker boards and audiovisual tools for each area developed in conjunction with Tenant and community needs.

In addition, the Project will include:

- Backup on-site emergency power to supply critical functions in the Building, including charging stations for mobile telephones and other portable devices and refrigeration for medicines.
- Communication links for telephones, Internet, Wi-Fi, National Oceanic and Atmospheric Administration ("NOAA") weather radio, short-wave radio, and a Marin Emergency Radio Authority ("MERA") scanner.
- Accessible restrooms and a reserve water supply to ensure restrooms and limited showering availability in the event of a public safety emergency.
- Space to accommodate a minimum of fifty (50) people overnight in accordance with American Red Cross standards and Federal Emergency Management Agency publication "Shelter Field Guide FEMA P-785".

E. Tenant desires to lease the Premises from Landlord and Landlord desires to lease the Premises to Tenant on the terms and conditions set forth in this Lease.

In consideration of the foregoing and the mutual representations, warranties, covenants, and agreements contained in this Lease and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, agree as follows:

Premises 1. Landlord leases to Tenant the Premises as designated in the Basic Lease Terms. Tenant shall have exclusive and/shared use of the Premises in accordance with the Basic Lease Terms, together with the right in common with invitees to the Building to use any portions of the Project that are designated by Landlord for the common use of such invitees, including sidewalks, unreserved parking areas, common corridors, restrooms, foyers, staircases and lobby areas (the “Common Areas”). SHHA consents to the Lease. In addition, and notwithstanding the foregoing, this Lease shall not be effective until the Tenant shall have received written evidence reasonably satisfactory to the Tenant and its Special Counsel that confirms Landlord’s real property interest in and to the Land and Building, as confirmed in writing by the Tenant.

Purpose 2. The Premises shall be used for general office, educational, training, public assembly, emergency, and other uses consistent with the operation of a fire protection district as authorized by California law, including the storage, maintenance, repair, and use of equipment owned or controlled by Tenant and/or the joint powers authority of which Tenant is a member. Tenant shall at all times have full and exclusive use of the Office Space. Tenant’s use of the Emergency Space shall be on a preferential, non-exclusive basis with priority over other users (as coordinated with SHHA) except in the event of a declared emergency, in which event Tenant shall have exclusive use and use by others shall be suspended so long as the emergency declaration remains in effect and for a reasonable time thereafter.

Term 3. The Commencement Date and Expiration Date of the Lease term (the "Term") are the dates set forth on the Basic Lease Terms. Notwithstanding the foregoing, if Tenant occupies the Premises for the conduct of its business prior to the Commencement Date set forth in the Basic Lease Terms, exclusive of the early occupancy set forth therein, this Lease shall be deemed to have commenced on the date of occupancy for the conduct of its business and Tenant shall be obligated to pay Base Rent for the period between the date of such occupancy and the Commencement Date a prorated portion of the Base Rent payable hereunder during the first year of the Term (after the initial one month abatement of Base Rent). If for any reason Landlord cannot deliver possession of the Premises to Tenant on the aforesaid Commencement Date, this Lease shall not be void or voidable nor shall Landlord be liable to Tenant for any such delay, but the commencement of the Term of this Lease, and Tenant's obligation to pay Base Rent, shall be postponed until such possession can be delivered and the Expiration Date of the Term shall be similarly extended. Tenant shall be permitted to enter into the Premises in accordance with the Basic Lease Terms. Tenant shall in no manner interfere with the repairs to the Premises to be provided by Landlord pursuant to subsection 9(b), below.

Rent 4(a) Tenant shall pay to Landlord monthly rent ("Base Rent") during the Term, without offset, deduction or demand, payable in advance on or before the first day of each and every calendar month the sum as set forth in the Basic Lease Terms. If the Term commences on other than the first day of a calendar month or ends on other than the last day of a calendar month, the first or last payment of Base Rent shall be prorated on a daily basis using the number of days in the applicable calendar month.

4(b) All charges and other amounts of any kind payable by Tenant to Landlord pursuant to this Lease shall be deemed "Additional Rent." Landlord shall have the same remedies for default in the payment of Additional Rent as for default in the payment of Base Rent. Base Rent and Additional Rent are collectively sometimes hereinafter referred to as "Rent." All Additional Rent shall be due and payable by Tenant on or before thirty (30) days after billing by Landlord.

4(c) All Rent payable by Tenant to Landlord hereunder, if not received by Landlord when due, shall bear interest from the date due until paid at the publicly announced prime rate or reference rate charged on such due date by the San Francisco Main Office of Bank of America, N. T. & S. A. (or any successor bank) for short term, unsecured loans to its most creditworthy borrowers, plus four percent (4%) per annum, but in no event shall such interest exceed the maximum rate permitted by law. Landlord's acceptance of any interest payments absent payment of past-due Rent shall not constitute a waiver of Tenant's default with respect to the overdue Rent amount or prevent Landlord from exercising any of the rights and remedies available to Landlord under this Lease or by law.

Rental Adjustment 5. Tenant shall not be responsible for any operating expenses or pass-throughs associated with the Building or Premises except as expressly set forth herein.

Security Deposit:

6. Upon the complete execution of this Lease, Tenant shall pay the Security Deposit as set forth in the Basic Lease Terms to secure the full performance and observance of each and all of the provisions of this Lease. If Tenant defaults in any of its obligations under this Lease, then after expiration of applicable notice and cure periods, Landlord may use, apply or retain the whole or any part of the Security Deposit (i) to satisfy past due Rent, (ii) to cure any uncured default of Tenant, or (iii) to compensate Landlord for any expense or damage caused by Tenant's default. Tenant hereby expressly waives any rights or benefits contained in California Civil Code Section 1950.7 and expressly agrees that, in the event of Tenant's default hereunder, Landlord shall not be obligated to return the Security Deposit to Tenant so long as any obligations of Tenant remain outstanding or so long as Landlord may be entitled to additional recoveries against Tenant. Within thirty (30) days of Landlord's demand, Tenant shall promptly pay to Landlord a sum equivalent to the amount by which the Security Deposit was so depleted. It is understood that Landlord is not a trustee of the Security Deposit and that Landlord may commingle it with other funds. Said Security Deposit or so much thereof as remains after Tenant's obligations and liabilities to Landlord hereunder have been satisfied shall be refunded to Tenant, without interest, within thirty (30) days after the termination or expiration of this Lease.

Uses Prohibited

7. The Premises shall be used only for the Permitted Use and for no other use whatsoever. Landlord acknowledges that the Permitted Use incorporates emergency planning and response operations and may disrupt the use and occupancy of the Building by Landlord's invitees.

Compliance with Law 8. Tenant shall comply with all federal, state and local laws, statutes, ordinances, rules and regulations (“Laws”) applicable to its use and occupancy of the Premises, subject to any exemptions due to its status as a California special district. Tenant, within ten (10) days after receipt, shall provide Landlord with copies of any notices it receives regarding violation or alleged violation of any Laws. Further, Tenant shall at all times and in all respects comply with all Laws relating to hygiene, environmental protection, or the presence, use, generation, storage, transportation or disposal of any toxic or hazardous substances (“Hazardous Material Laws”), as the same may be amended from time to time, including without limitation, obtaining any required permits or licenses, and Tenant shall handle, treat, manage and dispose of any and all toxic or hazardous substances used by it or its agents, employees or contractors in strict conformity with all Hazardous Materials Laws applicable to Tenant’s practices with such hazardous materials.

Alterations 9(a) Tenant shall not make or suffer to be made any alterations, additions or improvements to or of the Premises or any part thereof without the written consent of Landlord, which shall not be unreasonably withheld or delayed. As of Landlord’s approval of such alterations, Landlord shall inform Tenant whether Landlord will require removal of such alterations as of expiration or earlier termination of this Lease. Any alterations, additions, or improvements to or of the Office Space, including without limitation any partitions, movable or otherwise, and all carpeting, shall at once become a part of the realty and belong to Landlord. Notwithstanding the foregoing, furniture, equipment and trade fixtures shall remain the property of Tenant. If Landlord consents to the making of any alterations, additions or improvements to the Office Space by Tenant, the same shall be made by Tenant at Tenant's sole cost and expense. Upon the expiration or sooner termination of the Term, Tenant, at Tenant's sole cost and expense, shall remove any alterations, additions or improvements made by Tenant designated by Landlord as of its consent to be removed and Tenant, at its sole cost and expense, shall repair any damage to the Premises caused by such removal. Tenant's obligation to remove any alterations, additions, improvements, fixtures and/or personal property and to repair any damage from such removal shall survive the termination of this Lease.

9(b) Construction of any alterations, additions, or improvements by Tenant shall be completed in accordance with drawings and specifications approved in advance in writing by Landlord, which approval shall not be unreasonably withheld or delayed, and shall be carried out in a good and workmanlike manner, and in compliance with applicable Laws and such additional requirements of Landlord as may be reasonably imposed.

Repair

10. Subject to Landlord's obligations to complete construction of the Premises and to perform repairs, Tenant accepts the Premises as being in good condition and repair and accepts delivery of the Premises on a strictly "as is, with all faults basis". Except as expressly set forth in this Lease, Landlord makes no representation or warranty whatsoever as to the condition of the Premises. Tenant, at Tenant's sole cost and expense, shall keep the areas of the Premises under its exclusive use and every part thereof in good condition and repair, except for ordinary wear and tear or damage thereto by fire, earthquake or act of God. Upon the expiration or sooner termination of the Term hereof, Tenant shall surrender the Premises to Landlord in substantially the same condition as when received, ordinary wear and tear and damage by fire, earthquake, act of God or the elements excepted, unless the damage is caused by Tenant's negligence or willful act.

Liens **11.** Tenant shall keep the Premises, the Building and the land on which the Building is located free from any liens arising out of any work performed, materials furnished or obligations incurred by Tenant. Tenant shall in the event of the filing of any such lien, post any bond required to release the Premises therefrom. Should Tenant fail to remove any such lien within ten (10) business days after notice to do so from Landlord, Landlord may, in addition to any other remedies, record a bond pursuant to California Civil Code Section 3143 and all amounts incurred by Landlord in so doing shall become immediately due and payable by Tenant to Landlord as additional rent. Landlord shall have the right to post and keep posted on the Premises any notices of non-responsibility that may be provided by law or which Landlord may deem to be proper for the protection of Landlord, the Premises and the Building from such liens.

Assignment and Subletting **12(a)** Tenant shall not mortgage, pledge, hypothecate or encumber this Lease or any interest therein without the written consent of Landlord, which shall not be unreasonably withheld, conditioned or delayed. Tenant shall not assign this Lease or sublet or suffer any other person (the agents and servants of Tenant excepted) to occupy or use the Premises, or any part thereof, or sublet any right or privilege appurtenant thereto (collectively, "Assignment") without the prior written consent of Landlord first had and obtained, which consent shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, in the event Tenant is dissolved, reconstituted, consolidated, or merged into any other governmental or quasi-governmental agency with substantially similar powers and duties, Tenant shall give due notice of such to Landlord and request an assignment of this Lease to the successor entity and Landlord agrees to cooperate with such assignment. Any Assignment without Landlord's consent shall be void and shall constitute a default under this Lease. Landlord's consent to one Assignment shall not be deemed to be a consent to any subsequent Assignment.

12(b) If Tenant desires at any time to enter into an Assignment of this Lease that requires the consent of Landlord, Tenant shall first give written notice to Landlord of its desire to do so, which notice shall contain (1) the name of the proposed assignee, subtenant or occupant (collectively "Assignee"); (2) the nature of the proposed Assignee's business to be carried on in the Premises; (3) the terms and provisions of the proposed Assignment; (4) such available financial information regarding the proposed Assignee as Landlord may reasonably request; and (5) such operating histories and statements of prior experience as Landlord may reasonably request concerning the proposed Assignee. At any time within thirty (30) days after Landlord's receipt of the notice and any additional information requested by Landlord, Landlord may, by written notice to Tenant, elect to (a) consent to the Assignment, or (b) disapprove the Assignment. In no event shall a subtenant have a right to further sublet the Premises.

12(c) Intentionally omitted.

12(d) Intentionally omitted.

12(e) Tenant shall pay Landlord's reasonable costs incurred in connection with Tenant's request to an Assignment, regardless whether or not the Landlord consents to the proposed transfer, not to exceed \$1,000.

12(f) Tenant hereby covenants and agrees to pay to Landlord fifty percent (50%) of all rent and other consideration which it receives as a result of the Assignment which is in excess of the Base Rent and additional rent payable hereunder upon receipt thereof by Tenant. Notwithstanding anything contained herein to the contrary, Tenant shall have the right to first subtract the leasing commissions, marketing expenses limited to subtenant improvements, reasonable legal fees, and design fees incurred in connection with any Assignment before determining excess rent. In addition to any other rights Landlord may have, Landlord shall have the right to contact any Assignee and require that all payments made pursuant to the Assignment shall be made directly to Landlord.

12(g) Intentionally omitted.

12(h) Notwithstanding anything in this Article 12 to the contrary, temporary occupancy of all or part of the Office Space, the Emergency Space, and/or the Common Areas by (i) any fire and/or emergency services agency or entity, or (ii) any successor entity to Tenant, whether by consolidation, merger, or otherwise, shall not be deemed an assignment or subletting requiring Landlord's prior written consent, provided that such fire and/or emergency services agency or entity or successor entity was not formed as a subterfuge to avoid the obligations of this Article 12. Tenant may allow any fire and/or emergency service agency or entity which is providing a service to Tenant or which is engaged in joint meeting or training activities with Tenant to occupy certain portions of the Office Space, the Emergency Space, and/or Common Areas without such occupancy being deemed an assignment or subleasing so long as such relationship was not created as a subterfuge to avoid the obligations of this Article 12. By way of example and not by limitation, such fire and/or emergency services agencies or entities shall include FIRESafe Marin, the Ross Valley Fire Department, and the Marin County Fire Department.

Indemnification

13(a). Neither Landlord nor its partners, officers, directors, shareholders or trustees (“Landlord Parties”) shall be liable to Tenant and Tenant hereby waives all claims against the Landlord Parties for any injury to or death of any persons or damage to or destruction of property in or about the Premises or the Building by or from any cause whatsoever, including, without limitation, theft, burglary, mysterious disappearance, gas, fire, oil, electricity or leakage of any character from the roof, walls, basement or other portion of the Premises or the Building, except to the extent caused by the negligence or willful misconduct of the Landlord Parties. Except to the extent caused by the negligence or willful misconduct of the Landlord Parties, Tenant agrees to indemnify and defend Landlord against and save Landlord harmless from any and all loss, cost, liability, damage and expense, including without limitation penalties, fines and reasonable attorneys’ fees and costs, incurred in connection with any case related directly to: (1) any default by Tenant in the observance or performance of any of the terms, covenants or conditions of this Lease on Tenant’s part to be observed or performed, or (2) the use or occupancy or manner of the use or occupancy of the Premises by Tenant or any other person or entity claiming through or under Tenant, including without limitation, the illegal use, generation, storage, transportation or disposal of any toxic or hazardous substances by Tenant or any other person or entity claiming through or under Tenant, or (3) any acts, omissions or negligence of Tenant or of Tenant’s agents, contractors, employees, subtenants, licensees, invitees or visitors or any such person or entity, in, on or about the Premises or the Building, either prior to the commencement of, during, or after the expiration of the Term, including without limitation any acts, omissions or negligence in the making or performing of any alterations. In the event any action or proceeding is brought against Landlord for any claim against which Tenant is obligated to indemnify Landlord hereunder, Tenant upon notice from Landlord shall defend such action or proceeding at Tenant’s sole expense by counsel approved by Landlord in its reasonable discretion. The provisions of this Section 13(a) shall survive the expiration or earlier termination of this Lease.

13(b). Except to the extent caused by the negligence or willful misconduct of Tenant and/or its officers, directors or trustees (“Tenant Parties”), Landlord agrees to indemnify and defend Tenant against and save Tenant harmless from any and all loss, cost, liability, damage and expense, including without limitation penalties, fines and reasonable attorneys’ fees and costs, incurred in connection with : (1) any default by Landlord in the observance or performance of any of the terms, covenants or conditions of this Lease on Landlord's part to be observed or performed, or (2) the condition of the Premises or Building as required to be maintained or operated by Landlord pursuant to this Lease, or (3) any acts, omissions or negligence of Landlord or of Landlord’s agents, contractors, employees, subtenants, licensees, invitees or visitors or any such person or entity, in, on or about the Premises or the Building, either prior to the commencement of, during, or after the expiration of the Term. In the event any action or proceeding is brought against Tenant for any claim against which Landlord is obligated to indemnify Tenant hereunder, Landlord upon notice from Tenant shall defend such action or proceeding at Landlord's sole expense by counsel approved by Tenant in its reasonable discretion. The provisions of this Section 13(b) shall survive the expiration or earlier termination of this Lease.

Insurance

14(a). Tenant agrees to keep in force during the Term hereof, at Tenant's expense, public liability and property damage insurance with combined single limits in the amount of not less than Three Million Dollars (\$3,000,000). Said policy shall name Landlord as an additional insured, and shall insure Landlord's contingent liability as respects acts, or omissions of Tenant, shall be issued by an insurance company licensed to do business in California; and shall provide that said insurance shall not be cancelled or amended unless thirty (30) days prior written notice to Landlord is first given. Said policy or a certificate thereof shall be delivered to Landlord by Tenant prior to the commencement of the Term and each renewal of such insurance.

14(b). Landlord agrees to purchase and keep in full force and effect during the Term hereof, including any extensions or renewals thereof, insurance under policies issued by insurers of recognized responsibility, qualified to do business in the State of California on the Building in amounts not less than the greater of eighty (80%) percent of the then full replacement cost (without depreciation) of the Building (above foundations and excluding Tenant additions) or an amount sufficient to prevent Landlord from becoming a coinsurer under the terms of the applicable policies, against fire and such other risks as may be included in standard forms of all risk coverage insurance reasonably available from time to time, including, at Landlord's option, earthquake insurance. Landlord agrees to maintain in force during the Term, Commercial General Liability Insurance covering the Building on an occurrence basis against all claims for personal injury, bodily injury, death, and property damage. Such insurance shall be for a combined single limit of not less than Three Million Dollars (\$3,000,000.00). Neither Landlord's obligation to carry such insurance nor the carrying of such insurance shall be deemed to be an indemnity by Landlord with respect to any claim, liability, loss, cost or expense due, in whole or in part, to Tenant's negligent acts or omissions or willful misconduct. Without obligation to do so, Landlord may, in its sole discretion from time to time, carry insurance in amounts greater and/or for coverage additional to the coverage and amounts set forth above.

Utilities

15. Landlord shall furnish to the Premises water, gas, electricity, heat and janitorial service and shall provide for garbage collection for the Building. Tenant acknowledges that the Premises are not required to have air conditioning and Landlord acknowledges that Tenant may install cooling equipment in the Emergency Space and Office Space. [confirm] Landlord shall not be liable for, and Tenant shall not be entitled to any abatement or reduction of rent by reason of, Landlord's failure to furnish any of the foregoing when such failure or delay is caused by accident, breakage, repairs, strikes, lockouts or other labor disturbances or labor disputes of any character, or is caused directly or indirectly by the limitation, curtailment, rationing or restrictions on use of water, electricity, gas or any other of energy serving the Premises or the Building, or by any other cause, similar or dissimilar, beyond the reasonable control of Landlord. Landlord shall not be liable under any circumstances for loss of business or injury to property, however occurring, through or in connection with or incidental to failure to furnish any of the foregoing. Tenant shall pay and provide for all services and utilities necessary for Tenant's operations in the Premises and not otherwise provided for herein. Notwithstanding the foregoing, Tenant with the written approval of Landlord, which approval may not be unreasonably withheld, may install or utilize its own cooling devices. In addition, Tenant shall be permitted to provide all appropriate utilities on an emergency basis to the Building and/or the Emergency Space. Landlord shall provide and maintain a security patrol or commercially reasonable security system for the Building. Notwithstanding the fact that Landlord is providing such service, Landlord shall not be responsible for the quality of any such system which may be provided hereunder or for damage or injury to Tenant, its employees, invitees or others or change to property due to the failure, action, or inaction of such patrol or system.

**Personal
Property
and Other
Taxes**

16. Tenant shall pay, before delinquency, any and all taxes levied or assessed and which become payable during the Term hereof upon Tenant's equipment, furniture, fixtures and other personal property located in the Premises, including carpeting installed by Tenant even though said carpeting has become a part of the leased Premises; and any and all taxes or increases therein levied or assessed on Landlord or Tenant by virtue of alterations, additions or improvements to the Premises made by Tenant or Landlord at Tenant's request. In the event said taxes are charged to or paid or payable by Landlord, Tenant forthwith upon demand therefore, shall reimburse Landlord for all of such taxes paid by Landlord. Notwithstanding the foregoing, Landlord agrees to cooperate with Tenant in processing any property tax exemption applications to the extent required by applicable Law.

**Rules and
Regulations**

17. Tenant shall faithfully observe and comply with the rules and regulations, and all reasonable modifications of and additions thereto applicable to the Building from time to time put into effect by Landlord of which Tenant shall have notice. Landlord shall not be responsible to Tenant for the nonperformance by any other visitor or occupant of the Building of any of said rules and regulations. Landlord agrees to enforce such rules and regulations on a non-discriminatory basis.

**Holding
Over**

18. Any holding over after the expiration of the Term of this Lease shall be deemed a tenancy at sufferance or, upon Landlord's written election, a month-to-month tenancy in either event with Base Rent at the rate of one hundred fifty percent (150%) of the rental in effect for the last month immediately preceding such expiration or termination, and upon each and every one of the terms, conditions and covenants of this Lease (with Tenant having the continuing obligation to pay any additional rent as provided herein). Acceptance by Landlord of rent after such expiration or earlier termination shall not constitute a consent to a hold over or result in an extension of this Lease. Tenant shall pay an entire month's Base Rent calculated in accordance herewith for any portion of a month it holds over and remains in possession of the Premises.

Subordination

19. This Lease shall be subject and subordinate at all times to all ground or underlying leases which may now exist or hereafter be executed affecting the Building and/or the land upon which the Building is situated and to the lien of any mortgages or deeds of trust in any amount or amounts whatsoever now or hereafter placed on or against said Building and/or land or on or against the Landlord's interest or estate therein or on or against any ground or underlying lease on the condition Tenant receives from such mortgagee or ground lessor a commercially reasonable form of subordination, non-disturbance and attornment. In furtherance of the foregoing, Tenant covenants and agrees to execute and deliver, within ten (10) business days after written notice, such further instruments evidencing such subordination of this Lease to such ground or underlying leases and to the lien of any such mortgages or deeds of trust as may be required by Landlord, which shall be in form and substance reasonably acceptable to Tenant. In the event of termination of any ground or underlying lease, or in the event of foreclosure or exercise of any power of sale under any mortgage or deed of trust superior to this Lease or to which this Lease is subject or subordinate, upon Tenant's attornment to the lessor under such ground or underlying lease or to the purchaser at any foreclosure sale or sale pursuant to the exercise of any power of sale under any mortgage or deed of trust, this Lease shall not terminate and Tenant shall automatically be and become the Tenant of said lessor under such ground or underlying lease or to said purchaser, whichever shall make demand therefore.

**Entry by
Landlord**

20. Landlord reserves and shall at any and all reasonable times have the right to enter the Premises upon reasonable advance notice (except in the case of emergencies) to inspect the same, to supply any service to be provided by Landlord to Tenant hereunder, to post notices of non-responsibility, and to alter, improve or repair the Premises at the request of or with the consent of the Tenant and any portion of the Building without abatement of Rent. Tenant hereby waives any claim for damages for any injury or inconvenience to or interference with Tenant's business, any loss of occupancy of quiet enjoyment of the Premises, and other loss occasioned by such entry. For each of the aforesaid purposes, Landlord shall at all times have and retain a key with which to unlock all of the doors, in, upon and about the Premises excluding Tenant's confidential files, vaults and safes, and Landlord shall have the right to use any and all means which Landlord may deem proper to open said doors in an emergency in order to obtain entry to the Premises, and any entry to the Premises obtained by Landlord by any of said means, or otherwise, shall not under any circumstances be construed or deemed to be a forcible or unlawful entry into or a detainer of the Premises or an eviction of Tenant from the Premises or any portion thereof. In no event shall Landlord's entry under this Section 20 interfere with Tenant's use and operations in either the Premises or the Emergency Space.

**Insolvency
or
Bankruptcy**

21. Either (a) the appointment of a receiver to take Possession of all or substantially all of the assets of Tenant, (b) an assignment by Tenant for the benefit of creditors, or (c) any action taken or suffered by Tenant under any insolvency, bankruptcy or reorganization act shall constitute a breach of this Lease by Tenant. Upon the happening of any such event this Lease shall terminate sixty (60) days after written notice of termination from Landlord to Tenant. Except to the extent prohibited by applicable Law, in no event shall this Lease be assigned or assignable by reason of any voluntary or involuntary bankruptcy proceedings nor shall any rights or privileges hereunder be an asset of Tenant in any bankruptcy, insolvency or reorganization proceedings.

Either (a) the appointment of a receiver to take Possession of all or substantially all of the assets of Landlord, (b) an assignment by Landlord for the benefit of creditors, or (c) any action taken or suffered by Landlord under any insolvency, bankruptcy or reorganization act shall constitute a breach of this Lease by Landlord. Upon the happening of any such event the Tenant may terminate this Lease sixty (60) days after written notice of termination from Tenant to Landlord. Except to the extent prohibited by applicable Law, in no event shall this Lease be assigned or assignable by reason of any voluntary or involuntary bankruptcy proceedings nor shall any rights or privileges hereunder be an asset of Landlord in any bankruptcy, insolvency or reorganization proceedings.

**Default by
Tenant**

22. In the event of any breach or default of this Lease by Tenant which continues for more than five (5) days after delivery of written notice from Landlord to Tenant with respect to rent payments or other sums due hereunder, or for more than thirty (30) days after delivery of written notice from Landlord to Tenant with respect to the failure of Tenant to perform any other obligations hereunder, then Landlord, besides any other rights and remedies of Landlord at law or equity, shall have the right either to terminate Tenant's right to possession of the Premises and thereby terminate this Lease or to have this Lease continue in full force and effect with Tenant at all times having the right to possession of the Premises. Tenant's personal property, at Landlord's election, shall be removed and stored in a public warehouse or elsewhere at the cost and for the account of Tenant. Upon such termination Landlord, in addition to any other rights and remedies (including rights and remedies under Subparagraphs (1), (2) and (4) of Subdivision (a) of Section 1951.2 of the California Civil Code of any amendment thereto), shall be entitled to recover from Tenant the worth at the time of award of the amount by which the unpaid rent for the balance of the Term after the time of award exceeds the amount of such rental loss that the Tenant proves could be reasonably avoided. The worth at the time of award of the amount referred to in subparagraphs (1) and (2) of Subdivision (a) of Section 1951.2 of the California Civil Code shall be computed by allowing interest at the maximum rate allowed by law. The worth at the time of the award of the amount referred to in subparagraph (3) of Subdivision (a) of Section 1951.2 of the California Civil Code shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of the award plus one percent (1%).

Any proof by Tenant of the amount of rental loss that could be reasonably avoided shall be made in the following manner: Landlord and Tenant shall each select a licensed real estate broker in the business of renting property of the same type and use as the Premises and in the same geographic vicinity and such two real estate brokers shall select a third licensed real estate broker and the three licensed real estate brokers so selected shall determine the amount of rental loss that could be reasonably avoided for the balance of the Term of this Lease after the time of award. The decision of the majority of said licensed real estate brokers shall be final and binding upon the Parties hereto.

Should Landlord, following any breach or default of this Lease by Tenant, elect to keep this Lease in full force and effect, with Tenant retaining the right to possession of the Premises (notwithstanding the fact the Tenant may have abandoned the Premises), then Landlord, besides the rights and remedies specified in Section 1951.4 of the California Civil Code and all other rights and remedies Landlord may have at law or equity, shall have right to enforce all of Landlord's rights and remedies under this Lease. Notwithstanding any such election to have this Lease remain in full force and effect, Landlord may at any time thereafter elect to terminate Tenant's right to possession of said Premises and thereby terminate this Lease for any previous breach or default which remains uncured, or for any subsequent breach or default.

**Default by
Landlord**

23. In the event Landlord fails to complete its obligations required by this Lease, or if any of the covenants, representations or warranties are found to be false or materially misleading, then Tenant shall give Landlord written notice of such failure and shall give Landlord a reasonable time to cure such failure. If Landlord is unable or unwilling to cure the failure within a reasonable time, Tenant have the right, with thirty (30) days' advance written notice to Landlord, to terminate this Lease, which shall be effective thirty (30) days from the date of such written notice and which Lease shall be of no further force or effect. Additionally, Tenant shall have the right, but not the obligation, to cure any default of Landlord that is susceptible of being cured by Tenant, after such written notice and opportunity to cure has been provided to Landlord but without such notice in the event of an emergency as reasonably declared by Tenant. Any costs and expenses incurred by Tenant may be withheld by Tenant from Rent otherwise due and payable to Landlord.

**Destruction
or Damage**

24(a) In the event the Premises or a portion of the Building is damaged by fire or other insured casualty, Landlord shall diligently repair the same to the extent possible with the insurance proceeds received by Landlord, subject to the provisions of this Section 24 hereinafter set forth, if such repairs can in Landlord's opinion be made within two hundred seventy (270) days after issuance of a building permit therefor under the laws and regulations of federal, state and local governmental authorities having jurisdiction thereof. In such event this Lease shall remain in full force and effect, except that if such damage is not the result of the negligence or willful misconduct of Tenant or Tenant's agents, contractors, employees, subtenants, licensees, invitees or visitors, an abatement of rent shall be allowed Tenant for such part of the Premises as shall be rendered unusable or inaccessible by Tenant in the conduct of its business during the time such part is so unusable or inaccessible. Notwithstanding the foregoing, if such damage shall occur during the final year of the Term of this Lease, Landlord shall not be obligated to repair such damage, but may instead elect to terminate this Lease upon written notice given to Tenant within thirty (30) days after the date of such fire or other casualty, in which event this Lease shall terminate as of the termination date specified in Landlord's notice (but in no event earlier than the date of the notice). In addition, if repairing such damage is estimated to be completed within two hundred and seventy (270) days after its commencement, Tenant shall have a right to terminate this Lease upon written notice to be given Landlord within thirty (30) days after the date of such fire or other casualty, in which event this Lease shall terminate as of the termination date specified in Tenant's notice (but in no event earlier than the date of the notice).

24(b) If such repairs cannot in Landlord's opinion be made within two hundred and seventy (270) days after issuance of a building permit therefor, Landlord may elect upon notice to Tenant given sixty (60) days after the date of such fire or other casualty to (i) repair or restore such damage, in which event this Lease shall continue in full force and effect, but the Rent shall be abated as provided hereinabove in this Section 24 or (ii) terminate this Lease in which event this Lease shall terminate as of the termination date specified in Landlord's notice.

24(c) If the Premises are to be repaired under this Section 24, Landlord shall repair at its cost any injury or damage to the Building itself and Tenant shall pay the cost of Tenant's trade fixtures, furnishings, equipment and other personal property.

**Eminent
Domain**

25. If all or any part of the Premises shall be taken or appropriated by any public or quasi-public authority under the power of eminent domain, and such taking will substantially impair Tenant's use of the Premises for more than ninety (90) days, either party hereto shall have the right, at its option, to terminate this Lease. If all or any material part of the Building of which the Premises are a part shall be taken or appropriated by any public or quasi-public authority under any power of eminent domain, Landlord may terminate this Lease. In either of such events, Landlord shall be entitled to and Tenant upon demand of Landlord shall assign to Landlord any rights of Tenant to any and all income, rent, award, or any interest therein whatsoever, exclusive of business goodwill and relocation expenses, which may be paid or made in connection with such public or quasi-public use or purpose, and Tenant shall have no claim against Landlord or the condemnor for the value of any unexpired Term of this Lease. If a part of the Premises shall be so taken or appropriated and neither party hereto shall elect to terminate this Lease, the rent thereafter to be paid shall be equitably reduced.

**Sale by
Landlord**

26. In the event the original Landlord hereunder, or any successor owner of the Building, shall sell or convey the Building, all liabilities and obligations on the part of the original Landlord, or such successor owner, under this Lease, accruing thereafter shall be binding upon the new owner and, upon such successor's assumption of such liabilities, Landlord shall be released therefrom. Tenant agrees to attorn to such new owner. If any security be given by Tenant to the faithful performance of all or any of the covenants of this Lease on the part of Tenant, Landlord may transfer and/or deliver the security, to the successor in interest of Landlord, and thereupon Landlord shall be discharged from any further liability in reference thereto. Except as set forth in this Section 26, this Lease shall not be affected by any such sale or conveyance.

**Estoppel
Certificates**

27. At any time and from time to time, upon not more than ten (10) days prior request by Landlord, Tenant shall execute, acknowledge and deliver to Landlord a statement certifying the date of commencement of this Lease, stating that this Lease is unmodified and in full force and effect (or if there have been modifications, that this Lease is in full force and effect as modified and the date and nature of such modifications) and the dates to which the rent has been paid, and setting forth such other matters as may reasonably be requested by Landlord. Landlord and Tenant intend that any such statement delivered pursuant to this Section 27 may be relied upon by any mortgagee or the beneficiary of any deed of trust or by any purchaser or prospective purchaser of the Building. Tenant's failure to so deliver such statement shall constitute a default by tenant hereunder and shall be conclusive upon Tenant that: (a) the Lease is in full force and effect without modification except as may be represented by Landlord; (b) there are no uncured defaults in Landlord's or Tenant's performance (other than Tenant's failure to deliver the estoppel certificate); and (c) not more than one (1) month's rental has been paid in advance.

**Right of
Landlord to
Perform**

28. All covenants and agreements, to be kept or performed by Tenant under any of the terms of this Lease shall be performed by Tenant at Tenant's sole cost and expense and without any abatement of rent. If Tenant shall fail to pay any sum of money, other than rent, required to be paid by it hereunder or shall fail to perform any other act on its part to be performed hereunder, and such failure shall continue for thirty (30) days after notice thereof by Landlord, Landlord may, but shall not be obligated to, and without waiving any default of Tenant or releasing Tenant from any obligations of Tenant hereunder, make any such payment or perform any such other act on Tenant's part to be made or performed as in this Lease provided. All sums so paid by the Landlord and all necessary incidental costs, together with interest thereon at the rate of ten percent (10%) per annum from the date of such payment by the Landlord, shall be paid to Landlord forthwith on demand, and Landlord shall have (in addition to any other right or remedy of Landlord) the same rights and remedies in the event of nonpayment thereof by Tenant as in the case of default by Tenant in payment of rent.

Attorneys' Fees

29. If as a result of any breach or default on the part of either party under this Lease, the other party uses the services of any attorney in order to secure compliance with this Lease, the breaching or defaulting party shall reimburse the other party upon demand for any and all reasonable attorneys' fees and expenses incurred by the other, whether or not formal legal proceedings are instituted. Should either party bring action against the other party, by reason of or alleging the failure of the other party to comply with any or all of its obligations hereunder, whether for declaratory or other relief, then the party which prevails in such action shall be entitled to its reasonable attorneys' fees and expenses related to such action, in addition to all other recovery or relief. A party shall be deemed to have prevailed in any such action (without limiting the generality of the foregoing) if such action is dismissed upon the payment by the other party of the sums allegedly due or the performance of obligations allegedly not complied with, or if such party obtains substantially the relief sought by it in the action, irrespective of whether such action is prosecuted to judgment. In addition, if either party to this Lease becomes a party to or is involved in any way in any action concerning this Lease or the Premises by reason in whole or in part of any act, neglect, fault or omission of any duty by the other party, its employees or contractors, the party subjected to said involvement shall be entitled to reimbursement for any and all reasonable attorneys' fees and costs.

Surrender of Premises

30. The voluntary or other surrender of this Lease by Tenant or mutual cancellation thereof shall not work as a merger and, at the option of Landlord, shall terminate all or any existing subleases or subtenancies, or at the option of Landlord, may operate as an assignment to Landlord of any or all such subleases or subtenancies.

Waiver **31.** The waiver by Landlord or Tenant of performance of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or any subsequent breach of the same or any other term, covenant or condition herein contained. The subsequent acceptance of rent hereunder by Landlord shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease, other than the failure of Tenant to pay the particular rent so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such rent.

Notices **32.** All notices and demands which may or are required to be given by either party to the other hereunder shall be in writing. All notices and demands by Landlord to Tenant shall be delivered personally or sent by United States certified or registered mail, postage prepaid, or by overnight express courier, addressed to Tenant at the address for Tenant and as set forth in the Basic Lease Terms or to such other place as Tenant may from time to time by like notice designate. All notices and demands by Tenant to Landlord shall be sent by United States certified or registered mail, postage prepaid, or by overnight express courier, addressed to Landlord at the address for Landlord set forth in the Basic Lease Terms or to such other place as Landlord may from time to time by like notice designate.

Defined Terms and Marginal Headings **33.** The words "Landlord" and "Tenant" as used herein shall include the plural as well as the singular words used in masculine gender include the feminine and neuter. If there be more than one Tenant, the obligations hereunder imposed upon Tenant shall be joint and several. The marginal headings and rules to the paragraphs of the Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part hereof.

Time and Applicable Law **34.** Time is of the essence of this Lease and each and all of its provisions. This Lease shall in all respects be governed by the laws of the State of California.

Successors 35. Subject to the provisions of Article 13 hereof, the covenants and conditions herein contained shall be binding upon and inure to the benefits of the heirs, successors, executors, administrators and assigns of the Parties hereto.

Entire Agreement 36. This Lease constitutes the entire agreement between Landlord and Tenant and no promises or representations, express or implied, either written or oral, not herein set forth shall be binding upon or inure to the benefit of Landlord or Tenant. This Lease shall not be modified by any oral agreement, either express or implied, and all modifications hereof shall be in writing and signed by both Landlord and Tenant.

No Discrimination 37. Tenant agrees for Tenant and Tenant's heirs, executors, administrators, successors and assigns and all persons claiming under or through Tenant, and this Lease is made and accepted upon the following conditions: that there shall be no discrimination or segregation of any person or group of persons on account of race, color, creed, sex, religion, marital status, ancestry or national origin (whether in the use, occupancy, subleasing, transferring, tenure or enjoyment of the Premises or otherwise) nor shall Tenant or any person claiming through or under Tenant establish or permit any such practice or practices of discrimination or segregation with reference to or arising out of the use or occupancy of the Premises by Tenant or any person claiming through or under Tenant.

Brokers 38. Landlord and Tenant each hereby represents to the other that it has dealt with no broker in connection with this Lease or the transactions contemplated herein. Each party hereby indemnifies the other party against and agrees to hold the other party harmless from any and all losses, costs, damages, liabilities and expenses, including, without limitation, reasonable attorneys' fees, resulting from a breach by the indemnifying party of the foregoing representations.

Signage 39. No signage shall be provided to Tenant by Landlord. Tenant shall have the right to install its proprietary signage upon the Premises with the written consent and reasonable approval of said signage by Landlord.

Late Charge 40. In the event Tenant fails to pay any rent or sums due hereunder within fifteen (15) days after the due date herein provided, the amount so due and unpaid shall bear a late charge equal to ten percent (10%) of the amount due.

Additional Provisions 41. The Exhibits described in the Basic Lease Terms are incorporated by reference in this Lease.

IN WITNESS WHEREOF, the Parties hereto have executed this Lease as of the day and year appearing next to each signature below.

TENANT:

Sleepy Hollow Fire Protection District

By: _____

Name: _____

Title: _____

Date: _____

LANDLORD:

Sleepy Hollow Charitable Foundation

By: _____

Name: _____

Title: _____

Date: _____

CONSENTING PARTY:

Sleepy Hollow Homes Association of Marin
County

By: _____

Name: _____

Title: _____

Date: _____