



**SAUSALITO MARIN CITY SCHOOL DISTRICT**

Board of Trustees:  
Caroline Van Alst, President  
Joshua Barrow, Vice President  
Ida Times, Clerk  
Thomas Newmeyer  
William Ziegler  
Superintendent: Steve Van Zant

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**Sausalito Marin City School District**  
**Agenda for the Special Meeting of the Board of Trustees**  
**33 Buchanan Drive, Sausalito, CA 94965**

**Tuesday, June 30, 2015**

5:00 p.m. Open Session – District Office Conference Room

**I. OPEN SESSION – Call to Order**

**AGENDA**

**1. FINANCIAL & BUSINESS**

**1.01 Resolution 717 - Authorization to Sign – RC**

**1.02 Resolution 719 – Reaffirm the City of Sausalito Lease/Purchase Agreement and Authorize the Execution of a Grant Deed for the Disposition of Real Property – RC**

**2. POLICY DEVELOPMENT**

**2.01 Ad Hoc Bond Committee**

**3. ADJOURNMENT**

*In compliance with Government Code section 54957.5, open session materials distributed to Board Members for review prior to a meeting may be viewed at the District Office of the Sausalito Marin City School District, 200 Phillips Drive, Marin City, California, or at the scheduled meeting. Board agenda back-up materials may also be accessed online at [www.smcsd.org](http://www.smcsd.org). In addition, if you would like a copy of any record related to an item on the agenda, please contact the Administrative Assistant to the Superintendent at 415-332-3109*

*In compliance with the Americans with Disabilities Act, if you need special assistance, disability-related modifications or accommodations, including auxiliary aids or services, in order to participate in the public meetings of the District's governing board, please contact the office of the District Superintendent at 415-332-3190. Notification 72 hours prior to the meeting will enable the District to make reasonable arrangements to ensure accommodation and accessibility to this meeting. Upon request, the District shall also make available this agenda and all other public records associated with this meeting in appropriate alternative formats for persons with a disability.*

**Sausalito Marin City School District**

**Agenda Item:** 1.01

**Date:** June 30, 2015

- Correspondence
  - Reports
  - General Functions
  - Pupil Services
  - Personnel Services
  - Financial & Business Procedures
  - Curriculum and Instruction
  - Policy Development
- Consent Agenda

**Item Requires Board Action:**  **Item is for Information Only:**

**Item:** Resolution 717 - Authorization to Sign

**Background:**

Pursuant to the provisions of Education Code Section 42630 to 42633 (School Districts) and 85230 to 85233 (Community College Districts) and other legal provisions, the members of the governing board must authorize officers and/or employees to sign orders and other documents on behalf of the governing board for fiscal year 2015-2016.

A Resolution of Authorization to Sign on Behalf of the Governing Board must be completed and submitted to Marin County Office of Education by June 30, 2015.

**Fiscal Impact:**

None

**Recommendation:**

Approve

**Prepared for:** Steve Van Zant

**Prepared by:** P. Rigney



Mary Jane Burke

Marin County Superintendent of Schools

Business Services Department

**Business Bulletin 14-29**

*2014-15 Authorization to Sign on Behalf of the Governing Board June 3, 2014*

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The members of the governing board of each district may authorize the officers or employees of the district to sign orders and other documents on behalf of the governing board for fiscal year 2014-2015.

Please complete and forward the following Authorization to Sign on Behalf of the Governing Board form to Adriane Lommel's attention at the Marin County Office of Education no later than **June 30, 2014**.

If there are updates to your district's authorized signatures throughout the year, please submit a new form to our office. This form can be accessed on [our website](#) or by downloading the fillable form attached to this bulletin.

If you have any questions, please call Kate Lane at (415) 499-5822.

RESOLUTION 717  
of the Governing Board of the

Sausalito Marin City School/College District  
County of Marin, State of California

**AUTHORIZATION TO SIGN ON BEHALF OF THE GOVERNING BOARD**

Sausalito, California 6-30-15  
City Date

Pursuant to the provisions of Education Code Section 42630 to 42633 (School Districts) and 85230 to 85233 (Community College Districts) and other legal provisions, the members of the governing board of the above-named school/college district hereby authorize the officer or employee whose name and signature appear below to sign orders and other documents on behalf of the governing board of said school/college district during the period 7-1-15 to 6-30-16 (not to exceed one fiscal year), subject to further board action limiting or extending this authority and notification to the County Superintendent and the County Auditor of such action.

Steve Van Zant & Paula Rigney IS AUTHORIZED TO SIGN THE FOLLOWING ON BEHALF OF THE BOARD:  
Name (Typed)

Superintendent & CBO  
Title

Signature

Please Indicate  
"Yes" or "No"

**Cash Receipt / Disbursement Authorization**

Endorsement Checks .....	X	_____
Journal Vouchers Requests .....	X	_____
Loan Request –Tax Anticipation Note (TAN) .....	X	_____
Payroll Order Certification .....	X	_____
Request for Hand Warrant .....	X	_____
Vendor Payment Certification .....	X	_____
Deposit Transmittal .....	X	_____

**Attendance Reporting**

Attendance Certifications .....	X	_____
Request for Inter-district Attendance Permit .....	X	_____

**State and Federal Reporting**

Audit Findings-Certification of Corrective Action.....		_____
Certification of IDEA Funds .....	X	_____
Independent Auditor Selection Form .....	X	_____
Salary and Benefit Schedule (J90) .....	X	_____

Other (Please Specify) . . . State and Federal Waivers . . . . . X \_\_\_\_\_

Signed by a majority of trustees (Original signatures required on all copies):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Sausalito Marin City School District

Agenda Item: 1.02

Date: June 30, 2015

- Correspondence
  - Reports
  - General Functions
  - Pupil Services
  - Personnel Services
  - Financial & Business Procedures
  - Curriculum and Instruction
  - Policy Development
- Consent Agenda

Item Requires Board Action:   X        Item is for Information Only:       

**Item:** Resolution 719 - Reaffirm the City of Sausalito Lease/Purchase Agreement and Authorize the Execution of a Grant Deed for the Disposition of Real Property

**Background:**

This resolution allows the board to complete the sale of the MLK property to the City of Sausalito.

**Fiscal Impact:**

**Recommendation:**

Approve

**Prepared for:** Steve Van Zant

**Prepared by:** Steve Van Zant

**SAUSALITO MARIN CITY SCHOOL DISTRICT**

**RESOLUTION NUMBER 719**

**RESOLUTION TO REAFFIRM THE City of SAUSALITO  
LEASE/PURCHASE AGREEMENT AND AUTHORIZE THE  
EXECUTION OF A GRANT DEED FOR THE DISPOSITION OF  
REAL PROPERTY**

**WHEREAS**, the Sausalito Marin City School District ("District") is the owner of that real property commonly known as the Martin Luther King School Site located in the City of Marin, Marin County, California ("Property");

**WHEREAS**, the District is authorized under the Education Code to lease and or convey to the City property suitable for recreational and educational purposes;

**WHEREAS**, the District's Board of Education ("Board") approved a Lease/Purchase Agreement of a portion of the Property with the City of Sausalito ("City") on August 1, 1987, as amended in that First Amendment to Lease/Purchase Agreement on May 31, 1997 (Lease/"Purchase Agreement"), which provides for the conveyance of that portion of the Property ("Purchase Area") following the expiration of a long-term lease period. A true and correct copy of the Lease/Purchase Agreement is attached hereto as Exhibit "B";

**WHEREAS**, the lease period has expired under the Lease/Purchase Agreement, and the District desires to convey the Purchase Area to the City through execution of a Grant Deed in a form substantially similar to that attached hereto as Exhibit "B" ("Deed")."

**NOW THEREFORE BE IT RESOLVED** that the Board of Education of the Sausalito Marin City School District hereby finds, determines, and orders as follows:

1. The recitals set forth above are true and correct.
2. The District has complied with all laws and regulations, including specifically the Education and Government Codes, in connection with the Lease/Purchase Agreement.
3. The Lease/Purchase Agreement is reaffirmed, and the District's Superintendent or his designee is directed to accept and consent to the conveying of the Purchase Area to the City by the execution of the Deed attached hereto.
4. The District's Superintendent or his designee is authorized to deliver the executed Deed to escrow.
5. The District's Superintendent or his designee is authorized and directed to do any and all things and to execute and deliver any and all documents that are deemed necessary or advisable in order to consummate the sale of the Purchase Area, and otherwise to carry out, give effect to, and comply with the terms and intent of this resolution.
6. This resolution shall be effective as of the date of its adoption.

**PASSED AND ADOPTED** by the Board of Education of the Sausalito Marin City School District this 30th day of June, 2015

AYES:

NOES:

ABSENT:

ABSTENTIONS:

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President of the Board of Education of the  
Sausalito Marin City School District

Attested to:

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Clerk of the Board of Education of the  
Sausalito Marin City School District

**EXHIBIT "A" LEASE/PURCHASE AGREEMENT**  
**EXHIBIT "B" FORM OF GRANT DEED**

**EXHIBIT "A"**  
**LEGAL DESCRIPTION**

**PARCEL ONE:**

Parcel 2, as shown upon that certain Parcel Map entitled "Parcel Map Lands of Sausalito School District Being Portion Lands Described in Book 599 of Official Records at Page 258, Being a Portion of Lots 4, 5, 6 and 31 'Licensed Survey Map of Marinship Property' Recorded in Book 2 of Surveys at Page 127, Marin County Records, Sausalito-Marin County-California", filed for record April 22, 1982 in Volume 20 of Parcel Maps at Page 33, Marin County Records.

**PARCEL TWO**

AN EASEMENT for an 8 foot underground electrical easement more particularly described as follows:

BEGINNING at a point that bears North 01° 57' 24" East 73.00 feet from the point common to the lines that bear North 01° 57' 24" East and North 14° 28' 00" as delineated on Parcel One, as shown upon that certain Parcel Map entitled "Parcel Map Lands of Sausalito School District Being Portion Lands Described in Book 599 of Official Records at Page 258, Being a Portion of Lots 4, 5, 6 and 31 'Licensed Survey Map of Marinship Property' Recorded in Book 2 of Surveys at Page 127, Marin County Records, Sausalito-Marin County-California", filed for record April 22, 1982 in Volume 20 of Parcel Maps at Page 33, Marin County Records, thence North 68° 06' 01" East 31.72 feet, thence South 88° 02' 36" East 37.00 feet, thence South 01° 57' 24" West 12.79 feet, thence South 88° 02' 36" East 44.00 feet to the point of termination. Said point of termination being North 01° 57' 24" East 73.00 feet from the point common to the lines that bear North 01° 57' 24" East and North 41° 12' 00" East.

**PARCEL THREE:**

AN EASEMENT for underground gas pipeline purposes, 10 feet in width shown as "10' Underground Gas Pipeline Easements Appurtenant to Parcel 2", as shown upon that certain Parcel Map entitled "Parcel Map Lands of Sausalito School District Being Portion Lands Described in Book 599 of Official Records at Page 258, Being a Portion of Lots 4, 5, 6 and 31 'Licensed Survey Map of Marinship Property' Recorded in Book 2 of Surveys at Page 127, Marin County Records, Sausalito-Marin County-California", filed for record April 22, 1982 in Volume 20 of Parcel Maps at Page 33, Marin County Records.

## FIRST AMENDMENT TO LEASE PURCHASE AGREEMENT

THIS FIRST AMENDMENT TO LEASE PURCHASE AGREEMENT, dated May 31, 1997 ("First Amendment"), is made by and between the SAUSALITO SCHOOL DISTRICT ("Landlord") and the CITY OF SAUSALITO, ("Tenant") with respect to the following facts:

### RECITALS

A. Landlord and Tenant entered into that certain Lease/Purchase Agreement dated August 1, 1987, ("Agreement") for premises located in the State of California, City of Sausalito, County of Marin commonly known as the Martin Luther King Site as more particularly described in Exhibit A to the Agreement. Capitalized terms not otherwise defined in this First Amendment shall have the meaning set forth in the Agreement.

B. Landlord and Tenant desire to amend and modify the Agreement to: (i) revise and clarify the rent payment schedule; (ii) eliminate Landlord's indefinite right to build a school on the Land, in exchange for consideration to be paid to Landlord; (iii) identify and replace certain exhibits to the Agreement which were left blank or unmarked; (iv) permit subletting of the Land for the uses set forth in the Agreement; and (v) designate a portion of the Land as a park.

C. The parties acknowledge that the intent of this First Amendment is to clarify the terms of the Agreement to the advantage of both parties in order to provide the greatest possible benefit to the community served by Tenant and Landlord for the use and enjoyment of the Martin Luther King Site in a fiscally responsible manner.

NOW, THEREFORE, for good and valuable consideration the receipt and adequacy of which is hereby acknowledged, the parties hereto agree as follows:

1. Storage. Section 2.5 to the Agreement is hereby deleted and replaced with the following language:

#### SECTION 2.5. Storage.

(a) Personal Property. As partial consideration for entering into this Lease, Landlord is granted a non-transferable license to use the space within the blocked areas containing the words, "Sausalito School District" and designated in Exhibit D (the "Bus Barn") to the Lease to store Landlord's personal property until such time as a demolition permit is issued for such area. At least thirty (30) days prior to the date Tenant expects to receive issuance of such demolition permit, Tenant shall identify approximately Two Thousand Five Hundred (2,500) square feet of alternate indoor storage space, reasonably acceptable to Landlord, for Landlord to store Landlord's personal property at no charge until the expiration or earlier termination of the Lease term. At either party's election, the substitute storage space shall be subject to a non-transferable license agreement executed between the parties. Prior to the expiration of the thirty day period or two (2) business days following the actual issuance of the demolition permit, whichever shall occur later (the "Bus Barn Vacancy Date"), Landlord shall, at Landlord's expense, remove all of Landlord's personal property from the Bus Barn.

(b) Buses. Tenant agrees to provide Landlord with outdoor space required for parking two buses, at locations identified by Tenant, until the expiration or earlier termination of the Lease term. Tenant shall not be obligated for any costs associated with the parking of such buses other than the provision of space. The bus parking spaces shall be subject to a non-transferable license agreement executed between the parties.

2. Section 3.1. Term. The following sentence is hereby added to the end of this Section. "The foregoing notwithstanding, the Lease term shall be extended to be coterminous with the day of the last annual payment of rent due under Article IV, as amended."

3. Article IV Rent.

(a) Article IV, as it applies to dates subsequent to the date of this First Amendment, is hereby deleted, in its entirety (including all of Sections 4.1, 4.2, 4.3 and 4.4) and replaced with the language and rent schedule set forth below.

SECTION 4.1. Basic Rent. Tenant shall pay for the Lease Premises all of the rent due to the Landlord throughout the term of this Lease, without demand, free of any deduction of any kind and without any abatement or setoff, except as otherwise expressly stated by a provision of this Lease. Basic rent shall be paid by Tenant on the following schedule:

<u>Payment Date</u>	<u>Annual Rent Amount</u>
August 1, 1997	\$350,000.00
August 1, 1998	\$350,000.00
August 1, 1999	\$370,000.00
August 1, 2000	\$380,000.00
August 1, 2001	\$400,000.00
August 1, 2002	\$425,000.00
August 1, 2003	\$445,000.00
August 1, 2004	\$480,000.00
August 1, 2005	\$515,000.00
August 1, 2006	\$515,000.00
August 1, 2007	\$500,000.00
August 1, 2008	\$495,000.00
August 1, 2009	\$475,000.00
August 1, 2010	\$475,000.00
August 1, 2011	\$475,000.00
August 1, 2012	\$475,000.00
August 1, 2013	Final Payment \$72,733.91

(b) Additional Consideration/School Site. As consideration to Landlord to enter into this First Amendment, and in exchange for the waiver of Landlord's rights under Article XVIII School Site of the Agreement, Tenant agrees to pay Landlord as additional rent the sum of Two Hundred Seventy five Thousand Dollars (\$275,000) upon the earlier to occur of the Bus Barn Vacancy Date or January 31, 1999.

4. Section 6.1 Use of the Premises. Section 6.1 is hereby replaced with the following language:

The Lease Premises shall be used solely for: public open space; public or private educational, artistic, recreational or cottage industry purposes; or as otherwise approved by Landlord and set forth in an amendment to this Lease. Landlord hereby approves the existing uses of the Lease Premises as of the date of this First Amendment.

5. Section 7.6. Ownership of Improvements. The following sentence is hereby added to the end of Section 7.6, "Provided title is transferred pursuant to Article XIII, upon the expiration of the Lease term, Tenant shall retain title to all Improvements on the Lease Premises."

6. Section 13.1 Transfer of Title. The words "and all Improvements located thereon" are hereby added after the words "Lease premises" in Section 13.1 of the Agreement

7. Section 13.2 Free and Clear Transfer. The last sentence of Section 13.2, regarding use restrictions following the expiration of the term of the Agreement, is hereby deleted in its entirety.

8. Section 13.6 Release of Liability. Section 13.6 is hereby revised to read in its entirety as follows:

Upon Close of Escrow, this Lease shall terminate, and the parties shall be released from all liabilities and obligations under this Lease.

9. Section 14.1 Tenant's Right to Sublet. The first sentence of Section 14.1(a) Permitted Subleases, is hereby revised to read as follows:

Tenant shall have the right, without Landlord's consent, to sublet all or any part of the Lease Premises to any person or entity for the purposes provided in Section 6.1.

10. Section 17.21 School Recreational Use. Exhibit E to the Agreement is hereby superseded and replaced by Exhibit E attached to this First Amendment. Section 17.21 is hereby revised to read in its entirety as follows:

SECTION 17.21 Recreational Areas.

(a) Recreation Space. Landlord is granted for the term of this Lease a non-transferable and non-exclusive license to use for student athletic activities an area (the "Recreation Space") no smaller in acreage than, and in substantially the same location as, the shaded area marked as the field area on Exhibit E. Tenant agrees that the field area shall not include a dog park. Landlord use of the Recreation Space shall be by reservation, which reservations shall have priority over other public reservations in accordance with rules and regulations reasonably established from time to time by the Recreation Department (or successor department) of Tenant. At all other times, the Recreation Space shall be available for community use in accordance with such regulations. Prior to the expiration of the Lease term, and subject to referendum of the residents of the City of Sausalito to the contrary, Tenant shall designate the Recreation Space as a park.

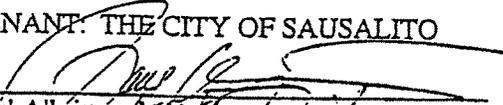
(b) Tennis Courts. Tenant agrees that, subject to referendum of the residents of the City of Sausalito to the contrary, a minimum of three (3) tennis courts, on the Land, but not located in the Recreation Space, shall be available for community use in accordance with rules and regulations reasonably established from time to time by the Recreation Department (or successor department) of Tenant. In the event that replacement tennis courts are developed on the Land by a subtenant of Tenant, Tenant may grant equal reservation rights to the three tennis courts to the subtenant, for the term of its tenancy, as is granted the community under this Lease. Prior to the expiration of the Lease term, and subject to referendum of the residents of the City of Sausalito to the contrary, Tenant shall designate the three tennis courts as community courts, subject only to any prior subtenant rights granted pursuant to this paragraph.

11. Article XVIII School Site. Article XVIII of the Agreement, and any continuing right of Landlord to any School Site on the Land, is hereby deleted from the Agreement in its entirety.

12. No Further Modifications. Except as specifically modified herein, the Agreement remains unmodified and in full force and effect.

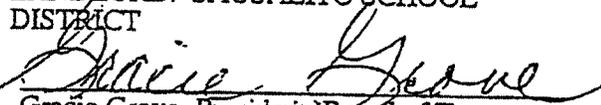
IN WITNESS WHEREOF, the parties hereto have executed this First Amendment as of the date and year first set forth above.

TENANT: THE CITY OF SAUSALITO

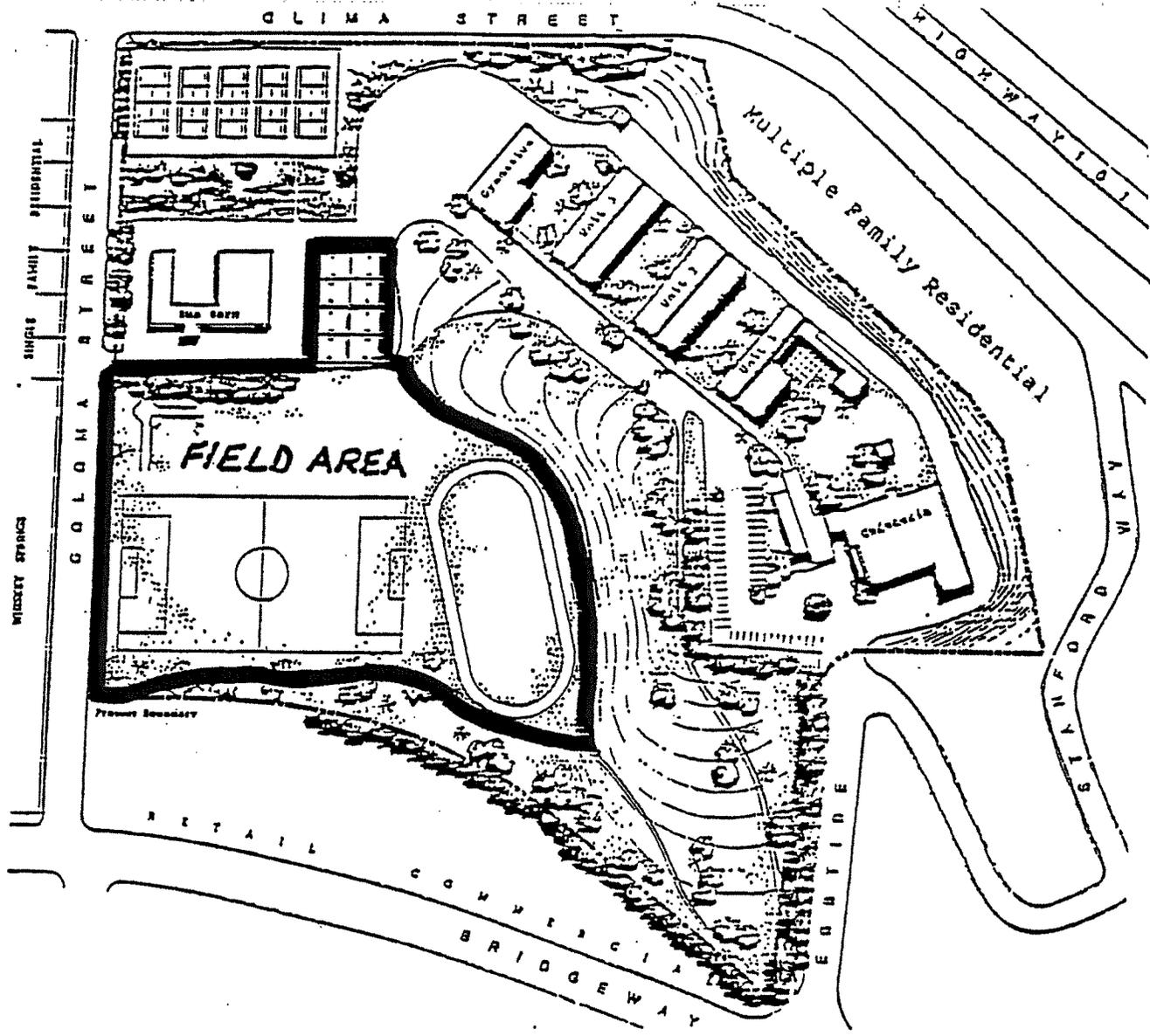
  
Paul Albritton, Mayor

  
William J. Ziegler, Councilman

LANDLORD: SAUSALITO SCHOOL DISTRICT

  
Gracie Grove, President, Board of Trustees

Attachments Exhibit E: Field Area



Martin Luther King School

SITE PLAN

*Handwritten signature or initials*

LEASE/PURCHASE AGREEMENT

This Lease/Purchase Agreement ("Lease") is made as of the first day of August, 1987, by and between SAUSALITO SCHOOL DISTRICT, ("Landlord"), and THE CITY OF SAUSALITO ("Tenant").

ARTICLE I

Definitions

SECTION 1.1. Definition of Terms. Landlord and Tenant covenant and agree that the following terms when used in this Lease shall have the meanings set forth below:

(1) "Existing Improvements" shall mean the Improvements (as hereinafter defined) located on the Land (as hereinafter defined) on the Commencement Date (as hereinafter defined).

(2) "Improvements" shall mean the buildings, structures, roads, parking lots, playing fields and other improvements on the Land in existence at the Commencement Date and those other buildings, structures and improvements constructed by Tenant on the Land during the term of this Lease, including the fixtures, attachments, appliances, equipment and machinery affixed or attached thereto.

(3) "Land" shall mean the real property covered by this Lease, owned by Landlord and containing approximately 17 acres of land located in the city of Sausalito, County of Marin, State of California, and more specifically described in Exhibit A attached hereto and by this reference made a part hereof.

(4) "Lease Premises" is defined in Section 2.1.

(5) "Cottage Industry" shall mean those uses permitted in section 10.801.2 of the Sausalito Municipal Code as amended by Ordinance No. 1027 adopted on July 1, 1986 and attached as Exhibit G.

ARTICLE II

PREMISES

SECTION 2.1. Demise and Description. Landlord, in consideration of the Rents and covenants herein specified to be paid and performed by Tenant, hereby leases to Tenant, and Tenant hereby hires from Landlord, on the terms and conditions and for

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1.

the purposes herein set forth: the Land; together with all easements, rights and appurtenances in connection therewith or thereto belonging; together with all Existing Improvements and fixtures and equipment located on, attached to and used in conjunction with the operation of the Existing Improvements (the "Lease Premises").

SECTION 2.2. No Representations by Landlord. Landlord has made no representations or warranties with respect to the Lease Premises and no rights, easements or license are acquired by Tenant by implication or otherwise except as are expressly set forth herein. Landlord shall not be responsible for any latent defect or change in the condition of the Lease Premises, and the Rents hereunder shall in no case be withheld or diminished on account of any defect in the Lease premises nor for any change of condition, nor for any damage occurring thereto, nor because of any violation of law.

SECTION 2.3. Acceptance of Premises by Tenant. Tenant does hereby represent and warrant to Landlord that Tenant is fully acquainted with the nature and condition, in all respects, of the Lease Premises, including without limitation, the title of Landlord, the soil and geology of the Land, and the condition of the Existing Improvements. Tenant hereby represents and warrants to Landlord that the Lease Premises are suitable and adequate in all respects for any and all activities and uses which Tenant may elect to conduct thereon at any time during the term hereof, and tenant accepts the Lease Premises in their existing condition AS IS.

SECTION 2.4. Existing Leases. It is understood and agreed by Tenant that the Lease Premises are presently leased to those persons listed on Exhibit B. Landlord shall assign all its rights and obligations in said leases to Tenant and the rents therefrom shall be prorated as of the effective date of this Lease.

As of the effective date of this Lease, Tenant shall assume and carry out all covenants and obligations of Landlord under said Lease. Landlord shall be discharged and relieved of all covenants and obligations thereunder.

SECTION 2.5. Storage. Notwithstanding any other provision of this lease, so long as Tenant utilizes the area designated on Exhibit C ("School Site Area") for storage or rental purposes, Landlord shall have the right to use the area designated in red on Exhibit D for storage purposes at no cost to Landlord.

### ARTICLE III

#### TERM

SECTION 3.1. Term. This Lease shall be for a term of twenty (20) years, beginning on the first day of August, 1987 (the

"Commencement Date") and ending July 31, 2007, unless terminated earlier in accordance with the provisions hereinafter set forth.

SECTION 3.2. Tenant's Surrender. If the lease is terminated prior to July 31, 2007, Tenant shall surrender the lease premises to Landlord in the same condition as when received on the Commencement Date, broom clean, ordinary wear and tear and any changes, alterations, additions and improvements thereto excepted. Tenant, upon the expiration or sooner termination of this Lease, shall repair any damage to the Lease Premises occasioned by the removal of Tenant's fixtures, furnishings, equipment and other personal property. All of Tenant's property which is removable pursuant to the provisions of this Lease shall be removed by Tenant on or before the last day of the term or the earlier termination date of this Lease, and all property not so removed shall be deemed abandoned by Tenant, and Landlord shall have the right either to require Tenant to remove said property from the Land or to dispose of said property pursuant to Section 12.2.

#### ARTICLE IV

##### RENT

SECTION 4.1. Basic Rent. Tenant shall pay for the Lease premises without demand deductions or set-off, basic rent on the following schedule:

Upon execution of this Lease	-	\$325,000
August 1, 1988	-	260,000
August 1, 1989	-	270,000
August 1, 1990	-	280,000
August 1, 1991	-	290,000
August 1, 1992	-	325,000
August 1, 1993	-	399,400
August 1, 1994	-	399,400
August 1, 1995	-	399,400
August 1, 1996	-	449,800
August 1, 1997	-	449,800
August 1, 1998	-	449,800
August 1, 1999	-	492,800
August 1, 2000	-	492,800
August 1, 2001	-	492,800
August 1, 2002	-	492,800
August 1, 2003	-	652,300
August 1, 2004	-	652,300
August 1, 2005	-	652,300
August 1, 2006	-	652,300
August 1, 2007	-	652,300

(a). Rent Payment Schedule. The rent for 1988 shall be due on the anniversary date of the commencement date. Rent due for each subsequent year shall be paid on the annual anniversary

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of that date excepting when semiannual payments are required pursuant to Section 4.2 of the Lease or quarterly payments are required pursuant to Section 4.3 of this Lease. When semiannual payments are required pursuant to Section 4.2, one half of the total rent due shall be paid six months from the annual anniversary date and one half of the total rent due for the year shall be paid on the annual anniversary date. When quarterly payments are required pursuant to Section 4.3 of this Lease, one quarter of the rent due shall be paid three months from the annual anniversary date, one quarter of the rent due shall be paid six months from the annual anniversary date, and one quarter of the rent due shall be paid nine months from the annual anniversary date and one quarter of the total rent due for the year shall be paid on the annual anniversary date.

(b). Definition of Term "project". As used in Sections 4.2 and 4.3 of this Lease, the term "project" shall mean the subleasing by the Tenant of a portion of the Leased Premises for "cottage industries" as defined in subsection 1.1 (5) of this Lease.

(c). Definition of Term "operating surplus". As used in Sections 4.2 and 4.3 of this Lease, the term "operating surplus" shall mean that the total rents received by Tenant from sublessees are in excess of the total cost incurred by the Tenant during any year. For computing purposes, the year shall commence on the annual anniversary date of the execution of this Lease and then 364 days after that date (excepting for leap years, when it will end 365 days after the anniversary date). The total costs shall be computed by adding all of the following:

1. The Tenant's total annual rent for the Leased Premises as provided in Article IV of the Lease.

2. The cost of installment repayment, and interest thereon, on a loan in the amount not to exceed \$325,000 by the Tenant from a City of Sausalito Reserve Account. The loan shall be utilized by the Tenant for the purpose of making the initial payment upon execution of this Lease as provided in Section 4.1 of this Lease.

3. Any taxes, assessments, governmental charges or other impositions for use of the Leased Premises incurred by the Tenant as provided in Article V of this Lease.

4. All costs incurred by the Tenant for purchase of insurance coverage and/or self insurance as required by Article VIII of this Lease, and any cost incurred by the Tenant in connection with defending or making payment of any claims for personal injury, death or property damage occurring in or about the Leased Premises, not exceeding a maximum of \$100,000 dollars.

5. Any costs reasonably incurred by the Tenant for management fees, and for necessary maintenance, repairs, and capital improvements on the project.

6. Any other direct costs reasonably incurred by the Tenant for the use of the Lease Premises.

SECTION 4.2 Semiannual Rent Payments. In any year following a year in which the Tenant has an operating surplus on the project, the Tenant shall make a semiannual payment of rent, excepting as provided in Section 4.3.

SECTION 4.3. Quarterly Rent Payments. In any year following two successive years in which the Tenant has an operating surplus on the project, the Tenant shall make a quarterly payment of rent.

SECTION 4.4. Net Rent. Tenant shall pay all of the Rent due to the Landlord, throughout the terms of this Lease, free of any deductions of any kind and without any abatement or setoff, except as otherwise expressly stated by a provision of this Lease.

#### ARTICLE V

#### IMPOSITIONS

SECTION 5.1. Covenant to Pay Impositions. Due to Landlord's and Tenant's status as public entities, this Lease and the Lease Premises are expected to be exempt from the payment of taxes, assessments or other governmental charges. To the extent that any taxes, assessments or governmental charges are levied and payable, however, Tenant shall pay, 10 days prior to delinquency, and before any fine, penalty, interest or cost may be added thereto for the nonpayment thereof, all taxes assessments, and other governmental charges, general and special, ordinary and extraordinary, unforeseen as well as foreseen, of any kind and nature whatsoever, whether assessed to Landlord or Tenant, including but not limited to assessments for public improvements or benefits, which shall during the term of this Lease be assessed, levied or be measured by or imposed upon or become due and payable with respect to:

(i) the Lease Premises or any part thereof or interest therein; and

(ii) any Improvements constructed by Tenant and any fixtures, furnishings, equipment, and all other personal property of Tenant located upon the Lease Premises.

All of such taxes, assessments, levies and other governmental charges are hereinafter referred to as "Impositions."

SECTION 5.2. Payment of Impositions in Installments. If, by law, any Imposition is payable in installments, Tenant may pay the same, together with any accrued interest on the unpaid balance of such Imposition, in installments as the same respectively become due and before any fine, penalty, interest or cost may be added thereto for the nonpayment of any such installment and interest. In the event said payments are not timely made and a penalty is assessed for nonpayment, Tenant shall pay the penalty within 30 days after its levy.

SECTION 5.3. Proration. Any Imposition relating to a fiscal period of the taxing authority, a part of which period is included after the termination of the term of this Lease, shall (whether or not such Imposition shall become due and payable during the term of this Lease) be adjusted as between Landlord and Tenant as of the termination of the term of this Lease, so that Landlord shall bear that proportion of such Imposition attributable to the part of such fiscal period after the termination of the term of this Lease, and Tenant shall bear the remainder thereof.

SECTION 5.4. Non-Use Penalty. If a non-use penalty is imposed upon Landlord in accordance with California Education Code Section 39015, such penalty shall be deemed to be an Imposition payable by Tenant.

SECTION 5.5. Covenant to Pay Tax on Rents. If, at any time during the term of this Lease, a tax or excise on rents or other tax, however described, is levied or assessed against Landlord or the Rent hereunder, Tenant shall pay and discharge such tax or excise on rents or other tax, but only to the extent of the amount thereof which is assessed or imposed upon Landlord as a direct result of Landlord's ownership of the Land or of this Lease or of the Rent accruing under this Lease, it being the intention of the parties hereto that the Rents shall be paid to Landlord absolutely net without deduction of any nature whatsoever. Such tax or excise is included within the term "Impositions."

SECTION 5.6. Furnishing of Bills and Receipts. Tenant shall furnish to Landlord copies of all tax bills and other instruments or papers evidencing any Imposition within 30 days after the same are received by Tenant. Tenant shall also furnish to Landlord, within 60 days after the date upon which any such Imposition is due and payable by Tenant as in this Article V provided, official receipts of the appropriate taxing authority evidencing the payment thereof.

SECTION 5.7. Tenant's Right to Contest.

(a) Tenant shall have the right to contest the amount or validity, or to seek a refund, of all or any part of any Imposition by appropriate proceedings, but this shall not be construed as relieving, modifying or extending Tenant's covenants to pay any Imposition at the time and in the manner in this Article provided. Tenant shall deposit with Landlord

as security for the payment of such Imposition, money, or a corporate surety bond or other security reasonably acceptable to Landlord, in an amount sufficient in the reasonable judgment of Landlord to pay said Imposition, together with all interest and penalties in connection therewith, and all charges that may or might be assessed against or become a charge on the Lease Premises or any part thereof, in said proceedings.

(b) Upon the termination of said proceedings, Tenant shall pay, remove and discharge said Imposition and shall pay the interest and penalties in connection therewith and the charges accruing in such proceedings.

SECTION 5.8 Landlord Not Required to Join in Proceedings. Landlord shall not be required to join in any proceedings unless it shall be necessary for Landlord to do so in order to prosecute such proceedings properly and unless Landlord shall have been fully indemnified to its satisfaction against all costs and expenses in connection therewith, nor shall Landlord be subjected to any liability for the payment of any costs or expenses in connection with any proceeding brought by Tenant, and Tenant shall indemnify and hold Landlord harmless from any such costs and expenses.

SECTION 5.9. Statements Required by Law. As between the parties hereto, Tenant alone shall have the duty of making or filing any declaration, statement or report which may be provided or required by law as the basis of or in connection with the determination, equalization, reduction or payment of any Imposition and Landlord shall not be or become responsible to Tenant therefor, nor for the contents of any such declaration, statement or report. Tenant shall, however, provide Landlord a copy of any such declaration, statement or report within 30 days.

SECTION 5.10. Tenant Not Required to Pay Certain Other Taxes. Nothing contained in this Lease shall require Tenant to pay any franchise, estate, inheritance, succession, gift or income tax of Landlord.

## ARTICLE VI

### USE

SECTION 6.1. Use of Premises. It is understood and agreed that for an interim period, Tenant shall be subleasing a portion of the Lease Premises for cottage industries. Except for such limited uses, the Lease Premises shall be used solely for public open space, educational, artistic and recreational purposes.

Except as provided above, the Lease Premises shall not be used for commercial, residential or any other purpose.

SECTION 6.2. Illegal and Impermissible Use. The Lease Premises shall not be used for any unlawful or immoral purpose.

SECTION 6.3. Waste and Nuisance. Tenant shall not commit any waste upon the Lease Premises. Tenant shall not commit any nuisance upon the Lease Premises.

SECTION 6.4. Injunction. Any use of the Leased Premises by the Tenant or its sublessees for any use other than those set forth in Section 6.1 shall be enjoined by a court of competent jurisdiction and Tenant hereby agrees that such injunctive relief is an appropriate remedy for Landlord. Landlord and Tenant agree that the losing party shall pay attorney's fees and costs in connection with such legal proceedings.

## ARTICLE VII

### USE, REPAIRS AND ALTERATIONS

SECTION 7.1. Covenant to Repair and Maintain.

(a) No Obligation of Landlord. Landlord shall not be required or obligated to make any changes, alterations, additions, improvements or repairs in, on, or about the Lease Premises, or any part thereof, during the term of this Lease.

(b) Maintenance and Repairs. Tenant shall, at Tenant's sole cost and expense, keep and maintain the Lease Premises and every part thereof, including any sidewalks adjacent to the Lease Premises and all park, landscaping, athletic, recreational, and cultural facilities, in good and sanitary order, condition and repair, excepting reasonable wear and tear, and shall repair all damage resulting from use, including willful action (whether proper or improper) or negligence, by Tenant or any persons permitted to be on the Lease premises by or with the consent of Tenant, express or implied, except Landlord, or resulting from Tenant's failure to observe or perform any covenant of Tenant under this Lease.

SECTION 7.2. Compliance With Applicable Law. Tenant shall, at Tenant's expense, promptly comply with the requirements of every applicable law with respect to the condition, maintenance, use or occupation of the Lease Premises including the making of any alteration or addition in and to any structure upon, connected with, or appurtenant to the Land, whether or not such alteration be structural, or be required on account of any particular use to which the Lease Premises, or any part thereof, may be

or is now put, and whether or not such law be of a kind now within the contemplation of the parties hereto; and shall likewise comply with an applicable regulation or order of the applicable Board of Fire Underwriters or other body having similar functions, or of any liability or fire insurance company by which Tenant may be insured.

SECTION 7.3. Landlord's Right of Inspection. Landlord reserves the right, and Tenant shall permit, an inspection of the Lease Premises by Landlord or Landlord's agent or representatives, after reasonable notice during business hours, at any time during the Term.

SECTION 7.4. Alterations.

(a) Tenant's Right to Alter and Improve. Tenant, at its sole cost and expense shall maintain the Existing Improvements. Tenant may, at no cost or expense to Landlord, make additions to and alterations of the Lease Premises, including construction of new Improvements and alteration of the Existing Improvements, provided that: (i) all such additions and alterations shall be expeditiously completed in a good and workmanlike manner in compliance with all laws; (ii) the additions and alterations shall be constructed in accordance with this Lease; and (iii) in the case of any addition or alteration, the estimated cost of which exceeds Fifty Thousand and no/100 Dollars (\$50,000.00), Tenant shall, prior to the commencement thereof, furnish Landlord with assurances reasonably satisfactory to Landlord that the additions or alterations will be completed free of stop notices and liens.

(b) Design Requirements. The Improvements, including the additions and alterations, when completed, shall comply with all applicable laws and shall likewise comply with any applicable regulation or order of the applicable Board of Fire Underwriters or other agency having similar functions, or of any liability or fire insurance company by which Tenant may be insured. Landlord will, upon thirty (30) days' prior written notice from Tenant, execute any documents required to be signed on its part to obtain any necessary final inspection report, except that Landlord shall not be obliged to incur any obligation or liability thereby.

(c) Plans and Permits. In the case of any addition or alterations, the estimated cost of which exceed \$50,000, the Tenant agrees not to commence construction or other work on the Lease Premises, including delivery of building materials to the Lease Premises, until Tenant shall have given Landlord:

(i) not less than 15 days' prior written notice of its intention to commence work on the Land, in order that Landlord shall have a reasonable opportunity to

post any notice of nonresponsibility or other notice or document which might be necessary or appropriate to protect Landlord's reversionary rights against any mechanics, materialmen's or other liens;

(ii) a copy for Landlord's information (but not approval) of the final working plans and specifications (the "Plans and Specifications") for construction of any Improvements costing more than \$50,000, together with evidence reasonably satisfactory to Landlord that such Plans and Specifications have been approved by all appropriate governmental agencies;

(iii) a copy of any required building permit; and

(iv) a copy of all documents and instruments required by law to keep the Lease Premises free and clear of all stop notices, claims and liens of mechanics and materialmen.

(d) Permits. Tenant shall procure and pay for all permits and licenses required in connection with any Improvements, additions, and alterations.

SECTION 7.5. No Warranty on Condition of Land. Landlord makes no warranty, guarantee or representation concerning the nature and condition of the Land, including, but not limited to, the condition of the soil and geology and suitability thereof for any and all activities and uses which Tenant may elect to conduct thereon at any time during the term hereof, zoning or use restrictions, or the manner of construction, condition and state of repair of the Existing Improvements. Tenant acknowledges that it has inspected and is familiar with the condition of the Land and the Existing Improvements, the boundary liens of the Land and all zoning or other use restrictions applicable to the Land.

SECTION 7.6. Ownership of Improvements. All Improvements upon the Land by Tenant at Tenant's expense shall be and remain the property of Tenant for and during the term of this Lease. Upon termination of this Lease, such Improvements shall belong to and become the property of Landlord, free from any rights, claims and liens of Tenant or any person, agency, political subdivision, firm or corporation claiming under Tenant, without any compensation therefor from Landlord to Tenant or to any other person, agency, political subdivision, firm or corporation. At the termination of this Lease, such Improvements shall be surrendered to Landlord, excepting that movable furniture, personal property and trade fixtures may be removed by Tenant at or before the expiration or sooner termination of this Lease, provided, whoever, that the removal of any of the property so excepted will not structurally injure the Improvements or necessitate any changes or alterations in the Improvements or render the Improvements or any part thereof unfit for use and occupancy. Tenant shall pay the cost of restoration of, or

repairing any damage to, the Lease Premises arising from the removal of the property so excepted.

SECTION 7.7. Utility Charges; Permits; Easements. At all times during the term, Tenant shall pay or cause to be paid all water rates, water, meter charges and sewer charges and all charges for gas, electricity, light heat or power, telephone or other communication service used and any other utilities and services rendered or supplied upon or in connection with the Lease Premises and shall indemnify and hold Landlord harmless from and against all liability, loss, cost and damages on such account. Tenant shall also, at its sole expense, procure any and all necessary permits, licenses or other authorizations required for the lawful and property installation and maintenance of wires, pipes, conduits, tubes and other equipment and appliances for use in supplying any such service and utility.

## ARTICLE VIII

### INSURANCE

#### SECTION 8.1. Required Insurance.

(a) During the term of this Lease, Tenant shall maintain, at its own cost and expense, with insurance companies of recognized responsibility commensurate with the risks underwritten and authorized to do business in the State of California:

(i) Insurance against loss or damage to the Improvements by fire, vandalism, malicious mischief and all hazards included in the present all risk coverage endorsement or under the provisions of such successor extended coverage endorsements as may then be available, in such amounts as may be sufficient at all times to prevent Landlord or Tenant from becoming co-insurers under the provisions of applicable policies of insurance, but in any event in an amount not less than 100% of the replacement cost of the Improvements. In determining the replacement cost of the Improvements, foundations shall be excluded unless the insurer or insurers shall require the inclusion of same in their determination of such replacement cost.

(ii) Such other insurance as may, from time to time, be reasonably required by Landlord, upon providing Tenant with 90 days prior written notice, against such other insurable hazards as are then commonly required to be obtained by institutional first mortgagees for other comparable property; and

(iii) General public liability insurance against claims for personal injury, death or property damage

occurring upon, in or about the Lease Premises, such insurance policy or policies (including umbrella coverage, if any) to afford protection to the limit of \$5,000,000 with respect to any one accident.

(b) Tenant agrees that such limits referred to in this Section shall be increased from time to time as reasonably requested by Landlord in writing, provided such increased limits are then being written on other comparable property.

SECTION 8.2. Required Insurance During Construction.

(a) During the period of construction of any Improvements, Tenant shall maintain, at its own cost and expense, with casualty insurance companies of recognized responsibility commensurate with the risks being underwritten and authorized to do business in the State of California, builder's risk insurance in so-called nonreporting form upon the Improvements under construction in such amount and with such coverage as are customarily required by institutional lenders on comparable structures in the County of Marin.

SECTION 8.3. Insurance Terms; Renewals; Landlord as Insured Party. Tenant shall procure policies for such insurance for periods of from one (1) to five (5) years, as Tenant shall elect, and shall deliver to Landlord certified copies of such policy or policies, with evidence of the payment of the premiums therefore, and shall procure and deliver evidence of renewals thereof from time to time at least 15 days before the expiration of any similar policy then existing. If Tenant fails to deliver evidence of such renewals as provided in the last preceding sentence, Landlord shall give Tenant written notice of such failure, and if within ten days of such notice Tenant fails to deliver evidence of such renewals, Landlord may procure any such insurance for such periods as Landlord shall elect, and Tenant shall, on demand, reimburse Landlord for all outlays for such insurance with interest thereon at the rate of the lesser of the rate charged to member banks by the Federal Reserve Bank of San Francisco (or its successor) plus one percent (1%) or the maximum allowable rate under applicable law on the date the Landlord makes such outlays. Each such policy shall provide that no interest of Tenant shall be subject to cancellation except upon not less than 15 days' prior written notice to Landlord. Tenant, without cost to Landlord, agrees to name Landlord as a party insured on all insurance policies carried by Tenant on the Lease Premises. All policies shall be issued by companies of recognized responsibility, reasonably acceptable to Landlord.

SECTION 8.4. Unavailability of Insurance. If any of the insurance provided for in this Article should, after diligent effort by Tenant, be unobtainable through no act or omission on the part of Tenant, and if Tenant shall in such case obtain the maximum insurance obtainable and promptly give notice to Landlord

of the extent of Tenant's inability to obtain any insurance required to be maintained hereunder, then the failure of Tenant to procure and maintain such unobtainable insurance shall be excused; provided, however, that Landlord shall have the right to procure such insurance in replacement of or in addition to that furnished by Tenant up to the maximum limits provided for herein and to charge Tenant with the cost and premiums therefor.

SECTION 8.5. Self Insurance. The parties recognize that the insurance practices of a municipality may differ from that of private parties and may change from time to time. Accordingly, during any period of time in which Tenant maintains insurance as a regular practice on the buildings and structures it owns, Tenant shall maintain the insurance required by this Article. During any period of time in which Tenant as a regular practice does not maintain insurance but rather self insures or participates in a JPA with other governmental entities its buildings and structures, Tenant may insure the Lease Premises in this manner, and Tenant shall be liable for any casualty or injury.

## ARTICLE IX

### DAMAGE BY FIRE OR CASUALTY

SECTION 9.1. Notice and Reporting Requirements. In the event of any damage or loss to the Lease Premises by reason of fire or other casualty where such loss or damage is reasonably estimated to exceed \$50,000, Tenant shall give immediate notice thereof to Landlord.

SECTION 9.2. Repair of Damage. If the Improvements or the machinery, fixtures and equipment placed therein by Tenant, shall be totally or partially damaged or destroyed by fire or otherwise at any time during the term of this Lease, Tenant will commence, as soon as is reasonably practicable, and continue thereafter diligently and without interruption thereof, at Tenant's sole expense, either (i) to raze the damaged Improvements and level the Land where the damaged Improvements stood; or (ii) to repair, restore and rebuild the damaged Improvements as nearly as possible to the condition they were in immediately prior to such damage or destruction, or with such additions and alterations as may be made in conformity with the provisions of this Lease relating to additions and alterations. This obligation to repair shall apply regardless of the availability of insurance proceeds.

SECTION 9.3. Continuing Obligation to Pay Rent. Tenant's obligation to make payment of the Rents and to perform all its covenants and conditions shall not be affected by any damage or destruction of the Improvements by any cause whatsoever, and Tenant hereby waives the provisions of any law now or hereafter in effect contrary to such obligations of Tenant, as herein set forth, or which relieves Tenant therefrom. Without limiting

the generality of the foregoing, Tenant hereby waives the provisions of Sections 1932, 1933, 1941 and 1942 of the California Civil Code.

SECTION 9.4. No Change to Purchase Price. In the event of damage or destruction to the buildings or other improvements on the Lease Premises, the purchase price of the property shall not be revised by reason of such damage or destruction.

#### ARTICLE X

##### EMINENT DOMAIN

SECTION 10.1. Lease Governs. In the event of any acquisition of or damage to all or any part of the Lease Premises or any interest therein by eminent domain, whether by condemnation proceeding or transfer in avoidance of an exercise of the power of eminent domain or otherwise during the term of this Lease, the rights and obligations of the parties with respect to such appropriation shall be as provided in this Article.

SECTION 10.2. Taking Defined. "Taking" means any acquisition of any portion of the Lease premises, or any interest therein or right accruing thereto pursuant to or in anticipation of the power of condemnation or eminent domain or by reason of the temporary requisition of the use or occupancy of the Lease Premises by any governmental authority, civil or military.

SECTION 10.3. Total Taking Defined. "Total Taking" shall mean a taking of all of the Lease Premises other than for a temporary purpose.

SECTION 10.4. Partial Taking Defined. "Partial Taking" shall mean the Taking of a portion only of the Lease Premises.

SECTION 10.5. Total Taking: Termination. In the event of a Total Taking, this Lease shall terminate and expire on the first to occur of either the date the condemning authority acquires title to the Lease Premises, or the date of surrender of possession of the Lease Premises to the condemning authority. Tenant shall continue to pay the Rents hereunder and, in all other respects, keep, observe and perform all of the provisions of this Lease to be kept, observed and performed by Tenant until the date of such termination, but not thereafter.

SECTION 10.6. No Rent Abatement Nor Release from Covenants. In the event of a total taking or of a partial taking, this Lease shall remain in full force and effect with respect to that portion of the Lease Premises not so taken. The basic annual rental payable by Tenant for the balance of the term shall not be abated.

SECTION 10.7. Partial Taking: Restoration. In the event of a Partial Taking of the Lease Premises, Tenant will, at

Tenant's sole cost and expense, whether or not the awards or payments, if any, on account of such Taking shall be sufficient for the purposes, promptly commence and proceed with reasonable diligence either (i) to raze any damaged Improvements and level the land where the damaged Improvements stood, or (ii) to restore the Improvements on the remaining portion of the Lease Premises as nearly as possible to their value, condition and character immediately prior to such Taking, except for any reduction in area caused thereby, with such additions and alterations as may be made at the election of Tenant in accordance with this Lease.

SECTION 10.8. Application of Awards in Case of Total Taking. All awards and payments on account of any Total Taking (including all amounts thereof in respect to both the Real Property and the structures or other improvements) shall be distributed and belong to Tenant.

SECTION 10.9. Taking for Temporary Use. In the event of a Taking of all or any portion of the Lease Premises for temporary use, this Lease shall continue in full force and Tenant shall be entitled to make claim for, recover and retain any awards or proceeds made on account thereof, whether in the form of rent or otherwise, remaining after paying the reasonable expenses of Landlord and Tenant incurred in collecting the same, unless such period of temporary use or occupancy shall extend beyond the term of this Lease, in which case such awards or proceeds, after deducting the cost of restoration of the Improvements and the payment thereof to Landlord, shall be apportioned between Landlord and Tenant as of such date of expiration of the term of this Lease.

SECTION 10.10. Settlement with Condemning Authority. Without the prior written consent of Landlord, Tenant shall not make any settlement with the condemning authority with respect to any Taking or consent to any Taking.

SECTION 10.11. Notice of Taking. Upon any party receiving notice of or becoming aware of any condemnation proceedings or threat thereof, it shall promptly give written notice of such proceedings or the threat thereof to the other party.

## ARTICLE XI

### DEFAULT

SECTION 11.1. Event of Default. Any of the following shall constitute a material default and breach of this lease ("Event of Default") by Tenant:

- (a) Any failure by Tenant to pay the Rents payable by Tenant under this Lease when due where such failure continues for 30 days after written notice from Landlord that such payments are due;

(b) The abandonment or vacation of the Land by Tenant;

(c) Failure of Tenant to observe and perform any obligation hereunder (other than as set forth in subsections (a) and (b) above) where such failure continues for 60 days after a determination by a court of competent jurisdiction specifying such failure to perform. However, an Event of Default will not be deemed to have occurred if Tenant has commenced to cure such failure within said 60 days and is diligently and by appropriate means proceeding to cure its default;

(d) The entry of any decree or order for relief by any court with respect to Tenant in any case under the Federal Bankruptcy Code or any other law relating to bankruptcy, insolvency or relief of debtors which would result in any of the following: (i) an assignment of this Lease or a sublease, license, concession or other transfer of a material part of the Lease Premises to, or the exclusive use and occupancy of a material part of the Lease Premises by, any individual or non-governmental entity; (ii) the closure (permanently or for a period of consecutive or non-consecutive days which exceeds one year in the aggregate) of all or any material portion of the Lease premises to the public; or (iii) any situation or occurrence which Landlord's Board of Education (or its successor) finds, on the basis of substantial evidence after a public hearing, has or will have a material adverse effect upon Landlord or upon the persons residing within Landlord's district boundaries or upon Landlord's ability to perform, finance or otherwise comply with its educational responsibilities and/or its statutory and other obligations and responsibilities; or

(e) Any other event which, under then applicable law, would constitute a material default under this Lease.

#### SECTION 11.2. Landlord's Remedies.

(a) If an Event of Default shall occur, then in addition to any other remedies available, Landlord shall have the immediate option to terminate this Lease as provided for herein and bring suit against Tenant and recover as an award in such suit or judicial arbitration proceeding the following:

(i) the worth at the time of award of the unpaid Rents which had been earned at the time of termination;

(ii) the worth at the time of award of the amount by which the unpaid Rents which would have been earned after termination until the time of award exceeds the amount of such rental loss that the Tenant proves could have been reasonably avoided;

(iii) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure which in the ordinary course of things could be likely to result therefrom; and

(iv) such amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable California law.

(b) The "worth at the time of award" of the amounts referred to in subsections (i) and (ii) above shall be computed by allowing interest at the lesser of the rate charged to member banks by the Federal Reserve Bank of San Francisco (or its successor) plus one percent (1%) or the maximum allowable rate under applicable law on the date of the award. The "worth at the time of award" of the amount referred to in subsection (iii) is computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco (or its successor) at the time of award plus one percent (1%).

(c) If an Event of Default shall occur, and Landlord shall choose not to exercise the option to terminate this Lease as provided for herein, this Lease shall continue in full force and effect for so long as Landlord chooses not to terminate Tenant's right to possession and Landlord may enforce all of its rights and remedies under this Lease, including the right to recover Rent as it becomes due.

SECTION 11.3. Receipt of Rent not Waiver of Default. The receipt by Landlord of Rents, with knowledge of any breach of this Lease by Tenant or of any default on the part of Tenant in the observance or performance of any of the conditions or covenants of this Lease, shall not be deemed to be a waiver of any provisions of this Lease.

SECTION 11.4. Interest and Attorney's Fees. Tenant shall pay interest on all Rent in arrears at the rate of 10% per annum from the date when the same became due until paid. In any action or proceeding which Landlord may prosecute to enforce Landlord's rights hereunder, including any action to collect Rent, Tenant agrees to pay Landlord's reasonable attorney's fees.

SECTION 11.5. No Waiver. No failure on the part of Landlord to enforce any covenant or provision herein contained, nor any waiver of any right hereunder by Landlord shall discharge or invalidate such covenant or provision or affect the right of Landlord to enforce the same in the future. No waiver by Landlord of Landlord's right to enforce any provision hereof upon a default by Tenant shall be deemed a waiver of Landlord's right to enforce each and all of the provisions hereof under any future or other default by Tenant. All rights, powers, and remedies herein given to Landlord shall be cumulative to each other and to any other legal or equitable remedy, right, or power which Landlord might

otherwise have in the event of any breach by Tenant. The receipt by Landlord of Rents with knowledge of any default on the part of Tenant in the observance or performance of any of the provisions of this Lease shall not be deemed to be a waiver of the provisions of this Lease.

SECTION 11.6. Landlord's Right to Cure. After expiration of the applicable time for curing and default, or before the expiration of that time in an emergency, Landlord may, at its selection, but is not obligated to, cure the default at Tenant's cost. If Landlord at any time, by reason of Tenant's default, pays any sum or does any act that requires the payment of any sum, the sum paid by Landlord plus the reasonable cost to perform it shall be due immediately from Tenant to Landlord at the time the sum is paid. And if paid at a later date shall bear interest at the rate of ten percent per annum from the date the sum is paid by Landlord until Landlord is reimbursed by Tenant. The sum, together with interest on it, shall be additional rent. No such act shall constitute a waiver of default or of any remedy for default or render Landlord liable for any loss or damage resulting from any such act.

## ARTICLE XII

### TERMINATION

#### SECTION 12.1. Landlord's Remedies

(a) Upon termination, Tenant shall surrender and vacate the Lease Premises in broom-clean condition pursuant to Section 3.3 hereof. Upon termination, Landlord shall have the right to reenter and take possession of the Lease Premises and remove all persons therefrom and remove Tenant's property, and place said property in storage in a public warehouse, or store the same elsewhere, all at the expense of Tenant, or sell the same as provided by law for the purpose of recovering any money due and unpaid hereunder by Tenant to Landlord, including Landlord's storage costs. Upon termination of this Lease, Landlord shall have the right to recover from Tenant all damages caused by any breach hereof by Tenant, together with any Rent due hereunder and unpaid, including all reasonable attorney's fees which may be incurred in recovering possession of the Lease premises and in collecting such damages or such Rents.

(b)  Holding Over. Any holding over by Tenant after termination shall not constitute a renewal or extension of this Lease or give Tenant any rights in or to the Lease Premises. Upon the expiration of this Lease, or sooner termination hereof pursuant to the terms hereof, tenant shall promptly vacate and surrender the Lease Premises to Landlord and leave the Lease Premises in the condition required hereinabove.

SECTION 12.2. Ownership of Improvements. All Improvements on the Lease premises at the termination of this Lease shall without compensation to tenant, then become Landlord's property free and clear of all claims to or against them by Tenant or any other third person, and Tenant shall defend and indemnify Landlord against all liability, cost and loss arising from such claims or from Landlord's exercise of the rights conferred by this Section.

## ARTICLE XIII

### TRANSFER OF TITLE

SECTION 13.1. Upon the payment of the final rent payment due under this Lease, Landlord shall transfer fee title to the Lease premises to Tenant upon receipt of the sum of one dollar (\$1.00) from Tenant.

SECTION 13.2. Title of the Lease premises shall be conveyed by Landlord to Tenant free and clear of all liens, taxes due and unpaid, encumbrances, covenants, conditions, restrictions, easements, and rights of way of record, leases or other tenancy agreements and other matters of record except for exceptions Nos. 1 through 11 in that certain preliminary report dated July 10, 1987, No. 174670-JB from California Land Title Company of Marin (Exhibit H), and anything of record or not of record that in any way affects title to the Lease Premises resulting from the acts or omissions of the Tenant. It is understood and agreed however that the deed from Landlord to Tenant shall restrict the use of the premises by Tenant to those uses set forth in Section 6.1 of this Lease and, further, that the Landlord shall retain the rights set forth in Article XVIII.

SECTION 13.3. The transfer of title shall be consummated through the Escrow Holder or its successor. Escrow shall be opened upon execution of this Lease.

SECTION 13.4. At Close of Escrow, Escrow Holder must be prepared to issue a CLTA standard coverage policy of title insurance in the amount of \$ 4,500,000 insuring title to the Premises vested in Tenant subject only to the matter set forth in Section 13.3.

SECTION 13.5. All costs of Escrow including transfer taxes, recording fees and closing costs shall be shared equally between the parties. Cost of title insurance premiums shall be paid by Tenant.

SECTION 13.6. Upon Close of Escrow, this Lease shall terminate, and the parties shall be released from all liabilities and obligations under this Lease, except for the rights of Landlord to acquire the School Site Area for school use pursuant to Article XVIII.

ARTICLE XIV

ASSIGNMENT

SECTION 14.1. Tenant's Right to Sublet.

(a) Permitted Subleases. Tenant shall have the right, without Landlord's consent, to sublet all or any part of the Lease Premises to any person or entity for the cottage industry purpose provided in Section 6.1. It is the intent of the parties that cottage industry use of the Lease Premises not exceed the total square footage of all existing buildings on the Lease Premises as of the Commencement Date of this Lease (56,000 square feet). The Tenant may, however, in accordance with Article VII of this Lease, alter or remove existing buildings, or add new buildings for cottage industries within the maximum square footage allowed by this Section for cottage industry purposes.

(b) Void Transfers. Any sublease, transfer or encumbrance of this Lease of the Lease premises, in whole or in part, which is contrary to or not provided for in subsection 14.1(a) is void.

(c) Tenant to Remain Liable. No sublease or transfer of this Lease or all or part of the Lease Premises by Tenant shall relieve Tenant of any of its obligations accruing after such sublease or transfer, but Tenant shall remain liable under this Lease for the full term hereof.

(d) Acceptance of Rents. If the Lease Premises or any part thereof is sublet, whether or not in violation of this Lease, Landlord may, after default by Tenant and expiration of tenant's time to cure such default, collect rent from the sublessee. In either event, Landlord may apply the net amount collected to payment of Rents, but no such subletting, or collection shall be deemed a waiver of any of the provisions of this Lease, an acceptance of the sublessee as a lessee, or a release of Tenant from the performance by Tenant of Tenant's obligations under this Lease.

SECTION 14.2. Landlord's Right of Assignment. Landlord may freely assign, transfer, sell or encumber all or part of its interest in the Lease Premises and its interest in this Lease. In the event of any sale or transfer of all of Landlord's interest in the Lease Premises, Landlord shall be and hereby is entirely discharged and relieved of all covenants and obligations hereunder thereafter accruing, and it shall be deemed and construed, without further agreement, that the purchaser or transferee has assumed and agreed to carry out any and all covenants and obligations of its predecessor in title hereunder before and while such purchaser or transferee remains the owner of Landlord's interest.

ARTICLE XV

INDEMNIFICATION

SECTION 15.1. Tenant to Indemnify Landlord. Tenant shall indemnify, defend and save harmless Landlord from and against all losses, liabilities, obligations, claims, demands, judgments, damages, penalties, causes of action, costs and expenses arising during the term of this Lease (including but not limited to reasonable attorneys' fees and court costs and expenses) imposed upon or incurred by or asserted against Landlord by others by reason of:

(i) Any accident, injury to or death of persons or loss of or damage to property occurring on or about the Lease Premises or any part thereof or the adjoining sidewalks, curbs, streets or ways unless such accident, injury, loss, or damage results from the failure to perform a duty of due care by Landlord (it being agreed that Landlord has no duty or obligation under this Lease with respect to the Lease Premises);

(ii) The condition or any part of the Lease Premises, including the improvements, or of any street, curb or sidewalk adjoining the Lease Premises or of any passageways or spaces therein or appurtenant thereto; or Tenant's failure to keep and maintain the Lease premises in good and sanitary order, condition and repair;

(iii) Any act or omission of Tenant or its agents, contractors, employees, sublessees, invitees or members of the public or any failure on the part of Tenant or any of its agents, contractors, employees, sublessees, or invitees or members of the public to exercise due care or to perform or comply with any of the provisions of this Lease and of any contracts and agreements to which tenant or any of its agents, contractors, employees or sublessees is a party and of any laws affecting the Lease Premises or any part thereof;

(iv) Performance of any labor or services or the furnishing of any materials or other matters in respect of the Lease Premises or any part thereof; and

(v) Management of the Lease Premises or any work or act whatsoever done on or about the Lease Premises;

SECTION 15.2 Exculpation of Landlord. Excepting injury and property damage proximately caused by Landlord's negligence or willful misconduct, Landlord shall not be liable to Tenant or to any agent, contractor, employee, invitee or sublessee of Tenant or to any member of the public for any loss, injury or damage to any person or property, regardless of the cause, except to the extent

caused by Landlord's negligence or willful misconduct. Without limiting the generality of the foregoing, Landlord shall not be liable to Tenant or to any agent, contractor, employee, invitee or sublessee or to any member of the public:

(i) for any damage to person or property occasioned by the bursting or leaking of any water, gas or steam pipe, oil or other pipes, plumbing or sewerage, or by the overflowing of any tank or closet, or other damage occasioned by water, oil or sewerage or other fluid flowing below, in, above, upon or about the Lease premises, or coming through any skylight, window, wall or trapdoor, or otherwise, whether as the result of storms or accident or otherwise;

(ii) for any damages arising from the leakage or discharge of electric current in or upon the Lease Premises or resulting from defective wiring, defective work in the installation of electric wires, electrical apparatus or equipment or other damages arising from the use of electricity upon the Lease Premises, or any Improvement situated thereon, either for lighting or for any other purpose, whether such use shall be by Tenant or any other occupant of said building, or otherwise; nor,

(iii) for any damages arising from any act or neglect of sublessees of the Lease Premises, or occupants thereof, or of the owners of adjoining or adjacent property.

In case any action, suit or proceeding is brought against Landlord by reason of any occurrence described in this Section 15.2 or in Section 15.1, Tenant, upon Landlord's request, will at Tenant's expense resist and defend such action, suit or proceeding, or cause the same to be resisted and defended by counsel designated by Tenant and approved by Landlord.

SECTION 15.3. Obligation to Indemnify Other Party. If either party is made a party defendant to any litigation concerning this Lease or the Lease Premises or the occupancy thereof by the wrongful action of the other, then the wrongful party shall indemnify and hold harmless the other party from all liability by reason of said litigation, including reasonable attorney's fees and expenses incurred by said other party in any such litigation, whether or not any such litigation is prosecuted to judgment.

## ARTICLE XVI

### LIENS

SECTION 16.1. Liens. The parties recognize that under current law, including the California law of mechanics' liens, a

lien cannot attach to publicly owned property. However, if at any time such law should change, thereby permitting any lien, charge or encumbrance upon the Lease Premises, Tenant will not permit to remain, and will promptly discharge, at Tenant's cost and expense, all stop notices, liens, encumbrances and charges upon the Lease Premises or any part thereof. Tenant shall not permit any mechanics' or materialmen's liens or any other claims or demands of any nature, arising from any work by Tenant of construction, repair, restoration, or removal as herein provided, to be foreclosed against the Lease Premises, or any part thereof. In the event Tenant permits any mechanics' or materialmen's liens to be levied upon the Lease Premises, the failure of Tenant to remove said liens within ninety (90) days thereafter shall be a material default hereunder.

SECTION 16.2. Contest. Tenant shall have the right to contest with due diligence the amount or validity of any lien or claimed lien if Tenant shall give to Landlord such security as Landlord may reasonably require to insure payment thereof and prevent and sale, foreclosure or forfeiture of the Lease Premises or any portion thereof by reason of such nonpayment, but in no event shall the security required by Landlord exceed one hundred percent (100%) of the amount of such lien or claimed lien. On final determination of the lien or claim for lien, Tenant shall immediately pay any judgment rendered with all proper costs and charges and shall have the lien released or judgment satisfied at Tenant's own expense, and if Tenant shall fail to do so, Landlord may at Landlord's option pay any such final judgment and clear the lien from the Lease Premises.

SECTION 16.3. Landlord's Right to Discharge Lien. If Tenant shall fail to discharge promptly a lien against the Lease Premises, then, in addition to any other right or remedy of Landlord, Landlord may, but shall not be obligated to, discharge the lien, either by paying the amount claimed to be due or by procuring the discharge of the lien in a manner authorized by law. Any amount paid by Landlord for any of the aforesaid purposes and all reasonable expenses of Landlord, including counsel fees, shall be repaid by Tenant to Landlord together with interest of 10% per annum from date of Landlord's payment.

## ARTICLE XVII

### MISCELLANEOUS

SECTION 17.1. Right of Quiet Enjoyment. Subject to the provisions of this Lease and upon payment of all Rents and upon performance of all of the provisions to be performed by Tenant hereunder, Landlord shall secure to Tenant during the term of this Lease the quiet and peaceful possession of the Lease Premises and all rights and privileges appertaining thereto. This covenant shall be construed as running with the land to and against subsequent owners and successors in interest, and is not, nor shall it operate or be construed as, a personal covenant of Landlord,

except to the extent of Landlord's interest in the Lease Premises and only so long as such interest shall continue, and thereafter this covenant shall be binding only upon such subsequent owners and successors in interest, to the extent of their respective interests, as and when they shall acquire the same, and only so long as they shall retain such interest.

SECTION 17.2. Notice. All communications, notices and demands of any kind which either party may be required or desire to give to or serve upon the other party shall be made in writing and sent by personal delivery or by telegram or by registered or certified mail postage prepaid, return receipt requested to the following addresses:

To Landlord:                   Sausalito School District  
630 Nevada Street  
Sausalito, California 94965

To Tenant:                     City Manager  
City of Sausalito  
420 Litho  
Sausalito, California 94965

Any such notice sent by mail shall be presumed to have been received by the addressee five (5) business days after posting in the United States mail in Los Angeles County, California. Either party may change its address by giving the other party written notice of its new address as herein provided.

SECTION 17.3. Estoppel Certificate. Tenant agrees at any time and from time to time upon not less than 30 days' prior written request by Landlord, to execute, acknowledge and deliver to Landlord, and Landlord agrees at any time and from time to time, upon not less than 30 days' prior written request by Tenant, to execute, acknowledge and deliver to Tenant, a statement in writing, certifying that this Lease is unmodified and in full force and effect, or that the same is in full force and effect as modified or otherwise qualified and stating the modifications and qualifications, and the date to which the basic rent and additional rent have been paid, and whether or not to the knowledge of the party so certifying there is any existing default by the other party under this Lease, or notice of default by the other party served by the certifying party. If any such certification shall allege nonperformance by the other party, the nature and extent of such nonperformance shall be summarized therein.

SECTION 17.4. Rights Cumulative. All the rights and remedies of Landlord and Tenant herein mentioned or referred to, or arising hereunder, shall be deemed to be distinct, separate and cumulative, notwithstanding that specific sections of this Lease may not so provide and no one or more of the, whether exercised or not, nor any mention of, or reference to, any one or more of them herein, shall be deemed to be in exclusion of, or a waiver of, any of the others, or of any rights or remedies which Landlord and

Tenant might have, whether by present or future or pursuant to this Lease, and Landlord and Tenant shall have, to the fullest extent permitted by law, the right to enforce any rights or remedies whether at law or in equity or otherwise, without thereby waiving, or being thereby barred or estopped from exercising and enforcing any other rights or remedies by appropriate action or proceedings.

SECTION 17.5. Waiver of Modification. The parties hereto may, but mutual agreement, waive any of the provisions hereof, but no waiver or modification of any portion of this Lease shall be effective unless such waiver or modification is in writing and signed by the parties.

SECTION 17.6. Applicable Law. This Lease is governed by the law of the State of California and any questions arising hereunder shall be construed and determined according to such law.

SECTION 17.7. Headings. Headings at the beginning of each numbered Article and Section of this Lease are solely for the convenience of the parties, are not a part of this Lease, and do not in any way limit or amplify the terms and provisions of this Lease.

SECTION 17.8. Liability for Attorney's Fees. If either party commences any action against the other to enforce or interpret any of the terms hereof or because of the breach by either party of any of the terms hereof, the losing or defaulting party shall pay to the prevailing party reasonable attorney's fees, costs and expenses incurred in connection with the prosecution or defense of such action.

SECTION 17.9. Time of Essence. Time is of the essence with respect to the performance of every provision of this Lease.

SECTION 17.10. Integration Clause. This Lease, and the Agreement which refers to this Lease contain all of the agreements of the parties hereto with respect to the matters contained herein. No prior agreement or understanding pertaining to any such matter shall be effective for any purpose. No provisions of this Lease may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successors in interest.

SECTION 17.11. Invalidity. If any provision of this Lease or the application thereof to any person or circumstance shall, for any reason and to any extent, be invalid or unenforceable, the remainder of this Lease and the application of that provision to other persons or circumstances shall not be affected but rather shall be enforced to the extent permitted by law.

SECTION 17.12. Presumptions. This Lease shall be construed without regard to any presumption or other rule

requiring construction against the party drafting a document. It shall be construed neither for nor against Landlord or Tenant, but shall be given a reasonable interpretation in accordance with the plain meaning of its terms and the intent of the parties.

SECTION 17.13. Independent Covenants. Each covenant, agreement, obligation or other provision of this Lease on Tenant's part to be performed shall be deemed and construed as a separate and independent covenant of Tenant, not dependent on any other provision of this Lease.

SECTION 17.14. Number and Gender. All terms and words used in this Lease, regardless of the number or gender in which they are used, shall be deemed to include any other number and any other gender as the context may require.

SECTION 17.15. Joint and Several Liability. If, at any time during the Lease Term, Tenant comprises more than one person, all such persons shall be jointly and severally liable for payment of Rents and for performance of every obligation of Tenant under this Lease.

SECTION 17.16. Merger. Any estate created under this Lease shall not merge with any other estate held by either Landlord or Tenant hereunder.

SECTION 17.17. Consent Not Unreasonably Withheld. Whenever it is provided herein that the consent or approval of Landlord or Tenant is required, such consent or approval shall not be unreasonably withheld or delayed.

SECTION 17.18. Successors and Assigns. The covenants and conditions herein contained shall, subject to the provisions of this Lease, apply to and bind the successors and assigns of the parties hereto.

SECTION 17.19. No Waiver by Landlord. If Landlord shall at any time give Landlord's written consent to the assignment of this Lease, or the subletting of the Lease Premises by Tenant, or any other matter or thing relating to the Lease Premises or this Lease, wherein Landlord's consent is necessary, the giving of any such consent shall not be deemed or construed or considered to be a consent to any further or other assignment or subletting, or as a further consent as to any other matter or thing contained herein requiring Landlord's consent. No waiver by Landlord at any time of any of the terms, conditions, covenants or agreements of this Lease shall be deemed or taken as a future or continuing waiver of any term, condition, covenant or agreement herein contained, nor of the strict and prompt performance thereof by Tenant. No delay, failure, or omission of Landlord to reenter the Lease Premises, or to exercise any right, power or remedy arising from any defaults, nor subsequent acceptance of Rents then or thereafter accrued, shall impair any such right, power or remedy or acquiescence therein, and no notice by Landlord shall be

required to restore or revive time as of the essence hereof after waiver by Landlord of default in one or more instances.

SECTION 17.20. Construction. The words "Landlord" and "Tenant" as used herein, include, apply to and bind and benefit the successors and assigns of Landlord and Tenant (provided, however, that nothing in this Section shall be deemed to give Tenant the right to assign this Lease, except as hereinabove set forth). The term "law", "laws." "provisions of law", and words of similar import shall mean laws, statutes, ordinances, building and fire codes, rules, regulations, judgments, rulings, decrees, orders and directives of any or all of the federal, state, county and city governments and all departments, subdivisions, bureaus, courts, agencies or offices thereof, and of any other governmental, public or quasi-public authorities having jurisdiction over the Lease premises, and the direction of any public officer pursuant to law, whether now or hereafter in force. References to specific statutes include successor statutes of similar purpose and import.

SECTION 17.21. School Recreational Use. Landlord shall have the right to use the area marked in green on Exhibit for school recreational use. Such use by Landlord shall have priority over all other uses during normal school hours. At all other times, this area shall be available for public use in accord with City regulations.

#### ARTICLE XVIII

##### School Site

SECTION 18.1. Conditions for School Site. Landlord shall have the right to use the School Site Area designated on Exhibit , or another site of equivalent size selected by Tenant in consultation with Landlord for the construction of a school if there is a demonstrable need of a site for such purposes, subject to the following conditions:

(a) In the event Tenant disagrees with the Landlord's evidence of need, the Tenant may refer the matter to an arbitrator. If the Landlord and Tenant are not able to agree upon an arbitrator, they shall each select an arbitrator from a list provided by the American Arbitration Association, which arbitrators shall jointly select a third arbitrator whose responsibility it will be to resolve the dispute. The arbitrator selected shall determine whether the Landlord has adequately demonstrated a need for the property. Such evidence may include, but is not limited to, the following: An unexpected increase in school population, a natural disaster, a decision by the school board that the academic and/or social needs of the pupil population can be better served by separating the students by grade level and housing them on a separate campus, or an unforeseen educational purpose. The cost of the arbitration shall be borne equally by both parties.

(b) Landlord shall give Tenant 180 days advance notice prior to the commencement of construction.

(c) Landlord shall pay all costs connected with the construction of such a school including demolition of the existing building and site preparation.

(d) Tenant shall terminate its use of the School Site Area and use by any other persons 30 days prior to the commencement of construction by Landlord.

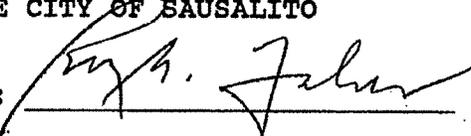
(e) Upon commencement of construction, the School Site Area shall be deleted from the Lease Premises and Tenant shall be released from any and all obligations contained in this Lease regarding said area. All such obligations shall thereafter be the obligation of Landlord, including, but not limited to, the cost of utility service, maintenance and insurance.

(f) If ownership of the Lease Premises passes to Tenant pursuant to Article XIII, Landlord shall retain the right to construct a school building on the School Site Area by giving Tenant 180 days advance notice. Upon receipt of such written notice by Landlord, Tenant shall transfer fee title to the School Site Area to Landlord subject only to those liens, taxes, encumbrances, covenants, conditions, restrictions, easements and rights of way to which the property was subject at the time of transfer from Landlord to Tenant pursuant to Article XIII.

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

TENANT:

THE CITY OF SAUSALITO

By: 

LANDLORD

SAUSALITO SCHOOL DISTRICT

By: 

7/15/87

28.

DESCRIPTION

ALL THAT CERTAIN REAL property situate in the City of Sausalito, County of Marin, State of California described as follows:

PARCEL ONE:

Parcel 2, as shown upon that certain Parcel Map entitled "Parcel Map Lands of Sausalito School District Being Portion lands Described in Book 599 of Official Records at page 253 Being a portion of Lots 4, 5, 6 and 31 'Licensed Survey Map of Marinship Property' recorded in Book 2 of Surveys at page 127, Marin County Records, Sausalito-Marin County-California", filed for record April 22, 1982 in Volume 20 of Parcel Maps, at Page 33, Marin County Records.

PARCEL TWO:

AN EASEMENT for an 8 foot underground electrical easement more particularly described as follows:

BEGINNING at a point that bears North 01° 57' 24" East 73.00 feet from the point common to the lines that bear North 01° 57' 24" East and North 14° 28' 00" as delineated on Parcel One, as delineated upon that certain map entitled, "Parcel Map-Lands of Sausalito School District Being Portion Lands Described in Book 599 of Official Records at page 253 Being a Portion of Lots 4, 5, 6 and 31 'Licensed Survey Map of Marinship Property' recorded in Book 2 of Surveys at page 127, Marin County Records and Sausalito-Marin County-California", filed April 22, 1982 in Volume 20 of Maps at page 33, Marin County Records, thence North 68° 06' 01" East 31.72 feet, thence South 88° 02' 36" East 37.00 feet, thence South 01° 57' 24" West 12.79 feet, thence South 88° 02' 36" East 44.00 feet to the point of termination. Said point of termination being North 01° 57' 24" East 73.00 feet from the point common to the lines that bear North 01° 57' 24" East and North 41° 12' 00" East.

PARCEL THREE:

AN EASEMENT for underground gas pipeline purposes, 10 feet in width shown as "10' Underground Gas Pipeline Easements Appurtenant to Parcel 2", as shown upon the filed Parcel Map referred to herein above.

EXHIBIT A

SAUSALITO SCHOOL DISTRICT

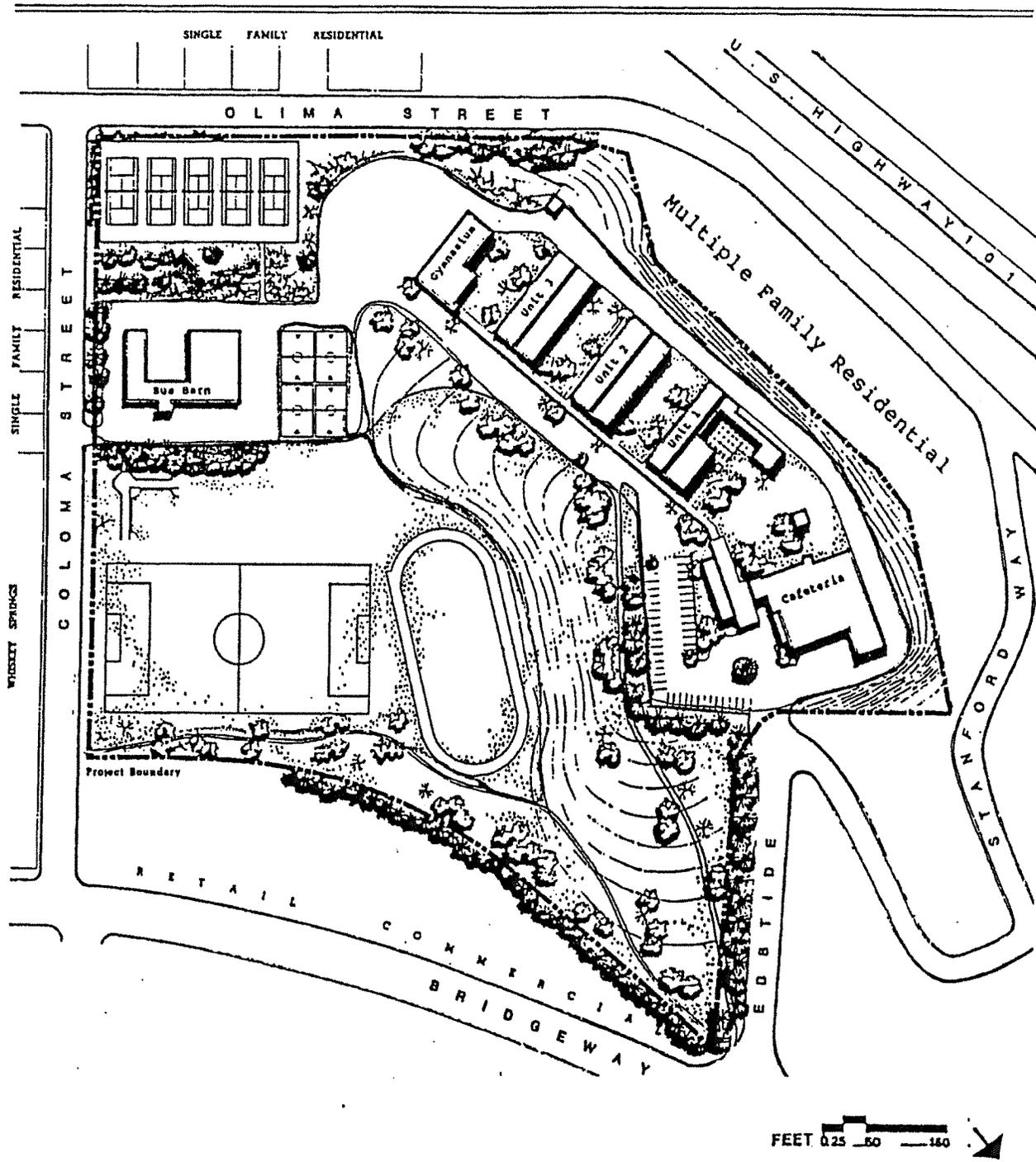
Air Sea Land	12 Ebbtide Ave.	Sausalito, 94965	331-SAIL
Caskie	300 Napa St.	Sausalito, 94965	332-7161
Willie Collazo	713 Waldo Point	Sausalito, 94965	332-3847
Community Action Marin	408 4th St.	San Rafael, 94901	457-2522
Suzanne Cooke	252 Gate Five Road	Sausalito, 94965	332-9100
Jackie Estes	302 Bridgeway #187	Sausalito, 94965	331-7662
Gary Ferber	P.O.Box 193	Sausalito, 94966	331-6262
Mark Jacobsen	P.O.Box 782	Sausalito, 94966	332-6560
Rodney Johnson	35 Wolfback Ridge Road	Sausalito, 94965	332-0450
Savoir Faire	P.O. Box 2021	Sausalito, 94966	332-4660
Kathy Lerner	410 Hilldale Way	Mill Valley, 94941	383-6988
Ann Logan	P.O.Box 1848	Healdsburg, 95448	707-431-2540
Marcia Meyers	712 Waldo Point	Sausalito, 94965	331-2507
San Francisco Chronicle	925 Mission St.	S. F. 94103	459-3422
Scanmar	298 Harbor Dr.	Sausalito, 94965	332-3233
John Thompson	100 Ebbtide	Sausalito, 94965	383-7021
American Fitness	1 Ebbtide #4	Sausalito, 94965	331-5.20
T. Andrews	826 Spring St.	Sausalito, 94965	331-6250
Video Tracs	2001 Bridgeway	Sausalito, 94965	332-2479
Richard Cherry	100 Ebbtide #6	Sausalito, 94965	331-2647
Xptla Co.	3970 Overland Ave.	Culver City, 90232	331-4529
Mary Chomenko	130 West Blithedale	Mill Valley, 94941	383-8610
T. Delaney	P.O.Box 3137	San Rafael, 94901	331-6500
Elle of CA	888 Brannan St.#121	S.F. 94103	626-ELLE
James Herreras	253 Donahue St.	Sausalito, 94965	331-7211
Joannie's Muffins	100 Ebbtide	Sausalito, 94965	332-1548

EXHIBIT B

Cynthia Maxion Design	100 Ebbtide Suite 14	Sausalito, 94965 332-0488
Al Okuley	P.O. Box 1440	Mill Valley, 94942 383-6722
Kittridge Opal	P.O. Box 1756	Sausalito, 94966 332-5981
Carol Pulitzer	57 Marguarite Ave	Mill Valley, 94941 388-3040
Uno Trading Co.	100 Ebbtide, #6	Sausalito, 94965 no phone

7/24/87

EXHIBIT B



Martin Luther King School  
 Environmental Impact Report  
**SITE PLAN**

EXHIBIT C  
**FIGURE 3**

BUS BARN

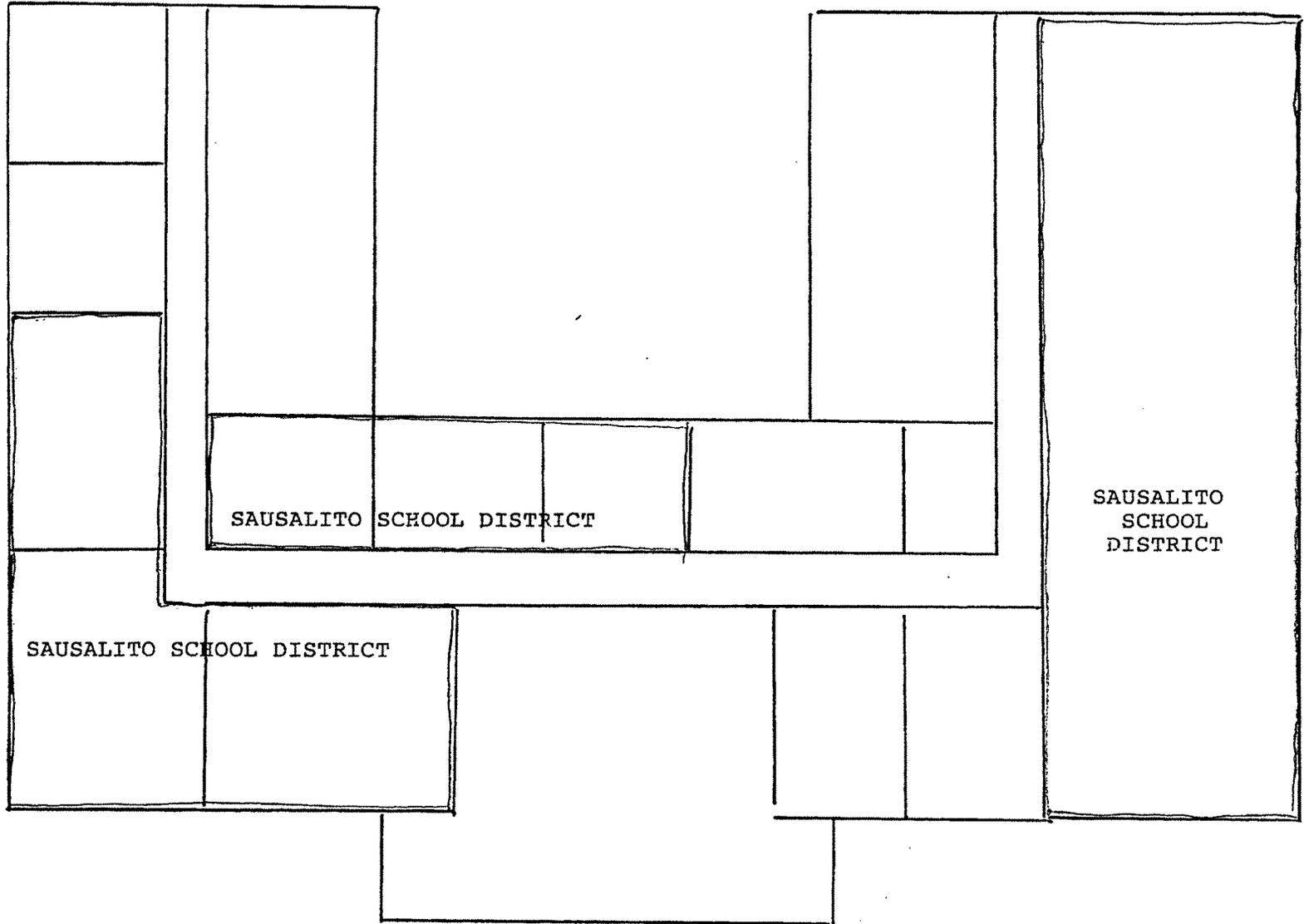
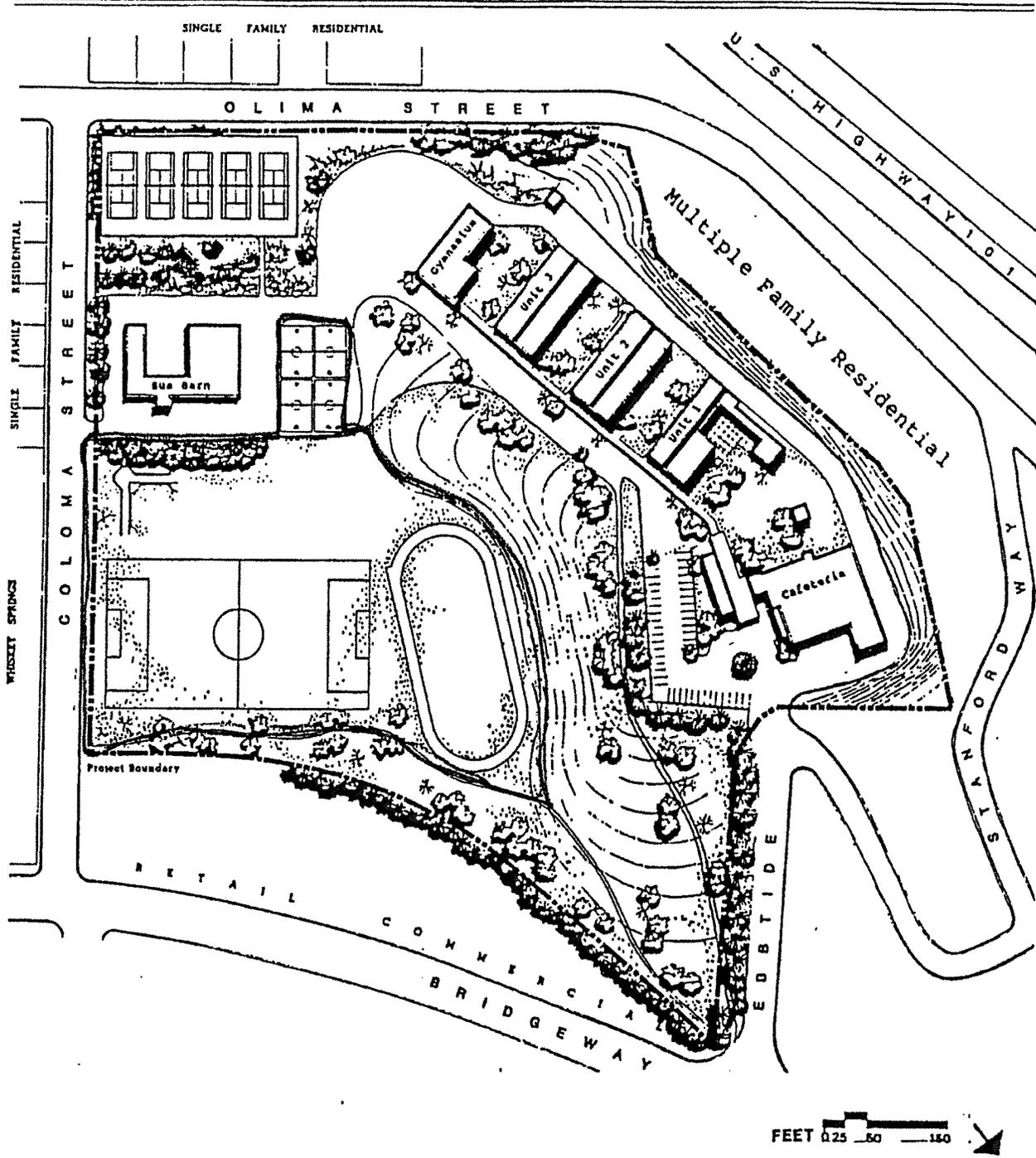
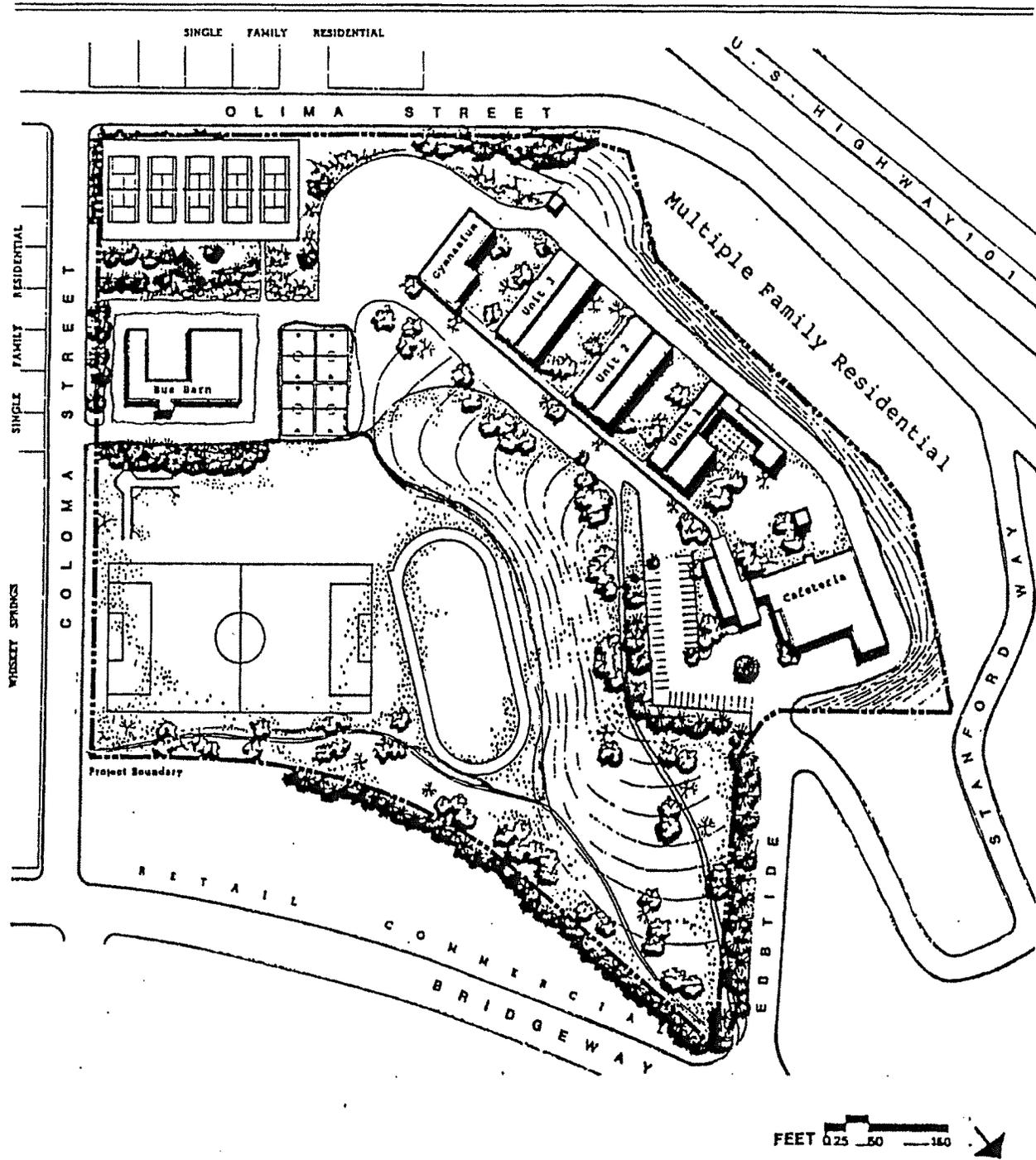


EXHIBIT D



Martin Luther King School  
 Environmental Impact Report  
 SITE PLAN

EXHIBIT E  
 FIGURE 3



Martin Luther King School  
 Environmental Impact Report  
**SITE PLAN**

EXHIBIT F  
**FIGURE 3**

ORDINANCE NO. 1027

AN ORDINANCE OF THE CITY OF SAUSALITO AMENDING  
SECTION 10.801.2 OF ZONING ORDINANCE NO. 630,  
A PORTION OF THE SAUSALITO MUNICIPAL CODE RELATING TO  
CONDITIONAL USES PERMITTED IN THE P (PUBLIC) ZONING DISTRICT

The City Council of the City of Sausalito does ordain as follows:

Section 1:

Section 10.801.2 of the Sausalito Municipal Code is amended to read as follows:

10.801.2 CONDITIONAL USES PERMITTED. The following uses shall be permitted only when a Master Conditional Use Permit is granted therefor to the property owner or holder of the master lease as provided in Section 10.935 of this Title.

- (a) Uses Permitted by Section 10.301.
- (b) Public and public utility uses which are expanded or changed to other public or private utility uses.
- (c) The following uses within existing structures on school district property which are not related to the functions of the school district. The goal is to provide for interim, low-intensity, low-density uses compatible with adjacent school uses and residential uses. Retail sales are not permitted in these commercial/industrial businesses. Office use is not permitted except as an accessory use to the uses listed below.
  - (1) Art Studios
  - (2) Auto Detailing (no repairs)
  - (3) Book Binding
  - (4) Craft Workshops
  - (5) Dental Labs
  - (6) Design Studios for Advertising, Building, Industrial, Stained Glass and Landscape Designers
  - (7) Marine Equipment Manufacturing

EXHIBIT G

- (8) Newspaper Distribution
- (9) Picture Framing Shops
- (10) Repair Shops for Musical Instruments,  
Electrical Appliances, Radios, Televisions and  
Furniture
- (11) Sign Printing Shops
- (12) Storage and Warehousing
- (13) Theater Workshop
- (14) Upholstery Shops
- (15) Food Preparation and Catering
- (16) Infant Day Care
- (17) Preschool or Nursery School
- (18) Pottery Studio
- (19) Woodshops

Section 2:

This ordinance shall go into effect thirty (30) days after the date of its adoption. Within fifteen (15) days after its adoption, this ordinance shall be published in the Marin Scope, a newspaper of general circulation printed and published in the City of Sausalito.

PASSED AND ADOPTED at a meeting of the City Council of the City of Sausalito on the 1st day of July, 1986, by the following vote:

AYES: Councilmen: Mitchell, Phillips, Sweeny, Taber, Mayor Peltz

NOES: Councilmen: None

ABSENT: Councilmen: None

  
 \_\_\_\_\_  
 MAYOR OF THE CITY OF SAUSALITO

ATTEST:

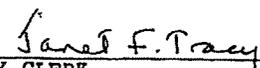
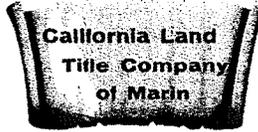
  
 \_\_\_\_\_  
 CITY CLERK

EXHIBIT G



## California Land Title Company of Marin

700 IRWIN ST. AT 2ND • P.O. BOX 711 • SAN RAFAEL, CA 94915 • (415) 454-9323  
7120 REDWOOD BLVD. • P.O. BOX 845 • NOVATO, CA 94947 • (415) 897-5157  
650 EAST BLITHEDALE AVE. • MILL VALLEY, CA 94941 • (415) 383-8410  
511 SIR FRANCIS DRAKE BLVD. • GREENBRAE, CA 94904 • (415) 461-7474

Reply to: San Rafael office

### PRELIMINARY REPORT

**PROPERTY REFERENCE**  
*(Please Confirm)*

Parcel Two  
20 P.M. 33

Escrow Officer: Jackie Boccabella  
Date: July 10, 1987  
Our No. 174670 -JB  
Your No.  
Buyer: City of Sausalito

Dated as of July 6, 1987 at 7:30 A.M.

In response to the above referenced application for a policy of title insurance.

## CALIFORNIA LAND TITLE COMPANY OF MARIN

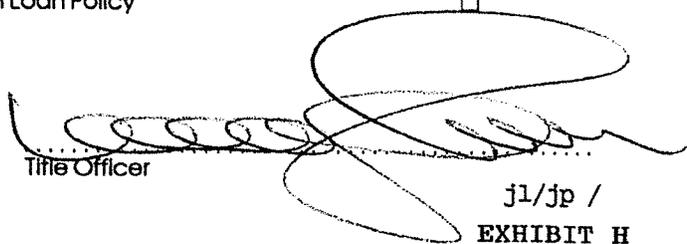
hereby reports that is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein, hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception in Schedule B or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said Policy forms.

The printed Exceptions and Exclusions from the coverage of said Policy or Policies are set forth in the attached list. Copies of the Policy forms should be read. They are available from the office which issued this report.

THIS REPORT, (AND ANY SUPPLEMENTS OR AMENDMENTS HERETO) IS ISSUED SOLELY FOR THE PURPOSE OF FACILITATING THE ISSUANCE OF A POLICY OF TITLE INSURANCE AND NO LIABILITY IS ASSUMED HEREBY. IF IT IS DESIRED THAT LIABILITY BE ASSUMED PRIOR TO THE ISSUANCE OF A POLICY OF TITLE INSURANCE, A BINDER OR COMMITMENT SHOULD BE REQUESTED.

The form of policy of title insurance contemplated by this report is:

- 1. California Land Title Association Standard Coverage Policy  x
- 2. American Land Title Association Owner's Policy Form B
- 3. American Land Title Association Residential Title Insurance Policy
- 4. American Land Title Association Loan Policy

  
Title Officer  
jl/jp /  
EXHIBIT H

SCHEDULE A

Order No. 174670 -JB

The estate or interest in the land hereinafter described or referred to covered by this report is:

A FEE as to Parcel One, AN EASEMENT more fully described below as to Parcel Two and Three

Title to said estate or interest at the date hereof is vested in:

Sausalito School District

The land referred to in this report is situated in the State of California, County of Marin, City of Sausalito, and is described as follows:

DESCRIPTION ATTACHED

## DESCRIPTION

ALL THAT CERTAIN REAL property situate in the City of Sausalito, County of Marin, State of California described as follows:

### PARCEL ONE:

Parcel 2, as shown upon that certain Parcel Map entitled "Parcel Map Lands of Sausalito School District Being Portion lands Described in Book 599 of Official Records at page 253 Being a portion of Lots 4, 5, 6 and 31 'Licensed Survey Map of Marinship Property' recorded in Book 2 of Surveys at page 127, Marin County Records, Sausalito-Marín County-California", filed for record April 22, 1982 in Volume 20 of Parcel Maps, at Page 33, Marin County Records.

### PARCEL TWO:

AN EASEMENT for an 8 foot underground electrical easement more particularly described as follows:

BEGINNING at a point that bears North 01° 57' 24" East 73.00 feet from the point common to the lines that bear North 01° 57' 24" East and North 14° 28' 00" as delineated on Parcel One, as delineated upon that certain map entitled, "Parcel Map-Lands of Sausalito School District Being Portion Lands Described in Book 599 of Official Records at page 253 Being a Portion of Lots 4, 5, 6 and 31 'Licensed Survey Map of Marinship Property' recorded in Book 2 of Surveys at page 127, Marin County Records and Sausalito-Marín County-California", filed April 22, 1982 in Volume 20 of Maps at page 33, Marin County Records, thence North 68° 06' 01" East 31.72 feet, thence South 88° 02' 36" East 37.00 feet, thence South 01° 57' 24" West 12.79 feet, thence South 88° 02' 36" East 44.00 feet to the point of termination. Said point of termination being North 01° 57' 24" East 73.00 feet from the point common to the lines that bear North 01° 57' 24" East and North 41° 12' 00" East.

### PARCEL THREE:

AN EASEMENT for underground gas pipeline purposes, 10 feet in width shown as "10' Underground Gas Pipeline Easements Appurtenant to Parcel 2", as shown upon the filed Parcel Map referred to herein above.

SCHEDULE B

Order No. 174670 -JB

At the date hereof exceptions to coverage in addition to the printed Exceptions and Exclusions in the policy form designated on the face page of this report would be as follows:

1. General and special County and City taxes for the fiscal year 1987-1988, a lien not yet payable.
2. Any adverse claim based upon the assertion that some portion of said land is tide or submerged lands, or has been created by artificial means or has accreted to such portion so created.
3. Any claim or title adverse to that of the vestee herein based upon the assertion that some portion of said land was not upland or was not included within the actual boundaries of the patent of the Rancho Saucelito from the United States of America to Guillermo A. Richardson, on August 7, 1879, and recorded August 23, 1879 in Book A of Patent Deeds at page 429, Marin County Records, the date of the issuance of said patent, or that some portion of said land has not remained upland continuously from said date.
4. Covenants, Conditions Restrictions and Reservations (deleting therefrom any restrictions based on race, color or creed) as contained in the Deed  
Recorded:                   October 29, 1948,  
                                  in Book 599 of Official Records at Page 258, Marin County  
                                  Records.

The conditions therein contain no express words of forfeiture or reversion of title if violated.

5. The fact that the ownership of said land does not include rights of access to or from the street or highway abutting said land, such rights having been relinquished by the map of said Tract.
6. Possible future assessment is disclosed by that certain assessment map entitled, "Proposed Boundaries of Marinship Storm Drain Assessment District, City of Sausalito, Marin County, California" recorded December 11, 1973 in Book 1 of Assessment Maps at page 85, Marin County Records.
7. An easement for the purpose shown below and rights incidental thereto as set forth in a document  
Recorded:                   January 16, 1986,  
                                  as Instrument No. 86003143, Marin County Records.  
For:                           10' Sewer Easement  
Affects:                     Northwesterly Portion
8. Covenants, Conditions and Restrictions (deleting therefrom any restrictions based on race, color or creed) as set forth in the document referred to in the numbered item last above shown.

CONTINUED

SCHEDULE B CONTINUED

Order No. 174670-JB

9. An easement for the purpose shown below and rights incidental thereto as set forth in a document  
Recorded: May 19, 1986,  
as Instrument No. 86 25364, Marin County Records.  
For: 10' Storm Drain Easement  
Affects: Northwesterly Portion
10. Covenants, Conditions and Restrictions (deleting therefrom any restrictions based on race, color or creed) as set forth in the document referred to in the numbered item last above shown.
11. Any rights, licenses or easements, public or private, that may have been granted without notice of record, by the vestee herein.
12. Any defects in title or adverse claims due to any failure to comply with the requirements of Sections 39360 et seq. of the Education Code, State of California.
13. Any right of the United States to recover funds from the owner or from any transferee of said land, or of any portion thereon, by reason of any advance of federal funds, as provided by Federal Acts and statutes Providing for Recovery of Federal Grants.

Note No. 1: General and special City and County taxes for the fiscal year 1986-1987 were not assessed due to the fact that the vestee herein is an exempt body.

Note No. 2.: There are no conveyances affecting said land, recorded within six (6) months of the date of this report.

END OF REPORT



## LIST OF PRINTED EXCEPTIONS AND EXCLUSIONS

### 1. CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY - 1973

#### SCHEDULE B

This policy does not insure against loss or damage, nor against costs, attorneys' fees or expenses, any or all of which arise by reason of the following:

##### Part I

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.  
Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or by making inquiry of persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water.
6. Any right, title, interest, estate or easement in land beyond the lines of the area specifically described or referred to in Schedule A, or in abutting streets, roads, avenues, alleys, lanes, ways or waterways, but nothing in this paragraph shall modify or limit the extent to which the ordinary right of an abutting owner for access to a physically open street or highway is insured by this policy.
7. Any law, ordinance or governmental regulation (including but not limited to building and zoning ordinances) restricting or regulating or prohibiting the occupancy, use or enjoyment of the land, or regulating the character, dimensions, or location of any improvement now or hereafter erected on the land, or prohibiting a separation in ownership or a reduction in the dimensions or area of the land, or the effect of any violation of any such law, ordinance or governmental regulation.
8. Rights of eminent domain or governmental rights of police power unless notice of the exercise of such rights appears in the public records.
9. Defects, liens, encumbrances, adverse claims, or other matters (a) created, suffered, assumed or agreed to by the insured claimant; (b) not shown by the public records and not otherwise excluded from coverage but known to the insured claimant either at Date of Policy or at the date such claimant acquired an estate or interest insured by this policy or acquired the insured mortgage and not disclosed in writing by the insured claimant to the Company prior to the date such insured claimant became an insured hereunder; (c) resulting in no loss or damage to the insured claimant; (d) attaching or created subsequent to Date of Policy; or (e) resulting in loss or damage which would not have been sustained if the insured claimant had been a purchaser or encumbrancer for value without knowledge.

### 2. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY FORM B - 1970 (AMENDED 10-17-70)

#### SCHEDULE OF EXCLUSIONS FROM COVERAGE

1. Any law, ordinance or governmental regulation (including but not limited to building and zoning ordinances) restricting or regulating or prohibiting the occupancy, use or enjoyment of the land, or regulating the character, dimensions or location of any improvement now or hereafter erected on the land, or prohibiting a separation in ownership or a reduction in the dimensions or area of the land, or the effect of any violation of any such law, ordinance or governmental regulation.
2. Rights of eminent domain or governmental rights of police power unless notice of the exercise of such rights appears in the public records at Date of Policy.
3. Defects, liens, encumbrances, adverse claims, or other matters (a) created, suffered, assumed or agreed to by the insured claimant; (b) not known to the Company and not shown by the public records but known to the insured claimant either at Date of Policy or at the date such claimant acquired an estate or interest by this policy and not disclosed in writing by the insured claimant to the Company prior to the date such insured claimant became an insured hereunder; (c) resulting in no loss or damage to the insured claimant; (d) attaching or created subsequent to Date of Policy; (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.

(List of Printed Exceptions and Exclusions Continued on Reverse Side)

## LIST OF PRINTED EXCEPTIONS AND EXCLUSIONS (CONTINUED)

### 3. AMERICAN LAND TITLE ASSOCIATION RESIDENTIAL TITLE INSURANCE POLICY - 1979

#### EXCLUSIONS

In addition to the exceptions in Schedule B, you are not insured against loss, costs, attorneys' fees and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning:
  - land use
  - improvements on the land
  - land division
  - environmental protectionThis exclusion does not limit the zoning coverage described in Items 12 and 13 of Covered Title Risks.
2. The right to take the land by condemning it, unless a notice of taking appears in the public records on the Policy Date.
3. Title Risks:
  - that are created, allowed, or agreed to by you
  - that are known to you, but not to us, on the Policy Date - unless they appeared in the public records.
  - that result in no loss to you
  - that first affect your title after the Policy Date - this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks
4. Failure to pay value for your title.
5. Lack of a right:
  - to any land outside the area specifically described and referred to in Item 3 of Schedule A, or
  - in streets, alleys, or waterways that touch your land.This exclusion does not limit the access coverage in Item 5 of Covered Title Risks.

#### SCHEDULE B - EXCEPTIONS

In addition to the Exclusions, you are not insured against loss, costs, attorneys' fees, and expenses resulting from:

Part I

- (a) Any rights, interests or claims of parties in possession of the land not shown by the public records.
- (b) Any easements or liens not shown by the public records.  
This exception does not limit the lien coverage in Item 8 of Covered Title Risks.
- (c) Any facts about the land which a correct survey would disclose and which are not shown by the public records.  
This exception does not limit the forced removal coverage in Item 12 of Covered Title Risks.
- (d) Any water rights, claims or title to water on or under the land.

### 4. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1970 WITH A.L.T.A. ENDORSEMENT FORM 1 COVERAGE (AMENDED 10-17-70)

#### SCHEDULE OF EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy:

1. Any law, ordinance or governmental regulation (including but not limited to building and zoning ordinances) restricting or regulating or prohibiting the occupancy, use or enjoyment of the land, or regulating the character, dimensions or location of any improvement now or hereafter erected on the land, or prohibiting a separation in ownership or a reduction in the dimensions or area of the land, or the effect of any violation of any such law, ordinance or governmental regulation.
2. Rights of eminent domain or governmental rights of police power unless notice of the exercise of such rights appears in the public records at Date of Policy.
3. Defects, liens, encumbrances, adverse claims, or other matters (a) created, suffered, assumed or agreed to by the insured claimant; (b) not known to the Company and not shown by the public records but known to the insured claimant either at Date of Policy or at the date such claimant acquired an estate or interest insured by this policy or acquired the insured mortgage and not disclosed in writing by the insured claimant to the Company prior to the date such insured claimant became an insured hereunder; (c) resulting in no loss or damage to the insured claimant; (d) attaching or created subsequent to Date of Policy (except to the extent insurance is afforded herein as to any statutory lien for labor or material or to the extent insurance is afforded herein as to assessment for street improvements under construction or completed at Date of Policy).
4. Unenforceability of the lien of the insured mortgage because of failure of the insured at Date of Policy or of any subsequent owner of the indebtedness to comply with applicable "doing business" laws of the state in which the land is situated.

BREON, GALGANI, GODINO & O'DONNELL

A PROFESSIONAL CORPORATION  
ATTORNEYS AT LAW

July 24, 1987

KEITH V. BREON  
ROBERT A. GALGANI  
RICHARD V. GODINO  
MARGARET E. O'DONNELL  
DIANA K. SMITH  
LOUIS T. LOZANO  
PRISCILLA BROWN  
DAVID G. MILLER  
SANDRA WOLIVER  
MARK W. GOODSON  
GREGORY J. DANUS

SHARON M. KEYWORTH  
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PALOS VERDES, CA 90274  
(213) 373-6857  
LOS ANGELES, CA  
(213) 642-1123  
COSTA MESA, CA  
(714) 662-6977

Donald W. Johnson, Superintendent  
Sausalito School District  
630 Nevada Street  
Sausalito, CA 94965

REPLY TO: SAN RAFAEL

Re: Amendments to Sausalito Lease Purchase Agreement

Dear Don:

Pursuant to telephone conversations with your office, Mike Fuson, and Lee Jordan on July 24, page 19 and Exhibit B have been revised. Four copies of these revisions are attached. These can be inserted into the July 15 document and it should be complete.

Ann O'Gorman is picking up these documents and will deliver two copies to the City. Prior to final execution of the document by the school district, I would suggest that it be carefully reviewed to make sure that all of the changes are contained in all of the copies of the executed agreement.

Very truly yours,

BREON, GALGANI, GODINO & O'DONNELL

*Dick pg*  
Richard V. Godino

RVG:pg  
cc: Mike Fuson  
Lee Jordan



CITY OF SAUSALITO  
MEMORANDUM

Date: July 23, 1987

RECEIVED  
JUL 24 1987

TO: Mike Fuson, City Manager  
FROM: Leland H. Jordan, City Attorney  
SUBJECT: Martin Luther King Lease/Purchase

CITY OF SAUSALITO

This will confirm our telephone conversation of this date in which I commented on Exceptions 12 and 13 listed in the Preliminary Title Report dated July 10, 1987, which was attached to the final draft of the Lease/Purchase Agreement. This Preliminary Title Report lists two Exceptions (Exception 12 and 13) which were not on the previous title report which we had reviewed. I am unable to recommend that the City agree to take title subject to Exceptions 12 and 13.

Exception 12 reads as follows:

"Any defects in title or adverse claims due to any failure to comply with the requirements of Sections 39360 et seq. of the Education Code, State of California."

The code sections referred to spell out the procedure to be followed by school districts in the sale or lease of real property. Presumably, the school district has adhered to these procedures. If these procedures have not already been completed, they should be undertaken and completed by the district forthwith. However, the City could, under no circumstances, take title subject to this Exception.

Exception 13 reads as follows:

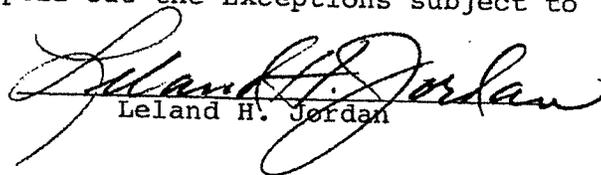
"Any right of the United States to recover funds from the owner or from any transferee of said lands, or of any portion thereon, by reason of any advance of federal funds, as provided by Federal Acts and statutes Providing for Recovery of Federal Grants."

I doubt that the school district has received any advance of federal funds which would vest any such right in the United States. However, under no circumstances could the City take title subject to this Exception.

In order to protect the City with respect to the foregoing Exceptions, it is my recommendation that Section 13.2 of the Lease/Purchase Agreement make reference only to Exceptions 1 through 11 of the Preliminary Title Report. Thus, the City would not take title subject to Exceptions 12 and 13. In this respect, Section 13.2 is presently incomplete, since it does not spell out the Exceptions subject to which the City will take title.

LHJ:wh

cc: Richard V. Godino, Esq.

  
Leland H. Jordan

RECORDING REQUESTED BY:  
**Stewart Title of California, Inc.**

WHEN RECORDED MAIL TO:  
MAIL TAX STATEMENT TO:

City of Sausalito 420  
Litho Street Sausalito,  
CA 94965

ORDER NO.  
ESCROW NO. 01180-68120  
APN: 063-170-03

SPACE ABOVE THIS LINE FOR RECORDERS USE

Exempt from Recording Fee Pursuant to CA  
Government Code Section 6103

### GRANT DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,  
Sausalito Marin City School District, formerly the Sausalito School District, in  
compliance with all applicable California Education Code requirements **hereby**  
**GRANT(S)** to City of Sausalito, a municipal corporation the following described  
real property in the City of Sausalito, County of Marin, State of California: SEE  
EXHIBIT "A" ATTACHED HERETO

Provided, however, that the real property granted hereunder shall be used solely for: public open  
space; public or private educational, artistic, recreational or cottage industry purposes; or as  
otherwise approved by Grantor.

Date: \_\_\_\_\_, 2015

Sausalito Marin City School District

By: \_\_\_\_\_

Steve Van Zant, Superintendent

State of California  
County of Marin

On \_\_\_\_\_ before me \_\_\_\_\_,  
Notary Public personally appeared \_\_\_\_\_

who proved to me on the basis of satisfactory evidence to be the  
person(s), whose name(s) is/are subscribed to the within  
instrument and acknowledged to me that he/she/they executed the  
same in his/her/their authorized capacity(ies), and that by his/her/  
their signature(s) on the instrument the person(s) or the entity upon  
behalf of which the person(s) acted, executed the instrument.  
I certify under PENALTY OF PERJURY under the laws of the State  
of California that the foregoing paragraph is true and correct.  
WITNESS my hand and official seal.

Signature

\_\_\_\_\_

(seal)

MAIL TAX STATEMENT AS DIRECTED ABOVE

**Sausalito Marin City School District**

**Agenda Item:** 2.01

**Date:** June 30, 2015

- Correspondence
  - Reports
  - General Functions
  - Pupil Services
  - Personnel Services
  - Financial & Business Procedures
  - Curriculum and Instruction
  - Policy Development
- Consent Agenda

**Item Requires Board Action:**       **Item is for Information Only:**

**Item:** Ad Hoc Bond Committee

**Background:**

The Board may wish to consider creating an ad hoc committee to explore the possibility of issuing a General Obligation Bond at some time in the future.

**Fiscal Impact:**

**Recommendation:**

Approve

**Prepared for:** Steve Van Zant

**Prepared by:** Steve Van Zant