

**SANTA CRUZ COUNTY  
BOARD OF SUPERVISORS INDEX SHEET**

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**Contract(s):**

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**Continue Date(s):**

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**Index:** --Letter of Redevelopment Agency dated February 19, 2003  
--Commercial Lease Agreement

**Item: 40.1** AS THE BOARD OF DIRECTORS OF THE SANTA CRUZ COUNTY  
REDEVELOPMENT AGENCY, APPROVED lease for the Live Oak Family Resource  
Center and approved related actions, as recommended by the Redevelopment  
Agency Administrator



# County of Santa Cruz

0185

## REDEVELOPMENT AGENCY

701 OCEAN STREET, ROOM 510, SANTA CRUZ, CA 95060-4000

(831) 454-2280 FAX: (831) 454-3420 TDD: (831) 454-2123

TOM BURNS, AGENCY ADMINISTRATOR

**APPROVED AND FILED  
BOARD OF SUPERVISORS**

DATE: 3/4/03  
COUNTY OF SANTA CRUZ

SUSAN A. MAURIELLO  
EX-OFFICIO CLERK OF THE BOARD

BY: *[Signature]* DEPUTY

February 19, 2003

Agenda: March 4, 2003

Board of Directors  
County of Santa Cruz Redevelopment Agency  
701 Ocean Street  
Santa Cruz, CA 95060

### Approval of Lease for Live Oak Family Resource Center

Dear Members of the Board:

For the past year Agency staff and Supervisor Beautz have been meeting with a variety of community organizations to explore a range of facilities needed to serve the residents of Live Oak area residents. Last year your Board approved one outcome of that process – a community partnership with the Live Oak Elementary School District for development of joint use multipurpose rooms on the Live Oak and Green Acres School sites. Staff is also working with the School District, the Senior Center, Family Resource Center and representatives of a variety of senior service organizations regarding possible future acquisition and eventual joint use of the current Live Oak Senior Center site. Once the details of that proposal have been more thoroughly developed, staff will be bringing this issue to your Board for formal consideration. The purpose of this letter is to consider another component of those discussions – providing an interim location for the Live Oak Family Resource Center.

The Live Oak Family Resource Center (LOFRC) was created in 2000 for the purpose of delivering a wide range of community and social services to residents of the Live Oak community. For purposes of administrative efficiency, it was created as a subsidiary of Community Bridges. Modeled after similar successful efforts in our county and throughout the country, the LOFRC is already providing a number of programs in the community, including:

- Parenting classes
- Leadership development
- Information and referral to other community resources
- Health care enrollment

The Resource Center is currently located within a small office within the Senior Center, under a short term agreement with the Senior Center. Not only have they quickly outgrown the available space, but the Senior Center needs the facility for other purposes. As a result, the Resource Center staff approached the Agency about the possibility of renting a site currently owned by the Agency at a favorable lease term. After exploring the wide range of options, it was agreed that a house on land zoned for commercial uses fronting on Capitola Road would be the best location for the interim use. It is important for Board members to realize that this residence is located on a much larger site acquired by the Agency over a number of years. While no formal plans have been developed for this property, it is a likely candidate for a future commercial/community use project. As a result, it was agreed that use of this site by the LOFRC would need to be for a period no longer than five years.

With this understanding, LOFRC evaluated the current building and site and developed a plan for use of the site. They subsequently applied for a permit for their proposed use for an interim period. That permit was recently approved by the Zoning Administrator. They are also in the process of raising funding to complete the proposed site improvements. With the permits in hand and the fund raising drive actively engaged, it is now time to address the lease between the Agency and the LOFRC.

The attached lease has been developed to address a range of needs of the LOFRC and the Agency. Key lease terms include:

- leasing the facility for a five year period with a requirement that the LOFRC develop a plan for their permanent location by year three of the lease period;
- requiring that the lease payment be maintained at the current level, but providing a rent reduction through setting aside a portion of the rent payments in a capital account, which would be available to the LOFRC for their permanent facility if they comply with key aspects of the lease, including being off the site by the end of the five year lease period;
- providing for a reduced rent amount during the period of building remodeling; and
- limiting uses to conform to the use permit requirements.

Throughout this process we have been in communication with the current residential tenants, and will provide them a formal 60 day notice once the lease is signed. We will also be waiving their required 30 day notice to us regarding their deposits.

Finally, the development permit for the use requires the payment of drainage and transportation impact fees for the proposed uses of approximately \$8,000. It would be appropriate for the Agency to cover those costs as they will ultimately be credited against future Agency uses on the property.

Board of Directors  
February 19, 2003  
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The Live Oak Family Resource Center has already shown its ability to serve as a successful model for providing a wide range of services for residents of the Live Oak community. It is therefore appropriate to make the required findings relative to this project, including that the project serves the residents of the Live Oak community, there are not other reasonable means for the LOFRC to fund this portion of their facility requirements, and that the Agency's assistance is in conformance with the adopted Five Year Implementation Plan.

It is therefore RECOMMENDED that your Board, as the Board of Directors for the Redevelopment Agency, take the following actions:

1. Approve the attached lease with Community Bridges on behalf of the Live Oak Family Resource Center;
2. Authorize the Agency Administrator to sign the lease and take actions related to the transition of tenancy of the building; and
3. Approve the payment of impact fees for the interim use as required by the development permit.

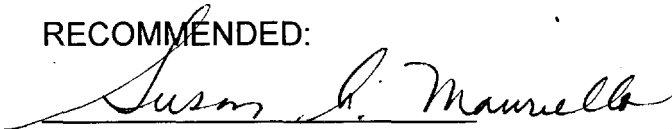
Very truly yours,



Tom Burns  
Redevelopment Agency Administrator

TB:TB

RECOMMENDED:



Susan A. Mauriello  
Redevelopment Agency Director

Attachment

cc. RDA  
Live Oak Family Resource Center  
Community Bridges

**COMMERCIAL LEASE AGREEMENT  
FOR  
1438 Capitola Road, Santa Cruz, California**

**Preamble**

This lease agreement ("Agreement") is entered into on March 4, 2003, by and between the Redevelopment Agency of Santa Cruz County ("Landlord"), and Community Bridges, doing business as Live Oak Family Resources Center ("Tenant"), a non profit public benefit corporation.

**Essential Terms**

**1. Premises:** Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the premises located in Santa Cruz County, described as an older, approximately 1374 square foot, single story wood frame house with an approximately 80 square foot metal storage building, an approximately 150 square foot pre fab storage unit, an approximately 3,778 square foot play area, a paved parking area, all located on a portion of Assessor's Parcel Number: 026-193-41 as defined and shown on **Attachment 1**, attached hereto and made a part of this Agreement ("**Premises**").

After issuance of Use and Building permits by the County of Santa Cruz, the Premises will be remodeled by the Tenant, in accordance with plans as shown on **Attachment 2** (the "Plans") , attached hereto and made a part of this Agreement. The Premises will be occupied by Community Bridges, doing business as Live Oak Family Resources Center.

**2. Term:** This Agreement shall run for a term of 5 (five) years, beginning on the effective date of this Agreement commencing at 12:01 a.m. on May 1, 2003 and may be terminated by the Landlord or the Tenant by giving ninety days written notice to the other party, provided, however, that if the Landlord terminates the Agreement in such a manner within the 5 year lease period, the Landlord shall assist in finding a new comparable location and rent for the Tenant and pay all the costs of the Tenant's relocation.

**3. Extended Term:** The parties understand and agree that there will be no extension of the Term. The parties further agree that, no later than 3 (three) years from the

effective date of this Agreement, the Tenant must provide a written transition plan, including a timetable and financing plan, acceptable to the Landlord, which identifies a new site for the Tenant to move to and operate its programs. Tenant understands and agrees that failure to provide the transition plan within the prescribed time is a material breach of this Agreement.

**4. Possession:** If Landlord is unable to deliver possession of the Premises at the commencement of the term, Landlord shall not be liable for any damage caused thereby, nor shall this Agreement be void or voidable, but Tenant shall not be liable for any rent until possession is delivered. Tenant may terminate this Agreement if possession is not delivered within thirty (30) days of the commencement of the term,

**5. Rent:** For the first three months of tenancy, or the completion of the remodeling being undertaken by the Tenant, whichever comes first, Tenant agrees to pay to Landlord as rent for the use and occupancy of the leased Premises the sum of **\$300.00 per month**. Thereafter, Tenant agrees to pay to Landlord as rent for the use and occupancy of the leased Premises the sum of **\$1500.00** per calendar month. The rent is payable in advance on or before the first day of each calendar month, at the address specified in this Agreement for the service of notices on Landlord or at any other place designated by Landlord in a written notice served on Tenant.

**6. Additional Charges:** If any installment of rent due from Tenant is not **received** by LANDLORD by the fifth day of each calendar month, Tenant shall pay to Landlord an additional sum of 5% of the overdue rent set forth in paragraph 5 above as a late charge. Tenant acknowledges that late payment by Tenant to Landlord of rent will cause Landlord to incur costs not contemplated by this Agreement, the exact amount of such costs being extremely difficult and impracticable to fix. Such costs include, without limitation, processing and accounting charges, and late charges that may be imposed on Landlord by the terms of any encumbrance and note secured by any encumbrance covering the Premises. The parties agree that this late charge represents a fair and reasonable estimate of the costs that Landlord will incur by reason of late payment by Tenant. Acceptance of any late charge shall not constitute a waiver of Tenant's default with respect to the overdue amount, or prevent Landlord from exercising any of the other rights and remedies available to Landlord.

A service charge of \$20.00 per check will be charged for all checks returned from Tenant's bank unpaid. Thereafter, no personal checks will be accepted, except at the sole discretion of the Landlord.

Tenant shall be liable for all expenses incurred by Landlord in any eviction or legal proceedings (including the cost of service of process), whether partially or completely implemented, in addition to other late rent charges.

As used in this Agreement, the term "rent" shall include both the monthly rent set forth in the section entitled "Rent", late charges set forth in the section entitled "Additional

Charges", and other similar charges payable by Tenant to Landlord, or a payment of money incident to this Agreement.

**7. Security Deposit::** Recognizing that the Tenant has made, or will be making substantial improvements to the Premises, as described in Section 1 and Attachment 2, the Tenant will not be required to make a separate Security Deposit. However, at termination of the Agreement, the Landlord reserves the right to deduct costs of damages caused by the Tenant, if any, from any rent which may have accrued in the Capital Account described in Section 8 of this Agreement, and which otherwise may have been returned to the Tenant as described in Section 8 of this Agreement.

Notwithstanding the Tenant's considerable investment in tenant improvements, Tenant understands and agrees that all tenant improvements shall become the property of the Landlord, and that the Tenant is responsible to clean the Premises and repair damages to the Premises caused by Tenant other than ordinary wear and tear. Cleaning of the Premises shall include sweeping, vacuuming, appliance cleaning, and rug shampooing.

**8. Capital Account:** The Landlord shall establish an interest bearing Capital Account for the benefit of Community Bridges/The Family Resource Center and, after the initial period of reduced rent as described in Section 5, shall place \$1000 of each month's paid rent in the Capital Account. At the end of the Term, the Landlord shall return the money in the Capital Account, including interest, to the Tenant, provided that the Tenant has vacated the Premises and satisfactorily performed other tasks as described in Sections 2 and 3 of this Agreement.

**9. Utilities and Service:** Tenant shall make all arrangements for and pay for all utilities and services furnished to, or used by the tenant, including, without limitation, gas, electricity, telephone service, cable service and trash collection, and for all connection charges, including water meters.

If Tenant does not make satisfactory arrangements, Landlord reserves the right to arrange trash and garbage collection service, and trash enclosure clean up, for Tenant. In the event that the Landlord arranges garbage and trash collection for Tenant, Tenant shall reimburse Landlord on a monthly basis for all incurred costs.

**10. Possessory Interest:** Landlord and Tenant acknowledge and recognize that Tenant's leasehold interest herein may be subject to a possessory interest tax imposed by the County of Santa Cruz, that such tax is included in the rent due the Landlord hereunder, and any such tax shall be the liability of and be paid by Landlord. Upon receipt of any tax bill for possessory interest tax, Tenant shall immediately provide Landlord with the original bill and any accompanying notice.

## Use of Property

**11. Limitations on Use:** Tenant shall use the Premises only as allowed and defined by the Tenant's Use Permit as issued the County of Santa Cruz. The Use Permit allows use of the premises as a temporary office for social and human services program operation for residents of Live Oak for various social and outreach programs, with drop in clients and classes on site. Programs may include health care enrollment, parent support and education, financial counseling, family advocate services for juveniles on probation, monthly Family Supper Clubs, open houses and lecture nights for parents. Other civic groups such as Girl Scouts, Little League and similar organizations may also meet on the Premises.

The Premises shall not be utilized before 8:00 AM, nor after 10:00 PM on any day of the week.

**12. Ordinances and Statutes:** Tenant shall comply with all statutes, ordinances, permit conditions, and requirements of all municipal, state and federal authorities now in force, or which may hereafter be in force pertaining to the Premises, occasioned by or affecting the use of the Premises by the Tenant. The commencement or pendency of any state or federal court abatement proceeding affecting the use of the Premises shall, at the option of the Landlord, be deemed a breach of this Agreement.

**13. Maintenance, Alterations and Repairs:** The parties agree that the following provisions govern all alterations and repairs of the Premises by Tenant:

1. Tenant shall perform and bear the cost of all necessary ordinary maintenance and repair on the interior and exterior of the Premises, including, but not limited to maintenance and repair of landscaping.
2. Tenant shall make no alterations to the leased Premises other than the improvements described in Section 1 and as shown on Attachment 2, without the prior written consent of Landlord. All alterations made to the leased Premises by Tenant, and any fixtures installed as a part of that work, will at Landlord's option become the Landlord's property on the expiration or earlier termination of this Agreement, provided, however, that Landlord shall have the right to require Tenant to remove any such improvements at Tenant's cost on termination of this Agreement.
3. Tenant shall notify the Landlord of any emergency as soon as possible, and may undertake emergency repairs to protect the tenant, occupants, or Premises from damage. Tenant shall comply with all emergency and repair notification procedures established by the Landlord from time to time.

4. Tenant shall keep the Premises building, other improvements, and Property of which the Premises are a part, free and clear of all mechanics' liens resulting from repairs and maintenance done by or for Tenant.

5. Tenant may, at its own expense, and with prior written consent of the Landlord, install additional security equipment such as locks and burglar alarms that Tenant feels is necessary to provide protection.

6. In the event of any need for extraordinary maintenance caused by unusual and unexpected circumstances, the Landlord and Tenant will meet and confer to resolve which party will bear the extraordinary maintenance expense.

7. During the Tenant's remodeling process, under the terms of the Use Permit issued by the County of Santa Cruz, and during any other work that may occur on the Premises, Tenant shall adhere to all applicable laws, and take all action necessary to prevent the occurrence of liens against the Premises and property. Throughout the course of any such work, the Tenant shall cause to be posted, in a clearly visible location in one or more work areas, a Notice of Non Responsibility, as provided by, and in favor of protecting the Landlord's interests in accordance with California Civil Code sections ~~3094~~, 3128 and 3129.

**14. Signs:** Tenant shall not place, construct, or maintain any signs on the Premises that are visible from Capitola Road, unless such signs are specifically approved in conjunction with the Tenant's Use Permit issued by the County of Santa Cruz. Landlord, at the expense of the Tenant, may remove any sign that does not comply with the provisions of this paragraph.

**15. Entry by Landlord:** Landlord may enter the leased Premises only under the following circumstances:

1. In case of emergency;
2. To make periodic inspections or to exhibit the Premises to prospective or actual purchasers, workers, contractors or tenants.
3. If Tenant abandons or surrenders the leased Premises:
4. Pursuant to court order.

Landlord will give Tenant at least 24 hours' notice of Landlord's intent to enter unless (1) an emergency exists, (2) Tenant has abandoned or surrendered the Premises, or (3) it is impracticable or impossible to give **24** hours notice or 4) Tenant consents to an entry without **24** hours notice.

Further, Landlord will enter only during normal business hours (8:00 a.m. to 6:00 p.m.) unless (1) an emergency exists, (2) Tenant has abandoned or surrendered the leased Premises, or (3) Tenant consents to a time of an entry that is not during normal business hours.

Landlord shall not be liable in any manner for any inconvenience, disturbance, loss of business, nuisance or other damage arising out of Landlord's entry on the Premises as provided in the section, except damage resulting from the acts or omissions of Landlord or its authorized representatives.

**16. Assignment and Subletting:** Tenant shall have the right to sublet part of the Premises, subject to the consent of the Landlord, not to be unreasonably withheld, provided that the subtenant conforms to the mission of the Live Oak Family Resource Center, and conforms to the conditions of the Use Permit issued for this facility by the County of Santa Cruz. Subtenants shall be bound in the terms of their subleases by the conditions set forth in section 27B (liability insurance requirements) of this Agreement, naming both the Tenant and the Landlord as additional insured. Subtenants shall also be bound in the terms of their sublease by the conditions set forth in section 28 (Indemnification) of this Agreement, holding harmless both Tenant and landlord.

Tenant shall also have the right to allow occasional "day use" of part of the Premises by persons or entities whose activities conform to the mission of the Live Oak Family Resource Center, and conform to the conditions of the Use Permit conditions issued by this facility by the County of Santa Cruz.

**17. Non Discrimination:** The Tenant herein covenants by and for himself/herself, his/her heirs, executors, administrators, and assigns, and all persons claiming under or through the Tenant, and this Agreement is made and accepted upon and subject to the following conditions. There shall be no discrimination against or segregation of any person or group of persons, on account of race, color, creed, religion, sex, sexual orientation, marital status, national origin, physical or mental disability, medical condition (cancer related), age (over 40), veteran status, or ancestry, in the use, occupancy, tenure, or enjoyment of the Premises herein referred to nor shall the Tenant, or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of vendees in the Premises herein referred to.

**18. Vacating the Premises:** Tenant agrees to vacate the Premises on or before 5 p.m. on the last day of the term of the tenancy and deliver keys to the Premises to Landlord immediately. If keys are not provided to Landlord on that date, Tenant is liable for the cost of opening the building and re-keying the locks. Tenant is to completely vacate the Premises, including all personal property. The Premises listed in this Agreement shall be returned to Landlord in good, clean, and sanitary condition, reasonable wear and tear excepted. Tenant shall allow Landlord to inspect the Premises to verify its

condition. Any property left by Tenant after vacating the Premises shall be considered abandoned by Tenant and subject to disposal by Landlord as provided by law.

### Waivers and Default

#### 19. Waiver of Relocation Benefits: Intention To Develop A Public Project

By initialing after this section, Tenant acknowledges that:

1. Tenant is entering into this Agreement with full knowledge of the Landlord's right and intention as a Public Agency to develop the Property of which the Premises is a part for a public use and purpose, or to otherwise use the Premises for purposes as the Landlord deems necessary or desirable;
2. The Premises will be available for rent only for the Term as stated in this Agreement. No extensions of the Term will be made as the Premises and contiguous Property will be used for other purposes.

Having notice of the foregoing, and in consideration of Landlord's agreement to rent the unit to Tenant, Tenant hereby affirmatively waives any rights or claims it may have against the Redevelopment Agency of the County of Santa Cruz now, or at any time in the future, for relocation assistance, payments, and/or benefits including but not limited to moving expenses and replacement space payments and loss of goodwill.

    *TS*     (Tenant's Initials)

**20. Waiver:** The waiver by Landlord of any breach by Tenant of any of the provisions of this Agreement shall not constitute a continuing waiver or a waiver of any subsequent breach by Tenant either of the same or of another provision of this Agreement. Landlord's acceptance of rent following a breach by Tenant of any provision of this Agreement, with or without Landlord's knowledge of the breach, will not be deemed to be a waiver of Landlord's right to enforce any provision of this Agreement.

**21. Default by Tenant:** Landlord and Tenant agree that every condition, covenant, and provision of this Agreement is material and reasonable. Any breach by Tenant of a condition, covenant, or provision of this Agreement will constitute a material breach. For any material breach by Tenant, Landlord may provide Tenant with a written three-day notice that describes the breach and demands that Tenant cure the default (if a cure is possible). If Tenant does not cure the default within the three days, or if a cure is not possible, this Agreement will be terminated. Termination of this Agreement for a breach by Tenant will not occur unless the foregoing events occur.

## 22. Landlord's Remedies:

a. **Violations of any Use Permit Conditions issued by the County of Santa Cruz are specifically not subject to cure provisions and will result in immediate termination of the Agreement.** Otherwise, Landlord shall have the following remedies if Tenant commits a default. These remedies are not exclusive; they are cumulative in addition to any remedies now or later allowed by law.

b. Landlord can continue this Agreement and the Agreement will continue in effect as long as Landlord does not terminate Tenant's right to possession, and Landlord shall have the right to collect rent when due. During the period Tenant is in default, Landlord can enter the Premises and relet them. Tenant shall be liable immediately to Landlord for all costs Landlord incurs in reletting the Premises, including, without limitation, brokers' commissions, and like costs. Reletting can be for a period shorter or longer than the remaining term of this lease. No act by Landlord allowed by this paragraph shall terminate this lease unless Landlord notifies Tenant that Landlord elects to terminate this lease.

c. Landlord can terminate Tenant's right to possession of the Premises for material cause at any time. No act by Landlord other than giving notice to Tenant shall terminate this lease. Acts of maintenance, efforts to relet the Premises, or the appointment of a receiver on Landlord's initiative to protect Landlord's interest under this lease shall not constitute a termination of Tenant's right to possession. On termination, Landlord has the right to recover from Tenant: The worth, at the time of the award, of the unpaid rent that had been earned at the time of termination of this lease; The worth, at the time of the award, of the amount by which the unpaid rent that would have been earned after the date of termination of this lease until the time of award exceeds the amount of the loss of rent that Tenant proves could have been reasonably avoided; The worth, at the time of the award, of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of the loss of rent that Tenant proves could have been reasonable avoided; Any other amount, and court costs, necessary to compensate Landlord for all detriment proximately caused by Tenant's default. "The worth, at the time of the award," as used in this agreement, is to be computed by allowing interest at the maximum rate an individual is permitted by law to charge. "The worth, at the time of the award," as referred to in c of this paragraph, is to be computed by discounting the amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of the award, plus 1%.

d. Landlord, at any time after Tenant commits a default, can 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 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 maximum rate an individual is permitted by law to

charge from the date the sum is paid by the Landlord until Landlord is reimbursed by Tenant. The sum, together with interest on it, shall be additional rent.

**23. Attorneys' Fees:** If any legal action or proceeding arising out of or relating to this Agreement is brought by either party to this Agreement, the prevailing party shall be entitled to receive from the other party, in addition to any other relief that may be granted, the reasonable attorneys' fees, costs, and expenses incurred in the action or proceeding by the prevailing party.

### **Insurance and Liability**

**24. Landlord's Liability:** The term "Landlord", as used in this paragraph, shall mean only the owner of the real property. In the event of any transfer of such title or interest, the Landlord named herein (or the grantor in case of any subsequent transfers) shall be relieved of all liability related to the Landlord's obligations to be performed after such transfer. Landlord's aforesaid obligations shall be binding upon Landlord's successors and assigns only during their respective periods of ownership.

**25. Use of Labor on Premises:** Tenant shall not allow the use of any volunteer without prior provision of proof of liability insurance to the Landlord.

Tenant shall not allow the use of any construction related paid labor on the Premises for the remodeling project without prior provision of proof of liability insurance, worker's compensation insurance (not required for sole proprietor contractors using no employees or paid co-laborers) and any other legal requirements for workers to the Landlord, and receiving written approval from the Landlord.

**26. Destruction of Premises:** In the event of the partial or total destruction of the leased Premises, the parties hereto may elect to terminate this Agreement after thirty (30) days by mutual agreement in writing. In the event the parties agree to terminate this Agreement, the Landlord shall refund to Tenant unaccrued monthly base rent without interest, and all amounts in the Capital Account being retained in accordance with Section 8 of this Agreement.

**27. Hazard and Liability Insurance:**

a. Tenant shall insure the furnishings and contents of the Premises against loss. Proof of insurance shall be provided in a form acceptable to Landlord. The Landlord has previously insured the property against loss or destruction by fire and the perils commonly covered under the standard extended coverage endorsement to fire insurance policies.

b. Tenant further agrees to acquire and keep in force during the life hereof, at Tenant's expense, commercial general liability insurance, with a company or companies satisfactory to Landlord to protect Landlord against any liability to the public incident to

the use of, or resulting from, any accident or occurrence in or about the demised Premises. This insurance shall provide a single combined liability limit of **at least One Million Dollars (\$1,000,000)** for any one accident or occurrence, and a general aggregate limit of not less than One Million Dollars (\$1,000,000) for any one policy year. All commercial general liability insurance shall ensure performance by Tenant of the indemnity provisions of this agreement. The policy or policies shall require that in the event of modification or cancellation of any policy, the insurance carrier shall notify Landlord in writing at least thirty (30) day prior thereto. Tenant agrees that if Tenant does not keep such insurance in full force and effect, Landlord may, at its option either terminate this lease, or take out the necessary insurance and pay the premium, and the repayment thereof shall be deemed to be part of the rental and payable as such on the next day upon which rent becomes due. Tenant agrees that Landlord shall be named on each policy as an additional insured party in accordance with the foregoing covenants. The policy or policies shall further provide that any other insurance carried by Landlord shall be excess insurance only, as to the liability insured thereby.

Landlord may increase or decrease the amount of commercial general liability insurance required, based upon a general review by Landlord of the standard insurance requirement as resolved by the Landlord to be in the public interest. Changes in insurance amounts shall occur not more frequently than once a year. Landlord will notify Tenant of any changes under this paragraph.

All the insurance required under this lease shall: (1) be issued by insurance companies authorized to do business in the State of California, with a financial rating of at least a B+ (or equivalent) status as rated in the most recent edition of Best's Insurance Reports, or which are approved in writing by the Risk Manager of the County of Santa Cruz (2) be issued as a primary policy and (3) contain an endorsement requiring 30 days' written notice from the insurance company to both parties before cancellation or change in the coverage, scope, or amount of any policy.

Each policy, or a certificate of the policy, together with evidence of payment of premiums, shall be deposited with the other party at the commencement of the term, and on renewal of the policy not less than 30 days before expiration of the term of the policy.

**28. Indemnification:** Tenant shall hold Landlord harmless from liability, injury, or damage including attorneys' fees and other litigation costs in defense of any such action to the person or property of Tenant or tenants's guests arising out of their acts while on the Premises or the property of which the Premises is a part at the express or implied invitation of Tenant.

**29. Notices, Addresses, Manager :** Any notice, demand, request, consent, approval, or communication that either party desires or is required to give to the other party or any other person shall be in writing and either served personally, sent by prepaid first-class mail to the Tenant at the Premises, or sent by prepaid first-class mail to the Tenant at the address shown below, or sent by prepaid first-class mail to the Landlord at the address shown below, or at such other places as may be designated by the parties

from time to time. Either party may change its address by notifying the other party of the change of address.

If to Landlord:

The Redevelopment Agency of the County of Santa Cruz  
 Attention: Property Manager  
 701 Ocean Street, Room 510  
 Santa Cruz, CA 95060  
 Phone **(831)**454-2280

If to Tenant:

Community Bridges  
 236 Santa Cruz Ave.  
 Aptos, CA. 95003  
 ATTN: "Contracts"

### **This Agreement**

**30. Interpretation of the Agreement:** This Agreement shall be construed and interpreted in accordance with the laws of the State of California.

**31. Sole and Only Agreement; Modification:** This instrument constitutes the sole and only agreement between Landlord and Tenant respecting the Premises, the leasing of the Premises to Tenant, and the lease term created under this Agreement, and correctly sets forth the obligations of Landlord and Tenant to each other as of its date. Any agreements or representations respecting the Premises or their leasing by Landlord to Tenant not expressly set forth in this instrument are null and void. Exhibits and attachments referenced in this Agreement, if any, are incorporated herein by reference as fully as if set forth verbatim and are a part of this Agreement.

Landlord may amend or modify this Agreement by providing Tenant a written notice of any amendment or modification at least thirty (30) days prior to the effective date of the amendment or modification.

**32. Binding on Heirs and Successors:** This Agreement shall be binding on and shall inure to the benefit of the heirs, executors, administrators, successors, and assigns of Landlord and Tenant; provided, however, that nothing in this section shall be construed as a consent by Landlord to any assignment of this Agreement or any interest in it by Tenant.

**33. Masculine, Feminine, Singular, Plural:** Masculine, feminine, or neuter gender, and the singular and the plural number shall each be considered to include the other

whenever the context so requires. If either party consists of more than one person, each such person shall be jointly and severally liable.

**34. Triplicates and Counterparts:** This Agreement and all amendments and supplements to the Agreement may be executed in triplicate and counterparts, and all counterparts together and each triplicate shall be considered as one document.

**35. Effective Date:** The effective date of this Agreement is the date it is signed by the Agency Administrator, after authorization by the Agency's Board of Directors.

**36. Time of Essence:** Time is expressly declared to be of the essence in this Agreement.

**[END-- SIGNATURES ON NEXT PAGE]**

Executed on this 4<sup>th</sup> th day of March, 2003, County of Santa Cruz, California.

**Landlord:**

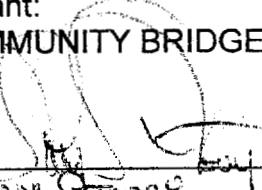
THE REDEVELOPMENT AGENCY OF SANTA CRUZ COUNTY

BY   
Tom Burns  
Agency Administrator

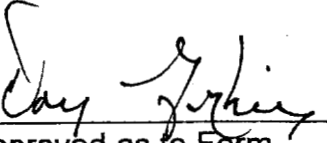
DATE \_\_\_\_\_

**Tenant:**

COMMUNITY BRIDGES

BY   
SAMI STOREY  
Executive Director

DATE 2/21/03

  
Approved as to Form  
County Counsel

**Attachment 1**

0201

**(Premises)**

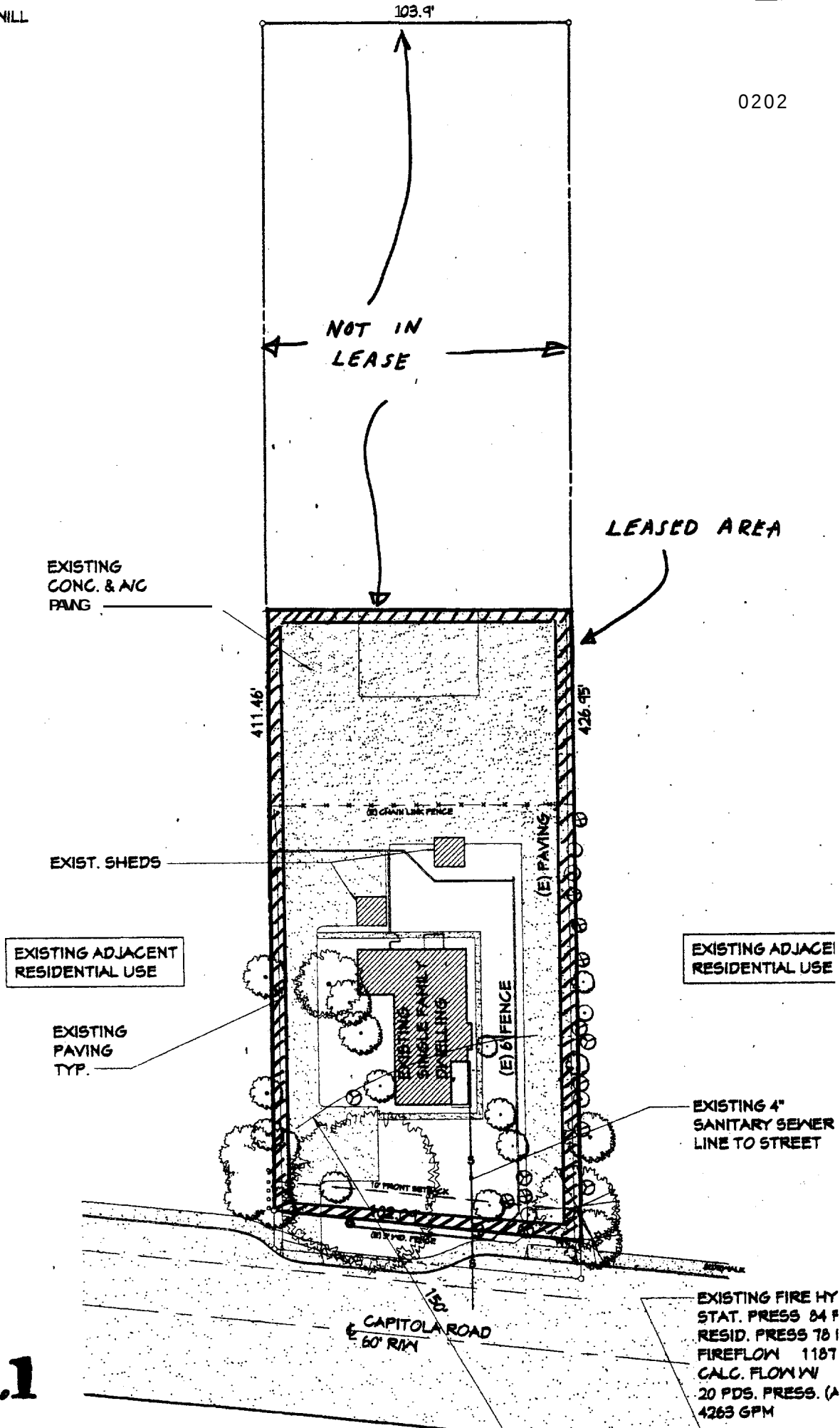
( " PREMISES " )

ATTACHMENT 1

ADJACENT ROADWAYS WILL  
BE RELOCATED

0202

RELOCATED



40.1