Date: December 18, 2017
To: Library Commission

From: Sean Reinhart, Director of Library and Community Services

Subject: Library café operator Request for Qualifications (RFQ)

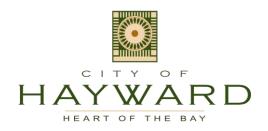
In accordance with the 21st Century Library project plan, Library staff on December 12, 2018 issued a Request for Qualifications (RFQ) for a Café Operator. The RFQ seeks statements of qualification from experienced local purveyors interested in operating the "pocket café" in the new facility. The RFQ was developed in coordination with multiple City departments including Library, Public Work, Maintenance Services, and City Attorney.

Notification of the RFQ was posted to the <u>City website</u> on December 12, 2017, along with the full RFQ packet in downloadable PDF format. The RFQ notification and full packet also were posted to the <u>21st Century Library project website</u> that same day. Also on December 12, 2017, notification of the RFQ with links back to the website notifications were posted in public view on the Hayward Public Library's primary social media accounts on <u>Facebook</u> and <u>Twitter</u>. Email notifications were sent that same day to every Hayward based coffee house, retail restaurant, and catering business listed in the Hayward Chamber of Commerce business directory.

RFQ responses will be reviewed by a panel comprised of senior staff from each department. The panel will evaluate the RFQ responses according to the criteria set forth in the RFQ, and will make a recommendation to the Director of Library and Community Services. The Director of Library and Community Services will review the panel's recommendation in consultation with the City Manager and City Attorney or their designee(s), after which a formal recommendation will be presented to the City Council for approval.

A copy of the full RFQ packet is attached to this informational report for Commissioners' reference and comment.

Attachment: RFQ packet (38 pages)



RFQ# 17-888

REQUEST FOR QUALIFICATIONS (RFQ) for

CAFÉ OPERATOR

Hayward 21st Century Library

Qualification submittal packets must be received no later than:

December 29, 2017 @ 3:30 pm

Please send qualification submittal packets to the office of:

Sean Reinhart, Director of Library and Community Services
City of Hayward

Sean.Reinhart@hayward-ca.gov

835 C Street, Hayward, CA 94541

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NOTICE OF REQUEST FOR QUALIFICATIONS (RFQ)

Objective

The City of Hayward, California, is seeking statements of qualification from experienced local purveyors interested in performing Café Operator Services selling light food and beverages to the public in a new library facility under construction at 888 C Street in Hayward and opening in late spring/early summer of 2018.

This Request for Qualifications (RFQ) is open to all. All respondents will have the opportunity to share written questions before the submission due date. Respondents will absorb all costs incurred in the preparation and presentation of their qualification submittal packets.

Please confirm your intent to respond to this RFQ via email to Sean.Reinhart@hayward-ca.gov.

Due Dates

Responses to this RFQ must be received **no later than 3:30pm PST on December 29, 2017**. The qualification submittal packets should be delivered via email to Sean.Reinhart@hayward-ca.gov or alternately may be hard copy delivered to:

Attn: Sean Reinhart RE: RFQ #17-888 City of Hayward 835 C Street Hayward, CA 94541

Please use the numeric identifier (RFQ #17-888) in the subject line for qualification packets submitted via email. A detailed timeline of the submission and review process schedule is available on page 8 of this document.

Communication Regarding This RFQ

All communication from prospective respondents regarding this RFQ must be in writing by email to Sean.Reinhart@hayward-ca.gov. Please use the numeric identifier (RFQ #17-888) in the subject line of all communications submitted via email. Communication by telephone or in person will not be accepted. Attempts by or on behalf of a prospective respondent to contact or to influence any member of the review committee, any member of the City Council, or any employee of the City of Hayward or its partners with regard to the review of a qualification submittal packet may lead to elimination of that respondent from further consideration.

Administrative Contact

Administrative questions regarding the RFQ process should be directed to: Sean Reinhart, City of Hayward; 510-881-7956; <u>Sean.Reinhart@hayward-ca.gov</u>.

Last Day for Questions

The last day to submit questions is **December 21, 2017 @ 11:00 am.** This will allow sufficient time for any addenda to be issued by the City and its partners to all respondents. All questions must be submitted in writing via email to Sean.Reinhart@hayward-ca.gov.

City Background

The City of Hayward is an economically and ethnically diverse city of approximately 149,000 residents within 45.32 square miles on the eastern edge of the San Francisco Bay. As an aspiring regional center of retail, industrial, and public activities, Hayward combines hometown atmosphere, ideal climate, cultural attractions, parks and recreational facilities, with easy access to suppliers and customers throughout the Bay Area and beyond.

The city is known as the "Heart of the Bay" because of its central location in Alameda County-- 25 miles southeast of San Francisco, 14 miles south of Oakland, 26 miles north of San Jose and 10 miles west of Pleasanton and surrounding valley communities. Hayward has two BART stations, an Amtrak station, its own executive airport and an extensive network of freeways and bus lines all of which provide easy access to the San Francisco, Oakland, and San Jose international airports. The city also boasts easy access to the Port of Oakland, the fourth busiest container port in the United States.

Hayward is the second most diverse city in the State of California and the third most diverse city in the nation, with large African American, Latino and Asian populations amongst others. According to 2014 Census data, 57.7% of Hayward residents speak a primary language other than English, higher than the state average of 43.2%. Hayward's median household income from 2008 to 2012 was \$62,313.

Project Background

The City of Hayward is constructing a new downtown library facility, the 21st Century Library, in downtown Hayward on the corner of C Street and Mission Boulevard. The new library is 58,000 square feet on three levels and is being built to LEED Platinum and Net Zero Energy environmental design specifications. Included in the 21st Century Library facility is a café space approximately 400 square feet in size on the ground floor of the building.

Construction of the new library facility is approaching completion and the new facility is anticipated to open to the public in late spring/early summer 2018.

SCOPE AND REQUIREMENTS

Scope and Qualifications

Respondents to this RFQ must provide evidence of experience and expertise relevant to providing Café Operator Services from a "pocket café" space integrated within an urban public library facility.

Attachments I, II and III to this RFQ contain supporting reference materials describing the "pocket café" space and the RFQ criteria. Supporting reference materials include:

- Attachment I: Plan layout of 21st Century Library and café space detail specifications
- Attachment II: Overview of café service requirements and limitations
- Attachment III: Sample agreement

*The service requirements listed in the supporting documents are firm and should be construed as final. Respondents to this RFQ may propose alternative or additional services not shown in the supporting documents provided that they are reasonably consistent with the overall intent and service delivery goals of the new facility.

SUBMITTAL FORMAT

To ensure fair and accurate review, all submitted qualification packets must include the following required documents and/or information. Packets with missing items will not be considered. Only that information which is essential to an understanding and evaluation of the respondent's qualifications should be submitted. Items not specifically and explicitly related to the RFQ and response, e.g. brochures, marketing material, etc. will not be considered in the evaluation.

All submittals shall address the following items in the order listed below and shall be numbered 1 through 13 in the RFQ Response packet.

1. <u>Cover Letter</u>

The cover letter must designate a primary point of contact authorized to answer questions about the Respondent and qualification submittal packet. Please provide this person's name, title, address, phone number, email address, and qualifications for acting in this capacity. The letter should not exceed one page in length and should summarize key elements of the organization's qualifications to deliver the services described in this RFQ and attachments.

2. Response Summary

The Response Summary shall discuss the highlights, key features and distinguishing points of the Respondent's qualifications. A separate sheet shall include a list of individuals and contacts for this RFQ Response and how to communicate with them. Limit this section to a total of three (3) pages including the separate sheet.

3. <u>Profile of Respondent Organization</u>

This Chapter shall include a brief description of the Respondent's organization size as well as the proposed local organization structure. Include a discussion of the Respondent organization's financial stability, capacity and resources. Include all other organizational partners participating in the RFQ Response, if any, including similar information about those organizations.

Additionally, this section shall include a listing of any lawsuit or litigation and the result of that action resulting from (a) any public project undertaken by the Respondent organization or by its subcontractors where litigation is still pending or has occurred within the last five years or (b) any type of project where claims or settlements were paid by the Respondent organization or its insurers within the last five years.

4. Qualifications of the Respondent Organization

This Chapter shall include a brief description of the Respondent organization's and any partner organizations' qualifications and previous experience on similar or related projects. Provide descriptions of pertinent project experience with other public municipalities and private sector that includes a summary of the work performed, the total project cost, the percentage of work the Respondent organization was responsible for, the period over which the work was completed, and the name, title, and phone number of clients to be contacted for references. Give a brief statement of the Respondent organization's adherence to the schedule and budget for the project.

This chapter shall include information regarding any relationships with firms and/or individuals who also may submit RFQ Responses.

5. Start-Up Plan

This Chapter shall present a well-conceived start-up plan for initiating retail café operations in the described "pocket café" space. Include a full description of major tasks and subtasks. This section of the proposal shall establish that the Respondent understands the City's objectives and work requirements and Respondent's ability to satisfy those objectives and requirements. Succinctly describe the proposed approach for addressing the required services and the Respondent's ability to meet the City's schedule, outlining the approach that would be undertaken in providing the requested services.

6. Type of Food and Beverages

In addition to identifying food and beverages to be provided, the RFQ Response should describe where the food will be prepared and if such location is licensed by state or local agencies as a food preparation area.

7. Operator Staffing

This section shall discuss how the Respondent would propose to staff the café operation. Key team members shall be identified by name, title and specific responsibilities in the café. An organizational chart for the café team and resumes for key personnel shall be included.

8. <u>Café Space and Equipment</u>

This section shall describe the Respondent's plan for use of the available café space and casework, including any additional décor, appliances, equipment, furnishings, signage, and/or any other elements the Respondent may furnish in the space, at Respondent's sole expense, for operating the café. Please refer to the Technical Specifications for the Café Space listed in Attachment I and the restrictions on the space outlined in Attachment III.

9. Revenue Sharing Plan

The RFQ Response shall contain a revenue sharing plan for the City, such as rent payments or a profit sharing arrangement in lieu of rent. Revenue to the City from the revenue sharing plan would be used solely for the purpose of offsetting the City's cost of utilities and long-term facility maintenance of the new library café space, estimated to be a minimum \$1 per square foot per month.

10. Cleaning

This section shall describe Respondent's plan for cleanup of café area and patron seating areas, including trash, recycling, and compost removal; grease trap and equipment cleaning; spill cleanup, etc.

11. Hours of Operation

This section shall outline the café's planned hours of operations, including hours of operation outside of library operating hours. The hours of operation for the café shall be a minimum total of 48 hours per week, six days per week, of which a minimum 40 hours and six days per week shall coincide with the library's hours of public operation. (Hours of public operation for the library are 11 a.m. to 8 p.m. Monday through Wednesday, and 10 a.m. to 5 p.m. Thursday through Saturday.) The café space has

its own entrance separate from the library entrance and can be operated at hours when the library is not open but which are desirable hours for a café, e.g. mornings before 10 a.m.

12. <u>Customer Service</u>

High quality customer service is very important to the City of Hayward. The response should include a customer service philosophy and specific strategies for achieving results.

13. **RFQ Exceptions**

This section shall discuss any exceptions or requested changes that Respondent has to the City's RFQ conditions, requirements and sample agreement. If there are no exceptions noted, it is assumed the Respondent will accept all conditions and requirements broadly identified in the Attachment III – "Sample Agreement for Services." Items not excepted will not be open to later negotiation.

AGREEMENT TYPE

It is anticipated that the agreement resulting from this solicitation, if awarded, will be a lease, or profit sharing, or other agreement form of contract. A Sample Agreement of Services is provided as Attachment III.

The agreement between the City and Operator is negotiable, and can include a monthly lease payment, profit sharing, and other elements based on the City's interest in a term of at least 5 years. The City expects Respondents to commit to a revenue sharing arrangement that offsets the City's costs to maintain the facility, in the form of rent or profit-sharing in lieu of rent, in an amount equal to or greater than \$1 per square foot per month.

Respondents shall be prepared to accept the terms and conditions of the Sample Agreement. If Respondent desires to take exception to the Sample Agreement, Respondent shall provide the following information in their response package. Please include the following:

- Respondent shall clearly identify each proposed change to the Sample Agreement, including all relevant Attachments.
- Respondent shall furnish the reasons for, as well as specific recommendations, for alternative language.

The City reserves the right to request additional information or materials from Respondents if necessary to evaluate and confirm the qualification statements submitted.

Insurance Requirements

The selected Respondent(s), at Respondent's sole cost and expense and for the full term of any Agreement or any extension thereof that may arise from this RFQ, shall obtain and maintain, at a

minimum, all of the insurance requirements outlined in the Sample Agreement in Attachment III.

All policies, endorsements, certificates and/or binders shall be subject to the approval of the City Attorney of the City of Hayward as to form and content. These requirements are subject to amendment or waiver if so approved in writing by the City Attorney. The selected Respondent agrees to provide the City with a copy of said policies, certificates and/or endorsement upon lease signing.

REVIEW PROCESS

The review committee will evaluate all responses to this RFQ that meet the minimal submission requirements and deadline. Responses that do not meet the requirements or deadline will not be reviewed. The review committee will evaluate the qualification statements and may arrange follow up information-gathering interviews with each Respondent that meets the minimum submission requirements and deadline.

The city and its partners reserve the right to request additional information or materials from Respondents if necessary to evaluate and confirm the qualification statements submitted.

Review Criteria

The following criteria will guide the RFQ review process:

- Quality and thoroughness of the submitted qualification packet
- Experience and past performance in successfully operating "pocket café" services of a similar type, size, and complexity
- The quality of examples provided, including any additional information or interviews requested by the review committee
- Demonstrated capacity to deliver high-quality work within a predetermined timeline and budget
- Respondent's prior record of performance with City or others
- Respondent's ability to provide future maintenance, repairs, parts and/or services as needed to maintain and sustain Respondent's operations at a high level of quality customer service and product quality
- Soundness of Respondent's operating cost estimates, organizational budget, and staffing
- Respondent's compliance with applicable laws, regulations, policies (including City Council
 policies), guidelines and orders governing prior or existing contracts performed by the
 Respondent
- Responses from local small business café operators located and/or based in Hayward will receive priority consideration.

The selection committee will make a recommendation to the awarding authority. The acceptance of the RFQ Response will be evidenced by written Notice of Award from the City of Hayward to the successful Respondent.

PLEASE NOTE THE FOLLOWING:

The City of Hayward reserves the right to accept or reject any or all responses to this RFQ; to alter the review process in any way; to postpone at any time the review process for the sole convenience of the City of Hayward; or to suspend the RFQ process at any time. The City of Hayward retains the right and sole discretion to review or decline any response for any reason.

The City reserves the right to cancel, in part or in its entirety, this RFQ including but not limited to: review procedures, submittal date, and submittal requirements. The City will notify all interested parties if any revisions are made to this RFQ or if the RFQ is cancelled altogether.

All qualification packets submitted in response to this RFQ become the property of the City of Hayward and its partners, and thus become public records of which may be subject to public review.

Should any responder question or protest the rejection of a qualification submittal, such question or protest must be furnished in writing to the City Manager within three (3) calendar days after the City notifies the responder of its intent to reject the submittal. Such submittal must fully explain the basis of the objection supported by all relevant information facts and details. Letter must be signed by an authorized representative stating specific reason(s) for the protest including all relevant facts (law, rule, regulation, and criteria). Questions or protests not furnished in writing as prescribed will not be accepted.

RFQ Review Process Timeline*

RFQ Issued	December 12, 2017
Deadline to Submit Questions via Email	December 21, 2017
RFQ Submittal Deadline	December 29, 2017
Staff Review of RFQ Response Submittals	January 2-5, 2018
Selection and Lease Signing	January 16, 2018

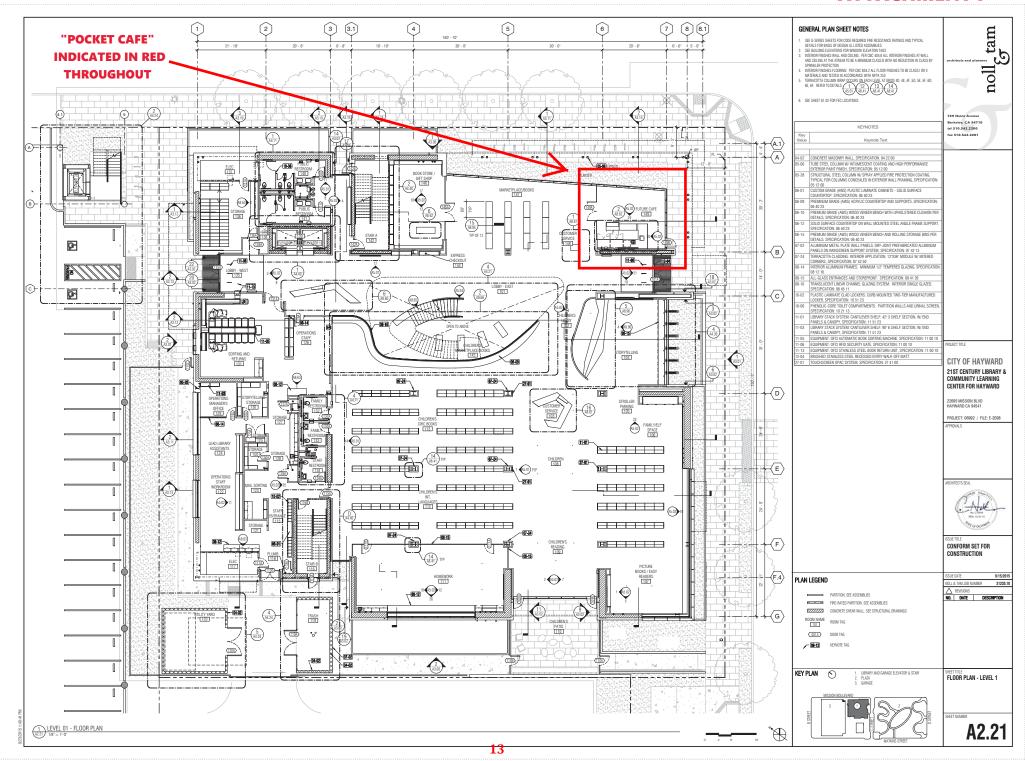
^{*}Dates subject to change as determined appropriate by the City of Hayward at its sole discretion.

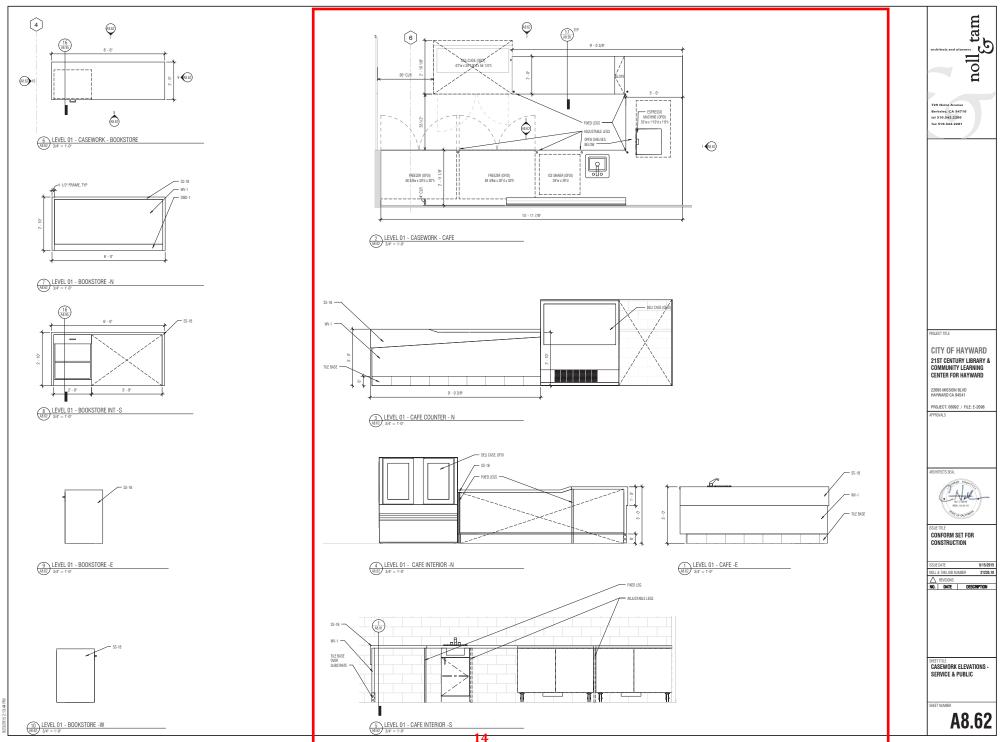
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Attachments I, II and III to this RFQ contain supporting reference materials describing the Library Café space and the RFQ criteria. Supporting reference materials include:

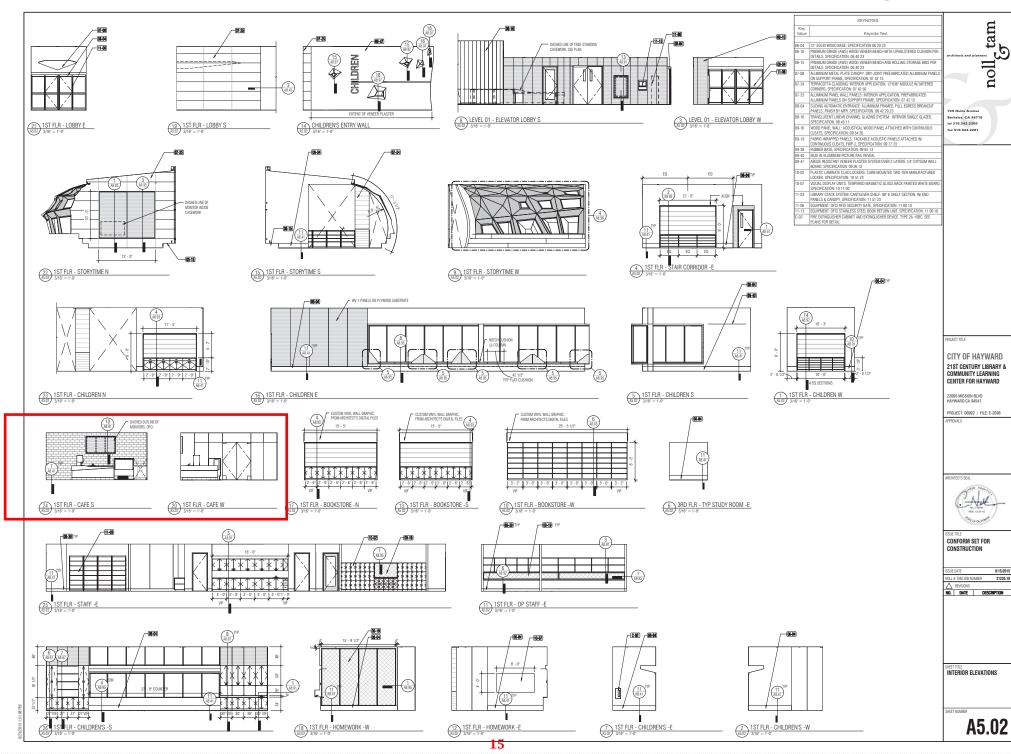
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END OF RFQ

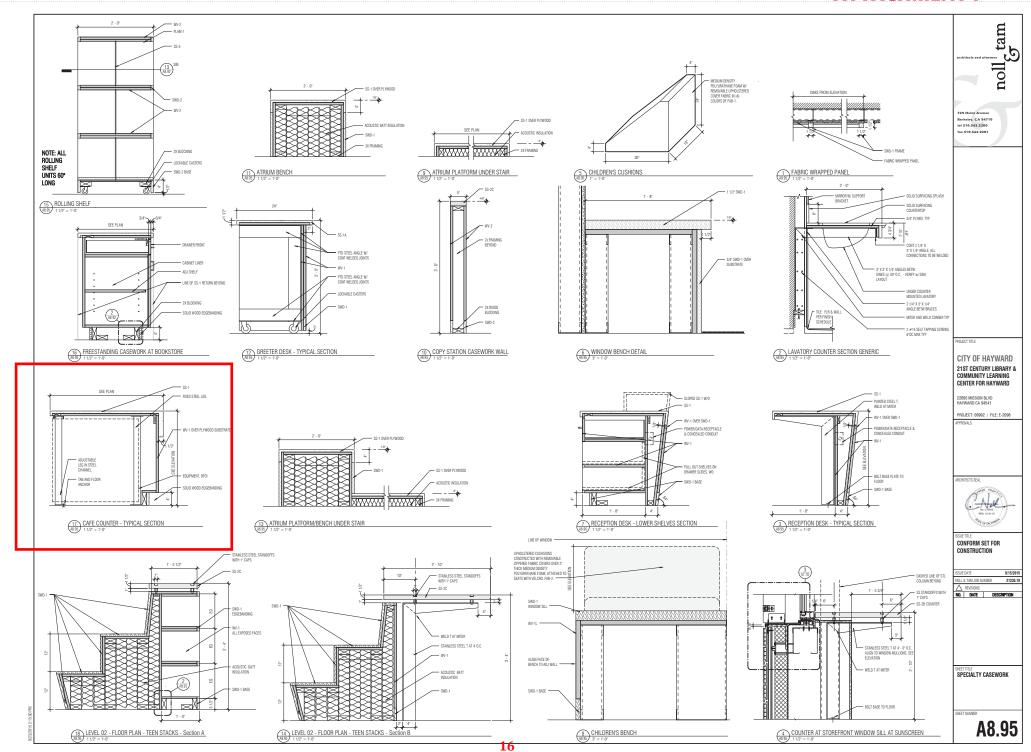


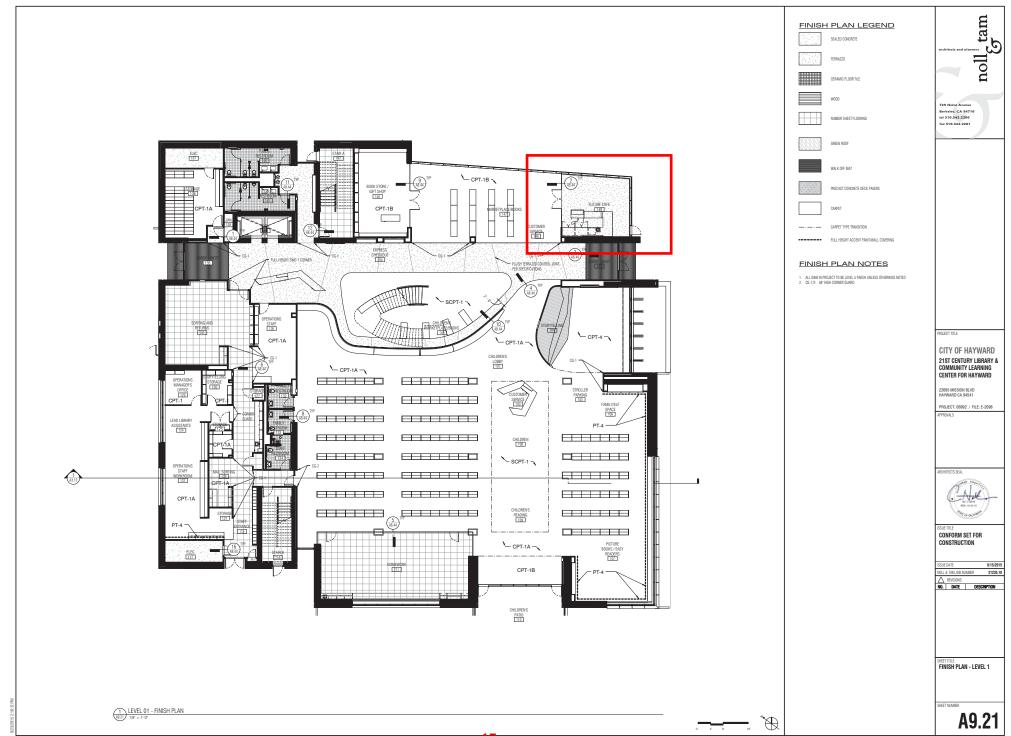


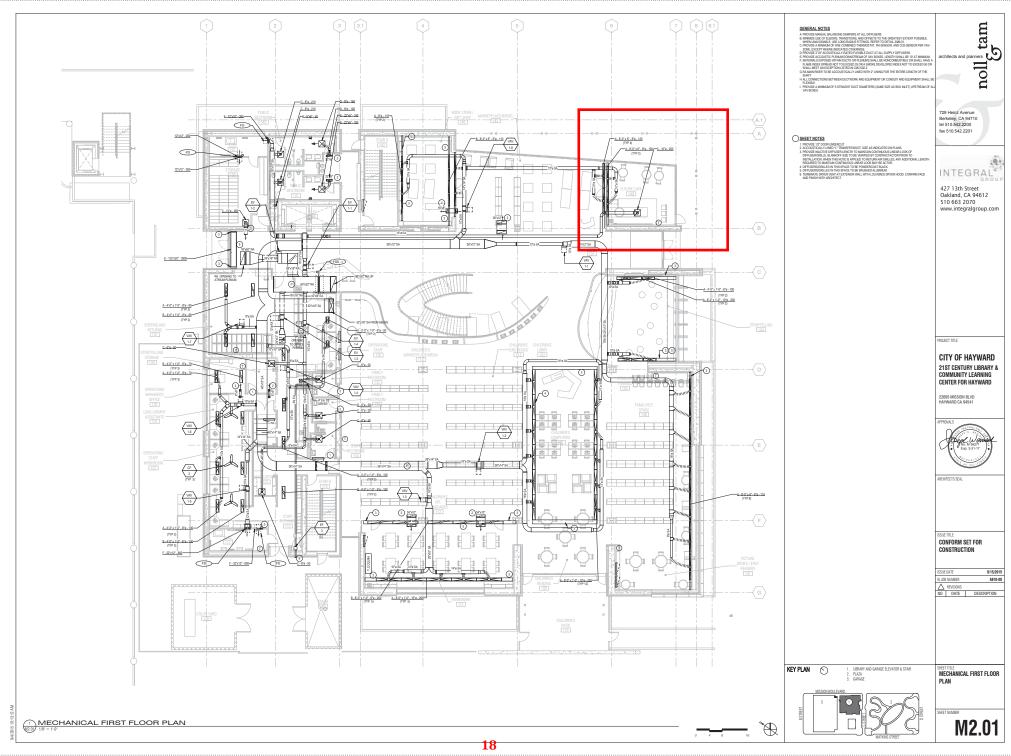


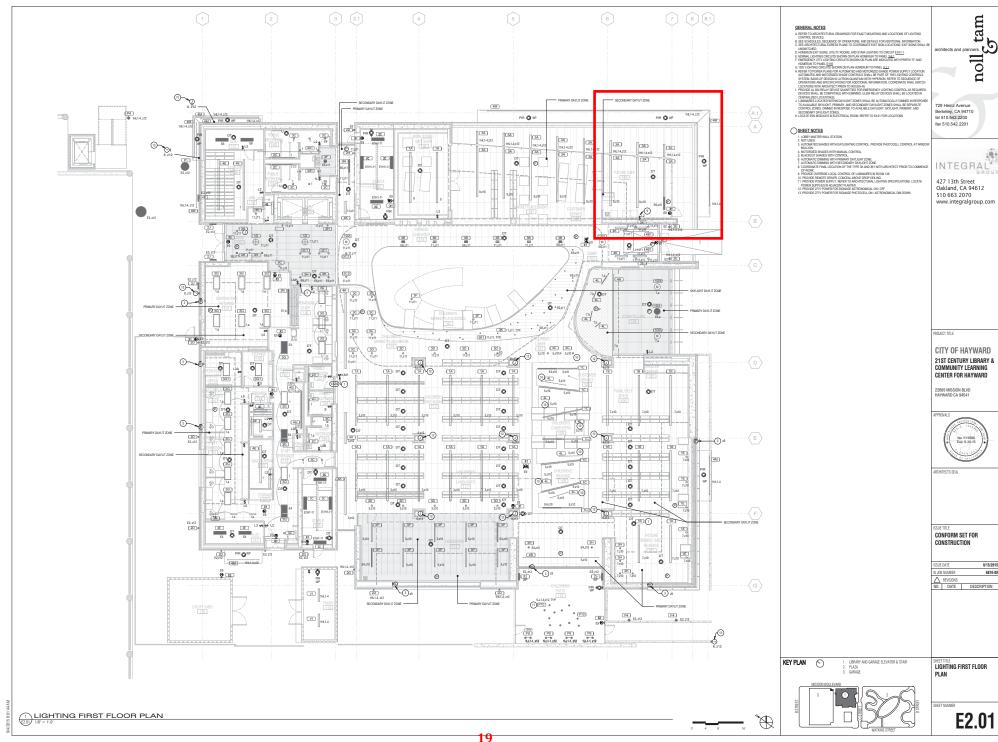


RFQ #17-888

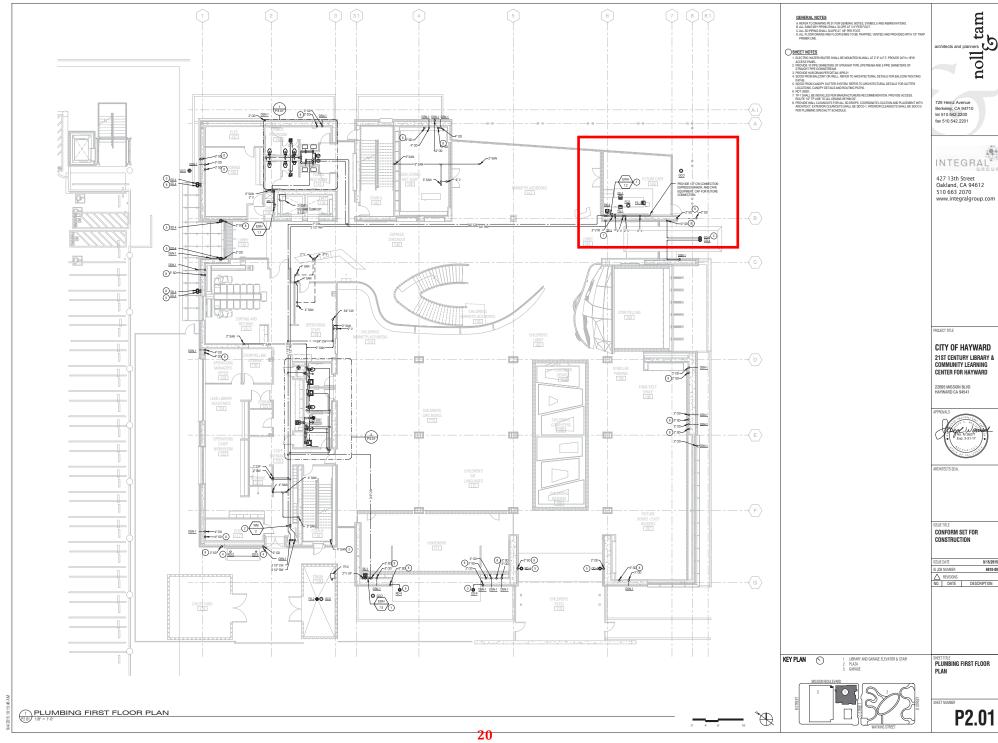






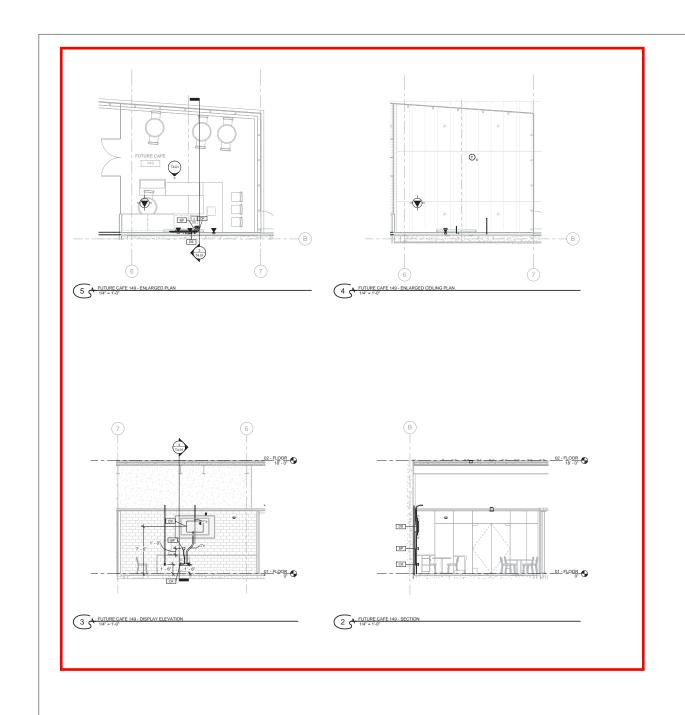


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SHEET NOTES:

- PROVIDE CREDENZA INPUT COORDINATED INTO COUNTER FOR OWNER PURNISHED DIGITAL SIGNAME OR PO PRESENTATION EXCUIPMENT TO RESIDE IN CABINET: REFER TO DETAILS FOR CREDENZA COOLING.
- PROVIDE FLOORBOX BELOW COUNTER WITH ACCESS FROM BEHIND COUNTER, COORDINATE CABLIN WITH OWNER FOR PROVIDING POWER AND DATA SERVICE TO POINT OF SALES LOCATED ON COUNTERTOP.
- PROVIDE BUTTON PANEL LOCATION FOR CON OF AUDIOVIDEO SYSTEM. ENSINE LOCATION! NOT BE OBSTRUCTED BY EQUIPMENT TO BE PROVIDED ON COUNTER SUCH AS COFFE MACHINES

AV SHEET NOTES

- REFER TO ARCHITECTURAL DRAWINGS FOR ALL FLOORBOX LOCATIONS U.O.N. OR AUTHORIZED BY THE ARCHITECT.
- BEFORE CORING PENETRATIONS FOR POKE THRUS, NOTIFY ARCHITECT FOR INSPECTION.
- CONDUIT PATHWAYS SHOWN ARE CONCEPTU. IF FIELD CONDITIONS DICTATE THE NEED FOR ALTERNATE PATH, THEN PROCEED. "NOT: NO MORE THAT 3 BENDS ARE ACCEPTABLE PER
- INFRASTRUCTURE FOR AV IS TO BE CENTERED ON FURNITURE U.O.N.
- ONLY AV DEDICATED CONDUITS ARE SHOWN IN THESE ENLARGED PLANS. PROVIDE 1-1/4" U.O.N. CONDUIT FOR TELECOMMUNICATIONS TO NEAREST ACCESSIBLE CEILING. REFER TO ELECTRICAL FOR ELECTRICAL CONDUIT BEQUIPPEMENTS.

AV SYMBOL NOTES

- PROVIDE 2-GANG JUNCTION BOX FOR PASSTHRU CABLING, WITH ADJACENT AC DUPLEX
 AND NETWORK RECEPTACLE WITH 3 CATS
 CABLES. REFER TO RELEVANTON
 FOR LOCATION AND AV DEDICATED CONDUIT
- DS PROVIDE CHIEF PAC 501 IN-WALL MOUNT BOX WITH INTERNAL AC DUPLEX AND NETWORK RECEPTACIE WITH 3 CATE CABLES. REFER TO RELEVANT ELEVANTON FOR LOCATION AND AV DEDICATED CONDUIT.
- PROVIDE 2-GANG JUNCTION BOX FOR PASS-THRU CABLING, WITH ADJACENT AC DUPLEX AND NETWORK RECEPTACLE WITH 3 CAR CABLES. REFER TO RELEVANT ELEVATION FOR LOCATION AND CONDUIT REQUIREMENTS.



- PROVIDE 2-GANG JUNCTION BOX WITH SINGLE GANG MUDRING FOR 2.8" TOUCH SCREEN CONTROLLER. 46" AFF LOD, REFE! TO RELEVANT FLOOR PLAN FOR LOCATION AND PROVIDE ONE 34" COMDUIT STUB TO ACCESSIBLE CEILING.
- PROVIDE 3-GANG JUNCTION BOX FOR 7 INCH CONTROL PANEL. 46' AFF U.O.N. REFER TO RELEVANT FLOOR PLAN FOR LOCATION AND PROVIDE ONE 34" CONDUIT STUB TO ACCESSIBLE CEILING.
- PROVIDE 2 GANG JUNCTION BOX FOR BUTTO
 PANEL REFER TO RELEVANT FLOOR PLAN
 AND ELEVATION FOR LOCATION. PROVIDE
 ONE 1* CONDUIT PATHWAY TO CREDENZA
 LOCATION FOR POWER AND CONTROL
 CABLING, IF THERE IS NO CREDENZA ROUTE
 COMMITTED LIBBY A PORE PERHIPS INFORMATION INFORMAN
 ON THE PROVIDE THE PR
- CONFERENCING GAMERA, WITH ADJACENT AC DUPLEX AND INTERNAL NETWORK TERMINATION BISCUIT WITH ONE CATE CABLE REFER TO RELEVANT ELEVATION FOR LOCATION AND CONDUIT ROUTING.
- PROVIDE 2 GANG JUNCTION BOX FOR AUDIOVISUAL INPUT PLATE, WITH ADJACENT AC DUPLEX AND NETWORK RECEPTACLE WITH 3 CATE CABLES. LOCATE AT +18" AFF. REFER TO RELEVANT ELEVATION FOR LOCATION AND CONDUIT ROUTING.
- PROVIDE 4-GANG JUNCTION BOX FOR AUDIOVISUAL CREDENZA, WITH ADJACENT AC DOUBLE DUFFLEX AND NETWORK AT 18" AFF. REFER TO RELEVANT ELEVATION FOR LOCATION AND CONDUIT ROUTING, SEE CREDENZA DETAIL ON SHEET TO 16.
- /B
 VIDEO MONITOR DISPLAY WITH INTERNAL A
 DUPLEX, NETWORK RECEPTACLE WITH 3
 CATE CABLES. REFER TO RELEVANT
 ELEVATION FOR LOCATION AND CONDUIT
 REQUIREMENTS.
- S ROUND CEILING MOUNTED LOUDSPEAKER LOCATION. CENTERED ON CEILING TILES U.O.N.
- P ROUND CEILING MOUNTED PAGING LOUDSPEAKER LOCATION. CENTERED CEILING TILES U.O.N.
- PR
 PROVIDE PLENUM RATED CEILING EQUIPMEN
 ENCLOSURE, WITH INTERNAL AD DOUBLE
 AD INTERVA AND NETWORK RECEPTAGLE WITH 13
 CATE CABLES. LOCATE AT 192" AFF. REFER TO
 RELEVANT ELEVANTON FOR LOCATION AND
 CONDUIT ROUTING.
- PROVIDE 2-GANG BACKBOX WITH MUDRING FOR MOUNTING OWNER FURNISHED IPAD TO WALL PROVIDE IPAD SECURED ENCLOSURE WITH POETO USB CONVERTER INTERNAL TO J-BOX.
- MH BACK TO BACK 2 GANG BOX FOR ACOUSTIC WALL MOUSE HOLD CASEE PATH PROVIDE BOXES ON SAME WILL IN BACH PROM NOT CONNECTION WITH HIMMAN 2 SENDS AND 10 LINEAR DISTANCE SEND SAND 10 LINEAR DISTANCE SENDERS BOXES. ROUTE CONDUIT LE WILL AND BACK DOWN BETWEEN BOXES. TO ALKEYE DISTANCE AND BERNOS FOR TO ALKEYE DISTANCE AND BERNOS REQUIRED.



729 Heinz Avenue Berkeley, CA 94710 tel 510.542.2200 fax 510.542.2201



ROL PROJECT TITLE

CITY OF HAYWARD 21ST CENTURY LIBRARY & COMMUNITY LEARNING

CENTER FOR HAYWARD

22695 MISSION BLVD

PROJECT: 06992 / FILE: E-2098





SSUE TITLE

CONFORM SET FOR

SSUE DATE	9/15/2015
OLL & TAM JOB NUMBER	21235.10
∧ REVISIONS	

1 06/09/15 Addendum No. 1

SHEET TITLE FUTURE CAFE 149 ENLARGED SHEET

T4.01

OVERVIEW OF CAFÉ SERVICE REQUIREMENTS AND LIMITATIONS

Summary of key requirements

- a. Sell high-quality light food and beverages to the public in the new library facility under construction at 888 C Street in Hayward. The new library is projected to open in late spring / early summer 2018.
- b. Begin café retail services to the public on June 1, 2018 or the day of the new library opening, whichever comes latest.
- c. Provide café retail services to the public a minimum total of 48 hours per week, six days per week, of which a minimum 40 hours and six days per week must coincide with the library's hours of public operation. (Current library hours of public operation are Mon-Wed 11am-8pm, and Thu-Sat 10am-5pm.) The café has its own entrance to C Street and may be open to the public additional hours at the operator's discretion, for example the café also may be open in the mornings before 10 a.m. when the library is closed, or in the evenings or weekends when the library is closed.
- d. Provide the following food and drink products, all at first-rate quality: coffee and espresso drinks, teas, assorted non-alcoholic bottled drinks, filtered water, pre-made light meal foods (e.g. sandwiches, wraps, boxed salads), dry pastries and/or cookies, packaged healthy snack foods.
- e. <u>Café operator shall install and maintain at their own expense all café equipment (e.g. espresso machines, refrigerated displays and/or storage, toaster ovens, point of sale systems, etc), signage, supplies, personnel, furnishings, and other elements needed to provide a high quality of service, product quality, and customer experience at all times.</u>
- f. Café operator will agree to and abide by all requirements set forth in the terms of the lease agreement (see sample in Attachment III).

Summary of key limitations

- a. The pocket café space has no commercial kitchen facility. Foods requiring commercial kitchen preparation must be prepared offsite in a licensed food preparation facility.
- b. The pocket café has no dedicated public restrooms within the space itself. Public restrooms are located in the library areas of the building. Public restrooms will be accessible to café customers during library operating hours only. Café employees will have access to the public restrooms at all times during café operating hours.
- c. The pocket café space is approximately 400 square feet. Additional floor space for café customer seating is available in the shared public areas of the library main lobby immediately adjacent to the pocket café. The shared lobby areas will be accessible to café customers during library operating hours only.
- d. No alcohol, tobacco, cannabis, or related products may be sold, possessed, or used in the pocket café. City and/or library staff reserve the right to prohibit any product or activity that conflicts with City and/or library policies.
- e. Café operator will agree to and abide by all limitations set forth in the terms of the lease agreement (see sample in Attachment III).

LEASE AGREEMENT

BETWEEN CITY OF HAYWARD

AND

[TBD]
THIS LEASE AGREEMENT (herein "Lease") is made and entered into this day of, 2018, by and between the City of Hayward, a California chartered municipal corporation (herein "City") and (herein "Lessee"). City and Lessee may be referred to individually as a "Party" or collectively as the "Parties" or the "Parties to this Lease." The City Manager serves as Contract Administrator for this Lease on behalf of the City Council.
RECITALS
WHEREAS, These recitals are a substantive portion of this Lease; and
WHEREAS, City and Lessee desire to lease the Premises to provide for the operation and maintenance of a "pocket café" ("Café") serving primarily the public and customers using the 21st Century Library and adjacent Heritage Plaza; and
WHEREAS, The Café is expected to provide a welcoming and supportive environment for the Hayward community particularly during, but not limited to, library operating hours; and
WHEREAS, The City of Hayward expects a customer service philosophy and specific strategies for achieving results for high level of customer satisfaction in areas such as friendliness of staff prompt service, and a welcoming atmosphere at the Café.
NOW, THEREFORE, in consideration of these recitals and the following covenants, terms, and conditions, City and Lessee mutually agree as follows:

LEASE PROVISIONS

1. <u>PREMISES</u>.

City hereby leases to Lessee, certain real property located in the City of Hayward, County of Alameda, State of California, commonly known as the 21st Century Library Pocket Café (herein the "Property") and more particularly described in Exhibit A attached hereto and incorporated herein by reference. The Property consists of approximately four hundred (400) square feet of the Hayward Main Library and facility (cafe,) as set forth in **Exhibit A**. Unless specifically provided, Lessee accepts the Property "as-is" on the date of execution of this Lease.

2. <u>TERM</u>.

- 2.1 <u>Original Term.</u> The term of this Lease shall be year-to-year for a maximum term of five years, commencing on ("Delivery Date"). Lessee shall, at the expiration of the term of this lease, or upon its earlier termination, surrender the Property in as good condition as it is now at the date of this lease. The Parties expect reasonable wear and tear.
- 2.2 <u>Termination</u>. City or Lessee may terminate this Lease upon one-hundred twenty (120) days written notice.

3. RENT.

- 3.1 Monthly Rent. The Monthly Rent to be paid by Lessee shall be in the amount of _____ dollars (\$_____) per month without deduction or offset. Rent shall be payable on the first day of each and every month commencing on the Delivery Date, at a place (or places) as may be designated in writing from time to time by City.
- 3.2 <u>Late Charge</u>. Lessee acknowledges that late payment of rent will cause City to incur costs not contemplated by this Lease, the exact amount of such costs being extremely difficult and impracticable to fix. Such costs include, without limitation, processing, accounting and late charges that may be imposed on City. Therefore, if City does not receive any

installment of rent due from Lessee within ten (10) days after the date such rent is due, Lessee shall pay to City an additional sum of ten percent (10%) of the overdue rent as a late charge. The parties agree this late charge represents a fair and reasonable estimate of the costs City will incur by reason of late payment by Lessee. Acceptance of any late charge shall not constitute a waiver of Lessee's default with respect to the overdue amount, nor prevent City from exercising any of the other rights and remedies available to City, including termination of this lease.

- 3.3 Rent Payment Procedures. Lessee's obligation to pay rent shall commence upon the commencement of this Lease. If the term commences or terminates on a date other than the first of any month, monthly rent for the first and last month of this Lease shall be prorated based on a 30-day month. Rent payments shall be delivered to City of Hayward Revenue Division, 777 B Street, Hayward, CA 94541. The designated place of payment may be changed at any time by City upon ten (10) days written notice to Lessee. Lessee specifically agrees that acceptance of any late or incorrect rentals submitted by Lessee shall not constitute an acquiescence or waiver by City and shall not prevent City from enforcing Section 3.2 (Late Charge) or any other remedy provided in this Lease. Acceptance of rent shall not constitute approval of any unauthorized sublease or use, nor constitute a waiver of any non-monetary breach. Payments shall be effective upon receipt. City may apply any payment received from Lessee at any time against any obligation due and owing by Lessee under this Lease, regardless of any statement appearing on or referred to in any remittance from Lessee or any prior application of such payments.
- 3.4 Partial Payment. The receipt by City of a partial payment of any amount due to City endorsed as payment in full will be deemed to be a partial payment only. City may accept and deposit said check without prejudice to its right to recover the balance. Any endorsements or statements on the check or any letter accompanying the check shall not be deemed an accord and/or satisfaction. Lessee's obligation (without prior notice or demands) to pay rent and all other amounts due hereunder shall be absolute and unconditional, and not subject to any abatement, set off, defense, recoupment or reduction.

4. <u>SECURITY DEPOSIT.</u>

- 4.1 <u>Security Deposit</u>. Upon execution of this Lease, Lessee shall deliver to City an amount of five thousand dollars (\$5,000.00) as a security deposit. City may use these funds as are reasonably necessary to remedy any Lessee default(s) in the payment of rent, to repair damages caused by Lessee, or expenses incurred to clean the Property upon termination of tenancy. If any portion of the security deposit is used towards rent or damages at City's sole discretion, Lessee agrees to reinstate the total security deposit upon receipt of ten (10) days written notice.
- 4.2 <u>Return of Security Deposit</u>. The balance of security deposit, if any, shall be mailed to Lessee's last known address within thirty (30) days of surrender of Property.

5. <u>USE OF PROPERTY.</u>

- 5.1 <u>Required Uses</u>. Throughout the term of this Lease, Lessee shall provide the following uses, services, and activities ("Required Uses"): Lessee is hereby authorized to and shall conduct in the Premises a "pocket café" food and beverage service in order to provide for the needs of the public and those persons visiting the Hayward Main Library and Heritage Plaza users.
- Optional Uses. Subject to the prior written approval of the City Manager or designee, which approval shall be within the sole discretion of the City Manager or designee, Lessee may also use the demised Premises to provide additional services and uses which are ancillary to and compatible with the required services and uses set forth above. Examples of such ancillary services and uses may include, but are not limited to, vending machines, including games and convenience items. Lessee may, at its own expense, place an identification sign on or beneath the existing sign on the building itself and may place advertisements in newspapers, magazines or on radio. If, in the opinion of the City Manager, based upon his or her sole discretion, the number of non-Center uses is adversely affecting access to the facilities and services by the public, Lessee agrees that upon 30 days' written notice from the City Manager or designee, advertising shall cease or be modified to eliminate such adverse effect. The signs shall be approved by Lessee in accordance with this Lease and applicable City of Hayward processes prior to installation.

- 5.3 Prohibited Uses. Lessee shall not use Premises for any purpose not expressly permitted hereunder. Lessee shall not create, cause, maintain, or permit any nuisance or waste in, on, or about the Premises, or permit or allow the Premises to be used for any unlawful or immoral purpose. Lessee shall not sell, serve, distribute, or allow the possession or use of alcohol, tobacco, cannabis, or any controlled substance on the Premises. Lessee shall not do or permit to be done anything in any manner which unreasonably disturbs the users of the City Property or the occupants of neighboring property. Specifically, and without limiting the above, Lessee agrees not to cause any unreasonable odor, noise, vibration, power emission, or other item to emanate from the Premises. No materials or articles of any nature shall be stored outside upon any portion of the Premises. Lessee will not use Property in a manner that increases the risk of fire, cost of fire insurance or improvements thereon. No unreasonable sign or placard shall be painted, inscribed, or placed in or on said Property; and no tree or shrub thereon shall be destroyed or removed or other waste committed of said Property. Lessee, at his/her expense, shall keep the Property in as good condition as it was at the beginning of the terms hereof, except damage occasioned by ordinary wear and tear, and except damage to the roof, sidewalks and underground plumbing, which is not the fault of Lessee.
- 5.4 <u>Condition, Use of Premises</u>. City makes no warranty or representation of any kind concerning the condition of the Premises, or the fitness of the Premises for the use intended by Lessee, and hereby disclaims any personal knowledge with respect thereto, it being expressly understood by the parties that Lessee has personally inspected the Premises, knows its condition, finds it fit for Lessee's intended use, accepts it as is, and has ascertained that it can be used exclusively for the limited purposes specified in Section 5.1.
- 5.5 Operating Requirements. Lessee shall continuously use the Premises for the uses specified in this Lease during all usual business hours and on all such days as comparable businesses in the area or as are customary for the Required Uses. The hours of operation for the café shall be a minimum total of 48 hours per week, six days per week, of which a minimum 40 hours and six days per week shall coincide with the library's hours of public operation. Hours of public operation for the library are 11 a.m. to 8 p.m. Monday through Wednesday, and 10 a.m. to 5 p.m. Thursday through Saturday. The café space has its own entrance separate from the library entrance and Lessee is permitted to operate the café at hours when the library is not open but which are desirable hours for a café, e.g. mornings before 10 a.m. Lessee shall use only such space within the Premises for non-sales or services uses as is reasonably required for Lessee's required or approved uses of the Premises.

Lessee shall at all times maintain a written schedule setting forth the operating hours and operating procedures for each required and permitted use provided on or from the Premises. A schedule of prices charged for all goods and/or services related to the required and permitted uses of this Lease shall also be maintained and individual merchandise must be clearly priced. Lessee agrees that when alternate forms of packaging are available, only items packaged in the manner most compatible with the goals of reducing litter and preserving the environment shall be sold.

Upon written request, Lessee shall furnish the City Manager or designee a copy of the schedules and procedures. Should the City Manager decide that any part of these schedules or procedures is not justified with regard to fairly satisfying the needs of the public, Lessee, upon written notice from the City Manager or designee, shall modify these schedules or procedures to the satisfaction of the City Manager. Prior to issuing such a notice, the City Manager or designee shall personally review and confer with Lessee or its representative.

Primary consideration shall be given to the public's benefit in implementing this Section. All prices charged for goods and/or services supplied to the public on or from the Premises shall be fair and reasonable, based upon the following considerations:

- A. The degree of public service involved in the sale of the goods and/or services:
- B. The market prices charged by other competing and/or comparable businesses; and
- C. The reasonableness of the profit margin as related industry-wide.

Lessee agrees that it will operate and manage the services and facilities offered in a competent and efficient manner at least comparable to other well-managed operations of

a similar type.

Lessee shall at all times retain active, qualified, competent, and experienced personnel to supervise Lessee's operation and to represent and act for Lessee or on Lessee's behalf. Lessee shall require its attendants and employees to be properly dressed, clean, courteous, efficient, and neat in appearance at all times. Lessee shall not allow any person(s) in or about the Premises who shall use offensive language and/or act in a boisterous or otherwise improper manner. Lessee shall maintain a close check over attendants and employees to insure the maintenance of a high standard of service to the public.

Lessee's failure to comply with the provisions of this Section shall constitute a material breach of this Lease.

6. <u>LICENSES.</u>

If licenses of any kind, which term is intended to include evidence of registration, are required of Lessee, its employees, agents, or subcontractors by federal or state or local law, Lessee warrants that such licenses have been obtained, are valid and in good standing, and Lessee shall keep it in effect at all times during the term of this agreement, and that any applicable bond has been posted in accordance with all applicable laws and regulations.

7. HAZARDOUS MATERIALS.

- 7.1 Hazardous Materials Defined. The term "Hazardous Material(s)" shall mean any toxic or hazardous substance, material or waste or any pollutant or contaminant, or infectious or radioactive material, including but not limited to, those substances, materials, or wastes regulated now or in the future under any of the following statutes or regulations and any and all of those substances included within the definitions of "hazardous substances," "hazardous waste," "hazardous chemical substance or mixture," "imminently hazardous chemical substance or mixture," "toxic substances," "hazardous air pollutant," "toxic pollutant" or "solid waste" in the (a) CERCLA or Superfund as amended by SARA, 42 U.S.C. Sec. 9601 et seq., (b) RCRA, 42 U.S.C. Sec. 6901 et seq., (c) CWA., 33 U.S.C. Sec. 1251 et seq., (d) CAA, 42 U.S.C. 78401 et seq., (e) TSCA, 15 U.S.C. Sec. 2601 et seq., (f) The Refuse Act of 1899, 33 U.S.C. Sec. 407, (g) OSHA, 29 U.S.C. 651 et seq. (h) Hazardous Materials Transportation Act, 49 U.S.C. Sec. 1801 et seq., (i) USDOT Table (40 CFR Part 302 and amendments) or the EPA Table (40 CFR Part 302 and amendments), (j) California Superfund, Cal. Health & Safety Code Sec. 25300 et seq., (k) Cal. Hazardous Waste Control Act, Cal. Health & Safety Code Section 25100 et seq., (1) Porter-Cologne Act, Cal. Water Code Sec. 13000 et seq., (m) Hazardous Waste Disposal Land Use Law, Cal. Health & Safety Code Sec. 25220 et seq., (n) Proposition 65, Cal. Health and Safety Code Sec. 25249.5 et seq., (o) Hazardous Substances Underground Storage Tank Law, Cal. Health & Safety Code Sec. 25280 et seq., (p) California Hazardous Substance Act, Cal. Health & Safety Code Sec. 28740 et seq., (q) Air Resources Law, Cal. Health & Safety Code Sec. 39000 et seq., (r) Hazardous Materials Release Response Plans and Inventory, Cal. Health & Safety Code Secs. 25500-25541, (s) TCPA, Cal. Health and Safety Code Secs. 25208 et seq., and (t) regulations promulgated pursuant to said laws or any replacement thereof, or as similar terms are defined in the federal, state and local laws, statutes, regulations, orders, or rules. Hazardous Materials shall also mean any and all other substances, materials, and wastes which are, or in the future become, regulated under applicable local, state or federal law for the protection of health or the environment, or which are classified as hazardous or toxic substances, materials or wastes, pollutants or contaminants, as defined, listed or regulated by any federal, state or local law, regulation or order or by common law decision, including without limitation: (i) trichloroethylene, tetracholoethylene, perchloroethylene and other chlorinated solvents; (ii) any petroleum products or fractions thereof; (iii) asbestos, (iv) polychlorinated biphenyls; (v) flammable explosives; (vi) urea formaldehyde; and, (vii) radioactive materials and waste.
- 7.2 <u>Compliance with Laws</u>. Lessee shall not cause or permit any Hazardous Material (as defined above) to be brought upon, kept or used in or about the Premises or Project by Lessee, its agents, employees, contractors, or invitees.
- 7.3 <u>Termination of Lease</u>. City shall have the right to terminate the Lease in City's sole and absolute discretion in the event that: (i) any anticipated use of the Premises by Lessee involves the generation or storage, use, treatment, disposal, or release of Hazardous Material in a manner or for a purpose prohibited or regulated by any governmental agency, authority, or Hazardous Materials Laws; (ii) Lessee has been required by any

lender or governmental authority to take remedial action in connection with Hazardous Material contaminating the Premises, if the contamination resulted from Lessee's action or use of the Premises; or (iii) Lessee is subject to an enforcement order issued by any governmental authority in connection with the release, use, disposal, or storage of a Hazardous Material on the Premises.

- Assignment and Subletting. The City may withhold its consent to an assignment or subletting to such proposed assignee or sublessee if: (i) any anticipated use of the Premises by any proposed assignee or sublessee involves the generation or storage, use, treatment, disposal, or release of Hazardous Material in a manner or for any purpose; (ii) the proposed assignee or sublessees has been required by any prior landlord, lender, or governmental authority to take remedial action in connection with Hazardous Material contaminating a property, if the contamination resulted from such party's action or use of the property in question; or, (iii) the proposed assignee or sublessee is subject to an enforcement order issued by any governmental authority in connection with the release, use, disposal or storage of a Hazardous Material.
- Hazardous Materials Indemnity. Lessee shall indemnify, defend (by counsel reasonably 7.5 acceptable to City), protect, and hold Landlord harmless from and against any and all claims, liabilities, penalties, forfeitures, losses, and/or expenses, including without limitation, diminution in value of the Premises, damages for the loss or restriction on use of the rentable or usable space or of any amenity of the Premises, damages arising from any adverse impact or marketing of the Premises and sums paid in settlement of claims, response costs, cleanup costs, site assessment costs, attorneys' fees, consultant and expert fees, judgments, administrative rulings or orders, fines, costs of death of or injury to any person, or damage to any property whatsoever (including, without limitation, groundwater, sewer systems, and atmosphere), arising from, caused, or resulting, either prior to or during the Lease Term, in whole or in part, directly or indirectly, by the presence or discharge in, on, under, or about the Premises by Lessee, Lessee's agents, employees, licensees, or invitees or at Lessee's direction, of Hazardous Material, or by Lessee's failure to comply with any Hazardous Materials Law, whether knowingly or by strict liability. For purposes of the indemnity provided herein, any acts or omissions of Lessee or its employees, agents, customers, sublessees, assignees, contractors, or subcontractors of Lessee (whether or not they are negligent, intentional, willful or unlawful) shall be strictly attributable to Lessee. Lessee's indemnification obligations shall include, without limitation, and whether foreseeable or unforeseeable, all costs of any required or necessary Hazardous Materials management plan, investigation, repairs, cleanup or detoxification or decontamination of the Premises, and the presence and implementation of any closure, remedial action or other required plans, and shall survive the expiration of or early termination of the Lease Term.
- 7.6 <u>City's Right to Perform Tests</u>. At any time prior to the expiration of the Lease Term, City shall have the right to enter upon the Premises at reasonable times, upon not less than twenty-four (24) hours prior notice to Lessee, in order to perform any tests or inspections or assessments City deems necessary for maintenance of the Property.

8. <u>UTILITIES AND OPERATING EXPENSES</u>.

Lessee shall be responsible for ensuring that all refuse, compost, garbage, recycling and any other refuse pickup and disposal is placed regularly within the designated trash and recycling area. Should Lessee generate more refuse, garbage or recycling that requires additional service, Lessee shall be solely responsible for the cost of that additional service. City shall pay for and provide water, wastewater, and electric utility and refuse services. Should Lessee, and or City, determine that a security alarm system, or any additional security monitoring service, is necessary for the security of the Café area, Lessee shall bear the cost of having such an alarm installed and maintained at its sole cost and expense.

9. TAXES.

9.1 Real Property Taxes Defined. The term "real property taxes" as used herein shall mean all taxes, assessments, levies and other charges, general and special, foreseen and unforeseen, now or hereafter imposed by any governmental or quasi-governmental authority or special district having the direct or indirect power to tax or levy assessments, which are levied or assessed against or with respect to: (i) value, occupancy, use or possession of the Premises and/or the Improvements; (ii) any improvements, fixtures, equipment and other real or personal property of Lessee that are an integral part of the Premises; or, (iii) use of the Premises, Improvements public utilities or energy within the Premises. The term "real property taxes" shall also mean all charges, levies or fees

imposed by reason of environmental regulation or other governmental control of the premises and/or the Improvements, new or altered excise, transaction, sales, privilege, assessment, or other taxes or charges now or hereafter imposed upon City as a result of this Lease, and all costs and fees (including attorneys' fees) incurred by City in contesting any real property taxes and in negotiating with public authorities as to any real property taxes affecting the Premises. If any real property taxes are based upon property or rents unrelated to the Premises and/or the Improvements, then only that part of such tax that is fairly allocable to the Premises and/or the Improvements, as determined by City, on the basis of the assessor's worksheets or other available information, shall be included within the meaning of the term "real property taxes."

- 9.2 Payment of Real Property Taxes. Lessee shall pay Lessee's share of all real property taxes (as defined in Section 8.1 above) which become due and payable to City on or before the later of ten (10) days prior to the delinquency thereof or three (3) days after the date on which Lessee receives a copy of the tax bill and notice of City's determination hereunder. Lessee's liability to pay real property taxes shall be prorated on the basis of a three hundred sixty-five (365) day year to account for any fraction or portion of a tax year included in the Lease term at the commencement or expiration of the Lease.
- 9.3 Revenue and Taxation Code. Lessee specifically acknowledges it is familiar with section 107.6 of the California Revenue and Taxation Code. Lessee realizes that a possessory interest subject to property taxes may be created, agrees to pay any such tax, and hereby waives any rights Lessee may have under said California Revenue and Taxation Code section 107.6.
- 9.4 Personal Property Taxes. Lessee shall pay before delinquent, or if requested by City, reimburse City for, any and all taxes, fees, and assessments associated with the Property, the personal property contained in the premises and other taxes, fees, and assessments regarding any activities which take place at the Property. Lessee recognizes and understands in accepting this Lease that its interest therein may be subject to a possible possessory interest tax that City or County may impose on such interest and that such tax payment shall not reduce any rent due City hereunder and any such tax shall be the liability of and be paid by Lessee.

10. <u>MAINTENANCE.</u>

- City and Lessee Responsibilities. Lessee at Lessee's expense, shall perform all maintenance and repairs of the Premises, including plumbing and electrical systems, all interior painting, and maintenance of doors and locks, carpeting and floor coverings and replacement of broken windows with City approval on job specifications, if such breakage is caused from within the demised Premises. Lessee is responsible to keep and maintain in good, clean, working condition all items owned and furnished by City within the Café space. Lessee shall keep the Premises and all improvements thereto in first-class order, repair, and condition, and shall keep the Premises in a safe, clean, wholesome, and sanitary condition to the complete satisfaction of City, and in compliance with all applicable laws, throughout the term of this Lease. In addition, Lessee shall maintain, at Lessee's expense, all equipment, furnishings, and trade fixtures upon the Premises required for the maintenance and operation of a first-class business of the type to be conducted pursuant to this Lease. Equipment to be maintained per manufacturer's guidelines. Lessee is also responsible for lamp and ballast replacement, equipment maintenance and inspections, and regular cleaning of grease trap. City will maintain all lock hardware. Should City be required to maintain, repair, or replace equipment or facilities due to non-compliance by Lessee, all costs associated with the maintenance, repair, or replacement shall be at the sole cost and expense of Lessee. City shall be responsible for the maintenance and repair of the structure located on the Premises and main support systems not exclusively serving the Premises, including roof repair, electrical system repair, exterior painting and structural repairs. City shall maintain the HVAC units and boiler serving the Premises and replacement of broken windows if such breakage is caused from outside of the Premises.
- 10.2 <u>Waiver of Civil Code</u>. Lessee expressly waives the benefit of any statute now or hereinafter in effect, including the provisions of sections 1941 and 1942 of the Civil Code of California, which would otherwise afford Lessee the right to make repairs at City's expense or to terminate this Lease because of City's failure to keep Premises in good order, condition, and repair. Lessee further agrees that if and when any repairs, alterations, additions or betterments shall be made by Lessee as required by this paragraph, Lessee shall promptly pay for all labor done or materials furnished and shall keep the Premises free and clear of any lien or encumbrance of any kind whatsoever. If

Lessee fails to make any repairs or perform any maintenance work for which Lessee is responsible within a reasonable time (as determined by the City Manager in the City Manager's sole discretion) after demand by the City, City shall have the right, but not the obligation, to make the repairs at Lessee's expense; within ten (10) days of receipt of a bill, Lessee shall reimburse City for the cost of such repairs, including a fifteen percent (15%) administrative overhead fee. The making of such repairs or performance of maintenance by City shall in no event be construed as a waiver of the duty of Lessee to make repairs or perform maintenance as provided in this Section.

10.3 <u>Maintenance of Common Areas</u>. City shall maintain or cause to be maintained, including repair and replacement as necessary, the following common areas serving the Premises and other premises: public restrooms, exterior walkways, parking lot, and landscaping.

11. <u>ALTERATIONS BY LESSEE</u>

- 11.1 <u>Alterations and Improvements</u>. Lessee shall not make any additional alterations or improvements, beyond those described below in 11.2, to the Premises without obtaining the prior written consent of the City Manager. Lessee may, at any time and at its sole expense, install and place business fixtures and equipment within the Premises, provided such fixtures and installation have been reviewed and approved by the City Manager.
- 11.2 <u>Lessee Improvements</u>. Lessee is responsible for all Lessee improvements associated with design and installation of café signage, furnishings, and food service equipment. Lessee shall use the overall library and design as a "guideline" in designing interiors and signage to ensure the design is complimentary to the surrounding design elements already in place. Lessee shall employ a professional designer. All designs and specifications are subject to City or other appropriate governmental approval, such as the Alameda County Health Department.
- 11.3 <u>City Improvements</u>. The City is responsible for providing the minimum plumbing and electrical requirements necessary for operating a "pocket café" capable of providing proposed menu items listed as follows: pre-made sandwiches, dry pastries and cookies, packaged snack foods, coffee and espresso drinks, teas, blended smoothies, bottled drinks, filtered water. Lessee will provide any plumbing and electrical modifications that are required over and above those already provided by the City. Lessee shall employ a professional designer. All designs and specifications are subject to City or other appropriate governmental approval, especially those necessary to meet Alameda County Health Department regulations.

12. INDEMNIFICATION.

- 12.1 <u>Indemnification</u>. To the extent permitted by law, Lessee agrees to protect, defend, hold harmless and indemnify City, its City Council, commissions, officers, agents, volunteers, and employees from and against any claim, injury, liability, loss, cost, and/or expense or damage, however same may be caused, including all costs and reasonable attorneys' fees in providing a defense to any claim arising therefrom for which City shall become legally liable arising from Lessee's negligent, reckless, or wrongful acts, errors, or omissions with respect to or in any way connected with this Lease. Lessee shall give City immediate notice of any claim or liability hereby indemnified against. This indemnity shall be in addition to the Hazardous Materials indemnity contained in this Lease and shall survive shall survive the expiration of or early termination of the Lease Term.
- 12.2 <u>Waiver of Claims</u>. Lessee waives any claims against City for injury to Lessee's business or any loss of income therefrom, for damage to Lessee's property, or for injury or death of any person in or about the Premises or the City Property, from any cause whatsoever, except to the extent caused by City's active negligence or willful misconduct.

13. DAMAGE, DESTRUCTION AND TERMINATION.

- 13.1 <u>Nontermination and Nonabatement</u>. Except as provided herein, no destruction or damage to the Premises by fire, windstorm or other casualty, whether insured or uninsured, shall entitle Lessee to terminate this Lease. City and Lessee waive the provisions of any statutes which relate to termination of a lease when leased property is destroyed and agree that such event shall be governed by the terms of this Lease.
- 13.2 <u>Force Majeure</u>. Prevention, delay or stoppage due to strikes, lockouts, labor disputes, Acts of God, inability to obtain labor, inability to obtain materials or reasonable substitutes, governmental restrictions, governmental regulation, governmental controls,

judicial orders, enemy or hostile governmental actions, civil commotion, fire or other casualty, and other causes beyond the reasonable control of Lessee (financial inability excepted), shall excuse the performance by Lessee for a period equal to the prevention, delay, or stoppage, except the obligations imposed with regard to rent to be paid by Lessee pursuant to this Lease. In the event any work performed by Lessee or Lessee's contractors results in a strike, lockout, and/or labor dispute, the strike, lockout, and/or labor dispute shall not excuse the performance by Lessee of the provisions of this Lease.

- 13.3 <u>Destruction Due to Risk Covered by Insurance</u>. If, during the term, the Premises are totally or partially destroyed from a risk covered by the insurance described in Section 20 (Insurance), rendering the Premises totally or partially inaccessible or unusable, Lessee shall restore the Premises to substantially the same condition as it was in immediately before destruction, whether or not the insurance proceeds are sufficient to cover the actual cost of restoration. Such destruction shall not terminate this Lease. If the laws existing at that time do not permit the restoration, either party can terminate this Lease immediately by giving notice to the other party.
 - A. Minor Loss. If, during the term of this Lease, the Premises are destroyed from a risk covered by the insurance described in Section 20 (Insurance), and the total amount of loss does not exceed twenty thousand dollars (\$20,000), Lessee shall make the loss adjustment with the insurance company insuring the loss. The proceeds shall be paid directly to Lessee for the sole purpose of making the restoration of the Premises in accordance with this Lease.
 - B. <u>Major Loss- Insurance Trustee</u>. If, during the term of this Lease, the Premises are destroyed from a risk covered by the insurance described in Section 20 (Insurance), and the total amount of loss exceeds the amount set forth in paragraph (1), Lessee shall make the loss adjustment with the insurance company insuring the loss and on receipt of the proceeds shall immediately pay them to an institutional lender or title company as may be jointly selected by the parties ("the Insurance Trustee").
- 13.4 <u>Destruction Due to Risk Not Covered by Insurance</u>. If, during the term, the Premises are totally or partially destroyed from a risk covered by the insurance described in Section 20 (Insurance), rendering the Premises totally or partially inaccessible or unusable, Lessee shall restore the Premises to substantially the same condition as it was in immediately before destruction, whether or not the insurance proceeds are sufficient to cover the actual cost of restoration. Such destruction shall not terminate this Lease. If the laws existing at that time do not permit the restoration, either party can terminate this Lease immediately by giving notice to the other party.

If the cost of restoration exceeds ten percent (10%) of the then replacement value of the Premises totally or partially destroyed, Lessee can elect to terminate this Lease by giving notice to City within sixty (60) days after determining the restoration cost and replacement value. If Lessee elects to terminate this Lease, City, within thirty (30) days after receiving Lessee's notice to terminate, can elect to pay to Lessee, at the time City notifies Lessee of its election, the difference between ten percent (10%) of the replacement value of the Premises and the actual cost of restoration, in which case Lessee shall restore the Premises. On City's making its election to contribute, each party shall deposit immediately the amount of its contribution with such institutional lender or title company as may be jointly selected by the parties ("the Insurance Trustee"). If the Destruction does not exceed ten percent (10%) of the then replacement value of the Premises, Lessee shall immediately deposit the cost of restoration with the Insurance Trustee as provided in Exhibit D. This Lease shall terminate if Lessee elects to terminate this Lease and City does not elect to contribute toward the cost of restoration as provided in this section.

If the Premises are destroyed from a risk not covered by the insurance described in Section 20 (Insurance), and Lessee has the obligation to restore the Premises as provided in subsection (B), both parties shall deposit with the Insurance Trustee their respective contributions toward the cost of restoration. All sums deposited with the Insurance Trustee shall be held for the following purposes and the Insurance Trustee shall have the following powers and duties:

The sums shall be paid in installments by the Insurance Trustee to the contractor retained by Lessee as construction progresses, for payment of the cost of Restoration. A 10% retention fund shall be established that will be paid to the contractor on completion of restoration, payment of all costs, expiration of all applicable lien periods, and proof that

the Premises are free of all mechanics' liens and lienable claims.

Payments shall be made on presentation of certificates or vouchers from the architect or engineer retained by Lessee showing the amount due. If the Insurance Trustee, in its reasonable discretion, determines that the certificates or vouchers are being improperly approved by the architect or engineer retained by Lessee, the Insurance Trustee shall have the right to appoint an architect or an engineer to supervise construction and to make payments on certificates or vouchers approved by the architect or engineer retained by the Insurance Trustee. The reasonable expenses and charges of the architect or engineer retained by the Insurance Trustee shall be paid by the Insurance Trustee out of the trust fund. Both parties shall promptly execute all documents and perform all acts reasonably required by the Insurance Trustee to perform its obligations under this section.

If the sums held by the Insurance Trustee are not sufficient to pay the actual cost of restoration, Lessee shall deposit the amount of the deficiency with the Insurance Trustee within fifteen (15) days after request by the Insurance Trustee indicating the amount of the deficiency. Any undisbursed funds after compliance with the provisions of this section shall be delivered to City to the extent of City's contribution to the fund, and the balance, if any, shall be paid to Lessee. All actual costs and charges of the Insurance Trustee shall be paid by Lessee.

If the Insurance Trustee resigns or for any reason is unwilling to act or continue to act, City shall substitute a new trustee in the place of the designated Insurance Trustee. The new trustee must be an institutional lender or title company.

13.5 Procedure for Restoring Premises. When Lessee is obligated to restore the premises within sixty (60) days Lessee at its cost shall prepare final plans, specifications, and working drawings complying with applicable Laws that will be necessary for restoration of the Premises. The plans, specifications, and working drawings must be approved by City. City shall have thirty (30) days after receipt of the plans and specifications and working drawings to either approve or disapprove the plans, specifications, and working drawings and return them to Lessee. If City disapproves the plans, specifications, and working drawings, City shall notify Lessee of its objections and City's proposed solution to each objection. Lessee acknowledges that the plans, specifications, and working drawings shall be subject to approval of the appropriate governmental bodies and that they will be prepared in such a manner as to obtain that approval.

The restoration shall be accomplished as follows:

- A. Lessee shall complete the restoration within sixty (60) working days after final plans and specifications and working drawings have been approved by the appropriate governmental bodies and all required permits have been obtained (subject to a reasonable extension for delays resulting from causes beyond Lessee's reasonable control).
- B. Lessee shall retain a licensed contractor that is bondable. The contractor shall be required to carry public liability and property damage insurance, standard fire and extended coverage insurance, with vandalism and malicious mischief endorsements, during the period of construction in accordance with Section 20 (Insurance). Such insurance shall contain waiver of subrogation clauses in favor of City and Lessee in accordance with the Provisions of Exhibit D.
- C. Lessee shall notify City of the date of commencement of the restoration at least ten (10) days before commencement of the restoration to enable City to post and record notices of nonresponsibility. The contractor retained by Lessee shall not commence construction until a completion bond and a labor and materials bond have been delivered to City to insure completion of the construction.
- D. Lessee shall accomplish the restoration in a manner that will cause the least inconvenience, annoyance, and disruption at the Premises.
- E. On completion of the restoration Lessee shall immediately record a notice of completion in the county in which the Premises are located.
- F. The restoration shall not be commenced until sums sufficient to cover the cost of restoration are placed with the Insurance Trustee as provided in this section.

14. <u>SIGNS.</u>

Lessee shall not place, construct, maintain, or allow any signs upon the Premises or on the windows or on the adjacent sidewalk or courtyard or street without prior written consent of City.

15. ASSIGNMENT AND SUBLETTING.

- 15.1 City's Consent Required. Lessee shall not assign this lease, nor any interest therein, and shall not sublet or encumber the Property or any part thereof, nor any right or privilege appurtenant thereto, nor allow or permit any other person(s) to occupy or use the Property, or any portion thereof, without the prior written consent of City. This Lease shall be binding upon any permitted assignee or successor of Lessee. Consent by City to one assignment, subletting, occupation or use by another person shall not be deemed to be consent to any subsequent assignment, subletting, occupation or use by another person. No assignment, subletting, or encumbrance by Lessee shall release it from or in any way alter any of Lessee's obligations under this Lease. Lessee may have the Property delivered to a subsidiary company of Lessee, but such arrangement shall in no way alter Lessee's responsibilities hereunder with respect to the Property. Any assignment, subletting, encumbrances, occupation, or use contrary to the provisions of this Lease shall be void and shall constitute breach of this Lease. City may assign any of its rights hereunder without notice to Lessee.
- 15.2 No Release of Lessee. No subletting or assignment as approved by City shall release Lessee of Lessee's obligation or alter the primary liability of Lessee to pay the rent and to perform all other obligations by Lessee hereunder. The acceptance of rent by City from any other person shall not be deemed to be a waiver by City of any provision hereof. In the event of default by any assignee of Lessee or any successor of Lessee in the performance of any of the terms hereof, City may proceed directly against Lessee without the necessity of exhausting remedies against said assignee.

16. DEFAULTS; REMEDIES.

- 16.1 The occurrence of any one or more of the following events shall constitute a material default, or breach of this Lease, by Lessee:
 - A. Abandonment of the Premises by Lessee as defined by California Civil Code section 1951.3;
 - B. Failure by Lessee to make any payment of rent or any other payment required to be made by Lessee hereunder, as provided in this Lease, where such failure shall continue for a period of three (3) business days after written notice thereof from City to Lessee. In the event City serves Lessee with a Notice to Pay Rent or Quit pursuant to applicable Unlawful Detainer statutes, such Notice to Pay Rent or Quit shall also constitute the notice required by this subparagraph;
 - C. Failure by Lessee to observe or perform any of the covenants, conditions or provisions of this Lease in any material respect where such failure shall continue for a period of thirty (30) days after written notice thereof from City to Lessee; provided, however, that if the nature of Lessee's default is such that more than thirty (30) days are reasonably required for its cure, then Lessee shall not be deemed to be in default if Lessee commenced such cure within said thirty (30) day period and thereafter diligently prosecutes such cure to completion;
 - D. Making by Lessee of any general arrangement or assignment for the benefit of creditors; Lessee's becoming a "debtor" as defined in 11 U.S.C. §101 or any successor statute thereto (unless, in the case of a petition filed against Lessee, the same is dismissed within sixty (60) days); the appointment of a bankruptcy trustee or receiver to take possession of all or substantially all of Lessee's assets located at or on the Premises or of Lessee's interest in this Lease where possession is not restored to Lessee within thirty (30) days; or the attachment, execution or other judicial seizure of all or substantially all of Lessee's assets located at or on the Premises or of Lessee's interest in this Lease, where such seizure is not discharged within thirty (30) days.
- Remedies. In the event of any material default or breach by Lessee, City may at any time thereafter, following any notice required by statute, and without limiting City in the exercise of any right or remedy which City may have by reason of such default or breach:

- A. Terminate Lessee's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Lessee shall immediately surrender possession of the Premises and Improvements to City. In such event, City shall be entitled to recover from Lessee all damages incurred by City by reason of Lessee's default including but not limited to: the cost of recovering possession of the Premises and Improvements; expenses of reletting, including necessary renovation and alteration of the Premises and Improvements; reasonable attorneys' fees; the worth at the time of the award of the unpaid rent that had been earned at the time of termination of this Lease and the worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of such award exceeds the amount of such rental loss for the same period that Lessee proves could be reasonably avoided.
- B. Maintain Lessee's right to possession, in which case this Lease shall continue in effect whether or not Lessee shall have abandoned the Premises. In such event, City shall be entitled to enforce all of City's rights and remedies under this Lease, including the right to recover rent and other payments as they become due hereunder.
- C. Pursue any other remedy now or hereafter available to City under the laws or judicial decisions of the State of California. City shall have all remedies provided by law and equity.
- 16.3 No Relief from Forfeiture After Default. Lessee waives all rights of redemption or relief from forfeiture under California Code of Civil Procedure sections 1174 and 1179, and any other present or future law, in the event Lessee is evicted or City otherwise lawfully takes possession of the Premises by reason of any default or breach of this Lease by Lessee. Disposition of Abandoned Personal Property. If the Lessee fails to remove any personal property belonging to Lessee from the Premises after forty-five (45) days of the expiration or termination of this Lease, such property shall at the option of City be deemed to have been transferred to City. City shall have the right to remove and to dispose of such property without liability to Lessee or to any person claiming under Lessee, and the City shall have no need to account for such property.

17. INTEREST ON PAST-DUE OBLIGATIONS.

Except as expressly provided herein, any amount due City not paid when due shall bear interest at the lesser of ten percent (10%) per year or the maximum rate then allowable by law from the date due.

18. HOLDING OVER.

If Lessee remains in possession of the Premises or any part thereof after the expiration of the term or option term hereof, such occupancy shall be a holdover tenancy from month to month with all the obligations of this Lease applicable to Lessee. Nothing contained in this Lease shall give to Lessee the right to occupy the Property after the expiration of the term, or upon an earlier termination for breach.

19. <u>CITY'S ACCESS.</u>

- 19.1 Access for Inspection. City and City's agents shall have the right to enter the Premises at reasonable times, upon not less than twenty-four (24) hours prior notice to Lessee, for the purpose of inspecting same, showing same to prospective purchasers, lenders or lessees, and making such alterations, repairs, improvements, or additions to the Premises as City may deem necessary. However, City and City's agents shall have the right to enter the Premises at any time for emergency situations that may involve property damage such as flooding. City may at any time place on or about the Premises any ordinary "For Sale" signs and City may at any time during the last one hundred twenty (120) days of the term hereof place on or about the Premises any ordinary "For Lease" signs, all without rebate of rent or liability to Lessee.
- 19.2 <u>Security Measures</u>. City shall have the right to require a reasonable security system, device, operation, or plan be installed and implemented to protect the Premises or the Improvements. Should City, in its sole discretion, require Lessee to install such a security system, Lessee agrees to bear the sole cost and expense of any security system, device, operation or plan and the installation and implementation thereof. Lessee shall obtain

City's prior approval before installing, implementing or changing any City approved security system, device, operation or plan.

19.3 New Locks. Lessee may not install their own locks. City will maintain all lock hardware and rekey locks as required. City may charge for excess key request. Lessee shall advise City immediately if locks are damaged, or if keys are duplicated, lost, or stolen. Upon termination, Lessee shall surrender all keys to City.

20. INSURANCE.

Lessee's responsibility for the Property begins immediately upon delivery and Lessee, at its sole cost and expense, and at no cost to City, shall purchase and maintain in full force and effect during the entire term of this Lease insurance coverage in amounts and in a form acceptable to the City Attorney. Said policies shall be maintained with respect to Lessee's employees, if any, and all vehicles operated on the Premises. The policies shall include the required endorsements, certificates of insurance and coverage verifications required by the City Attorney and attached as **Exhibit B**. Lessee also agrees to secure renter's liability insurance.

Lessee shall deposit with the City Manager or designee, on or before the effective date of this Lease, certificates of insurance necessary to satisfy City that the insurance provisions of this Lease have been complied with, and to keep such insurance in effect and the certificates therefore on deposit with City during the entire term of this Lease. Should Lessee not provide evidence of such required coverage at least three (3) days prior to the expiration of any existing insurance coverage, City may purchase such insurance, on behalf of and at the expense of Lessee to provide six months of coverage.

City shall retain the right at any time to review the coverage, form, and amount of the insurance required hereby. If, in the opinion of the City's Risk Manager (or comparable official), the insurance provisions in this Lease do not provide adequate protection for City and for members of the public using the Premises, the City Manager may require Lessee to obtain insurance sufficient in coverage, form, and amount to provide adequate protection as determined by the Risk Manager. City's requirements shall be reasonable and shall be designed to assure protection from and against the kind and extent of risk that exists at the time a change in insurance is required.

The City Manager or designee shall notify Lessee in writing of changes in the insurance requirements. If Lessee does not deposit copies of acceptable insurance policies with City incorporating such changes within sixty (60) days of receipt of such notice, or in the event Lessee fails to maintain in effect any required insurance coverage, Lessee shall be in default under this lease without further notice to Lessee. Such failure shall constitute a material breach and shall be grounds for immediate termination of this Lease at the option of City.

The procuring of such required policy or policies of insurance shall not be construed to limit Lessee's liability hereunder nor to fulfill the indemnification provision and requirements of this Lease. Notwithstanding the policy or policies of insurance, Lessee shall be obligated for the full and total amount of any damage, injury, or loss caused by or connected with this Lease or with use or occupancy of the Premises.

21. <u>EMINENT DOMAIN.</u>

- 21.1 If all or any part of the Premises (or the building in which the Premises are located) is condemned by a public entity in the lawful exercise of its power of eminent domain, this Lease shall cease as to the part condemned. The date of such termination shall be the effective date of possession of the whole or part of the Premises by the condemning public entity.
- 21.2 If only a part is condemned and the condemnation of that part does not substantially impair the capacity of the remainder to be used for the purposes required by this Lease, Lessee shall continue to be bound by the terms, covenants, and conditions of this Lease. However, the then monthly rent shall be reduced in proportion to the diminution in value of the Premises. If the condemnation of a part of the Premises substantially impairs the capacity of the remainder to be used for the purposes required by this Lease, Lessee may:
 - A. Terminate this Lease and thereby be absolved of obligations under this Lease which have not accrued as of the date of possession by the condemning public entity; or
 - B. Continue to occupy the remaining Premises and thereby continue to be bound by

the terms, covenants, and conditions of this Lease. If Lessee elects to continue in possession of the remainder of the Premises, the monthly rent shall be reduced in proportion to the diminution in value of the Premises.

- C. Lessee shall provide City with written notice advising City of Lessee's choice within thirty (30) days of possession of the part condemned by the condemning public entity.
- 21.3 City shall be entitled to and shall receive all compensation related to the condemnation, except that Lessee shall be entitled to: (a) that portion of the compensation which represents the value for the remainder of the Lease term of any Lessee-constructed improvements taken by the condemning public entity, which amount shall not exceed the actual cost of such improvements reduced in proportion to the relationship of the remaining Lease term to the original Lease term, using a straight line approach; and (b) any amount specifically designated as a moving allowance or as compensation for Lessee's personal property. Lessee shall have no claim against Landlord for the value of any unexpired term of this Lease.

22. <u>POST-ACQUISITION TENANCY</u>

Lessee hereby acknowledges that Lessee was not an occupant of the Premises at the time the Premises were acquired by City. Lessee further understands and agrees that as a post-acquisition Lessee, Lessee is not eligible and furthermore waives all claims for relocation assistance and benefits under federal, state or local law.

25. NON-LIABILITY OF OFFICIALS AND EMPLOYEES OF THE CITY.

No official or employee of City shall be personally liable for any default or liability under this agreement.

26. <u>INDEPENDENT CONTRACTOR.</u>

It is agreed that Lessee shall act and be an independent contractor and not an agent nor employee of City.

27. CONFLICT OF INTEREST.

Lessee shall at all times avoid conflict of interest or appearance of conflict of interest in performance of this agreement. Lessee warrants and covenants that no official or employee of City, nor any business entity in which any official or employee of City is interested: (1) has been employed or retained to solicit or aid in the procuring of this agreement; or (2) will be employed in the performance of this agreement without the divulgence of such fact to City. In the event that City determines that the employment of any such official, employee or business entity is not compatible with such official's or employee's duties as an official or employee of City, Lessee upon request of City shall immediately terminate such employment. Violation of this provision constitutes a serious breach of this Lease and City may terminate this Lease as a result of such violation.

28. NONDISCRIMINATION.

The Contractor shall comply with all applicable federal, state, and local laws, rules, and regulations in regard to nondiscrimination in employment because of race, color, ancestry, national origin, religion, sex, marital status, age, medical condition, pregnancy, disability, sexual orientation, or other prohibited basis. All nondiscrimination rules or regulation required by law to be included in the agreement are incorporated by this reference.

29. NONDISCRIMINATORY EMPLOYMENT PRACTICES PROVISION.

Lessee shall comply with the "City of Hayward Nondiscriminatory Employment Practices Provision" copies of which are attached hereto and incorporated herein by reference as **Exhibit** C and, where applicable, cause its subcontractors in excess of \$10,000 to do the same.

30. NUCLEAR FREE HAYWARD.

Lessee agrees to comply with the requirements imposed by Ordinance No. 87-024 C.S., establishing a "Nuclear Free Hayward." An executed copy of the Affirmation of Non-Involvement in the Development or Production of Nuclear Weapon is attached hereto as **Exhibit**

D and made a part of, hereof.

31. COPYRIGHT.

Upon City's request, Lessee shall execute appropriate documents to assign to the City the copyright to work created pursuant to this agreement. The issuance of a patent or copyright to Lessee or any other person shall not affect City's rights to the materials and records prepared or obtained in the performance of this agreement. City reserves a license to use such materials and records without restriction or limitation consistent with the intent of the original design, and City shall not be required to pay any additional fee or royalty for such materials or records. The license reserved by City shall continue for a period of fifty years from the date of execution of this agreement unless extended by operation of law or otherwise.

32. LIENS.

Lessee agrees at its sole cost and expense to keep the Property free and clear of any and all claims, levies, liens, encumbrances or attachments.

33. VACATING.

Upon termination of the tenancy, Lessee shall completely vacate the Property, including the removal of any and all of its property. Before departure, Lessee shall return keys and any other City-owned property to City in good, clean and sanitary condition, reasonable wear and tear excepted. Lessee shall allow City to inspect the Property to verify the condition of the Property and its contents.

34. ABANDONMENT.

Lessee's absence from the Property for three (3) consecutive days, without prior notice, during which time rent or other charges are delinquent, shall be deemed abandonment of the Property. Such abandonment will be deemed cause for immediate termination without notice. City shall thereupon be authorized to enter and take possession and to remove and dispose of the property of Lessee or its guests without any liability whatsoever to City.

35. NOTICES.

All notices to the Parties shall, unless otherwise requested in writing, be sent to City addressed as follows:

City of Hayward Attn: City Manager 777 B Street Hayward, CA 94541

AND

City of Hayward Attn: Library Director 888 C Street Hayward, CA 94541

And to Lessee addressed as follows:

Name:	
Address:	
City/State/Zin:	

Notices may be served upon Lessee in person, by first class mail, or by certified mail whether or not said mailing is accepted by Lessee. If notice is sent via facsimile, a signed, hard copy of the material shall also be mailed. The workday the facsimile was sent shall control the date notice was deemed given if there is a facsimile machine generated document on the date of transmission. A facsimile transmitted after 1:00 p.m. on a Friday shall be deemed to have been transmitted on the following Monday. These addresses shall be used for service of process.

36. <u>TIME IS OF THE ESSENCE.</u>

Both Parties to this Lease agree to diligently prosecute the services to be provided under this

agreement to completion and in accordance with any schedules specified herein. In the performance of this agreement, time is of the essence.

37. AMENDMENTS.

It is mutually agreed that no oral Leases have been entered into and that no alteration or variation of the terms of this Lease shall be valid unless made in writing and signed by the Parties to this Lease.

38. <u>SURRENDER OF LEASE NOT MERGER.</u>

The voluntary or other surrender of this lease by Lessee, or a mutual cancellation thereof, shall not constitute a merger, and shall, at the option of City, terminate all or any existing subleases or subtenancies, or may, at the option of City, operate as an assignment of any and all such subleases or subtenancies.

39. INTEGRATED DOCUMENT.

This Lease, including any exhibits attached hereto, embodies the entire agreement between City and Lessee. No other understanding, agreements, conversations or otherwise, with any officer, agent or employee of City prior to execution of this Lease shall affect or modify any of the terms or obligations contained in any documents comprising this Lease. Any such verbal agreement shall be considered as unofficial information and in no way binding upon City. All agreements with City are subject to approval of the City Council before City shall be bound thereby.

40. WAIVER.

Waiver by City of one or more conditions of performance or any breach of a condition under this Lease shall not be construed as a waiver of any other condition of performance or subsequent breaches. The subsequent acceptance by a Party of the performance of any obligation or duty by another Party shall not be deemed to be a waiver of any term or condition of this Lease. The exercise of any remedy, right, option or privilege hereunder by City shall not preclude City from exercising the same or any and all other remedies, rights, options and privileges hereunder and City's failure to exercise any remedy, right, option or privilege at law or equity, or otherwise which City may have, shall not be construed as a waiver.

41. <u>INTERPRETATIONS.</u>

In construing or interpreting this Lease, the word "or" shall not be construed as exclusive and the word "including" shall not be limiting. The Parties agree that this Lease shall be fairly interpreted in accordance with its terms without any strict construction in favor of or against any other Party.

42. SEVERABILITY CLAUSE.

If any provision of this Lease is held to be illegal, invalid, or unenforceable in full or in part, for any reason, then such provision shall be modified to the minimum extent necessary to make the provision legal, valid and enforceable, and the other provisions of this Lease shall not be affected thereby.

43. GOVERNING LAW.

This Lease shall be governed and construed in accordance with the statutes and laws of the State of California.

44. VENUE.

In the event that suit shall be brought by any Party to this Lease, the Parties agree that venue shall be exclusively vested in the state courts of the County of Alameda.

45. <u>COMPLIANCE WITH LAWS</u>.

The Parties hereto shall comply with all applicable laws, ordinances, codes and regulations of the federal, state and local governments in the performance of their rights, duties and obligations under this Lease.

46. BROKERS.

Each party represents that is has not had dealings with any real estate broker, finder, or other person, with respect to this lease in any manner. Each Party shall hold harmless the other party from all damages resulting from any claims that may be asserted against the other party by any broker, finder, or other person with whom the Indemnifying Party has or purportedly has dealt.

47. <u>LIMITATION OF LEASEHOLD</u>

This Lease and the rights and privileges granted Lessee in and to the Premises are subject to all covenants, conditions, restrictions, and physical encumbrances, including those which are set out in the 21st Century Library and Heritage Plaza Plans and Specifications approved by the City Council on May 26, 2015 and in all subsequent Change Orders approved during construction. Nothing contained in this Lease or in any document related hereto shall be construed to imply the conveyance to Lessee of rights in the Premises which exceed those owned by City.

48. <u>TERMINATION OF PRIOR AGREEMENTS</u>

This Lease supersedes any and all prior leases entered into by City for use of the Premises. All such prior leases or agreements are null and void.

49. <u>ATTACHMENTS TO LEASE</u>.

The following exhibits are attached to and made a part of this Agreement:

- A. Description of Subject Property
- B. Insurance
- C. City of Hayward Nondiscriminatory Employment Practices Provision
- D. Affirmation of Non-Involvement in the Development or Production of Nuclear Weapon

IN WITNESS WHEREOF, Consultant has executed this agreement, and the City, by its City Manager, who is authorized to do so, has executed this agreement.

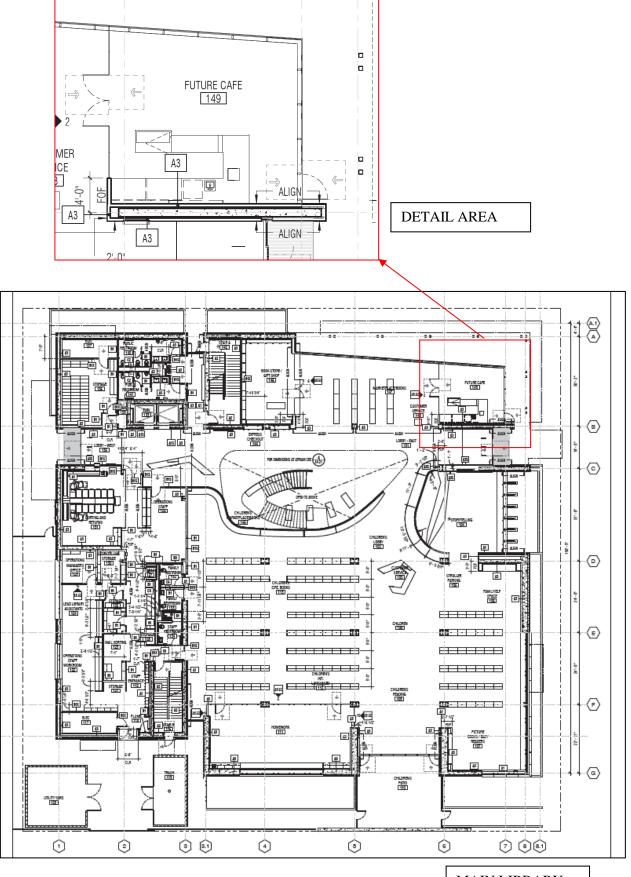
LESSEE	
Dated:	By:
CITY OF HAYWARD	
Dated:	By:Kelly McAdoo, City Manager
Approved as to form and procedure:	Attest: City Clerk
City Attorney	City Clerk

LEASE AGREEMENT

BETWEEN CITY OF HAYWARD AND [TBD]

EXHIBIT A DESCRIPTION OF SUBJECT PROPERTY

LOCATION: 888 C STREET, HAYWARD CA 94541 GROUND FLOOR CORNER "POCKET CAFÉ" SPACE APPROX. 400 SF



MAIN LIBRARY LEVEL 1