

City of Needles, California Request for City Council Action

□ CITY COUNC	IL 🗌 NPUA	HACN	⊠ Regular □ Special
Meeting Date: Sep	otember 12, 202	3	
Title:	El Garces Ren	tals	
Background: At information regardi	•	•	eeting Councilor Longbrake requested

In Spring of 2014, the City of Needles completed the renovation/restoration efforts for the El Garces Transportation Depot.

Concurrently, the city circulated a Request for Qualifications (RFQ) to identify commercial real estate professionals to assist with leasing of the El Garces for users. The City received one (1) formal proposal from the Ivy Group. They were awarded the listing agreement to secure short-and long-term users for the El Garces Transportation Depot. The Agreement the City entered with The IVY GROUP was to provide services for a six-month period (April 10, 2014-October 10, 2014). On November 12, 2014, the agreement was extended for a one-year period beginning October 14, 2014, through October 15, 2015 (See Attached Exhibit A). During this time, the city entered into two lease agreements with the operators of the Needles Area Transit and the National Railroad Passenger Corporation (AMTRAK). The city did not renew the agreement with the IVY Group.

At that point in time, the City Manager considered assigning rentals to the Parks and Recreation Department as the Department currently rent parks for special events. Jan Jernigan proposed to assume the function previously assumed by the IVY Group at no cost to the city and the City Manager agreed. Revenues for the rentals of the El Garces are deposited into the City's General Fund. In 2019, the NDBA disbanded, and the Needles Tourism was founded. Needles Tourism has been responsible for scheduling events and providing tours ever since. Rental revenue has increased from \$5,470 in FY 20 to \$18,076 in FY 23.

The El Garces Meeting Room Policy sets standards and requirements for events in the El Garces and is attached as Exhibit "B". The El Garces Policy outlines rental fees, rules of use, and insurance requirements. The past two years the El Garces has operated at a net loss of \$16,120 and \$16,087 for FY 22 and 23 respectively. Prior to FY 2022, the El Garces operated at a net positive of \$8,316. The El Garces was reappraised which increased the property insurance from \$640 in FY 21 to \$31,193 in FY23. Exhibit "C" outlines the P&L for the El Garces dating back to FY20.

Currently there is not a contract with Needles Tourism to conduct the tours or schedule events. The El Garces Facilities and Rooms Application for Use is Attached as Exhibit "D". The Needles Downtown Business Alliance (NDBA) offered to conduct tours of the El Garces to promote tourism and celebrate the history of the El Garces. The NDBA did not require a tour fee, but a donation could be given and is retained by the organization. The organization has used the donations to help in the maintenance of the El Garces such as painting the back unfinished wall of the Visitor Center, paying for marketing brochures of the El Garces, and the new history of El Garces sign on F Street.

PJ8

The city has control over websites that it maintains, and any member of the public can access City websites. For websites and social media pages that are owned and operated by third parties, the City has no control. There is no trademark over using the word Needles as part of a website or social media page due to it being a geographical location.

The El Garces and Sante Fe Park are located on the same Accessor Parcel Number assigned by the San Bernardino County Accessors Office (APN 0186-101-04-0000). As a result, the city has given the same address to both the El Garces and Santa Fe Park, 950 Front Street (See Exhibit "E"). There is no restriction requiring that both Santa Fe Park and the El Garces be identified as the same address.

Exbibits:

- Exhibit "A" November 12, 2014, Staff Report Agreement with Ivy Group
- Exhibit "B" El Garces Meeting Room Policy
- Exhibit "C" El Garces Revenue and Expenses FY 20-23
- Exhibit "D" El Garces Facilities and Rooms Application
- Exhibit "E" El Garces Aerial Map

Submitted By:	Patrick Martinez, Assista	nt City Manager	
Recommended Act	tion: Provide Staff Direct	ion	1 1
City Management F	Review:		Date: 3 6 23
Approved:	Not Approved:	Tabled:	Other:
			Agenda Item: 28

Exhibit "A"



City of Needles, California Staff Report

VO.			
2222	⊠ C	ITY COUNCIL NPUA SARDA	Regular
Meeti	ng Date:	November 12, 2014	
Title:	securing Front Str	g the listing agreement with The lvy Gro both short term and long term users for eet Needles, CA 92363 and authorizing nt on behalf of the City of Needles.	the El Garces Depot located at 950

Background:

In the Spring of 2014, The City of Needles completed the current phase of renovation/restoration efforts for the El Garces Transportation Depot. Concurrent with the completion of the work, City staff circulated a Request for Qualifications (RFQ) to identify commercial real estate professionals to assist with the leasing of the El Garces for users. The City received one (1) formal proposal (from The Ivy Group) and one informal proposal (from Heidi Smith).

After reviewing the proposals and considering market/geographic conditions, it was determined the most efficient course of action was to enter into a six (6) month listing agreement with The lvy Group with a co-listing with Heidi Smith. This arrangement was designed to provide national/regional marketing in combination with local expertise to show the property.

Since April (the beginning of the six-month period), The Ivy Group has completed the following:

- 1. Secured three (3) one-day users
- 2. Currently working with four (4) additional one-day users
- 3. Shown space to two (2) long-term users
- 4. Responded to six (6) long-term users
- 5. Marketed property through Loop-Net, Co-Star, Craigslist and direct email campaign
- 6. Installed a 4x8 display banner at property
- 7. Direct mail to 200 potential users
- 8. Between The Ivy Group and City staff/consultant, there are four (4) permanent long-term users in active negotiations.

Agreement to be Considered:

At the time of the original agreement, it was not contemplated that The Ivy Group and Heidi Smith would be handling the one-day users. That said, they took on the responsibility to insure that the community had opportunity to utilize the facility. For the first six-months, they did this without compensation.

The action staff is asking the City Council to take is to approve a new listing agreement to cover a one-year period from October 10, 2014 through October 10, 2015 (a one-year period). Compensation to the broker is performance based as follows:

- 1. Short Term Users: 15% of the fee received from one day users
- 2. Long Term Users: Commission is as follows:
 - ā. 3% to the listing broker (The lvy Group)
 - b. 3% to the tenants broker
 - c. 2% to the showing broker (Heidi Smith)

It is noted that the commission structure for long-term users is 2% higher than the industry norm, but this arrangement (as previously stated) provides the opportunity for the City to have a superregional/national broker that specializes in marketing and a local broker available for both showings and handling short-term users.

Attachments:

Resolution No. 2014-74 - Listing Agreement between The Ivy Group / Heidi Smith and the City of Needles

Fiscal Impact:

There is no cost to the City of Needles to approve this Agreement. At such time as shortterm or long-term users (through use agreement or leases) are secured, there is a commission due to the brokers as described in the staff report.

Critical Timeline:

Staff requests action on this item so that there is no additional lapse in the representation of the El Garces for short and long term users.

Environmental:

Not Applicable

Recommendation: Adopt Resolution No. 2014-74 approving a listing agreement between the City of Needles and The Ivy Group / Heldi Smith in connection with securing short and long term users for the El Garces Transportation Depot and authorize the City Manager to execute said agreement

Submitted By:	Rick Daniels, City N	/lanager	
City Management Review:	Riew	Date	1/5/14
Approved: Not A	pproved:	Tabled:	Other:
			Agenda Item: \\

RESOLUTION NO. 2014-74

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NEEDLES APPROVING A LISTING AGREEMENT BETWEEN THE CITY OF NEEDLES AND THE IVY GROUP / HEIDI SMITH IN CONNECTION WITH SECURING SHORT AND LONG TERM USERS FOR THE EL GARCES TRANSPORTATION DEPOT

WHEREAS, the City of Needles completed the most recent phase of renovation/restoration of the El Garces Transportation Depot in the spring of 2014, and

WHEREAS, concurrent with the completion of the most recent phase of renovation/restoration the City of Needles issued a Request for Qualifications (RFQ) for commercial real estate representation services, and

WHEREAS, The Ivy Group and Heidi Smith responded to the RFQ and were selected in combination to provide said services for a six month period (April 10, 2014 – October 10, 2014), and

WHEREAS, during the six-month period they have worked to secure three (3) one-day users, are working with four (4) additional one-day users, responded to six (6) long-term users inquiries, shown the building to two (2) long-term users, and have aggressively marketed the building contributing to the four (4) users that are currently in active negotiations for long-term leases.

NOW THEREFORE, BE IT RESOLVED, that the City Council of the City of Needles, California, hereby approves the Listing Agreement by and between the City of Needles and The Ivy Group / Heidi Smith (dated October 23, 2014) for a one-year period beginning October 10, 2014 through October 15, 2015 and authorizes the City Manager for the City of Needles (Richard A. Daniels) to execute said listing agreement on behalf of the City of Needles.

PASSED, APPROVED, AND ADOPTED at a regular meeting of the City Council of the City of Needles, California, held on the 12th day of November, 2014 by the following vote:

AYES NOES ABSENT ABSTAIN		
		Mayor
	Attest:	
		City Clerk
(Seal)		
Approved as to form:		
City Attorney		



EXCLUSIVE RIGHT TO REPRESENT OWNER FOR SALE OR LEASE OF REAL PROPERTY

(Non-Residential)
AIR COMMERCIAL REAL ESTATE ASSOCIATION

Mil Committee Market Market
BASIC PROVISIONS ("BASIC PROVISIONS"). I.1 Parties: This agency Agreement ("Agreement"), dated for reference purposes only October 23, 2014
Is made by and between City of Needles
1017 Whird Street Needles CA 92363
Fax No. (760) 326-6765
COMMETI AND THE IVY GEORG
and the state of t
whose address is 39488 Stevenson Flade, Suite 100
("Agent"). 1.2 Property/Premises: The real property, or a portion thereof, which is the subject of this Agreement is commonly known by the street adds
of 950 Front Street
located in the City of Needles County of San bernardino State of California
generally described as (describe briefly the nature of the property): Approximately 60,000 equare feet two-story
commercial building know as the El Garces Hotel/Building
("Property"). (See elso Paragraph 3).
1.3 Term of Agreement: The term of this Agreement shall commence on October 10, 2014
and expire at 5:00 p.m. on October 10, 2015
After stu months of term commence, Owner has the option to cancel this Agreement with 30 days written notice.
1.4 Transaction: The nature of the transaction concerning the Property for which Agent is employed ("Transaction") is (check the appropriate box(es)):
(a) A sale for the following sale price and terms:
and other additional standard terms reasonably similar to those contained in the "STANDARD OFFER, AGREEMENT AND ESCROW INSTRUCTIO
FOR THE PURCHASE OF REAL ESTATE" published by the AIR Commercial Real Estate Association ("AIR"), or for euch other price and te
screeable to Owner:
(b) A lease or other tenancy for the following rent and terms: List for \$0.65/sf/mo. Secure market rate
assemble consideration of the Needles City Council. Terms to be negotiated w/ tenan
a to comply with federal c state laws a regulations, form bease Agreement accounting
and other additional standard terms reasonably similar to those contained in the appropriate AIR lease form or for such other rent and terms agree
to Owner.
2. EXCLUSIVE EMPLOYMENT AND RIGHTS. 2.1 Owner hereby employs Agent as Owner's sole and suclusive agent to represent Owner in the Transaction and to find buyers assess/tenants ("lessesse"), as the case may be, for the Property. Agent sital use reasonably dispent efforts to find such buyers or lessess, negotiations and discussions for a Transaction shall be conducted by Agent on behalf of Owner. Owner shall promptly disclose and refer to Agent written or oral inquities or contacts received by Owner from any source regarding a possible Transaction. 2.2 Owner authorizes Agent to: (a) Place a lock box on the Property if vacent; (b) Place a lock box on the Property if vacent; (c) Accept deposits from potential buyers or lesses; and (d) Distribute information regarding the Property to participants in THE MULTIPLE ("MULTIPLE") of the AIR and/or any other appropriate commercial multiple listing service, to other brokers, and to potential buyers or lessess of the Property. Owner shall identify as "confidential information provided to Agent that Owner considers confidential and does not want disclosed. All other information provided by Owner may disclosed as Agent may deem appropriate or necessary. After consummation of a Transaction, Agent may publicize the terms of each Transaction, 2.3 Agent shall comply with the Rules of Professional Conduct of the AIR, if a member or if not, the Rules of Professional Conduct of the Soc of industrial and Office Resitors, and shall submit the Property to the MULTIPLE, Agent shall cooperate with participants in the MULTIPLE and may appropriate the formation is a said agent find a prospective buyer for the Property, or if the Transaction is a sease and Agent finds a prospective buyer for the Property, or if the Transaction is a sease and Agent finds a prospective buyer for the Property, or if the Transaction is a said agent find as a prospective buyer for the Property, or if the Transaction is a said agent find as a prospective buyer for the Property, or if the Transaction is a sai
dual agency. If a Cooperating Broker and the Cooperating Broker shall not be Owner's agent, even though the Cooperating Broker may share in agent for the buyer or leases only, and the Cooperating Broker shall not be an agent or subspent of Owner or Agent. 2.5 Owner agrees that Agent may, during the ordinary and normal course of marketing the Property, respond to inquiries on the Property. 2.5 Owner agrees that Agent may, during the ordinary and normal course of marketing the Property, respond to inquiries on the Property, as well as on other competing properties, to prospective buyers and lessees and that such acthemy result in the payment of a commission to Agent by a third party.
 PROPERTY. 3.1 The term "Property" shall include all of the following which are currently located on the Property and owned by Owner: permare an armonyments, electrical distribution systems (power panels, buss ducting, conduits, disconnects, lighting fodures, etc.), telephone distribution systems (power panels, buss ducting, conduits, disconnects, lighting fodures, etc.), telephone distribution systems (power panels, buss ducting, conduits, and coverings, partitions, disconnections), spece heaters, air conditioning equipment, air lines, carpets, window coverings, wall coverings, partitions, disconnections, busil-ins such as cabinets, and
PAGE 1 OF 4
INITIAL S.

FORM CA-3-6/07E

1997 - AIR COMMERCIAL REAL ESTATE ASSOCIATION

(if there are no additional items write "NONE"). If the Transaction is a sele, the term "Property" shall additionally include, to the extent owned by Owner, of and mineral rights, leases and other agreements which will continue in effect after Owner's transfer of title to the Property. 3.2 Within five business days after the commissionment of the Term hereof, Owner shall provide Agent with the following: (a) A duly completed and fully executed Property Information Street on the most current form published by the AR; (b) Copies of all leases, subleases, rental agreements, option rights, rights of first refusal, rights of first offer, or other documents containing any other limitations on Owner's right, ability and capacity to consummate a Transaction, and (c) If available to Owner, copies of building plans, and if the Transaction is a sale, title reports, boundary surveys, and existing notes and	
trust deeds which will continue to affect the Property after consummation of a sale.	

The property and constitute to sheet the property after consummation of a sale.

3.3 Agent shall have no reaponsibility for meintenance, repair, replacement, operation, or security of the Property, all of which shall be Owner's sole responsibility. Unless caused by Agent's gross negligence, Agent shall not be liable for any loss, damage, or injury to the person or property of sole responsibility. Unless caused by Agent's gross negligence, Agent shall not be liable for any loss, damage, or injury to the person or property of comer, any lessees of the Property, any buyer, prospective buyer, lessee, or prospective lessee, including, but not limited to, those which may occur as a result of Agent's use of a lock box. if the Transaction is a sale, and a sale is not consummated for any reason after Owner accepts an offer to

purchase the Property ("Sale Agreement"), then the expiration date of the Term of this Agreement shall be extended by the number of days that elapsed between the date. Owner entered into the Sale Agreement and the later of the date on which the Sale Agreement is terminated or the date. Owner is able to convey this to a new buyer free and clear of any claims by the prior buyer of the Property; provided, however, in no event shall the Term be so extended beyond one year from the date the Term would have otherwise expired.

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ъ.	COMMISSION.	

5.1 Owner shall pay Agent a commission I in the amount of

D.1 Owner shall pay Agent a commission LL in the amount of in accordance with the commission schedule attached hereto ("Agreed Commission"), for a Transaction, whether such Transaction is consummated as a result of the efforts of Agent, Owner, or one other person or entity. Agent shall also be entitled to the Agreed Commission if any of the Owner's representations and warranties described in paragraph 8 are shown to be false. Such Agreed Commission is payable: the Owner's representations and warranties described in paragraph 8 are shown to be false. Such Agreed Commission is payable: the Owner representations and the International Commission is payable; the Owner representation is a sale, (i) a buyer is procured who is ready, willing and able to buy the Property at the price and on the International Commission or other herein, or on any other price and terms agreeable to Owner, (ii) Owner breaches or proudates any Sale Agreement, escrow instructions or other documents executed by Owner regarding the sale of the Property; (ii) the Property or any international continuation or other analysis of Emistent Domain or sold under threat of condemnation, or (iv) if Owner is a carriagable, lost weather a configuration toust or other anitive and any internation Owner is voluntarily or (v) if Owner is a partnership, joint venture, knited itebility company, corporation, frust or other entity, and any interest in Owner is voluntarily or inventuring sold, contributed, conveyed or transferred to another person or entity that, as of the date hereof, does not have any ownership interest in

(b) if the Transaction is a lease, (i) a lease of the Property, or a portion thereof is executed; approved by City of Needles City council and tenant ng and able to Isase the Property on the t pays the agreed upon deposit. or (ii) a leased to procured who to roady, w

rom energy terms agreeable to Committee the Present from a Transaction of the market; (1) and as if the Present is not available for a

(c) If Owner (1) removes or withdraws the Present from a Transaction; (iv) breaches; terminates; cancels or repudence this Agreement; (v) renders the

Transaction; (ii) transaction or either action of the Property attention or either aspects therest, which such

change adversely impacts the value, use, desirability or marketebility of the Presenty;

5.2 If the Transaction is a safe, the purchase agreement and/or ascrow instructions to be entered into by and between Owner and a buyer of the

(e) Owner irrevocably instructs the escrow holder to pay from Owner's proceeds accruing to the account of Owner at the close of escrow the Agreed Commission to Agent;

(b) A contingency to the consummation of the sale shall be the payment of the Agreed Commission to Agent at or prior to close of the

(c) No change shall be made by Owner or buyer with respect to the time of, amount of, or the conditions to payment of the Agreed Commission, without Agent's written consent.

ALTERNATIVE TRANSACTION. If the Transaction changes to any other transaction, including, but not limited to, a sale, exchange, option to buy, right of first refusal, ground tease, lease, subsess or assignment of less (collective)" Atternative Transaction"), then Agent shall automatically buy, right of first refusal, ground tease, lease, subsess or assignment of less (collective)" Atternative Transaction"), then Agent shall automatically buy, right of first refusal, ground tease, lease, subsess or assignment of less (collective)" Atternative Transaction when I such Atternative Transaction, under the terms and conditions of this Agreement. If, during the Term hereof, an Atternative Transaction is entered into, then Owner shall pay Agent this Agreed

 EXGLUDED AND REGISTERED PERSONS.
 Owner shall, within 5 business days after the date hereof, provide Agent, in writing, with the names of those persons or entities registered with
 7.1 Owner shall, within 5 business days after the date hereof, provide Agent, in writing.
 Owner by any other broker under any prior agreement concerning the Property ("Excluded Persons", see paragraph 7.6). Owner shall also specify for each Excluded Person the type of transaction the consummation of which during the Term of this Agreement entities such other broker to any or sach Excluded Person the type of transaction the consummation of which during the Term of this Agreement entities such other broker to any compensation ("Excluded Transaction"). Agent may within 10 days of receiving such written list, either (a) accept the Excluded Persons and Excluded Transactions, (b) cancel this Agreement, or (c) attempt to renegotiate this portion of the Agreement with Owner. Once accepted by Agent, the Excluded Transaction commissions such as a substitute at the Excluded Person and specifies the Excluded Transaction for each Excluded Person, then the Agreed Commission sold to Agent with the names of the Excluded Person shall be limited as follows: if such Excluded Transaction is concluded within the first 30 days of the Excluded Transaction to the Term hereof, then Agent shall be paid a commission equal to the reasonable out-of-pocket expenses incurred by Agent in the marketing of the Property during said 30 days; or if such Excluded Transaction is concluded within the first 30 to the entitled of the Property during said 30 days; or if such Excluded Transaction is concluded thring the remainder of the Term hereof, then Agent shall be entitled in a commission equal to the conclusion. If the agentical between the excluded Decreame and Transactions is be entitled to a commission equal to one-half of the Agreed Commission. If the specified information concerning Excluded Persons and Transactions is not provided as self forth herein, then it shall be conclusively deemed that there are no Excluded Persons.

7.2 Agent shall, within 5 business days after the expiration of the Term hereof, provide Owner, in writing, with the name of those persons or

7.2 Agent shall, within 5 business days after the expiration of the Term hereof, provide Owner, in writing, with the name of those persons or entities with whom Agent either directly or through another broker had negotiated during the Term hereof ("Registered Persons", see paragraph 7.4), and specify the type of kansaction of the Property for which such negotiations were conducted ("Registered Transaction"). Those persons or entities who submitted written offers or letter of intent stall, however, automatically be deemed to be Registered Persons for the type of fransaction which was whose of such offer or letter of intent stall, however, automatically Owner of the existence of any other Registered Persons, then it shall be to such offer or letter of intent. If Agent falls to timely notify Owner of the existence of any other Registered Persons, then it shall be conclusively deemed that there are no other Registered Persons. A person or entity shall not be a Registered Person if Agent falls to timely specify a conclusively deemed that there are no other Registered Persons, a person or entity shall not be a Registered Person if Agent falls to timely specify a conclusively deemed that there are no other Registered Persons, a person or entity shall not be a Registered Person if Agent falls to timely specify a conclusively deemed that there are no other Registered Persons or entity. If Agent without a register the client of a Cooperating Broker. The parties are aware that the registration of certain individuals and/or entities write approval of such registration of certain individuals and/or entities approval of such registration of certain individuals and/or entities are aware that the registration of certain individuals and/or entities approved of such registration of certain individuals and/or entities are aware that the registration of certain individuals and/or entities are aware that the registration of certain individuals and/or entities are aware that the registration of certain individuals and/or entities ar

Transaction.

7.4 If, within 180 days after the expiration of the Term hereof, Owner enters into another owner-agency or listing agreement with a broker other than Agent for any transaction concerning the Property, then Owner shall provide to Owner's new broker the names of the Registered Persons and the Registered Transaction for each Registered Person, and provide in such new agreement that the new broker shall not be entitled to receive any of the compensation payable to Agent hereunder for consummation of a Registered Transaction with a Registered Person.

7.5 In order to quality to be an Excluded Person or a Registered Person the Individual or entity must have: lowed the Property, submitted a letter of interest or intert, and/or made an unfer to buy or lease the Property. In addition, Excluded Persons may only be registered by a broker who previously field a valid listing agreement covering the Property, and such broker may only register individuals and entitles actually procured by such

listing broker.

OWNER'S REPRESENTATIONS.

Owner represents and warrents that: (a) Each person executing this Agreement on behalf of Owner has the full right, power and surhority to execute this Agreement as or on

behalf of Owner;
(b) Owner owns the Property and/or has the full right, power and authority to execute this Agreement and to consummate a Transaction as provided herein, and to perform Owner's obligations fereunder;

PAGE 2 OF 4

NITIALS

MITALS

- Neither Owner nor the Property is the subject of a bankruptcy, insolvency, probate or conservatorship proceeding;
 Owner has no notice or knowledge that any issues or subjected a bankruptcy or insolvency (c) (d) proceeding;
- (c) There are no effective, valid or enforceable option rights, rights of first refusal, rights of first offer or any other restrictions, impediments or limitations on Owner's right, ability and capacity to consummate a Transaction, except as disclosed in writing pursuant to Paragraph 3.2(b).
- 9. OWNER'S ACKNOWLEDGMENTS. Owner acknowledges that it has been advised by Agent to consult and retain experts to advise and represent it concerning the legal and tax effects of this Agreement and consummation of a Transaction or Alternative Transaction, as well as the condition and/or logality of the Property, including, but not limited to, the Property's improvements, equipment, soil, tenancies, title and environmental aspects. Agent shall have no obligation to investigate any such matters unless expressly otherwise agreed to in writing by Owner and Agent. Owner further acknowledges that in determining the financial acundeness of any prospective buyer, tessee or security offered, Owner will rely solely upon Owner's own investigation, notwithstanding Agent's assistance in gathering such information.

MISCELLANEOUS.
 10.1 This Agreement shall not be construed either for or against Owner or Agent, but shall be interpreted, construed and enforced in accordance

10.1 This Agreement shall not be construed either for or against Owner or Agent, but shall be interpreted, construed and enforced in accordance with the mutual intent of the parties ascertainable from the language of this Agreement.

10.2 All payments by Owner to Agent shall be made in terval United States currency. If Owner fails to pay to Agent any amount when due under this Agreement, then such amount shall bear interest at the rate of 15% per annum or the maximum rate allowed by law, whichever is less.

10.3 In the event of titigation or arbitration between Owner and Agent arising under or relating to this Agreement or the Property, the prevailing party shall be paid its attorney's fees and coals by the losing party. The term, "Proveting Party shall include, without limitation, one who substantially obtains or defeate the relief sought, so the case may be, whether by compromise, settlement; judgment, or the abandonment by the other party of its eather or defeate the relief sought, so the case may be, whether by compromise, settlement; judgment, or the abandonment by the other party of its eather or defeate the relief sour assembly insured in good feith:

10.4 Notwithstanding enothing in this Agreement to the contrary, Owner shall not pay any commission to Agent in connection with any leas to Bursington Northern Santz F (BINSF). Amtrat, Needles Area Transit (NAT). San Bernardino Associated Governments (SANBAG) or Southern Californic Association of Covernments.

Northern Santa Fe (BNSF), Amtrak, Needes Area Transit (NAT), San Bernardino Associated Governments (SANBAG) or Southern California Association of Governments. Owner agrees to Indomnity, defend (with counsel rescensibly acceptable to Agent), and hold Agent harmless from and against any cleim ser liability associated against Agent as a result of the februe of Owner to make a full and the provided february services to the feet that any of the representations made by Owner (see paragraph 6) were not true at the time that this Agreement was signed:

10.5 Owner hereby releases and relieves Agent, and waives Owner's entire right of recovery against Agent, for direct or consequential loss or demage artising out of or incident to the perits covered by Insurance cambet by Owner, whether or not due to the negligence of Agent.

10.5 In the event that the Transaction is not an outlight sale, Owner agrees that If Agent is not pold the Agreed Commission provided for hereby within thirty days of the date due, that Agent shall have a libra in the amount of such commission, and may record a notice of such lien, ageinst the Beanatete.

Property.

10.7 Owner agrees that no lewest or other logal procooding Involving any breach of duty, over ar amission rotating to the convices to be perform.

10.7 Owner agrees that no lewest or other logal procooding Involving any breach of duty, over after the application of the Torm of this Agreement to by Agont pursuent to that the Robbity (including court costs and attorney's tost) of Agont with respect to any such lewest and/or legal proceeding all not exceed any for received by Agont pursuent to this Agreement; provided, however, that the foregoing limitation on liability shall not be applicable any gross organization or visited measurement agree any gross organization.

Chanda lalfala

11. ARBITRATION OF DISPUTES.

11.1 ANY CONTROVERSY ARISING UNDER OR RELATING TO THIS AGREEMENT SHALL BE DETERMINED BY BINDING ARBITRATION TO BE CONDUCTED BY: D THE AMERICAN ARBITRATION ASSOCIATION OR D
USING THE COMMERCIAL RULES ESTABLISHED BY SUCH ORGANIZATION OR IF NONE THE AMERICAN ARBITRATION ASSOCIATIONS COMMERCIAL RULES. ARBITRATION HEARINGS SHALL BE HELD IN THE COUNTY WHERE THE PROPERTY IS LOCATED.

11.2 NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISINGS OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY.

11.3 WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION. ARBITRATION.

Ananta Initials

Attitut a transia	•
11.4 THE PROVISIONS OF THE ABOVE ARE HAVE PLACED THEIR INITIALS UNDER PARAGRA	itration clause shall not be binding on either party unless both parties PH 11.3.
made a part hereof consisting of paragraphs A review of the Exclusive Right to Represent Owner for Se	I this Agreement are set forth in the following blank lines or in an addendum attached hereto and through (If there are no additional provisions write "NONE"): or Lease of Real Property dated June 10, 2014 ("Original Agreement"), showed that it was not executed by a not fully executed, the parties hereby ratify said Original Agreement by their signatures hereto and said ted on June 10, 2014.

- 13. Disclosures Regarding The Nature of a Real Estate Agency Relationship. When entering into an agreement with a real estate agent an Owner should from the outset understand what type of agency relationship or representation it has with the agent or spents in the transaction.

 (i) Owner's Agent. An Owner's agent may act as an agent for the Owner only. An Owner's agent or subagent has the following effirmative obligations: To the Owner. A fluctary duty of ulmost care, integrity, honesty, and loyelty in dealings. To a potential buyerlessee and the Owner. a. Diligent owneries of reasonable sidts and care in performance of the agent's duties. b. A duty of shorest and fair dealing and good faith. c. A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the disigent ettention and observation of, the Parties. An agent is not obligated to reveal to either Party any confidential information obtained from the other Party which does not known to the agent agent, either acting directly or through one or more associate iscenses, can legally be the agent of both Parties in a transaction, but only with the knowledge and consent of the Parties. In a dual agency altuation, the agent has the following attimative obligations to both Parties: A fiduciary duty of utmost care, integrity, honesty and loyaty in the dealings with either Party. b. Other duties to the Owner as stated above in subparagraph (i). When representing both Parties, an agent may not without the express permission of the respective Party, diaclose to the other Party that the Owner will accept rent/purchase price in an amount less than that indicated in the listing or that the buyer/lessee is willing to pay a higher rent/purchase price than that offered.

The above duties of the Agent do not reseve Owner from the responsibility to protect its own interests. Owner should carefully read all agreements to assure that they adequately express its understanding of title transaction.

ø,	MG.	3	OF	4

"OWNER" "AGENT"

City of Needles	The Ivy Group
<u> </u>	CA BRE License #01526603
by:	Ву:
	Name Printed: Tim vi Tran
Title:	Title: President
Date:	Date:
	Agent BRE License #: 01784630

NOTICE: These forms are often modified to meet changing requirements of law and industry needs. Always write or call to make sure you are utilizing the most current form: AIR Commercial Real Estate Association, 800 W 6th Street, Suite 800, Los Angeles, CA 90017.

PAGE 4 OF 4



Agreed Commission

The following terms and conditions are hereby incorporated and made part of the <u>Exclusive</u>

Right to Represent Owner For Sale or Lease of Real Property dated <u>October 23, 2014</u>, by and between the City of Needles ("Owner") and The Ivy Group ("Agent"), related to the Property located at 950 Front Street, Needles, CA 92363.

Upon execution of a lease agreement, Owner shall pay a commission in the amount of 8% of
the cumulative term of the transaction, to be disbursed as follows:

Agent

3%

Cooperating agent

3%

Heldi Smith

2%

For daily/weekly event bookings, Agent and Heidi Smith shall receive 15% of the gross rental fee of the Property.

Agent The Ivy Group CA BRE #01526603 By:	Heidi Smith CA BRE #01316674 By:	
Tim Vi Tran Title: President Date:	Heidi Smith Title: Date:	
Owner		
City of Needles		
By:		

^{***} Heldi Smith shall be responsible for showing/touring the Property to all potential tenants.

LEASE AGREEMENT (El Garces Unit Lease)

2014 hv and	nt ("Lease") is made and entered into as of this day of between the CITY OF NEEDLES, a charter city ("LESSOR"), and, with offices at ("LESSEE").	
	BACKGROUND	
heing more particularly sho	ertain real property in the City of Needles, located at property is commonly known as the El Garces Station ("Station"), own on Exhibit "A", attached hereto and made a part hereof; and ortion of the Station as defined in Section 1 below.	
LESSEE and LESSOR acknowledge and agree that LESSOR has entered into intergovernmental agreements for the redevelopment of the of the Station as an intermodal transit station ("Project"), including but not limited to, the intergovernmental agreement with Omnitrans to administer Federal Transit Authority ("FTA") grants. Furthermore, LESSEE and LESSOR acknowledge and agree that because the Project is financed in part with FTA funds, there are FTA mandated clauses applicable to this Lease.		
NOW, THEREFORE, in consideration of the terms and conditions set forth herein, LESSOR and LESSEE do hereby agree as follows:		
1. PREMISES		
a. LESSOR hereby leases to LESSEE and LESSEE leases from LESSOR, for the "Term" (as defined below), and pursuant to the terms and conditions set forth herein square feet of space in the Station as delineated on the plan attached and incorporated herein as Exhibit "B", attached hereto and made a part hereof ("Premises").		
b. LESS	EE and LESSOR acknowledge and agree that:	
i.	LESSEE shall use the Premises forpurpose;	
ii.	LESSEE's use of the Premises shall not compromise the safe conduct of the intended purpose of El Garces Station as an intermodal transit facility as determined by LESSOR and FTA;	
iti.	LESSEE's use of the Premises shall not in any way interfere with LESSOR's continuing control over Station or ability to carry out the Project.	
contra	OR also hereby grants to LESSEE, its employees, agents, licensees, actors, passengers and invitees, the nonexclusive right in common LESSOR and all others designated by LESSOR for the use of the non areas and common facilities in the Station and on the land on	

which the Station is located. The Station and the land on which it is located and the "Common Areas" (as defined below) are collectively referred to herein as the "Property". Common areas include public sidewalks, public plazas, public parking areas, public driveways, public and common area, public and common hallways, public and common stairways, public and common elevators, public bathrooms and common area, common loading docks, common entrances, common area lobbies and platforms, other public portions of the Property and the jointly shared pipes, ducts, conduits and wires, as well as, appurtenant meters and equipment serving the Premises ("Common Areas").

2. TERM

- a. The initial term of this Lease shall be for a single 5 year ("Term") commencing seven (7) days after issuance of a Certificate of Occupancy for the Premises ("Commencement Date"). If such Certificate of Occupancy has not been issued by August 1, 2014, LESSEE may cancel this Lease. The Term of the Lease will end five (5) years thereafter, unless (a) sooner terminated (i) by LESSEE giving thirty (30) days' prior written notice to LESSOR that LESSEE's rail passenger service to the city of Needles will relocate or cease or (ii) extended by LESSEE as provided below.
- b. On or about the Commencement Date, LESSOR shall execute and deliver to LESSEE a Declaration of Commencement ("Declaration") in the form attached hereto as Exhibit D. LESSEE shall promptly execute such Declaration confirming the Commencement Date and return such to LESSOR.
- c. LESSEE shall have the option to extend the Term of this Lease for one additional five (5) year term by giving notice of its intent to exercise this option at least sixty (60) days before the end of the then current term. Any extended term shall be upon all the same terms and conditions as set forth in this Lease and such extension shall be included as part of the Term.

3. RENT

a. Rent. LESSEE shall pay rent in the amount of _____ per Term ("Rent"), receipt of the Rent is hereby acknowledged by LESSOR

b. Common Area Expenses.

In addition to Rent, LESSEE shall pay to LESSOR its share of Operating Expenses expended by LESSOR to maintain the Common Areas. LESSEE's share of Operating Expenses shall be equal to the proportion which the leased Premises bear to the total area of the Station. For purposes of this Agreement, "Operating Expenses" shall include all costs of every kind and nature which LESSOR shall pay or become obligated to pay because of or in connection with the ownership, management, maintenance, repair and operation of the Station including, but not limited to, all the following (including appropriate reserves):

(i) Cost of all utilities (including surcharges) including, but not limited

to, gas, water, sewer, electricity, heating, lighting, air conditioning and ventilating for the Station and the Premises, but excluding electricity or other utility separately paid for by individual tenants;

- (ii) Cost of all supplies and materials used in the operation, maintenance and repair of the Common Areas;
- (iii) Cost of landscaping, gardening, paving, resurfacing, line painting, striping, lighting, snow removal, sanitary control; and maintaining, repairing, replacing or relocating any site utilities;
- (iv) Cost of all maintenance and service agreements for the Property and the equipment used thereon including, but not limited to, Heating, ventilation and air conditioning ("HVAC"), access control and energy management services, security, window cleaning, elevator, trash and rubbish removal, and janitorial and cleaning service;
- (v) Cost of insurance relating to the Property, including, but not limited to, the cost of casualty and liability insurance applicable to the Station and LESSOR's personal property used in connection therewith:
- (vi) Cost of real estate taxes, assessments or fees assessed against or related to the Property;
- (vii) Costs related to any pest control services necessary to maintain the Station;
- (viii) Costs of any wages and salaries paid to any building manager or engineer hired by LESSOR to assist LESSEE in the operation of the Premises.

b. Audit Rights

LESSEE or the Federal Railroad Administration, their respective agents, designees and accountants shall have the right at any time or from time to time for up to five (5) years after this Lease is terminated, and after advance notice to LESSOR, to make any examination or audit of LESSOR's books and records which relate in any way to the Station. If it is determined that the Operating Expenses, or any other charges to LESSEE are in error, then LESSOR shall pay any overpayment to LESSEE and LESSEE shall pay any underpayment to LESSOR.

4. USE

LESSEE may occupy and use the Premises for any lawful purpose reasonably related to the operation of a rail passenger station and LESSEE's business operations, including ticketing, waiting area for passengers, related mail, package, baggage, and express services and

office, mechanical and/or engineering facilities, connecting bus service and operations incidental to LESSEE's business.

5. HOURS OF OPERATION

LESSEE shall have the right to keep the Premises open from ____ to ____ and/or at such times as may be approved by LESSOR.

6. UTILITIES

LESSOR shall make all arrangements for the provision of all utilities necessary for LESSEE's occupancy and use of the Premises.

7. SIGNS

LESSEE's business signs, including all signs designed, erected, placed or maintained by LESSEE, or allowed to be erected, placed, or maintained by it, on the Property prior to the Commencement Date ("Existing Signs") are deemed approved by LESSOR. LESSEE may (a) keep and maintain Existing Signs on the Property throughout the Term of this Lease, and (b) replace any or all Existing Signs with new signs of similar content when such replacement is warranted in LESSEE's sole discretion (any such replacement signs shall be deemed Existing Signs). Prior to replacing any Existing Signs with signs of substantially different content or erecting or installing any signs in addition to Existing Signs, LESSEE must notify LESSOR of its intention to do so. LESSEE shall not erect or install any sign in the Station in violation of any applicable law, ordinance, rule or regulation of any governmental agency.

LESSEE's business signs and signs needed for security or ADA compliance or other signs required for LESSEE to be in compliance with any laws, statutes, regulations or government requirements are deemed approved by LESSOR ("Business Signs"). LESSEE may (a) keep and maintain Business Signs on the Property throughout the Term of this Lease. All other signs shall not be erected without the prior approval of LESSOR, which approval shall not be unreasonably denied, delayed or conditioned. LESSEE shall not erect or install any sign in the Station that violates any applicable law, ordinance, rule or regulation of any Federal agency.

8. MAINTENANCE, REPAIR AND SERVICES

- a. Except as otherwise specifically provided herein, LESSEE, at its sole cost and expense, shall be responsible for the maintenance, repair and upkeep of the Premises, including the maintenance, repair, replacement and alteration of the Premises and all fixtures, equipment, components and systems that are a part of the Premises or necessary to LESSEE's use and occupancy of its Premises.
- b. LESSEE shall pay all costs, expenses, fees, taxes and sums related to its operation and maintenance of the Premises before delinquency.

- c. LESSOR shall be responsible to provide:
- (i) HVAC for the Station, including the Premises, during all hours of operation as approved by LESSOR, to maintain temperatures in the interior portions of the Station at commercially reasonable levels, as appropriate depending on the outside weather conditions. LESSOR may stop the heating and cooling systems when necessary by reason of accident or emergency or for repairs, alterations, replacements or improvements, which, in the reasonable judgment of LESSOR, are desirable or necessary. LESSOR agrees to make any necessary repairs, alterations, replacements or improvements to the heating and cooling systems as quickly as possible, with due diligence, and with the minimum interference with LESSEE's use of the Premises.
 - (ii) Janitorial services to the Station as specified in Exhibit C;
- (iii) Hot and cold water sufficient for drinking, lavatory, toilet and ordinary cleaning purposes to be drawn from approved fixtures in the Station Common Areas;
- (iv) Electricity to the Premises in quantities reasonably necessary for LESSEE's purposes and use permitted hereunder;
- (v) Replacement of lighting tubes, lamp ballasts, starters and bulbs within the Station;
- (vi) Extermination and pest control as often as may be deemed reasonably necessary in the exercise of prudent management practices. When possible, such work shall be performed at times other than when passenger train and bus operations are scheduled;
 - (vii) Maintenance, cleaning and upkeep of the Common Areas;
- (viii) A building manager or engineer capable of responding to LESSEE's requests for service within a reasonable time period.
- d. LESSOR shall cause utilities (electricity, water, sewer, etc.) to be supplied to the Station, including provision of such utilities to the Premises at levels and in amounts reasonably sufficient for LESSEE's use and occupancy of the Premises as provided in Section 4 of this Lease.
- e. Notwithstanding anything to the contrary in this Lease, if LESSOR fails in any of its obligations under this Section 8, and such failure continues for more than thirty (30) consecutive days after written notice from LESSEE, LESSEE may provide any REASONABLY NECESSARY maintenance, repairs and services or arrange for the provision of such. In the event LESSEE provides any such maintenance, repairs or service, LESSOR shall reimburse LESSEE for the reasonable cost and expense of such maintenance, repairs and services that are LESSOR's responsibility under this Lease within forty-five (45) days of written notice from LESSEE for such payment. Upon request of LESSOR, LESSEE shall supply LESSOR with written verification of all costs.

9. ALTERATIONS AND IMPROVEMENTS

LESSEE shall have the right to make alterations and improvements to the Premises before or after the Commencement Date, subject to the following terms and conditions:

- a. No alterations or improvements made by LESSEE shall in any way impair the structural stability of the Premises.
- b. LESSEE shall request LESSOR's approval prior to making any alterations or improvements that are consistent with the design and architecture of the Station. All alterations or improvements must be approved in advance in writing by LESSOR. LESSOR's approval shall not be unreasonably withheld, conditioned or delayed.
- c. LESSEE shall cause the Premises to be kept free and clear of any mechanic's lien or materialmen's liens which may arise out of the construction of any such alterations or improvements by LESSEE.
- d. Except for LESSEE's personal property and trade fixtures (including machinery, equipment and furnishings), all alterations and improvements that are permanently affixed to the Station shall become the property of the LESSOR and shall remain on and be surrendered with the Premises at the expiration or sooner termination of this Lease or any extension of the Term of this Lease.
- e. LESSEE's personal property and its trade fixtures, including machinery, equipment, and furnishings, shall remain the property of LESSEE and may be removed by LESSEE at any time during the Term or upon the expiration or sooner termination of this Lease (including any extension term). LESSEE shall repair any damage to the Premises or Station caused by LESSEE's removal of its personal property, trade fixtures, or equipment (returning the Premises to the condition existing upon entering into this Lease, reasonable wear and tear excepted), but LESSEE shall have no obligation to remove such items from the Station at any time.
- f. LESSEE, in its sole discretion and without limiting the obligations of LESSOR herein, may (after 5 days written notice to LESSOR) make improvements to the Premises or adjacent areas for ADA purposes. If LESSEE chooses to make such improvements, LESSEE may enter in, on over, through and upon any property of LESSOR to obtain reasonable access to make such improvements. LESSOR's approval shall not be required for improvements required by the ADA.
- LESSEE, in its sole discretion and without limiting the obligations of LESSOR herein, may make improvements to the Premises or adjacent areas for security purposes, to include the right to install security cameras and intrusion detection systems. If LESSEE chooses to make such improvements, LESSEE may enter in, on, over, through and upon any property of LESSOR to obtain reasonable access to make such improvements. LESSOR's approval shall not be required for improvements required for security and LESSOR shall not be entitled to further compensation. To the extent that LESSOR has or will have security cameras or

intrusion detection systems installed, LESSOR agrees, without further compensation, that LESSEE, LESSOR and law enforcement officials shall have the right to access information, recordings, feeds and video from such security systems and LESSEE may share such information with federal, state or local law enforcement agencies for security purposes.

10. INSURANCE AND INDEMNIFICATION

- a. LESSEE shall indemnify, defend, and hold harmless LESSOR from and against any and all liability, loss, damage, expense, costs (including without limitation costs and attorneys' fees related to litigation) due to bodily injury, including death, to any person, or loss or damage (including loss of use) to any property, caused by the actual or alleged negligent or willful misconduct of LESSEE, its employees, agents or passengers, in connection with use of the Premises, Station or adjacent areas.
- b. LESSEE shall cover its indemnity obligations hereto under its corporate-wide self-insurance program.
- c. LESSEE shall cause all its subcontractors who perform work at the Station to add LESSOR and LESSEE as additional insureds on subcontractors' general and auto liability insurance policies and to carry legally required workers compensation insurance.
- d. To the extent permitted by law, LESSOR shall indemnify, defend and hold harmless LESSEE, its officers, officials, employees and agents from and against any and all liability, loss, damage, expense, costs (including without limitation, costs and fees of litigation) due to bodily injury, including death, to any person, or loss or damage (including loss of use) to any property, caused by the negligence, or willful misconduct of LESSOR, its officers, officials, directors, its employees or agents in operating the station or adjacent areas; and
- e. LESSOR shall procure and maintain or cause to be procured and maintained, throughout the Term of this Lease general liability insurance coverage for the Station and property insurance on the Station, with LESSEE designated as an additional insured.

11. DAMAGE OR DESTRUCTION

In the event of destruction, or substantial damage, to the Premises during the Term of this Lease which LESSEE determines renders the Premises unusable to LESSEE, in LESSEE's sole discretion, LESSOR shall have the option of:

- a. Within one hundred eighty (180) days after such damage or destruction, replacing or rebuilding the Station, including the Premises, and in such manner and according to such plans and specifications which would restore the Station, including the Premises, to substantially the same condition as immediately before its destruction or substantial damage, in which event LESSOR shall provide suitable temporary facilities while such replacement or rebuilding is ongoing; or
- b. Declining to replace or rebuild, in which event LESSEE shall have the option of terminating this Lease Agreement by written notice.

c. LESSOR shall notify LESSEE within thirty (30) days after such damages or destruction of LESSOR's decision to rebuild the Station including the Premises or declining to rebuild. During the 180 day repair or replacement period identified in Subsection (a) above, LESSEE shall have no obligation to: (1) Pay any costs or expenses associated with the Station, including the Premises, required under this Lease; or (2) Provide any services including janitorial services to the Premises required under this Lease.

12. EMINENT DOMAIN

Eminent domain proceedings resulting in the condemnation of part of the Premises herein that leave the remaining portion usable by LESSEE for purposes of the business for which the Premises are leased in LESSEE's sole opinion, will not terminate this Lease Agreement. If LESSEE, in its sole opinion, determines that the remaining portion is not usable by LESSEE, LESSEE may terminate this Lease by giving written notice of termination to LESSOR no more than ninety (90) days after the notice of condemnation or taking. The effect of such condemnation, should LESSEE not terminate this Lease, will be to terminate this Lease Agreement as to the portion of the Premises condemned and leave it in effect as to the remainder of the Premises, and the Rent and all other expenses provided for herein shall be adjusted accordingly. Compensation awarded as a result of such condemnation shall be that of LESSOR, except to the extent that part of the award is allocated as damages to fixtures on the Station which were furnished by LESSEE.

13. ACCEPTANCE

LESSEE hereby acknowledges that when it occupies the Premises it shall be deemed to have received the Premises in good order and condition unless LESSEE notifies LESSOR of defects or problems with the Premises within ninety (90) days after LESSEE takes occupancy. If LESSEE notifies LESSOR in writing as aforesaid, LESSOR shall make reasonably necessary repairs to defects or problems identified by LESSEE within thirty (30) days after the date of the notice.

14. SUBLEASE AND ASSIGNMENT

a. LESSEE shall not assign or sublet the whole or any part of the Premises without prior written consent of LESSOR and the FTA, if applicable, which consent shall not be unreasonably withheld. Any rent or other payments received from such sublease or assignment shall belong to LESSOR. This provision requiring LESSOR's consent shall not apply, and LESSEE shall be permitted to assign or sublet to any entity whose management and operation is indirectly or directly controlling, controlled by or under common control with LESSEE or if such assignment or subletting is due to or arises out of any judicial or legislative action or mandate, and any such transfers shall not be deemed an assignment or subletting.

15. DEFAULT BY LESSEE

The failure of LESSEE to substantially perform or keep or observe any of the terms, covenants and conditions which it is obligated to perform, keep or observe under this

Lease within thirty (30) calendar days after written notice from LESSOR identifying the specific term, covenant, or condition and requesting LESSEE to correct or to commence correction for any such deficiency or default or such longer time period if the correction cannot be completed within said 30 days, provided that LESSEE has commenced such correction, shall constitute an "Event of Default" by LESSEE.

RIGHTS OF LESSOR AFTER DEFAULT BY LESSEE

In the event that LESSEE commits an Event of Default, LESSOR, in addition to any other remedy given by law or equity, may:

a. Continue this Lease in effect by not terminating LESSEE's rights to possession of the Premises, in which case LESSOR shall be entitled to enforce all of LESSOR's rights and remedies under this Lease, including the right to recover the rent specified in this Lease as it becomes due under this Lease;

b. Terminate this Lease and recover from LESSEE:

- (i) The worth, at the time of the award, of the unpaid rent that had been earned at the time of the termination of the Lease;
- (ii) The worth, at the time of award, of the amount by which the unpaid rent that would have been earned after termination of the Lease until the time of award exceeds the amount of rental loss that LESSEE proves could have been reasonably avoided;
- (iii) The worth, at the time of award, of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of rental loss that LESSEE proves could be reasonably avoided; and
- (iv) Any other amount necessary to compensate LESSOR for all detriment proximately caused by LESSEE's failure to perform the obligations under this Lease; or

Terminate the Lease and, in addition to any recoveries LESSOR may seek under subsection (b) of this section, bring an action to reenter and regain possession of the Premises in the manner provided by the laws of unlawful detainer then in effect in California.

17. TERMINATION FOR CONVENIENCE

LESSOR may terminate this Lease, in whole or in part, by written notice to LESSEE at any time after the LESSOR has been notified that the Federal government has determined that it is in the Federal government's best interest to do so. LESSEE shall be paid its costs and shall promptly submit its "Termination Claim" to LESSOR to be paid.

18. TERMINATION BY LESSOR

No act of LESSOR, including but not limited to LESSOR's entry on the

Premises or efforts to relet the Premises, or the giving by LESSOR to LESSEE of a notice of default, shall be construed as an election to terminate this Lease unless a written notice of LESSOR's election to terminate is given to LESSEE or unless termination of this Lease is decreed by a court of competent jurisdiction.

19. LESSOR'S DEFAULT

In the event LESSOR fails to perform any covenant or obligation required to be performed under this Lease, and such failure continues for more than thirty (30) calendar days after written notice from LESSEE identifying such failure, such failure shall constitute an "Event of Default" by LESSOR. If an Event of Default by LESSOR occurs, LESSEE, at its sole option and discretion, may: (1) perform such covenant or obligation on behalf of LESSOR in which event the LESSOR shall reimburse LESSEE all reasonable expenses associated with LESSEE's performance within twenty (20) days after LESSEE presents an invoice to LESSOR for such performance; (2) terminate this Lease; or (3) pursue any and all rights and remedies available at law or in equity. Notwithstanding anything in this Lease to the contrary, in no event will LESSOR be liable to LESSEE for special, punitive, incidental or lost use/profit/revenue damages.

20. OUIET ENJOYMENT

If and so long as LESSEE shall keep all the covenants and agreements required by it to be kept under this Lease, LESSOR covenants and agrees that it and anyone claiming by through or under LESSOR shall not interfere with the peaceful and quiet occupation and enjoyment of the Premises by LESSEE.

21. RIGHT OF ENTRY UPON PREMISES

LESSOR and its agents and employees shall have the right to enter upon the Premises, after seven (7) days written notice (or immediately in the event LESSOR determines any emergency exists), to inspect the Premises to determine if LESSEE is performing the covenants of this Lease, on its part to be performed, to post such reasonable notices as LESSOR may desire to protect its rights, and to perform service and maintenance pursuant to its obligations under this Lease.

22. DEBARMENT AND SUSPENSION.

LESSEE agrees to, and assures that its subcontractors at any tier agree to, comply with Executive Orders Nos. 12549 and 12689, "Debarment and Suspension," 31 U.S.C. § 6101 note, and U.S. Department of Transportation ("U.S. DOT") regulations, "Governmentwide Debarment and Suspension (Nonprocurement)," 49 C.F.R. Part 29. LESSOR agrees to, and assures that its subcontractors will, review the Excluded Parties Listing System at http://epls.arnet.gov/ before entering into any contracts.

23. COMPLIANCE WTH LAWS, ORDINANCES, AND RULES

LESSEE agrees to conform to and not violate any applicable Federal, State and local laws, city and county ordinances, rules, regulations, and requirements now existing or hereinafter created affecting LESSEE's use and occupancy of the Premises. LESSOR agrees to conform and comply with all applicable laws, ordinances, rules, regulations and requirements of federal, state, county or other governmental authorities and various departments there of now existing or hereinafter created regarding LESSOR's ownership and maintenance of the Station, including compliance with the Americans with Disabilities Act.

24. CIVIL RIGHTS LAWS

LESSER agrees to, and assures that its subcontractors at any tier agree to, comply with all applicable civil rights laws and implementing regulations including, but not limited to, the following:

- a. Nondiscrimination in Federal Public Transportation Programs. LESSEE agrees to, and assures that its subcontractors at any tier agree to, comply with the provisions of 49 U.S.C. § 5332, which prohibit discrimination on the basis of race, color, creed, national origin, sex, or age, and prohibits discrimination in employment or business opportunity.
- b. Nondiscrimination Title VI of the Civil Rights Act. LESSEE agrees to, and assures that its subcontractors at any tier agree to, comply with all provisions prohibiting discrimination on the basis of race, color, or national origin of Title VI of the Civil Rights Act of 1964, as amended, 42 U.S.C. §§ 2000d et seq., and with U.S. DOT regulations, "Nondiscrimination in Federally-Assisted Programs of the Department of Transportation Effectuation of Title VI of the Civil Rights Act," 49 C.F.R. Part 21.
- c. Equal Employment Opportunity. LESSEE agrees to, and assures that its subcontractors at any tier agree to, comply with all equal employment opportunity ("EEO") provisions of 49 U.S.C. § 5332, with Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. § 2000e, and implementing Federal regulations and any subsequent amendments thereto
- d. Access for Individuals with Disabilities. LESSEE agrees to comply with 49 U.S.C. § 5301(d), which states the Federal policy that elderly individuals and individuals with disabilities have the same right as other individuals to use public transportation services and facilities, and that special efforts shall be made in planning and designing those services and facilities to implement transportation accessibility rights for elderly individuals and individuals with disabilities. LESSEE also agrees to comply with all applicable provisions of section 504 of the Rehabilitation Act of 1973, as amended, with 29 U.S.C. § 794, which prohibits discrimination on the basis of disability; with the Americans with Disabilities Act of 1990 ("ADA"), as amended, 42 U.S.C. §§ 12101 et seq., which requires that accessible facilities and services be made available to individuals with disabilities; and with the Architectural Barriers Act of 1968, as amended, 42 U.S.C. §§ 4151 et seq., which requires that buildings and public accommodations be accessible to individuals with disabilities.

25. <u>DISADVANTAGED BUSINESS ENTERPRISE</u>

LESSEE agrees to, and assures that its subcontractors at any tier agree to, facilitate participation by Disadvantaged Business Enterprises ("DBEs") in the Project. Therefore:

- a. LESSEE agrees and assures that it will comply with section 1101(b) of SAFETEA-LU, 23 U.S.C. § 101 note, and U.S. DOT regulations, "Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs," 49 C.F.R. Part 26.
- b. LESSEE agrees and assures that it shall not discriminate on the basis of race, color, sex, or national origin in the award and performance of any third party contract, or subagreement supported with Federal assistance derived from U.S. DOT in the administration of its DBE program and will comply with the requirements of 49 C.F.R. Part 26. LESSEE agrees to take all necessary and reasonable steps set forth in 49 C.F.R. Part 26 to ensure nondiscrimination in the award and administration of all third party contracts and subagreements supported with Federal assistance derived from U.S. DOT.
- c. Activities Not Involving Construction. LESSEE agrees to comply, and assures the compliance of each third party contractor and each subrecipient at any tier of the Project, with the employee protection requirements for nonconstruction employees of the Contract Work Hours and Safety Standards Act, as amended, 40 U.S.C. §§ 3701 et seq., in particular the wage and hour requirements of section 102 of that Act at 40 U.S.C. § 3702, and with U.S. DOL regulations, "Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction (also Labor Standards Provisions Applicable to Nonconstruction Contracts Subject to the Contract Work Hours and Safety Standards Act)," 29 C.F.R. Part 5.
- d. <u>Activities Involving Commerce.</u> LESSEE agrees that the provisions of the Fair Labor Standards Act, 29 U.S.C. §§ 201 et seq., apply to employees performing Project work involving commerce.

26. NO OBLIGATION BY THE FEDERAL GOVERNMENT.

a. LESSOR and LESSEE acknowledge and agree that, notwithstanding any concurrence by the Federal Government in or approval of the solicitation or award of the underlying contract, absent the express written consent by the Federal Government, the Federal Government is not a party to this Lease and shall not be subject to any obligations or liabilities to the LESSOR, LESSEE, or any other party (whether or not a party to that contract) pertaining to any matter resulting from the underlying contract.

27. CONDITION OF PREMISES UPON SURRENDER

When LESSEE vacates the Premises at the expiration of the Term or earlier termination of this Lease, whichever occurs first, LESSEE shall leave the Premises in the same condition as when LESSEE received possession, ordinary wear and tear excepted, and as may be altered, modified or improved in accordance with the terms of this Lease.

28. NON-WAIVER

Any waiver of any breach of covenants or conditions herein contained to be kept and performed by either party shall be effective only if in writing and shall not be deemed or considered as a continuing waiver. Any waiver shall not operate to bar or prevent the waiving party from declaring a forfeiture or exercising its rights for any succeeding breach of either the same or other condition or covenant.

29. PARTNERSHIP DISCLAIMER

It is mutually understood and agreed that nothing in this Lease is intended or shall be construed in any way as creating or establishing the relationship of partners or joint venturers between the parties hereto, or as constituting LESSEE as an agent or representative of LESSOR for any purpose or in any manner whatsoever.

30. PARTIES BOUND

Except as otherwise specifically provided in this Lease, this Lease shall bind and inure to the benefit of the parties hereto and their respective administrators, legal representatives, successors and assigns.

NOTICES

Notices given under the terms of this Lease must be in writing and shall be deemed properly served if such notice is hand delivered or mailed by certified mail, return receipt requested, or sent by an established overnight commercial courier for delivery on the next business day with delivery charges prepaid, addressed to the other party at the following address, or such other address as either party may, from time to time, designate in writing:

LESSOR:	LESSEE:	
City of Needles	LESSEE	
Attn: City Manager		-
817 3rd Street Needles, CA 92363	Attn:	-
	With a copy to:	
		_
	Attn:	-

Notice mailed in accordance with the provisions hereof shall be deemed to have been given as to the date of hand delivery or the third business day following the date of such mailing, whichever is earlier.

32. LEGAL CONSTRUCTION

In the event any one or more of the provisions contained in this Lease Agreement shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Lease Agreement shall be construed as if such invalid, illegal or unenforceable provision has never been contained herein.

This Agreement is entered into and to be performed in Needles, California. All adjudication relating to this Lease shall be in Federal Courts located in Riverside California and California laws shall apply to its interpretation and enforcement of this Lease.

33. TIME OF ESSENCE, BINDING UPON HEIRS, ETC.

Time is of the essence of each and all the terms and provisions of this Lease t and the terms and provisions of this Lease Agreement shall extend to and be binding upon and inure to the benefit of the, administrators, successors and assigns of the respective parties hereto.

34. NUMBER AND GENDER

All words used herein in the singular number shall include plural and the present tense shall include the future, and the masculine gender shall include the feminine and neuter.

35. ENTIRE AGREEMENT

This Lease contains the sole and only agreement of the parties. Any prior agreements, promises, negotiations or representations, relating to the subject matter herein, not expressly set forth in this Lease are of no force or effect.

36. LANGUAGE CONSTRUCTION

The language of each and all paragraphs, terms, and/or provisions of this Lease shall, in all cases and for any and all purposes, and any and all circumstances whatsoever, be construed as a whole, according to its fair meaning, and not for or against any party hereto and with no regard whatsoever to the identify or status of any person or persons who drafted all or any portion of this Lease.

37. HOLDING OVER

If LESSEE shall hold over the Premises, after expiration of the Term or any extension thereof, such holding over shall be construed to be only a tenancy from month to month subject to all of the covenants, conditions and obligations contained in this Lease provided, however, that nothing in this paragraph shall be construed to give LESSEE any rights to so hold over and to continue in possession of the Premises without the consent of LESSOR.

38. AMENDMENT

This Lease, including any exhibits hereto, shall not be amended, except in writing signed by the parties. Any amendment or addendum to this Lease shall expressly refer to this Lease.

39. RECORDING OF LEASE

This Lease may be recorded by LESSOR or LESSEE with the San Bernardino County Recorder's Office. This Lease shall not be subordinate to any other liens, mortgages or encumbrances unless such owner or holder of the lien, mortgage or other encumbrance signs a nondisturbance agreement approved by LESSEE, in its sole discretion, prior to any disposition of the Station.

IN WITNESS WHEREOF, the parties hereto have affixed their signatures the day and year first above written.

"LESSOR"	"LESSEE"
CITY OF NEEDLES	
Ву:	Ву:
Mayor Edward Paget	

Exhibit "B"

EL GARCES MEETING ROOM POLICY

FEES:

Flat Rate of \$300 (3% surcharge will be added when processing payment with a credit card)

CATEGORY OF USERS

GOVERNMENT: All official City of Needles activities or sponsored events are without fees. Examples include Commission meetings, City training seminars, etc. All other government units shall be assessed a user fee set by City Council

NON-PROFIT ORGANIZATIONS: A residential non-profit organization is one with a Needles street address, and is registered as a non-profit corporation with the State of California with a 501(c) (3) identification, or if unincorporated, is clearly a Needles-based organization without profit motive. Resident non-profit groups are required to show proof of their 501(c) 3 status. If not provided, the resident non-profit status may be obtained by providing a roster of club members, of which 50% are required to be Needles residents.

PROFIT/COMMERCIAL ORGANIZATIONS: Any organization not meeting the definitions above.

SECURITY DEPOSIT AND ROOM RENTAL FEES

- All rentals are on a first come, first served basis.
- 2) You must be 21 years of age to rent the room.
- The meeting room shall be available, in hourly blocks of time, from 6:00 a.m. to 10:00 p.m. Time reserved/paid must include setup and cleanup time.
- The meeting room will not be available on legal holidays.
- Meeting room may be reserved six months in advance.
- 6) Application for use of the meeting room shall be made at City Hall offices on weekdays, except holidays, between the hours of 8:30 a.m. and 4:00 p.m.
- A completed application form, and security deposit, are required at least two weeks before the date requested. The City Manager shall approve or disapprove the application in a timely manner.
- A security/cleaning deposit will be required for each rental of the meeting room and is necessary to hold a reservation. The security/cleaning deposit amount for rental is \$200. This security/cleaning deposit is separate from the rental fee and will be returned within a month after the event, provided the room is left in the same condition as when it was rented. If damages or losses occur, the amount will be deducted from the security/cleaning deposit with any excess damages charged to the Rental Applicant demanding payment within thirty (30) days
- Any cancellation request must be made in writing to the City Manager, and must be received no later than one week prior to the date of rental.
- 10) Fees shall be refunded only if cancellation is received at least one week prior to the scheduled use.

Page 2 El Garces Room Rental Policy

- Applications must be submitted in person or through the mail. A faxed application will not be accepted. An application form must be completed and approved, and the fee must be paid upon submission of the application to guarantee usage of the room.
- 12) If the meeting attendance will include minors, there must be at least one adult for every ten minors.
- 13) Floor plans must be submitted at least (10) days in advance of the rental.

RULES FOR USE

- The Rental Applicant shall remain on the premises the entire time the rental is being used. If any damages occur, Rental Applicant shall be held responsible and will be billed for any repairs that are required. The Rental Applicant shall remove any decorations or signs inside and out.
- Groups shall not arrive before the authorized rental time and shall leave the premises at the expiration time. Set up and clean up is to be done during the time of the rental
- Rental of the El Garces meeting room includes use of the meeting room and bathrooms; it does not include access to any other area of the facility.

a)	Use of the fountain area is \$N/A	
b) .	Use of the intermodal space is \$N/A	****

- 4) Parking for events will be located in the empty lot across from the El Garces and not the west-end parking lot area.
- The City's City Manager has jurisdiction over the facility at all times.
- The meeting room must be completely unoccupied by 10:00 P.M.
- 7) The meeting room shall not be used for purposes prohibited by City Ordinance, or by State or Federal Law.
- 8) Food service in the meeting room is limited to drinks and snacks, unless prior approval is given by the City Manager.
- 9) The setup and cleanup of the meeting room is the responsibility of the Rental Applicant. City staff will inspect the room before and after the event, and failure to return the room to the condition in which it was found may result in denial of any future usage of the meeting room facilities.
- 10) Any signage must be free standing and approved through the City Manager before posting.
- 11) No cooking is to be done within the facility, and the City recommends a caterer be utilized.

Page 3 El Garces Room Rental Policy

- 12) No storage space is available. All attempts should be made to have deliveries made no more than 2 hours before the event is to take place.
- 13) The room is expected to be returned to the condition that existed at the time of rental.
- 14) NO scotch tape, masking tape, nails, tacks or any other material(s) that creates holes on walls, ceilings, etc. are to be used.
- 15) Open flame is prohibited
- 16) Profanity and unruly or abusive language or behavior will not be tolerated and may result in ejection from the facility and/or termination of the event.
- 17) Failure to comply with any rule or regulation governing use of the meeting room is cause for denial of any future use of the facility.
- 18). Any misrepresentation of the description of the nature, type or size of use to be undertaken at the rental premises shall cause the applicant's rental agreement to become null and void at the opinion of the City of Needles, and may preclude any future rental of City facilities.
- 19) Permission to use the meeting room shall not be constructed as an endorsement of the policies, beliefs, or programs of the user.
- 20) Consumption, sale, or use of alcoholic beverages, or tobacco products, is prohibited anywhere on the grounds and/or within the El Garces facility
- 21) Refuse to Rent. The City reserves the right to refuse rental of the hall to any person or group who has previously left the hall dirty or in disrepair, who is utilizing it for a function deemed not in the best interests of the citizens of Needles, who is utilizing it for a function promoting illegal violence or other illegal or immoral acts or promotions, or for other good cause shown.
- 22) Tables and chairs are the responsibility of the tenant.

ALCOHOLIC BEVERAGES

Rental Applicants desiring to serve alcoholic beverages at functions held in the El Garces meeting room shall make application to the City Manager and comply with the following requirements:

- a) applicant shall obtain an () permit from the Dept. of ABC and be in compliance with such permit.
- b) One off-duty Sheriff's police officer shall be hired for the duration of the function as security guard.
- Applicant shall obtain a \$1,000,000 liquor liability policy. The City shall be named as an additional insured and a Certificate of Insurance shall be submitted with the application prior to the event date.
 d) The City Manager or his designee has the authority to deny an application to serve alcoholic beverages in order to protect the health and safety of the users of the Recreation Center.

Page 4 El Garces Room Rental Policy

- d) Alcohol Beverages must be served by persons 21 years of age or older during time of use.
- PLEASE NOTE: The City of Needles, nor the employees of the City shall be held accountable for any items that are lost or stolen at the facility from the rental group or member/companies providing services and equipment for the rental party. The Rental Applicant shall indemnify and hold harmless the City of Needles, and any and all employees and agents at all times from any claims or damages on account of injury to anyone using the facility and/or grounds in connection with the function sponsored or operated by the Rental Applicant, and/or growing out of their use and occupancy of the said facility/grounds, or through any defect in said premises, including sidewalks adjoining the same and use or operation thereof.

Rental Applicant must sign the Rental Contract. By signing the contract, the Rental Applicant acknowledges that he/she is responsible for ensuring that all guests adhere to the above rules and all rules and regulations of the City.

Applicant has read and understands the Rules and Regulations governing the use of the El Garces Facilities and agrees to follow them

Print Name:	Signature: (verify I.D.)
Date:	

EL GARCES Revenue & Expense

* Chamber revenue for FY24 for a full year will be \$4,268

^{**} Large increase in appraised value of El Garces caused increase in property insurance

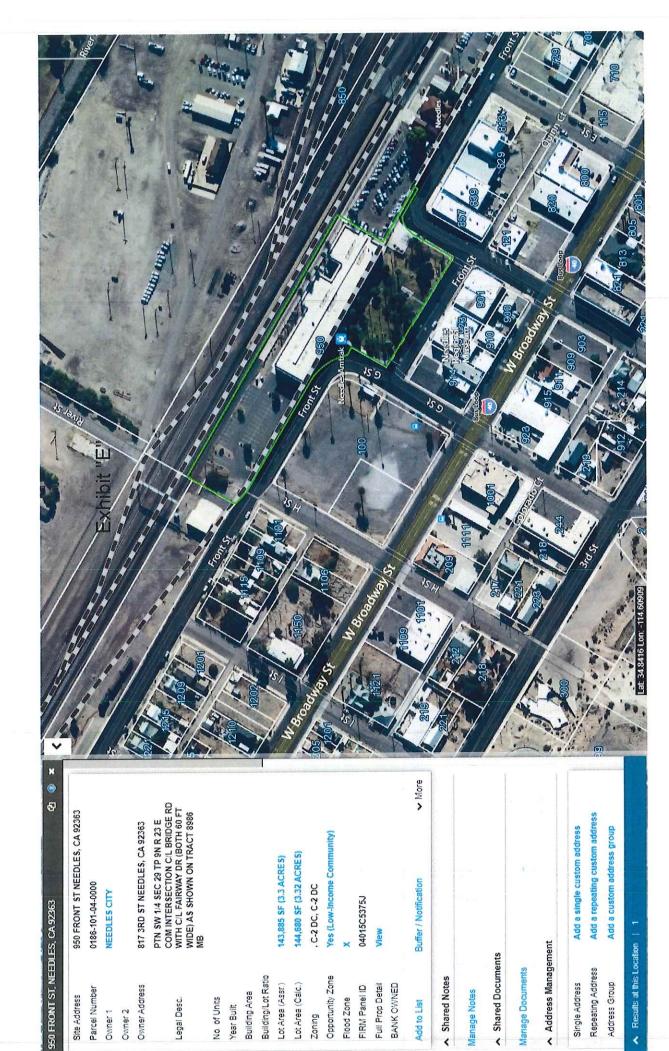
Exhibit "D"

City of Needles Rules and Regulations Governing City-Owned El Garces Facilities and Rooms Application for Use

Contact: Jan Jernigan 950 Front St Phone: (760)326-4007 email: janet@jerniganinsurance.com

3% surcharge will be added when processing payment with a credit card

Facility or Room Requested:	Today's Date/Time:	
	Time Reserved: Begin: End: (set-up and take down time must be included)	
Event Contact Person:	Group/Organization:	
Address:	Email:	
Home Telephone:	Cell Phone:	
City/State:		
Name(s) and Telephone Number(s) of Chaper	one(s) if applicable (adult must be present at all times):	
Type of Activity:	Number of People Expected:	
	Name of Caterer:	
	Spirituous Liquor:Permit#	
Set up Configuration:		
List of Equipment being used for event:		
Security Deposit: Room R	ental Fee:Rent Total:	
Rent Paid: Balance Due:	(14 days before use):	
Smoking anywhere inside the building is prohi	pited.	
statements are true to the best of my k facility, and agree that our group w governing the use of the facility. I also ag	d and responsible representative of the petitioning group. The above nowledge. I have read a copy of the policies governing the use of the ll comply with the rules and regulations, policies and fee schedule gree that all rent and fees shall be paid by the above due date (14 days event) or confirmed reservation shall become void.	
Date:	Name (Print):	
Signed	(Identification Required)	
Address:City	State: Phone:	
Approval of City Staff/Management:		
Date: Security Deposit Received: Date: Room Rental Received: Date: Security Deposit Refunded:	Amount Received:Payment Type: Amount Received:Payment Type: Amount Received:Payment Type:	



Flood Zone

Zoning

Add to List

No. of Units

Year Built

Legal Desc.

Owner 2 Owner 1