

EXHIBIT A

SUB-SUBLEASE AGREEMENT
Sacramento Transportation Authority
801 12th Street, Sacramento, CA

THIS SUB-SUBLEASE (for convenience the “Lease”), dated _____, 2017 is between the **SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY**, a public body, corporate and politic (for convenience the “LESSOR”), and the **SACRAMENTO TRANSPORTATION AUTHORITY**, an independent local government agency (for convenience the “LESSEE”).

IT IS AGREED:

1. USE:

A. LESSEE’s purpose for occupying the Premises is for its primary office location, where it will conduct its daily business operations. Location shall be a portion of the Fifth Floor of the office building located at 801 12th Street, Sacramento, CA (“the Premises,” as further described below).

B. The Premises shall be used by LESSEE only for its essential government purposes related to the use stated above and for the public benefit, and for no other uses without LESSOR’S written consent. LESSEE is a local transportation authority pursuant to the California Public Utilities Code Section §180000 - §180264.

2. HOURS OF OPERATION:

A. LESSEE shall be free to determine its own business hours, and shall be provided with access to the Premises 24 hours a day, 7 days a week, with exceptions as stated below:

- In the event the building must undergo maintenance services or other activities that require the evacuation of the building’s occupants.

3. LEASE TERM:

A. LESSOR grants to LESSEE a tenancy for Ten (10) Years, commencing on _____, in the following location: approximately 1,750 square feet (usable), or 2,000 square feet (rentable) located on the north side of the Fifth Floor of the office building at 801 12th Street, Sacramento California, (“Premises”). A diagram of the Premises is attached hereto as Attachment A, and incorporated herein by reference.

B. At the expiration of the Lease Term, or any earlier termination of this Lease, LESSEE shall surrender possession of the Premises and deliver the Premises to LESSOR in good and tenantable condition in accordance with this Lease.

C. Should this Lease expire without extension, LESSEE shall be entitled to hold over for up to sixty (60) days upon the same terms and conditions as in this Lease, except any agreed upon options to renew.

4. RENTAL RATE:

A. The monthly rental rate for the first year of the lease term is \$3,000 (\$1.50 per square foot x 2,000 rentable square feet), except for the first three months of the lease term, which shall be rent-free. Installment payments by LESSEE to LESSOR shall commence in Year 4 for the construction of the tenant improvements (T.I.'s), which shall be completed by LESSOR prior to occupancy by LESSEE (see Section 5 below for more information on these improvements). Rental payments shall be due no later than the fifth day of each calendar month. Rent includes electrical service, water, sewer, janitorial and garbage pickup. Beginning in Year 2, Rent shall include an additional \$0.05/s.f. increase (\$100/month). Such increase shall be accrued each consecutive year and added to the prior year's rate. Following is the Rental Schedule for the term of this Lease:

Base Rent

Year 1: \$3,000/mo. rent (first 3 months of Year 1 rent-free)
Year 2: \$3,100/mo. rent
Year 3: \$3,200/mo. rent
Year 4: \$3,300/mo. rent
Year 5: \$3,400/mo. rent
Year 6: \$3,500/mo. rent
Year 7: \$3,600/mo. rent
Year 8: \$3,700/mo. rent
Year 9: \$3,800/mo. rent
Year 10: \$3,900/mo. rent

Tenant Improvements: Are added to the base rent each month

Year 1: \$0.00/mo. T.I.'s
Year 2: \$0.00/mo. T.I.'s
Year 3: \$0.00/mo. T.I.'s
Year 4: \$1,188/mo. T.I.'s
Year 5: \$1,363/mo. T.I.'s
Year 6: \$1,569/mo. T.I.'s
Year 7: \$1,810/mo. T.I.'s
Year 8: \$2,094/mo. T.I.'s
Year 9: \$2,428/mo. T.I.'s
Year 10: \$2,820/mo. T.I.'s

B. Payments by LESSEE to LESSOR for reimbursement of the Tenant Improvements shall include principal and interest, and shall be made in installments concurrently with rent payments beginning in Year 4 as shown in a Promissory Note, which is attached hereto and incorporated into this Lease. Payments shall be made thereafter until repaid. LESSEE's duty to pay the Promissory Note is independent of LESSEE's duty to pay Base Rent, and LESSEE waives all defenses to payment of the Promissory Note that may arise as a consequence of or in connection with the Lease or the default of any party thereunder.

C. Rent shall be due and payable in advance no later than the fifth day of each calendar month.

D. The first three months' rent shall be waived by LESSOR, so that the first payment shall be due on the first day of the fourth month after commencement date of this Lease.

5. ALTERATIONS, IMPROVEMENTS AND CONSTRUCTION COSTS:

A. Premises are being delivered to LESSEE based on tenant improvements made by LESSOR to the premises, as described in Construction Documents dated May 18, 2017. LESSOR and LESSEE have both reviewed and approved the Construction Documents, including the plans, which conform to LESSEE requirements. LESSOR and LESSEE acknowledge and agree that the Base Construction Contract amount is \$145,000.00, and that LESSEE is responsible for \$120,000.00 of this cost, plus \$15,792 of additional office improvements, for a total of \$135,792. Interest payments on these installments shall total \$23,472 over the term of the lease, bringing the total of T.I. payments to SHRA by STA to \$159,264. LESSEE shall pay these costs to LESSOR per the terms of the attached Promissory Note.

B. LESSEE shall be responsible for the construction and installation of any further tenant improvements or major modifications that are not included in the Construction Documents required to conform the Premises to LESSEE's needs, including all associated costs. LESSEE must obtain LESSOR's approval for any proposed tenant improvements before commencement of any of the work, which approval shall not be unreasonably withheld or delayed. LESSEE shall keep the Premises free and clear of all mechanic's liens and any other liens. All work must be approved by LESSOR, in addition to any required City approvals, or other governmental entities having jurisdiction of the operations or premises, before LESSEE commences its operations on the Premises.

C. The LESSEE shall not knowingly commit, suffer, or permit any waste, nuisance, or unlawful activity on the Premises.

6. TELEPHONE AND DATA SERVICES:

A. LESSEE shall be responsible for installing and paying for its own phone service and data networking services.

7. SIGNAGE:

All signage shall comply with the local jurisdiction's rules, regulations, and codes. All signage on the exterior and any interior signage, graphics, and displays visible through the exterior windows or doors must be professional in appearance and approved by LESSOR in writing; LESSOR'S approval does not constitute the approval that LESSEE is required to seek from the local jurisdiction.

8. INDEMNIFICATION:

A. By LESSEE. LESSEE, to the fullest extent permitted by law, agrees to indemnify, defend and hold LESSOR and LESSOR'S governing boards, employees, agents and contractors harmless from all liability, penalties, losses, damages, costs, expenses, causes of action, claims, or judgments arising by reason of any death, bodily injury, personal injury, or property damage resulting from any cause occurring in or about or resulting from an occurrence in or about Premises during the term of this Lease arising from the occupancy, use or control of the Premises by LESSEE and its officers, employees, agents, volunteers, guests and invitees (including attendees); excluding , however, such liability, loss or damage is caused by the negligence or willful misconduct of the LESSOR .

B. Survival of Obligations. The provisions of this Section shall survive the expiration or sooner termination of this Lease.

9. INSURANCE:

A. LESSEE's Property Insurance. LESSEE shall procure and maintain at all times property insurance which is at least as broad as the ISO Special Form Causes of Loss (CP 1030) policy, formerly known as "all risks," which insurance covers LESSEE's personal property including furniture, fixtures and inventory. Such insurance shall include a waiver of subrogation in favor of LESSOR.

B. LESSOR's Property Insurance. LESSOR shall procure and maintain at all times, at its cost, a policy or policies of property insurance which is at least as broad as the ISO Special Form Causes of Loss (CP 1030) policy, formerly known as "all risks," as well as insurance covering boiler and machinery and compliance with ordinances or laws if appropriate, for the 100% insurable replacement cost of the building and improvements which contain the Premises. LESSOR may not insure with a deductible or self-insured retention exceeding \$10,000 without the prior written consent of LESSEE.

C. LESSEE's Liability Insurance. LESSEE shall procure and maintain at all times, at its cost, commercial general liability insurance written on an "occurrence" policy form which is at least as broad as the most current ISO Commercial General Liability (CG 0001) policy, insuring liability arising from premises, operations, independent contractors, personal injury and advertising injury, products-completed operations and liability assumed under an insured contract. Coverage shall include a severability of interests provision and shall provide limits of not less than \$1,000,000 per occurrence and \$2,000,000 general aggregate. LESSEE's general liability policies shall be endorsed to name LESSOR and any lender of LESSOR as additional insured. LESSEE's liability insurance may be provided by a combination of primary, excess and umbrella policies, but all excess and umbrella policies must be at least as broad as the scope of the primary commercial general liability policy.

D. LESSOR's Liability Insurance. LESSOR shall procure and maintain at all times, at its cost, a policy or policies of commercial general liability insurance written on an "occurrence" policy form which is at least as broad as the most current ISO Commercial General Liability (CG 0001) policy, insuring liability arising from premises, operations, independent contractors, personal injury and advertising injury, products-completed operations and liability assumed under an insured contract. Coverage shall include a severability of interests provision

and shall provide limits of not less than \$1,000,000 per occurrence and \$2,000,000 general aggregate per location. LESSOR may not insure with deductibles or self-insurance retention exceeding \$10,000 without the prior written consent of LESSEE. LESSEE, and in their capacity as such, LESSEE's offices, directors, agents and employees shall be named additional insureds by way of endorsement in the policy or policies of insurance by which LESSOR complies with the above insurance requirements, and LESSOR shall obligate its insurer to notify LESSEE in writing at least thirty (30) days in advance of any cancellation or failure to renew the above insurance during the term of this Lease. LESSOR further agrees to furnish LESSEE with certificates of insurance or copies of the policies evidencing the above coverage upon LESSEE's request.

10. MAINTENANCE OF FACILITY:

LESSOR shall be responsible for routine maintenance of the building's systems. LESSEE shall be responsible for damage caused solely by LESSEE's negligence to: wall surfaces, electrical switches/outlets/light fixtures, carpeting, ceiling tiles, windows, doors, exit signs, access control devices, and similar finishes within the tenant space. LESSOR is responsible for repairing or replacing items due to normal wear and tear for these items.

When repairs other than routine maintenance are required during normal business hours, LESSEE may submit a written request to LESSOR to assist with the procurement and supervision of the needed service. LESSOR will cover the eligible vendor's costs, unless these repairs are LESSEE's responsibility as described above, in which case LESSOR shall submit an invoice to LESSEE for reimbursement. Payments to vendor shall be based on invoices. LESSOR shall provide copies of these invoices to LESSEE, upon LESSEE's request. Any change orders shall be approved by LESSEE with LESSEE's written consent prior to payment.

When repairs are required outside normal business hours, LESSEE should contact the building's Property Manager via email at help@sierra-asset.com or by calling (916) 636-1870. The Property Manager will contact an eligible vendor authorized to perform the repairs.

11. FACILITY PARKING:

LESSEE shall be responsible for its own vehicle parking and payment thereof.

12. RISK OF HAZARDS:

LESSEE shall not do anything on the Premises, nor bring or keep anything thereon which will in any way increase the risk of fire or the rate of insurance, or which shall conflict with the regulations of any fire district having jurisdiction.

13. LESSEE OWNED ITEMS:

A. All permanent fixtures, partitions or other improvements made or installed under the requirements of this Lease, by either LESSOR or LESSEE, shall remain the property of the LESSOR. LESSEE shall repair any damage to the leased Premises resulting from removal of any fixture, partition or other improvement installed by LESSEE.

14. NON-DISCRIMINATION:

The LESSEE herein covenants by and for itself, and LESSEE’S heirs, administrators, and assigns, and all persons claiming under or through LESSEE that this Lease is made and accepted on the following conditions: that there shall be no discrimination against or desegregation of any person or group of persons, on the basis of race, color, national origin, religion, sex, sexual orientation, gender identity, familial status, language proficiency, age or disability in the leasing, sub-leasing, transferring, use, provision of services, occupancy, tenure, or enjoyment of the premises herein leased nor shall the LESSEE or any person claiming under or through the LESSEE establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, sub-lessees, subtenants or vendees in the Premises herein leased.

15. SUCCESSORS-IN-INTEREST:

LESSEE may not transfer or assign this Lease without the prior written consent of LESSOR.

16. WRITTEN COMMUNICATIONS:

A. Any notice, demand, request, consent, approval, or communication that either party desires or is required to give to the other party pursuant to this Lease shall be in writing and either served personally or sent by prepaid, first class, certified mail with return receipt requested.

Such matters shall be addressed to the other party at the following address:

To LESSOR at:

Sacramento Housing and Redevelopment
Agency
801 12th Street, Third Floor
Sacramento, CA 95814
Attention: Director of Administration

To LESSEE at:

Sacramento Transportation Authority
801 12th Street, Fifth Floor
Sacramento, CA 95814
Attention: Executive Director

or to such other address as a party may designate to the other by notice.

B. Any matter mailed pursuant to this paragraph shall be deemed communicated within forty-eight (48) hours from the time of mailing.

17. DEFAULT.

Failure by LESSEE to comply with the terms this Lease shall be a default and if said default shall continue for ten (10) days after written notice thereof shall have been given to LESSEE by LESSOR, or if default shall be made in any of the other covenants or conditions to be kept, observed and performed by Tenant, and such default shall continue for thirty (30) days after notice thereof in writing to LESSEE by LESSOR without correction thereof then having been commenced and thereafter diligently prosecuted, LESSOR may declare the term of this Lease ended and terminated by giving LESSEE written notice of such intention, and if possession of the Leased Premises is not surrendered, LESSOR may reenter said premises. LESSOR shall have, in addition to the remedy above provided, any other right or remedy

available to LESSOR on account of any LESSEE default, either in law or equity. LESSOR shall use reasonable efforts to mitigate its damages.

18. RIGHTS AND REMEDIES:

No delay or omission in the exercise of any right or remedy of either party on any default of the other party shall impair such a right or remedy or be construed as a waiver of such default. Any waiver by either party of any default of the other party shall be in writing and shall not be a waiver of any other default concerning the same or any other provisions of the Lease.

19. RULES AND REGULATIONS:

LESSEE's occupancy and use of the Premises shall at all times be conducted in a manner that is in compliance with LESSOR's Rules and Regulations for the property as promulgated from time to time at the sole discretion of LESSOR. An uncured violation of these Rules and Regulations will be a default by LESSEE, in which case LESSOR may terminate this Lease on 48 hours written notice.

20. GOVERNING LAW.

This Agreement shall be governed, construed and interpreted by, through and under the Laws of the State of California.

[Signatures on next page.]

In witness whereof, SHRA and BAPCC have executed this Consent as of the date first set forth above.

LESSOR:

SACRAMENTO HOUSING &
REDEVELOPMENT AGENCY

By: _____
Executive Director

LESSEE:

SACRAMENTO TRANSPORTATION
AUTHORITY, an independent local government

By: _____
Norman Hom
Executive Director

DATE: _____

HOUSING AUTHORITY OF THE CITY
OF SACRAMENTO

By: _____
Executive Director

HOUSING AUTHORITY OF THE COUNTY
OF SACRAMENTO

By: _____
Executive Director

APPROVED AS TO FORM:

AGENCY COUNSEL

ATTACHMENT A FLOOR PLAN OF PREMISES

