

**EFFECTIVE DATE
OF ORDINANCE**

August 14, 2024

ORDINANCE NO. 2892 N.C.S.

Introduced by: Janice Cader Thompson Seconded by: Dennis Pocekay

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PETALUMA APPROVING A LEASE AMENDMENT WITH BASIN STREET PROPERTIES FOR OFFICE SPACE FOR THE PETALUMA FIRE DEPARTMENT LOCATED AT 161 2nd SREET, PETALUMA, CALIFORNIA

WHEREAS, the City of Petaluma Fire Department currently occupies 1,015 square feet of leased office space at 151 2nd Street, Petaluma, California; and

WHEREAS, the City of Petaluma Fire Department is in need of expanded office space to safely accommodate new Fire Department Staff and to serve as temporary Fire Administration headquarters; and

WHEREAS, the City has found suitable office space located within 100 feet of the current Fire Department Headquarters, located at 161 2nd Street, Petaluma, California (Office Space); and

WHEREAS, the Office Space is a total of 2,789 square feet and consists of seven enclosed office spaces and capacity for several additional workstations; and

WHEREAS, the Office Space is managed by Basin Street Properties; and

WHEREAS, the City deems it advantageous to lease the Office Space managed by Basin Street Properties; and

WHEREAS, the lease amendment, which includes a five-year term through August 31, 2029 and an initial monthly rent of \$4,350.84 (plus an annual escalator and triple net charges), is attached and made part of this Ordinance as Exhibit A; and

WHEREAS, Section 46 of Article VII of the Petaluma City Charter provides, in pertinent part, that no City action providing for the sale or lease of real property having a value of \$3,000 or more may be taken except by ordinance or pursuant to a general law of the State; and

WHEREAS, introducing an ordinance to approve a lease which will provide office space for the Petaluma Fire Department is categorically exempt under the California Environmental Quality Act (“CEQA”) in accordance with Sections 15301 (Existing Facilities), 15303 (New Construction or Conversion of Small Structures), and 15304 (Minor Alterations to Land) as the lease space is located at an already improved property, near the Fire Department Headquarters; and

WHEREAS, the City Council unanimously passed the introduction of this ordinance with a 6-0 vote (with one absence) on July 1, 2024.

NOW THEREFORE BE IT ORDAINED by the City Council of the City of Petaluma, as follows:

Section 1. Recital Findings The City Council hereby finds and determines the foregoing recitals to be true and correct and hereby incorporates them into this Ordinance as findings and determinations of the City Council.

Section 2. Exemptions from CEQA The City Council finds that introducing an ordinance to approve a lease which will provide office space for the Petaluma Fire Department is categorically exempt under the California Environmental Quality Act (“CEQA”) in accordance with Sections 15301 (Existing Facilities), 15303 (New Construction or Conversion of Small Structures), and 15304 (Minor Alterations to Land) as the lease space is located at an already improved property, near the Fire Department Headquarters

Section 3. Approval of Lease In accordance with Section 46 of Article VII of the Petaluma City Charter and other applicable law, the lease amendment between the City of Petaluma and Basin Street Properties that is attached to and is hereby made a part of this ordinance as Exhibit A is hereby approved, and the City Manager is hereby authorized and directed to execute on behalf of the City a lease agreement with Basin Street Properties that is substantially in accordance with that attached as Exhibit A and is approved as such by the City Attorney.

Section 4. Severability If any section, subsection, sentence, clause, phrase or word of this ordinance is for any reason held to be unconstitutional, unlawful or otherwise invalid by a court of competent jurisdiction or preempted by State legislation, such decision or legislation shall not affect the validity of the remaining portions of this Ordinance. The City Council of the City of Petaluma hereby declares that it would have passed and adopted this Ordinance and each and all provisions thereof irrespective of the fact that any one or more of said provisions be declared unconstitutional, unlawful or otherwise invalid.

Section 5. Posting/Publishing of Notice The City Clerk is hereby directed to publish or post this Ordinance or a synopsis for the period and in the manner provided by the City Charter and any other applicable law.

Section 6. Effective Date The Ordinance shall become effective thirty (30) days after the date of its adoption by the Petaluma City Council.

INTRODUCED and ordered published and posted this 1st day of July 2024.

ADOPTED this 15th day of July 2024 by the following vote:

Ayes:

Noes:

Abstain:

Absent:

ATTEST:

Kevin McDonnell, Mayor

APPROVED AS TO FORM:

Caitlin Corley, City Clerk

Eric Danly, City Attorney

EXHIBIT A
LEASE

FIRST AMENDMENT TO LEASE

THIS FIRST AMENDMENT TO LEASE AGREEMENT (this "Amendment") dated as of _____, 2024 is entered into between GARAGE RETAIL CA LLC, a California limited liability company ("Landlord") and CITY OF PETALUMA, a Municipal Corporation ("Tenant").

THE PARTIES ENTER INTO THIS AMENDMENT based upon the following facts, understandings and intentions:

A. Landlord and Tenant previously entered into that certain Lease dated March 10, 2022 (the "Lease"), pursuant to which Landlord leases to Tenant approximately One Thousand Fifteen (1,015) rentable square feet of space in 151 2nd Street in Petaluma, California (the "Original Premises") as more particularly described in the Lease. The capitalized terms used in this Amendment and not otherwise defined herein shall have the same meanings given to such terms in the Lease.

B. Landlord and Tenant now desire to amend the Lease as provided herein.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants and promises of the parties, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

1. Promotional Charge. The Lease is hereby amended to add a Promotional Charge provision:

Landlord shall have the right to provide or cause to be provided a program of advertising or promotional events that, in Landlord's sole judgment, will serve to promote the Project. Tenant shall pay to Landlord, as Tenant's share of the cost of the program of advertising or promotional events, an annual promotional charge (the "Promotional Charge") in the amount stated in the Basic Lease Information. The Promotional Charge shall be due and payable, in advance and in equal monthly installments at the time and in the manner required for payment of Base Rent. The Promotional Charge shall be increased on January 1 of each year during the Term (the "CPI Promotional Adjustment Dates"), by a percentage equal to the percentage increase in the CPI measured from the Last CPI Promotional Publication Date to the New CPI Promotional Publication Date. In no event shall (i) any CPI adjustment be less than zero or (ii) the Promotional Charge in effect on any CPI Promotional Adjustment Date be less than the Promotional Charge in effect for the year immediately preceding the CPI Promotional Adjustment Date. The "CPI" is the Consumer Price Index, All Items, 1982-1984 = 100, All Urban Consumers, for the San Francisco-Oakland Metropolitan Area (1982 - 84 = 100), as published by the United States Department of Labor, Bureau of Labor Statistics, or its successor index. The "Last CPI Promotional Publication Date" is the month for which the CPI was published immediately before the prior date for adjustment to the Promotional Charge (or prior to the Rent Commencement Date in the case of the first adjustment to the Promotional Charge).

The "New CPI Promotional Publication Date" is the month for which the CPI is published immediately preceding the CPI Promotional Adjustment Date. If the CPI as of the New CPI Promotional Publication Date is not available on a CPI Promotional Adjustment Date, Tenant shall continue to pay the same amount of the Promotional Charge payable prior to such CPI Adjustment Promotional Date until the CPI is available. In addition, Landlord may increase the Promotional Charge from time to time to the extent required as a result of an increase in the costs of promotional, public relations or advertising services provided pursuant to this Section. As consideration for providing the advertising and/or promotional services, Landlord shall be entitled to retain twenty-five percent (25%) of the Promotional Charges collected by Landlord each year. At the time of this Amendment, the Promotional Charges are estimated to be \$0.05 per square foot per month.

2. Relocation Space. Effective on September 1, 2024 (the "Relocation Date"), the Original Premises shall be relocated to 161 2nd Street in Petaluma, California, as shown on Exhibit A and consisting of approximately Two Thousand, Seven Hundred Eighty-Nine (2,789) rentable square feet of space (the "Relocation Space"). Tenant shall accept the Relocation Space in its existing "as is" condition, with all faults and defects and without any representation or warranty of any kind, express or implied, except for the Tenant Improvements outlined in Section 6. Tenant shall vacate and surrender the Original Premises to Landlord within five (5) days after the Relocation Date.

3. Term. The Term of the Lease is hereby extended for an additional sixty (60) months commencing September 1, 2024 through and including August 31, 2029 (the "Extended Term").

4. Rent. The monthly NNN Base Rent for the Extended Term shall be as follows:

PERIOD	MONTHLY NNN BASE RENT
9/1/2024 – 8/31/2025	\$4,350.84
9/1/2025 – 8/31/2026	\$4,481.37
9/1/2026 – 8/31/2027	\$4,629.74
9/1/2027 – 8/31/2028	\$4,768.63
9/1/2028 – 8/31/2029	\$4,911.69

5. Tenant's Retail Area Percentage Share. Effective as of the Relocation Date, Tenant's Retail Area Percentage Share shall be 9.70% (2,789 r.s.f. / 28,751 r.s.f.).

6. Taxes and Operating Expenses. The estimated initial monthly allocation of Taxes and Operating Expenses for the current calendar year is \$0.58 per square foot per month. Tenant shall continue to pay for its own separately metered utilities and Premises janitorial per the Lease.

7. Tenant Improvements. Landlord shall, at its sole cost and expense, install new building standard carpet and paint in the Premises prior to the Relocation Date.

8. Option to Extend.

a. Option to Extend. Tenant shall have two (2) options to extend the Term for a period of one (1) year (the “**Extension Term**”), provided that at the time Tenant’s Extension Notice (defined below) is given and at the time the Extension Term is to commence no default by Tenant exists under this Amendment. Tenant shall exercise such option, if at all, by written notice (“**Tenant’s Extension Notice**”) to Landlord not later than nine (9) months, nor earlier than twelve (12) months, prior to the expiration of the original Term. Tenant’s failure to deliver Tenant’s Extension Notice to Landlord in a timely manner, shall be deemed a waiver of Tenant’s option to extend the Term and Tenant’s extension option, regardless of whether Landlord delivered a prior reminder to Tenant and regardless of any inaccuracies in any prior reminder.

b. Exercise of Option.

(1) If Tenant exercises its extension option for the Extension Term, the Term shall be extended for an additional period of one (1) year on all of the terms and conditions of this Amendment, except (i) Tenant shall have no further option to extend the Term, (ii) Landlord shall not be required to pay to Tenant any tenant improvement allowance or inducement and Tenant shall accept the Premises at the commencement of the Extension Term in its then existing “as-is” condition and (iii) the monthly Base Rent for the Extension Term shall be the Fair Market Rent prevailing at the commencement of the Extension Term.

(2) Real Estate Commission. Tenant shall be responsible for all brokerage costs and/or finder’s fees associated with Tenant’s exercise of its option to extend the Term made by parties claiming through Tenant. Landlord shall be responsible for all brokerage costs and/or finder’s fees associated with Tenant’s exercise of its option to extend the Term made by parties claiming through Landlord.

c. Determination of Fair Market Rent.

(1) Agreement on Rent. For the purposes of this Amendment, “**Fair Market Rent**” means the monthly Base Rent that Landlord has accepted in then-recent transactions with non-affiliated parties for a comparable period of time in the Building and for comparable space (“**Comparable Transactions**”), or if there are no Comparable Transactions, then the monthly Base Rent expected to prevail as of the commencement of the applicable Extension Term for the entire Extension Term (including escalations) with respect to leases of comparable space within office buildings located in the same city as the Premises of a quality and with interior

improvements, parking, site amenities, building systems, location, identity and access all comparable to that of the Premises. "Fair Market Rent" shall be established by reference to rental terms in leases actually executed for comparable space under primary lease (and not sublease), taking into consideration the location of the Building and existing amenities, situated in similar buildings engaged in then-prevailing ordinary rental market practices with respect to tenant concessions (if any) (e.g. not offering promotional deals and other concessions to tenants in an effort to alleviate cash flow problems or in response to a greater than average vacancy rate in a particular building). Within fifteen (15) days after Landlord's receipt of Tenant's Extension Notice, by written notice to Tenant ("**Landlord's Rent Notice**"), Landlord shall advise Tenant as to Landlord's determination of the Fair Market Rent, together with the basis for such determination. Tenant shall, within five (5) days after Tenant's receipt of Landlord's Rent Notice, either (a) accept the determination of the Fair Market Rent set forth in Landlord's Rental Notice; or (b) if Tenant disagrees with Landlord's stated Fair Market Rent, advise Landlord as to Tenant's determination of Fair Market Rent, together with the basis for such determination, by written notice ("**Tenant's Rent Notice**"). If Tenant fails to respond as provided above, within the time period provided above, Tenant shall be deemed to have accepted Landlord's determination pursuant to subsection (a). If Tenant shall timely deliver to Landlord Tenant's Rent Notice pursuant to subsection (b), Landlord and Tenant shall attempt in good faith to reach agreement as to the Fair Market Rent within fifteen (15) days after Landlord's receipt of Tenant's Rent Notice.

(2) Selection of Brokers. If Landlord and Tenant are unable to agree as to the amount of the Fair Market Rent within the aforementioned 15-day period as evidenced by a written amendment to this Amendment executed by them, then, within ten (10) days after the expiration of the 15-day period, Landlord and Tenant shall each, at its sole cost and by giving notice to the other party, appoint a competent real estate broker licensed in the state in which the Building is located and having not less than ten (10) years' actual experience, on a full-time basis, in commercial real estate leasing experience in the area of the city where the Premises is located to determine the Fair Market Rent. If either Landlord or Tenant does not appoint a broker within 10 days after the other party has given notice of the name of its broker, the single broker appointed shall be the sole broker and shall determine the Fair Market Rent. If both Landlord and Tenant appoint a broker, the two brokers shall submit to the other party its final determination of such Fair Market Rent within thirty (30) days following its selection, and if the Fair Market Rents differ by less than five percent (5%), the Fair Market Rent shall be the average of the two rates. If the Fair Market Rents differ by five percent (5%) or more, the two brokers shall select third broker meeting the qualifications stated in this Section within ten (10) days, provided that the third broker shall be a person who has not previously acted in any capacity for either Landlord or Tenant. Within fifteen (15) days following appointment, the third broker shall select one of the two Fair Market Rents promulgated by the parties as the final Fair Market Rent for this Amendment. Landlord and Tenant each shall pay its own broker and bear one-half (1/2) of the cost of the third broker's fee. If they are unable to agree on the third broker, the engagement of the brokers shall be terminated and the determination of Fair Market Rent shall be submitted to arbitration in the county in which the Premises is located under the commercial rules of the American Arbitration Association.

d. **Limitations.** Notwithstanding anything in the foregoing to the contrary, in no event shall the monthly Base Rent during the Extension Term be less than one hundred three percent (103%) of the Base Rent payable by Tenant for the calendar month immediately preceding the commencement of the Extension Term. If the Fair Market Rent for the Premises has not been determined prior to the commencement of an Extension Term, Tenant shall continue to pay monthly Base Rent at the rate in effect immediately prior to the commencement of such Extension Term, and any required adjustment shall be paid by Tenant within ten (10) days after the determination of Fair Market Rent. Tenant shall continue to pay additional Rent during the Extension Term, and the Base Year shall not be adjusted. Fair Market Rent shall include the periodic rental increases of at least three percent (3%) per year, or such greater amount as is consistent with the market at that time.

9. Costs of Tenant Improvements. Notwithstanding anything to the contrary in the Lease and except as otherwise specifically provided in this Amendment, Tenant shall be responsible, at its sole cost and expense, for the cost of changes to the Premises, the Building or the Project required (or any such requirement is enforced) under any existing or future law, ordinance, regulation or requirement (including, without limitation, the Americans with Disabilities Act and Title 24 of the California Code of Regulations) of any governmental authority having jurisdiction over the Building as a result of any improvements or alterations to the Premises performed by or at the request of Tenant after the date of this Amendment.

10. Prior Rights and Options. Tenant's rights of first refusal, rights of first option, rights of early termination, rights or options to extend the Term of the Lease, and any similar rights or options under the Lease (collectively, the "Prior Rights") are limited to those, if any, set forth in this Amendment. All of Tenant's Prior Rights set forth in the Lease, if any, shall be of no further force or effect.

11. Work by Tenant. Any Alterations or other work performed by Tenant or its agents, contractors, subcontractors or employees in or about the Premises, Building or Project, regardless of whether a permit is required, shall comply with Landlord's Construction Standards in effect from time to time. A copy of Landlord's current Construction Standards are attached to this Amendment as Exhibit B.

12. Payment. All payment due from Tenant to Landlord hereunder shall be made to Landlord without deduction or offset, in lawful money of the United States of America. Unless otherwise direct by Landlord in writing, payments shall be made to Landlord by electronic funds transfer of immediately available federal funds in accordance with the payment instructions set forth in Exhibit C attached hereto (which may be changed from time to time by Landlord by written notice to Tenant) and shall be initiated by Tenant for settlement on or before the applicable date due in each case; provided, however that if the due date is not a business day, then settlement shall be made on the next succeeding business day.

13. Entire Agreement. This Amendment, together with the Lease, represents the entire understanding between Landlord and Tenant concerning the subject matter hereof, and there are no understandings or agreements between them relating to the Lease or the Premises not set forth

in writing and signed by the parties hereto. No party hereto has relied upon any representation, warranty or understanding not set forth herein, either oral or written, as an inducement to enter into this Amendment.

14. Continuing Obligations. Except as expressly set forth to the contrary in this Amendment, the Lease remains unmodified and in full force and effect. To the extent of any conflict between the terms of this Amendment and the terms of the Lease, the terms of this Amendment shall control.

15. Counterparts/Facsimile. This Amendment may be executed in counterparts and delivered via facsimile or electronically.

[SIGNATURES TO FOLLOW ON NEXT PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the day and year first above written.

"Landlord"

GARAGE RETAIL CA LLC,
a California limited liability company

By: PARKING GARAGE RETAIL LLC,
a California limited liability company,
its Sole Member

By: PETALUMA THEATRE DISTRICT
LLC, a California limited liability
company, Its Sole Member

By: G & W VENTURES, LLC,
a California limited liability
company, its Manager

By: _____
Matthew T. White, Manager

"Tenant"

CITY OF PETALUMA, a Municipal
Corporation

By: _____

Name: _____

Its: _____

By: _____

Name: _____

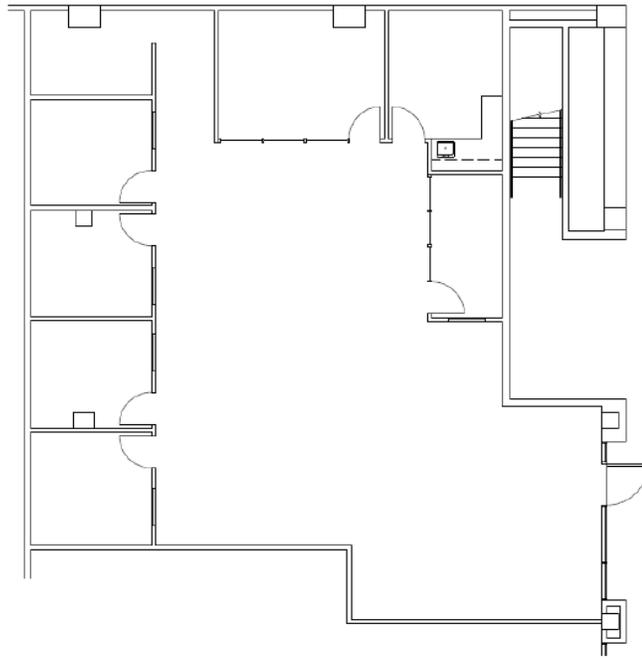
Its: _____

By: _____

Name: _____

Its: _____

EXHIBIT A
Relocation Space



2,789 RSF
161 2nd Street

EXHIBIT B



CONSTRUCTION POLICIES AND PROCEDURES

The following constitutes the construction policies and procedures for all work performed on properties managed by Basin Street Properties ("BSP"). This establishes a general outline of our policies for and procedures in the typical processes required for construction and are subject to change at BSP's discretion. Any questions regarding the following should be immediately directed to the BSP Construction Manager. The BSP Construction Manager may authorize deviations from these procedures from time to time, but all such deviations shall only be effective on written requests submitted in advance and by way of written response.

I. COVID-19 REGULATIONS

All work shall be conducted pursuant to County requirements governing COVID-19. For work conducted in an occupied Tenant space, the adherence to Tenant requirements for access and work performance shall be mandatory. Facial covering is required by all workers at all times while in common areas of the buildings and within tenant occupied spaces. Refer to attached BSP Covid-19 Prevention Policy in Attachment "C."

II. ADMINISTRATION

For work not directly managed by Basin Street, contractors shall notify the responsible Construction/Property Management personnel in writing at least 24 hours in advance of starting any work. No exceptions. This notification shall include the identification of contractors onsite, a project schedule, construction documents or a description of the work to be performed and contact information for contractor's on-site representative in charge during the timeframe.

Prior to the start of any services or construction work, Contractor shall submit for approval to Construction/Property Management Certificates of Insurance for Contractor and any subcontractors, a copy of the project schedule, contact information for Contractor's Superintendent and all subcontractors, MSDS for any products to be used during construction, and a signed copy of these Basin Street Properties Construction Policies and Procedures.

Specific Insurance Requirements for the property, including information on additional insured requirements and certificate holder are provided as Exhibit B in the contract.

A preconstruction and kick-off meeting will be required prior to the start of any construction project. Attendance at this meeting will be determined by assigned BSP Project Manager. Items to cover for the preconstruction meeting include the timing and logistics of work, building access, safety controls and measures, review of the building Rules & Regulations, and the existing condition of building common areas. Photographs of existing conditions may be taken and are encouraged for submittal to Construction/Property Management to include in the project file.

Any issues identified by Contractor during construction which may affect base building systems shall be brought to the attention of the assigned BSP Project Manager upon discovery. Any changes that require additional work, not described in the bid shall be affective only once approved in writing by the project manager. It is presumed that any contractors engaged to perform work have prior to submitting their proposal surveyed existing conditions and have taken these into account in context with the anticipated work.

Upon completion of work, and as a condition for release of final payment, Contractor shall provide the project manager with a copy of the project close-out documents. Contents of the close-out documents will vary based on



complexity of project, but will typically include at a minimum as-built construction drawings, mechanical, electrical, plumbing, and fire sprinkler drawings (both in paper form and CAD file for any design/build work), final signed off building permit/job card, updated electrical panel schedules, complete finish schedule (“match existing” is unacceptable), air and water balance reports, warranties, and O&M manuals for any new equipment. An air balance report reflecting actual supply air distribution will be required whenever the existing HVAC air distribution is modified in any way. A water balance report reflecting actual water flow values is required for any new perimeter reheat VAV. The building’s EMS system graphics (including floor plans and mechanical system components) and programming is required to be updated whenever there are any changes – if applicable.

General Contractors shall be responsible for ensuring that all subcontractors or other service providers are advised of and will adhere to these Construction Policies and Procedures.

III. INSURANCE, MSDS, LOCK OUT TAG OUT, and HOT WORK/IMPAIRMENT REQUIREMENTS

While performing services at the Property, all contractors and any subcontractors are required to carry and maintain general insurance coverage in accordance with the Vendor/Contractor Insurance Requirements of the Construction Contract (Exhibit B). An approved certificate of insurance must be on file with the Construction/Property Management Office for access to be granted and construction to begin – no exceptions.

The General Contractor is responsible for ensuring that all subcontractors maintain the appropriate insurance while performing services at any property managed by Basin Street Properties. **The insurance requirements will be strictly enforced. There will be no exceptions to this coverage.**

As required under OSHA’s Hazard Communication Standard (29 CFR 1910.1200), all subcontractors are to provide the Construction Manager with MSDS’s (Material Safety Data Sheets) for any and all hazardous materials they might use or bring on site as part of their routine tasks. Please note that consumer products (copy machine toner, scouring cleanser, etc.) are not covered by the Standard.

Prior to performing any work, please forward the following to the project manager:

- A list of all hazardous materials used or stored. Including materials with odor such as carpet glue, paint, adhesives, caulk, etc.
- An MSDS for each product. These can be obtained from the manufacturer or supplier of the product.

Lock out tag out procedures will be strictly enforced according to the regional Chief Engineer’s policy. If requested, electrical contractor will be required to provide documentation of their lock out tag out policy and procedures or arrange for their personnel to be trained on any Basin Street Properties lock out tag out procedures.

This training will be provided by the building’s Chief Engineer, if contractor’s policy is less stringent.

A Vendor Work Request Form must be submitted to the project manager prior to engaging in any work that would create heat, sparks, or an open flame. If required by regional Chief Engineer, a hot work permit must also be issued. Only BSP building engineering personnel can issue a hot work permit. Training on Hot Work Permit procedures and requirements will be provided as needed by the building’s Chief Engineer.



A Vendor Work Request Form must be submitted to the project manager at least 24 hours in advance of any fire sprinkler or fire alarm impairment. Training on life safety modifications or hot work permit procedures and requirements will be provided as needed by the building's Chief Engineer.

IV. BUILDING FACILITIES COORDINATION

After the project kick off, access to the Suite under construction will be the responsibility of the Tenant or General Contractor. A construction suite key and building access card may be signed out from the property management office. Additional building access keys may be checked out to the General Contractor to allow for subcontractors to move workers and materials into and out of the building outside of normal business hours, without propping building entrance doors, which is strictly prohibited. **Building doors are never to be propped open.**

Advance notice of 48 hours is required for potential access into another tenant's Suite. This work must be performed off-hours, unless tenant authorizes access/work during normal business. Contractors must identify the scope of work and reason for access, duration of time needed in their space and the Contractor is responsible for securing the space upon completion of work, as well as any cleaning required as a result of their work. The space must be left in the same, or better condition than found. Should the tenant require a Security guard, or BSP employee to stand-by during this time, this costs to do so shall be the responsibility of the Contractor.

The General Contractor must provide for the removal of all trash and debris arising during construction. Upon Construction/Property Management approval, the General Contractor may place a dumpster in the parking lot for construction debris (location to be approved by Construction Management, Property Management, or Engineering). Dumpsters are to be set on wood cribbing to prevent damage to asphalt during placement and removal. At no time are the building's dumpsters to be used for disposing of construction materials.

All deliveries of material will be made outside of the building's normal business hours of 7:00am to 6:00pm Monday through Friday. In addition to material deliveries, the following activities will be required to be performed outside of normal business hours:

1. Anchoring of walls or supports to the concrete deck
2. Core drilling
3. Using powder actuated tools
4. Laying of tack strips
5. Painting/Staining/Metal Spraying (includes spray painting of floor for layout and floor monuments - *snapping chalk lines is preferred*)
6. Glue down carpet installation
7. Cutting/threading of sprinkler pipe within building
8. Installation of millwork (fabrication of millwork is to be done off-site)
9. Saw cutting of any concrete, stone, or metal
10. Life Safety audible device testing
11. Performance of any construction activity producing other loud noise
12. The application of any odor-producing product, i.e. adhesives, cleaning products, etc.
13. Crane pick of materials to rooftop



In the event a crane is required for the project, the Contractor must provide the following:

1. At least 72-hour advanced notice and a schedule of crane arrival, duration, and removal.
2. Crane provider name, make/model of crane being used, and a copy of the crane operator credentials.
3. Proper insurance meeting the requirements identified on Attachment 'B,' to be reviewed and approved by Basin Street Properties prior to any crane work commencing.

Work Plan Submittal for Hoisting Operations

Contractor must provide the following for review and acceptance by Basin Street Properties:

1. Route of crane delivery onto the property and location crane will be setup, outlined on site plan.
2. Location equipment or materials will be placed by the crane, outlined on a site plan.
3. For multiple lifts in multiple locations, or as required by Owner, Contractor shall submit a detailed Method of Procedure (MOP) for Owner's review, a sample outline of which Owner can provide. Regardless of Owner's review, Contractor shall remain fully responsible for conducting safe operations.

V. HOUSEKEEPING & GENERAL REQUIREMENTS

GOOD HOUSEKEEPING RULES AND REGULATIONS WILL BE STRICTLY ENFORCED. CONTRACTORS OR SUBCONTRACTORS WHO DO NOT OBSERVE THE CONSTRUCTION POLICIES MAY BE EXCLUDED FROM PERFORMING WORK WITHIN ANY BSP MANAGED BUILDING.

Suite entrance doors are to remain closed at all times, except when hauling or delivering construction material. Walk-off or sticky mats shall be placed at all interior sides of suite doors so that feet may be wiped or construction dust removed from shoes upon entering common area. Magnetic-held doors and doors off of main corridors must never be obstructed. This is a life safety/fire code violation.

All construction done on the property that requires the use of lobbies or common area corridors as the path of travel will have carpet protection for all carpet within the path of travel. This includes carpet within elevators. Extra heavy duty, non-slip and self adhering Mylar is preferred. Masonite will be required to protect lobby floors and other hard surfaces that could be damaged by heavy deliveries. When used, Masonite must be taped to floor and adjoining areas. All corner edges and joints are to have adequate anchoring to provide safe and "trip-free" transitions. Do not block operation of any doors.

Prior to any demolition, pre-filters must be installed in return air openings. If return air openings are too large to filter, pre filters must be installed in filter bank for the A/C unit serving the construction area.

Restroom washbasins are not to be used to fill buckets, make pastes, wash brushes, etc. If facilities are required, arrangements for utility closets can be made with the management office in advance.

Food and related lunch debris are not to be left in the Suite under construction.

Construction/Property Management reserves the right to refuse access to anyone wearing inappropriate clothing, or who doesn't conduct themselves in a professional manner.



Contractors are responsible for any damage caused to others work, the building, or building finishes. Access to the roof may require prior arrangements with BSP Construction/Property management.

During building hours, the building entrances, driveways, reserved parking stalls must remain clear and not be taken up for deliveries, contractor parking, or materials. Parking areas for contractor employees and material storage and staging areas shall be established in advance with the BSP Construction Manager or Property Manager.

No bicycles, or animals of any kind (other than certified service animals) shall be brought into, or kept about the premises. No weapons, explosives, combustibles, or other hazardous devices allowed on the premises. No exceptions.

Smoking is permitted at designated areas only and no alcohol is to be brought onto the premises at any time.

Any signage to be posted, must be approved by the Construction/Property Manager in advance. Management reserves the right to remove any signage at any time.

No radios, or loud music.

Unless otherwise approved by BSP Property Management, building restroom facilities are not to be used by Contractors, or their subcontractors. Contractors are to provide restroom facilities for use by construction personnel. The location of temporary facilities is to be approved in advance by Construction/Property Management. All such facilities to be secured after work hours.

All areas that the General Contractor, or their subcontractors are performing work must always be kept broom clean. All common areas are always to be kept clean and clear of building materials. Prep work, cutting or staging of materials, etc. is not allowed in common areas. Any mess made in common areas due to hauling construction debris or materials or footprints must be cleaned up immediately. General Contractor will be responsible to provide a vacuum cleaner for this purpose. Final cleaning of suite will include, but is not limited to, blowing out smoke detectors with micron filtered air, dusting of all windowsills, window coverings and light diffusers, cleaning of cabinets and sinks, and clearing acoustical ceiling area of any excess ceiling tiles or other construction debris.

As a result of construction, the common areas may need special attention to restore such to building standards. Contractor shall arrange to walk with Construction/Property Management prior to beginning work and upon completion. Take note of any preexisting damage to common areas and determine if repairs or special cleaning are required at completion.

Contractor and any subcontractor use of the property for any activity other than conducting the work required of contractor is strictly prohibited.

Should contractor detect any materials that may be considered as hazardous or dangerous, contractor to notify BSP Construction Manager before disturbing such material.



Use of freight or passenger elevators shall be scheduled in advance with the BSP Property Management office.

Temporary protection with Masonite panels and elevator pads shall be installed by Contractor, and Contractor shall be responsible for any damage arising from such use.

VI. CONSTRUCTION REQUIREMENTS

GENERAL CONSTRUCTION

Standard base building power will be provided to the contractor at no cost, provided contractor's use is limited to the work required of contractor.

All keying of locksets and all connections to the Fire Alarm/Life Safety System shall be performed by contractors or vendors designated by BSP Property Management. In some cases, roofing and fire sprinkler work is similarly limited. All new locking hardware installed must comply with the building's specific keyway.

FIRE/LIFE SAFETY

All applicable Fire/Life Safety and Building Codes will be strictly enforced (i.e., tempered glass, fire doors, fire/smoke dampers, exit signs, smoke detectors, strobes, alarms, etc.). A building engineer must be present to test any new life safety devices. 24 – 48 hours, prior coordination with the building's Chief Engineer is required. Testing of audible devices must be scheduled outside of normal business hours. Any penetrations in floors/ceilings or fire rated walls will require sealing with a UL listed fire stop. An approved temporary seal is required until the work is completed. Upon completion of construction, a permanent seal is required.

During demolition, any smoke detectors in the area must be bypassed and covered to prevent contamination. Building engineers will perform bypasses as required, but it is the contractor's responsibility to ensure that smoke detectors are covered during work and then uncovered at the end of each shift. Any time smoke detectors are bypassed and covered, the contractor will be responsible to provide fire watch.

If the building sprinkler system needs to be drained, advance approval by BSP's Chief Engineer is required. **Contractor will be required to submit Vendor Work Request Form to Basin Street Project Manager at least**

24 hours in advance of performing work. If required by regional Chief Engineer, a red tag permit will be required. All hot work will be prohibited in the area during any impairment of the sprinkler system. If this work is performed after hours, any overtime engineering fees will be the responsibility of the General Contractor. The General Contractor will also be responsible to provide fire watch during any impairment.

Any wall penetrations must be patched in a manner as to maintain the rating of the wall.

All panel programming to be performed by BSP's preferred Contractor. Coordination with BSP's Chief Engineer required in advance.



ELECTRICAL

Lighting circuits will be dedicated to Suite and sentry switches are required throughout space. Any work on lighting or plug load circuits that could potentially impact neighboring Suites will be performed outside of normal business hours. Lighting design must clearly indicate night light fixture locations.

All affected electric panel schedules must be typewritten and brought up to date, identifying all new circuits added.

All runs are to be in conduit.

In most cases, the space above ceiling is return air plenum and therefore the use of PVC and other flammable material not labeled for use in such area is not to be used.

All "J" boxes are to be labeled with voltage, panel, and circuit numbers.

On remodeling work, any wiring, including communication cable, conduit, etc. that is not going to be re-used **MUST BE** demolished out to original point of connection.

All electrical outlets and lighting circuits are to be properly identified. Outlets shall be labeled on backside of cover plate. Floor scans may be required prior to coring. Any scans required shall be the Contractor's cost.

All low voltage wiring is to be plenum rated and shall not rest on ceiling tiles, fire sprinkler lines, ductwork, VAV boxes, or conduit and must be supported properly from the deck above with j-hooks or cable tray as may be required. Under no circumstances should the cabling run through building dampers and should not penetrate rated walls without a conduit sleeve and fire rated caulking to maintain rating.

All electrical and phone closets being used must have panels replaced and doors shut at the end of each day's work. Any electrical closet that is opened with panel exposed must have a work person present. **Electrical room doors must not be propped open without someone present.**

All electricians, telephone cable installation personnel etc., will upon completion of their respective projects, pick up and discard their trash leaving the telephone and electrical rooms clean. If this is not complied with, the building janitors will conduct a clean up, and the General Contractor will be back charged for this service.

PLUMBING

Only commercial grade, ADA compliant fixtures/appliances shall be installed. Residential grade is not acceptable.

Adjustable trap primers must always be installed, where applicable.

An isolation valve must be installed for any new water supply and the ceiling location tagged to identify the shut-off valve. The use of flexible tubing, unless of braided stainless steel, is prohibited.



HVAC

Only building standard grills and diffusers are to be installed. Any room with a door, which is larger than a 4' x 6' closet, must have a return air grill. Flags must be used to identify any balancing dampers installed in ductwork. All VAV boxes, controls, ductwork must match building standard.

Any VAV boxes, ductwork, exhaust fans, or supplemental cooling units not being utilized MUST BE demolished out to original point of connection. Any equipment above ceiling visible through return air grilles must be painted flat black.

Service access to existing equipment shall not be hampered or obstructed by added equipment or any installation required of contractor.

A preliminary inspection of the HVAC work in progress will be scheduled through the Management Office prior to the re-installation of any removed ceiling grid. The General Contractor must schedule this with the Chief Engineer.

Supplemental A/C units will require sub meter (Emon-Dmon) to determine billable electrical consumption. Review installation and location for such meters with building's Chief Engineer prior to any work. Roof curbs and penetrations will be performed by BSP approved roofing contractor only. Any roof top equipment must be labeled with Suite number and installation date. The Contractor is responsible for maintaining the integrity of the roof and providing a watertight seal at any penetrations.

All programming of controls will be performed by BSP's preferred Contractor. No exceptions. Water source reheat VAV's will require water balance valves, air vents, and strainers.

Contractor's signature below indicates acknowledgement and understanding of the BSP Construction Policies and Procedures.

Contractor's Name: _____

Contractor's Signature: _____

Date: _____



Vendor Work Request Form

This Form must be completed entirely. Work may not be permitted if the form is incomplete. Hot Work, Life Safety System shut down, and work requiring the Engineering Staff on site will require 24-hour prior notice.

Contractor requesting disablement of Fire & Life Safety Systems is responsible for fire watch of the building during the entire requested time window or until confirmation is received that the fire system operation has been restored to normal.

Please check one: Building Contractor Tenant Contractor

Company Name: _____

Sub-Contractors: _____

Work Date: _____

Time to Begin: _____ Time to End: _____

Type of work to be done:

- Hot Work (24-hour notice required)
- Life Safety System (24-hour notice required)
- Electrical Power Shutdown (24-hour notice required)
- Natural Gas Shutdown (24-hour required)
- Building Water Supply Shutdown (24-hour notice required)

Other (please describe): _____

Location of Work: _____

Key Access Needed: Telco Electrical Other: _____

Emergency Contact Information:

Name: _____ Phone: _____

On Site Supervisor Name: _____ Phone: _____

Tenant Approval _____ Date: _____

Building Management Approval _____ Date: _____

FORM TO BE RETURNED TO THE CONSTRUCTION MANAGER & PROPERTY MANAGEMENT OFFICE.

BSP CARES COVID-19 Prevention Policy for BSP Contractors & Vendors

<https://www.osha.gov/coronavirus/control-prevention>

BSP Recommendations for Prevention & Spread of Covid-19

- Wash hands frequently – use soap and water for a minimum of 20 seconds and if soap and water isn't available, use hand sanitizer (minimum of 60% alcohol) and rub hands together until dry
- Maintain social distancing of at least 6' whenever possible
- Avoid touching your face; specifically your eyes, nose and mouth
- If you're feeling ill, stay home and encourage others to do the same
- Confirm facial covering requirements with your CM/PM before entering BSP buildings and tenant occupied Suites – facial coverings are required in common areas and tenant occupied spaces
- Use signage to help encourage subcontractors to wear facial coverings while onsite and in tenant occupied spaces
- Train your employees to recognize the symptoms of Covid-19
- Train your employees on proper use of PPE
- Notify your BSP CM/PM immediately if anyone who has visited a BSP property, or project exhibits symptoms, or tests positive for Covid-19
- Stay up-to-date on the latest information distributed by the CDC/OSHA and encourage subcontractors to do the same

HOW TO PROTECT YOURSELF AND OTHERS | COVID-19 |

Get a COVID-19 vaccine



- COVID-19 vaccines are effective at keeping you from getting COVID-19, especially severe illness and death.
- Vaccines are safe, effective, and free!

Wear a mask



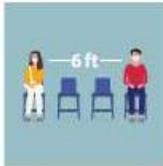
In indoor public places, people ages 2 and older should wear a mask if they are:

- Not fully vaccinated
- Fully vaccinated in an area with substantial or high transmission
- Fully vaccinated with weakened immune systems

In general, in outdoor settings, you do not need to wear a mask.

In areas with high numbers of COVID-19 cases, consider wearing a mask in crowded outdoor settings and for activities with close contact with others who are not fully vaccinated.

Stay 6 feet from others



Stay 6 feet apart from people who don't live in your household. Remember that some people without symptoms may be able to spread the virus.

Keeping distance from others is especially important for people are at higher risk of getting very sick.

Avoid crowds and poorly ventilated places



Being in crowds like in restaurants, bars, fitness centers, or movie theaters puts you at higher risk for COVID-19.

Avoid indoor spaces that do not offer fresh air from the outdoors as much as possible.

If indoors, bring in fresh air by opening windows and doors, if possible.



[cdc.gov/coronavirus](https://www.cdc.gov/coronavirus)

Test to prevent spread to others



- Over-the-counter self-tests can be used at home or anywhere, are easy to use, and produce rapid results.
- Consider using a self-test before joining indoor gatherings with others who are not in your household.

Wash your hands often



Wash your hands often with soap and water, especially after you have been in a public place.

If soap and water are not available, use a hand sanitizer that contains at least 60% alcohol.

Avoid touching your eyes, nose, and mouth with unwashed hands.

Cover coughs and sneezes



Always cover your mouth and nose with a tissue when you cough or sneeze or use the inside of your elbow. Do not spit.

Throw used tissues in the trash.

Immediately wash your hands with soap and water or use hand sanitizer that contains at least 60% alcohol.

Clean and disinfect



Clean high touch surfaces daily.

If someone is sick or has tested positive for COVID-19, disinfect frequently touched surfaces.

If surfaces are dirty, clean them using detergent or soap and water prior to disinfection.

Monitor your health daily



Be alert for symptoms.

Watch for fever, cough, shortness of breath, or other symptoms of COVID-19.

Take your temperature if symptoms develop.

If you have symptoms, especially if you've been around someone with COVID-19, get tested as soon as possible.

[cdc.gov/coronavirus](https://www.cdc.gov/coronavirus)

EXHIBIT C

PAYMENT INSTRUCTIONS

Bank Name: Wells Fargo Bank

Bank Address: 420 Montgomery St., 6th Floor
San Francisco, CA 94104

Bank Phone #: (415) 396-6934

Account Name: Petaluma Theater District, LLC
Garage Retail CA, LLC

Account Address: 316 California Avenue #350
Reno, NV 89509

Phone #: (775) 954-2900

Account #: 4120341086

ABA #: 121000248