

**TOWN OF SAN ANSELMO
STAFF REPORT
June 16, 2008**

For the Meeting of June 24, 2008

TO: Town Council

FROM: Debra Stutsman, Town Manager

SUBJECT: Agreement to Lease

RECOMMENDATION

That Council authorize the Town Manager to sign the "Exclusive Authorization to Lease" agreement.

BACKGROUND

The Town owns the Isabel Cook Community Center Complex located at 1000 Sir Francis Drake Blvd. One of the buildings houses a multi-purpose room, the preschool and programming space. The second building houses the Recreation Department office and the remainder of the space is rented out to tenants, primarily low income or non-profit businesses. The Town took ownership of the complex through the Community Development Block Grant (CDBG) program about 30 years and has been renting the office space out since.

DISCUSSION

The first floor office space, which is about 3,800 square feet, was recently vacated by Buckelew, which ran the Tam Day program. Because staff does not have expertise in the commercial real estate rental area, a Request for Proposals (Attachment 1) was prepared and sent to three realtors. Three responses were received from Orion Partners Ltd., Home & Land Commercial and West End Properties (Attachment 2). The fees for commercial real estate services are computed based on a percentage of the annual rent for a specified number of years, usually the total number of years the tenant is in the space.

ANALYSIS

Staff chose Orion Partners Limited as the best choice for this particular rental. Ralph Cole of Orion has agreed to lower his usual percentage to 5% for the first three years and 4% for the remainder of the term. He estimates the building will rent for \$2.35 per square foot. If we get a tenant that stays for five years the cost to the Town would be \$18,184 over the five year period. If the tenant stayed for an additional five years, it would be an additional \$20,312 over the next five years or a total of \$38,496 over the ten year period. Mr. Cole has agreed to limit his

agreement to a total of ten years, limiting the Town's exposure to this fee if we are fortunate enough to get a long term tenant. The proposed "Exclusive Authorization to Lease Agreement" is attached (Attachment 3).

This system of payment for commercial space is the industry standard. The Town Attorney and Manager both researched the issue and found this to be true.

FISCAL IMPACT

The fiscal impact of this contract is dependent upon how long a tenant stays in the space, but will be no more than \$38,496, based on renting the space at \$1.35/square foot with a 5% increase each year. The space was scheduled to be rented at \$1.25 per square foot effective July 1, 2008, so the additional ten cents per square foot would cover the cost of the realtor.

Respectfully submitted,



Debra Stutsman,
Town Manager

Attachment 1 – Request for Proposals

Attachment 2 – Proposals Received

Attachment 3 – Exclusive Authorization to Lease Agreement

TOWN OF SAN ANSELMO

REQUEST FOR PROPOSALS for Real Estate Services

The Town of San Anselmo has rental space that will be vacant as of May 31, 2008. We are interested in hiring a real estate manager who can provide services assist the Town in renting this space.

General Information:

- **Location:** Isabel Cooke Complex (Ground floor of building parallel to street)
1000 Sir Francis Drake Blvd, San Anselmo
- **Description of Space:** 3,800 sq feet, including office (880 sq ft with separate entrance), kitchen, dining room, several small offices, 2 large conference rooms, accessible bathroom, large central hall.
- **Parking:** Parking lot adjacent to building (shared with Marin Housing Authority tenants).
8 spaces
- **Other tenants:** First floor tenants are include Aryiis, a large artist group, Spectrum, San Anselmo Rec Dept Admin offices, and Social Justice Center.
- **Lease Preferences:**
 1. All tenants in this complex currently have signed 4 year lease agreements with annual rental rate increases (see attached).
 2. General liability and Workers Comp insurance are required.
 3. Sub-lets ok with prior Town approval (sub-lease agreement and insurance required).
 4. Modifications to the space are at lessee's expense and require prior Town approval.
 5. Early termination by either party is allowed with 90 days notice.

Proposal

Please provide the following information:

- **Services you will provide**, such as advertising, showing space, background checks on applicants, use permit processing, lease document execution, etc. Please name individuals assigned to this project. Note any support services you will require of the Town.
- **Time Line** you anticipate for providing the services you have outlined above.
- **Cost of Your Services**, noting any items that may be optional.
- **Recent References** from clients with similar projects.

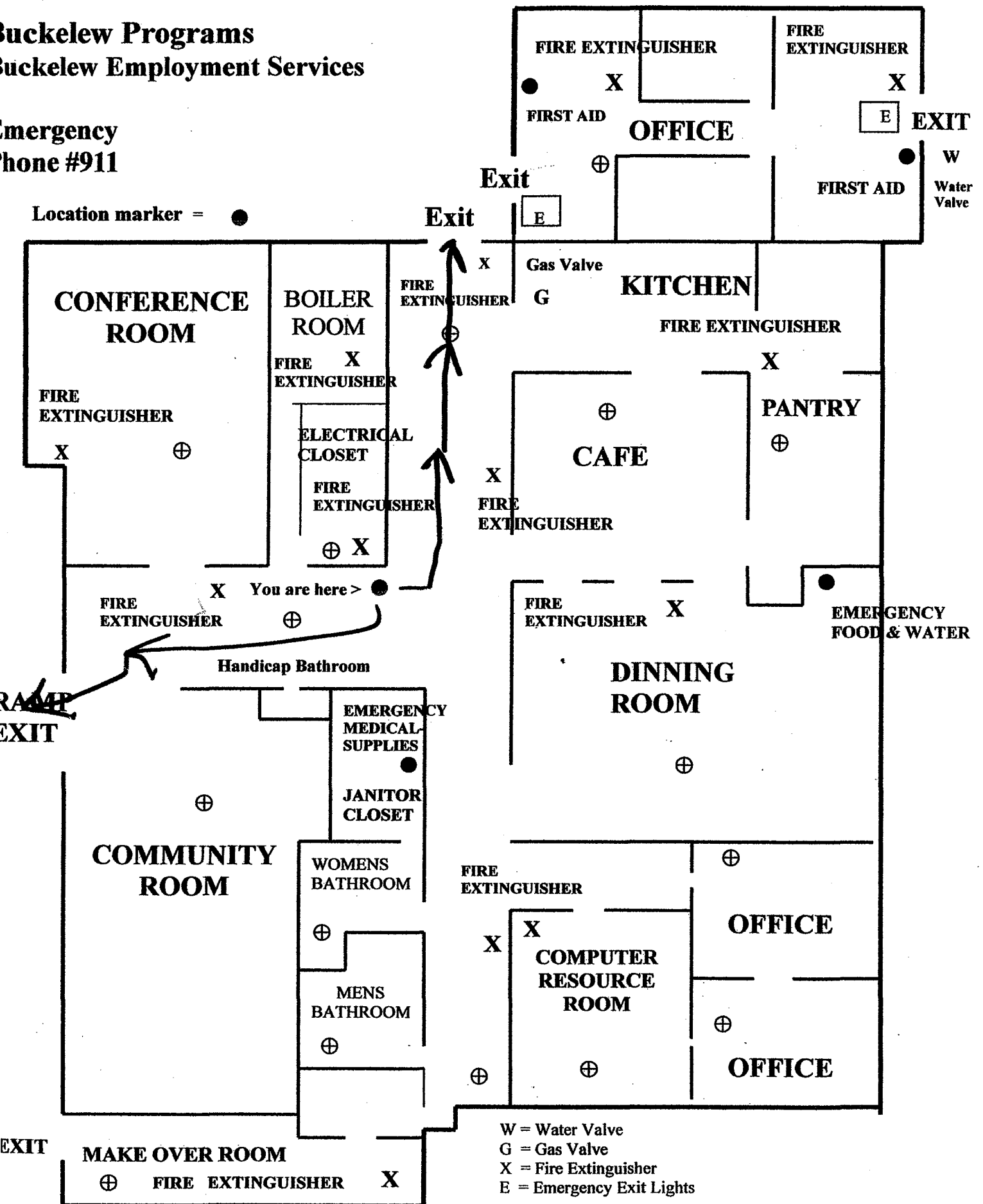
Submit proposal by **Wednesday, May 14, 2008** to: Janet Pendoley
525 San Anselmo Ave
San Anselmo, CA 94960

ATTACHMENT #1

Bucklew Programs
Bucklew Employment Services

Emergency
Phone #911

Location marker = ●



1000 SIR FRANCIS DRAKE BLVD.
SAN ANSELMO, CA 94960



May 14, 2008

Ms. Janet Pendoley
Finance Director
Town of San Anselmo
525 San Anselmo Ave.
San Anselmo, CA 94960

Re: Request for Proposal – Real Estate Services
Isabel Cooke Complex
1000 Sir Francis Drake Blvd.
San Anselmo, CA

Dear Janet,

Thank you for including our firm in the request for services sought by the Town of San Anselmo to lease the premises at the Isabel Cooke Complex being vacated by the Buckelew Programs. Included with this cover letter are the particulars you requested of our firm to address marketing the premises and generating a new occupancy and lease arrangement.

I appreciate the opportunity to be of service to the Town and hopefully receive the assignment to represent the property.

Sincerely,


Jay Murphy



HL Commercial Real Estate
4304 Redwood Highway
Suite 200
San Rafael, CA 94903-2103

415.446.4237 Direct
415.454.2030 Office
415.446.4200 Fax
jay@hlcre.com

Jay Murphy
Investments & Leasing

ATTACHMENT #2

Request for proposal – Isabel Cooke Complex

Executive Summary

The premises proposed for lease is located on the lower level of a former elementary school. The configuration is unconventional when compared to other office habitats. A portion of the space is common hallway servicing the various conference/meeting rooms, classrooms and kitchens. It is understood that due to budget constraints there will not be a major renovation of the premises to redefine the interior configuration. Applying the premises to a current use in today's office market will need to take into consideration the non-conformity of the space, potential users, and lease rate.

One of two approaches could be taken in the marketing of the premises. Obviously as a single user similar to the vacating tenant, Buckelew Programs. Or a rental of individual areas sharing common access to the restrooms. The latter scenario is problematic as to generating a fit amongst potential occupants. Most likely it would be more sensible and less management intensive to secure another single user for the premises.

Such user will need to be a low traffic generator as predicated by the on-site parking allocated to the subject premises in considering the balance of the complex's demand for parking. The typical factors which affect market rent value for a property are the condition of the premises, suite design/flexibility, on-site parking, and the convenience of the location. The location of the premises is fairly convenient to general support services for a business and its staff. Being adjacent to the Red Hill Shopping Center and close proximity to downtown San Anselmo are good attributes. Though the premises are well maintained for its age there are the drawbacks of inefficient use of the premises.

The present understanding is that rent charged for a new occupant would include utilities. Office space in the vicinity of the Isabel Cooke Complex have been renting for \$1.90 to \$2.25 per square monthly not including PG & E. My sense of a proposed rent for the premises would be in the range of \$1.40 to \$1.50 per square foot including utilities.

Request for proposal – Isabel Cooke Complex

Marketing Plan:

HL Commercial Real Estate will develop an informational flyer denoting the important information regarding the premises. This marketing flyer will be immediately distributed to all commercial brokers in the Marin area.

The company will provide support for advertising in local papers, internet postings in the commercial media and selected mailings to likely prospects.

The company will designate Jay Murphy as the agent to work with the Town. Jay is a long time resident of San Anselmo and is most familiar with the applicable Town ordinances affecting commercial occupancies. He has extensive experience dealing with the Town's planning and building departments. Jay will be responsible to co-ordinate dissemination of the marketing material and promotion via advertising. Conduct on site tours with potential prospects. Interact with the appropriate officials for the Town of San Anselmo. Produce credit reports and obtain appropriate financial information for the satisfaction of the Town officers. Assist the Town with generating the lease documents.

Time Line:

Upon execution of the listing agreement the firm will immediately complete the marketing flyer, install a for lease sign at the property, fully broadcast the marketing flyer to all commercial agents in the Marin and Sonoma markets. On-going throughout our representation of the property, we will continue to advertise and broadcast the property being available through the Independent Journal and the internet subscription service.

The size of the premises is larger than typical office space offered in our San Anselmo market. Most of the activity for office users in the Ross Valley that we experience are in the range of 600 to 1,500 square feet. The nature of the subject premises dictates that for it to be attractive to a user that the rent level be less than the general market receives. The general market being in the \$1.95 to \$2.25 monthly rental/square foot. Our recommendation of \$1.50 including utilities will address both the market conditions of size absorption and configuration of the premises. In this current market it is difficult to estimate the time necessary to obtain a new tenant. Previously in a more vibrant economy the premises would likely lease in three months. We would use our best efforts to expose the property as fully as could be expected.

Broker Compensation:

HL Commercial Real Estate co-operates fully with all the commercial brokers in the marketplace. Fees paid to the firm will be shared equally with the participating broker representing the tenant. Our fee schedule is conventional to this marketplace which is a percentage of the income stream generated per year. A set of the listing agreement is enclosed for your reference. The fee is paid upon execution of the lease and occupancy of the tenant. The fee is meant to be competitive with the market and warrant the participation of other brokers.

HL



H&L Commercial Real Estate



JAY MURPHY

**PROFESSIONAL AND PERSONAL INFORMATION
AREAS OF SPECIALIZATION**

COMMERCIAL LEASING AND INVESTMENTS SALES

Jay Murphy is a commercial agent with the Marin office of H&L Commercial Real Estate in San Rafael, California. Mr. Murphy began his real estate career in 1970. He joined H&L Commercial Real Estate in 1998.

Mr. Murphy has been involved with the acquisition of commercial sites in both Sonoma and Marin Counties. Further, his experience involved the successful lease-up of various commercial developments including office, retail, and industrial facilities. Prior to joining H&L Commercial Mr. Murphy was associated with Grubb & Ellis Commercial Brokerage Services handling transactions in Marin, Sonoma and the East Bay.

Mr. Murphy regularly places in the top five brokers in his office for annual production.

Mr. Murphy was born and raised in San Francisco and has been a resident of Marin county for the past thirty years. He graduated from Gonzaga University, Spokane, Washington in 1968. He is an active member of the North Bay Brokers Association and former President of the St. Anselm's School Board, as well as a past Board Member San Anselmo Parks and Recreation. Mr. Murphy resides with his family in San Anselmo.

Over the past two years, Mr. Murphy has successfully completed these transactions:

√**SALES:** 5 investments totaling \$8,500,000.

√**LEASING:** 58 transactions in excess of 180,000 square feet.

San Anselmo Property Transactions Completed by Jay Murphy

Lease transactions:

French Nest (Holly Hopper) 500 San Anselmo Avenue, 2,300 sf.

La Seda Bella 535 San Anselmo Avenue 4,000 sf

Art Center II 11 A Belle Avenue 1,100 sf

Lo Coco's Pizzeria 638 San Anselmo Avenue 1,200 sf

Bloomworks 514 San Anselmo Avenue 750 sf

Lea's Designs 324 Sir Francis Drake Blvd. 690 sf

Stapelton School of Performing Arts 118 Greenfield Avenue 4,000 sf

Playwell Technologies 216 Greenfield Avenue 4,000 sf

Pet Cottage 218 Greenfield Avenue 1,800 sf

Spine Sports Therapy 220 Greenfield Avenue 2,700 sf

Marin Martial Arts 222 Greenfield Avenue 2,200 sf

Yankee Girl 330 Sir Francis Drake Blvd. 2,600 sf

Studio Green 292 Sir Francis Drake Blvd. 1,500 sf

Fan Tan Antiques 310 Sir Francis Drake Blvd. 1,000 sf

Turtle Yoga 7A Mariposa Avenue 900 sf

Whole Athlete 7B Mariposa Avenue 900 sf

Quarryhouse 217 San Anselmo Avenue 1,400 sf

String Letter Press 55 San Anselmo Avenue 1,450 sf

Sale transactions:

Zaragoza 316 Sir Francis Drake Blvd 7,500, sf

Tamalpais Theatre Building 324 -332 Sir Francis Drake Blvd. 13,000 sf

Oveda Maurer Antiques 34 Greenfield Avenue 3,400 sf

R. Erteman Veterinary 729 Sir Francis Drake Blvd. 2,800 sf

55 San Anselmo Avenue 4,550 sf

Property Owner References:

Ownership Contact

Chuck Pierce
1601 Second St.
San Rafael, CA 94901
453-3540

Vallerga Family Trust
Mark Harmon, Trustee
591 Redwood Hwy.
Suite 3150
Mill Valley, CA 94941
380-3470

Ned MacDonald
330 Sir Francis Drake Blvd.
San Anselmo, CA 94960
485-4407

Jay Cahan
HC&M Commercial Properties Inc.
1234 Mariposa St.
San Francisco, CA 94107
865-6102

Property Represented:

218 – 222 Greenfield Avenue
224 Greenfield Avenue

232 Sir Francis Drake Blvd.
300 – 314 Sir Francis Drake Blvd.
118 Greenfield Avenue

Tamalpais Theatre Building
20 Greenfield Avenue

55 San Anselmo Avenue

Marketing Proposal to Lease
Isabel Cook Complex
1000 Sir Francis Drake Boulevard, San Anselmo

Submitted by Ralph N. Cole and Martin Perlmutter

ORION PARTNERS LTD.

THE GOAL OF THIS PROPOSAL IS TO LEASE 1000 SIR FRANCIS DRAKE BLVD AND TO PRESENT THE PROPERTY TO ALL QUALIFIED LOCAL, REGIONAL AND EVEN NATIONAL TENANTS.

THE MARKETING CAMPAIGN WILL DEMONSTRATE AND HIGHLIGHT THE SPECIFIC FEATURES AND AMENITIES OF THE BUILDING THAT PROVIDE A UNIQUE OPPORTUNITY FOR A NON-PROFIT AS WELL AS FOR A PROFIT ENTITY. WE WILL PREPARE FLIERS DESCRIBING THE SITE, PRESENT THE PROPERTY TO COMMERCIAL BROKERS, UTILIZE THE INTERNET, PLACE APPROPRIATE SIGNS, AND BRING THE POWER OF ORION PARTNERS TO MARKET THE SUITE.

TIME LINE:

*~ \$1.50/sq. ft., per phone message from
Ralph Cole 5/14/08*

IT IS ANTICIPATED MARKETING WILL BEGIN WITHIN 2 DAYS AFTER THE CONTRACT IS MUTALLY AGREED UPON.

COST OF SERVICES

AS THE TOWN OF SAN ANSELMO IS THE OWNER AND CUSTODIAN OF THE PROPERTY AND AS IT IS KNOWN THE TOWN IS SUFFERING FROM A CASH CRISIS, ORION PARTNERS LTD. IS WILLING TO LOWER ITS FEE FROM SIX PERCENT OF EACH OF THE FIRST THREE YEARS' RENT TO FIVE PERCENT OF EACH OF THE THREE YEARS' RENT. EACH SUCCEEDING YEAR THEREAFTER WILL BE LOWERED TO FOUR PERCENT OF THE ANNUAL RENT.

REFERENCES

1. JODI AZEVEDO, PARKWAY PROPERTIES, 24 PROFESSIONAL CENTER PARKWAY, SAN RAFAEL 94903
2. MICHAEL GILDENGORIN, GCS, 4172 REDWOOD HIGHWAY, SAN RAFAEL 94903
3. MELISSA SHILLIDAY, ADDRESS TO BE FURNISHED
4. ALLAN FINGERHUT, 10 ST. BERNARD LANE, TIBURON, CA 94920
5. GREG MCCOLLUM, HOYTT ENTERPRISES, 1710 NOVATO BLVD., NOVATO 94945
6. REED UNION SCHOOL DISTRICT, JOHN FRICK, BUSINESS MANAGER, 277A KAREN WY, TIBURON, CA 94920



ORION

Martin Perlmutter

Principal
Direct 415-472-8737
e-mail martinp@orionre.com
www.orionre.com

ORION PARTNERS LTD.

COMMERCIAL REAL ESTATE SERVICES
899 Northgate Drive, Suite 500 • San Rafael, CA 94903
Tel 415-472-8700 • Fax 415-472-3508



ORION

Ralph N. Cole
Broker/Principal
Direct 415-472-8707
Residence 415-492-2508
e-mail rncole@orionre.com
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Weekly Sales Plan

WEEK ONE **“Preparation and Paperwork”**

- 1). Produce marketing flier
- 2). Insert information on building into Loopnet
- 3). Place sign at street level

WEEK TWO **“Contact and Qualify”**

- 1). Send information and lead tour of property for Orion agents
- 2). Begin direct contact of neighborhood participants
- 3). Continue direct contact of tenants in the Market Place
- 4). E-mail fliers to brokerage community
- 5). Begin to contact appropriate prospects; i.e. Owner-Users

WEEK THREE **“Tours and Talks”**

- 1). Place ad in North Bay Business Journal
- 2). Continue direct contact with appropriate parties
- 3). Conduct tours of property with prospective tenants
- 4). Conduct Broker's Open

WEEK FOUR **“Things Begin to Happen”**

- 1). Continue direct contact of area tenants, appropriate users, etc.
- 2). Continue tours

WEEK FIVE **“Proactive Marketing”**

- 1). Continue plan
- 2). Continue reporting
- 3). Remain flexible to monitor effects of marketing efforts

Our goal is to present 1000 Sir Francis Drake Blvd. to ALL qualified local, regional and national tenants. Initial efforts will focus on locating tenants manifesting an interest in attractive architecture and existing improvements. The marketing campaign will demonstrate and highlight the specific features and amenities of the property that provide a unique opportunity for a tenant.

Building Identity & Features

- ▶ Flexible configurations to accommodate a variety of tenants
- ▶ Excellent accessibility from Highway 101
- ▶ Adequate on and off-site parking

Broker Communication

Full cooperation with outside brokers is an Orion Partners Ltd. policy and it is simply good business. A key aspect of professional promotion in the real estate industry is cooperation with other agents and brokers.

Regular mailings will be made to all of the individual commercial sales agents in the North Bay as well as the East Bay through the use of hard copy and Internet communications. Orion Partners Ltd. maintains up-to-date E-mailing lists for just this purpose. Mailings will be repeated and updated as necessary, and they will occur at least once each month throughout the term of the listing.

Personal calls and a Broker's Open will keep the agents known to be working in the Marin and Sonoma County area fully informed about the leasing opportunity at 1000 Sir Francis Drake Blvd.

Brochure

Orion Partners Ltd. will create, at its own expense, a quality full-color brochure detailing the offering and the opportunity 1000 Sir Francis Drake presents to prospective tenants.

Reporting

In all marketing programs the client should be kept aware of the broker's activities on their behalf. Regular marketing reports detailing all phases of our marketing efforts will be provided.

All client interest will be registered with the size of the requirement, target occupancy date, status of interest, and the client's comments about the project.

Media Campaign

Orion Partners will conduct, at its expense, an effective advertising program in selected publications and major market periodicals found to be most effective. These may include the Press Democrat, North Bay Business Journal, Marin Independent Journal, San Francisco Chronicle, Oakland Tribune, etc.

Signage

Orion Partners will, at its own expense, provide custom signage for the property.

Canvassing

Orion Partners will also conduct canvassing effort in concentric circles from 1000 Sir Francis Drake Blvd to reach likely tenants in the surrounding areas.

Direct Tenant Marketing

Orion Partners maintains and will market to a database tenants (represented by all brokers in the County) including size and location of space desired.

Special Events

Orion Partners will organize and conduct a Broker's Open at 1000 Sir Francis Drake Boulevard. This event will specifically target the brokerage communities in Sonoma and Marin counties. All brokers and agents will be invited to the property to listen to a brief marketing presentation, tour the space and enjoy lunch.

jpendoley

From: Aref Ahmadia [arefsahmadia@yahoo.com]
Sent: Sunday, May 11, 2008 8:37 AM
To: jpendoley@ci.san-anselmo.ca.us
Cc: Siham Elias
Subject: Proposal Isabel Cooke Complex, Ground Floor

Dear Jane & Rabi,

Thank you for the opportunity to give you a proposal regarding the Isabel Cooke property.

I sent you an email regarding listed properties for lease in San Anselmo and Fairfax to give an idea about the comparable.

In San Anselmo the average per square foot for retail and office is \$2.00 per month, some of the spaces are smaller and are NNN leases.

For the Isabel Cooke Complex I propose \$1.50 per square foot per month gross, with annual escalation clause, for a quick rental.

Method of advertising maximum exposure:

- Place the property on loop net.
- place the property on the Multiple Listing Service.
- Place a for lease sign on the property,
- Hold brokers open, to give interested brokers and potential clients to view the property.
- Most importantly, and what sets me apart from other brokers, I am available to show the property on short notice and work with prospective tenants.

Commission rate for a three year term 5% of the total net rental.

Best regards,
Aref Ahmadia
West End Properties
415. 479-7979
Fax. 415 454-5430

Aref Ahmadia,
GRI, CRS



1131 Fourth Street
San Rafael, CA 94901
Tel. 415-479-7979

Fax 415-454-5430
Pager 415-201-6724



EXCLUSIVE AUTHORIZATION TO LEASE AGREEMENT

Owner ^{BS} irrevocably GRANTS to ORION PARTNERS LTD., Broker, the EXCLUSIVE AUTHORIZATION and RIGHT to lease the real property situated in or near the City of San Anselmo, County of Marin, State of California, described as Isabel Cooke Complex (ground floor of building parallel to street), 1000 Sir Francis Drake Boulevard.

1. **LISTING PERIOD.** This exclusive right shall commence on May 28, 2008 and terminate at midnight, November 28, 2008.

If during the listing period negotiations involving the leasing of the Property had commenced and are continuing, then the term of the Listing Period shall be extended with respect to such transaction(s) and negotiations for a period through the final termination of all efforts to complete a transaction or the consummation of such transaction.

2. **LEASE PRICE.** The lease price shall be: \$1.35 per square foot for a period of not less than four (4) years or at such other terms acceptable to Owner.

3. **OWNER DUTIES & WARRANTIES.**

- a. Owner warrants that he or she is the owner of record of all of the property or has the written authority to execute this Agreement on behalf of all the owner(s) of record.
- b. Owner warrants the accuracy of the information provided with respect to the property and agrees to defend and hold Broker harmless from any liability or damage arising out of incorrect or undisclosed information, provided and/or not provided to the broker.
- c. Owner understands that state and federal laws prohibit discrimination in the sale, rental, appraisal, financing or advertising of housing on the basis of race, color, religion, sex, familial status, handicap, or national origin.

4. **COMPENSATION TO BROKER.** In consideration of this Authorization and Broker's agreement diligently to pursue the procurement of tenant(s) for the Property, Owner agrees to pay Broker commission(s) as follows:

GROSS LEASE

- 5% of the rent for the first 12 months;
- 5% of the rent for the second 12 months;
- 5% of the rent for the third 12 months;
- 4% of the rent for the fourth 12 months;
- 4% of the rent for the fifth 12 months;
- 4% of the rent for the next 60 months; and
- ~~4% of the rent for the balance of the term.~~

5. For the purpose of computing the amount of the commission due on a leasing transaction, the first month when the base or minimum rental commences shall be deemed to be the first month of the lease.

- a. In the event of Month-to-Month Tenancy the commission shall be 50% of the first month's rent but in no event less than \$1,000. In the event a month-to-month tenant subsequently executes a lease, either directly with Owner or through Broker, within 24 months from the date of first occupancy of the month-to-month tenant, then Broker shall receive a leasing commission with respect to such lease calculated in accordance with the provisions of this Schedule.
- b. If the term of the lease is extended or the area of the leased premises is expanded prior to the expiration of the lease pursuant to an option in the lease, then a leasing commission, computed in accordance herewith, shall be paid upon the exercise of any such option or the making of any such amendment or agreement. If the term of the lease is extended, such additional period shall be added to the end of the initial lease term for the purpose of computing the amount of the commission. If the area of the leased premises is expanded, a full leasing commission shall be due for the entire term of such additional space.
- c. One-half of leasing commissions shall be paid upon the mutual execution of a lease by Owner and tenant, and the balance shall be paid on the date specified in the lease for the commencement of the term. For the

ATTACHMENT #3

Owner [RNC]	Read and approve: [Signature] and Broker
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purpose of computing the amount of the commission due on a leasing transaction, the first month when the base or minimum rental commences shall be deemed to be the first month of the lease.

- d. In the event that Broker procures a purchaser during the term of this Agreement, or in the event that Broker procures a tenant, and the tenant purchases the property during the term of the tenant's lease, or any extensions thereof, Owner agrees to pay the Broker from the proceeds of the sale at close of escrow a sales commission of 5% of the sale price.
- e. Broker is hereby authorized to deduct its commission from any deposits, payments or other funds paid in connection with such transaction. Owner shall pay such commission to Broker if during the Listing Period: (a) the Property or any part thereof is leased to a tenant by or through Broker, Owner or any other person or entity; or (b) a tenant is procured by or through Broker, Owner or any other person or entity who is ready, willing and able to lease the Property or any part thereof on the terms above stated or other terms acceptable to the owner of the Property; or (c) any lease or contract for the lease of the Property or any part thereof is made directly or indirectly by the owner of the Property; or (d) this Authorization is terminated or the Property is withdrawn from lease without the written consent of Broker or made unmarketable by Owner's voluntary act. Owner shall also pay said commission to Broker if within one hundred eighty (180) days after the expiration of the Listing period (a) the Property, or any interest therein, is leased to any person or entity which during the term of the Listing Period made a written offer to lease the Property, or any interest therein, whether or not such transaction is consummated on the same or different terms and conditions contained in such offer; and (2) the Property or any interest therein is leased to any person or entity with whom Broker has negotiated or to whom Broker has submitted the Property in an effort to effect a transaction during the Listing Period and whose name appears on any list of such persons or entities (The "Registration List") which Broker shall have mailed to owner at the address below stated within twenty one (21) days following such expiration. In the event title to the Property is transferred pursuant to foreclosure proceedings or by a deed in lieu of foreclosure during the Listing Period and within one hundred eighty (180) days thereafter the Property or any portion thereof is leased to any person or entity which made a written offer to lease the Property, or any portion thereof, or which is named on the Registration List, Owner shall pay Broker said commission with respect to such transaction. The sale of the Property during the term of this Authorization or any extension hereof shall not be deemed to constitute a breach of this Authorization if the purchaser agrees in writing to be bound by this Authorization for the remainder of the Listing Period.

NOTICE: The amount of real estate commissions is not fixed by law, they are negotiable.

6. BROKER AGENCY & OBLIGATIONS.

- a. Broker is authorized to cooperate with other brokers in the marketing of the property and may divide the above compensation with other brokers in any manner acceptable to them.
- b. Broker may also act as agent for a prospective tenant. In such event, Broker will, as soon as practicable, disclose the proposed dual agency relationship to the Owner and obtain the Owner's consent as required by law.
- c. Broker agrees to use due diligence to effect a lease of the property in accordance with the custom and practice in the community regarding similar properties.

7. OWNER INSTRUCTIONS & AUTHORIZATIONS.

- a. Broker is authorized to list the property with the local Multiple Listing Service, comply with all the rules of that service and report the terms of lease to Association Members.
- b. Broker is authorized to market the property on the Internet
- c. Broker is authorized to place a FOR LEASE sign upon the property
- d. Owner agrees to allow Broker and cooperating agents to show the property at reasonable times if requested.
- e. Owner shall make available to Broker all information, records, and documents relating to the property.

8. **ARBITRATION OF DISPUTES - ATTORNEYS FEES.** Any dispute or claim arising out of this Agreement will be decided by binding arbitration before an agreed upon retired judge or attorney in accordance with C.C.P. § 1280 et seq. with discovery rights described in CCP §1283.06. The arbitrator shall (a) within 30 days after the hearing issue a written Tentative Decision which explains the factual and legal basis of each material controverted issue unless the hearing was one day or less in which case the Tentative Award may be orally

rendered at the hearing. (b) Within fifteen (15) days after the Tentative Award has been served or announced, any party may serve written objections to the Tentative Award whereupon the arbitrator may call for additional evidence, oral or written argument, or both. (c) Within thirty (30) days after the filing of objections, the arbitrator will either make the Tentative Award final or modify or correct the Tentative Award, which will then become final as modified or corrected. (d) If no written objections are timely filed, the Tentative Award will become final. In any action for commission, the prevailing party is entitled to reasonable attorney fees and arbitration costs. Judgment upon the arbitration award may be entered in any court having jurisdiction.

The following matters are excluded from arbitration: (a) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage, or real property sales contract as defined in Civil Code 2985; (b) an unlawful detainer action; (c) the filing or enforcement of a mechanic's lien; (d) any matter which is within the jurisdiction of a probate court, or small claims court; or (e) an action for bodily injury or wrongful death, or for latent or patent defects to which Code of Civil Procedure 337.1 or 337.15 applies. The filing of a judicial action to allow the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies, shall not constitute a waiver of the right to arbitrate.

NOTICE: BY INITIALING BELOW YOU ARE GIVING UP ANY RIGHTS TO HAVE ANY DISPUTE ARISING FROM THIS AGREEMENT LITIGATED IN COURT OR BY JURY TRIAL, YOU ARE GIVING UP YOUR RIGHTS TO APPEAL. IF YOU REFUSE TO ARBITRATE AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO DO SO UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS PROVISION IS VOLUNTARY AND BY INITIALING BELOW YOU AGREE THAT YOU HAVE READ AND UNDERSTAND THIS PROVISION. Owner [] [*DC MV*] and Broker.

- 9. **ENTIRE AGREEMENT.** This agreement includes the full and complete understanding of the parties and supersedes any prior agreements not expressly set forth herein. Owner confirms that they have not relied on any representations, which are not expressed in this Agreement. All amendments to this agreement must be in writing signed and dated by all parties.
- 10. **OTHER TERMS AND CONDITIONS.** The cost of Tenant improvements, if any, shall be at the sole cost and expense of the Tenant and shall be subject to all governmental approvals.

Note: Real estate brokers and agents are not qualified to give legal, tax, accounting, insurance, Americans with Disabilities Act or hazardous materials advice. You should consult with a specialized professional for such advice.

Owner acknowledges receipt of a copy of this Agreement, which Owner has read and understands:

OWNER: TOWN OF SAN ANSELMO

By: *Debra Stutsman, Town Manager*

DATE: _____

Address: 525 San Anselmo Avenue, San Anselmo, CA 94960
Phone: 415/258-4678

BROKER: ORION PARTNERS LTD.

By: *Ralph N. Cole*
By: *Ralph N. Cole; Broker/Principal*

DATE: *5/28/08*

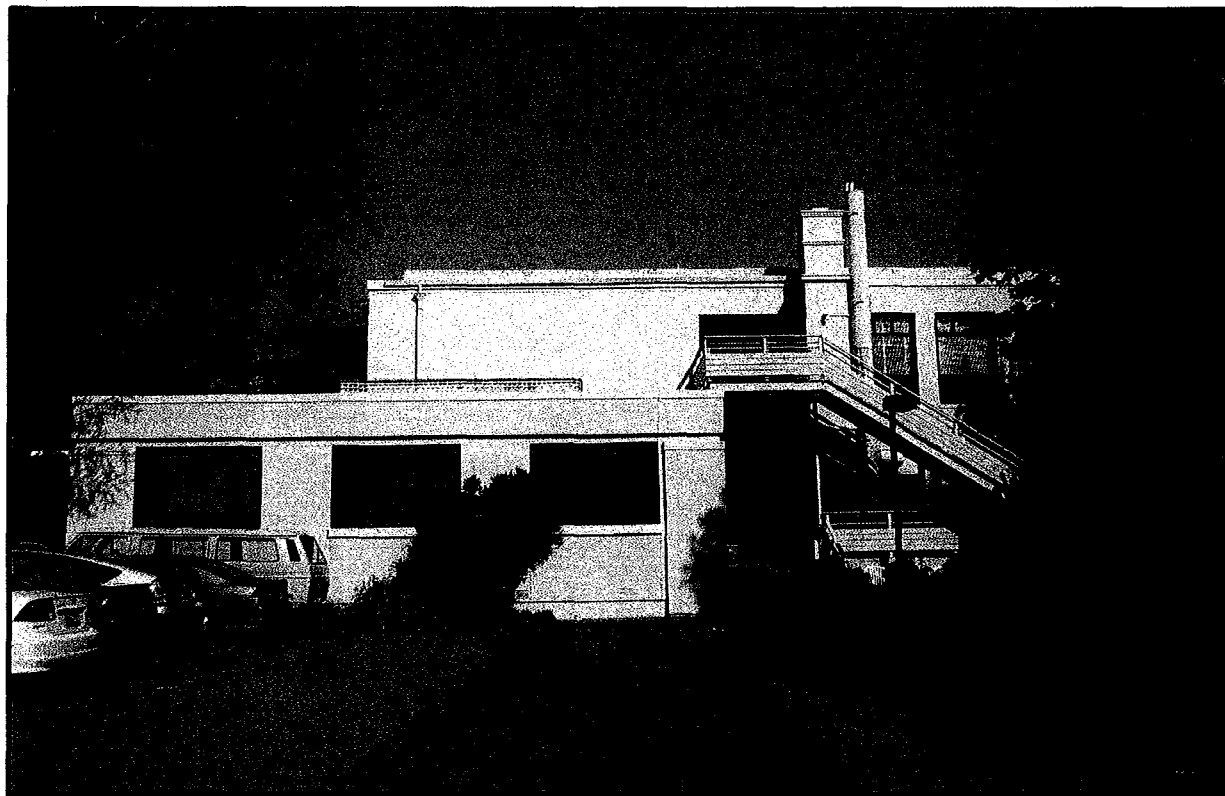
By: *Martin Perlmutter*
By: *Martin Perlmutter, Principal*

DATE: _____

Address: 899 Northgate Drive, Suite 500; San Rafael, California 94903
Phone: (415) 472-8700, Fax (415) 472-3508

OFFICE SPACE FOR LEASE

**1000 SIR FRANCIS DRAKE BLVD.
SAN ANSELMO, CA**



3,800 ± SQ. FT.

\$1.35/ SQ. FT. , FULL SERVICE
(Janitorial services not included)

**FULLY RENOVATED OFFICES PLUS
LARGE CONFERENCE ROOMS**

For more information please contact:

RALPH COLE
rncole@orionre.com
(415) 472-8707

MARTIN PERLMUTTER
martinp@orionre.com
(415) 472-8737

www.orionre.com

San Rafael Office
899 Northgate Drive
Suite 500
San Rafael, CA 94903
415-472-8700 Tel
415-472-3508 Fax

Petaluma Office
775 Baywood Drive
Suite 105
Petaluma, CA 94954
707-782-1800 Tel
707-782-1818 Fax

Santa Rosa Office
2455 Bennett Valley Road
Suite C 200
Santa Rosa, CA 95404
707-543-8300 Tel
707-543-8303 Fax

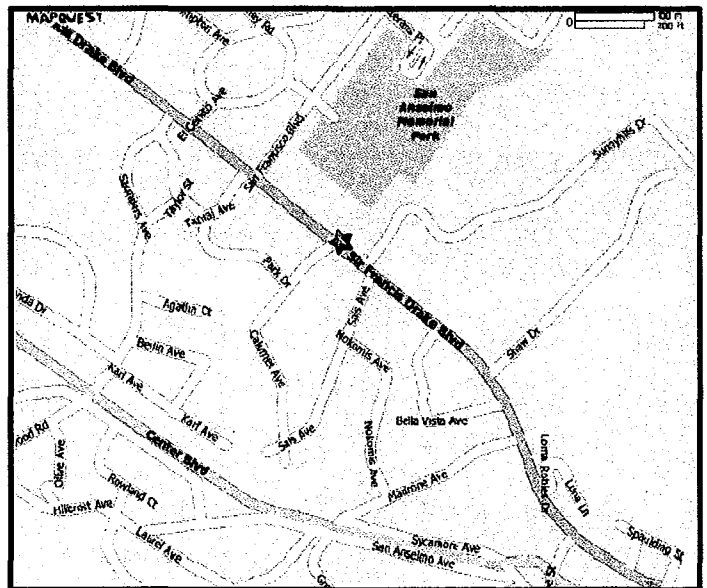
Sonoma Office
470 First St. East
Sonoma, CA 95476
707-939-2520 Tel
707-939-2010 Fax

ORION
Commercial Real Estate Services

The information herein was obtained from third parties, and it has not been independently verified by the real estate brokers. Buyers/tenants should have experts of their choice inspect the property and verify all information. Real estate brokers are not qualified to act or select experts with respect to legal, tax, environmental, building construction, soils-drainage or other such matters.

OFFICE SPACE FOR LEASE

- LOCATION:** 1000 Sir Francis Drake Blvd., San Anselmo, CA
- SPACE:** 3,800± Sq. Ft. of classrooms, conference rooms, full kitchen, accessible restrooms, and a large office suite with a separate entrance.
- RATE:** \$1.35 per square foot full service except janitorial. All other expenses are included in the rent.
- INCREASE:** Annual five percent (5%)
- AVAILABLE:** Immediately
- TERM:** Four (4) years.
- ZONING:** PF (Public Facility)
- PARKING:** Eight (8) assigned spaces plus a large parking area close to the property.
- FEATURES:**
- ▶ Accessible restrooms.
 - ▶ Newly painted and landscaped.
 - ▶ Suitable for private school, pre-school, nursery, non-profit office space.
 - ▶ Full kitchen (stove, sink, refrigerator).
 - ▶ Close to Red Hill Shopping Center and restaurants.
- OWNERSHIP:** The Town of San Anselmo
- CONTACT:** **RALPH COLE** rncole@orionre.com (415) 472-8707
MARTIN PERLMUTTER martinp@orionre.com (415) 472-8737



OFFICE SPACE FOR LEASE

1000 SIR FRANCIS DRAKE BLVD.
SAN ANSELMO, CA

