

LIBRARIES FACILITIES FINANCING AUTHORITY (LFFA)
AND THE LIBRARY JOINT POWERS AUTHORITY (LJPA) BOARD

On Thursday August 3, 2023 at 9:00 AM

This is a hybrid in person and online provided meeting open to the public.

Public Viewing:

The meeting will be broadcast through the Santa Cruz Libraries YouTube channel <https://www.youtube.com/user/SantaCruzPL> which you can access through the Santa Cruz Libraries website by scrolling to the bottom of the page and clicking on the YouTube icon.

Public Participation via Zoom:

Please click the link below to join the webinar:

<https://us06web.zoom.us/j/82356888325>

Slowly enter the Webinar ID: 823 5688 8325

Or Telephone:

Dial (for higher quality, dial a number based on your current location):

888 788 0099 (Toll Free) or 833 548 0276 (Toll Free)

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The meetings will be recorded and posted for viewing after the meetings on the Santa Cruz Public Libraries website <https://www.santacruzpl.org/>.

Public comment: There are three ways to comment during this meeting. All comments must be received prior to the close of public comment on that agenda item:

1. How to comment on agenda items via email before the meeting begins:

Members of the public may provide public comment by sending an email to the Library Board Clerk at clerk@santacruzpl.org

- Identify the agenda item number in the subject line of the email
- Emailed comments should be a maximum of 500 words, which corresponds to approximately 3 minutes of speaking time.

- All correspondences received prior to 12:00 p.m. on the Wednesday preceding a LJPA Meeting will be distributed to Board members to review prior to the meeting. Information submitted after 12 p.m. on that Wednesday may not have time to reach Board members, nor be read by them prior to consideration of an item.

2. How to comment on agenda items during the meeting and prior to the close of public comment on an item, using the Zoom Q&A feature:

- Type your comment using the “Q&A” feature found on the Zoom control bar
- Identify the agenda item first, then type your comment
- Your comment will be read aloud

3. How to comment aloud on agenda items, during the meeting and prior to the close of public comment on an item, via the Zoom “raise hand” feature:

If you are accessing the meeting using the Zoom app and using computer audio:

- During the comment period for that agenda item, use the “raise hand” icon found on the Zoom control bar
- The moderator will announce your name or the last 3 digits of your phone number when it is your turn to speak
- Unmute yourself using the microphone icon
- Identify the agenda item
- Introduce yourself using your first and last name
- You will have three minutes of speaking time

If you are accessing the meeting using telephone audio:

- During the comment period for that agenda item, press *9 to raise your hand
- The moderator will announce the last 3 digits of your phone number when it is your turn to speak
- Unmute yourself using *6 – to toggle the mute/unmute feature
- Identify the agenda item
- Introduce yourself using your first and last name
- You will have three minutes of speaking time

Chair Carlos Palacios
Vice Chair Jamie Goldstein
Board Member Mali LaGoe
Board Member Matt Huffaker



**MEETING AGENDAS
FOR**

- I. SANTA CRUZ LIBRARIES FACILITIES FINANCING AUTHORITY (LFFA)**
- AND**
- II. SANTA CRUZ CITY/COUNTY LIBRARIES JOINT POWERS AUTHORITY (LJPA)**

THURSDAY AUGUST 3, 2023

9:00 A.M. for LFFA Meeting;

LJPA Meeting Starts Immediately Following the LFFA Meeting

**Location:
Boulder Creek Branch Library
13390 West Park Ave.,
Boulder Creek, CA 95006**

PLEASE NOTE:

The Santa Cruz City-County Library System does not discriminate against persons with disabilities. Out of consideration for people with chemical sensitivities, we ask that you attend fragrance free. Upon request, the agenda can be provided in a format to accommodate special needs. Additionally, if you wish to attend this public meeting and will require assistance such as an interpreter for American Sign Language, Spanish, or other special equipment please call the Library Administration Office at (831) 427-7706 at least five days in advance so that we can arrange for such special assistance, or email library_admin@santacruzpl.org.

Agenda and Agenda Packet Materials: The LFFA and LJPA agendas and the complete agenda packet containing public records, which are not exempt from disclosure pursuant to the California Public Records Act, are available for review on the website: www.santacruzpl.org and at Library Headquarters, located at 117 Union Street, Santa Cruz, California, during normal business hours.

Agenda Materials Submitted after Publication of the Agenda Packet: Pursuant to Government Code §54957.5, public records related to an open session agenda item submitted after distribution of the agenda packet are available at the time they are distributed or made available to the legislative body on the website at: www.santacruzpl.org and are also available for public inspection at Library Headquarters, 117 Union Street Santa Cruz, California, during normal business hours, and at the LFFA and LJPA meeting.

Need more information? Contact clerk's office at 831-427-7700 ext. 7618.

I. SANTA CRUZ LIBRARIES FACILITIES FINANCING AUTHORITY (LFFA)

1. CALL TO ORDER / ROLL CALL

Board Members Matt Huffaker, Mali LaGoe, Chloe Woodmansee and Carlos Palacios

2. ADDITIONAL MATERIALS

Additional information submitted after distribution of the agenda packet.

3. ADDITIONS AND DELETIONS TO AGENDA

4. ORAL COMMUNICATION

Any member of the audience may address the Board on any matter either on or off the agenda that is within the Board's jurisdiction. Note, however, that the Board is not able to undertake extended discussion or act on non-agendized items. Such items can be referred to staff for appropriate action which may include placement on a future agenda. If you intend to address a subject that is on the Agenda, please hold your comments regarding that item until it is before the Board, so that we may properly respond to all comments on that subject at the same time. In general, 3 minutes will be permitted per speaker during Oral Communication; A MAXIMUM of 30 MINUTES is set aside for Oral Communications at this time.

5. LIBRARY DIRECTOR REPORT

Library Director's Report for August 2023 (p.6-8)

6. CONSENT CALENDAR

A. Consider the June 1, LFFA Board Meeting Minutes

Staff Recommendation: Approve Board Meeting Minutes for June 1, 2023 (p.9-10)

B. Special Tax Bond Quarterly Financial Reports as of June 30, 2023

Staff Recommendation: Accept and file the attached financial statements of the Community Facilities District No. 2016-1 as of June 30, 2023. (p.11-13)

All items listed in the "Consent Calendar" will be enacted by one motion in the form listed below. There will be no separate discussion on these items prior to the time the Board votes on the action unless members of the public or the Board request specific items to be discussed for separate review. Items pulled for separate discussion will be considered following General Business.

7. GENERAL BUSINESS

Other Business items are intended to provide an opportunity for public discussion of each item listed. The following procedure is followed for each Business item: 1) Staff explanation; 2) Board questions; 3) Public comment; 4) Board deliberation; 5) Decision.

8. PROJECT UPDATES AND COMMENTS BY BOARD MEMBERS

9. SCHEDULED UPCOMING MEETINGS

November 2, 2023	Aptos Branch Library TBD	Anticipated Upcoming Agenda Items
9:00 am	7695 Soquel Drive Aptos, CA 95003	<ul style="list-style-type: none">1st Quarter Reports

10. ADJOURNMENT

Adjourned to a Regular Meeting of the Libraries Facilities Financing Authority (LFFA) to be held on Thursday November 2, 2023 at 9:00 a.m. at the Aptos Branch Library, 7695 Soquel Drive, Aptos, CA 95003.

August 03, 2023



Library Director's Report to the LFFA

APTOS: Library Services Suspended. Construction is Underway

The existing 8,000 sf building, built in 1975, suspended services in June 2021. Demolition took place on May 18, 2022 with a formal groundbreaking on June 11, 2022. The new 12,000 sf library will feature flexible community, meeting and study rooms; garden and terrace areas; a local history section; children, teen and adult reading areas; it will also maximize its energy efficiency. Project Team: Design-Build by Anderson Brule Architects and Bogard Construction; Project Management and Administration by Santa Cruz County Department of Public Works Capital Projects Division. Punch walk slated for late July 2023. Construction delays have pushed the opening back from September to possibly late October or early November.

BOULDER CREEK: Construction Complete

Interior remodel of the existing 4,500 sf library includes new infrastructure (HVAC, plumbing, entry, electrical, and lighting); upgrades throughout to comply with accessibility standards and increased exterior lighting of the parking lot; complete redo of the children's area; renovation of the main room and meeting room. Project Team: Design by Jayson Architecture; Construction by CRW builders; Construction Management by Bogard Construction, Project Management and Administration by Santa Cruz County Department of Public Works Capital Projects Division. The Library reopened May 7, 2022.

BRANCIFORTE: Construction Complete

The renovation builds on the character of this iconic mid-century building (1967), refreshing the 6,800 SF interior for improved flexibility, function, and accessibility with areas for adult reading, children, and teens; electrical and telecommunication upgrades; the project also includes the development of a new community room and a children's outdoor patio. Design by Jayson Architecture; JPB Designs builder; construction management by Bogard. The library reopened on May 13, 2023.

CAPITOLA: Construction Complete

The Previous temporary facility has been replaced with a stunning new 11,700 sf library. The new branch opened to the public in June and is already quite busy. A hub for community activity, the new library features a large meeting room, expanded children's wing, study and reading rooms, outdoor deck, fireplace and teen space. Solar panels and an energy efficient design make this one of the greenest buildings in the Library system. The new library opened June 12, 2021.

DOWNTOWN SANTA CRUZ: The library at 224 Church Street remains open. City of Santa Cruz is preparing for the final bond issuance for the new Downtown Library and Affordable Housing Project on Cedar Street. The Building forward infrastructure grant was submitted. Notification of award is expected in September 2023.

The Downtown Library Affordable Housing project at Cedar and Lincoln Street (Lot 4) incorporates a new 41,000+ square foot facility with a large community room and outdoor rooftop deck, an upgraded children's programming room, teen room, and special collections room for

genealogy and local history. The affordable housing component features 124 units of very low income housing with greenspaces, 243 parking spaces, and 258 bike parking spaces. Griffin Structures serves as the Owner's Representative; Eden Housing and For the Future Housing are the affordable housing team; Jayson Architecture is the master architect for the Library project. Construction is set to begin in 2025, with completion in late 2027.

FELTON: Construction Complete

The Felton Library branch operated for nearly 60 years in a historic church building; a charming, but not a modern library. The first Measure S project to be completed, the new 9,000 sf branch located on 2 acres of land connects to the Felton Discovery County Park. This stunning space includes comfortable reading areas, free computers/WiFi, teen and children's areas, community room and adjacent discovery park. Teall Messer architect, Noll and Tam interior, Thompson Builders contractor. The Library opened in February 22, 2020.

GARFIELD PARK: Construction Complete

The renovation brought new life to the historic 2,300 sf Carnegie library building (1915) with refreshed and cohesive design. Features include central seating area around the fireplace, children's area, a more open plan, better use of windows for natural light, meeting room and refreshed outdoor space. Design by Jayson Architecture; CRW builders, construction management by Bogard. The Library reopened on June 11, 2022. The Library was closed January 23 and 24, 2023 to make minor repairs to the floor. The lettering with the Library name was removed due to letters falling off the wood. A new sign is anticipated to be in place in late August/September.

LA SELVA BEACH: Construction Complete

The project included replacement of dilapidated interior finishes plus new lighting, electrical, and mechanical systems. Sliding glass wall between the adult and children's areas improves acoustics, lighting and flexibility. Lounge seating areas are provided for both children and adults for reading, tutoring and community programs; and an expanded deck increases usable outdoor space. Jayson Architecture design, C2Builders construction. Renovation completed March 20, 2021.

LIVE OAK: Construction Complete

The Live Oak Library renovation revitalized the children's area, transforming it into an ocean themed learning space. New acoustic wood ceiling and wall treatments, carpeting and redesigned seating completed the functional yet playful setting. A custom designed wall separates the children's collections from an "under-the-sea" inspired reading lounge and homework room. Design by Jayson Architecture. Live Oak Library branch reopened October 1, 2022.

LIVE OAK ANNEX: Construction began April 2022

The new Library Annex is attached to the Simpkins Swim Center. It provides a Library programming room and individual study rooms for patrons. Design by Noll and Tam; CRW builders, construction management by Bogard. The Santa Cruz Board of Supervisors selected team Sobrante dba ARTful Catalyst LLC on January 10, 2023, to provide the public art for the Live Oak Library Annex project. Construction delays continue. There is no anticipated date for opening at this time. Further review is set to occur in mid-August.

SCOTTS VALLEY: Construction Complete

This 13,150-sf library was opened in 2011 with design by Group 4, transforming a previous roller rink with contemporary library features such as flexible space, dedicated areas for children, teens and adults, community room and courtyard. A new roof, HVAC system, and parking lot repairs

were completed in early 2021; seismic and operational upgrades were made. The Grand Reopening of the Scotts Valley Library branch took place August 6, 2022. Additional work to provide a brighter lighting solution and relocate the thermostat to the community room is underway. The installation may require a branch closure day in the future.

Chair Carlos Palacios
Vice Chair Jamie Goldstein
Board Member Mali LaGoe
Board Member Matt Huffaker



**SANTA CRUZ PUBLIC LIBRARIES
A CITY-COUNTY SYSTEM**

**SANTA CRUZ LIBRARIES FACILITIES FINANCING AUTHORITY
(LFFA)**

Hybrid in person and online provided meeting

**REGULAR MEETING MINUTES
THURSDAY JUNE 1, 2023**

9:00 A.M.

1. ROLL CALL

PRESENT: Carlos Palacios, Mali LaGoe, Jamie Goldstein, Matt Huffaker
STAFF: Yolande Wilburn, Library Director; Edith Driscoll, Treasurer

2. ADDITIONAL MATERIALS

None

3. ADDITIONS AND DELETIONS TO AGENDA

The Agenda of June 1, 2023 was approved by consensus.

4. ORAL COMMUNICATIONS

None

5. LIBRARY DIRECTOR REPORT

A. Library Director's Report – June 2023

Library Director Yolande Wilburn reported on the recent activities of the libraries and the status of facilities. The Grand Opening of the Branciforte Branch Library on Saturday, May 13, 2023 was a great success. More than 800 people attended.

6. CONSENT CALENDAR

RESULT: APPROVED CONSENT CALENDAR

**A. Approved Minutes of May 4, 2023.
[UNANIMOUS]**

**MOVER: Matt Huffaker
SECONDER: Mali LaGoe
AYES: Palacios, LaGoe, Goldstein, Huffaker**

7. GENERAL BUSINESS

A. Libraries Facilities Financing Authority Budgets for 2023-24

RESULT:

Adopted the Libraries Facilities Financing Authority (LFFA) Final 2023-2024 Budgets. [UNANIMOUS]

**MOVER: Jamie Goldstein
SECONDER: Matt Huffaker
AYES: Palacios, LaGoe, Goldstein, Huffaker**

8. PROJECT UPDATES BY BOARD MEMBERS

Directors Huffaker and Goldstein inquired about the timing for the Bond issuance and requested memos regarding timelines. Three months is the assumed timeline and a special board meeting may be needed to authorize the treasurer to move forward.

9. SCHEDULED UPCOMING MEETINGS

10. ADJOURNMENT

The Libraries Facilities Financing Authority (LFFA) adjourned at 9:07 a.m. to the Regular Meeting on Thursday August 3, 2023 at 9:00 a.m. at the Boulder Creek Branch Library, 13390 West Park Ave., Boulder Creek, CA 95006.

ATTEST: _____
Helga Smith, Clerk of the Board

All documents referred to in these minutes are available in the Santa Cruz Public Libraries – Library Headquarters Office, 117 Union Street, Santa Cruz.

Chair Carlos Palacios
Vice Chair Jamie Goldstein
Board Member Mali LaGoe
Board Member Matt Huffaker



STAFF REPORT

AGENDA: August 3, 2023
DATE: July 14, 2023
TO: Libraries Facilities Financing Authority Board
FROM: LFFA Treasurer-Controller
RE: Special Tax Bond Quarterly Financial Reports as of June 30, 2023

RECOMMENDATION

Accept and file the attached financial statements of the Community Facilities District No. 2016-1 as of June 30, 2023.

DISCUSSION

The attached statements provide your Board with a summary of the activity and balances for funds held in trust at Bank of New York as well as an accounting of bond and special tax distributions as of June 30, 2023.

The first attachment, Improvement Fund Activity and Balances of Member Accounts Held in Trust at Bank of New York as of June 30, 2023, provides your Board with an accounting of the funds received into member trust accounts and distributed to members from both the 2017 and the 2020 bond issuances. As of June 30, 2023, the total balance in trust accounts with Bank of New York for these funds is \$1,732,311.46.

The 2017 Special Tax Bond was sold in June 2017. As of June 30, 2023, all 2017 bond funds have been drawn down to reimburse eligible expenditures. The remaining \$0.89 is interest income.

The second attachment, Member Distribution Summary as of June 30, 2023, provides your Board with an accounting of the \$40,962,660 total bond proceeds received from the two bond issuances as well as a reporting of the \$19,601,035 special tax that has been allocated to each member. Because the City of Capitola and the County of Santa Cruz have received their full distribution amounts the special tax remaining after debt payments are made will be distributed only to the City of Santa Cruz and the City of Scotts Valley until they also reach their maximum distribution amount through either bond proceeds or special tax payments.

Attachment #1 – Improvement Fund Activity and Balances of Member Accounts Held in Trust of Bank of New York

Attachment #2 – Member Distribution Summary

SANTA CRUZ LIBRARIES FACILITIES FINANCING AUTHORITY

Community Facilities District No. 2016-1

2017 & 2020 Special Tax Bonds

Improvement Fund Activity and Balances of Member Accounts Held in Trust at Bank of New York

As of June 30, 2023

Summary of activity and account balances of bond funds held in trust at Bank of New York

Description	Santa Cruz Cnty	Santa Cruz City	Capitola	Scotts Valley	Total
2017 Bonds					
Proceeds	\$ 13,100,000.00	\$ 500,000.00	\$ 7,526,447.00	\$ 500,000.00	\$ 21,626,447.00
Excess Cost of Issuance	11,756.08	448.70	6,754.33	448.70	19,407.81
Interest	465,064.78	22,723.24	263,490.15	23,524.55	774,802.72
Available funds	13,576,820.86	523,171.94	7,796,691.48	523,973.25	22,420,657.53
Drawdowns	(13,576,820.86)	(523,171.60)	(7,796,691.48)	(523,972.70)	(22,420,656.64)
Current balance 2017 Bonds	-	0.34	-	0.55	0.89
2020 Bonds					
Proceeds	15,386,032.00	-	1,824,947.00	2,094,000.00	19,304,979.00
Excess Cost of Issuance	-	-	-	11,825.62	11,825.62
Interest	240,209.27	-	661.79	3,982.42	244,853.48
Available funds	15,626,241.27	-	1,825,608.79	2,109,808.04	19,561,658.10
Drawdowns	(13,893,930.70)	-	(1,825,608.79)	(2,109,808.04)	(17,829,347.53)
Current balance 2020 Bonds	1,732,310.57	-	-	-	1,732,310.57
June 30, 2023 Balance at BNY:	\$ 1,732,310.57	\$ 0.34	\$ -	\$ 0.55	\$ 1,732,311.46

Santa Cruz Libraries Facilities Financing Authority
Community Facilities District No. 2016-1
Maximum Distribution Amounts & Member Distribution History
As of June 30, 2023

Modified authorized distribution amounts and member balances.

Object Code	Member	Original Distribution Percentage	Authorized Distribution Amount	Bond Proceeds	Special Tax Distribution	Total Distributions	Balance to Distribute	Modified Distribution Percentage
75236	City of Capitola	12.90%	\$ 10,000,000	\$ 9,358,148	\$ 641,852	\$ 10,000,000	\$ -	0.00%
75237	City of Santa Cruz	40.32%	31,250,000	500,449	14,226,176	14,726,625	16,523,375	98.66%
75238	City of Scotts Valley	4.84%	3,750,000	2,606,275	918,543	3,524,818	225,182	1.34%
75239	County of Santa Cruz	41.94%	32,500,000	28,497,788	4,002,212	32,500,000	-	0.00%
	Total	100.00%	<u>\$ 77,500,000</u>	<u>\$ 40,962,660</u>	<u>\$ 19,788,783</u>	<u>\$ 60,751,443</u>	<u>\$ 16,748,557</u>	

II. SANTA CRUZ CITY/COUNTY LIBRARIES JOINT POWERS AUTHORITY (LJPA)

1. CALL TO ORDER / ROLL CALL

Board Members Matt Huffaker, Mali LaGoe, Chloe Woodmansee and Carlos Palacios

2. ADDITIONAL MATERIALS

Additional information submitted after distribution of the agenda packet.

3. ADDITIONS AND DELETIONS TO AGENDA

4. ORAL COMMUNICATION

Any member of the audience may address the Board on any matter either on or off the agenda that is within the Board's jurisdiction. Note, however, that the Board is not able to undertake extended discussion or act on non-agendized items. Such items can be referred to staff for appropriate action which may include placement on a future agenda. If you intend to address a subject that is on the Agenda, please hold your comments regarding that item until it is before the Board so that we may properly address all comments on that subject at the same time. In general, 3 minutes will be permitted per speaker during Oral Communication; A MAXIMUM of 30 MINUTES is set

5. REPORT BY LIBRARY DIRECTOR

A. Library Director's Report – August 2023 (p.17-18)

6. REPORT BY FRIENDS OF THE SANTA CRUZ PUBLIC LIBRARIES (SCPL)

B. Friends of SCPL – Report (oral)

7. REPORT BY LIBRARY ADVISORY COMMISSION (LAC)

C. Commissioners' Report (oral)

8. CONSENT CALENDAR

All items listed in the "Consent Calendar" will be enacted by one motion in the form listed below. There will be no separate discussion on these items prior to the time the Board votes on the action unless members of the public or the Board request specific items to be discussed for separate review. Items pulled for separate discussion will be considered following General Business.

- A. Consider the June 1, 2023 Meeting Minutes
Staff Recommendation: Approve the June 1, 2023 Board Meeting Minutes (p.19-22)
- B. Analysis of Patron Count Data. 4th Qtr. Report FY 2023
Staff Recommendation: Accept and File Analysis of Patron Count Data from January through June 2023 (p.23-25)
- C. Community Impact Measures for 4th Qtr. FY 2023
Staff Recommendation: Accept and File 4th Qtr. Community Impact Measures for FY 2023 (p.26-31)
- D. Incident Report for 4th Qtr. FY 2023
Staff Recommendation: Accept and File 4th Qtr. Incident Report for FY 2023 (p.32-33)
- E. Work Plan for 4th Qtr. FY 2023
Staff Recommendation: Accept and File 4th Qtr. Work Plan for FY 2023 (p.34-45)
- F. Policy #312 – Statement of Commitment to Racial and Social Equity.
Staff Recommendation: Accept and Adopt Updated Policy #312, Statement of Commitment to Racial and Social Equity (p.46-48)

9. GENERAL BUSINESS

- A. Live Oak and Scotts Valley Library Lease Agreements
Staff Recommendation: Approve the attached lease agreements between the County of Santa Cruz and the Santa Cruz Public Libraries for the Live Oak Library facility located at 2380 Portola Drive in Santa Cruz (p. 49-76) and for the Scotts Valley Library facility located at 251 Kings Village Road in Scotts Valley (p.77-129)

*Other Business items are intended to provide an opportunity for public discussion of each item listed. The following procedure is followed for each Business item:
1) Staff explanation; 2) Board questions; 3) Public comment; 4) Board deliberation; 5) Decision.*

10. COMMENTS BY BOARD MEMBERS

11. SCHEDULED UPCOMING MEETINGS

November 2, 2023	Aptos Branch Library TBD	Anticipated Upcoming Agenda Items:
9:00 am	7695 Soquel Drive Aptos, CA 95003	<ul style="list-style-type: none"> • 1st Qtr. Reports • Code of Conduct Policy • Technology Acceptable Use Policy • Remote Work Policy • Recover and Thrive update • Cost Benefit Analysis Contract • 2024 Library Closure Schedule

12. ADJOURNMENT

Adjourned to the next regular meeting of the LJPA to be held on Thursday, November 2, 2023 at 9:00 am [immediately following the LFFA meeting] at the Aptos Branch Library, 7695 Soquel Drive, Aptos, CA 95003. (Exact location TBD – depending on Aptos Branch Opening.)

13. WRITTEN CORRESPONDENCE

- D. The LJPA Board received the following documents providing an update on the Downtown Library & Affordable Housing Project and total estimated Measure S funds from the City of Santa Cruz, which require no official action by the Board at this time:
- Downtown Library & Affordable Housing Project Tentative Schedule (p.130)
 - Remaining Measure S Funds-City of Santa Cruz Library Projects (p.131)



Director’s Report to the Library Joint Powers Authority Board

Library Team

Library Management completed interviews for the Library Assistant II transfers. A new recruitment is scheduled to open in August to fill all remaining LA II part-time positions. Interviews for the two vacant Information Specialist positions take place in August. The Library Specialist and Librarian I/II recruitments will also begin in August.

Current Vacancies

Number of Vacancies	Title	Full/ Part Time hours	Status
1	Librarian I/II	1.0	Recruitment opening in August
1	Library Specialist	1.0	Recruitment opening in August
6	Library Assistant II (2 DTN, 2 SV, FEL, BC)	.50	Recruitment opening in August
1	Library Assistant II (DTN)	.75	Recruitment opening in August
2	Information Specialist (DTN)	1.0	Recruitment in process

Facilities

The Garfield Park lettering behind the circulation desk was removed due to letters falling off. A new sign is in the design stages and will replace the lettering. Work continues on the Aptos and Live Oak Annex projects. Both projects are delayed with Aptos now projecting late October/November opening. An anticipated date on the Live Oak Annex project may be forthcoming in mid-August.

Featured Programs and Services

On August 22, 2023, the Friends of the Santa Cruz Public Libraries (FSCPL) will present the check for funds raised during the “Realizing the Promise” campaign for the Aptos Library at the County Board of Supervisors Meeting. Friends President Janis O’Driscoll will present the check to Supervisor Zach Friend, who represents the second district where the Aptos Library Branch is located.

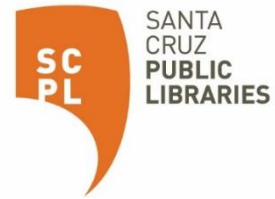
In collaboration with the City of Santa Cruz, the Library released a Request for Proposals for a consultant to conduct a Cost Benefit Analysis for Library Administrative Services. The Closing date for proposals is August 30, 2023.

Youth programming is back beginning in September. The Downtown Branch begins offering an Early Readers Bookclub, Tween Bookclub, Lego Building Challenge, and Teen Crafternoon. In celebration of the October solar eclipse, all branches will hand out "solar eclipse glasses" and provide astronomy and eclipse-related programs.

In partnership with the City of Santa Cruz Climate Action team, induction cooktops are being added to our Library of Things collection this fall. Library patrons can check out an induction cooktop kit, including recipes and kitchenware.

In collaboration with Santa Cruz Metro and their new weekend Bus Route to Big Basin State Park, the Library will promote our free park passes, telescopes, and other library resources on metro buses and in the library branches encouraging everyone to get out and explore!

Chair Carlos Palacios
Vice Chair Jamie Goldstein
Board Member Mali LaGoe
Board Member Matt Huffaker



**SANTA CRUZ CITY/COUNTY LIBRARIES
JOINT POWERS AUTHORITY BOARD
(LJPA)**

Hybrid in person and online provided meeting

**REGULAR MEETING MINUTES
THURSDAY JUNE 1, 2023**

9:00 A.M.

1. ROLL CALL

PRESENT: Carlos Palacios, Mali LaGoe, Jamie Goldstein, Matt Huffaker
STAFF: Yolande Wilburn, Library Director

2. ADDITIONAL MATERIALS

None

3. ADDITIONS AND DELETIONS TO AGENDA

The Agenda of June 1, 2023 was approved by consensus.

4. ORAL COMMUNICATIONS

None

5. REPORT BY LIBRARY DIRECTOR

Library Director Yolande Wilburn reported on the recent activities of the Library.

6. FRIENDS OF THE SANTA CRUZ PUBLIC LIBRARIES REPORT

Bruce Cotter, Executive Director, submitted his report on the recent activities and future plans of the Friends of the Santa Cruz Public Libraries.

7. REPORT BY LIBRARY ADVISORY COMMISSION (LAC)

No report from the LAC.

8. CONSENT CALENDAR

RESULT: APPROVED CONSENT CALENDAR

- A. Approved the May 4, 2023 Board Meeting Minutes.
 - B. Approved and amended the FY23 & FY24 Operating Budgets to include adjustments made to the annual request for funding from the Friends of the Santa Cruz Libraries.
 - C. Accepted and amended the FY23 & FY24 Operating Budget to include grant funds awarded to the Friends of the Santa Cruz Public Library in the amount of \$50,480 to fund the Recover and Thrive Library Initiative for enhancing learning for Santa Cruz Pre-K through Grade 12 students.
 - D. Approved transfer of funds from the Friends of the Santa Cruz Library to the County of Santa Cruz for the Aptos Building Project in the amount of \$394,000.
 - E. Accepted and Filed Patron Count Statistics for January to April 2023.
 - F. Approved the transfer of the Whalen Trust monies in the amount of \$3,636.35 and amended the FY23 Operating Budget. This transfer will effectively close the Whalen Fund. [UNANIMOUS]
- MOVER:** Mali LaGoe
SECONDER: Matt Huffaker
AYES: Palacios, Goldstein, LaGoe, Huffaker

9. GENERAL BUSINESS

A. Issuance of a Request for Proposal

The Board members briefly discussed the item and recommended that the consultant interview the Board in the process of gathering information. Library Director Wilburn mentioned that the consultant will provide regular updates to all stakeholders. Most likely we will be looking at a yearlong process since there is a variety of options.

RESULT:

Accepted and Authorized the Issuance of a Request for Proposal to research and recommend an administrative support model, along with associated costs. [UNANIMOUS]

MOVER: Jamie Goldstein

SECONDER: Matt Huffaker

AYES: Palacios, Goldstein, LaGoe, Huffaker

B. Link+. Presentation by Sarah Harbison, Manager of Collection Management.

The Board members expressed their appreciation for the service provided to the Community through the addition of Link+. Director Goldstein inquired about existing cost analysis.

C. IT Technology Plan. Presentation by Carlos Silva, Library IT Manager.

Director LaGoe acknowledged the immensity of the project, including the huge challenge presented by supply chain issues. She invited Carlos Silva to join the already existing IT Directors' group which is dealing with the same issues. Chair Palacios expressed appreciation for upcoming website improvements.

D. FY 24 Santa Cruz Public Library Budget.

RESULT:

Adopted the FY 24 Library Operating Budget. [UNANIMOUS]

MOVER: Jamie Goldstein

SECONDER: Matt Huffaker

AYES: Palacios, Goldstein, LaGoe, Huffaker

10. COMMENTS BY BOARD MEMBERS

None

11. WRITTEN CORRESPONDENCE

None

12. ADJOURNMENT

Adjourned to the next regular meeting of the LJPA to be held on Thursday, August 3, 2023 at 9:00 am [immediately following the LFFA meeting] at the Boulder Creek Branch Library, 13390 West Park Ave., Boulder Creek, CA 95006.

ATTEST: _____
Helga Smith, Clerk of the Board

All documents referred to in these minutes are available in the Santa Cruz Public Libraries – Library Headquarters Office, 117 Union Street, Santa Cruz, CA 95006.

Chair Carlos Palacios
 Vice Chair Jamie Goldstein
 Board Member Mali LaGoe
 Board Member Matt Huffaker



STAFF REPORT

DATE: August 3, 2023
 TO: Library Joint Powers Authority Board
 FROM: Yolande Wilburn, Director of Libraries
 RE: Analysis of Patron Counts, January – June 2023

This report provides an analysis of the patron count data extracted from the SenSource People Counting System. Data between January 1, 2023 to June 30, 2023 from branches with less than 5,000 square feet of space (hereinafter “Small-Sized Branches”), between 5001 – 10,000 square feet of space (hereinafter “Medium-Sized Branches”), and over 10,001 square feet¹ of space (hereinafter “Large-Sized Branches”) were analyzed. The following trends were observed:

- Among Small-Sized Branches, Boulder Creek, Garfield Park and La Selva Beach saw an increase of patrons between May 2023 to June 2023.
- Branciforte Branch Library, which opened on May 13, 2023,² experienced a 32.25% increase in patron count between May to June 2023.
- Boulder Creek Branch experienced a 42.55% increase of patrons between January to June 2023.
- While Scotts Valley had a 12.56% decrease in patron count between quarters 3 and 4 of Fiscal Year 2023, the branch’s total checkouts grew 2% between the same time periods.

Patron Average Comparison,³ January to June 2023

Small-Sized Branches		Medium-Sized Branches		Large-Sized Branches	
Garfield Park	3,033.2	Felton	6,082.3	Downtown	13,377.2
La Selva Beach	2,976.5	Live Oak	4,585.2	Capitola	11,732.5
Boulder Creek	1,637.3	Branciforte	3,691.5	Scotts Valley	5,522.3

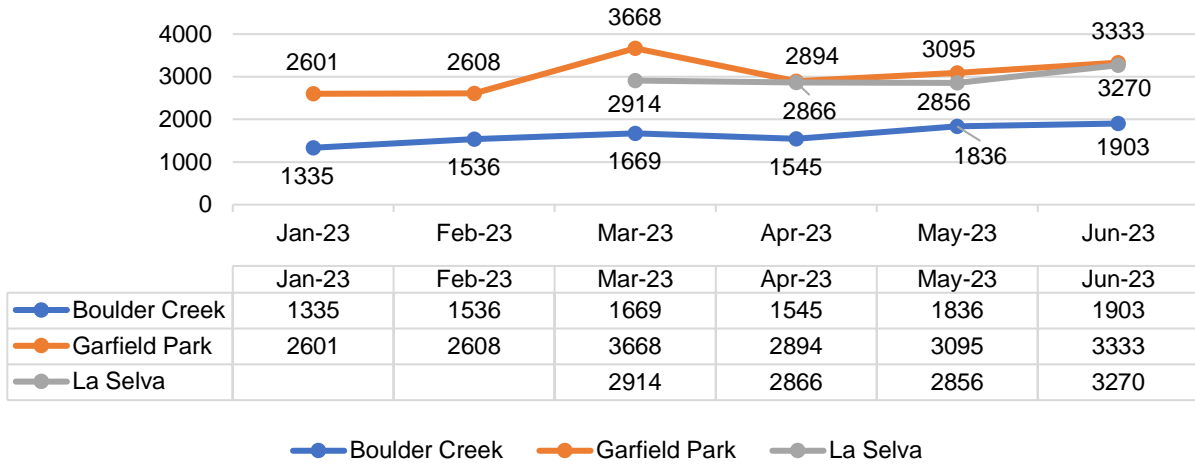
¹ At the time of this report, Aptos Branch Library is still under construction. Once reopened, Aptos Library will be considered a large branch with 12,400 square feet of space.

² The grand reopening of the Branciforte Branch Library occurred on Saturday, May 13, 2023. The branch resumed normal operations on Monday, May 15, 2023. The announcement of the grand reopening can be found here: <https://www.santacruzpl.org/news/post/1437/>

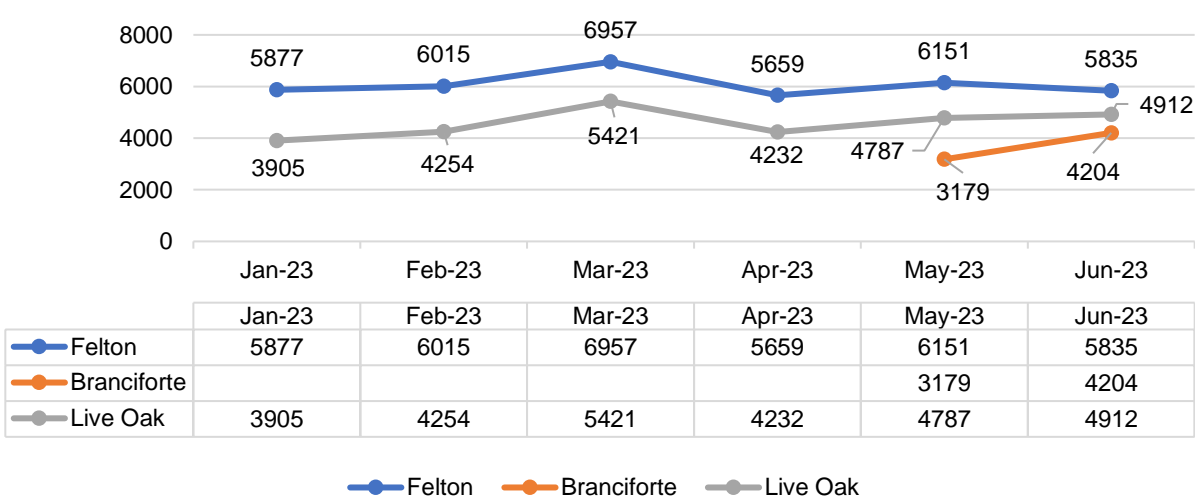
³ La Selva Beach’s and Branciforte’s patron counts for some months between January 2023 to June 2023 were not available. Averages are based on the available data in the system. Averages may increase in future reports as more data becomes available in the system.

Month-to-Month Comparison, January to June 2023

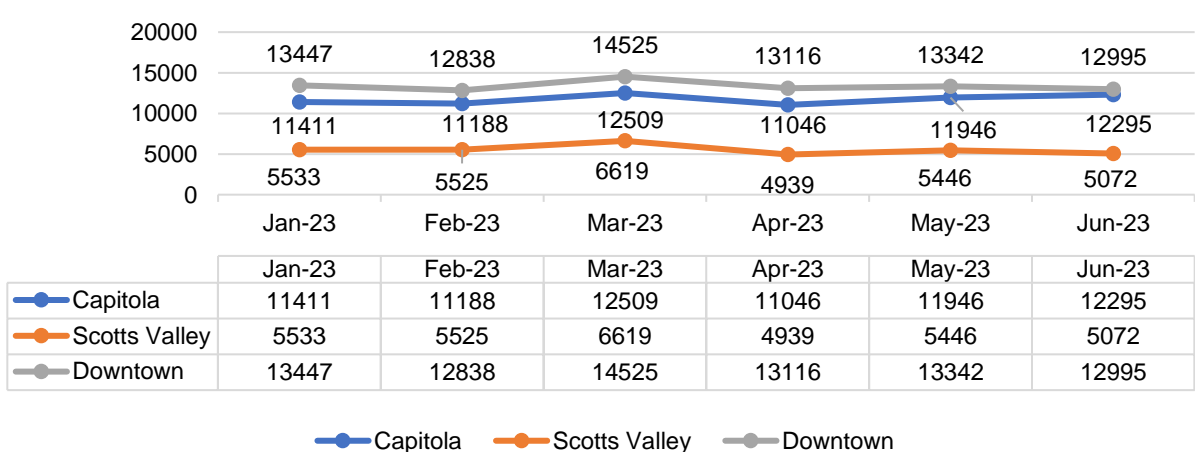
Small-Sized Branches



Medium-Sized Branches



Large-Sized Branches



Comparison of Total Patron Counts: FY 2023 Quarter 3 versus Quarter 4

Small-Sized Branches	Quarter 3	Quarter 4	% Change
Boulder Creek	4,540	5,284	16.39%
La Selva Beach ⁴	2,914	8,992	N/A
Garfield Park	8,877	9,322	5.01%

Medium-Sized Branches	Quarter 3	Quarter 4	% Change
Felton	18,849	17,645	- 6.39%
Live Oak	13,580	13,931	2.58%
Branciforte ⁵	Not Opened	7,383	N/A

Large-Sized Branches	Quarter 3	Quarter 4	% Change
Downtown	40,810	39,453	- 3.33%
Capitola	35,108	35,287	0.5099 %
Scotts Valley	17,677	15,457	- 12.56%

Comparison of Total Checkouts: FY 2023 Quarter 3 versus Quarter 4

Small-Sized Branches	Quarter 3	Quarter 4	% Change
Boulder Creek	9,666	9,895	2.37%
La Selva Beach	11,851	11,502	- 2.94%
Garfield Park	16,175	16,935	4.70%

Medium-Sized Branches	Quarter 3	Quarter 4	% Change
Felton	33,398	34,058	1.98%
Live Oak	30,999	31,374	1.21%
Branciforte	Not Opened	9,720	N/A

Large-Sized Branches	Quarter 3	Quarter 4	% Change
Downtown	72,164	66,384	- 8.01%
Capitola	83,061	81,658	- 1.69%
Scotts Valley	47,127	48,069	2.00%

Report Prepared by: Gregory Yeh, Management Analyst

Reviewed and Approved by: Yolande Wilburn, Director of Libraries

⁴ Sensors at La Selva Beach Branch Library came online on March 8, 2023.

⁵ The grand reopening of the Branciforte Branch Library occurred during FY 2023's quarter 4.

Chair Carlos Palacios
Vice Chair Jamie Goldstein
Board Member Mali LaGoe
Board Member Matt Huffaker



STAFF REPORT

DATE: August 3, 2023
TO: Library Joint Powers Authority Board
FROM: Yolande Wilburn, Library Director
RE: 4th Quarter Community Impact Measures

STAFF RECOMMENDATION

Accept and File Community Impact Measures for 4th Qtr. FY2023

DISCUSSION

This 4th quarter report covers the time period of April 1, 2023 through June 31, 2023 and compares this data to the previous year.

- Total circulation system-wide increased by 12%.
- Total number of new registrations increased by 22%.
- Total hours of public internet computer use system-wide increased by 47%.
- Total sessions of public internet use increased by 55%.
- Total hours of meeting room use system-wide increased by 81%.
- The total number of programs held system-wide increased by 60%.
- The total number of program attendees held system-wide increased by 146%.
- SCPL App circulation starting in the 1st quarter of 2023 and no comparison to the previous year is available.

Attachment:

4th Quarter Community Impact Measures

Report Prepared by: Kira Henifin, Principal Management Analyst
Christine Campbell, Library Assistant IV

Reviewed and Forwarded by: Yolande Wilburn, Library Director

CIRCULATION BY BRANCH														
	1st Qtr.			2nd Qtr.			3rd Qtr.			4th Qtr.			Totals	
	FY21/22	FY22/23	% Change	FY21/22	FY22/23	% Change	FY21/22	FY22/23	% Change	FY21/22	FY22/23	% Change	FY 21/22	FY22/23
Aptos	57	0	-100%	0	0	0%	0	0	0%	0	0	0%	57	0
Boulder Cree	0	4,701	0%	0	4,404	0%	0	5,068	0%	1,936	5,396	179%	1,936	19,569
Branciforte	0	0	0%	0	0	0%	0	2	0%	0	7,006	0%	0	7,008
Capitola	54,347	56,372	4%	54,914	43,569	-21%	55,949	44,553	-20%	56,861	43,364	-24%	222,071	187,858
Downtown	47,273	42,357	-10%	45,507	34,241	-25%	48,246	37,979	-21%	45,104	34,291	-24%	186,130	148,868
Felton	29,805	24,456	-18%	31,593	17,104	-46%	33,951	16,949	-50%	32,652	17,696	-46%	128,001	76,205
Garfield Par	0	7,725	0%	0	6,551	0%	0	9,196	0%	1,779	9,495	434%	1,779	32,967
La Selva Bea	7,903	7,565	-4%	6,642	6,218	-6%	6,723	6,625	-1%	6,690	6,467	-3%	27,958	26,875
Live Oak	12,762	40	-100%	10	12,836	128260%	26	17,527	67312%	10	16,686	166760%	12,808	47,089
Scotts Valley	7,511	16,626	121%	27	22,052	81574%	16	25,885	161681%	14	24,985	178364%	7,568	89,548
Outreach	5,062	5,906	17%	5,277	4,654	-12%	5,372	5,062	-6%	5,515	5,684	3%	21,226	21,306
TOTAL	164,720	165,748	1%	143,970	151,629	5%	150,283	168,846	12%	150,561	171,070	14%	609,534	657,293
Digital Bran	110,918	121,916	10%	109,713	123,424	12%	111,483	124,352	12%	115,268	127,695	11%	447,382	497,387
Total incl. D	275,638	287,664	4%	253,683	275,053	8%	261,766	293,198	12%	265,829	298,765	12%	1,056,916	1,154,680

SCPL APP CIRCULATION														
	1st Qtr.			2nd Qtr.			3rd Qtr.			4th Qtr.			Totals	
	FY21/22	FY22/23	% Change	FY21/22	FY22/23	% Change	FY21/22	FY22/23	% Change	FY21/22	FY22/23	% Change	FY21/22	FY22/23
Aptos		2	0%	0	0	0%	0	0	0%	0	0	0%	0	2
Boulder Creek		148	0%	0	188	0%	0	170	0%	0	223	0%	0	729
Branciforte		0	0%	0	0	0%	0	0	0%	0	153	0%	0	153
Capitola		2,074	0%	0	1,681	0%	0	2,002	0%	0	1,832	0%	0	7,589
CMS		567	0%	0	522	0%	0	353	0%	0	166	0%	0	1,608
Downtown		1,416	0%	0	1,241	0%	0	1,507	0%	0	1,618	0%	0	5,782
Felton		660	0%	0	519	0%	0	486	0%	0	509	0%	0	2,174
Garfield Park		184	0%	0	183	0%	0	337	0%	0	306	0%	0	1,010
La Selva Beach		538	0%	0	572	0%	0	522	0%	0	448	0%	0	2,080
Live Oak		2	0%	0	467	0%	0	481	0%	0	477	0%	0	1,427
Outreach		165	0%	0	120	0%	0	162	0%	0	127	0%	0	574
Scotts Valley		420	0%	0	686	0%	0	912	0%	0	976	0%	0	2,994
TOTAL SYSTEM HRS		6,176	0%	0	6,179	0%	0	6,932	0%	0	6,835	0%	0	26,122

NEW REGISTRATIONS														
	1st Qtr.			2nd Qtr.			3rd Qtr.			4th Qtr.			Totals	
	FY21/22	FY22/23	% Change	FY21/22	FY22/23	% Change	FY21/22	FY22/23	% Change	FY21/22	FY22/23	% Change	FY21/22	FY22/23
Aptos	124	81	-35%	82	64	-22%	69	111	61%	47	107	128%	322	363
Boulder Creek	31	118	281%	17	64	276%	21	91	333%	83	111	34%	152	384
Branciforte	28	22	-21%	32	20	-38%	21	31	48%	22	191	768%	103	264
Capitola	828	582	-30%	557	420	-25%	592	532	-10%	621	515	-17%	2,598	2,049
Downtown	725	720	-1%	595	563	-5%	654	699	7%	679	553	-19%	2,653	2,535
Felton	243	209	-14%	201	150	-25%	265	208	-22%	228	212	-7%	937	779
Garfield Park	21	135	543%	22	74	236%	15	116	673%	76	115	51%	134	440
La Selva Beach	46	78	70%	44	43	-2%	47	57	21%	87	47	-46%	224	225
Live Oak	146	56	-62%	50	215	330%	56	280	400%	51	219	329%	303	770
Scotts Valley	109	384	252%	51	267	424%	42	130	210%	37	300	711%	239	1,081
Outreach	85	118	39%	216	251	16%	82	381	365%	109	121	11%	492	871
TOTAL	2,386	2,503	0%	1,867	2,131	14%	1,864	2,636	41%	2,040	2,491	22%	8,157	9,761

HOURS OF PUBLIC INTERNET COMPUTER USE														
	1st Qtr.			2nd Qtr.			3rd Qtr.			4th Qtr.			Totals	
	FY21/22	FY22/23	% Change	FY21/22	FY22/23	% Change	FY21/22	FY22/23	% Change	FY21/22	FY22/23	% Change	FY21/22	FY22/23
Aptos	0	0	0%	0	0	0%	0	0	0%	0	0	0%	0	0
Boulder Creek	0	336	0%	0	251	0%	0	271	0%	182	451	148%	182	1,309
Branciforte	0	0	0%	0	0	0%	0	0	0%	0	342	0%	0	2,437
Capitola	1,390	2,504	80%	1,501	2,095	40%	2,064	2,230	8%	2,202	2,540	15%	7,157	14,413
Downtown	6,676	7,873	18%	7,569	7,139	-6%	7,862	7,288	-7%	7,344	8,553	16%	29,451	30,853
Felton	307	775	152%	591	664	12%	765	813	6%	813	681	-16%	2,476	2,933
Garfield Park	0	231	0%	0	229	0%	0	390	0%	64	382	497%	64	1,232
La Selva Beach	83	101	22%	80	79	-1%	104	115	11%	75	75	0%	342	370
Live Oak	294	5	-98%	0	796	0%	0	1,183	0%	0	1,474	0%	294	3,458
Scotts Valley	113	775	586%	0	1,065	0%	0	1,367	0%	0	1,234	0%	113	4,441
TOTAL SYST	8,863	12,600	42%	9,741	12,318	26%	10,795	13,657	27%	10,680	15,732	47%	40,079	54,307

SESSIONS OF PUBLIC INTERNET USE														
	1st Qtr.			2nd Qtr.			3rd Qtr.			4th Qtr.			Totals	
	FY21/22	FY22/23	% Change	FY21/22	FY22/23	% Change	FY21/22	FY22/23	% Change	FY21/22	FY22/23	% Change	FY21/22	FY22/23
Aptos	0	0	0%	0	0	0%	0	0	0%	0	0	0%	0	0
Boulder Creek	0	482	0%	0	363	0%	0	432	0%	346	581	68%	346	1,858
Branciforte	0	0	0%	0	0	0%	0	0	0%	0	634	0%	0	634
Capitola	2,342	3,521	50%	2,494	2,991	20%	3,152	3,155	0%	3,241	3,258	1%	11,229	12,925
Downtown	5,762	7,601	32%	6,577	6,532	-1%	7,011	7,154	2%	7,055	8,460	20%	26,405	29,747
Felton	560	1,238	121%	923	1,026	11%	1,194	1,226	3%	1,345	1,175	-13%	4,022	4,665
Garfield Park	0	419	0%	0	344	0%	0	610	0%	118	672	469%	118	2,045
La Selva Beach	148	202	36%	136	164	21%	178	209	17%	147	153	4%	609	728
Live Oak	463	18	-96%	0	1,124	0%	0	1,776	0%	0	2,005	0%	463	4,923
Scotts Valley	174	1,233	609%	0	1,725	0%	0	2,133	0%	0	1,993	0%	174	7,084
TOTAL SYST	9,449	14,714	56%	10,130	14,269	41%	11,535	16,695	45%	12,252	18,931	55%	43,366	64,609

HOURS OF MEETING ROOM USE														
	1st Qtr.			2nd Qtr.			3rd Qtr.			4th Qtr.			Totals	
	FY21/22	FY22/23	% Change	FY21/22	FY22/23	% Change	FY21/22	FY22/23	% Change	FY21/22	FY22/23	% Change	FY21/22	FY22/23
Aptos	0	0	0%	0	0	0%	0	0	0%	0	0	0%	0	0
Boulder Creek	0	11	0%	0	137	0%	0	247	0%	2	116	5700%	2	511
Branciforte	0	0	0%	0	0	0%	0	0	0%	0	38	0%	0	38
Capitola	200	268	34%	1230	1173	-5%	925	1399	51%	942	1155	23%	3,297	3,995
Downtown	140	98	-30%	534	607	14%	518	641	24%	646	476	-26%	1,838	1,822
Felton	138	57	-59%	520	400	-23%	231	1011	338%	202	716	254%	1,091	2,184
Garfield Park	0	0	0%	0	0	0%	0	0	0%	0	0	0%	0	0
La Selva Beach	0	0	0%	0	0	0%	0	0	0%	0	0	0%	0	0
Live Oak Annex	0	0	0%	0	0	0%	0	0	0%	0	0	0%	0	0
Scotts Valley	0	4	0%	0	821	0%	0	1017	0%	0	746	0%	0	2,588
TOTAL HOU	478	438	-8%	2284	3138	37%	1,674	4,315	158%	1792	3247	81%	6,228	11,138

NUMBER OF PROGRAMS														
	1st Qtr.			2nd Qtr.			3rd Qtr.			4th Qtr.			Totals	
	FY21/22	FY22/23	% Change	FY21/22	FY22/23	% Change	FY21/22	FY22/23	% Change	FY21/22	FY22/23	% Change	FY21/22	FY22/23
Aptos	0	0	0%	0	0	0%	0	0	0%	0	0	0%	0	0
Boulder Cree	0	16	0%	0	24	0%	0	20	0%	7	39	457%	7	99
Branciforte	0	0	0%	0	0	0%	0	0	0%	0	30	0%	0	30
Capitola	6	80	1233%	48	101	110%	71	100	41%	89	119	34%	214	400
Downtown	17	146	759%	77	187	143%	178	197	11%	229	205	-10%	501	735
Felton	13	57	338%	61	80	31%	55	73	33%	68	112	65%	197	322
Garfield Par	0	11	0%	0	21	0%	0	27	0%	4	30	650%	4	89
La Selva Bea	5	32	540%	39	44	13%	56	59	5%	63	53	-16%	163	188
Live Oak	0	0	0%	0	40	0%	0	71	0%	0	79	0%	0	190
Scotts Valley	0	12	0%	0	51	0%	0	71	0%	0	74	0%	0	208
Outreach	212	53	-75%	52	49	-6%	35	61	74%	62	125	102%	361	288
Virtual	0	18	0%	44	29	-34%	58	19	-67%	36	25	-31%	138	91
TOTAL	253	425	68%	321	626	95%	453	698	54%	558	891	60%	1,585	2,640

PROGRAM ATTENDANCE														
	1st Qtr.			2nd Qtr.			3rd Qtr.			4th Qtr.			Totals	
	FY21/22	FY22/23	% Change	FY21/22	FY22/23	% Change	FY21/22	FY22/23	% Change	FY21/22	FY22/23	% Change	FY21/22	FY22/23
Aptos	0	0	0%	0	0	0%	0	0	0%	0	0	0%	0	0
Boulder Cree	0	295	0%	0	297	0%	0	240	0%	127	795	526%	127	1,627
Branciforte	0	0	0%	0	0	0%	0	0	0%	0	1,157	0%	0	1,157
Capitola	122	1,295	961%	700	1,211	73%	894	1,623	82%	1,163	1,851	59%	2,879	5,980
Downtown	51	861	1588%	459	1,093	138%	685	2,150	214%	1,047	2,008	92%	2,242	6,112
Felton	186	527	183%	636	630	-1%	260	826	218%	739	1,493	102%	1,821	3,476
Garfield Par	0	259	0%	0	295	0%	0	670	0%	39	632	1521%	39	1,856
La Selva Bea	56	473	745%	392	376	-4%	323	746	131%	675	736	9%	1,446	2,331
Live Oak	0	0	0%	0	393	0%	0	871	0%	0	1,166	0%	0	2,430
Scotts Valley	0	202	0%	0	814	0%	0	1,397	0%	0	1,428	0%	0	3,841
Outreach	2,205	2,164	-2%	963	955	-1%	422	1,765	318%	2,454	4,784	95%	6,044	9,668
Virtual	0	136	0%	330	229	-31%	691	311	-55%	438	421	-4%	1,459	1,097
TOTAL	2,620	6,212	137%	3,480	6,293	81%	3,275	10,599	224%	6,682	16,471	146%	16,057	39,575

Note: Wireless use statistics by branch are no longer available as of FY 22-23.

Chair Carlos Palacios
Vice Chair Jamie Goldstein
Board Member Mali LaGoe
Board Member Matt Huffaker



STAFF REPORT

DATE: August 3, 2023
TO: Library Joint Powers Authority Board
FROM: Yolande Wilburn, Library Director
RE: 4th Qtr. SCPL Incident Report

STAFF RECOMMENDATION

Accept and File Incident Report for 4th Qtr. FY 2022-2023.

DISCUSSION

The 4th quarter incident report shows the number of incidents occurred system-wide by branch and the number of suspensions issued by branch.

Attachment: Incident Report for 4th Qtr. FY 2022-2023

Prepared by: Kira Henifin,
Principal Management Analyst

Reviewed and forwarded by: Yolande Wilburn, Library Director

SCPL Incident Report by Branch - FY 22/23															
	QTR 1			QTR 2			QTR 3			QTR 4			YTD Totals		
	FY 21/22	FY 22/23	% Change	FY 21/22	FY 22/23	% Change	FY 21/22	FY 22/23	% Change	FY 21/22	FY 22/23	% Change	FY 21/22	FY 22/23	% Change
Aptos	4	0	-100%	2	Closed	0%	0	Closed	0%	0	Closed	0%	6	0	-100.0%
Boulder Creek	Closed	4	0%	Closed	3	0%	Closed	3	0%	1	2	100%	1	12	1100.0%
Branciforte	Closed	0	0%	Closed	Closed	0%	Closed	2	0%	Closed	6	0%	0	8	0.0%
Capitola	9	5	-44%	8	1	-88%	3	2	-33%	4	2	-50%	24	10	-58.3%
Downtown	17	41	141%	12	30	150%	42	52	24%	23	54	135%	94	177	88.3%
Felton	4	6	50%	2	10	400%	4	13	225%	3	2	-33%	13	31	138.5%
Garfield Park	2	1	-50%	Closed	5	0%	Closed	1	0%	0	2	0%	2	9	350.0%
La Selva Beach	0	0	0%	0	0	0%	1	0	0%	1	0	-100%	2	0	-100.0%
Live Oak	2	4	100%	7	1	-86%	1	5	400%	2	7	250%	12	17	41.7%
Scotts Valley	Closed	0	0%	Closed	0	0%	Closed	2	0%	Closed	2	0%	0	4	0.0%
TOTAL	38	61	61%	31	50	61%	51	80	57%	34	77	127	154	268	74.0%

Suspensions by Branch															
	QTR 1			QTR 2			QTR 3			QTR 4			YTD Totals		
	FY 21/22	FY 22/23	% Change	FY 21/22	FY 22/23	% Change	FY 21/22	FY 22/23	% Change	FY 21/22	FY 22/23	% Change	FY 21/22	FY 22/23	% Change
Aptos	Closed	0	0%	0	Closed	0%	0	0	0%	0	Closed	0%	0	0	0.0%
Boulder Creek	Closed	1	0%	Closed	0	0%	0	1	0%	0	0	0%	0	2	0.0%
Branciforte	Closed	0	0%	Closed	Closed	0%	0	0	0%	0	2	0%	0	2	0.0%
Capitola	0	1	0%	0	0	0%	2	1	-50%	1	1	0%	3	3	0.0%
Downtown	10	17	70%	5	18	260%	33	34	3%	15	29	93%	63	98	55.6%
Felton	3	1	-67%	1	4	300%	1	2	100%	1	1	0%	6	8	33.3%
Garfield Park	0	0	0%	Closed	1	0%	0	1	0%	0	0	0%	0	2	0.0%
La Selva Beach	0	0	0%	0	0	0%	0	0	0%	0	0	0%	0	0	0.0%
Live Oak	0	0	0%	Closed	1	0%	0	0	0%	0	2	0%	0	3	0.0%
Scotts Valley	Closed	0	0%	Closed	0	0%	Closed	0	0%	Closed	2	0%	0	2	0.0%
TOTAL	13	20	54%	6	24	300%	36	39	8%	17	37	118%	72	120	66.7%

* Reopenings

Felton 2/22/20, La Selva Beach 3/20/21, Capitola 6/12/21, Boulder Creek 5/7/22, Garfield Park 6/11/22, Scotts Valley 8/6/22, Live Oak 10/1/22, Branciforte 5/13/23

Chair Carlos Palacios
Vice Chair Jamie Goldstein
Board Member Mali LaGoe
Board Member Matt Huffaker



STAFF REPORT

DATE: August 3, 2023
TO: Library Joint Powers Authority Board
FROM: Eric Howard, Assistant Library Director
RE: 4th Quarter Workplan FY 2022/2023

RECOMMENDATION

Accept and File Workplan for 4th Qtr. FY 2022/2023.

DISCUSSION

Attached, please find the fourth quarter workplan. The fourth quarter plan runs from April through the end of June and the report attempts to capture the Library's operations and high impact programs and services within this quarter across five areas: 1. Learning 2. Digital Inclusion 3. Transformative Spaces 4. User Experience 5. Organizational Capacity.

This period of time captures the beginning of the Library's robust programming during the summer. In the fall, the Library will present a full report of its successes and lessons learned from its summer programming.

Attachments: 4th Qtr. Workplan FY 2023

Reviewed and Forwarded by: Yolande Wilburn, Library Director

WORKPLAN: QUARTER 4

<p>1. LEARNING</p>	<p>Adult Programming: <i>Creative Aging and Life Skills</i></p> <p>Youth Programming: <i>Kindergarten Readiness</i> <i>Student Success</i> <i>Safe Afterschool</i> <i>School Partnerships</i></p> <p>Outreach: <i>Bookmobile</i> <i>Jails</i> <i>Kermit</i> <i>Events</i></p>	
<p>2. DIGITAL INCLUSION</p>	<p>Tools Resources Innovation</p>	
<p>3. TRANSFORMATIVE SPACES</p>	<p>Aptos Boulder Creek Branciforte Capitola Downtown</p>	<p>Felton Garfield Park La Selva Beach Live Oak Scotts Valley</p>
<p>4. USER EXPERIENCE</p>	<p>Staffing Collections Convenience Security Localization</p>	
<p>5. ORGANIZATIONAL CAPACITY</p>	<p>Administration Friends of the Library Volunteers Staff Training Succession Planning</p>	

1. Learning Accomplishments:

Quarter 4

ADULT

“It feels like we’re coming together again and we’re better than before. Thank you very very much for your exposure to different cultures represented by the library.”

“Tech Talks is soooo instructive. I especially like the one sheet for quick reference. Bjorn and Abraham are great instructors!”

- Participant praise for SCPL adult programming

This quarter, the Library held 354 events, with an attendance of 2,814 participants. Over 1000 adult readers signed up in June for this year’s Summer Reading Program. Summer Reading runs June 1-July 31. Here are some of the highlights from this quarter:

Digital Literacy

- Started in-person bilingual English/Spanish tech help at Branciforte
- Began working with the Idea Fab Lab on the Advancing Ideas: Artificial Intelligence Monthly Meetup to explore the implementation and implications of this rapidly advancing technology
- Offered Tech Talks Workshops covering: Podcasting basics, travel, digital legacy planning, mental health apps, and emergency preparedness. These classes are supplemented by customized videos designed to support further learning. Post-workshop surveys show participants gave a 95% rating for how much they learned to use technology more effectively and how much they intend to apply what they learned
- Provided 158 English language and 32 bilingual English/Spanish in-person tech help appointments

Health, Housing, Literacy, and Civic Engagement

- Affordable Housing Month -

Worked with Housing Santa Cruz County and the Non-Profit Housing Association of Northern California to partner on Affordable Housing Month:

- Created displays and recommended reading lists for adults and youth.
- Tabled at the kickoff Community Conversation & Celebration at Cabrillo College. This kick-off event featured keynote speaker Shane Phillips, urban planner, policy expert, and author of *The Affordable City: Strategies for Putting Housing Within*

Reach (and Keeping it There) and a children's corner with a book reading by Leticia Hernández-Linares, author of the children's book "Alejandria Fights Back!"

- Hosted a panel discussion with local leaders and affordable housing experts, including:
 - Adam Spickler, Trustee, Cabrillo College
 - Elaine Johnson, J.D., Executive Director of Housing Santa Cruz County
 - Carlos Palacios, Santa Cruz County Administrative Officer
 - Jenny Panetta, Executive Director of Housing Authority, Santa Cruz County
 - Dr. Robert Ratner, Director, County of Santa Cruz, Human Services Department, Housing for Health (H4H) Division

Affordable Housing Month is an opportunity to deepen our awareness of our neighbors' experiences; grow our understanding of the foundational role that home plays in strengthening our individual, family, and community outcomes; and cultivate a commitment to ongoing learning. Access to safe, stable affordable homes, is one of the most important tools to create strong, thriving, equitable communities. During Affordable Housing Month, residents from all over the region come together to learn, engage, and add our voices to the conversation about how we strengthen our neighborhoods.

- Began hosting Safety in Santa Cruz - Community Discussions at Branciforte to discuss issues in our community, and how best to foster healthy and sustainable housing solutions for all. This community-led discussion group meets monthly in various locations. Topics have included
 - Housing and rental affordability with Housing Matters
 - Public Defender and the District Attorney discussing the crimes they see, the gaps they see in current laws, and what works and doesn't work in the judicial system.
- Continued hosting Neighbors for Neighbors bimonthly conversations to bring together people who want to learn how to take an active role in their neighborhood to bridge divides on the topic of homelessness.
- Established wider implementation of the Santa Cruz County Volunteer Center Literacy Program partnership bringing English language learners and their tutors into more library branches and into our new meeting room spaces.
- Started a series of Anti-racism Book Circles in partnership with the Resource Center for Nonviolence. Participants are reading How to Be an Antiracist by Ibram X. Kendi. The discussions are designed to offer participants a courageous space to help one another engage in collaborative, antiracist learning by cultivating inclusivity, curiosity, and mutual respect.
- Hosted a Bystander Intervention workshop to teach bystanders about the principles of nonviolence and de-escalation techniques. In this training participants learned hands-on skills about how to de-escalate a hate incident before it leads to violence, how to create a safe space, and how to support the person being targeted.

- Held a Mental Health Awareness Collaborative discussion panel to educate, provide resources, and allow for future collaboration on a topic that increasingly affects our community. The panel included both mental health experts, SC County Behavioral Department, and first-hand stories from community members who are part of NAMI, National Alliance on Mental Illness local chapter. As a result of this experience, good connections were made between these organizations for future collaborations.
- In the Life Literacies Center partner organizations served an average of 5-15 people each week. Partners collaborate to
 - Provide outreach to adults struggling with homelessness and/or mental illness in the Santa Cruz downtown corridor. Offer crisis support and other services to reduce the risk of psychiatric hospitalizations and incarceration, and to improve clients' quality of life.
 - Connect people to resources for health, mental health, substance use and housing, CalFresh, Medi-Cal, and other County services.
 - Sign people up to work on the Homeless Garden Project farm, attend job training classes, and get free food.
 - Connect families experiencing homelessness to housing, shelter, food, medical, and social services.
 - Connect decarcerated individuals to employment.
 - Host partner organization's staff training focused on implementing trauma informed practices, building empathy into their work, and creating solidarity among their staff.
 - Process birth certificate applications.
 - SCPL's Working Together program brings 10 providers together in synergy for people seeking resources and community support. This monthly program collaborates with 10 partner organizations, including: Downtown Streets Team, Encompass Downtown Outreach Workers, Encompass Transition Age Youth (added in June), free phones & services vendors, Friends Outside, Court Community Service Program, Healing the Streets, Homeless Garden Project, Housing Matters, and the Santa Cruz Free Guide. Free sandwiches are donated from Togo's Capitola, Scotts Valley & Watsonville. Phones, food, and bus passes are the most sought out resources during this program.
 - Volunteer Housing Navigators continue to serve people experiencing homelessness with life-transforming outcomes. One participant who was homeless since 8/2022 moved into housing in June! Participants and Housing Navigators were very busy this quarter, working on finalized rental applications, assistance with credit analysis and reports, letters to landlords, rental searches, applying for rentals, setting up interviews with landlords, addressing rent payment issues. This work is done in collaboration with

Housing Matters, Housing Authority, Central Alliance for Health, Front St. Housing, Housing for Health, and Encompass to serve their clients.

Financial Literacy

- Held April Financial Awareness workshops in partnership with Santa Cruz Community Credit Union. Topics included Budgeting, Retirement, and Identity Theft.
- Held a Homebuyers 3-seminar series. Topics included The Path to Successful Home Ownership, Age in Place or Right Sizing? and How to Help Your Kids Buy in Today's Market.

Heritage and Diversity

- Celebrated Asian American and Pacific Islander Heritage Month with an event featuring Cathy Choy, author of Asian American Histories of the United States, in a lively discussion with UCSC Professor of History Alice Yang. Choy is an award-winning Asian American historian and professor of ethnic studies at the University of California, Berkeley.
- Held an educational and enjoyable program creating Korean Lotus Flower Lantern crafts. This program shared information about Korean culture while also engaging participants in a hands-on craft. This program for adults was created in partnership with the Korean Spirit and Cultural Center, and resulted in a program that engaged an intergenerational audience
- Celebrated Jewish American Heritage Month by creating a partnership with the Jewish Film Festival and Temple Beth El. This year's festival focused on films about Jews, sports, nature, and peaceful coexistence.
 - Filmmaker Josh Greene presented his Student Oscar-nominated film "WAVES APART", which examines the anti-Semitic influences on surfing that have tainted—but not spoiled-- the inherent beauty and comradery of the sport.
 - Other films showed how Israelis, Palestinians, and Jordanians have collaborated to protect nature, and how the "Pink Lionesses," a group of breast cancer survivors, create caring and comradery through sport, despite age and cultural differences.

Performing Arts

- Celebrated April Poetry Month with an evening of Poetry and Art by Santa Cruz County Veterans
- Expanded the Soundswell Live Music Series, highlighting our digital collection of local music, with a concert featuring three local musicians and bands. The concert brought together 142 people of all ages to share a love of music, enjoy our unique local

musicians, and become aware of our Soundswell collection.

- Hosted NextStage Productions Reader's Theater with 5 Short Comedies bringing participants together for a light-hearted experience.

Connect, Learn, Enjoy

- Held the Capitola Library Writer's Workshop 6-class series to support writers, beginners or advanced, by teaching writing techniques and supporting the growth and refinement of writers' projects.
- Hosted an author talk with Patrice Keet and Mellissa LaHommedieu, whose book *Melissa Come Back* is a dual-narrative memoir chronicling two women's paths through the foster care system.
- Started Community Crafters at Boulder Creek, sharing community expertise to learn a new craft or art process together, and to have a space dedicated to work on projects with others every week.
- Started the CreateAbility Hour at Felton, offering fun and creative activities and social opportunities for adults with developmental differences and their caregivers.
- Started a Physics Book Club to explore physics concepts through reading and conversations. Discussions are facilitated by researchers from the UCSC Santa Cruz Organization for Outreach in Physics (SCOOP), a group dedicated to making physics exciting and accessible to all.
- Held 2 special Summer Reading Program poetry writing and collage making workshops to create a supportive environment for expressing your voice through poetry and art.
- Started a Hugo Award-Winning film series to explore how we define Science Fiction & Fantasy, and to connect with others through common interests by watching films together.
- Created a new Summer program of Adult Summer Camp Nostalgia Crafts.
- Began hosting the Santa Cruz Poetry Project weekly in the Downtown Life Literacies Center. The Santa Cruz Poetry Project facilitates poetry and writing workshops throughout Santa Cruz County, bringing poetry to those who would not otherwise have access. This workshop at the Downtown library welcomes anyone who would like to establish a writing practice in a safe and encouraging environment, with special emphasis on inviting incarcerated individuals to participate. The class is also offered in the SC County Jails, giving incarcerated people the opportunity to continue their poetry practice after incarceration.
- Supported the UCSC Dickens Project Pickwick Club's educational online programs:
 - Ecological Utopia: From the Victorians to Us lecture series.
 - Mystery of Edwin Drood book discussion.

- Dickens and Victorian Psychology lecture.
- Dickensland: The Curious History of Dickens's London lecture.

Local History and Genealogy

- Held an author event with local history expert Dr. Traci Bliss on Big Basin Redwood Forest: California's Oldest State Park.
- Hosted a lecture by Joe Michalak, City of Santa Cruz, Historic Preservation Commissioner, exploring sources and methods for researching the history of a house in honor of Preservation Month.
- Hosted Genealogical Society lectures and workshops on:
 - Genealogy Basics
 - Investigative Genetic Genealogy, a technique used to solve hundreds of previously "unsolvable" cold cases.
 - What to Do with All of Our Family Stuff: Research, Documents, and Heirlooms
 - Introduction to Genealogy - a beginners' workshop for getting started in genealogical research.
- Santa Cruz County History Fair - History Talks - hosted by the San Lorenzo Valley Museum in partnership with the Santa Cruz Public Libraries and with support from the Humanities Institute UCSC
 - 50-70 Years of Historic Preservation in Santa Cruz County.
 - The London Nelson Initiative.
 - From Timber to Tourists – The Conversion of Boulder Creek from a Lumber Town to a Summer Resort.
 - Introduction to Use of DNA for Family History Research.
 -

Community-Led Learning programs, brought to the library by the Felton Library Friends

- Sumi-e - Japanese Ink Painting.
- Growing Gorgeous Dahlias.
- Sailing Around the World: An Odyssey in Stories and Pictures?
- Floods: Ecological Impacts and the Resiliency of the San Lorenzo River.
- Tour of San Lorenzo Valley Water District's Kirby Water Treatment Plant.

Quarter 4

YOUTH

This quarter the Library held:

- 161 programs for ages 0-5 with 4,526 attendees.
- 262 programs for ages 6-11 with 3675 attendees
- 5 programs for ages 12-18 with 249 attendees.

Early Learning

- *New:* The Library introduced a new Bilingual Family Storytime at Branciforte and Bilingual Stories, Songs and Games at Boulder Creek’s Toddler/Preschool Storytime.
- This quarter the Library also provided special programming to celebrate Earth Day, including Grab & Go kits with wildflower seed kits that were distributed throughout the system. It also recognized and provided special programming for AAPI Heritage Month, Jewish American Heritage Month, Juneteenth and Pride Month.

Special Guests

- On April 26, the Felton Branch hosted First Partner, Jennifer Siebel Newsom, for a “Get Out and Explore! Outdoor Storytime in Felton Discover Park Plus Craft”.
- On April 20, Scotts Valley hosted local author Misty Knightly to read her newest book on fire safety in honor of Earth Day.

Special Projects and Summer Reading

- The Felton Library worked with the Friends of the Felton Library to provide the *Wonder Walkers* Storybook Walk in the adjoining Felton Nature Discovery Park. The book *Wonder Walkers* is written and illustrated by Micha Archer. The Storybook Walk remained up for a full month.
- Felton’s librarian hosted a special Superhero Preschool Storytime and craft that attracted 49 participants. Children arrived in costumes and made their own superhero masks. The program promoted an upcoming Free Comic Book Day.
- Summer reading events continue to attract significant numbers of participants. Popular Bubble Guy attracted over 100 attendees at both the Scotts Valley Library and Capitola. Mike the Magician’s Summer Reading Magic Show attracted over 100 participants at Felton. Garfield Park hosted the performer “Peopleologie” which promoted community engagement and Summer Reading and helped pack the programming space at that branch. Boulder Creek attracted over 50 attendees for the performance of Jack and the Beanstalk presented by Fratello Marionettes. The Library’s Summer Reading Program continues until the end of July. The Library will provide a full summary of summer reading events and successes, including its extensive Lunch at the Library program and Recover and Thrive Program, in the fall.

Student Success

- Librarians worked with volunteers to bring back the Tales to Tails program. A popular program that provides nonjudgmental opportunities for struggling readers who read to service dogs.
- READ continues in its popularity through spring and summer. READ provides one on one support for struggling readers from a credentialed teacher. Hours have been augmented

this spring and summer through a special funding gift raised by the Friends of the Library and is part of the larger Recover and Thrive program.

Safe After School

- Regular STEAM programs at Branciforte began with that branch's reopening.
- The Downtown Library continues to enjoy high attendance for family craft programs. The similar and popularly enjoyed Make and Explore programming also continues at Felton and Scotts Valley.
- La Selva began a robotics program and continues to enjoy Family Fun crafts and Family Movie Matinee on Saturdays.

Teens

- The Downtown Library started an Advisory Council of Teens. Among their goals, to revision the current space to make it more welcoming for other teens.
- Aptos/Capitola ACT members assisted Librarian Sandi Imperio at the Japanese Cultural Fair. They helped visitors of all ages make origami cranes, dinosaurs, hats, and other animals.
- North County ACT members were treated to a Use Your Poetry Voice poetry workshop with Santa Cruz County Poet Laureate Farnaz Fatemi in April in celebration of National Poetry Month (which also kicked off SCPL's program collaboration with the SC Poet Laureate). Librarian Jackie Danziger created the curriculum for the workshop (as well as the other workshops for younger children in this program series) and Farnaz led the teens in creating their very own poems, including blackout poetry, and had a chance to find out more about our very own Santa Cruz County Poet Laureate, who also shared her work with the Council attendees.

School Partnerships

Library staff participated in multiple outreach events at schools this quarter, including the Gault Elementary Open House, class visits to Vine Hill Elementary, San Lorenzo Valley Elementary and Boulder Creek Elementary.

Lizz Borbas and the Friends of BCK Library hosted a Last Day of School Party at BCK Library, and served root beer floats, painted rocks and wood cutouts, and offered balloon animals and face painting (by Cami Newton) to 130 kids and their families, and signed up 60 people for SRP at the event.

Community Partnerships

Staff have partnered with Housing Matters-Rebele Family Shelter and provided two in person craft days at the Shelter. Staff brought giveaway books, library information and signed kids up for the Summer Reading Program.

In partnership with Triple P, workshops have been held at SCPL branches, including Downtown, Felton, and Scotts Valley. Youth librarians work with Triple P staff in scheduling and reserving spaces for these workshops. Topics included "Setting Healthy Screen Time Limits," "The Power

of Positive Parenting,” “Raising Confident, Competent Children,” and “Helping Your Teen Manage Depression.”

Quarter 4

OUTREACH

County Correctional Facilities (CCF) Programs & Services

- Developed a new partnership with Rising Scholars / Cabrillo College to provide books for their communication class at the Rehabilitation and Reentry Facility. Each student selects a book to read and present on in the class. Book purchases are funded by the Friends of SCPL and are gifted to the students. These are non-credit classes in a 'career series' that leads to Cabrillo certificates.
- Returned to in-person services providing weekly Library Services and the People & Stories reading and discussion program at the Blaine Street Women’s facility in June.
- Returned to in-person library services at the Santa Cruz Main Jail in June.
- SCPL’s CCF Library Services were included in the revised American Library Association (ALA) Standards for Library Services for the Incarcerated and Detained, in the “Where it Worked” section. The Standards were unanimously approved at the 2023 ALA Conference and will soon be published.

Special Outreach Events

- Vive Oaxaca Guelaguetza - Represented SCPL for the first time at this annual cultural festival celebrating indigenous Oaxacan culture - Interacted with approximately 100 people.
- Juneteenth Celebration at London Nelson Center - Interacted with 193 people.
- Santa Cruz County History Fair - Interacted with 76 people.
- Santa Cruz Pride Parade and Festival - Interacted with 535 people.
- Earth Day Downtown- Interacted with 369 people.
- Scotts Valley Multicultural event- Interacted with 290 people.
- Kids Day - Interacted with 460 people.
- Japanese Cultural Fair – Interacted with 323 people.
- Summer Lunch Events this quarter included, Bayview, Nueva Vista Community Center and the Quail Hollow Boys and Girls Club

2. Digital Inclusion Accomplishments:

Quarter 4

- Acquired 30 additional hotspots and 5 additional tablets for the lendable tech collection.
- LIT staff set up 20 laptops purchased through the LSTA Copycat grant allowing the Library to enhance its after-school STEAM programs to offer Lego Not-So simple Machines and EV3 robotics to children in the Afterschool Enrichment Program and tweens at the La Selva Beach Branch.

3. Transformative Spaces Accomplishments:

Quarter 4

- Opened the Branciforte Library with a relevant, engaging, and diverse collection of materials for adults, teens, and children (May 13, 2023).

4. User Experience Accomplishments:

Quarter 4

- Introduced the California State Library's K-12 databases, and an upgraded version of NewsBank.
- Ordered the collection for the new Aptos Library.
- Interlibrary Loan: Borrowed 423 books from other libraries for SCPL patrons and lent 149 books from the SCPL collection to other libraries.

5. Organizational Capacity:

Quarter 4

- The Library remains on track to filling its vacancies and continues to work with the labor union and Human Resources to refine its internal transfer procedures.
 - Multiple staff participated in a Train the Trainer program through the company Vistelar to better support all staff in techniques for de-escalating difficult situations. Multiple staff also participated in First Aid training.
-

Chair Carlos Palacios
Vice Chair Jamie Goldstein
Board Member Mali LaGoe
Board Member Matt Huffaker



STAFF REPORT

DATE: August 3, 2023
TO: Library Joint Powers Authority Board
FROM: Yolande Wilburn, Director of Libraries
RE: Updated Policy #312, Statement of Commitment to Racial and Social Equity

STAFF RECOMMENDATION

Accept and Adopt Updated Policy #312, Statement of Commitment to Racial and Social Equity

BACKGROUND

Staff members recently reviewed and updated Policy #312, Statement of Commitment to Racial and Social Equity. The North American Urban Libraries Council's *Statement on Race and Social Equity* will continue to serve as a baseline upon which the Santa Cruz Public Libraries builds policies and takes actions. The Director of Racial Equity and Community Impact at the Urban Libraries Council, Michelle Hamiel, also approved the Santa Cruz Public Libraries to be added as a signator to the Urban Library Council's *Statement on Race and Social Equity*.¹

A draft of the proposed updated Policy #312 is included with this report. For comparison, the current policy is also included.

Attachments:

- Current Policy #312, Statement of Commitment to Racial and Social Equity
- Revised Policy #312, Statement of Commitment to Racial and Social Equity

Report Prepared by: Gregory Yeh, Management Analyst

Reviewed and Approved by: Yolande Wilburn, Director of Libraries

¹ Director Hamiel provided the approval via email. The Urban Library Council's *Statement on Race and Society Equity* can be located here: <https://www.urbanlibraries.org/initiatives/racial-equity/statement-on-race-and-social-equity>

Statement of Commitment to Racial and Social Equity

JPAB Policy # 312
Adopted: 8/2/2018
Five-year Review Schedule: 2023

The North American Urban Libraries Council *Statement of Commitment to Racial and Social Equity* serves as a baseline upon which Santa Cruz Public Libraries will build policies and actions that make the communities served more inclusive and just. The statement reads as follows:

As leaders of North America's public libraries, we are committed to achieving racial and social equity by contributing to a more just society in which all community members can realize their full potential. Our libraries can help achieve true and sustained equity through an intentional, systemic, and transformative library-community partnership. Our library systems are working to achieve equity in the communities we serve by:

- Eliminating racial and social equity barriers in library programs, services, policies and practices.
- Creating and maintaining an environment of diversity, inclusion and respect both in our library systems and in all aspects of our community role.
- Ensuring that we are reaching and engaging disenfranchised people in the community and helping them express their voice.
- Serving as a convener and facilitator of conversations and partnerships to address community challenges.
- Being forthright on tough issues that are important to our communities.

Libraries are trusted, venerable, and enduring institutions, central to their communities and an essential participant in the movement for racial and social equity.

Statement of Commitment to Racial and Social Equity

JPAB Policy # 312
Adopted: 8/2/2018
Last Revised: 8/2023
Five-year Review Schedule: 8/2028

The Santa Cruz Public Libraries (SCPL) is committed to creating an organizational culture of equity and inclusion, and to provide equitable and relevant services to all library patrons. The North American Urban Libraries Council's *Statement on Race and Social Equity* serves as a baseline upon which SCPL builds policies and takes actions. The statement reads:

As leaders of North America's public libraries, we are committed to achieving racial and social equity by contributing to a more just society in which all community members can realize their full potential. Our libraries can help achieve true and sustained equity through an intentional, systemic, and transformative library-community partnership. Our library systems are working to achieve equity in the communities we serve by:

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Libraries are trusted, venerable, and enduring institutions, central to their communities and an essential participant in the movement for racial and social equity.

Source: <https://www.urbanlibraries.org/initiatives/racial-equity/statement-on-race-and-social-equity>

Chair Carlos Palacios
Vice Chair Jamie Goldstein
Board Member Mali LaGoe
Board Member Matt Huffaker



STAFF REPORT

DATE: August 3, 2023
TO: Library Joint Powers Authority Board
FROM: Kimberly Finley, Chief Real Property Agent for the County of Santa Cruz
RE: Live Oak and Scotts Valley Library Lease Agreements

RECOMMENDATION

Approve the attached lease agreements between the County of Santa Cruz and the Santa Cruz Public Libraries for the Live Oak Library facility located at 2380 Portola Drive in Santa Cruz and for the Scotts Valley Library facility located at 251 Kings Village Road in Scotts Valley.

DISCUSSION

The Department of Community Development and Infrastructure, Real Property Section (Real Property) prepared the enclosed lease agreements between the County of Santa Cruz (County) and the Santa Cruz Public Libraries (SCPL), a Joint Powers Authority, for the Live Oak Library facility located at 2380 Portola Drive in Santa Cruz (LO Lease) and for the Scotts Valley Library facility located at 251 Kings Village Road in Scotts Valley (SV Lease). The LO Lease and SV Lease shall become effective upon execution and expire when that specific agreement entitled Fourth Amendment to the Joint Powers Agreement Between the City of Santa Cruz and the County of Santa Cruz and the Cities of Capitola and Scotts Valley relating to Library Services naturally terminates at 11:59 PM on December 31, 2025. The base annual rent for the Sublease is one dollar (\$1.00).

The LO Lease and SV Lease designate SCPL to be responsible for all Library utility charges and routine maintenance of the building, parking lot, landscaping and minor repairs up to \$10,000 per occurrence, with an annual maximum of \$50,000. The County will retain responsibility for major repairs and capital work over the established limits. Any expenses incurred by the County will be paid for via a Capital Trust to be funded through the County Library Fund in an amount based on an existing facility assessment and major maintenance budget to be presented to and approved by the Board of Supervisors. This model of shared minor versus major maintenance was similarly used in the Felton, Capitola and Boulder Creek Library Leases approved by the Board of Supervisors and Library Joint Powers Authority Board in 2020, 2021 and 2022.

Attachments: Live Oak Library Lease
Scotts Valley Library Lease
Scotts Valley Library Sublease

**LIVE OAK LIBRARY- 2380 PORTOLA DRIVE
APN 028-421-01**

LESSOR: COUNTY OF SANTA CRUZ, a political subdivision of the State of
California

LESSEE: SANTA CRUZ PUBLIC LIBRARIES

**LEASE AGREEMENT
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LEASE AGREEMENT

This lease is entered into this ____ day of _____, 20__, by and between the **County of Santa Cruz** as "County" and **Santa Cruz Public Libraries** as "Lessee". The County and Lessee are sometimes referred to herein individually as "Party" or collectively as "Parties."

WHEREAS, the Lessor, County of Santa Cruz ("County"), in executing this Lease herein approves of the Lessee's occupancy of the Premises and the terms and conditions set forth herein.

This Lease is entered into upon the following facts, understandings and intentions of the County and Lessee.

ARTICLE 1 PREMISES

1.1 Premises. The premises consist of that certain real property commonly known as 2380 Portola Drive, Santa Cruz, California on assessor's parcel number 028-421-01, more particularly described in Exhibit "A" attached hereto and made a part hereof and referred to herein as "Premises". The Premises is currently improved with a 12,826 square foot two-story wood framed building on a roughly 173,000 square foot lot with an asphalt paved parking area situated on APN 028-421-01.

ARTICLE 2 TERM

2.1 Term. The term of this Lease shall commence upon execution by all Parties hereto, and shall expire when that specific agreement entitled Fourth Amendment to the Joint Powers Agreement Between the County of Santa Cruz and the County of Santa Cruz and the Cities of Capitola and Scotts Valley relating to Library Services ("JPA Agreement") naturally terminates at 11:59 PM on December 31, 2025, or at the expiration of the term established by future amendment(s) of the JPA Agreement, whichever is later, referred to herein as "Term".

2.2 Extension. The Term of this Lease may only be extended by written amendment of this Lease executed by all Parties hereto.

2.3 Termination. The County may terminate this Lease at any time, for any reason, by giving one hundred and eighty (180) days prior written notice to the other Party.

ARTICLE 3 RENT

3.1 Base Annual Rent. Lessee shall pay as rent for the use and occupancy of the Premises an annual fee of \$1.00. Rent shall remain the same for the entire term of this Lease unless adjusted by mutual written agreement.

3.2 Delivery of Rent Payments. All rent due under this Lease shall be made payable to the County of Santa Cruz, and shall be considered paid when delivered to:

COUNTY OF SANTA CRUZ
Department of Public Works – Real Property
701 Ocean Street, Room 410
Santa Cruz, CA 95060

County may, at any time, by written notice to Lessee, designate a different address to which Lessee shall deliver the rent payments. County may, but is not obligated to, send rent invoices to Lessee.

3.3 Failure to Pay Base Rent or Additional Rent; Late Charge. If Lessee fails to pay rent due hereunder at the time it is due and payable, such unpaid amounts shall bear interest at the rate of ten percent (10%) per year from the date due to the date of payment, computed on the basis of monthly compounding with actual days elapsed compared to a 365-day year. However, County may in its sole discretion waive any delinquency payment or late charge upon written application of Lessee.

3.4 Capital Trust. County shall establish a trust account (“Capital Trust”) to hold funds for the benefit of major maintenance and property management as determined by a facility assessment. Funds will be deposited in the Capital Trust from the County Library Fund once the facility assessment and major maintenance budget has been approved by the Board of Supervisors. The Capital Trust shall be managed solely by County. Any interest earned on the Capital Trust shall remain or be redeposited in the Capital Trust for these purposes. This account shall remain the sole property of County and the funds held therein shall be restricted to providing for the maintenance of the Premises.

ARTICLE 4
POSSESSION AND USE

4.1 Permitted Uses. Lessee shall use the Premises solely for public library services. No one other than Lessee, its agents, volunteers and employees, or any Lessee approved by County as provided in Article 13 - "Assignment and Subletting" below, is permitted to use the Premises for the purposes described herein, and Lessee shall be fully responsible for the activities of its agents, volunteers and employees and Lessees, if any, on the Premises.

4.2 Duties and Prohibited Conduct. Where Lessee is reasonably in doubt as to the propriety of any particular use, Lessee may request the written determination of County that such use is or is not permitted, and Lessee will not be in breach or default under this Lease if Lessee abides by such determination. Notwithstanding the foregoing, however, Lessee shall not use nor permit the use of the Premises in any manner that will tend to create waste or a nuisance. Lessee shall, at Lessee's expense, comply promptly with all applicable statutes, laws, ordinances, rules, regulations, orders, covenants and restrictions of record, and requirements in effect during the term, regulating the use by Lessee of the Premises. Lessee shall not use, or permit any person or persons to use, the Premises for the sale or display of any goods and/or services, which, in the sole discretion of County, are inconsistent with the permitted uses of the Premises pursuant to this Lease. The sale of books,

educational services, fundraising and other goods/services incidental to library purposes are deemed consistent with the permitted use of the Premises. Lessee shall keep the Premises, and every part thereof, in a decent, safe and sanitary condition, free from any objectionable noises or odors, except as may be typically present for the permitted uses specified above.

4.3 Compliance with Stormwater Laws. Lessee's use of the Premises is subject to federal, state and local laws regarding the discharge into the stormwater conveyance system of pollutants. Compliance with these laws may require Lessee to develop, install, implement and maintain pollution prevention measures, source control measures and Best Management Practices ("BMPs"). Lessee further agrees to develop, install, implement and/or any BMPs or similar pollution control devices required by federal, state and/or local law and any implementing regulations. Any costs associated with such installations will be handled consistent with other maintenance and repair costs as outlined in Article 10.

Lessee understands and acknowledges that the storm water and non-storm water requirements applicable to Lessee's use of the Premises may be changed from time to time by federal, state and/or local authorities, and that additional requirements may become applicable based on changes in Lessee's activities or development or redevelopment by Lessee or County. To the extent there is a conflict between any federal, state, or local law, Lessee shall comply with the more restrictive provision. If County receives any fine or fines from any regulatory agency as a result of Lessee's failure to comply with applicable storm water laws as set forth in this Article, Lessee shall reimburse County for the entire fine amount.

ARTICLE 5 SUBORDINATION CLAUSE

5.1 Subordination. The Parties acknowledge that County may enter into one or more lease/leaseback financing arrangements consisting generally of a site lease, lease agreement, assignment agreement and related agreements (collectively, the "Financing Leases") with a financing authority or another public agency in order to assist the County in connection with financing and refinancing certain capital improvements of the County.

Under any such Financing Leases, the County may lease and lease back certain real property and improvements that may include the Premises subject to one or more Library Leases.

In order to facilitate the execution and delivery of any Financing Leases, the County and Lessee desire that this Lease and Lessee's right, title and interest in the Premises be subordinate to the rights, titles, and interests of the parties to the Financing Leases.

Therefore, it is agreed that this Lease and all of Lessee's right, title, and interest in and to the Premises thereunder shall be, and the same are expressly made subject to, subordinate and inferior to any Financing Leases, and to all extensions, renewals, modifications, consolidations and replacements of the Financing Leases.

ARTICLE 6
UTILITIES

6.1 Utility Services. Lessee shall make all arrangements for and pay for all utilities and municipal services supplied to the Premises or used by Lessee, including but not limited to water, gas, electricity, garbage collection, sewage charges, and telephone, and for all connection charges. County shall have no responsibility either to provide or pay for such services.

6.2 Energy Conservation by Lessee. Lessee shall endeavor to promote energy conservation measures in the operation of all activities at the Lease Premises. Lessee shall cooperate with the County in all forms of energy conservation including energy-efficient lighting, heating and air-conditioning systems, and fixtures and equipment. Lessee shall comply with all Federal, State and County laws, by-laws, regulations, etc., relating to the conservation of energy. Lessee shall comply with all reasonable requests and demands of the County pertaining to the installation and maintenance of energy conservation systems, fixtures, and equipment installed by the County.

6.3 Energy Conservation by County. County is required to comply with all laws and regulations requiring the installation of energy-efficient systems, fixtures, and equipment at County buildings and facilities. In accordance with all laws and regulations and this Lease; Lessee shall maintain or repair, or cause to maintain or repair, the building, and related systems in accordance with current energy conservation standards.

ARTICLE 7
MECHANICS' LIENS

7.1 Mechanics Liens. Lessee shall pay, or cause to be paid, all costs for work done by it, or caused to be done by it, on the Premises, and for all materials furnished for or in connection with any such work. If any lien is filed against the Premises, Lessee shall cause the lien to be discharged of record within ten (10) days after it is filed. Lessee shall indemnify, defend and hold County harmless from any and all liability, loss, damage, costs, attorneys' fees and all other expenses on account of claims of lien of laborers or materialmen or others for work performed or materials or supplies furnished for Lessee or persons claiming under Lessee.

ARTICLE 8
SECURITY

8.1 Security. Lessee shall be responsible for and shall provide for the security of the Premises, and County shall have no responsibility therefor.

ARTICLE 9
TAXES, ASSESSMENTS AND FEES

9.1 Responsibility for Payment of Taxes and Assessments. County shall not be obligated to pay any taxes or assessments accruing against Lessee on the Premises or any interest of Lessee therein before, during or after the Term, or any extension thereof; all such payments shall be the sole responsibility of Lessee. In addition, Lessee shall be solely responsible for payment of any

taxes or assessments levied upon any improvements, fixtures or personal property located on the Premises, to the extent that such taxes or assessments result from the business or other activities of Lessee upon, or in connection with, the Premises.

9.2 Definition of Taxes. As used herein, the term "taxes" means all taxes, governmental bonds, special assessments, Mello-Roos assessments, charges, rent income or transfer taxes, license and transaction fees, including, but not limited to, (i) any state, local, federal, personal or corporate income tax, or any real or personal property tax, (ii) any estate inheritance taxes, (iii) any franchise, succession or transfer taxes, (iv) interest on taxes or penalties resulting from Lessee's failure to pay taxes, (v) any increases in taxes attributable to the sale of Lessee's Leasehold interest in the Premises, or (vi) any taxes which are essentially payments to a governmental agency for the right to make improvements to the Premises.

9.3 Creation of Possessory Interest. Pursuant to the provisions of Revenue and Taxation Code Section 107.6, Lessee is hereby advised that the terms of this Lease may result in the creation of a possessory interest. If such a possessory interest is vested in Lessee, Lessee may be subjected to the payment of real property taxes levied on such interest. Lessee shall be solely responsible for the payment of any such real property taxes. Lessee shall pay all such taxes when due, and shall not allow any such taxes, assessments or fees to become a lien against the Premises or any improvement thereon; provided, however, that nothing herein shall be deemed to prevent or prohibit Lessee from contesting the validity of any such tax, assessment or fee in a manner authorized by law.

ARTICLE 10 REPAIRS; MAINTENANCE

10.1 Acceptance of Premises. Lessee acknowledges that Lessee has made a thorough inspection of the Premises prior to the commencement date of this Lease, and that it accepts the Premises as of the commencement date in their condition at that time. Lessee further acknowledges that County has made no oral or written representations or warranties to Lessee regarding the condition of the Premises, and that Lessee is relying solely on its inspection of the Premises with respect thereto. Lessee agrees not to make changes to the built environment without obtaining the County's prior written approval.

10.2 Lessee's Repair and Maintenance Obligations. Lessee shall at all times during the Term, repair and maintain the Premises in good and tenantable condition, and coordinate Minor Maintenance and repairs as delineated in this Article. Upon surrender of the Premises, Lessee shall deliver the Premises to County in good order, condition and state of repair, but shall not be responsible for damages resulting from ordinary wear and tear. Lessee shall provide for trash removal, at its expense, and shall maintain all trash receptacles and trash areas in a clean, orderly and first-class condition. Any proposed remodel of the Library by Lessee, that involves reconstruction of structural building elements, relocation of interior walls, or removal of building finishes, must be approved in advance by the County.

10.3 Minor Maintenance and Repairs. Lessee is responsible for, at its sole cost and expense and without cost to the County, performing all minor maintenance and repairs for the Premises. Minor maintenance and Repairs are defined as any and all maintenance or repairs, costing

up to a maximum of \$10,000 per item, and with an annual cap of \$50,000, necessary to maintain the Premises in good and tenantable condition, and shall include but not be limited to: custodial services and maintenance and/or repairs of grounds, landscaping including roof, fencing, heating, ventilation, air conditioning (HVAC), mechanical, security or information technology upgrades, electrical systems, pipes, conduits, equipment, components and facilities (whether or not within the Premises) that supply the Premises exclusively with utilities (except to the extent the appropriate utility company has assumed these duties), all fixtures and other equipment installed in the Premises, all exterior and interior glass installed in the Premises, all signs, lock and closing devices all interior window sashes, casements and frames, doors and door frames (except for the painting of the exterior surfaces thereof), floor coverings, and all such items of repair, maintenance, alteration, improvement or reconstruction as may be required at any time or from time to time by a governmental agency having jurisdiction thereof. Lessee's obligations hereunder shall apply regardless of whether the repairs, restorations and replacements are ordinary or extraordinary, foreseeable or unforeseeable, capital or noncapital, or the fault or not the fault of Lessee, its agents, employees, invitees, visitors or contractors. All replacements made by Lessee in accordance with this Section shall be of like size, kind and quality to the items replaced and shall be subject to County's approval, which shall be timely and not unreasonably withheld. Lessee shall utilize its own maintenance staff or outside contractors, however, Lessee shall only use appropriately licensed staff or contractors for any item requiring a building permit. Any reoccurring expenses incurred for custodial, landscaping, or other recurring maintenance operational activities are not eligible to be applied towards the \$10,000 or \$50,000 limits listed above.

10.4 Major Maintenance and Repairs. County is responsible for, at its sole cost and expense and without cost to Lessee, performing all major maintenance and repairs. Major maintenance and repairs are further defined as any and all maintenance or repairs, costing more than \$10,000 per item, necessary to maintain the Premises in good and tenantable condition. Examples include but are not limited to: painting of building exterior; repair and resurfacing of parking areas; structural repairs involving foundation, exterior walls and bearing walls; and major repair or replacement of failed roof, gutters, downspouts, HVAC system, unexposed plumbing and electrical, fire sprinkler system, fencing, and fire alarm system. The Major Maintenance shall be accomplished in a timely manner in conformance with all applicable laws, according to specifications established by the County.

For all Major Maintenance that cannot be completed by the County and upon approval from County, Lessee shall contract for services, in concurrence with County purchasing policies and procedures, which services shall be reimbursed from the Capital Trust. All proposed work shall be approved by the County, such approval shall be timely and not unreasonably withheld.

10.5 Emergency Repairs of Critical Systems. If a problem develops with a critical building system that, if left unrepaired for any length of time, could reasonably impact the health or safety of the occupants or the continued occupancy of the Premises, Lessee will immediately contact the County to report the problem. If the problem falls under Minor Maintenance or Repairs, Lessee shall proceed under the guidelines of Article 10.3. If the problem falls under Major Maintenance, Lessee and County shall proceed under the guidelines of Article 10.4.

If Lessee is unable to quickly resolve the problem using Lessee's maintenance staff or outside contractors, Lessee shall contact County who shall arrange for repairs to be completed by the

County or assist Lessee with identifying an outside contractor that can complete the work.

10.6 Lessee's Failure to Maintain. If Lessee refuses or neglects to repair, replace, or maintain the Premises, or any part thereof, in a manner reasonably satisfactory to County, County may, upon giving Lessee reasonable written notice of its election to do so, make such repairs or perform such maintenance on behalf of and for the account of Lessee. If County makes or causes any such repairs to be made or performed, as provided for herein, Lessee shall pay the cost thereof to County, as additional rent, promptly upon receipt of an invoice therefore. If Major Maintenance is required as a direct result of the failure or negligence of Lessee to perform the required Minor Maintenance, then Lessee shall be solely responsible for the repair and cost associated with the resulting Major Maintenance.

10.7 Right to Enter. Lessee shall permit County, or its authorized representatives, to enter the Premises at all times during usual business hours to inspect the same, and to perform any work therein that (a) may be necessary to comply with any laws, ordinances, rules or regulations of any public authority, (b) County may deem necessary to prevent waste or deterioration in connection with the Premises if Lessee does not make, or cause to be made, such repairs or perform, or cause to be performed, such work promptly after receipt of written demand from County, and (c) County may deem necessary in connection with the expansion, reduction, remodeling, protection or renovation of any County-constructed or owned facilities on or off of the Premises. Nothing herein shall imply any duty on the part of County to do any such work which, under any provision of this Lease, Lessee may be required to do, nor shall County's performance of any repairs on behalf of Lessee constitute a waiver of Lessee's default in failing to do the same. If County exercises any of its rights under this Section, Lessee shall not be entitled to any compensation, damages or abatement of rent from County for any injury or inconvenience occasioned thereby.

10.8 County Not Obligated to Repair or Maintain; Lessee's Waiver of California Civil Code Section 1942. To the extent that any remedies specified in this Lease conflict or are inconsistent with any provisions of California Civil Code section 1942, or any successor statute thereto ("CC §1942"), the provisions of this Lease shall control. Lessee specifically waives any right it may have pursuant to CC §1942 to effect maintenance or repairs to the Premises and to abate the costs thereof from rent due to the County under this Lease.

ARTICLE 11 INDEMNITY AND INSURANCE

11.1 Lessee's Indemnity. County shall not be liable for, and Lessee shall defend and indemnify County, including its employees and agents, against any and all claims, demands, liability, judgments, awards, fines, mechanics' liens or other liens, labor disputes, losses, damages, expenses, charges or costs of any kind or character, including attorneys' fees and court costs (hereinafter collectively referred to as "Claims"), related to this Lease and arising either directly or indirectly from any act, error, omission or negligence of Lessee or its contractors, licensees, agents, volunteers, servants or employees, including, without limitation, Claims caused by the concurrent negligent act, error or omission, whether active or passive, of County. Lessee shall have no obligation, however, to defend or indemnify County from a Claim if it is determined by a court of competent jurisdiction that such Claim was caused by the sole negligence or willful misconduct of County.

11.2 County's Indemnity. County shall defend and indemnify Lessee and hold it harmless from and against any Claims arising out of this Lease that arise solely from any act, omission or negligence of County, or County's employees, agents, elected officials, or volunteers.

11.3 Lessee's Insurance Obligations. Without limiting Lessee's indemnification obligations to County under this Lease, Lessee shall provide and maintain, during the Term and for such other period as may be required herein, at its sole expense, insurance in the amounts and form specified in Exhibit "B" attached hereto.

ARTICLE 12 HAZARDOUS MATERIALS

12.1 Hazardous Materials Laws-Definition. As used in this section, the term "Hazardous Materials' Laws" means any and all federal, state or local laws or ordinances, rules, decrees, orders, regulations or court decisions (including the so-called "common law"), including without limitation the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C., 9601 et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C., 1801 et seq.), the Resource Conservation and Recovery Act of 1976, as amended (42 U.S.C., 6901 et seq.), and the California Environmental Quality Act of 1970, relating to hazardous substances, hazardous materials, hazardous waste, toxic substances, environmental conditions on, under or about the Premises, soil and ground water conditions or other similar substances or conditions.

12.2 Hazardous Materials - Definition. As used in this section the term "Hazardous Materials" means any chemical, compound, material, substance, or other matter that:

- a. Is a flammable, explosive, asbestos, radioactive nuclear medicine, vaccine, bacteria, virus, hazardous waste, toxic, overtly injurious or potentially injurious material, whether injurious or potentially injurious by itself or in combination with other materials;
- b. Is controlled, referred to, designated in or governed by any Hazardous Materials Laws;
- c. Gives rise to any reporting, notice or publication requirements under any Hazardous Materials Laws; or
- d. Is any other material or substance giving rise to any liability, responsibility or duty upon the County or Lessee with respect to any third person under any Hazardous Materials Law.

12.3 Lessee's Representations and Warranties. Lessee represents and warrants that, during the Term or any extension thereof, or for such longer period as may be specified herein, Lessee shall comply with the following provisions unless otherwise specifically approved in writing by County:

- a. Lessee shall not cause or permit any Hazardous Materials to be brought, kept or used in or about the Premises by Lessee, its agents, employees, assignees, contractors or invitees,

except as required by Lessee's permitted use of the Premises, as described in Section 5.1, "Permitted Uses."

b. Any handling, transportation, storage, treatment or usage by Lessee of Hazardous Materials that is to occur on the Premises following the Commencement Date shall be in compliance with all applicable Hazardous Materials Laws.

c. Any leaks, spills, release, discharge, or emission of Hazardous Materials caused by Lessee, or disposal of Hazardous Materials owned by Lessee, which may occur on the Premises during the Term shall be promptly and thoroughly cleaned and removed from the Premises by Lessee at its sole expense, and any such discharge shall be promptly reported in writing to County, and to any other appropriate governmental regulatory authorities.

d. No friable asbestos shall be constructed, placed on, deposited, stored, disposed of, or located by Lessee in the Premises.

e. No underground improvements, including but not limited to treatment or storage tanks, or water, gas or oil wells shall be located by Lessee on the Premises without County's prior written consent.

f. Lessee shall conduct and complete all investigations, studies, sampling, and testing procedures and all remedial, removal, and other actions necessary to clean up and remove all Hazardous Materials on, from, or affecting the Premises in accordance with all applicable Hazardous Materials' Laws and to the satisfaction of County.

g. Activities proposed by Lessee that involve disturbing asbestos materials on site shall only be conducted in accordance with all federal, state and local asbestos rules and regulations including, but not limited to, the California Occupational Safety and Health Administration (Cal/OSHA), Environmental Protection Agency (EPA) and Air Pollution Control District (APCD), with prior written consent of the County, as follows:

Prior to conducting asbestos related activities, Lessee shall notify County of the proposed work at least one month in advance. The notification shall include the location of work, type of asbestos containing material (ACM) to be removed and a work plan indicating the work practices and methods of control to be used during the abatement activity to control asbestos fiber release. The County Occupational Health Program shall review the work plan and may modify the plans as necessary.

Any asbestos related activities shall be performed by a contractor that is registered with Cal/OSHA and certified by the California Contractors State Licensing Board to perform asbestos work. Any asbestos related activities shall be overseen by a California Certified Asbestos Consultant (CAC), or a Certified Site Surveillance Technician under the direction of a CAC.

Replacement products used in tenant improvements or other construction activities shall not contain asbestos. Any replacement products used by Lessee shall be verified as non-asbestos products by using Material Safety Data Sheets (MSDS) and/or having the architect or project engineer verify that ACMs were not used.

h. Lessee shall promptly supply County with copies of all notices, reports, correspondence, and submissions made by Lessee to the United States Environmental Protection Agency, the United Occupational Safety and Health Administration, and any other local, state or federal authority which requires submission of any information concerning environmental matters or hazardous wastes or substances pursuant to applicable Hazardous Materials' Laws.

i. Lessee shall promptly notify County of any liens threatened or attached against the Premises pursuant to any Hazardous Materials' Law. If such a lien is filed against the Premises, then within twenty (20) days following such filing or before any governmental authority commences proceedings to sell the Premises pursuant to the lien, whichever occurs first, Lessee shall either: (a) pay the claim and remove the lien from the Premises; or (b) furnish either (1) a bond or cash deposit reasonably satisfactory to County in an amount not less than the claim from which the lien arises, or (2) other security satisfactory to County in an amount not less than that which is sufficient to discharge the claim from which the lien arises. At the end of this Lease, Lessee shall surrender the Premises to County free of any and all Hazardous Materials and in compliance with all Hazardous Materials' Laws affecting the Premises.

12.4 Indemnification by Lessee. Lessee (and, if applicable, each of its general partners) and its successors, assigns, and guarantors, if any, jointly and severally agree to protect, indemnify, defend (with counsel selected by County), reimburse and hold County and its officers, employees, agents and volunteers harmless from any claims, judgments, damages, penalties, fines, costs or expenses (known or unknown, contingent or otherwise), liabilities (including sums paid in settlement of claims), personal injury (including wrongful death), property damage (real or personal) or loss, including attorneys' fees, consultants' fees, and experts' fees (consultants and experts to be selected by County) which arise during or after the Term from or in connection with the presence or suspected presence of Hazardous Materials, including the soil, ground water or soil vapor on or under the Premises. Without limiting the generality of the foregoing, the indemnification provided by this section shall specifically cover costs incurred in connection with investigation of site conditions or any cleanup, remedial, removal or restoration work required by any Hazardous Materials Laws because of the presence of Hazardous Materials in the soil, ground water or soil vapor on the Premises, and the release or discharge of Hazardous Materials by Lessee during the course of Lessee's alteration or improvement of the Premises.

12.5 Remedies Cumulative; Survival. The provisions of this Article shall be in addition to any and all common law obligations and liabilities Lessee may have to County, and any remedies and the environmental indemnities provided for herein shall survive the expiration or termination of this Lease and/or any transfer of all or any portion of the Premises, or of any interest in this Lease, and shall be governed by the laws of the State of California.

12.6 Inspection. County and County's agents, servants, and employees including, without limitation, legal counsel and environmental consultants and engineers retained by County, may (but without the obligation or duty so to do), at any time and from time to time, on not less than five (5) business days' notice to Lessee (except in the event of an emergency in which case no notice shall be required), inspect the Premises to determine whether Lessee is complying with Lessee's obligations set forth in this Article, and to perform environmental inspections and samplings, during regular business hours (except in the event of an emergency) or during such other hours as County

and Lessee may agree. If Lessee is not in compliance, County shall have the right, in addition to County's other remedies available at law and in equity, to enter upon the Premises immediately and take such action as County in its sole judgment deems appropriate to remediate any actual or threatened contamination caused by Lessee's failure to comply. County will use reasonable efforts to minimize interference with Lessee's use of Premises but shall not be liable for any interference caused by County's entry and remediation efforts. Upon completion of any sampling or testing County will (at Lessee's expense if County's actions are a result of Lessee's default under this section) restore the affected area of the Premises from any damage caused by County's sampling and testing.

ARTICLE 13 ASSIGNMENT AND SUBLETTING

Lessee shall not voluntarily or involuntarily assign, Lease, mortgage, encumber, or otherwise transfer (collectively, a "Transfer") all or any portion of the Premises or its interest in this Lease without County's prior written consent. County may reasonably withhold its consent to any Transfer. Any attempted Transfer without County's consent shall be void and shall constitute a material breach of this Lease. As used herein, the term "Transfer" shall include an arrangement (including without limitation management agreements, concessions, and licenses) that allows the use and occupancy of all or part of the Premises by anyone other than Lessee.

ARTICLE 14 COUNTY'S RIGHT OF ACCESS

County, its agents, employees, and contractors may enter the Premises at any time in response to an emergency, and at reasonable hours to (a) inspect the Premises, (b) exhibit the Premises to prospective purchasers or Lessees, (c) determine whether Lessee is complying with its obligations in this Lease (including its obligations with respect to compliance with Hazardous Materials Laws), (d) supply cleaning service and any other service that this Lease requires County to provide, (e) post notices of non-responsibility or similar notices, or (f) make repairs that this Lease requires County to make, or make repairs to any adjoining space or utility services, or make repairs, alterations, or improvements to any other portion of the Premises; provided, however, that all work will be done as promptly as reasonably possible and so as to cause as little interference to Lessee as reasonably possible.

Lessee waives any claim of injury or inconvenience to Lessee's business, interference with Lessee's business, loss of occupancy or quiet enjoyment of the Premises, or any other loss occasioned by such entry. If necessary, Lessee shall provide County with keys to unlock all of the doors in the Premises (excluding Lessee's vaults, safes, and similar areas designated in writing by Lessee in advance). County will have the right to use any means that County may deem proper to open doors in the Premises and to the Premises in an emergency. No entry to the Premises by County by any means will be a forcible or unlawful entry into the Premises or a detainer of the Premises or an eviction, actual or constructive, of Lessee from the Premises, or any part of the Premises, nor shall the entry entitle Lessee to damages or an abatement of rent or other charges that this Lease requires Lessee to pay.

ARTICLE 15
QUIET ENJOYMENT

If Lessee is not in breach under the covenants made in this Lease, County covenants that Lessee shall have peaceful and quiet enjoyment of the Premises without hindrance on the part of County. County will defend Lessee in the peaceful and quiet enjoyment of the Premises against claims of all persons claiming through or under the County.

ARTICLE 16
NOTICES

16.1 Notices. Whenever in this Lease it shall be required or permitted that notice or demand be given or served by either party to this Lease to or on the other, such notice or demand shall be in writing, mailed or delivered to the other party at the following addresses:

To County:
Department of Public Works
Real Property
701 Ocean Street, Room 410
Santa Cruz, California 95060
(831) 454-2334

To Lessee:
Director of Libraries
Santa Cruz Public Libraries
117 Union Street
Santa Cruz, CA 95060
(831) 427-7700

Mailed notices shall be sent by United States Postal Service, certified or registered mail, postage prepaid and shall be deemed to have been given, delivered and received three (3) business days after the date such notice or other communication is posted by the United States Postal Service. All other such notices or other communications shall be deemed given, delivered and received upon actual receipt. Either party may, by written notice delivered pursuant to this provision, at any time designate a different address to which notices shall be sent.

16.2 Default Notices. Notwithstanding anything to the contrary contained within this Article, any notices County is required or authorized to deliver to Lessee in order to advise Lessee of alleged violations of Lessee's covenants under this Lease must be in writing but shall be deemed to have been duly given or served upon Lessee by County attempting to deliver at the Premises during normal business hours a copy of such notice to Lessee or its managing employee and by County mailing a copy of such notice to Lessee in the manner specified in the preceding Section.

ARTICLE 17
WAIVER OF RELOCATION ASSISTANCE BENEFITS

17.1 Relocation Assistance Benefits. Lessee is hereby informed and acknowledges the following:

a. By entering into this Lease and becoming a tenant of County, Lessee may become entitled to receipt of "relocation assistance benefits" ("Relocation Benefits") pursuant to the Federal Uniform Relocation Assistance Act (42 U.S.C. Section 4601 *et seq.*) and/or the California Relocation Assistance Law (Cal. Gov. Code Section 7270 *et seq.*) (collectively, the "Relocation Statutes"), should County at some time make use of the Premises in such a way as to "displace" Lessee from the Premises. Pursuant to the Relocation Statutes, County may then become obligated to make such payments to Lessee even where such displacement of Lessee does not otherwise constitute a breach or default by County of its obligations pursuant to this Lease.

b. Under the Relocation Statutes in effect as of the Date of Commencement of this Lease, Relocation Benefits may include payment to such a "displaced person" of (i) the actual and reasonable expense of moving himself or herself and a family, business, or farm operation, including personal property, (ii) the actual direct loss of reestablishing a business or farm operation, but not to exceed Ten Thousand Dollars (\$10,000), or (iii) payment in lieu of moving expenses of not less than One Thousand Dollars (\$1,000) or more than Twenty Thousand Dollars (\$20,000).

17.2 Lessee's Waiver and Release of Relocation Benefits. In consideration of County's agreement to enter into this Lease, Lessee hereby waives any and all rights it may now have, or may hereafter obtain, to Relocation Benefits arising out of the County's assertion or exercise of its contractual rights to terminate this Lease pursuant to its terms, whether or not such rights are contested by Lessee or any other entity, and releases County from any liability for payment of such Relocation Benefits; provided, however, that Lessee does not waive its rights to Relocation Benefits to the extent that Lessee's entitlement thereto may arise out of any condemnation or pre-condemnation actions taken by the County or any other public agency with respect to the Premises. Lessee shall in the future execute any further documentation of the release and waiver provided hereby as County may reasonably require.

ARTICLE 18
GENERAL PROVISIONS

18.1 Authority. Lessee represents and warrants that it has full power and authority to execute and fully perform its obligations under this Lease pursuant to its governing instruments, without the need for any further action, and that the person(s) executing this Lease on behalf of Lessee are the duly designated agents of Lessee and are authorized to do so.

18.2 Brokers. Lessee warrants that it has not been represented by any real estate broker or agent in connection with the negotiation and/or execution of this Lease. In the event any broker makes claim for monies owed, Lessee shall indemnify, defend and hold County harmless therefrom.

18.3 Captions. The captions, headings and index appearing in this Lease are inserted for convenience only and in no way define, limit, construe, or describe the scope or intent of the

provisions of this Lease.

18.4 County Approval. Except where stated herein to the contrary, the phrases "County's approval," and "County's written approval" or such similar phrases shall mean approval of County's Lease Administrator or said Administrator's representative as authorized by said administrator in writing.

18.5 Cumulative Remedies. In the event of a default under this Lease, each Party's remedies shall be limited to those remedies set forth in this Lease. Any such remedies are cumulative and not exclusive of any other remedies under this Lease to which the non-defaulting Party may be entitled.

18.6 Entire Agreement. This Lease, together with all addenda, exhibits and riders attached hereto, constitutes the entire agreement between the Parties with respect to the subject matter hereof, and all prior or contemporaneous agreements, understandings and representations, oral or written, are superseded.

18.7 Estoppel Certificate. Lessee shall at any time during the term of this Lease, within five (5) business days of written notice from County, execute and deliver to County a statement in writing certifying that this Lease is unmodified and in full force and effect or, if modified, stating the nature of such modification. Lessee's statement shall include other details requested by County, such as the date on which rent and other charges are paid, the current ownership and name of Lessee, Lessee's knowledge concerning any outstanding defaults with respect to County's obligations under this Lease and the nature of any such defaults. Any such statement may be relied upon conclusively by any prospective purchaser or encumbrancer of the Premises. Lessee's failure to deliver such statements within such time shall be conclusively deemed to mean that this Lease is in full force and effect, except to the extent any modification has been represented by County, that there are no uncured defaults in the County's performance, and that not more than one month's rent has been paid in advance.

18.8 Exhibits. All exhibits referred to herein are attached hereto and incorporated by reference.

18.9 Force Majeure. In the event either party is prevented or delayed from performing any act or discharging any obligation hereunder, except for the payment of rent by Lessee, because of any and all causes beyond either party's reasonable control, including unusual delays in deliveries, abnormal adverse weather conditions, unavoidable casualties, strikes, labor disputes, inability to obtain labor, materials or equipment, acts of God, governmental restrictions, regulations or controls, any hostile government actions, civil commotion and fire or other casualty, legal actions attacking the validity of this Lease or the County's occupancy of the Premises, or any other casualties beyond the reasonable control of either party except casualties resulting from Lessee's negligent operation or maintenance of the Premises ("Force Majeure"), performance of such act shall be excused for the period of such delay, and the period for performance of such act shall be extended for a period equivalent to the period of such delay. Force Majeure shall not include any bankruptcy, insolvency, or other financial inability on the part of either party hereto.

18.10 Governing Law. This Lease shall be governed, construed and enforced in

accordance with the laws of the State of California.

18.11 Interpretation. The language of this Lease shall be construed simply according to its plain meaning and shall not be construed for or against either party.

18.12 Joint and Several Liability. If more than one person or entity executes this Lease as Lessee, each of them is jointly and severally liable for all of the obligations of Lessee hereunder.

18.13 Lease Administration. This Lease shall be administered on behalf of County by the Department of Public Works – Real Property, County of Santa Cruz, or by such person's duly-authorized designee (referred to collectively herein as "County's Lease Administrator"), and on behalf of Lessee by: Director of Libraries, Santa Cruz Public Libraries, 117 Union Street, Santa Cruz, CA 95060, 831-427-7700 ext. 7611, or by such other person as may be designated in writing by Lessee (referred to collectively herein as "Lessee's Lease Administrator").

18.14 Lessee's Lease Administration. Lessee confirms that Lessee's Lease Administrator has been given full operational responsibility for compliance with the terms of this Lease. Lessee shall provide County with a written schedule of its normal hours of business operation on the Premises, and Lessee's Lease Administrator or a representative designated thereby shall be (i) available to County on a twenty-four (24) hour a day, seven (7) days a week, basis, and (ii) present on the Premises during Lessee's normal business hours, to resolve problems or answer question pertaining to this Lease and Lessee's operations on the Premises.

18.15 Liquidated Damages. Any payments by Lessee to County under this Lease described as liquidated damages represent the parties' reasonable estimate of County's actual damages under the described circumstances, such actual damages being uncertain and difficult to ascertain in light of the impossibility of foreseeing the state of the leasing market at the time of the various deadlines set forth herein. County may, at its election, take any of the liquidated damages assessed in any portion of this Lease as direct monetary payments from Lessee and/or as an increase of rent due from Lessee under this Lease.

18.16 Modification. The provisions of this Lease may not be modified, except by a written instrument signed by both parties.

18.17 Partial Invalidity. If any provision of this Lease is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Lease shall not be affected thereby. Each provision shall be valid and enforceable to the fullest extent permitted by law.

18.18 Payments. Except as may otherwise be expressly stated, each payment required to be made by Lessee shall be in addition to, and not a substitute for, other payments to be made by Lessee.

18.19 Successors & Assigns. This Lease shall be binding on and inure to the benefit of the parties and their successors and assigns, except as may otherwise be provided herein.

18.20 Time of Essence. Time is of the essence of each and every provision of this Lease.

18.21 Waiver. No provision of this Lease or the breach thereof shall be deemed waived, except by written consent of the party against whom the waiver is claimed. The waiver by County of any breach of any term, covenant or condition contained in this Lease shall not be deemed to be a waiver of such term, covenant or condition of any subsequent breach thereof, or of any other term, covenant or condition contained in this Lease. County's subsequent acceptance of partial rent or performance by Lessee shall not be deemed to be an accord and satisfaction or a waiver of any preceding breach by Lessee of any term, covenant or condition of this Lease or of any right of County to a forfeiture of the Lease by reason of such breach, regardless of County's knowledge of such preceding breach at the time of County's acceptance. The failure on the part of County to require exact or full and complete compliance with any of the covenants, conditions of agreements of this Lease shall not be construed as in any manner changing or waiving the terms of this Lease or as estopping County from enforcing in full the provisions hereof. No custom or practice which may arise between the parties hereto in the course of administering this Lease shall be construed to waive, estop or in any way lessen County's right to insist upon Lessee's full performance of, or compliance with, any term, covenant or condition of this Lease or to inhibit or prevent County's exercise of its rights with respect to any default, dereliction or breach of this Lease by Lessee.

SIGNATURE PAGE TO FOLLOW

**EXHIBIT A "PREMISES"
2380 PORTOLA DRIVE**



APN 028-421-01

EXHIBIT "B"
INSURANCE REQUIREMENTS

INSURANCE REQUIREMENTS

Without limiting Lessee's indemnification obligations to County under this Lease, Lessee shall provide and maintain for the duration of this Lease insurance against claims for injuries to persons or damages to property which may arise from or in connection with the Lessee's operation and use of the Leased Premises. The cost of such insurance shall be borne by the Lessee.

1. Minimum Scope of Insurance

Coverage shall be at least as broad as:

- A. Commercial General Liability, Occurrence form, Insurance Services Office Form CG0001.
- B. Automobile Liability covering all owned, non-owned and hired auto, Insurance Services Office form CA0001.
- C. Workers Compensation, as required by State of California and Employer's Liability Insurance.
- D. Property Insurance against all risk or special form perils, including Replacement Cost coverage, without deduction for depreciation, for Lessee's merchandise, fixtures owned by Lessee, any items identified in this Lease as improvements to the Premises constructed and owned by Lessee, and the personal property of Lessee, its agents and employees, including coverage for earthquake and flood.

2. Minimum Limits of Insurance

Lessee shall maintain limits no less than:

- A. Commercial General Liability including Premises, Operations, Products and Completed Operations, Contractual Liability and Independent Contractors: \$1,000,000 per occurrence for bodily injury, personal injury and property damage. The General Aggregate limit shall be \$2,000,000 and shall be a Per Location Aggregate. Fire Damage Limit (Any One Fire) \$300,000 and Medical Expense Limit (Any One Person) \$5,000.
- B. Automobile Liability: \$1,000,000 each accident for bodily injury and property damage. Coverage will include contractual liability.
- C. Employers Liability: \$1,000,000 each accident for bodily injury or disease. Coverage shall include a waiver of subrogation endorsement in favor of County of Santa Cruz.

D. Property: Full replacement cost with no coinsurance penalty provision.

3. Deductibles and Self-Insured Retentions

Any liability deductible or self-insured retention must be declared to and approved by the County's Risk Manager. The property insurance deductible shall not exceed \$5,000 per occurrence and shall be borne by Lessee.

4. Other Insurance Provisions

The general liability and automobile liability policies are to contain, or be endorsed to contain the following provisions:

A. Additional Insured Endorsement

Any general liability policy provided by Lessee shall contain an additional insured endorsement applying coverage to the County of Santa Cruz, the members of the Board of Supervisors of the County and the officers, agents, employees and volunteers of the County, individually and collectively.

B. Primary Insurance Endorsement

For any claims related to this Lease, the Lessee's insurance coverage shall be primary insurance as respects the County, the members of the Board of Supervisors of the County and the officers, agents, employees and volunteers of the County, individually and collectively. Any insurance or self-insurance maintained by the County, the members of the Board of Supervisors of the County, its officers, officials, employees, or volunteers shall be excess of the Lessee's insurance and shall not contribute with it.

C. Notice of Cancellation

Each required insurance policy shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the County at the address shown in section of Lease entitled "Notices".

GENERAL PROVISIONS

5. Qualifying Insurers

All required policies of insurance shall be issued by companies which have been approved to do business in the State of California by the State Department of Insurance, and which hold a current policy holder's alphabetic and financial size category rating of not less than A- VII according to the current Best's Key Rating guide, or a company of equal financial stability that is approved in writing by County's Risk Manager.

6. Proof of Insurance

Lessee shall, as soon as practicable following the placement of insurance required hereunder, but in no event later than the effective date of the Contract, deliver to County certified copies of the actual insurance policies specified herein, together with appropriate separate endorsements thereto, evidencing that Lessee has obtained such coverage for the period of the Contract. Thereafter, copies of renewal policies, and appropriate separate endorsements thereof, shall be delivered to County within thirty (30) days prior to the expiration of the term of any policy required herein.

7. Failure to Obtain or Maintain Insurance; County's Remedies

Lessee's failure to provide insurance specified or failure to furnish certificates of insurance, amendatory endorsements and certified copies of policies, or failure to make premium payments required by such insurance, shall constitute a material breach of the Lease, and County may, at its option, terminate the Lease for any such default by Lessee.

8. No Limitations of Obligations

The foregoing insurance requirements as to the types and limits of insurance coverage to be maintained by Lessee, and any approval of said insurance by the County are not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by Lessee pursuant to the Lease, including, but not limited to, the provisions concerning indemnification.

9. Review of Coverage

County retains the right at any time to review the coverage, form and amount of insurance required herein and may require Lessee to obtain insurance reasonably sufficient in coverage, form and amount to provide adequate protection against the kind and extent of risk which exists at the time a change in insurance is required.

10. Self-Insurance

Lessee may, with the prior written consent of County's Risk Manager, fulfill some or all of the insurance requirements contained in this Lease under a plan of self-insurance. Lessee shall only be permitted to utilize such self-insurance if in the opinion of County's Risk Manager, Lessee's (i) net worth, and (ii) reserves for payment of claims of liability against Lessee, are sufficient to adequately compensate for the lack of other insurance coverage required by this Lease. Lessee's utilization of self-insurance shall not in any way limit liabilities assumed by Lessee under this Lease.

11. Lessees' Insurance

Lessee shall require any sub-Lessee, of all or any portion of the Premises to provide the insurance coverage described herein prior to occupancy of the Premises.

12. Waiver of Subrogation

Lessee and County waive all rights to recover against each other or against any other tenant or occupant of the building, or against the officers, directors, shareholders, partners, employees, agents or invitees of each other or of any other occupant or tenant of the building, from any Claims (as defined in the Article entitled "Indemnity") against either of them and from any damages to the fixtures, personal property, Lessee's improvements, and alterations of either County or Lessee in or on the Premises and the Property, to the extent that the proceeds received from any insurance carried by either County or Lessee, other than proceeds from any program of self-insurance, covers any such Claim or damage. Included in any policy or policies of insurance provided by Lessee shall be a standard waiver of rights of subrogation against County by the insurance company issuing said policy or policies.

**SCOTTS VALLEY LIBRARY – 251 KINGS VILLAGE RD
APN 022-212-17**

LESSOR: CITY OF SCOTTS VALLEY

LESSEE: COUNTY OF SANTA CRUZ, a political subdivision of the State of California

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LEASE AGREEMENT

This Lease is entered into this ____ day of _____, 20__, between the **City of Scotts Valley** (“City” or “Lessor”) and the **County of Santa Cruz** (“County” or “Lessee”). The City and County are sometimes referred to herein individually as “Party” or collectively as “Parties.”

This Lease is entered into upon the following facts, understandings and intentions of the City and County.

ARTICLE 1 PREMISES

1.1 Premises. City owns that certain real property commonly known as 251 Kings Village Rd, Scotts Valley, CA 95066 on assessor’s parcel number 022-212-17, referred to herein as “Property”. The Property is currently improved with a 22,230 square foot building, a parking lot and rear outdoor patio. The premises to be occupied under this lease is 13,150 square feet of the building, the sidewalk adjacent to the building and the entire outdoor patio of approximately 3,500 square feet, more particularly described in Exhibit “A” attached hereto and made a part hereof and referred to herein as “Premises”. The remainder of the building is specifically excluded from the Premises and is not included in this Lease.

ARTICLE 2 TERM

2.1 Term. The term of this Lease shall commence upon execution by all Parties hereto, and shall expire when that specific agreement entitled Fourth Amendment to the Joint Powers Agreement Between the City of Santa Cruz and the County of Santa Cruz and the Cities of Capitola and Scotts Valley relating to Library Services (“JPA Agreement”) naturally terminates at 11:59 PM on December 31, 2025, or at the expiration of the term established by future amendment(s) of the JPA Agreement, whichever is later, referred to herein as “Term”.

2.2 Hold Over. If Lessee remains in possession of the Premises beyond the term of this Lease or any extension or renewal hereof without executing a new written Lease with City, such holding over shall not constitute a renewal or extension of this Lease, but Lessee shall be a tenant on a month to month basis terminable with ninety (90) days’ notice by either party.

2.3 Extension. The Term of this Lease may only be extended by written amendment of this Lease executed by all Parties hereto.

2.4 Termination. This Lease may be terminated at any time, for any reason, by mutual written agreement of the Parties hereto. The Parties agree to negotiate in good faith regarding the terms and conditions surrounding a request for termination and agreement to terminate will not be unreasonably withheld. The Parties further agree that if City detaches from the County Library Fund, a special revenue fund that includes property taxes assessed in the City, during the Term of this Lease, this Lease and any subleases will automatically terminate and City and Lessee mutually agree that all obligations of Lessee shall be deemed fulfilled in their entirety.

ARTICLE 3
CONSIDERATION

3.1 Base Annual Rent. Lessee shall pay as rent for the use and occupancy of the Premises an annual fee of \$1.00, due on the anniversary date of the execution of Lease. Rent shall remain the same for the entire Term of this Lease unless adjusted by written amendment executed by all parties hereto.

3.1.1 Delivery of Rent Payments. All rent due under this Lease shall be made payable to the City of Scotts Valley and shall be considered paid when delivered to:

CITY OF SCOTTS VALLEY
1 Civic Center Drive
Scotts Valley, CA 95066

City may, at any time, by written notice to Lessee, designate a different address to which Lessee shall deliver the rent payments. City may, but is not obligated to, send rent invoices to Lessee.

3.1.2 Failure to Pay Base Rent or Additional Rent; Late Charge. If Lessee fails to pay rent due hereunder at the time it is due and payable, or within thirty (30 days thereafter, such unpaid amounts shall bear interest at the rate of ten percent (10%) per year from the date due to the date of payment, computed on the basis of monthly compounding with actual days elapsed compared to a 365-day year. However, City may in its sole discretion waive any delinquency payment or late charge upon written application of Lessee.

3.2 Library Operations. In addition to the payments of Base Annual Rent, Lessee shall assume responsibility for maintenance, repairs, and operation of the Library and the Premises, as more fully described in this Lease.

ARTICLE 4
POSSESSION AND USE

4.1 Permitted Uses. Lessee shall use the Premises solely for public library services. No one other than Lessee, its agents, volunteers and employees, or any Lessee approved by City as provided in Article 13, "Assignment and Subletting," is permitted to use the Premises for the purposes described herein, and Lessee shall be fully responsible for the activities of its agents, volunteers and employees and Lessees, if any, on the Premises.

4.2 Hours of Operation. Lessee will provide staffing levels and service hours for the Library that are not less than the comparable staff levels and service hours provided at the Aptos County Branch Library and Live Oak Branch Library, whichever is greater, as said staffing levels at the Aptos County Branch Library and Live Oak Branch Library may change from time to time.

4.3 Duties and Prohibited Conduct. Where Lessee is reasonably in doubt as to the propriety of any particular use, Lessee may request the written determination of City that such use is or is not permitted, and Lessee will not be in breach or default under this Lease if Lessee abides by such determination. Notwithstanding the foregoing, however, Lessee shall not use nor permit the use of the Premises in any manner that will tend to create waste or a nuisance. Lessee shall, at

Lessee's expense, comply promptly with all applicable statutes, laws, ordinances, rules, regulations, orders, covenants and restrictions of record, and requirements in effect during the term, regulating the use by Lessee of the Premises. Lessee shall not use, or permit any person or persons to use, the Premises for the sale or display of any goods and/or services, which, in the sole discretion of City, are inconsistent with the permitted uses of the Premises pursuant to this Lease. The sale of books, educational services, fundraising and other goods/services incidental to library purposes are deemed consistent with the permitted use of the Premises. Lessee shall keep the Premises, and every part thereof, in a decent, safe and sanitary condition, free from any objectionable noises or odors, except as may be typically present for the permitted uses specified above.

4.4 Compliance with Stormwater Laws. Lessee's use of the Premises is subject to federal, state and local laws regarding the discharge into the stormwater conveyance system of pollutants. Compliance with these laws may require Lessee to develop, install, implement and maintain pollution prevention measures, source control measures and Best Management Practices ("BMPs"). Lessee further agrees to develop, install, and/ or implement any BMPs or similar pollution control devices required by federal, state and/or local law and any implementing regulations. Any costs associated with such implementation will be handled consistent with other maintenance and repair costs as outlined in Article 10.

Lessee understands and acknowledges that the storm water and non-storm water requirements applicable to Lessee's use of the Premises may be changed from time to time by federal, state and/or local authorities, and that additional requirements may become applicable based on changes in Lessee's activities or development or redevelopment by Lessee or City. To the extent there is a conflict between any federal, state, or local law, Lessee shall comply with the more restrictive provision. If City receives any fine or fines from any regulatory agency as a result of Lessee's failure to comply with applicable storm water laws as set forth in this Article, Lessee shall reimburse City for the entire fine amount.

ARTICLE 5 SUBORDINATION CLAUSE

5.1 Subordination. The Parties acknowledge that City may enter into one or more lease/leaseback financing arrangements consisting generally of a site lease, lease agreement, assignment agreement and related agreements (collectively, the "Financing Leases") with a financing authority or another public agency in order to assist the City in connection with financing and refinancing certain capital improvements of the City.

Under the Financing Leases, the City may lease and lease back certain real property and improvements that may include the Premises subject to one or more library leases.

In order to facilitate the execution and delivery of any Financing Leases, Lessee and City desire that this Lease and Lessee's right, title and interest in the Premises be subordinate to the rights, titles, and interests of the parties to the Financing Leases.

Therefore, it is agreed that this Lease and all of Lessee's right, title, and interest in and to the Premises thereunder shall be, and the same are expressly made subject to, subordinate and inferior to any Financing Leases, and to all extensions, renewals, modifications, consolidations and replacements of the Financing Leases.

ARTICLE 6
UTILITIES

6.1 Utility Services. Lessee shall make all arrangements for and pay for all separately charged utilities and municipal services supplied to the Premises or used by Lessee, including but not limited to water, gas, electricity, garbage collection and telephone, and for all connection charges. City shall have no responsibility either to provide or pay for such services. Notwithstanding the above, the City shall assume responsibility of jointly metered utilities including power for the parking lot lighting, sewer, water and landscape services and bill Lessee or sublessee its pro rata share for such utilities. If it is determined that the pro rata share of utilities is inequitable based on usage, Parties agree to negotiate in good faith to determine the appropriate share of utilities cost.

6.2 Energy Conservation by Lessee. Lessee shall endeavor to promote energy conservation measures in the operation of all activities on the Premises. Lessee shall cooperate with the City in all forms of energy conservation including energy-efficient lighting, heating and air-conditioning systems, and fixtures and equipment. Lessee shall comply with all federal, State and City laws, by-laws, regulations, etc., relating to the conservation of energy. Lessee shall comply with all reasonable requests and demands of the City pertaining to the installation and maintenance of energy conservation systems, fixtures, and equipment installed by the City.

6.3 Energy Conservation by City. City is required to comply with all laws and regulations requiring the installation of energy-efficient systems, fixtures, and equipment at City buildings and facilities. In accordance with all laws and regulations and this Lease, Lessee shall maintain or repair, or cause to maintain or repair, the building, and related systems in accordance with current energy conservation standards.

ARTICLE 7
MECHANICS' LIENS

7.1 Mechanics Liens. Lessee shall pay, or cause to be paid, all costs for work done by it, or caused to be done by it, on the Premises, and for all materials furnished for or in connection with any such work. If any lien is filed against the Premises, Lessee shall cause the lien to be discharged within ten (10) days after it is filed. Lessee shall indemnify, defend and hold City harmless from any and all liability, loss, damage, costs, attorneys' fees and all other expenses on account of claims of lien of laborers or others for work performed or materials or supplies furnished for Lessee or persons acting on behalf of Lessee.

ARTICLE 8
SECURITY

8.1 Security. Lessee shall be responsible for and shall provide for the security of the Premises, and City shall have no responsibility therefor.

ARTICLE 9
TAXES, ASSESSMENTS AND FEES

9.1 Responsibility for Payment of Taxes and Assessments. City shall not be

obligated to pay any taxes or assessments accruing against Lessee on the Premises or any interest of Lessee therein before, during or after the Term, or any extension thereof; all such payments shall be the sole responsibility of Lessee. In addition, Lessee shall be solely responsible for payment of any taxes or assessments levied upon any improvements, fixtures or personal property located on the Premises, to the extent that such taxes or assessments result from the business or other activities of Lessee upon, or in connection with, the Premises.

9.2 Definition of Taxes. As used herein, the term "taxes" means all taxes, governmental bonds, special assessments, Mello-Roos assessments, charges, rent income or transfer taxes, license and transaction fees, including, but not limited to, (i) any state, local, federal, personal or corporate income tax, or any real or personal property tax, (ii) any estate inheritance taxes, (iii) any franchise, succession or transfer taxes, (iv) interest on taxes or penalties resulting from Lessee's failure to pay taxes, (v) any increases in taxes attributable to the sale of Lessee's Leasehold interest in the Premises, or (vi) any taxes which are essentially payments to a governmental agency for the right to make improvements to the Premises.

9.3 Creation of Possessory Interest. Pursuant to the provisions of Revenue and Taxation Code Section 107.6, Lessee is hereby advised that the terms of this Lease may result in the creation of a possessory interest. If such a possessory interest is vested in Lessee, Lessee may be subjected to the payment of real property taxes levied on such interest. Lessee shall be solely responsible for the payment of any such real property taxes. Lessee shall pay all such taxes when due, and shall not allow any such taxes, assessments or fees to become a lien against the Premises or any improvement thereon; provided, however, that nothing herein shall be deemed to prevent or prohibit Lessee from contesting the validity of any such tax, assessment or fee in a manner authorized by law.

ARTICLE 10 REPAIRS; MAINTENANCE

10.1 Acceptance of Premises. Lessee acknowledges that Lessee has made a thorough inspection of the Premises prior to the commencement date of this Lease, and that it accepts the Premises as of the commencement date in their condition at that time. Lessee further acknowledges that City has made no oral or written representations or warranties to Lessee regarding the condition of the Premises, and that Lessee is relying solely on its inspection of the Premises with respect thereto. Lessee agrees not to make changes to the built environment without obtaining the City's prior written approval. The Parties agree and acknowledge that Lessee has procured and is currently undergoing a full facility assessment of the Premises to determine the appropriate amount of funding needed to maintain the Premises.

10.2 Lessee's Repair and Maintenance Obligations. Lessee shall at all times during the Term, repair and maintain the Premises in good and tenable condition and coordinate all Maintenance and Repairs. Upon surrender of the Premises, Lessee shall deliver the Premises to City in good order, condition and state of repair, but shall not be responsible for damages resulting from ordinary wear and tear. Lessee shall maintain all trash receptacles and trash areas in a clean, orderly and first-class condition and empty all trash receptacles on the Premises daily. Lessee shall be responsible for maintaining all lighting and planters on the Premises. Lessee shall be responsible for the repair and maintenance of the HVAC system serving the Premises. Any proposed remodel of the Library by Lessee, that involves reconstruction of structural building elements, relocation of interior walls, or removal of building finishes, must be approved in advance by the City.

Approval by City shall not be unreasonably withheld.

10.3 Lessee's Failure to Maintain. If Lessee refuses or neglects to repair, replace, or maintain the Premises, or any part thereof, in a manner reasonably satisfactory to City, City may, upon giving Lessee sixty (60) days' written notice of its election to do so, make such repairs or perform such maintenance itself or using vendors selected by City. In the event of an emergency, danger to life or safety, or threat to the integrity of the Premises, City may perform necessary repairs and maintenance without prior notice. Lessee shall reimburse the City for the cost of all such repairs within thirty (30) days of receipt of an invoice from the City. If City staff performs the repairs, Lessee shall reimburse the City for staff time at the City's standard rate.

10.4 Share of Common Area Operating Expenses. Maintenance and repairs in the common areas of the Property, shall be shared on a pro rata basis. City shall maintain in good working condition and repair the common areas of the Property, which include, but are not limited to, general maintenance and repair of foundations, roofs and skylights, structural components and exterior surfaces of exterior walls of the Building (exclusive of doors, door frame, door checks, windows, window frames and store fronts), parking lot and parking lot landscaping; provided, however, if any repairs or replacements are necessitated by the negligence, gross negligence or willful acts of Lessee, its representatives, customers or by reason of Lessee's failure to observe or perform any provisions contained in this agreement or cause by alterations, additions or improvements made by Lessee or its representatives, the cost of such repairs and replacements shall be the sole obligation of Lessee. Upon performance of any such maintenance or repair, City shall bill Lessee or sublessee its pro rata share of the cost per major and minor maintenance and repair obligations as defined in the sublease. Lessee or sublessee shall reimburse City within 60 days of receipt of such bill.

10.5 Lessee's Pro Rata Share. Lessee's pro rata share of Common Area Operating Expenses shall be 59% based on the current square footage of the Building.

10.6 Right to Enter. Lessee shall permit City, or its authorized representatives, to enter the Premises at all times during usual business hours to inspect the same, and to perform any work therein that (a) may be necessary to comply with any laws, ordinances, rules or regulations of any public authority, (b) City may deem necessary to prevent waste or deterioration in connection with the Premises if Lessee does not make, or cause to be made, such repairs or perform, or cause to be performed, such work promptly after receipt of written demand from City, and (c) City may deem necessary in connection with the expansion, reduction, remodeling, protection or renovation of any City-constructed or owned facilities on or off of the Premises. Nothing herein shall imply any duty on the part of City to do any such work which, under any provision of this Lease, Lessee may be required to do, nor shall City's performance of any repairs on behalf of Lessee constitute a waiver of Lessee's default in failing to do the same. If City exercises any of its rights under this Section, Lessee shall not be entitled to any compensation, damages or abatement of rent from City for any injury or inconvenience occasioned thereby.

10.7 City Not Obligated to Repair or Maintain; Lessee's Waiver of California Civil Code Section 1942. To the extent that any remedies specified in this Lease conflict or are inconsistent with any provisions of California Civil Code section 1942, or any successor statute thereto ("CC §1942"), the provisions of this Lease shall control. Lessee specifically waives any right it may have pursuant to CC §1942 to effect maintenance or repairs to the Premises and to abate the costs thereof from rent due to the City under this Lease.

ARTICLE 11
INDEMNITY AND INSURANCE

11.1 Lessee's Indemnity. City shall not be liable for, and Lessee shall defend and indemnify City, including its employees and agents, against any and all claims, demands, liability, judgments, awards, fines, mechanics' liens or other liens, labor disputes, losses, damages, expenses, charges or costs of any kind or character, including attorneys' fees and court costs (hereinafter collectively referred to as "Claims"), related to this Lease and arising either directly or indirectly from any act, error, omission or negligence of Lessee or its contractors, licensees, agents, volunteers, servants or employees, including, without limitation, Claims caused by the concurrent negligent act, error or omission, whether active or passive, of City. Lessee shall have no obligation, however, to defend or indemnify City from a Claim if it is determined by a court of competent jurisdiction that such Claim was caused by the sole negligence or willful misconduct of City.

11.2 City's Indemnity. City shall defend and indemnify Lessee and hold it harmless from and against any Claims related to this Lease that arise solely from any act, omission or negligence of City Parties.

11.3 Lessee's Insurance Obligations. Without limiting Lessee's indemnification obligations to City under this Lease, Lessee shall provide and maintain, during the Term and for such other period as may be required herein, at its sole expense, insurance in the amounts and form specified in Exhibit "B," attached hereto.

Lessee shall maintain a policy of All-Risk Insurance on the entire 22,230 square foot building, more particularly described in Exhibit "C" attached hereto and made a part hereof and referred to herein as "Property Insurance Premises", and covering the City's personal property , including any fixtures or equipment in the Property Insurance Premises. Lessor shall be required to pay 41% of the premium for such All-Risk Insurance obtained by Lessee. Such payment shall be made by Lessor within 30 days of invoice by the Lessee.

Lessee shall maintain a policy of General Liability Insurance utilizing a program of self-funding with regard to any liability it may incur for personal injury or property damage arising out its use or occupancy of the Premises and the entire parking lot area, more particularly described in Exhibit "D" attached hereto and made a part hereof and referred to herein as "General Liability Insurance Premises".

11.4 Lessor's Insurance Obligations. Lessor shall provide and maintain, during the Term and for such other period as may be required herein, at its sole expense, general liability insurance to cover the Property in the minimum amount of \$2,000,000.

ARTICLE 12
HAZARDOUS MATERIALS

12.1 Hazardous Materials Laws-Definition. As used in this section, the term "Hazardous Materials' Laws" means any and all federal, state or local laws or ordinances, rules, decrees, orders, regulations or court decisions (including the so-called "common law"), including

without limitation the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. 9601 et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. 1801 et seq.), the Resource Conservation and Recovery Act of 1976, as amended (42 U.S.C. 6901 et seq.), and the California Environmental Quality Act of 1970, relating to hazardous substances, hazardous materials, hazardous waste, toxic substances, environmental conditions on, under or about the Premises, soil and ground water conditions or other similar substances or conditions.

12.2 Hazardous Materials - Definition. As used in this section the term "Hazardous Materials" means any chemical, compound, material, substance or other matter that:

- a. Is a flammable, explosive, asbestos, radioactive nuclear medicine, vaccine, bacteria, virus, hazardous waste, toxic, overtly injurious or potentially injurious material, whether injurious or potentially injurious by itself or in combination with other materials;
- b. Is controlled, referred to, designated in or governed by any Hazardous Materials Laws;
- c. Gives rise to any reporting, notice or publication requirements under any Hazardous Materials Laws; or
- d. Is any other material or substance giving rise to any liability, responsibility or duty upon the City or Lessee with respect to any third person under any Hazardous Materials Law.

12.3 Lessee's Representations and Warranties. Lessee represents and warrants that, during the Term or any extension thereof, or for such longer period as may be specified herein, Lessee shall comply with the following provisions unless otherwise specifically approved in writing by City:

- a. Lessee shall not cause or permit any Hazardous Materials to be brought, kept or used in or about the Premises by Lessee, its agents, employees, assignees, contractors or invitees, except as required by Lessee's permitted use of the Premises, as described in Section 5.1, "Permitted Uses."
- b. Any handling, transportation, storage, treatment or usage by Lessee of Hazardous Materials that is to occur on the Premises following the Commencement Date shall be in compliance with all applicable Hazardous Materials Laws.
- c. Any leaks, spills, release, discharge, or emission of Hazardous Materials caused by Lessee, or disposal of Hazardous Materials owned by Lessee, which may occur on the Premises during the Term shall be promptly and thoroughly cleaned and removed from the Premises by Lessee at its sole expense, and any such discharge shall be promptly reported in writing to City, and to any other appropriate governmental regulatory authorities.
- d. No friable asbestos shall be constructed, placed on, deposited, stored, disposed of, or located by Lessee in the Premises.
- e. No underground improvements, including but not limited to treatment or storage tanks, or water, gas or oil wells shall be located by Lessee on the Premises without City's

prior written consent.

f. Lessee shall conduct and complete all investigations, studies, sampling, and testing procedures and all remedial, removal, and other actions necessary to clean up and remove all Hazardous Materials on, from, or affecting the Premises in accordance with all applicable Hazardous Materials' Laws and to the satisfaction of City.

g. Activities proposed by Lessee that involve disturbing asbestos materials on site shall only be conducted in accordance with all federal, state and local asbestos rules and regulations including, but not limited to, the California Occupational Safety and Health Administration (Cal/OSHA), Environmental Protection Agency (EPA) and Air Pollution Control District (APCD), with prior written consent of the City, as follows:

Prior to conducting asbestos related activities, Lessee shall notify City of the proposed work at least one month in advance. The notification shall include the location of work, type of asbestos containing material (ACM) to be removed and a work plan indicating the work practices and methods of control to be used during the abatement activity to control asbestos fiber release. The City Occupational Health Program shall review the work plan and may modify the plans as necessary.

Any asbestos related activities shall be performed by a contractor that is registered with Cal/OSHA and certified by the California Contractors State Licensing Board to perform asbestos work. Any asbestos related activities shall be overseen by a California Certified Asbestos Consultant (CAC), or a Certified Site Surveillance Technician under the direction of a CAC.

Replacement products used in tenant improvements or other construction activities shall not contain asbestos. Any replacement products used by Lessee shall be verified as non-asbestos products by using Material Safety Data Sheets (MSDS) and/or having the architect or project engineer verify that ACMs were not used.

h. Lessee shall promptly supply City with copies of all notices, reports, correspondence, and submissions made by Lessee to the United States Environmental Protection Agency, the United Occupational Safety and Health Administration, and any other local, state or federal authority which requires submission of any information concerning environmental matters or hazardous wastes or substances pursuant to applicable Hazardous Materials' Laws.

i. Lessee shall promptly notify City of any liens threatened or attached against the Premises pursuant to any Hazardous Materials' Law. If such a lien is filed against the Premises, then within twenty (20) days following such filing or before any governmental authority commences proceedings to sell the Premises pursuant to the lien, whichever occurs first, Lessee shall either: (a) pay the claim and remove the lien from the Premises; or (b) furnish either (1) a bond or cash deposit reasonably satisfactory to City in an amount not less than the claim from which the lien arises, or (2) other security satisfactory to City in an amount not less than that which is sufficient to discharge the claim from which the lien arises. At the end of this Lease, Lessee shall surrender the Premises to City free of any and all Hazardous Materials and in compliance with all Hazardous Materials' Laws affecting the Premises.

(j) City represents and warrants that it has conducted a reasonable investigation, and that no Hazardous Materials are present on Premises at the commencement of the Term.

12.4 Indemnification by Lessee. Lessee (and, if applicable, each of its general partners) and its successors, assigns, and guarantors, if any, jointly and severally agree to protect, indemnify, defend (with counsel retained and selected by Lessee, with the consent of City, which consent shall not be unreasonably withheld), reimburse and hold City and its officers, employees and agents harmless from any claims, judgments, damages, penalties, fines, costs or expenses (known or unknown, contingent or otherwise), liabilities (including sums paid in settlement of claims), personal injury (including wrongful death), property damage (real or personal) or loss, including attorneys' fees, consultants' fees, and experts' fees (consultants and experts to be selected by Lessee with consent of City, which consent shall not be unreasonably withheld) which arise during or after the Term from or in connection with the presence or suspected presence of Hazardous Materials, including the soil, ground water or soil vapor on or under the Premises, which are deposited by or released solely by Lessee during the Term of this Lease. Lessee's obligation to defend and indemnify City as described herein shall be contingent upon (1) City providing Lessee written notice of any claims or potential claims within ten (10) business days' of becoming aware of such claims or potential claims; and (2) that such claims or potential claims do not arise, in whole or in part, as a result of City's acts or omissions. Lessee shall have the right to control the defense and settlement of any claims or potential claims under this Section, and City shall have the right to participate in any such defense. Without limiting the generality of the foregoing, the indemnification provided by this section shall specifically cover costs incurred in connection with investigation of site conditions or any cleanup, remedial, removal or restoration work required by any Hazardous Materials Laws because of the presence of Hazardous Materials in the soil, ground water or soil vapor on the Premises, and the release or discharge of Hazardous Materials by Lessee during the course of Lessee's alteration or improvement of the Premises.

12.5 Remedies Cumulative; Survival. The provisions of this Article shall be in addition to any and all common law obligations and liabilities Lessee may have to City, and any remedies and the environmental indemnities provided for herein shall survive the expiration or termination of this Lease and/or any transfer of all or any portion of the Premises, or of any interest in this Lease, and shall be governed by the laws of the State of California.

12.6 Inspection. City and City's agents, servants, and employees including, without limitation, legal counsel and environmental consultants and engineers retained by City, may (but without the obligation or duty so to do), at any time and from time to time, on not less than five (5) business days' notice to Lessee (except in the event of an emergency in which case no notice shall be required), inspect the Premises to determine whether Lessee is complying with Lessee's obligations set forth in this Article, and to perform environmental inspections and samplings, during regular business hours (except in the event of an emergency) or during such other hours as City and Lessee may agree. If Lessee is not in compliance, City shall have the right, in addition to City's other remedies available at law and in equity, to enter upon the Premises immediately and take such action as City in its sole judgment deems appropriate to remediate any actual or threatened contamination caused by Lessee's failure to comply. City will use reasonable efforts to minimize interference with Lessee's use of Premises but shall not be liable for any interference caused by City's entry and remediation efforts. Upon completion of any sampling or testing City will (at Lessee's expense if City's actions are a result of Lessee's default under this section) restore the affected area of the Premises from any damage caused by City's sampling and testing.

ARTICLE 13
ASSIGNMENT AND SUBLETTING

Lessee shall not voluntarily or involuntarily assign, Lease, mortgage, encumber, or otherwise transfer (collectively, a "Transfer") all or any portion of the Premises or its interest in this Lease without City's prior written consent. City may reasonably withhold its consent to any Transfer. Any attempted Transfer without City's consent shall be void and shall constitute a material breach of this Lease. As used herein, the term "Transfer" shall include an arrangement (including without limitation management agreements, concessions, and licenses) that allows the use and occupancy of all or part of the Premises by anyone other than Lessee.

ARTICLE 14
CITY'S RIGHT OF ACCESS

City, its agents, employees, and contractors may enter the Premises at any time in response to an emergency, and at reasonable hours to (a) inspect the Premises, (b) exhibit the Premises to prospective purchasers or Lessees, (c) determine whether Lessee is complying with its obligations in this Lease (including its obligations with respect to compliance with Hazardous Materials Laws), (d) supply any service that this Lease requires City to provide, (e) post notices of non-responsibility or similar notices, (f) make repairs that this Lease requires or permits City to make, or make repairs to any adjoining space or utility services, or make repairs, alterations, or improvements to any other portion of the Premises; provided, however, that all work will be done as promptly as reasonably possible and so as to cause as little interference to Lessee as reasonably possible, or (g) for any other reason permitted by this Lease.

Lessee waives any claim of injury or inconvenience to Lessee's business, interference with Lessee's business, loss of occupancy or quiet enjoyment of the Premises, or any other loss occasioned by such entry. If necessary, Lessee shall provide City with keys to unlock all of the doors in the Premises (excluding Lessee's vaults, safes, and similar areas designated in writing by Lessee in advance). City will have the right to use any means that City may deem proper to open doors in the Premises and to the Premises in an emergency. No entry to the Premises by City by any means will be a forcible or unlawful entry into the Premises or a detainer of the Premises or an eviction, actual or constructive, of Lessee from the Premises, or any part of the Premises, nor shall the entry entitle Lessee to damages or an abatement of rent or other charges that this Lease requires Lessee to pay.

ARTICLE 15
QUIET ENJOYMENT

If Lessee is not in breach under the covenants made in this Lease, City covenants that Lessee shall have peaceful and quiet enjoyment of the Premises without hindrance on the part of City. City will defend Lessee in the peaceful and quiet enjoyment of the Premises against claims of all persons claiming through or under the City.

ARTICLE 16
NOTICES

16.1 Notices. Whenever in this Lease it shall be required or permitted that notice or demand be given or served by either party to this Lease to or on the other, such notice or demand

shall be in writing, mailed or delivered to the other party at the following addresses:

To City:

City Manager
City of Scotts Valley
1 Civic Center Drive
Scotts Valley, CA 95066
(831) 440-5600

To Lessee:

County of Santa Cruz- Real Property Section
701 Ocean Street, Room 410
Santa Cruz, California 95060
(831) 454-2160

Mailed notices shall be sent by United States Postal Service, certified or registered mail, postage prepaid and shall be deemed to have been given, delivered and received three (3) business days after the date such notice or other communication is posted by the United States Postal Service. All other such notices or other communications shall be deemed given, delivered and received upon actual receipt. Either party may, by written notice delivered pursuant to this provision, at any time designate a different address to which notices shall be sent.

16.2 Default Notices. Notwithstanding anything to the contrary contained within this Article, any notices City is required or authorized to deliver to Lessee in order to advise Lessee of alleged violations of Lessee's covenants under this Lease must be in writing but shall be deemed to have been duly given or served upon Lessee by City attempting to deliver at the Premises during normal business hours a copy of such notice to Lessee or its managing employee and by City mailing a copy of such notice to Lessee in the manner specified in the preceding Section.

ARTICLE 17 GENERAL PROVISIONS

17.1 Authority. Lessee represents and warrants that it has full power and authority to execute and fully perform its obligations under this Lease pursuant to its governing instruments, without the need for any further action, and that the person(s) executing this Lease on behalf of Lessee are the duly designated agents of Lessee and are authorized to do so.

17.2 Brokers. Lessee warrants that it has not been represented by any real estate broker or agent in connection with the negotiation and/or execution of this Lease. In the event any broker makes claim for monies owed, Lessee shall indemnify, defend and hold City harmless therefrom.

17.3 Captions. The captions, headings and index appearing in this Lease are inserted for convenience only and in no way define, limit, construe, or describe the scope or intent of the provisions of this Lease.

17.4 City Approval. Except where stated herein to the contrary, the phrases "City's approval," and "City's written approval" or such similar phrases shall mean approval of City

Manager or City's Manager's representative.

17.5 Cumulative Remedies. In the event of a default under this Lease, each Party's remedies shall be limited to those remedies set forth in this Lease. Any such remedies are cumulative and not exclusive of any other remedies under this Lease to which the non-defaulting Party may be entitled.

17.6 Entire Agreement. This Lease, together with all addenda, exhibits and riders attached hereto, constitutes the entire agreement between the Parties with respect to the subject matter hereof, and all prior or contemporaneous agreements, understandings and representations, oral or written, are superseded.

17.7 Estoppel Certificate. Lessee shall at any time during the term of this Lease, within five (5) business days of written notice from City, execute and deliver to City a statement in writing certifying that this Lease is unmodified and in full force and effect or, if modified, stating the nature of such modification. Lessee's statement shall include other details requested by City, such as the date on which rent and other charges are paid, the current ownership and name of Lessee, Lessee's knowledge concerning any outstanding defaults with respect to City's obligations under this Lease and the nature of any such defaults. Any such statement may be relied upon conclusively by any prospective purchaser or encumbrancer of the Premises. Lessee's failure to deliver such statements within such time shall be conclusively deemed to mean that this Lease is in full force and effect, except to the extent any modification has been represented by City, that there are no uncured defaults in the City's performance, and that not more than one month's rent has been paid in advance.

17.8 Exhibits. All exhibits referred to herein are attached hereto and incorporated by reference.

17.9 Force Majeure. In the event either party is prevented or delayed from performing any act or discharging any obligation hereunder, except for the payment of rent by Lessee, because of any and all causes beyond either party's reasonable control, including unusual delays in deliveries, abnormal adverse weather conditions, unavoidable casualties, strikes, labor disputes, inability to obtain labor, materials or equipment, acts of God, governmental restrictions, regulations or controls, any hostile government actions, civil commotion and fire or other casualty, legal actions attacking the validity of this Lease or the City's occupancy of the Premises, or any other casualties beyond the reasonable control of either party except casualties resulting from Lessee's, or its permitted sublessees or assigns, negligent operation or maintenance of the Premises ("Force Majeure"), performance of such act shall be excused for the period of such delay, and the period for performance of such act shall be extended for a period equivalent to the period of such delay. Force Majeure shall not include any bankruptcy, insolvency, or other financial inability on the part of either party hereto.

17.10 Governing Law. This Lease shall be governed, construed and enforced in accordance with the laws of the State of California.

17.11 Interpretation. The language of this Lease shall be construed simply according to its plain meaning and shall not be construed for or against either party.

17.12 Joint and Several Liability. If more than one person or entity executes this Lease

as Lessee, each of them is jointly and severally liable for all of the obligations of Lessee hereunder.

17.13 Lease Administration. This Lease shall be administered on behalf of the City of Scotts Valley, by its Public Works Director, or by such person's duly-authorized designee (referred to collectively herein as "City's Lease Administrator"), and on behalf of Lessee by its Chief Real Property Agent, County of Santa Cruz, 701 Ocean Street, Room 410, Santa Cruz, California 95060, 831-454-2160, or by such other person as may be designated in writing by Lessee (referred to collectively herein as "Lessee's Lease Administrator").

17.14 Lessee's Lease Administration. Lessee confirms that Lessee's Lease Administrator has been given full operational responsibility for compliance with the terms of this Lease. Lessee shall provide City with a written schedule of its normal hours of business operation on the Premises, and Lessee's Lease Administrator or a representative designated thereby shall be (i) available to City on a twenty-four (24) hour a day, seven (7) days a week, basis, and (ii) present on the Premises during Lessee's normal business hours, to resolve problems or answer question pertaining to this Lease and Lessee's operations on the Premises.

17.15 Liquidated Damages. Any payments by Lessee to City under this Lease described as liquidated damages represent the parties' reasonable estimate of City's actual damages under the described circumstances, such actual damages being uncertain and difficult to ascertain in light of the impossibility of foreseeing the state of the leasing market at the time of the various deadlines set forth herein. City may, at its election, take any of the liquidated damages assessed in any portion of this Lease as direct monetary payments from Lessee and/or as an increase of rent due from Lessee under this Lease.

17.16 Modification. The provisions of this Lease may not be modified, except by a written instrument signed by both parties.

17.17 Partial Invalidity. If any provision of this Lease is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Lease shall not be affected thereby. Each provision shall be valid and enforceable to the fullest extent permitted by law.

17.18 Payments. Except as may otherwise be expressly stated, each payment required to be made by Lessee shall be in addition to, and not a substitute for, other payments to be made by Lessee.

17.19 Successors & Assigns. This Lease shall be binding on and inure to the benefit of the parties and their successors and assigns, except as may otherwise be provided herein.

17.20 Time of Essence. Time is of the essence of each and every provision of this Lease.

17.21 Waiver. No provision of this Lease or the breach thereof shall be deemed waived, except by written consent of the party against whom the waiver is claimed. The waiver by City of any breach of any term, covenant or condition contained in this Lease shall not be deemed to be a waiver of such term, covenant or condition of any subsequent breach thereof, or of any other term, covenant or condition contained in this Lease. City's subsequent acceptance of partial rent or performance by Lessee shall not be deemed to be an accord and satisfaction or a waiver of any

preceding breach by Lessee of any term, covenant or condition of this Lease or of any right of City to a forfeiture of the Lease by reason of such breach, regardless of City's knowledge of such preceding breach at the time of City's acceptance. The failure on the part of City to require exact or full and complete compliance with any of the covenants, conditions of agreements of this Lease shall not be construed as in any manner changing or waiving the terms of this Lease or as estopping City from enforcing in full the provisions hereof. No custom or practice which may arise between the parties hereto in the course of administering this Lease shall be construed to waive, estop or in any way lessen City's right to insist upon Lessee's full performance of, or compliance with, any term, covenant or condition of this Lease or to inhibit or prevent City's exercise of its rights with respect to any default, dereliction or breach of this Lease by Lessee.

SIGNATURE PAGE TO FOLLOW

CITY OF SCOTTS VALLEY	COUNTY OF SANTA CRUZ
Mali LaGoe, City Manager _____ Date	Matt Machado, Deputy CAO, Director of Community Development and Infrastructure _____ Date
APPROVED AS TO FORM: _____ Date	APPROVED AS TO FORM: _____ Date
City Attorney	Office of County Counsel
	APPROVED AS TO INSURANCE: _____ Date
	Risk Management
	RECOMMENDED FOR APPROVAL: _____ Date
	Real Property
	SANTA CRUZ PUBLIC LIBRARIES
	_____ DATE
	DIRECTOR OF LIBRARIES
	_____ DATE
	LIBRARY GENERAL COUNSEL

EXHIBIT "A"
Premises

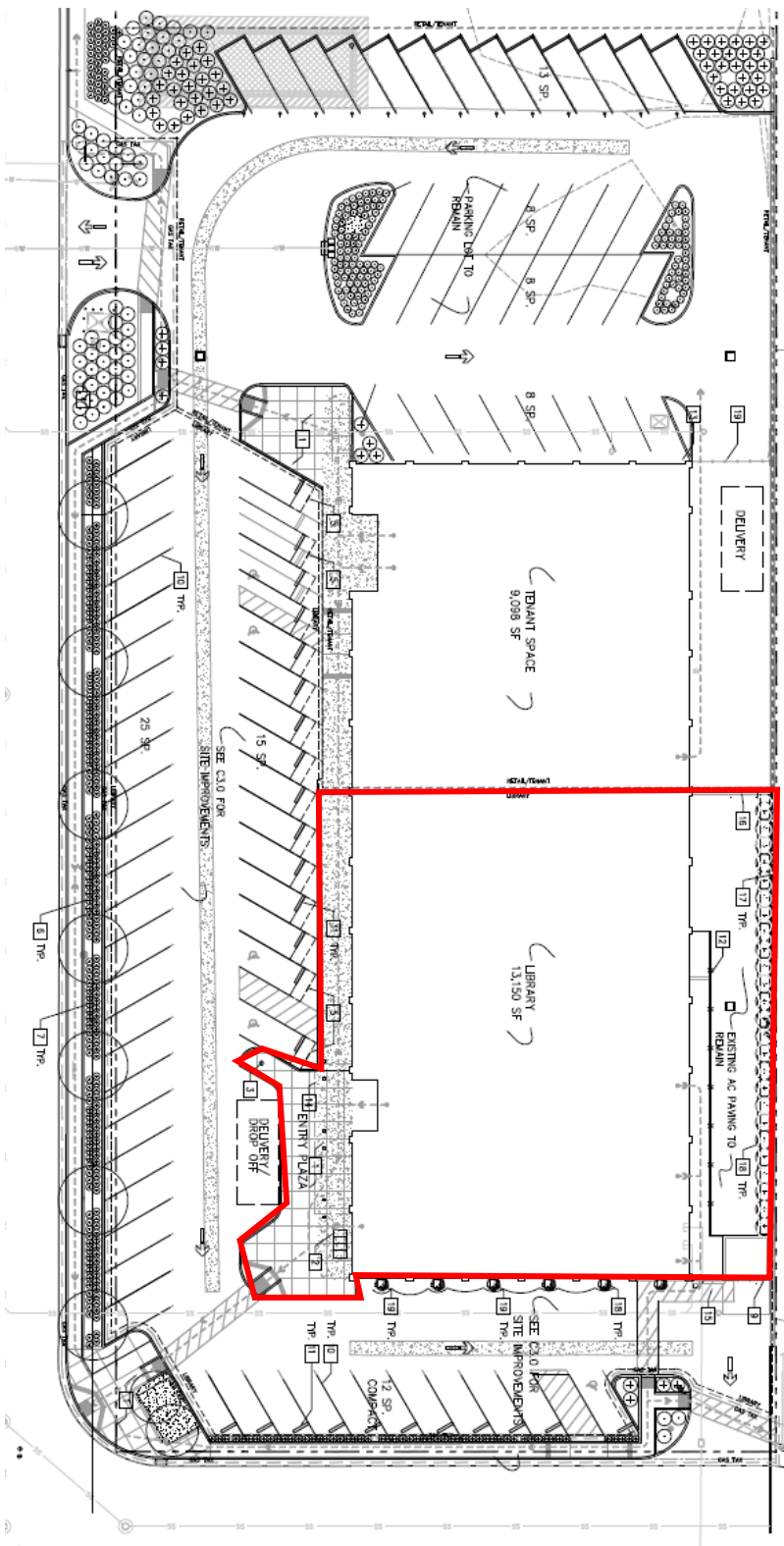


EXHIBIT "B"
INSURANCE REQUIREMENTS

INSURANCE REQUIREMENTS

Without limiting Lessee's indemnification obligations to City under this Lease, Lessee shall provide and maintain for the duration of this Lease insurance against claims for injuries to persons or damages to property which may arise from or in connection with the Lessee's operation and use of the Leased Premises. The cost of such insurance shall be borne by the Lessee.

1. Minimum Scope of Insurance

Coverage shall be at least as broad as:

- A. Commercial General Liability, Occurrence form, Insurance Services Office Form CG0001, for the General Liability Insurance Premises described in Exhibit "D".
- B. Automobile Liability covering all owned, non-owned and hired auto, Insurance Services Office form CA0001.
- C. Workers Compensation, as required by State of California and Employer's Liability Insurance.
- D. Property Insurance: Lessee shall maintain property insurance coverage for the Property Insurance Premises described in Exhibit "C" at full replacement value, including improvements and betterments. Lessee shall also provide property insurance for all City-owned personal property contained within or on the Property Insurance Premises. The policy must be written on an "all risks" basis, including coverage for earthquake. The contract shall insure for not less than ninety (90) percent of the actual cash value of the personal property, and Lessee shall name City as an additional insured and loss payee. Lessor shall be required to pay 41% of the premium for such insurance obtained by Lessee. Such payment shall be made by Lessor within 30 days of invoice by the Lessee.

2. Minimum Limits of Insurance

Lessee shall maintain limits no less than:

- A. Commercial General Liability Insurance, including the General Liability Insurance Premises described in Exhibit "D", Operations, Products and Completed Operations, Contractual Liability and Independent Contractors: \$1,000,000 per occurrence for bodily injury, personal injury and property damage. The General Aggregate limit shall be \$2,000,000 and shall be a Per Location Aggregate. Fire Damage Limit (Any One Fire) \$300,000 and Medical Expense Limit (Any One

Person) \$5,000.

- B. Automobile Liability: \$1,000,000 each accident for bodily injury and property damage. Coverage will include contractual liability.
- C. Employers Liability: \$1,000,000 each accident for bodily injury or disease. Coverage shall include a waiver of subrogation endorsement in favor of City of Scotts Valley.
- D. Property: Full replacement cost with no coinsurance penalty provision.

3. Deductibles and Self-Insured Retentions

Any liability deductible or self-insured retention must be declared to and approved by the City's Risk Manager.

4. Other Insurance Provisions

The general liability and automobile liability policies are to contain, or be endorsed to contain the following provisions:

A. Additional Insured Endorsement

Any general liability policy provided by Lessee shall contain an additional insured endorsement applying coverage to the City of Scotts Valley, the members of the Board of Supervisors of the County and the officers, agents, employees and volunteers of the City, individually and collectively.

B. Primary Insurance Endorsement

For any claims related to this Lease, the Lessee's insurance coverage shall be primary insurance as respects the City, the members of the Board of Supervisors of the County and the officers, agents, employees and volunteers of the City, individually and collectively. Any insurance or self-insurance maintained by the City, the members of the Board of Supervisors of the County, its officers, officials, employees, or volunteers shall be excess of the Lessee's insurance and shall not contribute with it.

C. Notice of Cancellation

Each required insurance policy shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City at the address shown in section of Lease entitled "Notices".

GENERAL PROVISIONS

5. Qualifying Insurers

All required policies of insurance shall be issued by companies which have been approved to do business in the State of California by the State Department of Insurance, and which hold a current policy holder's alphabetic and financial size category rating of not less than A- VII according to the current Best's Key Rating guide, or a company of equal financial stability that is approved in writing by City's Risk Manager.

6. Proof of Insurance

Lessee shall, as soon as practicable following the placement of insurance required hereunder, but in no event later than the effective date of the Contract, deliver to City certified copies of the actual insurance policies specified herein, together with appropriate separate endorsements thereto, evidencing that Lessee has obtained such coverage for the period of the Contract. Thereafter, copies of renewal policies, and appropriate separate endorsements thereof, shall be delivered to City within thirty (30) days prior to the expiration of the term of any policy required herein.

7. Failure to Obtain or Maintain Insurance; City's Remedies

Lessee's failure to provide insurance specified or failure to furnish certificates of insurance, amendatory endorsements and certified copies of policies, or failure to make premium payments required by such insurance, shall constitute a material breach of the Lease, and City may, at its option, terminate the Lease for any such default by Lessee.

8. No Limitations of Obligations

The foregoing insurance requirements as to the types and limits of insurance coverage to be maintained by Lessee, and any approval of said insurance by the City are not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by Lessee pursuant to the Lease, including, but not limited to, the provisions concerning indemnification.

9. Review of Coverage

City retains the right at any time to review the coverage, form and amount of insurance required herein and may require Lessee to obtain insurance reasonably sufficient in coverage, form and amount to provide adequate protection against the kind and extent of risk which exists at the time a change in insurance is required.

10. Self-Insurance

Lessee may, with the prior written consent of City's Risk Manager, fulfill some or all of the insurance requirements contained in this Lease under a plan of self-insurance. Lessee shall only be permitted to utilize such self-insurance if in the opinion of City's Risk

Manager, Lessee's (i) net worth, and (ii) reserves for payment of claims of liability against Lessee, are sufficient to adequately compensate for the lack of other insurance coverage required by this Lease. Lessee's utilization of self-insurance shall not in any way limit liabilities assumed by Lessee under this Lease.

11. Lessees' Insurance

Lessee shall require any sub-Lessee, of all or any portion of the Premises to provide the insurance coverage described herein prior to occupancy of the Premises.

12. Waiver of Subrogation

Lessee and City waive all rights to recover against each other or against any other tenant or occupant of the building, or against the officers, directors, shareholders, partners, employees, agents or invitees of each other or of any other occupant or tenant of the building, from any Claims (as defined in the Article entitled "Indemnity") against either of them and from any damages to the fixtures, personal property, Lessee's improvements, and alterations of either City or Lessee in or on the Premises and the Property, to the extent that the proceeds received from any insurance carried by either City or Lessee, other than proceeds from any program of self-insurance, covers any such Claim or damage. Included in any policy or policies of insurance provided by Lessee shall be a standard waiver of rights of subrogation against City by the insurance company issuing said policy or policies.

EXHIBIT "C"
Property Insurance Premises

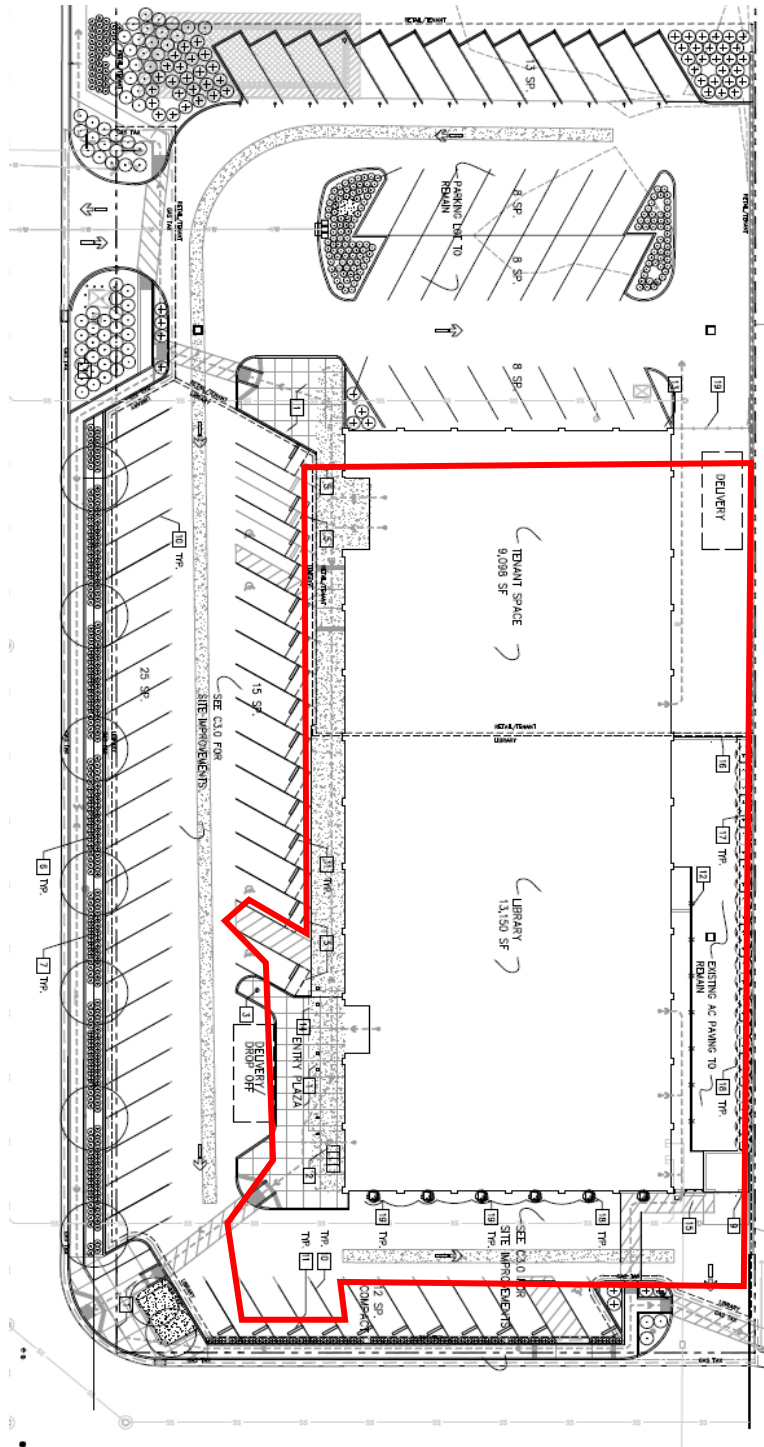
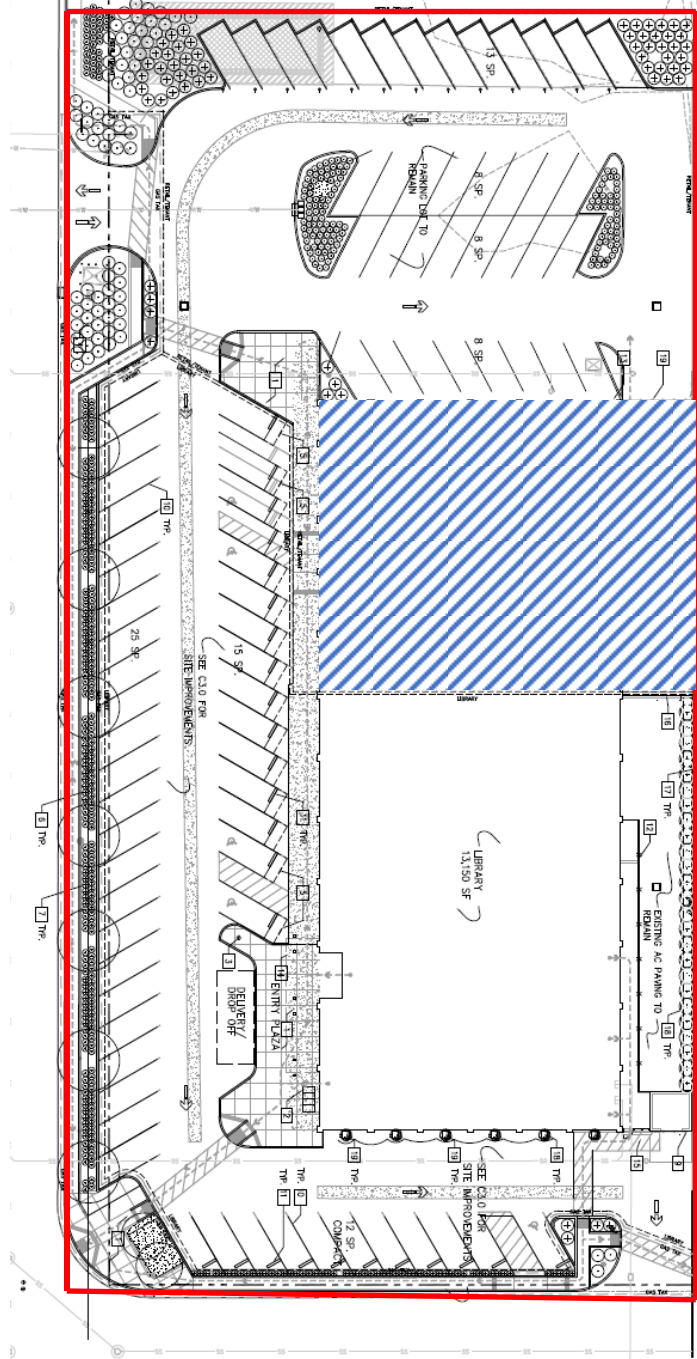


EXHIBIT "D"

General Liability Insurance Premises



Hatched area excluded from insurance

251 KINGS VILLAGE RD #400

**SCOTTS VALLEY LIBRARY – 251 KINGS VILLAGE RD
APN 022-212-17**

**SUBLESSOR: COUNTY OF SANTA CRUZ, a political subdivision of the State of
California**

SUBLEESSEE: SANTA CRUZ PUBLIC LIBRARIES

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SUBSUBLEASE AGREEMENT

This sublease is entered into this ____ day of _____, 20__, by and between the **County of Santa Cruz** as "County or Sublessor" and **Santa Cruz Public Libraries** as "Sublessee". The County and Sublessee are sometimes referred to herein individually as "Party" or collectively as "Parties." A copy of the master lease is attached hereto as Exhibit "A" and is incorporated herein.

WHEREAS, the Lessor, City of Scotts Valley ("City"), in executing this Sublease herein approves of the Sublessee's occupancy of the Premises and the terms and conditions set forth herein.

This Sublease is entered into upon the following facts, understandings and intentions of the County and Sublessee.

ARTICLE 1 PREMISES

1.1 Premises. The property consists of that certain real property commonly known as 251 Kings Village Rd, Scotts Valley, CA 95066 on assessor's parcel number 022-212-17 and referred to herein as "Property". The Property is currently improved with a 22,230 square foot building, a parking lot and rear outdoor patio. The premises to be occupied under this Sublease is 13,150 square feet of the building, the sidewalk adjacent to the building and the entire outdoor patio of approximately 3,500 square feet, more particularly described in Exhibit "B" attached hereto and made a part hereof and referred to herein as "Premises". The remainder of the building is specifically excluded from the Premises and is not included in this Lease.

ARTICLE 2 TERM

2.1 Term. The term of this Sublease shall commence upon execution by all Parties hereto, and shall expire when that specific agreement entitled Fourth Amendment to the Joint Powers Agreement Between the City of Santa Cruz and the County of Santa Cruz and the Cities of Capitola and Scotts Valley relating to Library Services ("JPA Agreement") naturally terminates at 11:59 PM on December 31, 2025, or at the expiration of the term established by future amendment(s) of the JPA Agreement, whichever is later, referred to herein as "Term".

2.2 Extension. The Term of this Sublease may only be extended by written amendment of this Sublease executed by all Parties hereto.

2.3 Termination. The County may terminate this Lease at any time, for any reason, by giving one hundred and eighty (180) days prior written notice to the other Party. This Sublease shall terminate by operation of law if the Master Lease included herein expires or is terminated.

ARTICLE 3 RENT

3.1 Base Annual Rent. Sublessee shall pay as rent for the use and occupancy of the Premises an annual fee of \$1.00. Rent shall remain the same for the entire term of this Sublease unless adjusted by mutual written agreement.

3.2 Delivery of Rent Payments. All rent due under this Sublease shall be made payable to the County of Santa Cruz, and shall be considered paid when delivered to:

County of Santa Cruz- Real Property Section
701 Ocean Street, Room 410
Santa Cruz, California 95060
(831) 454-2160

County may, at any time, by written notice to Sublessee, designate a different address to which Sublessee shall deliver the rent payments. County may, but is not obligated to, send rent invoices to Sublessee.

3.3 Failure to Pay Base Rent or Additional Rent; Late Charge. If Sublessee fails to pay rent due hereunder at the time it is due and payable, such unpaid amounts shall bear interest at the rate of ten percent (10%) per year from the date due to the date of payment, computed on the basis of monthly compounding with actual days elapsed compared to a 365-day year. However, County may in its sole discretion waive any delinquency payment or late charge upon written application of Sublessee.

3.4 Capital Trust. County shall establish a trust account ("Capital Trust") to hold funds for the benefit of major maintenance and property management as determined by a facility assessment. Funds will be deposited in the Capital Trust from the County Library Fund once the facility assessment and major maintenance budget has been approved by the Board of Supervisors. The Capital Trust shall be managed solely by County. Any interest earned on the Capital Trust shall remain or be redeposited in the Capital Trust for these purposes. This account shall remain the sole property of County and the funds held therein shall be restricted to providing for the maintenance of the Premises.

ARTICLE 4 POSSESSION AND USE

4.1 Compliance with Master Lease. Sublessee agrees to comply with all terms of and conditions in the Master Lease.

4.2 Permitted Uses. Sublessee shall use the Premises solely for public library services. No one other than Sublessee, its agents, volunteers and employees, or any Sublessee approved by County as provided in Article 13 - "Assignment and Subletting" below, is permitted to use the Premises for the purposes described herein, and Sublessee shall be fully responsible for the activities of its agents, volunteers and employees and Sublessees, if any, on the Premises.

4.3 Hours of Operation. Sublessee will provide staffing levels and service hours for the Library that are not less than the comparable staff levels and service hours provided at the Aptos County Branch Library and Live Oak Branch Library, whichever is greater, as said staffing levels at the Aptos County Branch Library and Live Oak Branch Library may change from time to time.

4.4 Duties and Prohibited Conduct. Where Sublessee is reasonably in doubt as to the propriety of any particular use, Sublessee may request the written determination of County that

such use is or is not permitted, and Sublessee will not be in breach or default under this Sublease if Sublessee abides by such determination. Notwithstanding the foregoing, however, Sublessee shall not use nor permit the use of the Premises in any manner that will tend to create waste or a nuisance. Sublessee shall, at Sublessee's expense, comply promptly with all applicable statutes, laws, ordinances, rules, regulations, orders, covenants and restrictions of record, and requirements in effect during the term, regulating the use by Sublessee of the Premises. Sublessee shall not use, or permit any person or persons to use, the Premises for the sale or display of any goods and/or services, which, in the sole discretion of County, are inconsistent with the permitted uses of the Premises pursuant to this Sublease. The sale of books, educational services, fundraising and other goods/services incidental to library purposes are deemed consistent with the permitted use of the Premises. Sublessee shall keep the Premises, and every part thereof, in a decent, safe and sanitary condition, free from any objectionable noises or odors, except as may be typically present for the permitted uses specified above.

4.5 Compliance with Stormwater Laws. Sublessee's use of the Premises is subject to federal, state and local laws regarding the discharge into the stormwater conveyance system of pollutants. Compliance with these laws may require Sublessee to develop, install, implement and maintain pollution prevention measures, source control measures and Best Management Practices ("BMPs"). Sublessee further agrees to develop, install, implement and/or any BMPs or similar pollution control devices required by federal, state and/or local law and any implementing regulations. Any costs associated with such installations will be handled consistent with other maintenance and repair costs as outlined in Article 10.

Sublessee understands and acknowledges that the storm water and non-storm water requirements applicable to Sublessee's use of the Premises may be changed from time to time by federal, state and/or local authorities, and that additional requirements may become applicable based on changes in Sublessee's activities or development or redevelopment by Sublessee or County. To the extent there is a conflict between any federal, state, or local law, Sublessee shall comply with the more restrictive provision. If County receives any fine or fines from any regulatory agency as a result of Sublessee's failure to comply with applicable storm water laws as set forth in this Article, Sublessee shall reimburse County for the entire fine amount.

ARTICLE 5 SUBORDINATION CLAUSE

5.1 Subordination. The Parties acknowledge that pursuant to the terms of the Master Lease attached hereto as Exhibit "A", the City may enter into one or more lease/leaseback financing arrangements consisting generally of a site lease, lease agreement, assignment agreement and related agreements (collectively, the "Financing Leases") with a financing authority or another public agency in order to assist the City in connection with financing and refinancing certain capital improvements of the City.

Under any such Financing Leases, the City may lease and lease back certain real property and improvements that may include the Premises subject to one or more Library Leases.

In order to facilitate the execution and delivery of any Financing Leases, the County and City desire that this Sublease and Sublessee's right, title and interest in the Premises be subordinate to the rights, titles, and interests of the parties to the Financing Leases.

Therefore, it is agreed that this Sublease and all of Sublessee's right, title, and interest in and to the Premises thereunder shall be, and the same are expressly made subject to, subordinate and inferior to any Financing Leases, and to all extensions, renewals, modifications, consolidations and replacements of the Financing Leases.

ARTICLE 6 UTILITIES

6.1 Utility Services. Sublessee shall make all arrangements for and pay for all separately charged utilities and municipal services supplied to the Premises or used by Sublessee, including but not limited to water, gas, electricity, garbage collection, and telephone, and for all connection charges. County shall have no responsibility either to provide or pay for such services. Notwithstanding the above, the City shall assume responsibility of jointly metered utilities including power for the parking lot lighting, sewer, water and landscape services and bill Sublessee its pro rata share for such utilities. If it is determined that the pro rata share of utilities is inequitable based on usage, Parties agree to negotiate in good faith to determine the appropriate share of utilities cost.

6.2 Energy Conservation by Sublessee. Sublessee shall endeavor to promote energy conservation measures in the operation of all activities at the Sublease Premises. Sublessee shall cooperate with the County in all forms of energy conservation including energy-efficient lighting, heating and air-conditioning systems, and fixtures and equipment. Sublessee shall comply with all Federal, State and City laws, by-laws, regulations, etc., relating to the conservation of energy. Sublessee shall comply with all reasonable requests and demands of the County pertaining to the installation and maintenance of energy conservation systems, fixtures, and equipment installed by the County.

6.3 Energy Conservation by County. County is required to comply with all laws and regulations requiring the installation of energy-efficient systems, fixtures, and equipment at County buildings and facilities. In accordance with all laws and regulations and this Sublease; Sublessee shall maintain or repair, or cause to maintain or repair, the building, and related systems in accordance with current energy conservation standards.

ARTICLE 7 MECHANICS' LIENS

7.1 Mechanics Liens. Sublessee shall pay, or cause to be paid, all costs for work done by it, or caused to be done by it, on the Premises, and for all materials furnished for or in connection with any such work. If any lien is filed against the Premises, Sublessee shall cause the lien to be discharged of record within ten (10) days after it is filed. Sublessee shall indemnify, defend and hold County harmless from any and all liability, loss, damage, costs, attorneys' fees and all other expenses on account of claims of lien of laborers or materialmen or others for work performed or materials or supplies furnished for Sublessee or persons claiming under Sublessee.

ARTICLE 8 SECURITY

8.1 Security. Sublessee shall be responsible for and shall provide for the security of the Premises, and County shall have no responsibility therefor.

ARTICLE 9
TAXES, ASSESSMENTS AND FEES

9.1 Responsibility for Payment of Taxes and Assessments. County shall not be obligated to pay any taxes or assessments accruing against Sublessee on the Premises or any interest of Sublessee therein before, during or after the Term, or any extension thereof; all such payments shall be the sole responsibility of Sublessee. In addition, Sublessee shall be solely responsible for payment of any taxes or assessments levied upon any improvements, fixtures or personal property located on the Premises, to the extent that such taxes or assessments result from the business or other activities of Sublessee upon, or in connection with, the Premises.

9.2 Definition of Taxes. As used herein, the term "taxes" means all taxes, governmental bonds, special assessments, Mello-Roos assessments, charges, rent income or transfer taxes, license and transaction fees, including, but not limited to, (i) any state, local, federal, personal or corporate income tax, or any real or personal property tax, (ii) any estate inheritance taxes, (iii) any franchise, succession or transfer taxes, (iv) interest on taxes or penalties resulting from Sublessee's failure to pay taxes, (v) any increases in taxes attributable to the sale of Sublessee's Subleasehold interest in the Premises, or (vi) any taxes which are essentially payments to a governmental agency for the right to make improvements to the Premises.

9.3 Creation of Possessory Interest. Pursuant to the provisions of Revenue and Taxation Code Section 107.6, Sublessee is hereby advised that the terms of this Sublease may result in the creation of a possessory interest. If such a possessory interest is vested in Sublessee, Sublessee may be subjected to the payment of real property taxes levied on such interest. Sublessee shall be solely responsible for the payment of any such real property taxes. Sublessee shall pay all such taxes when due, and shall not allow any such taxes, assessments or fees to become a lien against the Premises or any improvement thereon; provided, however, that nothing herein shall be deemed to prevent or prohibit Sublessee from contesting the validity of any such tax, assessment or fee in a manner authorized by law.

ARTICLE 10
REPAIRS; MAINTENANCE

10.1 Acceptance of Premises. Sublessee acknowledges that Sublessee has made a thorough inspection of the Premises prior to the commencement date of this Sublease, and that it accepts the Premises as of the commencement date in their condition at that time. Sublessee further acknowledges that County has made no oral or written representations or warranties to Sublessee regarding the condition of the Premises, and that Sublessee is relying solely on its inspection of the Premises with respect thereto. Sublessee agrees not to make changes to the built environment without obtaining the County's prior written approval.

10.2 Sublessee's Repair and Maintenance Obligations. Sublessee shall at all times during the Term, repair and maintain the Premises in good and tenantable condition, and coordinate Minor Maintenance and repairs as delineated in this Article. Upon surrender of the Premises, Sublessee shall deliver the Premises to County in good order, condition and state of repair, but shall not be responsible for damages resulting from ordinary wear and tear. Sublessee shall provide for trash removal, at its expense, and shall maintain all trash receptacles and trash areas in a clean, orderly and first-class condition and empty all trash receptacles on the Premises daily. Sublessee shall be responsible for maintaining all lighting and planters on the Premises.

County and Sublessee shall be responsible for the repair and maintenance of the HVAC system serving the Premises according to the minor and major maintenance limits set forth in Sections 10.3 and 10.6. Any proposed remodel of the Library by Sublessee, that involves reconstruction of structural building elements, relocation of interior walls, or removal of building finishes, must be approved in advance by the County.

10.3 Minor Maintenance and Repairs. Sublessee is responsible for, at its sole cost and expense and without cost to the County, performing all minor maintenance and repairs for the Premises. Minor maintenance and Repairs are defined as any and all maintenance or repairs, costing up to a maximum of \$10,000 per item, and with an annual cap of \$50,000, necessary to maintain the Premises in good and tenantable condition, and shall include but not be limited to: custodial services and maintenance and/or repairs of grounds, landscaping including bio detention system cleaning and inspections, roof, fencing, heating, ventilation, air conditioning (HVAC), mechanical, security or information technology upgrades, electrical systems, pipes, conduits, equipment, components and facilities (whether or not within the Premises) that supply the Premises exclusively with utilities (except to the extent the appropriate utility company has assumed these duties), all fixtures and other equipment installed in the Premises, all exterior and interior glass installed in the Premises, all signs, lock and closing devices all interior window sashes, casements and frames, doors and door frames (except for the painting of the exterior surfaces thereof), floor coverings, and all such items of repair, maintenance, alteration, improvement or reconstruction as may be required at any time or from time to time by a governmental agency having jurisdiction thereof. Sublessee's obligations hereunder shall apply regardless of whether the repairs, restorations and replacements are ordinary or extraordinary, foreseeable or unforeseeable, capital or noncapital, or the fault or not the fault of Sublessee, its agents, employees, invitees, visitors or contractors. All replacements made by Sublessee in accordance with this Section shall be of like size, kind and quality to the items replaced and shall be subject to County's approval, which shall be timely and not unreasonably withheld. Sublessee shall utilize its own maintenance staff or outside contractors, however, Sublessee shall only use appropriately licensed staff or contractors for any item requiring a building permit. Any reoccurring expenses incurred for custodial, landscaping and bio detention, or other recurring maintenance operational activities are not eligible to be applied towards the \$10,000 or \$50,000 limits listed above.

10.4 Share of Common Area Operating Expenses. Minor maintenance and repairs in the common areas of the Property, shall be shared on a pro rata basis with City. City shall maintain in good working condition and repair the common areas of the Property, which include, but are not limited to, general maintenance and repair of foundations, roofs and skylights, structural components and exterior surfaces of exterior walls of the Building (exclusive of doors, door frame, door checks, windows, window frames and store fronts), parking lot and parking lot landscaping; provided, however, if any repairs or replacements are necessitated by the negligence, gross negligence or willful acts of Sublessee, its representatives, customers or by reason of Sublessee's failure to observe or perform any provisions contained in this agreement or cause by alterations, additions or improvements made by Sublessee or its representatives, the cost of such repairs and replacements shall be the sole obligation of Sublessee. Upon performance of any such minor maintenance or repair, City shall bill Sublessee the pro rata share of the cost. Sublessee shall reimburse City within 60 days of receipt of receipt of such bill. Prior to initiating maintenance or repairs that affect the common areas of the Property, Sublessee shall seek approval from County in writing, which approval shall not be unreasonably withheld.

10.5 Sublessee's Pro Rata Share. Sublessee's pro rata share of Common Area

Operating Expenses shall be 59% based on the current square footage of the Building.

10.6 Major Maintenance and Repairs. County is responsible for, at its sole cost and expense and without cost to Sublessee, performing all major maintenance and repairs. Major maintenance and repairs are further defined as any and all maintenance or repairs, costing more than \$10,000 per item, necessary to maintain the Premises in good and tenantable condition. Examples include but are not limited to: painting of building exterior; repair and resurfacing of parking areas; structural repairs involving foundation, exterior walls and bearing walls; and major repair or replacement of failed roof, gutters, downspouts, HVAC system, unexposed plumbing and electrical, fire sprinkler system, fencing, and fire alarm system. The Major Maintenance shall be accomplished in a timely manner in conformance with all applicable laws, according to specifications established by the County.

For all Major Maintenance that cannot be completed by the County and upon approval from County, Sublessee shall contract for services, in concurrence with County purchasing policies and procedures, which services shall be reimbursed from the Capital Trust. All proposed work shall be approved by the County, such approval shall be timely and not unreasonably withheld.

10.7 Emergency Repairs of Critical Systems. If a problem develops with a critical building system that, if left unrepaired for any length of time, could reasonably impact the health or safety of the occupants or the continued occupancy of the Premises, Sublessee will immediately contact the County to report the problem. If the problem falls under Minor Maintenance or Repairs, Sublessee shall proceed under the guidelines of Article 10.3. If the problem falls under Major Maintenance, Sublessee and County shall proceed under the guidelines of Article 10.6.

If Sublessee is unable to quickly resolve the problem using Sublessee's maintenance staff or outside contractors, Sublessee shall contact County who shall arrange for repairs to be completed by the County or assist Sublessee with identifying an outside contractor that can complete the work.

10.8 Sublessee's Failure to Maintain. If Sublessee refuses or neglects to repair, replace, or maintain the Premises, or any part thereof, in a manner reasonably satisfactory to County, County may, upon giving Sublessee reasonable written notice of its election to do so, make such repairs or perform such maintenance on behalf of and for the account of Sublessee. If County makes or causes any such repairs to be made or performed, as provided for herein, Sublessee shall pay the cost thereof to County, as additional rent, promptly upon receipt of an invoice therefore. If Major Maintenance is required as a direct result of the failure or negligence of Sublessee to perform the required Minor Maintenance, then Sublessee shall be solely responsible for the repair and cost associated with the resulting Major Maintenance.

10.9 Right to Enter. Sublessee shall permit County, or its authorized representatives, to enter the Premises at all times during usual business hours to inspect the same, and to perform any work therein that (a) may be necessary to comply with any laws, ordinances, rules or regulations of any public authority, (b) County may deem necessary to prevent waste or deterioration in connection with the Premises if Sublessee does not make, or cause to be made, such repairs or perform, or cause to be performed, such work promptly after receipt of written demand from County, and (c) County may deem necessary in connection with the expansion, reduction, remodeling, protection or renovation of any County-constructed or owned facilities on or off of the Premises. Nothing herein shall imply any duty on the part of County to do any such work which, under any provision of this Sublease, Sublessee may be required to do, nor shall

County's performance of any repairs on behalf of Sublessee constitute a waiver of Sublessee's default in failing to do the same. If County exercises any of its rights under this Section, Sublessee shall not be entitled to any compensation, damages or abatement of rent from County for any injury or inconvenience occasioned thereby.

10.10 County Not Obligated to Repair or Maintain; Sublessee's Waiver of California Civil Code Section 1942. To the extent that any remedies specified in this Sublease conflict or are inconsistent with any provisions of California Civil Code section 1942, or any successor statute thereto ("CC §1942"), the provisions of this Sublease shall control. Sublessee specifically waives any right it may have pursuant to CC §1942 to effect maintenance or repairs to the Premises and to abate the costs thereof from rent due to the County under this Sublease.

ARTICLE 11 INDEMNITY AND INSURANCE

11.1 Sublessee's Indemnity. County shall not be liable for, and Sublessee shall defend and indemnify County, including its employees and agents, against any and all claims, demands, liability, judgments, awards, fines, mechanics' liens or other liens, labor disputes, losses, damages, expenses, charges or costs of any kind or character, including attorneys' fees and court costs (hereinafter collectively referred to as "Claims"), related to this Sublease and arising either directly or indirectly from any act, error, omission or negligence of Sublessee or its contractors, licensees, agents, volunteers, servants or employees, including, without limitation, Claims caused by the concurrent negligent act, error or omission, whether active or passive, of County. Sublessee shall have no obligation, however, to defend or indemnify County from a Claim if it is determined by a court of competent jurisdiction that such Claim was caused by the sole negligence or willful misconduct of County.

11.2 County's Indemnity. County shall defend and indemnify Sublessee and hold it harmless from and against any Claims arising out of this Sublease that arise solely from any act, omission or negligence of County, or County's employees, agents, elected officials, or volunteers.

11.3 Sublessee's Insurance Obligations. Without limiting Sublessee's indemnification obligations to County under this Sublease, Sublessee shall provide and maintain, during the Term and for such other period as may be required herein, at its sole expense, insurance in the amounts and form specified in Exhibit "C" attached hereto.

Sublessee shall maintain a policy of General Liability Insurance with regard to any liability it may incur for personal injury or property damage arising out its use or occupancy of the Premises and the entire parking lot area, more particularly described in Exhibit "D" attached hereto and made a part hereof and referred to herein as "General Liability Insurance Premises".

ARTICLE 12 HAZARDOUS MATERIALS

12.1 Hazardous Materials Laws-Definition. As used in this section, the term "Hazardous Materials' Laws" means any and all federal, state or local laws or ordinances, rules, decrees, orders, regulations or court decisions (including the so-called "common law"), including without limitation the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C., 9601 et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C., 1801 et seq.), the Resource Conservation and Recovery Act of 1976, as

amended (42 U.S.C., 6901 et seq.), and the California Environmental Quality Act of 1970, relating to hazardous substances, hazardous materials, hazardous waste, toxic substances, environmental conditions on, under or about the Premises, soil and ground water conditions or other similar substances or conditions.

12.2 Hazardous Materials - Definition. As used in this section the term "Hazardous Materials" means any chemical, compound, material, substance or other matter that:

- a. Is a flammable, explosive, asbestos, radioactive nuclear medicine, vaccine, bacteria, virus, hazardous waste, toxic, overtly injurious or potentially injurious material, whether injurious or potentially injurious by itself or in combination with other materials;
- b. Is controlled, referred to, designated in or governed by any Hazardous Materials Laws;
- c. Gives rise to any reporting, notice or publication requirements under any Hazardous Materials Laws; or
- d. Is any other material or substance giving rise to any liability, responsibility or duty upon the County or Sublessee with respect to any third person under any Hazardous Materials Law.

12.3 Sublessee's Representations and Warranties. Sublessee represents and warrants that, during the Term or any extension thereof, or for such longer period as may be specified herein, Sublessee shall comply with the following provisions unless otherwise specifically approved in writing by County:

- a. Sublessee shall not cause or permit any Hazardous Materials to be brought, kept or used in or about the Premises by Sublessee, its agents, employees, assignees, contractors or invitees, except as required by Sublessee's permitted use of the Premises, as described in Section 5.1, "Permitted Uses."
- b. Any handling, transportation, storage, treatment or usage by Sublessee of Hazardous Materials that is to occur on the Premises following the Commencement Date shall be in compliance with all applicable Hazardous Materials Laws.
- c. Any leaks, spills, release, discharge, or emission of Hazardous Materials caused by Sublessee, or disposal of Hazardous Materials owned by Sublessee, which may occur on the Premises during the Term shall be promptly and thoroughly cleaned and removed from the Premises by Sublessee at its sole expense, and any such discharge shall be promptly reported in writing to County, and to any other appropriate governmental regulatory authorities.
- d. No friable asbestos shall be constructed, placed on, deposited, stored, disposed of, or located by Sublessee in the Premises.
- e. No underground improvements, including but not limited to treatment or storage tanks, or water, gas or oil wells shall be located by Sublessee on the Premises without County's prior written consent.
- f. Sublessee shall conduct and complete all investigations, studies, sampling,

and testing procedures and all remedial, removal, and other actions necessary to clean up and remove all Hazardous Materials on, from, or affecting the Premises in accordance with all applicable Hazardous Materials' Laws and to the satisfaction of County.

g. Activities proposed by Sublessee that involve disturbing asbestos materials on site shall only be conducted in accordance with all federal, state and local asbestos rules and regulations including, but not limited to, the California Occupational Safety and Health Administration (Cal/OSHA), Environmental Protection Agency (EPA) and Air Pollution Control District (APCD), with prior written consent of the County, as follows:

Prior to conducting asbestos related activities, Sublessee shall notify County of the proposed work at least one month in advance. The notification shall include the location of work, type of asbestos containing material (ACM) to be removed and a work plan indicating the work practices and methods of control to be used during the abatement activity to control asbestos fiber release. The County Occupational Health Program shall review the work plan and may modify the plans as necessary.

Any asbestos related activities shall be performed by a contractor that is registered with Cal/OSHA and certified by the California Contractors State Licensing Board to perform asbestos work. Any asbestos related activities shall be overseen by a California Certified Asbestos Consultant (CAC), or a Certified Site Surveillance Technician under the direction of a CAC.

Replacement products used in tenant improvements or other construction activities shall not contain asbestos. Any replacement products used by Sublessee shall be verified as non-asbestos products by using Material Safety Data Sheets (MSDS) and/or having the architect or project engineer verify that ACMs were not used.

h. Sublessee shall promptly supply County with copies of all notices, reports, correspondence, and submissions made by Sublessee to the United States Environmental Protection Agency, the United Occupational Safety and Health Administration, and any other local, state or federal authority which requires submission of any information concerning environmental matters or hazardous wastes or substances pursuant to applicable Hazardous Materials' Laws.

i. Sublessee shall promptly notify County of any liens threatened or attached against the Premises pursuant to any Hazardous Materials' Law. If such a lien is filed against the Premises, then within twenty (20) days following such filing or before any governmental authority commences proceedings to sell the Premises pursuant to the lien, whichever occurs first, Sublessee shall either: (a) pay the claim and remove the lien from the Premises; or (b) furnish either (1) a bond or cash deposit reasonably satisfactory to County in an amount not less than the claim from which the lien arises, or (2) other security satisfactory to County in an amount not less than that which is sufficient to discharge the claim from which the lien arises. At the end of this Sublease, Sublessee shall surrender the Premises to County free of any and all Hazardous Materials and in compliance with all Hazardous Materials' Laws affecting the Premises.

12.4 Indemnification by Sublessee. Sublessee (and, if applicable, each of its general partners) and its successors, assigns, and guarantors, if any, jointly and severally agree to protect, indemnify, defend (with counsel selected by County), reimburse and hold County and its officers, employees, agents and volunteers harmless from any claims, judgments, damages, penalties, fines, costs or expenses (known or unknown, contingent or otherwise), liabilities (including sums paid

in settlement of claims), personal injury (including wrongful death), property damage (real or personal) or loss, including attorneys' fees, consultants' fees, and experts' fees (consultants and experts to be selected by County) which arise during or after the Term from or in connection with the presence or suspected presence of Hazardous Materials, including the soil, ground water or soil vapor on or under the Premises. Without limiting the generality of the foregoing, the indemnification provided by this section shall specifically cover costs incurred in connection with investigation of site conditions or any cleanup, remedial, removal or restoration work required by any Hazardous Materials Laws because of the presence of Hazardous Materials in the soil, ground water or soil vapor on the Premises, and the release or discharge of Hazardous Materials by Sublessee during the course of Sublessee's alteration or improvement of the Premises.

12.5 Remedies Cumulative; Survival. The provisions of this Article shall be in addition to any and all common law obligations and liabilities Sublessee may have to County, and any remedies and the environmental indemnities provided for herein shall survive the expiration or termination of this Sublease and/or any transfer of all or any portion of the Premises, or of any interest in this Sublease, and shall be governed by the laws of the State of California.

12.6 Inspection. County and County's agents, servants, and employees including, without limitation, legal counsel and environmental consultants and engineers retained by County, may (but without the obligation or duty so to do), at any time and from time to time, on not less than five (5) business days' notice to Sublessee (except in the event of an emergency in which case no notice shall be required), inspect the Premises to determine whether Sublessee is complying with Sublessee's obligations set forth in this Article, and to perform environmental inspections and samplings, during regular business hours (except in the event of an emergency) or during such other hours as County and Sublessee may agree. If Sublessee is not in compliance, County shall have the right, in addition to County's other remedies available at law and in equity, to enter upon the Premises immediately and take such action as County in its sole judgment deems appropriate to remediate any actual or threatened contamination caused by Sublessee's failure to comply. County will use reasonable efforts to minimize interference with Sublessee's use of Premises but shall not be liable for any interference caused by County's entry and remediation efforts. Upon completion of any sampling or testing County will (at Sublessee's expense if County's actions are a result of Sublessee's default under this section) restore the affected area of the Premises from any damage caused by County's sampling and testing.

ARTICLE 13 ASSIGNMENT AND SUBLETTING

Sublessee shall not voluntarily or involuntarily assign, Sublease, mortgage, encumber, or otherwise transfer (collectively, a "Transfer") all or any portion of the Premises or its interest in this Sublease without County's prior written consent. County may reasonably withhold its consent to any Transfer. Any attempted Transfer without County's consent shall be void and shall constitute a material breach of this Sublease. As used herein, the term "Transfer" shall include an arrangement (including without limitation management agreements, concessions, and licenses) that allows the use and occupancy of all or part of the Premises by anyone other than Sublessee.

ARTICLE 14 COUNTY'S RIGHT OF ACCESS

County, its agents, employees, and contractors may enter the Premises at any time in response to an emergency, and at reasonable hours to (a) inspect the Premises, (b) exhibit the

Premises to prospective purchasers or Sublessees, (c) determine whether Sublessee is complying with its obligations in this Sublease (including its obligations with respect to compliance with Hazardous Materials Laws), (d) supply cleaning service and any other service that this Sublease requires County to provide, (e) post notices of non-responsibility or similar notices, or (f) make repairs that this Sublease requires County to make, or make repairs to any adjoining space or utility services, or make repairs, alterations, or improvements to any other portion of the Premises; provided, however, that all work will be done as promptly as reasonably possible and so as to cause as little interference to Sublessee as reasonably possible.

Sublessee waives any claim of injury or inconvenience to Sublessee's business, interference with Sublessee's business, loss of occupancy or quiet enjoyment of the Premises, or any other loss occasioned by such entry. If necessary, Sublessee shall provide County with keys to unlock all of the doors in the Premises (excluding Sublessee's vaults, safes, and similar areas designated in writing by Sublessee in advance). County will have the right to use any means that County may deem proper to open doors in the Premises and to the Premises in an emergency. No entry to the Premises by County by any means will be a forcible or unlawful entry into the Premises or a detainer of the Premises or an eviction, actual or constructive, of Sublessee from the Premises, or any part of the Premises, nor shall the entry entitle Sublessee to damages or an abatement of rent or other charges that this Sublease requires Sublessee to pay.

ARTICLE 15 QUIET ENJOYMENT

If Sublessee is not in breach under the covenants made in this Sublease, County covenants that Sublessee shall have peaceful and quiet enjoyment of the Premises without hindrance on the part of County. County will defend Sublessee in the peaceful and quiet enjoyment of the Premises against claims of all persons claiming through or under the County.

ARTICLE 16 NOTICES

16.1 Notices. Whenever in this Sublease it shall be required or permitted that notice or demand be given or served by either party to this Sublease to or on the other, such notice or demand shall be in writing, mailed or delivered to the other party at the following addresses:

To County:
Real Property Section
701 Ocean Street, Room 410
Santa Cruz, California 95060

To Sublessee:
Director of Libraries
Santa Cruz Public Libraries
117 Union Street
Santa Cruz, CA 95060
(831) 427-7700

Mailed notices shall be sent by United States Postal Service, certified or registered mail, postage prepaid and shall be deemed to have been given, delivered and received three (3) business days after the date such notice or other communication is posted by the United States Postal

Service. All other such notices or other communications shall be deemed given, delivered and received upon actual receipt. Either party may, by written notice delivered pursuant to this provision, at any time designate a different address to which notices shall be sent.

16.2 Default Notices. Notwithstanding anything to the contrary contained within this Article, any notices County is required or authorized to deliver to Sublessee in order to advise Sublessee of alleged violations of Sublessee's covenants under this Sublease must be in writing but shall be deemed to have been duly given or served upon Sublessee by County attempting to deliver at the Premises during normal business hours a copy of such notice to Sublessee or its managing employee and by County mailing a copy of such notice to Sublessee in the manner specified in the preceding Section.

ARTICLE 17 WAIVER OF RELOCATION ASSISTANCE BENEFITS

17.1 Relocation Assistance Benefits. Sublessee is hereby informed and acknowledges the following:

a. By entering into this Sublease and becoming a tenant of County, Sublessee may become entitled to receipt of "relocation assistance benefits" ("Relocation Benefits") pursuant to the Federal Uniform Relocation Assistance Act (42 U.S.C. Section 4601 *et seq.*) and/or the California Relocation Assistance Law (Cal. Gov. Code Section 7270 *et seq.*) (collectively, the "Relocation Statutes"), should County at some time make use of the Premises in such a way as to "displace" Sublessee from the Premises. Pursuant to the Relocation Statutes, County may then become obligated to make such payments to Sublessee even where such displacement of Sublessee does not otherwise constitute a breach or default by County of its obligations pursuant to this Sublease.

b. Under the Relocation Statutes in effect as of the Date of Commencement of this Sublease, Relocation Benefits may include payment to such a "displaced person" of (i) the actual and reasonable expense of moving himself or herself and a family, business, or farm operation, including personal property, (ii) the actual direct loss of reestablishing a business or farm operation, but not to exceed Ten Thousand Dollars (\$10,000), or (iii) payment in lieu of moving expenses of not less than One Thousand Dollars (\$1,000) or more than Twenty Thousand Dollars (\$20,000).

17.2 Sublessee's Waiver and Release of Relocation Benefits. In consideration of County's agreement to enter into this Sublease, Sublessee hereby waives any and all rights it may now have, or may hereafter obtain, to Relocation Benefits arising out of the County's assertion or exercise of its contractual rights to terminate this Sublease pursuant to its terms, whether or not such rights are contested by Sublessee or any other entity, and releases County from any liability for payment of such Relocation Benefits; provided, however, that Sublessee does not waive its rights to Relocation Benefits to the extent that Sublessee's entitlement thereto may arise out of any condemnation or pre-condemnation actions taken by the County or any other public agency with respect to the Premises. Sublessee shall in the future execute any further documentation of the release and waiver provided hereby as County may reasonably require.

ARTICLE 18
GENERAL PROVISIONS

18.1 Authority. Sublessee represents and warrants that it has full power and authority to execute and fully perform its obligations under this Sublease pursuant to its governing instruments, without the need for any further action, and that the person(s) executing this Sublease on behalf of Sublessee are the duly designated agents of Sublessee and are authorized to do so.

18.2 Brokers. Sublessee warrants that it has not been represented by any real estate broker or agent in connection with the negotiation and/or execution of this Sublease. In the event any broker makes claim for monies owed, Sublessee shall indemnify, defend and hold County harmless therefrom.

18.3 Captions. The captions, headings and index appearing in this Sublease are inserted for convenience only and in no way define, limit, construe, or describe the scope or intent of the provisions of this Sublease.

18.4 County Approval. Except where stated herein to the contrary, the phrases "County's approval," and "County's written approval" or such similar phrases shall mean approval *of County's Sublease Administrator or said Administrator's representative as authorized by said administrator in writing.*

18.5 Cumulative Remedies. In the event of a default under this Sublease, each Party's remedies shall be limited to those remedies set forth in this Sublease. Any such remedies are cumulative and not exclusive of any other remedies under this Sublease to which the non-defaulting Party may be entitled.

18.6 Entire Agreement. This Sublease, together with all addenda, exhibits and riders attached hereto, constitutes the entire agreement between the Parties with respect to the subject matter hereof, and all prior or contemporaneous agreements, understandings and representations, oral or written, are superseded.

18.7 Estoppel Certificate. Sublessee shall at any time during the term of this Sublease, within five (5) business days of written notice from County, execute and deliver to County a statement in writing certifying that this Sublease is unmodified and in full force and effect or, if modified, stating the nature of such modification. Sublessee's statement shall include other details requested by County, such as the date on which rent and other charges are paid, the current ownership and name of Sublessee, Sublessee's knowledge concerning any outstanding defaults with respect to County's obligations under this Sublease and the nature of any such defaults. Any such statement may be relied upon conclusively by any prospective purchaser or encumbrancer of the Premises. Sublessee's failure to deliver such statements within such time shall be conclusively deemed to mean that this Sublease is in full force and effect, except to the extent any modification has been represented by County, that there are no uncured defaults in the County's performance, and that not more than one month's rent has been paid in advance.

18.8 Exhibits. All exhibits referred to herein are attached hereto and incorporated by reference.

18.9 Force Majeure. In the event either party is prevented or delayed from performing any act or discharging any obligation hereunder, except for the payment of rent by Sublessee,

because of any and all causes beyond either party's reasonable control, including unusual delays in deliveries, abnormal adverse weather conditions, unavoidable casualties, strikes, labor disputes, inability to obtain labor, materials or equipment, acts of God, governmental restrictions, regulations or controls, any hostile government actions, civil commotion and fire or other casualty, legal actions attacking the validity of this Sublease or the County's occupancy of the Premises, or any other casualties beyond the reasonable control of either party except casualties resulting from Sublessee's , or its permitted sublessees or assigns, negligent operation or maintenance of the Premises ("Force Majeure"), performance of such act shall be excused for the period of such delay, and the period for performance of such act shall be extended for a period equivalent to the period of such delay. Force Majeure shall not include any bankruptcy, insolvency, or other financial inability on the part of either party hereto.

18.10 Governing Law. This Sublease shall be governed, construed and enforced in accordance with the laws of the State of California.

18.11 Interpretation. The language of this Sublease shall be construed simply according to its plain meaning and shall not be construed for or against either party.

18.12 Joint and Several Liability. If more than one person or entity executes this Sublease as Sublessee, each of them is jointly and severally liable for all of the obligations of Sublessee hereunder.

18.13 Sublease Administration. This Sublease shall be administered on behalf of County by the Department of Public Works – Real Property, County of Santa Cruz, or by such person's duly-authorized designee (referred to collectively herein as "County's Sublease Administrator"), and on behalf of Sublessee by: Director of Libraries, Santa Cruz Public Libraries, 117 Union Street, Santa Cruz, CA 95060, 831-427-7700 ext. 7611, or by such other person as may be designated in writing by Sublessee (referred to collectively herein as "Sublessee's Sublease Administrator").

18.14 Sublessee's Sublease Administration. Sublessee confirms that Sublessee's Sublease Administrator has been given full operational responsibility for compliance with the terms of this Sublease. Sublessee shall provide County with a written schedule of its normal hours of business operation on the Premises, and Sublessee's Sublease Administrator or a representative designated thereby shall be (i) available to County on a twenty-four (24) hour a day, seven (7) days a week, basis, and (ii) present on the Premises during Sublessee's normal business hours, to resolve problems or answer question pertaining to this Sublease and Sublessee's operations on the Premises.

18.15 Liquidated Damages. Any payments by Sublessee to County under this Sublease described as liquidated damages represent the parties' reasonable estimate of County's actual damages under the described circumstances, such actual damages being uncertain and difficult to ascertain in light of the impossibility of foreseeing the state of the leasing market at the time of the various deadlines set forth herein. County may, at its election, take any of the liquidated damages assessed in any portion of this Sublease as direct monetary payments from Sublessee and/or as an increase of rent due from Sublessee under this Sublease.

18.16 Modification. The provisions of this Sublease may not be modified, except by a written instrument signed by both parties.

18.17 Partial Invalidity. If any provision of this Sublease is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Sublease shall not be affected thereby. Each provision shall be valid and enforceable to the fullest extent permitted by law.

18.18 Payments. Except as may otherwise be expressly stated, each payment required to be made by Sublessee shall be in addition to, and not a substitute for, other payments to be made by Sublessee.

18.19 Successors & Assigns. This Sublease shall be binding on and inure to the benefit of the parties and their successors and assigns, except as may otherwise be provided herein.

18.20 Time of Essence. Time is of the essence of each and every provision of this Sublease.

18.21 Waiver. No provision of this Sublease or the breach thereof shall be deemed waived, except by written consent of the party against whom the waiver is claimed. The waiver by County of any breach of any term, covenant or condition contained in this Sublease shall not be deemed to be a waiver of such term, covenant or condition of any subsequent breach thereof, or of any other term, covenant or condition contained in this Sublease. County's subsequent acceptance of partial rent or performance by Sublessee shall not be deemed to be an accord and satisfaction or a waiver of any preceding breach by Sublessee of any term, covenant or condition of this Sublease or of any right of County to a forfeiture of the Sublease by reason of such breach, regardless of County's knowledge of such preceding breach at the time of County's acceptance. The failure on the part of County to require exact or full and complete compliance with any of the covenants, conditions of agreements of this Sublease shall not be construed as in any manner changing or waiving the terms of this Sublease or as estopping County from enforcing in full the provisions hereof. No custom or practice which may arise between the parties hereto in the course of administering this Sublease shall be construed to waive, estop or in any way lessen County's right to insist upon Sublessee's full performance of, or compliance with, any term, covenant or condition of this Sublease or to inhibit or prevent County's exercise of its rights with respect to any default, dereliction or breach of this Sublease by Sublessee.

SIGNATURE PAGE TO FOLLOW

EXHIBIT "A"
Master Lease

EXHIBIT "B"
Premises

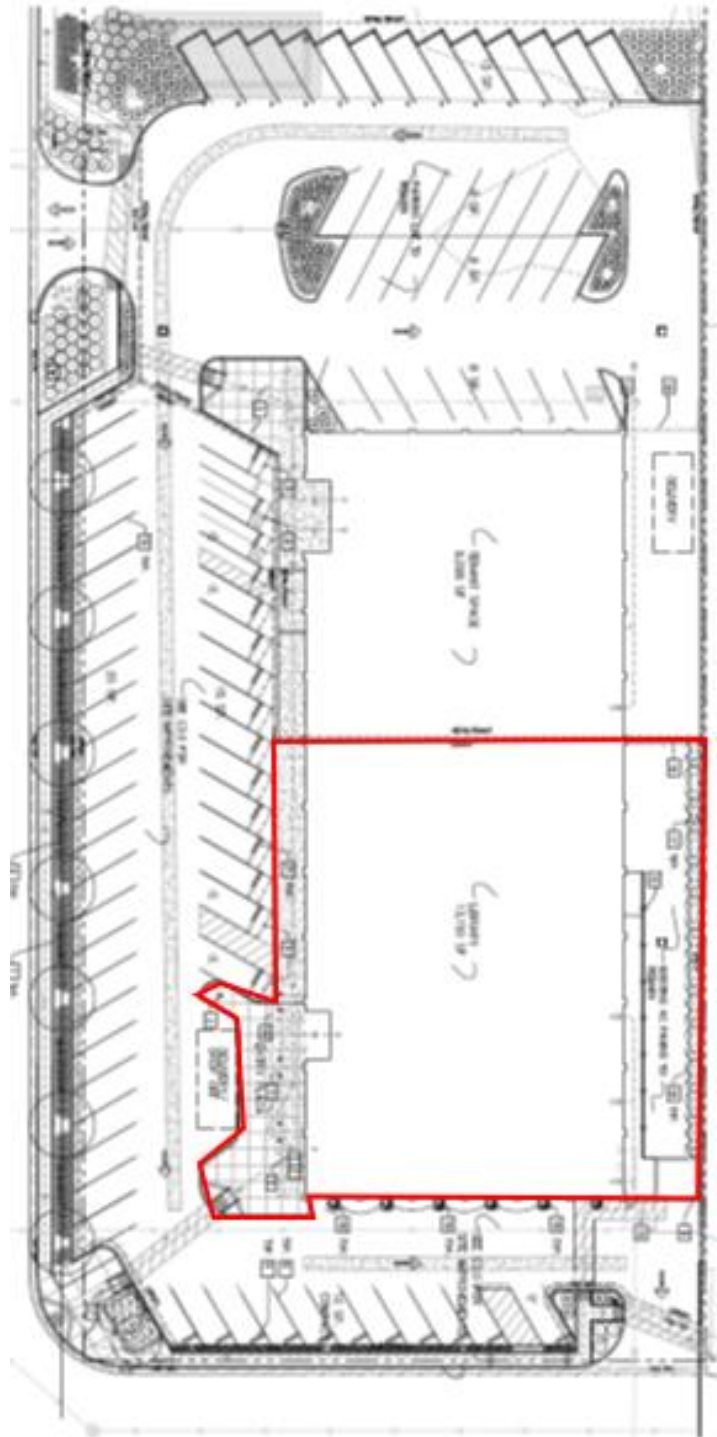


EXHIBIT "C"
INSURANCE REQUIREMENTS

INSURANCE REQUIREMENTS

Without limiting Sublessee's indemnification obligations to County under this Sublease, Sublessee shall provide and maintain for the duration of this Sublease insurance against claims for injuries to persons or damages to property which may arise from or in connection with the Sublessee's operation and use of the Subleased Premises. The cost of such insurance shall be borne by the Sublessee.

1. Minimum Scope of Insurance

Coverage shall be at least as broad as:

- A. Commercial General Liability, Occurrence form, Insurance Services Office Form CG0001 for the General Liability Insurance Premises described in Exhibit "D"
- B. Automobile Liability covering all owned, non-owned and hired auto, Insurance Services Office form CA0001.
- C. Workers Compensation, as required by State of California and Employer's Liability Insurance.
- D. Property Insurance against all risk or special form perils, including Replacement Cost coverage, without deduction for depreciation, for Sublessee's merchandise, fixtures owned by Sublessee, any items identified in this Sublease as improvements to the Premises constructed and owned by Sublessee, and the personal property of Sublessee, its agents and employees, including coverage for earthquake and flood.

2. Minimum Limits of Insurance

Sublessee shall maintain limits no less than:

- A. Commercial General Liability including the General Liability Premises , Operations, Products and Completed Operations, Contractual Liability and Independent Contractors: \$1,000,000 per occurrence for bodily injury, personal injury and property damage. The General Aggregate limit shall be \$2,000,000 and shall be a Per Location Aggregate. Fire Damage Limit (Any One Fire) \$300,000 and Medical Expense Limit (Any One Person) \$5,000.
- B. Automobile Liability: \$1,000,000 each accident for bodily injury and property damage. Coverage will include contractual liability.

C. Employers Liability: \$1,000,000 each accident for bodily injury or disease. Coverage shall include a waiver of subrogation endorsement in favor of County of Santa Cruz and City of Scotts Valley.

D. Property: Full replacement cost with no coinsurance penalty provision.

3. Deductibles and Self-Insured Retentions

Any liability deductible or self-insured retention must be declared to and approved by the County's Risk Manager. The property insurance deductible shall not exceed \$5,000 per occurrence and shall be borne by Sublessee.

4. Other Insurance Provisions

The general liability and automobile liability policies are to contain, or be endorsed to contain the following provisions:

A. Additional Insured Endorsement

Any general liability policy provided by Sublessee shall contain an additional insured endorsement applying coverage to the County of Santa Cruz, the members of the Board of Supervisors of the County and the officers, agents, employees and volunteers of the County, individually and collectively and the City of Scotts Valley.

B. Primary Insurance Endorsement

For any claims related to this Sublease, the Sublessee's insurance coverage shall be primary insurance as respects the County, the members of the Board of Supervisors of the County and the officers, agents, employees and volunteers of the County, individually and collectively and the City of Scotts Valley. Any insurance or self-insurance maintained by the County, the members of the Board of Supervisors of the County, its officers, officials, employees, or volunteers and the City of Scotts Valley shall be excess of the Sublessee's insurance and shall not contribute with it.

C. Notice of Cancellation

Each required insurance policy shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the County at the address shown in section of Sublease entitled "Notices".

GENERAL PROVISIONS

5. Qualifying Insurers

All required policies of insurance shall be issued by companies which have been approved to do business in the State of California by the State Department of Insurance, and which hold a current policy holder's alphabetic and financial size category rating of not less than A- VII according to the current Best's Key Rating guide, or a company of equal financial stability that is approved in writing by County's Risk Manager.

6. Proof of Insurance

Sublessee shall, as soon as practicable following the placement of insurance required hereunder, but in no event later than the effective date of the Contract, deliver to County certified copies of the actual insurance policies specified herein, together with appropriate separate endorsements thereto, evidencing that Sublessee has obtained such coverage for the period of the Contract. Thereafter, copies of renewal policies, and appropriate separate endorsements thereof, shall be delivered to County within thirty (30) days prior to the expiration of the term of any policy required herein.

7. Failure to Obtain or Maintain Insurance; County's Remedies

Sublessee's failure to provide insurance specified or failure to furnish certificates of insurance, amendatory endorsements and certified copies of policies, or failure to make premium payments required by such insurance, shall constitute a material breach of the Sublease, and County may, at its option, terminate the Sublease for any such default by Sublessee.

8. No Limitations of Obligations

The foregoing insurance requirements as to the types and limits of insurance coverage to be maintained by Sublessee, and any approval of said insurance by the County are not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by Sublessee pursuant to the Sublease, including, but not limited to, the provisions concerning indemnification.

9. Review of Coverage

County retains the right at any time to review the coverage, form and amount of insurance required herein and may require Sublessee to obtain insurance reasonably sufficient in coverage, form and amount to provide adequate protection against the kind and extent of risk which exists at the time a change in insurance is required.

10. Self-Insurance

Sublessee may, with the prior written consent of County's Risk Manager, fulfill some or all of the insurance requirements contained in this Sublease under a plan of self-insurance. Sublessee shall only be permitted to utilize such self-insurance if in the opinion of County's Risk Manager, Sublessee's (i) net worth, and (ii) reserves for payment of claims of liability against Sublessee, are sufficient to adequately compensate for the lack of other insurance

coverage required by this Sublease. Sublessee's utilization of self-insurance shall not in any way limit liabilities assumed by Sublessee under this Sublease.

11. Sublessees' Insurance

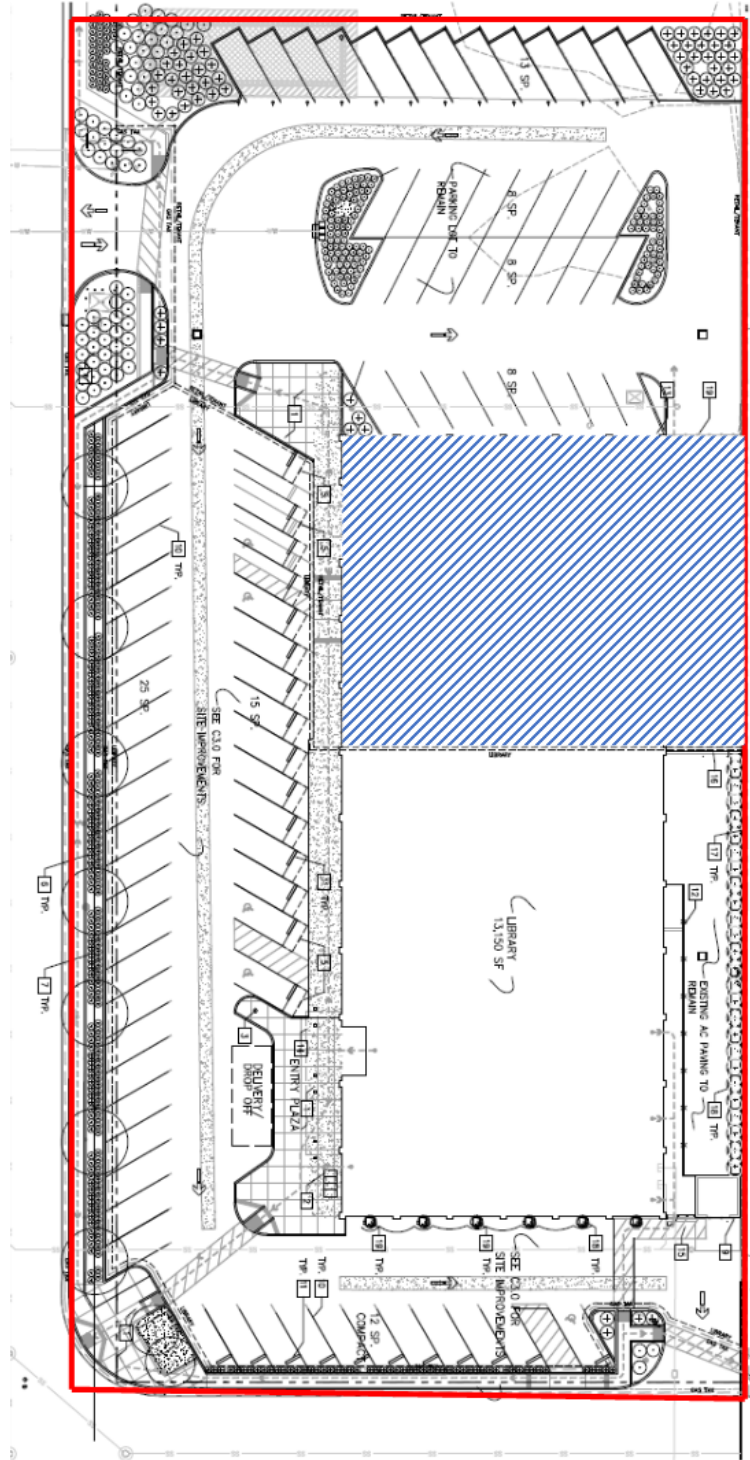
Sublessee shall require any sub-sublessee, of all or any portion of the Premises to provide the insurance coverage described herein prior to occupancy of the Premises.

12. Waiver of Subrogation

Sublessee and County waive all rights to recover against each other or against any other tenant or occupant of the building, or against the officers, directors, shareholders, partners, employees, agents or invitees of each other or of any other occupant or tenant of the building, from any Claims (as defined in the Article entitled "Indemnity") against either of them and from any damages to the fixtures, personal property, Sublessee's improvements, and alterations of either County or Sublessee in or on the Premises and the Property, to the extent that the proceeds received from any insurance carried by either County or Sublessee, other than proceeds from any program of self-insurance, covers any such Claim or damage. Included in any policy or policies of insurance provided by Sublessee shall be a standard waiver of rights of subrogation against County by the insurance company issuing said policy or policies.

EXHIBIT "D"

General Liability Insurance Premises





TENTATIVE SCHEDULE

Design Team
Developer Selects a Design Team to move forward on DD plan sets following open solicitation

1

June 2023

September 2023

2

Construction Docs
Dev. Design Team completes DD plan sets, moves to Construction Documents

Grant Awards
AHSC and Building Forward Library Infrastructure Grants expected to announce awards

3

September 2023

November 2023

4

Building permits
Developer Design Team submits building permit applications begins CD set review process

Secure Financing
Developer applying for Federal Tax credits and all funding sources are identified and in process or secured

5

January 2024

JUNE 2024

6

Construction Loan
Developer financing closes and starts 180 window to start construction

Groundbreaking
Construction begins with demolition and site prep work for overall building and podium/ parking garage

7

Nov/Dec 2024

December 2024

8

Library TI Procurement
Bid documents for Library TI and solicitation of Contractor for Library buildout

Library TI Construction
Construction begins on Library TI buildout

9

May/June 2025

Jan/Feb 2027

10

Construction Complete
Construction concludes on all components of the building

Library Move-in
Collections and Staff begin move in and setup of new branch

11

Feb/March 2027

April 2027

12

Library Grand Opening
Ribbon cutting and public opening of Library



REMAINING MEASURE S FUNDS- City of Santa Cruz Library Projects

MEASURE S FUNDING ESTIMATES

Estimated Measure S Available Fund Balance 6.6.23	7,496,494.85
County Payment in Transit	\$370,567.00
Estimated Pledges Receivable (1)	
Branciforte Branch	\$266,943.00
Garfield Park Branch	\$195,720.00
Subtotal Measure S Funds Available	8,329,724.85
Measure S Bonding Remaining per County 6.7.23	16,708,588.00
3 month notice required	

TOTAL ESTIMATED MEASURE S FUNDS

25,038,312.85

(1) Final Receivables will be determined at project closeout