251 KINGS VILLAGE RD #380

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

LEASE AGREEMENT TABLE OF CONTENTS

ARTICLE NO. PAGE NO.		
LEASE	AGREEMENT	1
ARTIC	LE 1 PREMISES	3
1.1	Premises	
ARTICI		
2.1	TERM	
2.2	HOLD OVER	
2.3 2.4	EXTENSION TERMINATION	
2.4	I ERMINATION	3
ARTICI	LE 3 CONSIDERATION	4
3.1	BASE ANNUAL RENT	
3.1.1	DELIVERY OF RENT PAYMENTS	
3.1.2	FAILURE TO PAY BASE RENT OR ADDITIONAL RENT; LATE CHARGE	4
3.2	LIBRARY OPERATIONS	4
ARTICI	LE 4 POSSESSION AND USE	4
4.1	PERMITTED USES	
4.2	HOURS OF OPERATION	
4.3	DUTIES AND PROHIBITED CONDUCT	
4.4	COMPLIANCE WITH STORMWATER LAWS	
ARTIC 1 5.1	LE 5 SUBORDINATION CLAUSE SUBORDINATION	
3.1	SUBORDINATION	
ARTIC	LE 6 UTILITIES	6
6.1	UTILITY SERVICES	6
6.2	ENERGY CONSERVATION BY LESSEE	6
6.3	ENERGY CONSERVATION BY CITY	6
ARTIC	LE 7 MECHANICS' LIENS	6
7.1	MECHANICS' LIENS.	
,		
ARTICI	LE 8 SECURITY	6
8.1	Security	6
ARTIC	LE 9 TAXES, ASSESSMENTS AND FEES	7
9.1	RESPONSIBILITY FOR PAYMENT OF TAXES AND ASSESSMENTS	
9.2	DEFINITION OF TAXES	
9.3	CREATION OF POSSESSORY INTEREST	
- 10		
ARTIC	,	
10.1	ACCEPTANCE OF PREMISES	
10.2	LESSEE'S REPAIR AND MAINTENANCE OBLIGATIONS	
10.3	Lessee's Failure to Maintain	
10.4	SHARE COMMON AREA OPERATING EXPENSES	
10.5	LESSEE'S PRO RATA SHARE	
10.6	RIGHT TO ENTER	
10.7	CITY NOT OBLIGATED TO REPAIR OR MAINTAIN; LESSEE'S WAIVER OF CALIFORNIA CIVIL CODE SE	
	1942	9

ARTICL		
11.1	Lessee's Indemnity	9
11.2	CITY'S INDEMNITY	
11.3	LESSEE'S INSURANCE OBLIGATIONS	9
11.4	LESSOR'S INSURANCE OBLIGATIONS	9
ARTICI	LE 12 HAZARDOUS MATERIALS	10
12.1	HAZARDOUS MATERIALS LAWS-DEFINITION	
12.2	HAZARDOUS MATERIALS - DEFINITION	10
12.3	LESSEE'S REPRESENTATIONS AND WARRANTIES	
12.4	INDEMNIFICATION BY LESSEE	12
12.5	REMEDIES CUMULATIVE; SURVIVAL	12
12.6	INSPECTION	12
ARTICI	LE 13 ASSIGNMENT AND SUBLETTING	13
ARTICI	LE 14 CITY'S RIGHT OF ACCESS	13
ARTICI	LE 15 QUIET ENJOYMENT	13
	·	
ARTICI	-	
16.1	Notices	
16.2	DEFAULT NOTICES	14
ARTICI		
17.1	AUTHORITY	
17.2	Brokers	15
17.3	CAPTIONS	15
17.4	CITY APPROVAL	
17.5	CUMULATIVE REMEDIES	
17.6	Entire Agreement	
17.7	ESTOPPEL CERTIFICATE	
17.8	EXHIBITS	
17.9	FORCE MAJEURE	
17.10	GOVERNING LAW	_
17.11	INTERPRETATION	
17.12	JOINT AND SEVERAL LIABILITY	
17.13	LEASE ADMINISTRATION	_
17.14	Lessee's Lease Administration	
17.15	LIQUIDATED DAMAGES	
17.16	MODIFICATION	
17.17	PARTIAL INVALIDITY	
17.18	PAYMENTS	
17.19	SUCCESSORS & ASSIGNS	
17.20	TIME OF ESSENCE	
17.21	Waiver	
SIGNAT	TURE PAGE	18
	BIT A - MAP OF THE PREMISES	
EXHIE	BIT B – INSURANCE REQUIREMENTS	B1
	BIT C - PROPERTY INSURANCE PREMISES	
EXHIE	RIT D _ GENERAL LIARII ITV INSLIBANCE PREMISES	D1

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 <u>Term.</u> 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 <u>Hold Over</u>. 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 <u>Extension</u>. The Term of this Lease may only be extended by written amendment of this Lease executed by all Parties hereto.
- 2.4 <u>Termination</u>. 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 <u>Base Annual Rent</u>. 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 <u>Delivery of Rent Payments</u>. 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 <u>Failure to Pay Base Rent or Additional Rent; Late Charge</u>. 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 <u>Library Operations</u>. 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 <u>Permitted Uses</u>. 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 <u>Hours of Operation</u>. 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 <u>Duties and Prohibited Conduct</u>. 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 <u>Compliance with Stormwater Laws</u>. 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 <u>Subordination</u>. 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 <u>Utility Services</u>. 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 <u>Energy Conservation by Lessee</u>. 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 <u>Energy Conservation by City</u>. 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 <u>Security</u>. 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 <u>Definition of Taxes</u>. 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 <u>Creation of Possessory Interest.</u> 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 <u>Acceptance of Premises</u>. 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 <u>Lessee's Repair and Maintenance Obligations</u>. Lessee shall at all times during the Term, repair and maintain the Premises in good and tenantable 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 <u>Lessee's Failure to Maintain</u>. 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.
- 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 <u>Lessee's Pro Rata Share</u>. 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 <u>City Not Obligated to Repair or Maintain; Lessee's Waiver of California Civil Code Section 1942</u>. 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 <u>Lessee's Indemnity</u>. 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 <u>City's Indemnity</u>. 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 <u>Lessee's Insurance Obligations</u>. 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 selffunding 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 <u>Lessor's Insurance Obligations.</u> 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

- 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 (42 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 <u>Hazardous Materials Definition</u>. 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 <u>Lessee's Representations and Warranties</u>. 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.
- Indemnification by Lessee. Lessee (and, if applicable, each of its general 12.4 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 <u>Remedies Cumulative; Survival</u>. 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 <u>Inspection</u>. 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'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 <u>Notices</u>. 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 <u>Default Notices</u>. 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 <u>Authority</u>. 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 <u>Brokers</u>. 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 <u>Captions</u>. 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 <u>City Approval</u>. 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 <u>Cumulative Remedies</u>. 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 <u>Entire Agreement</u>. 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 <u>Exhibits</u>. All exhibits referred to herein are attached hereto and incorporated by reference.
- 17.9 <u>Force Majeure</u>. 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 <u>Governing Law.</u> This Lease shall be governed, construed and enforced in accordance with the laws of the State of California.
- 17.11 <u>Interpretation</u>. 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 <u>Joint and Several Liability</u>. 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 <u>Lease Administration</u>. 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 <u>Lessee's Lease Administration</u>. 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 <u>Liquidated Damages</u>. 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 <u>Modification</u>. The provisions of this Lease may not be modified, except by a written instrument signed by both parties.
- 17.17 <u>Partial Invalidity</u>. 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 <u>Payments</u>. 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 <u>Successors & Assigns</u>. 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 <u>Time of Essence</u>. 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	Matt Machado, Deputy CAO, Director of	
DocuSigned by:	Community Development and Infrastructure	
Mali la Goe 10/27/2023	Matt Machado 10/27/2023	
—2809397A0219400 Date	471C42FA44284B0 Date	
APPROVED AS TO FORM:	APPROVED AS TO FORM:	
DocuSigned by:	DocuSigned by:	
Eirsten Powell 10/27/2023	Justin Graham 40E85ACDEDAB42D 8/14/2023	
City Attorney Date	Office of County Counsel _{8/14/23 (AMS 14961)} Date	
	APPROVED AS TO INSURANCE:	
	Eurique Saliague 8/14/2023 F88BB4ED1F11445	
	Risk Management Date	
	RECOMMENDED FOR APPROVAL: DocuSigned by:	
	timberly Finley 8/14/2023	
	Real Property Date	
	SANTA CRUZ PUBLIC LIBRARIES	
	DocuSigned by:	
	Yolande Wilburn 10/10/2023	
	DIRECTOR OF LIBRARIES DATE	
	DocuSigned by:	
	Borlo Uh 10/10/2023	
	LIBRARY GENERAL COUNSEL DATE	

EXHIBIT "A"
Premises

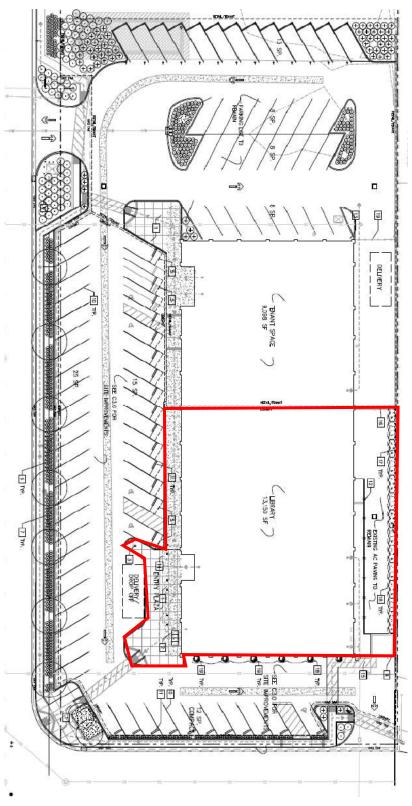


EXHIBIT "B" INSURANCE REQUIREMENTS

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. <u>Minimum Scope of Insurance</u>

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. <u>Self-Insurance</u>

Lessee may, with the prior <u>written</u> 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

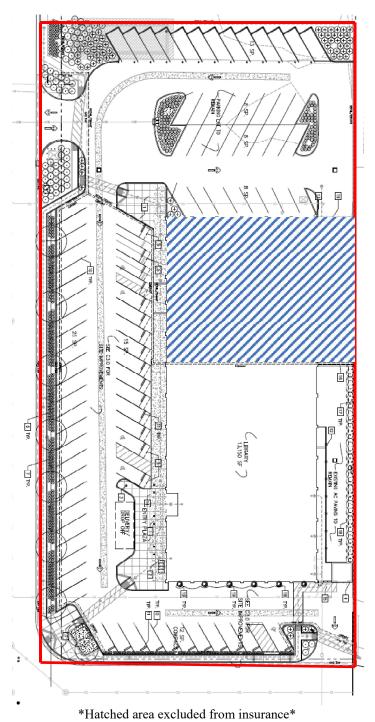
Lessee and City waive all rights to recover against each other or against any other tenant or occupant of the building, or against the officers, directors, shareholders, partners, employees, agents or invitees of each other or of any other occupant or tenant of the building, from any Claims (as defined 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.

DELIVERY

EXHIBIT "C"
Property Insurance Premises

EXHIBIT "D"

General Liability Insurance Premises



Certificate Of Completion

Envelope Id: 9E26AC0F615D486DBFC63219E8C0BCB2

Subject: Scotts Valley Library Lease Final (14961) BOS 8/22/2023

Source Envelope:

Document Pages: 26 Signatures: 3 Envelope Originator: Certificate Pages: 5 Initials: 0 Blanca Martinez

AutoNav: Enabled

Envelopeld Stamping: Enabled

8/14/2023 1:51:59 PM

Time Zone: (UTC-08:00) Pacific Time (US & Canada)

Status: Sent

701 Ocean Street Santa Cruz, CA 95060

Blanca.Martinez@santacruzcounty.us

IP Address: 107.116.89.80

Record Tracking

Status: Original Holder: Blanca Martinez Location: DocuSign

Blanca.Martinez@santacruzcountv.us

Security Appliance Status: Connected Pool: FedRamp

Storage Appliance Status: Connected Pool: County of Santa Cruz Location: DocuSign

Signer Events

Signature Kimberly Finley

kimberly Finley -553123D22A0D4B5... kimberly.finley@santacruzcounty.us

Chief Real Property Agent County of Santa Cruz

Security Level: Email, Account Authentication

(None)

Electronic Record and Signature Disclosure:

Accepted: 3/2/2022 2:54:34 PM ID: 080b2d2f-36cf-4132-8ac6-41053a6f7e44

Justin Graham

Justin.Graham@santacruzcounty.us

Reviewed as to form / Assistant County Counsel

County of Santa Cruz

Security Level: Email, Account Authentication

(None)

Electronic Record and Signature Disclosure:

Accepted: 3/1/2022 10:15:00 AM

ID: dd5bcf3a-9e05-49ae-af0f-0166e942a77f

Enrique Sahagun

Enrique.Sahagun@santacruzcounty.us

Risk Manager

County of Santa Cruz

Security Level: Email, Account Authentication

(None)

Electronic Record and Signature Disclosure:

Accepted: 2/28/2022 5:38:23 PM

ID: 53dded50-e6e0-41af-93b9-11ee12d5835c

Barbara Choi

bchoi@abc-law.com

Security Level: Email, Account Authentication

(None)

Electronic Record and Signature Disclosure:

Accepted: 5/25/2022 2:00:27 PM

ID: 43a42096-5645-4cda-868d-53e48da5cdf0

Timestamp

Sent: 8/14/2023 2:14:48 PM Viewed: 8/14/2023 2:18:18 PM Signed: 8/14/2023 2:18:26 PM

DocuSigned by:

Justin Graham 40F85ACDFDAB42D

Signature Adoption: Pre-selected Style Using IP Address: 73.252.159.108

Signature Adoption: Pre-selected Style

Using IP Address: 73.162.205.237

Sent: 8/14/2023 2:18:28 PM Viewed: 8/14/2023 2:23:34 PM

Signed: 8/14/2023 2:23:54 PM

Enrique Saliagun

Signature Adoption: Pre-selected Style Using IP Address: 63.194.190.100

Sent: 8/14/2023 2:23:56 PM Viewed: 8/14/2023 4:23:23 PM Signed: 8/14/2023 4:36:31 PM

Sent: 8/14/2023 4:36:33 PM

Signer Events Signature Timestamp

Yolande Wilburn

wilburny@santacruzpl.org

Security Level: Email, Account Authentication

(None)

Electronic Record and Signature Disclosure:

Accepted: 8/2/2022 1:18:57 PM

ID: cff7cb5d-1a53-4848-b71a-06cfadeb2b87

Kristen Powell

kpowell@scottsvalley.gov

Security Level: Email, Account Authentication

(None)

Electronic Record and Signature Disclosure:

Accepted: 6/12/2023 10:52:57 AM

ID: 606a7684-3c70-4f2b-90d5-0f4f5a7d3f4f

Mali LaGoe

mlagoe@scottsvalley.gov

Security Level: Email, Account Authentication

(None)

Electronic Record and Signature Disclosure:

Accepted: 10/31/2022 2:56:24 PM

ID: c49c9b32-9314-4678-970a-dcca32c90c9e

Matt Machado

Matt.Machado@santacruzcounty.us

Security Level: Email, Account Authentication

(None)

Electronic Record and Signature Disclosure:

Accepted: 3/1/2022 8:22:46 AM

ID: 82550d6a-8dcd-4ff4-b394-1d902bcd64c7

In Person Signer Events	Signature	Timestamp			
Editor Delivery Events	Status	Timestamp			
Agent Delivery Events	Status	Timestamp			
Intermediary Delivery Events	Status	Timestamp			
Certified Delivery Events	Status	Timestamp			
Carbon Copy Events	Status	Timestamp			
Witness Events	Signature	Timestamp			
Notary Events	Signature	Timestamp			
Envelope Summary Events	Status	Timestamps			
Envelope Sent	Hashed/Encrypted	8/14/2023 2:14:48 PM			
Payment Events	Status	Timestamps			
Electronic Record and Signature Disclosure					

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, County of Santa Cruz (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

Getting paper copies

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact County of Santa Cruz:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: nada.algharib@santacruzcounty.us

To advise County of Santa Cruz of your new email address

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at nada.algharib@santacruzcounty.us and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

To request paper copies from County of Santa Cruz

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to nada.algharib@santacruzcounty.us and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with County of Santa Cruz

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;

ii. send us an email to nada.algharib@santacruzcounty.us and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: https://support.docusign.com/guides/signer-guide-signing-system-requirements.

Acknowledging your access and consent to receive and sign documents electronically

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

By selecting the check-box next to 'I agree to use electronic records and signatures', you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify County of Santa Cruz as described above, you consent to
 receive exclusively through electronic means all notices, disclosures, authorizations,
 acknowledgements, and other documents that are required to be provided or made
 available to you by County of Santa Cruz during the course of your relationship with
 County of Santa Cruz.

Certificate Of Completion

Envelope Id: 2565E9D148B74396997D638BFB135EE5

Subject: Complete with DocuSign: Scotts_Valley_Library_Lease_Final.pdf

Source Envelope:

Document Pages: 26 Signatures: 5 Envelope Originator: Certificate Pages: 5 Initials: 0 Kimberly Finley 701 Ocean Street

AutoNav: Enabled

Envelopeld Stamping: Enabled

Santa Cruz, CA 95060 Time Zone: (UTC-08:00) Pacific Time (US & Canada) Kimberly.Finley@santacruzcountyca.gov

Signature Adoption: Drawn on Device

Signature Adoption: Pre-selected Style Using IP Address: 205.155.237.34

Using IP Address: 12.39.145.2

Yolande Wilburn

A82DE5A8BDE4C0

IP Address: 63.194.190.100

Status: Completed

Record Tracking

Status: Original Holder: Kimberly Finley Location: DocuSign

Kimberly.Finley@santacruzcountyca.gov 10/10/2023 9:31:49 AM Security Appliance Status: Connected Pool: FedRamp

Storage Appliance Status: Connected Pool: County of Santa Cruz Location: DocuSign

Signature

Signer Events

bchoi@abc-law.com

Barbara Choi

Χ

Security Level: Email, Account Authentication (None)

Electronic Record and Signature Disclosure: Accepted: 5/25/2022 2:00:27 PM

ID: 43a42096-5645-4cda-868d-53e48da5cdf0

wilburny@santacruzpl.org

Yolande Wilburn

Security Level: Email, Account Authentication

(None)

Electronic Record and Signature Disclosure:

Accepted: 10/10/2023 10:07:41 AM ID: c49806ee-71eb-4920-9851-c722d7abb44a

Kirsten Powell

kpowell@scottsvalley.gov

Security Level: Email, Account Authentication

(None)

Electronic Record and Signature Disclosure:

Accepted: 10/11/2023 9:33:14 AM

ID: ea65c15f-c4b6-454a-9805-61bfbe719bad

Mali LaGoe

mlagoe@scottsvalley.org

City Manager

Security Level: Email, Account Authentication

(None)

DocuSigned by

Mali LaGor

Signature Adoption: Pre-selected Style Using IP Address: 50.175.157.138

Electronic Record and Signature Disclosure:

Timestamp

Sent: 10/10/2023 9:42:13 AM Viewed: 10/10/2023 9:42:57 AM Signed: 10/10/2023 9:43:16 AM

Sent: 10/10/2023 9:43:18 AM

Viewed: 10/10/2023 10:07:41 AM Signed: 10/10/2023 10:08:08 AM

DocuSigned by:

kirsten Powell

Signature Adoption: Pre-selected Style Using IP Address: 12.189.244.153

Signed using mobile

Sent: 10/10/2023 10:08:09 AM Resent: 10/24/2023 8:46:05 AM

Viewed: 10/25/2023 9:22:46 AM Signed: 10/27/2023 5:39:33 AM

Sent: 10/27/2023 5:39:34 AM

Viewed: 10/27/2023 8:34:24 AM

Signed: 10/27/2023 8:34:57 AM

Signer Events

Signature

Timestamp

Accepted: 10/27/2023 8:34:24 AM

ID: 81d5e071-872e-45af-a9ac-07aa1ada8691

Matt Machado

Matt.Machado@santacruzcounty.us

Security Level: Email, Account Authentication

(None)

DocuSigned by: Matt Machado 471C42FA44284B0..

Signature Adoption: Pre-selected Style Using IP Address: 63.194.190.100

Sent: 10/27/2023 8:34:58 AM Viewed: 10/27/2023 12:37:26 PM Signed: 10/27/2023 12:37:44 PM

Electronic Record and Signature Disclosure:

Accepted: 10/27/2023 12:37:26 PM ID: 61220961-49f1-4089-840a-cd8532cbb8f4

In Person Signer Events	Signature	Timestamp				
Editor Delivery Events	Status	Timestamp				
Agent Delivery Events	Status	Timestamp				
Intermediary Delivery Events	Status	Timestamp				
Certified Delivery Events	Status	Timestamp				
Carbon Copy Events	Status	Timestamp				
Witness Events	Signature	Timestamp				
Notary Events	Signature	Timestamp				
Envelope Summary Events	Status	Timestamps				
Envelope Sent Certified Delivered Signing Complete Completed	Hashed/Encrypted Security Checked Security Checked Security Checked	10/10/2023 9:42:13 AM 10/27/2023 12:37:26 PM 10/27/2023 12:37:44 PM 10/27/2023 12:37:44 PM				
Payment Events	Status	Timestamps				
Electronic Record and Signature Disclosure						

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, County of Santa Cruz (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

Getting paper copies

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact County of Santa Cruz:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: nada.algharib@santacruzcounty.us

To advise County of Santa Cruz of your new email address

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at nada.algharib@santacruzcounty.us and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

To request paper copies from County of Santa Cruz

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to nada.algharib@santacruzcounty.us and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with County of Santa Cruz

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;

ii. send us an email to nada.algharib@santacruzcounty.us and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: https://support.docusign.com/guides/signer-guide-signing-system-requirements.

Acknowledging your access and consent to receive and sign documents electronically

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

By selecting the check-box next to 'I agree to use electronic records and signatures', you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify County of Santa Cruz as described above, you consent to
 receive exclusively through electronic means all notices, disclosures, authorizations,
 acknowledgements, and other documents that are required to be provided or made
 available to you by County of Santa Cruz during the course of your relationship with
 County of Santa Cruz.