

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**

SUBLESEE: 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



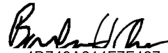



SANTA CRUZ PUBLIC LIBRARIES	COUNTY OF SANTA CRUZ
<p>DocuSigned by:  2A82DE5A8BDE4C0... Director of Libraries</p> <p>10/10/2023 Date</p>	<p>Matt Machado, Deputy CAO, Director of Community Development and Infrastructure</p> <p>DocuSigned by:  471C42FA44284B0... Date</p> <p>10/10/2023 Date</p>
<p>APPROVED AS TO FORM:</p> <p>DocuSigned by:  4D749A214F7F427... Library General Counsel</p> <p>10/10/2023 Date</p>	<p>APPROVED AS TO FORM:</p> <p>DocuSigned by:  40E85ACDEDAB42D... Office of County Counsel</p> <p>8/14/2023 Date</p> <p>8/14/23 (AMS 14691)</p>
	<p>APPROVED AS TO INSURANCE:</p> <p>DocuSigned by:  F88BB4ED1F11445... Risk Management</p> <p>8/15/2023 Date</p>
	<p>RECOMMENDED FOR APPROVAL:</p> <p>DocuSigned by:  553123D22A0D4B5... Real Property</p> <p>8/14/2023 Date</p>
	<p>RECOMMENDED FOR APPROVAL:</p> <p>_____ City of Scotts Valley</p> <p>_____ Date</p>

EXHIBIT "A"
Master Lease

EXHIBIT "B"
Premises

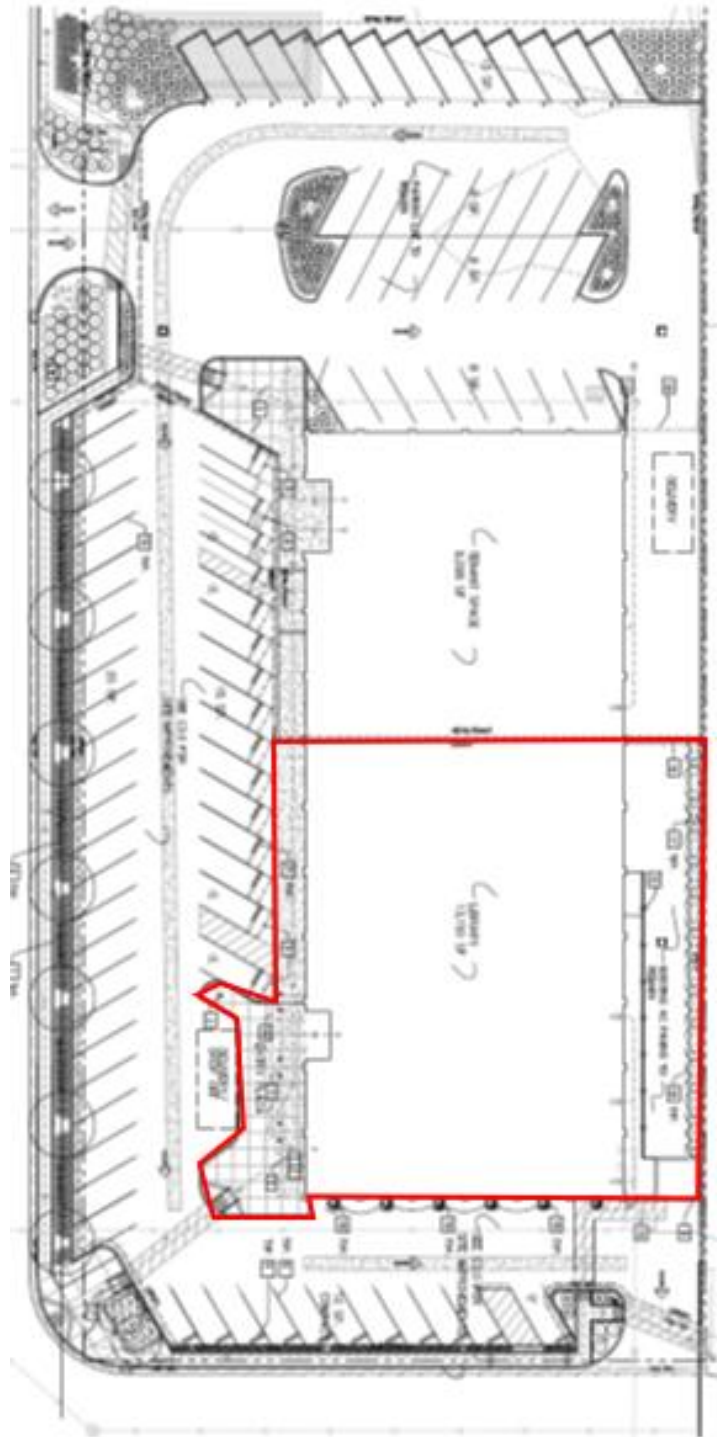


EXHIBIT "C"
INSURANCE REQUIREMENTS

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

