

LEASE SUMMARY

LESSOR

City of Laguna Beach, a municipal corporation

TENANT

County of Orange, a political subdivision of the State of California

LIBRARY PURCHASE PRICE PRINCIPAL

The \$4,290,000 paid by City to County to purchase the property. The parties agree that the Principal shall be used for library purposes within the City, including tenant improvements, FF&E, and mutually agreed upon related costs.

PREMISES

Approximately 9,840 S.F. in the building located at 363 Glenneyre street, Laguna Beach.

USE

Free public library and related services.

PARKING

Ten parking spaces for use by County staff.

TERM

25 years, commencing on the day after the completion of the sale of the property from the County to the City. Tenant shall have the right to extend the lease for one, 25-year period.

OPTION TO EXTEND LEASE TERM

Tenant shall have the option to extend the term of this Lease under the same terms and conditions, for one, 25-year period following the expiration of the Lease term by providing City written notice of election to extend between 9 and 12 months prior to expiration of the term.

OPTION TO TERMINATE LEASE

Either party may terminate the Lease by providing at least 18 months written notice to the other party prior to said termination. If the majority of the Library Purchase Price Principal is expended, the Lease may not be terminated within 15 years after the completion of capital improvements made to the property.

RENT

\$0 per month in exchange for the County providing free public library services to the community.

COUNTY WORK AND CAPITAL IMPROVEMENT PLAN

County and City shall develop a capital improvement plan for the property within 24 months of the effective date of the Lease. Work will be funded by the Library Purchase Price Principal. Any costs in excess of the Principal amount will be City's responsibility.

COUNTY ALTERATIONS

County may make critical safety and maintenance improvements and changes using the Library Purchase Price Principal. County shall notify City of planned alterations. City shall not unreasonably withhold, condition or delay permit approval of said alterations.

ORANGE COUNTY TELECOMMUNICATIONS NETWORK

County may install telecommunication and security card access systems in, on or around the Premises. Work performed as part of the capital improvement plan will be funded by the Library Purchase Price Principal.

REPAIR, MAINTENANCE, AND JANITORIAL SERVICES

County shall be responsible for interior janitorial, library and personal property repair and maintenance, pest control, interior fire extinguishers, interior surfaces, carpet and interior paint. These services shall be funded from the Library Purchase Price Principal.

City shall be responsible for repair, maintenance, and replacement for the Premises, building and its systems, including but not limited to the structural portions of the building, roof, parking, HVAC, plumbing, electrical, mechanical, fire/life safety, termite tenting and landscaping. County shall attempt to contact City for same day emergency repairs/service. If City is unable or refuses to make necessary repairs, County may perform the work and seek reimbursement from City.

UTILITIES

County's responsibility except for Chamber of Commerce's space if it can be separately metered.

BUILDING AND SAFETY REQUIREMENTS

City is responsible for maintaining Premises in compliance with all laws, rules, regulations, codes, statutes and orders. If repair or maintenance is required as a result of County's acts or omissions, County shall be responsible for the cost.

ASSIGNMENT/SUBLETTING

Assignment and subletting prohibited without prior consent from City except for license agreement with the Friends of the Library.

INSURANCE

City shall maintain insurance during the term of the Lease in the following amounts:

Coverage

Commercial General Liability, to include Broad Form Property Damage and Contractual Liability

Minimum Limits

\$1,000,000 combined single limit per occurrence

\$2,000,000 aggregate

Other requirements:

- 30-day cancellation notice
- County to be named as additional insured
- Any insurance issued by County to be in excess of and shall not be contributory to any of Tenant's policies
- If Lease terminated for lack of insurance, Lease may, at Director's option, be reinstated if proof of insurance is provided within 10 days of termination and a \$200 processing fee is paid.

County shall maintain self-insurance during the term of the Lease in the following amounts:

Coverage

Commercial General Liability

Minimum Limits

\$1,000,000 combined single limit per occurrence

\$2,000,000 aggregate

Auto Liability

\$1,000,000 per accident

Workers Compensation

Statutory limit

Employers' Liability

\$1,000,000 per accident or disease

TOXIC MATERIALS

County shall comply with all laws and regulations.