

**AGREEMENT BETWEEN THE COUNTY OF ORANGE AND THE CITY OF IRVINE
FOR TRANSFER OF LIBRARY SERVICES**

This Agreement (“Agreement”) is being made and entered into by and between (i) the County of Orange, a political subdivision of the State of California (“County”), which includes Orange County Public Libraries (“OCPL”), and (ii) the City of Irvine, a municipal corporation (“City”). The County, acting on its own behalf and on behalf of OCPL, and City are sometimes referred to in this Agreement as a “Party” and are collectively referred to as “Parties.”

RECITALS

A. OCPL is operated and administered by the County as a county free library system organized under the provisions of California Education Code Section 19100 et seq. (“OCPL System”) that provides library services at branch locations throughout the County. OCPL is funded by taxes levied upon property in those areas served by OCPL and receives a percentage of the property tax revenues collected.

B. The City has been a member of the OCPL System and the OCPL provides library services to the residents of City. OCPL operates three (3) library branches in the City known as the Irvine Heritage Park Library, Irvine University Park Library, and Irvine Katie Wheeler Library (the “Branch Libraries”). The County owns the real property at the Irvine University Park Library and Irvine Katie Wheeler Library. The City owns the real property at the Irvine Heritage Park Library and leased it to the County under a long-term lease (the “Heritage Park Lease”).

C. On or about May 22, 2012, the County and City entered into a memorandum of understanding (“2012 MOU”) in which the City, in exchange for certain promises by the County, promised to not withdraw from the OCPL System while the MOU remained in effect. The 2012 MOU, and all rights and obligations thereunder, expired on May 22, 2022.

D. The City now desires to withdraw from the OCPL System and operate its own municipal library system following its withdrawal.

E. The County will facilitate the City’s decision to withdraw from the OCPL System in accordance with the terms of this Agreement.

F. California Education Code Section 19104, Government Code Section 54900, and Revenue and Taxation Code Section 99 govern the process that the Parties will follow to complete the City’s withdrawal from the OCPL System. Revenue and Taxation Code Section 99 provides that before the effective date of a jurisdictional change, the affected agencies shall negotiate the amount of property tax revenue to be exchanged.

G. The County and City have negotiated a property tax exchange, transfer of certain library personal property and library collection materials from OCPL to the City, a lease agreement for a library branch location in the City, and other consideration, and now desire to enter into this Agreement to provide for all of the same.

H. The Parties intend that funding in the amount of the County’s portion of property tax revenue under the Parties’ property tax exchange agreement shall be appropriated by the County for OCPL services effective July 1, 2025, and continuing each year thereafter, to ensure that the City’s withdrawal from the OCPL System will not have a negative impact on the OCPL System and existing/remaining member-cities as required by Resolution of 96-903 of the Board of Supervisors of Orange County.

NOW, THEREFORE, in consideration of the mutual obligations and agreements set forth herein, both Parties mutually agree as follows:

//

//

AGREEMENT

1. Incorporation of Recitals. The above Recital paragraphs A through H are hereby incorporated into this Agreement by reference.
2. City Responsibilities.
 - a. Notice of Intent Resolution: Concurrent with its approval of this Agreement, the City Council shall authorize the execution of a resolution conveying the City's Notice of Intent to Withdraw from the OCPL System, as required by Education Code Section 19104, in substantially the form and substance attached hereto as Exhibit 1 ("Notice of Intent Resolution").
 - b. Tax Exchange Resolution – City: Concurrent with its approval of this Agreement (which shall occur no later than July 23, 2024), the City Council shall adopt a resolution approving the property tax exchange described in this Agreement, in substantially the form and substance attached hereto as Exhibit 2 ("Tax Exchange Resolution – City").
 - c. University Park Lease: Concurrent with the approval of this Agreement, the City Council shall authorize the execution of a market rate lease for University Park Library in substantially the form and substance attached hereto as Exhibit 4 ("University Park Lease").
 - d. Delivery of Tax Exchange Resolution – City: Within ten (10) days following the City's approval of the Tax Exchange Resolution – City, the City shall deliver to County an executed copy of this Agreement and the Tax Exchange Resolution – City.

- e. Delivery of Notice of Intent Resolution and Government Code Section 54900 Statement: Within ten (10) days following the effective date of this Agreement, the City shall serve upon the County the Notice of Intent Resolution, together with a statement complying with the requirements of Chapter 8 (commencing with Section 54900) of Part 1 of Division 2 of Title 5 of the Government Code.
 - f. Library Services Transition: From the effective date through June 30, 2025, the City shall prepare to assume and provide, library services to City residents effective July 1, 2025 as described in Section 8 (Transition Plan) below.
3. County Responsibilities.
- a. Tax Exchange Resolution – County: Concurrent with its approval of this Agreement (which shall occur no later than August 30, 2024), the Board of Supervisors shall adopt a resolution approving the property tax exchange described in this Agreement, in substantially the form and substance attached hereto as Exhibit 3 (“Tax Exchange Resolution – County”).
 - b. University Park Lease: Concurrent with the approval of this Agreement, the Board of Supervisors shall authorize the execution of the University Park Lease in substantially the form and substance attached hereto as Exhibit 4.
 - c. Implementing Actions: Within twenty (20) days following its receipt from the City of the Notice of Intent Resolution and statement complying with the requirements of Chapter 8 (commencing with Section 54900) of Part 1 of Division 2 of Title 5 of the Government Code as required by Section 2(e), above, the County’s Clerk of the Board shall file that statement with the County

Assessor, County Auditor, and the State Board of Equalization in accordance with Education Code Section 19104.

- d. Continuing Services Through June 30, 2025: Up through and including June 30, 2025, OCPL shall continue to provide library services in Irvine, subject to the transition procedures described in Section 8 (Transition Plan) below.
- e. University Park Bill of Sale: On or before June 23, 2025, the County shall transfer to the City the ownership, at no cost to the City, of the furniture, fixtures, and equipment that are located at the Irvine University Park Library and identified in the Bill of Sale for Irvine University Park Library Furniture, Fixtures, and Equipment Transferred to City (“Bill of Sale for University Park”) attached hereto as Exhibit 5, which shall be effective as of July 1, 2025, according to the terms of the Bill of Sale for University Park. The list of assets attached as Appendix A to the Bill of Sale for University Park can be modified by mutual agreement of the Parties prior to its execution, and the Parties agree that the final quantity and quality of assets to be transferred to the City will vary in certain respects from the preliminary list of assets due to depreciation, changes, and losses incurred during normal business operations. The County will use reasonable efforts to provide assets that are substantially similar, in quantity and quality, to those listed in the preliminary list of assets identified in Appendix A to the Bill of Sale for University Park. This transfer shall exclude furniture, fixtures, and equipment that are restricted for transfer by a funding source (e.g. federal e-rate funds), by law, or required for the OCPL System as a whole.

- f. Irvine Heritage Park Bill of Sale: On or before June 23, 2025, the County shall transfer to the City the ownership, at no cost to the City, of the furniture, fixtures, and equipment that are located at the Irvine Heritage Park Library and identified in the Bill of Sale for Irvine Heritage Park Library Furniture, Fixtures, and Equipment Transferred to City (“Bill of Sale for Heritage Park”) attached hereto as Exhibit 6, which shall be effective as of July 1, 2025 according to the terms of the Bill of Sale for Heritage Park. The list of assets attached as Appendix A to the Bill of Sale for Heritage Park can be modified by mutual agreement of the Parties prior to its execution, and the Parties agree that the final quantity and quality of assets to be transferred to the City will vary in certain respects from the preliminary list of assets due to depreciation, changes, and losses incurred during normal business operations. The County will use reasonable efforts to provide assets that are substantially similar, in quantity and quality, to those listed in the preliminary list of assets identified in Appendix A to the Bill of Sale for Heritage Park. This transfer shall exclude furniture, fixtures, and equipment that are restricted for transfer by a funding source (e.g. federal e-rate funds), by law, or required for the OCPL System as a whole.
- g. Transfer of Library Collection Materials: On or before June 23, 2025, the County shall transfer approximately 167,000 items of library collection materials, at no cost to the City, pursuant to the Bill of Sale for Library Collection Materials Transferred to City (“Bill of Sale for Collection Materials”) attached hereto as Exhibit 7, which shall be effective as of July 1, 2025. The Bill of Sale for Collection Materials may include

items that were located at the Irvine University Park Library location and/or the Irvine Heritage Park Library location and transferred to the City as described in Section 3(e) and 3(f) of this Agreement. The list of library collection materials attached as Appendix A to the Bill of Sale for Collection Materials can be modified by mutual agreement of the Parties prior to its execution, and the Parties agree that the final quantity and quality of library collection materials to be transferred to the City will vary in certain respects from the preliminary list of library collection materials due to depreciation, changes, and losses incurred during normal business operations. The County will use reasonable efforts to provide assets that are substantially similar, in quantity and quality, to those listed in the preliminary list of library collection materials identified in Appendix A to the Bill of Sale for Collection Materials. The County shall reasonably cooperate with the City to provide the ISBN, author, title, publisher, and publication date, for and associated with the materials transferred to the City pursuant to the Bill of Sale for Library Collection materials, provided such information is available for the collection materials.

4. Property Tax Exchange. Under this Agreement, the Tax Exchange Resolution – City, and the Tax Exchange Resolution – County, the City and the County agree to the following payments and allocations:

a. For the 2025/2026 fiscal year, effective July 1, 2025 through June 30, 2026:

- i. The County shall receive the property tax revenue into its General Fund that would have been allocated to OCPL from property taxes levied on property within the City's borders if the City had not withdrawn from the OCPL System; and

- ii. The County shall pay to the City \$9 million from its General Fund according to the following schedule:

Payment Due Date	Payment Amount
July 1, 2025	\$4,500,000
April 20, 2026	\$4,500,000

- b. Effective July 1, 2026, and each year thereafter: The City shall be apportioned fifty percent (50%) and the County shall be apportioned fifty percent (50%) of the property tax revenue that would have been allocated to OCPL for county free library system services from property taxes levied on property within the City’s borders if the City had not withdrawn from the OCPL System, including both the base year value and future annual tax increment growth, in accordance with Exhibit 2 (Tax Exchange Resolution – City) and Exhibit 3 (Tax Exchange Resolution – County).

5. Necessary Documents. The Parties acknowledge and agree that all necessary documents including, but not limited to, City Council and Board of Supervisor resolutions, must be completed and filed with the California Board of Equalization, County Assessor, and County Auditor by December 1, 2024 in order for the City to begin receiving the negotiated property tax exchange revenues for the 2025/2026 fiscal year (“Tax Exchange Steps”). If all Tax Exchange Steps are not completed and filed by December 1, 2024 this Agreement and the University Park Lease shall immediately terminate, and have no further force or effect, without the need for further authorization or action by either Party.

6. Termination of Heritage Park Lease. The Parties shall enter into an agreement, and take such steps as are necessary, to terminate the Heritage Park Lease as of July 1, 2025, with neither party owing any payment, consideration, or termination fee to the other under the Heritage

Park Lease including, but not limited to, the City's obligation to purchase the Demised Premises (defined in the Heritage Park Lease) in connection with the City's withdrawal from the OCPL System under clause 13 (Obligation to Purchase) of the Heritage Park Lease. Neither the agreement to terminate the Heritage Park Lease nor anything herein shall undermine the County's rights to the personal property described in clauses 12 (Ownership of Improvements at Expiration of Lease) and 13(D) (Obligation to Purchase) of the Heritage Park Lease; provided however, that the County shall take commercially reasonable efforts to remove all personal property at the Heritage Park library, except for the items specified in the Bill of Sale for Heritage Park, on or before July 1, 2025.

7. Irvine Katie Wheeler Library. The Parties acknowledge and agree that (i) the County retains all rights, title, and interests to the Irvine Katie Wheeler Library and nothing herein affects the County's rights, title, or interest to the Irvine Katie Wheeler Library, the furniture, fixtures and equipment contained therein, or other contents of the Irvine Katie Wheeler Library, and (ii) the City has no responsibility, and shall have no responsibility, whatsoever for the operation of the Irvine Katie Wheeler Library.

8. Transition Plan. In addition to other actions described in this Agreement, the Parties will implement the transition of library services to the City according to the following schedule:

a. Effective Date of this Agreement through March 31, 2025:

- i. OCPL shall operate the Branch Libraries located in the City; plan, prepare for, and complete preliminary steps to transition services to the City, vacate the Irvine Heritage Park Library and Irvine University Park

Library, and close the Irvine Katie Wheeler Library as a OCPL branch library.

- ii. The City shall plan, prepare for, and complete preliminary steps to assume library services from the County and provide library services under its new municipal library system as of July 1, 2025.

b. April 1, 2025 through May 15, 2025:

- i. The County shall actively work towards vacating the Heritage Park Library and University Park Library locations and implementing the City's withdrawal from the OCPL System. The County shall perform tasks such as completing inventories, packing and moving items, and relocating staff. In order to facilitate these efforts, OCPL will reduce the Branch Libraries' hours of operation and adjust the services provided.
- ii. The County shall provide and the City shall receive reasonable access to the Irvine University Park Library and the Irvine Heritage Park Library to inspect and prepare for the transition of library services from OCPL to the City as of July 1, 2025.

c. May 16, 2025 through June 30, 2025:

- i. Irvine University Park and Irvine Heritage Park Libraries shall be closed to the public to allow the County to pack and move items, and prepare for the transfer of library services to the City.
- ii. The County shall provide and the City shall receive reasonable access to the Irvine University Park Library and the Irvine Heritage Park

Agreement for Transfer of Library Services

Library to inspect and prepare for, and take all reasonable steps necessary for the transition of library services from OCPL to the City as of July 1, 2025.

9. Effective Date. This Agreement shall be effective as of the date the last of the Parties has executed the same (“Effective Date”).

10. Waiver and Release. If all Tax Exchange Steps are completed on or prior to December 1, 2024, then, effective December 2, 2024, the City and its successors and assigns, hereby waive, release and discharge the County and its elected and appointed officials, officers, successors, assigns, representatives, officers, directors, employees, heirs, administrators, agents, and those special districts and agencies for which the County’s Board of Supervisors acts as the governing board from any and all claims, rights, debts, liabilities, liens, losses, demands, obligations, promises, acts, representations, costs, expenses (including without limitation, attorneys’ fees), damages, suits, actions of whatever kind or nature whether known or unknown, suspected or unsuspected that arise from or are related to property tax revenue obtained from property taxes levied on property in the City and allocated to OCPL for the County free library services including, but not limited to, funds that were governed by, or related to, the 2012 MOU.

11. Statement of Mutual Cooperation. The City and the County acknowledge that numerous actions will have to be considered and approved by all the Parties in order to effectuate the terms of this Agreement. The Parties agree to cooperate and assist each other and to use their best efforts to accomplish those tasks necessary to implement the terms of this Agreement.

12. Governing Law and Venue. This Agreement has been negotiated and executed in the State of California and shall be governed by and construed under the laws of the State of California. In the event of any legal action to enforce or interpret this Agreement, the sole and

exclusive venue shall be a court of competent jurisdiction located in Orange County, California, and the Parties hereto agree to and do hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure Section 394. Furthermore, the Parties specifically agree to waive any and all rights to request that an action be transferred for adjudication to another county.

13. Entire Agreement. Except for the Heritage Park Lease and the University Park Lease, this Agreement contains the entire agreement between the Parties with respect to the matters herein, and there are no restrictions, promises, warranties or undertakings other than those set forth herein or referred to herein, and this Agreement supersedes and replaces any prior agreements as to those matters, whether oral or written, including the 2012 MOU. Acceptance of any additional terms, conditions or supplemental Agreements by any employee or agent of any of the Parties shall not be valid or binding on any Party unless a duly executed amendment to the Agreement is executed as described in Section 14 (Amendments).

14. Amendments. This Agreement may be amended at any time, but only by a written amendment mutually approved by the City's City Council and the County's Board of Supervisors. No oral understanding or agreement not incorporated herein shall be binding on any of the Parties; and no exceptions, alternatives, substitutes or revisions are valid or binding on any Party unless authorized by all of the Parties in writing.

15. Assignment. The terms, covenants, and conditions contained herein shall apply to and bind the heirs, successors, executors, administrators and assigns of the Parties. Neither the performance of this Agreement nor any portion thereof may be assigned by City without the express written consent of the County. Any attempt by the City to assign the performance or any portion thereof of this Agreement without the express written consent of the County shall be

invalid and shall constitute a breach of this Agreement. Likewise, neither the performance of this Agreement nor any portion thereof may be assigned by the County without the express written consent of the City. Any attempt by the County to assign the performance or any portion thereof of this Agreement without the express written consent of the City shall be invalid and shall constitute a breach of this Agreement.

16. Consent to Breach Not Waiver. No term or provision of this Agreement shall be deemed waived and no breach excused, unless such waiver or consent shall be in writing and signed by the Party claimed to have waived or consented. Any consent by any Party to, or waiver of, a breach by the other, whether express or implied, shall not constitute consent to, waiver of, or excuse for any other different or subsequent breach.

17. Independent Contractor.

- a. The City shall be considered an independent contractor and neither the City, its employees, nor anyone working under the City shall be considered an agent or an employee of the County. Neither the City, its employees nor anyone working under the City shall qualify for workers' compensation or other fringe benefits of any kind through the County.
- b. The County shall be considered an independent contractor and neither the County, its employees, nor anyone working under the County shall be considered an agent or an employee of the City. Neither the County, its employees nor anyone working under the County shall qualify for workers' compensation or other fringe benefits of any kind through the City.

18. Severability. If any term, covenant, condition or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of

the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

19. Attorneys' Fees. In any action or proceeding to enforce or interpret any provision of this Agreement, each Party shall bear their own attorneys' fees, costs, and expenses.

20. Interpretation. This Agreement has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with in this Agreement. In addition, each Party has been represented by experienced and knowledgeable independent legal counsel of their own choosing or has knowingly declined to seek such counsel despite being encouraged and given the opportunity to do so. Each Party further acknowledges that they have not been influenced to any extent whatsoever in executing this Agreement by any other Party hereto or by any person representing them, or both. Accordingly, any rule or law (including California Civil Code Section 1654) or legal decision that would require interpretation of any ambiguities in this Agreement against the Party that has drafted it is not applicable and is waived. The provisions of this Agreement shall be interpreted in a reasonable manner to effect the purpose of the Parties and this Agreement.

21. Indemnification.

- a. The City agrees to indemnify, defend with counsel approved in writing by the County, and hold the County, its elected and appointed officials, officers, employees, agents and those special districts and agencies which the County's Board of Supervisors acts as the governing Board ("County Indemnitees") harmless from any claims, demands or liability of any kind or nature including, but not limited to, personal injury or property damage, arising from or related

to the services, products or other performance provided by the City, its agents, employees, affiliates or subcontractors, pursuant to this Agreement.

- b. The County agrees to indemnify, defend with counsel approved in writing by the County, and hold the City, its elected and appointed officials, officers, employees, agents (“City Indemnitees”) harmless from any claims, demands or liability of any kind or nature including, but not limited to, personal injury or property damage, arising from or related to the services, products or other performance provided by the County, its agents, employees, affiliates or subcontractors, pursuant to this Agreement.
- c. If judgment is entered against the City and the County by a court of competent jurisdiction because of the concurrent active negligence of the City Indemnitees or the County Indemnitees, the City and the County agree that liability will be apportioned as determined by the court. Neither Party shall request a jury apportionment.

22. Signature in Counterparts. The Parties agree that separate copies of this Agreement and/or electronic signatures and handwritten signatures may be signed by each of the Parties, and this Agreement will have the same force and effect as if the original had been signed by all the Parties.

23. Notices. Any and all notices, requests, demands, and other communications contemplated, called for, permitted, or required to be given hereunder shall be in writing, except through the course of the Parties’ routine exchange of information and cooperation during the terms of the performance of services. Any written communications shall be deemed to have been duly given upon actual in-person delivery, if delivery is by direct hand, or upon delivery on the

actual day of receipt or no greater than four (4) calendar days after being mailed by U.S. certified or registered mail, return receipt requested, postage prepaid, whichever occurs first. The date of mailing shall count as the first day. All communications shall be addressed to the appropriate Party at the address stated herein or such other address as the Parties hereto may designate by written notice from time to time in the manner aforesaid.

City: City of Irvine
 1 Civic Center Plaza
 Irvine, CA 92606
 Attn: City Manager

County: County of Orange
 Attn: Dylan Wright, Director of OC Community Resources
 601 N Ross St, 6th Floor
 Santa Ana, CA 92701
 Email: dylan.wright@occr.ocgov.com

And

County of Orange
 Library Administration
 Attn: Julie Quillman, County Librarian
 1501 E. St. Andrew Place,
 Santa Ana, CA 92705
 Email:julie.quillman@occr.ocgov.com

24. No Third Party Beneficiaries. This Agreement is an agreement between the County and the City, and (A) confers no rights upon any of the Parties’ employees, agents, contractors, or subcontractors; and (B) precludes any actions or claims against, or rights of recovery from, any person not a Party hereto. The Parties expressly acknowledge and agree that they do not intend, by their execution of this Agreement, to benefit any person or entities not a signatory to the Agreement.

25. Independent Legal Advice. The County and the City, each represent, warrant, and agree that each has received independent legal advice from their respective attorneys with respect to the terms of this Agreement and with respect to the advisability of entering into this Agreement.

26. Necessary Efforts. The Parties agree that each will fulfill and undertake its obligations under this Agreement including, without limitation, taking all actions in executing and delivering all documents as are reasonably necessary to effectuate the terms of this Agreement.

27. Headings. The section headings in this Agreement are for convenience only and shall not be deemed to affect in any way the language of the provision to which they refer.

28. Authority to Sign. The individuals signing this Agreement have the authority to commit the Party they represent to the terms of this Agreement, and do so commit by signing.

29. Exhibits. The following Exhibits are attached hereto and made part of this Agreement as though set forth in full:

- a. Exhibit 1: A Resolution of The City Council of the City of Irvine, Notifying the Board of Supervisors of the County of Orange of the City of Irvine's Intent to Withdraw From the Orange County Free Library System Effective July 1, 2025, Pursuant to Education Code Section 19104
- b. Exhibit 2: A Resolution of the City Council of the City of Irvine Agreeing to the Transfer of Taxes Between the County of Orange and City of Irvine Pursuant to Revenue and Taxation Code Section 99
- c. Exhibit 3: Resolution of the Board of Supervisors of Orange County, California
- d. Exhibit 4: Lease – University Park Library
- e. Exhibit 5: Bill of Sale for Irvine University Park Library Furniture, Fixtures, and Equipment Transferred to City

- f. Exhibit 6: Bill of Sale for Irvine Heritage Park Library Furniture, Fixtures, and Equipment Transferred to City
- g. Exhibit 7: Bill of Sale for Library Collection Materials Transferred to City

//

//

//

Signature Page

IN WITNESS WHEREOF, the Parties hereto certify that they have read and understand all the terms and conditions contained herein and have hereby caused this Agreement to be executed by their duly authorized representatives.

CITY OF IRVINE
A California municipal corporation

By: Oliver Chi

Name: Oliver C. Chi

Title: City Manager

Dated: Jul 25, 2024

By: Carl Petersen

Name: Carl Petersen

Title: City Clerk

Dated: Jul 25, 2024

APPROVED AS TO FORM

By: Jennifer Farrell (Jul 25, 2024 14:56 PDT)
CITY ATTORNEY

Dated: Jul 25, 2024

COUNTY OF ORANGE
A Political Subdivision of the State of California
COUNTY AUTHORIZED SIGNATURE:

By: _____

Name: Dylan Wright

Title: Director of Orange County Community Services

Dated: _____

By: _____

Name: Julie Quillman

Title: County Librarian

Dated: _____

APPROVED AS TO FORM
Office of the County Counsel

By: DocuSigned by: John Cleveland
DEPUTY COUNTY COUNSEL

Dated: 7/31/2024

EXHIBIT 1

CITY COUNCIL RESOLUTION NO. 24-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRVINE, NOTIFYING THE BOARD OF SUPERVISORS OF THE COUNTY OF ORANGE OF THE CITY OF IRVINE'S INTENT TO WITHDRAW FROM THE ORANGE COUNTY FREE LIBRARY SYSTEM EFFECTIVE JULY 1, 2025, PURSUANT TO EDUCATION CODE SECTION 19104

WHEREAS, Orange County Public Libraries ("OCPL") is operated and administered by the County of Orange ("County") as a county free library system organized under the provisions of California Education Code section 19100 et seq. ("OCPL System") that provides library services at branch locations throughout the County; and

WHEREAS, OCPL currently provides library services to the people of the City of Irvine ("City"); and

WHEREAS, City desires to improve library service for the people of the City and desires to accomplish this by withdrawing from the OCPL System and establishing its own municipal library; and

WHEREAS, City will establish its own municipal library on or before July 1, 2025; and

WHEREAS, City and County have negotiated the transfer of property taxes between the County and City for library purposes pursuant to Revenue and Taxation Code section 99; the transfer of certain furniture, fixtures, and equipment and library collection materials from County to City; a lease of the Irvine University Park Library from County to City; other consideration; the transfer of library services from County to City effective July 1, 2025; and reached an agreement on these issues as set forth in that certain agreement titled "Agreement Between the County of Orange and the City of Irvine for Transfer of Library Services" ("Transfer Agreement") that was duly approved by the City on July 23, 2024; and

WHEREAS, the County is scheduled to consider approval of the Transfer Agreement and associated documents during August, 2024; this Resolution shall take effect only if the County approves the Transfer Agreement; and

WHEREAS, California Education Code section 19104, Government Code section 54900, and Revenue and Taxation Code section 99 govern the procedure by which a city participating in a county free library system must follow in order to withdraw from a county free library system; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Irvine, California resolves as follows:

SECTION 1. The City Council of the City of Irvine does hereby find, determine, and declare that each of the above recitals is true and correct and is adopted by the legislative body of the City.

SECTION 2. Pursuant to the provisions of Section 19104 of the California Education Code, the City Council of the City hereby adopts this Resolution notifying, and hereby notifies, the Board of Supervisors of the County that effective July 1, 2025, the City no longer desires to be part of the OCPL System and will withdraw from the OCPL System and will establish its own municipal library by said date.

SECTION 3. Further, this notice is accompanied by a statement complying with the requirements of Chapter 8 (commencing with Section 54900) of Part 1 of Division 2 of Title 5 of the Government Code of the State of California. Pursuant to the provisions of Education Code section 19104, the City hereby requests the Clerk of the Board of Supervisors to file the statement with the County Assessor, Auditor, and the State Board of Equalization in accordance with Education Code section 19104 and other applicable law.

SECTION 4. The City Manager is hereby authorized and directed to convey this intention to the County's Board of Supervisors within the time specified in the Transfer Agreement.

SECTION 5. This Resolution shall become effective on the effective date of the Transfer Agreement.

SECTION 6. That the City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original Resolutions.

PASSED AND ADOPTED by the City council of the City of Irvine at a regular meeting held on the __ day of _____, 2024.

MAYOR OF THE CITY OF IRVINE

ATTEST:

CITY CLERK OF THE CITY OF IRVINE

STATE OF CALIFORNIA)
COUNTY OF ORANGE) SS
CITY OF IRVINE)

I, CARL PETERSEN, City Clerk of the City of Irvine, HEREBY DO CERTIFY that the foregoing resolution was duly adopted at a regular meeting of the City Council of the City of Irvine held on the ___ day of _____, 2024

AYES COUNCILMEMBERS

NOES COUNCILMEMBERS

ABSENT COUNCILMEMBERS

ABSTAIN COUNCILMEMBERS

EXHIBIT 2

CITY COUNCIL RESOLUTION NO. 24-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRVINE AGREEING TO THE TRANSFER OF TAXES BETWEEN THE COUNTY OF ORANGE AND CITY OF IRVINE PURSUANT TO REVENUE AND TAXATION CODE SECTION 99

WHEREAS, Orange County Public Libraries (“OCPL”) is operated and administered by the County of Orange (“County”) as a county free library system organized under the provisions of California Education Code section 19100 et seq. (“OCPL System”) that provides library services at branch locations throughout the County; and

WHEREAS, OCPL currently provides library services to the people of the City of Irvine (“City”); and

WHEREAS, City desires to improve library service for the people of the City and desires to accomplish this by withdrawing from the OCPL System and establishing its own municipal library; and

WHEREAS, City will establish its own municipal library on or before July 1, 2025; and

WHEREAS, the City and County have negotiated the transfer of library services from County to City effective July 1, 2025 as set forth in that certain agreement titled “Agreement Between the County of Orange and the City of Irvine for Transfer of Library Services” (“Transfer Agreement”) that was duly approved by the City on July 23, 2024; and

WHEREAS, City and County have negotiated the transfer of property taxes between the County and City in exchange for the City taking over the provision of library services within the City pursuant to Revenue and Taxation Code section 99; and

WHEREAS, The County is scheduled to consider approval of the Transfer Agreement and associated documents in August 2024; this Resolution shall take effect only if the County approves the Transfer Agreement; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Irvine, California resolves as follows:

SECTION 1. The City Council of the City of Irvine does hereby find, determine, and declare that each of the above recitals is true and correct and is adopted by the legislative body of the City.

SECTION 2. Pursuant to the provisions of Revenue and Taxation Code section 99, the City hereby accepts the property tax transfer, whereby, subject to the timely

completion and filing of the documents required by California Education Code section 19104, Government Code section 54900, and Revenue and Taxation Code section 99, the following shall occur:

- a. For Fiscal Year 2025-26, effective July 1, 2025 through June 30, 2026, in consideration for the County’s payment to the City of nine million dollars (\$9,000,000) pursuant to the Transfer Agreement and in accordance with the schedule set forth therein, County shall receive the property tax revenue that would have been allocated to OCPL from property taxes levied on property within the City’s borders if City had not withdrawn from the OCPL System; and
- b. Effective July 1, 2026, and each year thereafter, County shall receive fifty percent (50%), and the City shall receive fifty percent (50%), of the property tax revenue that would have been allocated to OCPL for county free library system services from property taxes levied on property within the City’s borders if City had not withdrawn from the OCPL System, including both the base year value and future annual tax increment growth.

SECTION 3. City recognizes and agrees that the above property tax exchange is effective beginning July 1, 2025, and shall apply, in future years, to the allocation of property tax revenues that would have been allocated to OCPL from within the City’s borders if City had not withdrawn from the OCPL System, including both the base year value and future annual tax increment growth.

SECTION 4. This Resolution shall become effective on the effective date of the Transfer Agreement.

SECTION 5. That the City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original Resolutions.

PASSED AND ADOPTED by the City council of the City of Irvine at a regular meeting held on the__ day of _____, 2024.

MAYOR OF THE CITY OF IRVINE

ATTEST:

CITY CLERK OF THE CITY OF IRVINE

STATE OF CALIFORNIA)
COUNTY OF ORANGE) SS
CITY OF IRVINE)

I, CARL PETERSEN, City Clerk of the City of Irvine, HEREBY DO
CERTIFY that the foregoing resolution was duly adopted at a regular meeting of
the City Council of the City of Irvine held on the __ day of _____, 2024

AYES COUNCILMEMBERS

NOES COUNCILMEMBERS

ABSENT COUNCILMEMBERS

ABSTAIN COUNCILMEMBERS

EXHIBIT 3

RESOLUTION OF THE BOARD OF SUPERVISORS OF
ORANGE COUNTY, CALIFORNIA

August XX, 2024

WHEREAS, under California law, property tax revenue attributable to the pre-proposition 13 property taxes specifically levied for county free libraries is dedicated to county free libraries and the provision of library services; and

WHEREAS, Orange County Public Libraries (“OCPL”) operates the County of Orange’s (“County”) county free library system and is organized under the provisions of California Education Code Section 19100 et seq. (“OCPL System”); and

WHEREAS, OCPL provides library services at library branch locations throughout the County, is funded by taxes levied upon property in those areas served by OCPL, and receives a percentage of the property tax revenues collected; and

WHEREAS, OCPL serves the residents of the City of Irvine (“City”) and operates three library branch locations in the City known as the Irvine Heritage Park Library, Irvine University Park Library, and Irvine Katie Wheeler Library; and

WHEREAS, City desires to withdraw from the OCPL System and operate its own municipal library system following its withdrawal; and

WHEREAS, County and City negotiated the transfer of library services from County to City effective July 1, 2025, as reflected in the agreement titled “Agreement Between the County of Orange and the City of Irvine for Transfer of Library Services” (“Transfer Agreement”) and negotiated a property a property tax exchange; and

WHEREAS, the Transfer Agreement provides for, among other things, County and City staff to recommend that the Board of Supervisors and City Council approve, through their respective resolutions, a property tax exchange providing for the transfer of certain property tax revenue to City that would have been allocated to OCPL from property taxes levied within the City’s borders if City had not withdrawn from the OCPL System; and

WHEREAS, City approved the Transfer Agreement at its July 23, 2024 City Council meeting; and

WHEREAS, concurrent with the approval of this Resolution, the County has approved the Transfer Agreement; and

WHEREAS, the property tax exchange called for in California Revenue and Taxation Code Section 99 requires the adoption of property tax exchange resolutions by both the City and County; and

WHEREAS, the property taxes transferred to the City and the County as described herein will not change the amount of ad valorem property tax revenue otherwise allocated to the City pursuant to Section 98 of the Revenue and Taxation Code; and

WHEREAS, City adopted its property tax exchange resolution in City Council Resolution No. ____, at its July 23, 2024 City Council meeting.

NOW, THEREFORE, BE IT RESOLVED that this Board does hereby:

1. Pursuant to the provisions of Revenue and Taxation Code Section 99, accept the following property tax transfer, whereby, subject to the timely completion and filing of the documents required by California Education Code section 19104, Government Code section 54900, and Revenue and Taxation Code section 99, the following shall occur:
 - a. For Fiscal Year 2025-26, effective July 1, 2025 through June 30, 2026, in consideration for the County's payment to the City of nine million dollars (\$9,000,000) pursuant to the Transfer Agreement and in accordance with the schedule set forth therein, the County shall receive the property tax revenue that would have been allocated to OCPL from property taxes levied on property within the City's borders if City had not withdrawn from the OCPL System; and

- b. Effective July 1, 2026, and each year thereafter, County shall receive fifty percent (50%), and the City shall receive fifty percent (50%), of the property tax revenue that would have been allocated to OCPL for county free library system services from property taxes levied on property within the City's borders if City had not withdrawn from the OCPL System, including both the base year value and future annual tax increment growth; and
2. Recognize and agree that the above property tax exchange is effective July 1, 2025, and shall apply, in future years, to the allocation of property tax revenues that would have been allocated to OCPL from within the City's borders if City had not withdrawn from the OCPL System, including both the base year value and future annual tax increment growth.

EXHIBIT 4



CEO/RLS/OCPL-024-034
 University Park Library
 4512 Sandburg Way
 Irvine, CA 92612

LEASE

THIS IS A LEASE AGREEMENT (hereinafter referred to as “**Lease**”) made _____, 2024, (“**Effective Date**”) by and between COUNTY OF ORANGE, a political subdivision of the State of California (hereinafter referred to as “**County**”) and CITY OF IRVINE, a municipal corporation (hereinafter referred to as “**City**”). The County and City may individually be referred to herein as a “**Party**” or collectively as the “**Parties.**”

1. DEFINITIONS (1.0 SR)

The following words in this Lease shall have the significance attached to them in this Clause (DEFINITIONS), unless otherwise apparent from context:

“**Board of Supervisors**” means the Board of Supervisors of the County of Orange, a political subdivision of the State of California.

“**Building**” means the building commonly known as 4512 Sandburg Way, Irvine constituting a portion of the Premises.

“**CEO/Office of Risk Management**” means the Risk Manager, County Executive Office, Risk Management, County of Orange, or designee, or upon written notice to City, such other person or entity as shall be designated by the County Executive Officer or the Board of Supervisors.

“**Chief Real Estate Officer**” means the Chief Real Estate Officer, County Executive Office, County of Orange, or upon written notice to City, such other entity as shall be designated by the County Executive Officer.

“**County Executive Officer**” means the County Executive Officer, County Executive Office, County of Orange, or designee, or upon written notice to City, such other person or entity as shall be designated by the Board of Supervisors.

“**County Librarian**” means the County Librarian, OC Public Libraries, County of Orange, or designee, or upon written notice to City, such other person or entity as shall be designated by the County Executive Officer or the Board of Supervisors.

“**OC Public Libraries/Facilities Manager**” means the Manager, OC Public Libraries/Facilities Services, County of Orange, or designee, or upon written notice to City, such other person or entity as shall be designated by the County Librarian.

“**City Manager**” means the City Manager of the City of Irvine.

“**Risk Manager**” means the Risk Manager, County Executive Office, Risk Management, County of Orange, or designee, or such other person or entity as shall be designated by the County Officer or the Board of Supervisors.

2. PREMISES (1.1 SR)

County leases to City that certain property, including the improvements thereon, described in Exhibit A and shown on Exhibit B, which exhibits are attached hereto and by reference made a part hereof, of approximately 11,411 rentable square feet (“**RSF**”) in the Building located at 4512 Sandburg Way, Irvine, California (“**Premises**”), together with non-exclusive, in common use of washrooms, hallways, driveways for vehicle ingress and egress, pedestrian walkways, other facilities and common areas appurtenant to the Premises.

3. USE (1.2 SR)

City shall use the Premises to provide free public library services. City shall not use the Premises or any portion thereof for any illegal or unlawful purpose and will not cause or permit a nuisance to be created or maintained therein.

NO ALCOHOL, TOBACCO, OR MARIJUANA PRODUCTS SHALL BE SOLD FROM THE PREMISES. DRINKING ALCOHOLIC BEVERAGES AND SMOKING OF ANY KIND IS PROHIBITED INSIDE ANY BUILDING WITHIN THE PREMISES.

4. COUNTY’S USE RESERVATIONS AND RIGHT OF ENTRY (1.3 SR)

County reserves the right from time to time, without unreasonable interference and subject to coordination with City, to access and use a portion of the Premises for County use as well as to confirm that City is using the Premises consistent with those uses articulated in Clause 3 (USE). City shall cooperate with County during County’s access and use of said portion of the Premises. County shall make best efforts to notify City prior to accessing and using the Premises.

5. PARKING (1.4 SR)

Throughout the Term of the Lease, City shall have the exclusive right, without additional charge, to use all the parking spaces adjacent to the Premises as shown on Exhibit B. City’s use of said parking spaces shall be subject to all reasonable rules and regulations which are prescribed by County from time to time for the efficient operation of the parking areas for the Premises and provided to City in writing.

In addition to said parking spaces, City shall also provide parking for disabled persons (“**ADA Spaces**”) in accordance with the Americans with Disabilities Act, Section 7102 of the California Uniform Building Code and the applicable codes and/or ordinances relating to parking for disabled persons as established by the local jurisdiction in which the Premises is located where the provisions of such local codes and/or ordinances exceed or supersede the State requirements.

6. TERMINATION OF PRIOR AGREEMENTS (1.5 SR) – *Intentionally Omitted*

7. TERM (1.6 SR)

The term of this Lease shall be five (5) years (“**Term**”), commencing the first day of the first full calendar month following the Effective Date (“**Commencement Date**”). The Parties agree that the Commencement Date of this Lease will be confirmed in writing by either Party upon demand by the other. No later than six (6) months prior to the Lease termination date and upon written request by City, County agrees to meet and confer with City regarding a potential extension to the Term and the terms and conditions thereof.

8. OPTION TO EXTEND TERM (1.7 SR) – *Intentionally Omitted*

9. RENT (1.8 SR)

City agrees to pay to County as rent for the Premises the sum of forty thousand dollars (\$40,000) per month (“**Rent**”), with payment due on the first day of the first full calendar month following the Effective Date of this Lease (“**Rent Commencement Date**”), paid monthly thereafter. Rent owed for the period between the Effective Date and the Rent Commencement Date, if any, shall be paid based on a pro rata calculation and due with the first rent payment on the Rent Commencement Date. All other Rent payments owed throughout the Term shall be owed in advance.

The Parties agree that Rent shall be absolutely net to County and that, except as otherwise provided herein, City will pay all costs, charges, insurance premiums, taxes, utilities, expenses, and assessments of every kind and nature incurred for, against, or in connection with the Premises which arise or become due during the Term as a result of City’s use and occupancy of the Premises (not including possessory interest assessments which are addressed in Clause 30 (TAXABLE POSSESSORY INTEREST ASSESSMENTS)). Under no circumstances is County obligated or required to make any payment of any kind whatsoever or be under any other obligation or liability under this Lease except as expressly provided herein.

10. RENT ADJUSTMENT (1.9 SR)

The Rent payable by City to County for the Premises shall be automatically increased two percent (2%) per year.

11. RENT PAYMENT PROCEDURE (2.0 SR)

All Rent and other payments due under this Lease shall be delivered to:

County of Orange
Orange County Public Libraries
1501 E. St. Andrews’ Place, 2nd Floor
Santa Ana, CA 92701
Attn: County Librarian

The designated place of payment may be changed at any time by the County upon ten (10) days’ written notice to City. Rent payments made by check are to be made payable to “County of Orange.” City assumes all risk of loss if payments are made by mail.

No payment by City or receipt by County of a lesser amount than the payment due shall be deemed to be other than on account of the payment due, nor shall any endorsement or statement on any check or any letter accompanying any check or payment be deemed an accord and satisfaction, and County shall accept such check or payment without prejudice to County's right to recover the balance of the amount due or pursue any other remedy, in law or equity, or as set forth in this Lease. Nor shall County's acceptance of a lesser amount due or delay in pursuing full payment act as a legal bar against County's recovery of any amount due under this Lease.

All sums due under this Lease shall be paid in lawful money of the United States of America, without offset or deduction or prior notice or demand.

12. CHARGE FOR LATE PAYMENT (2.1 SR) – *Intentionally Omitted*

13. LEASE ADMINISTRATIVE COST (2.2 SR) – *Intentionally Omitted*

14. SECURITY DEPOSIT (2.3 SR) – *Intentionally Omitted*

15. REPAIR, MAINTENANCE, AND JANITORIAL SERVICES (2.8 NA)

- A. **City Services.** City shall provide, at its own cost and expense, except as otherwise provided in this Lease or as otherwise directed by County: (1) any and all necessary repairs, maintenance and replacements for the Building and Premises, including but not limited to the structure, walls, floor, ceiling, and all equipment, improvements, fixtures, plumbing and property within the Premises; and (2) the cleaning and refinishing of interior surfaces and repair of all damage caused by City's patrons' use and/or misuse of the Premises.

City shall provide at its sole cost and expense (except as otherwise provided in this Lease) all janitorial supplies and services to the Premises, including the supplying of restroom expendables and replacement of light bulbs and Light Emitting Diode (LED) lamps. Additionally, City shall provide at its sole cost and expense, any and all necessary repairs, maintenance and replacements for the Premises, Building (and systems therein), and parking lot in good order, condition and repair and in compliance with all applicable laws, including, but not limited to, the replacement, repair and maintenance of the structural portions of the Building, the roof of the Building, the parking facilities and all Building systems including the Heating, Ventilation, Air Conditioning ("HVAC") system, the plumbing, electrical and mechanical systems, fire/life safety system, elevators, roof, paving, fire extinguishers, pest control, and whether capital or non-capital (the "Services"). Notwithstanding the foregoing however, or anything in this Lease to the contrary, in the event that the cost of any single occurrence of replacement and/or repair shall exceed One Hundred Thousand Dollars (\$100,000.00), upon written request by City, County agrees to meet and confer with the City regarding reaching an agreement on the allocation of such costs between the Parties, taking into account the years remaining in the Term and the life of the improvements being replaced or repaired; excepting, however, contracts for routine maintenance or repair that might exceed this amount. City, at its sole expense, agrees to maintain all painted and carpeted surfaces within the Building; all landscaping immediately

surrounding the Premises; and the parking lot. In addition, the City shall provide specific inspection and maintenance services in accordance with Exhibit C, which is attached hereto and by this reference made a part hereof. City has inspected the Building and Premises, its improvements and systems, and takes occupancy “as-is.”

City shall keep the Premises clean and in good repair during any time which City, its agents, or employees use the Premises at its sole cost and expense. City shall be responsible for all costs relating to the operation and maintenance of the Premises.

If City fails to maintain or make repairs or replacements as required herein, County shall notify City in writing of said failure. Should City fail to correct the situation within five (5) days after receipt of written notice specifying the condition to be corrected (provided that such 5-day period may be extended accordingly if a longer time is necessary to correct the condition and City promptly commences such cure and diligently prosecutes it to completion), County may make the necessary correction or cause it to be made and the cost thereof, including but not limited to the cost of labor, materials, equipment, and an administrative fee equal to fifteen percent (15%) of the sum of such items, shall be paid by City within ten (10) days of receipt of a statement, including reasonable supporting documentation, of said cost from County. County may, at its sole option, choose other remedies available herein, or by law.

- B. **Warranties.** In order for the County to comply with the California Code of Regulations, Title 8, Section 5142 (“**Regulation 5142**”), and as it may be subsequently amended, City shall regularly inspect and maintain the HVAC system as required by Regulation 5142 and provide repair and maintenance accordingly. Inspections and maintenance of the HVAC system shall be documented in writing and City shall retain such records for at least five (5) years. City shall make all HVAC records required by this section available to County for examination and copying, within forty-eight (48) hours of a written request. City acknowledges that County may be subject to fines and/or penalties for failure to provide said records to regulatory agencies within the given timeframes. Should County incur fines and/or penalties as a direct result of City’s failure to provide said records to County in a timely manner and as set forth herein, City shall reimburse County for said fines and/or penalties within thirty (30) days upon written notice.
- C. **Business Hours.** City shall determine the hours of operation for the library services (“**Normal Business Hours**”).
- D. **Emergency Services.** If County requires same day emergency repairs and/or services (“**Emergency Services**”), County shall first contact the City. If the City cannot be reached following reasonable efforts by the County and/or is not available for such Emergency Services, and the Emergency Services are necessary to remedy the emergency condition or to prevent imminent danger to persons or property, or if following such contact by County the City is unable or refuses to provide the necessary Emergency Services, County may have the necessary repairs made and/or provide Emergency Services to remedy the emergency condition and seek reimbursement from the City for said Emergency Services. County shall document all efforts made to contact the City for any such Emergency Services and shall provide such documentation to City upon request. Any inability or

refusal by City to provide Emergency Services shall be confirmed in writing by City.

16. UTILITIES (2.9 N)

City shall be responsible for and pay, prior to the delinquency date, all charges for utilities supplied to the Premises.

17. RECORDS AND ACCOUNTS (2.4 SR) – *Intentionally Omitted*

18. ORANGE COUNTY TELECOMMUNICATIONS NETWORK - *Intentionally Omitted*

19. CONSTRUCTION AND/OR ALTERATIONS BY CITY (2.6 SR)

County's Consent. No structures, improvements, or facilities shall be constructed, erected, altered, or made within the Premises without prior written consent of County. Before commencing any construction, erection, or alterations to the Premises, City shall submit to County a set of plans or schematics indicating the proposed work to be completed and the effect any such work will have on the Premises. County shall provide written comments or consent to City within sixty (60) days from receipt thereof regarding City's plans. Any conditions relating to the manner, method, design, and construction of said structures, improvements, or facilities fixed by the County as a condition to granting such consent, shall be conditions hereof as though originally stated herein. City may, at any time and at its sole expense, install and replace business fixtures and equipment constructed by City, within the Premises.

Strict Compliance with Plans and Specifications. All improvements constructed by City within the Premises shall be constructed in strict compliance with detailed plans and specifications approved by County and to the extent applicable, in compliance with the requirements of California Public Contract Code Section 22000 *et seq.*, and Labor Code Sections 1720-1824, which require those improvements to be constructed as if such improvements had been constructed under the direction and supervision, or under the authority, of County.

Permits. All County approved improvements to the Premises shall be constructed in accordance with valid permits and all applicable laws and in a good and workmanlike manner, including, but limited to, (a) City shall be required to secure the faithful performance of construction and completion of construction of the improvement by appropriate contractor's bonds as required by the California Public Contracts Code and shall require its contractor or contractors to pay the prevailing rate of per diem wages for work of a similar character in the locality of the County and not less than the general prevailing rate of per diem wages for holiday and overtime work, as provided in Clause 33 (LABOR CODE COMPLIANCE) of this Lease; and (b) City shall publicly advertise for bids for such improvements, as provided in Orange County Codified Ordinances 1-8-1 *et seq.*, and shall provide County a list of all bids received for the contract; and (c) thereafter, with the prior written approval of County as to the winning bid, City shall award the contract or contracts for such improvements.

All preparation and processing for environmental clearance shall be at City's sole cost and expense. In the event that the environmental process results in any required mitigation measures, performance of such mitigation measures, including all associated costs and expenses shall be the sole responsibility of City.

County has no obligation to notify City regarding requirements for permits, licenses, approvals, or other consents from governmental agencies, including the County of Orange in its regulatory capacity, nor shall County have any obligation to obtain permits, licenses, approvals, or other consents from governmental agencies on behalf of City. County agrees to give its consent as property owner to any application made with regard to any such permits, licenses, approvals, or other consents which may be required by any governmental agency or by the County of Orange in its regulatory capacity related to activities or design and construction of improvements approved by County in accordance with this Lease. Any such consent given by County as the property owner is not to be interpreted to obligate County to pay any fees related to the application or issuance of any such permit, license, approvals, or other consents, nor shall such consent be deemed a waiver of any fee which may be charged by County's Property Permit department. Any conditions placed on City's design and construction or operation of the Premises as a result of the issuance of permits, licenses, approvals, or other consents shall be the sole obligation of City with regard to performance responsibilities, cost and expense.

Any approvals or consents given by County under this Lease, as a party to this Lease, shall not be deemed approval as to compliance or conformance with applicable governmental codes, laws, rules and/or regulations or approval from the standpoint of structural safety, suitability for purpose or conformance with building or other codes or other governmental requirements nor shall County, as a party to this Lease be responsible for permitting of any construction and/or maintenance, design, assumptions, or accuracy of City's construction and/or maintenance plans.

All planning and architectural/design costs required to accomplish the construction shall be City's responsibility and shall be approved by the County, as set forth above.

20. OWNERSHIP OF IMPROVEMENTS (2.7 SR)

City shall provide all equipment necessary for use of the Premises consistent with this Lease. All buildings, non-removable improvements, and facilities, exclusive of trade fixtures, constructed, or placed within the Premises by City ("**Tenant Improvements**") must, upon completion, be free and clear all liens, claims, or liability for labor or material and at County's option shall be the property of County at the expiration of this Lease or upon earlier termination hereof. County retains the right to require City, at City's cost, to remove all Tenant Improvements located on the Premises at the expiration or termination hereof. In the event that City fails to remove said Tenant Improvements within thirty (30) days following receipt of written notice from County to do so, such Tenant Improvements will be deemed abandoned and City shall lose all right, title and interest in and thereto, and County may elect (i) at City's cost, to remove, demolish, or otherwise dispose of some or all of such items or (ii) sell or make use of any or all such items.

21. MECHANICS LIENS OR STOP NOTICES (2.8 SR)

City shall at all times indemnify, defend with counsel approved in writing by County and save County harmless from all claims, losses, demands, damages, cost, expenses, or liability costs for labor or materials in connection with construction, repair, alteration, or installation of structures, improvements, equipment, or facilities within the Premises, and from the cost of defending against such claims, including attorney fees and costs.

In the event a lien or stop-notice is imposed upon the Premises as a result of such construction, repair, alteration, or installation, City shall either:

- A. Record a valid Release of Lien; or
- B. Procure and record a bond in accordance with Section 8424 or 9364 et seq. of the Civil Code, which frees the Premises from the claim of the lien or stop-notice and from any action brought to foreclose the lien.

Should City fail to accomplish either of the two optional actions above within twenty (20) days after the filing of such a lien or stop-notice, the City shall be in Tenant Default and shall be subject to immediate termination.

22. OPERATIONAL REQUIREMENTS OF CITY (2.9 SR)

A. Use Limitations. City shall at all times operate the Premises in a manner consistent with Clause 3 (USE), and in a manner similar to other comparable facilities in Southern California which offer similar services and amenities.

B. Protection of Environment. City shall immediately report any spillage, leakage, or discharge of any toxic, hazardous, or polluting materials to the proper authorities.

Failure by City to comply with A and B of this Clause shall result in Tenant Default (as further defined in Clause 32 (DEFAULTS AND REMEDIES)) and County shall have the right to exercise any remedy available to it by virtue of such Tenant Default in addition to any County Remedies defined in Clause 32 (DEFAULTS AND REMEDIES).

23. INSURANCE (3.0 SR)

City agrees to carry all required insurance at City's expense and provide to the County current certificates of commercial or self-insurance, including all endorsements required herein, necessary to satisfy the County that the insurance provisions of this Lease have been complied with. City shall keep such insurance coverage current, provide Certificates of Insurance, and endorsements to the County during the entire term of this Lease. City shall deposit the Certificate of Insurance with CEO Real Estate, consistent with the Notice clause, through electronic correspondence on or before the Effective Date of this Lease and annually throughout the Term, as necessary to: insurance.ceore@ocgov.com.

City agrees that City shall not operate on the Premises at any time the required insurance is not in full force and effect as evidenced by a Certificate of Insurance and necessary endorsements or, in the interim, an official binder being in the possession of OC Public Libraries/Facilities Manager. In no cases shall assurances by City, its employees, agents, including any insurance agent, be construed as adequate evidence of insurance. OC Public Libraries/Facilities Manager will only accept valid Certificates of Insurance and endorsements, or in the interim, an insurance binder as adequate evidence of insurance. Lessee also agrees that upon cancellation, termination, or expiration of City 's insurance, County may take whatever steps are necessary to interrupt any operation from or on the Premises until such time as the OC Public Libraries/Facilities Manager reinstates the Lease.

If City fails to provide OC Public Libraries/Facilities Manager with a valid Certificate of Insurance and endorsements, or binder at any time during the term of the Lease within ten (10) days following City's receipt of a written request by County, County and City agree that this shall constitute a material breach of the Lease. Said material breach shall permit County to take whatever steps necessary to interrupt any operation from or on the Premises, and to prevent any persons, including, but not limited to, members of the general public, and City's employees and agents, from entering the Premises until such time as OC Public Libraries/Facilities Manager is provided with adequate evidence of insurance required herein. City further agrees to hold County harmless for any damages resulting from such interruption of business and possession, including, but not limited to, damages resulting from any loss of income or business resulting from the County's action.

City may occupy the Premises only upon providing to County the required insurance stated herein and carry such insurance for the entire term of this Lease. County reserves the right to terminate this Lease at any time City's insurance is canceled or terminated and not reinstated within ten (10) days of said cancellation or termination. City shall provide to County immediate notice of said insurance cancellation or termination.

All contractors performing work on behalf of City pursuant to this Lease shall obtain insurance subject to the same terms and conditions as set forth herein for City. City shall not allow contractors or subcontractors to work if contractors have less than the level of coverage required by the County from the City under this Lease. It is the obligation of the City to provide written notice of the insurance requirements to every contractor and to receive proof of insurance prior to allowing any contractor to begin work within the Premises. Such proof of insurance must be maintained by City through the entirety of this Lease and be available for inspection by a County representative at any reasonable time.

All self-insured retentions (SIR)'s shall be clearly stated on the Certificate of Insurance. Any SIR in excess of Fifty Thousand Dollars \$50,000 shall specifically be approved by the County's Risk Manager, or designee. If City is self-insured, City's will indemnify and defend County for any and all claims resulting or arising from City's use of the premises, services, or other performance in accordance with the indemnity provision stated in this Lease.

Qualified Insurer

The policy or policies of commercial insurance must be issued by an insurer with a minimum rating of A- (Secure A.M. Best's Rating) and VIII (Financial Size Category as determined by the

most current edition of the Best's Key Rating Guide/Property-Casualty/United States or ambest.com).

If the commercial insurance carrier does not have an A.M. Best Rating of A-/VIII, CEO/Office of Risk Management retains the right to approve or reject a carrier after a review of the company's performance and financial ratings.

The policy or policies of insurance maintained by the City shall provide the minimum limits and coverage as set forth below:

<u>Coverages</u>	<u>Minimum Limits</u>
Commercial General Liability	\$1,000,000 per occurrence \$2,000,000 aggregate
Automobile Liability including coverage for owned or scheduled, non-owned, and hired vehicles	\$1,000,000 combined single each accident
Workers' Compensation	Statutory
Employers' Liability Insurance	\$1,000,000 per accident or disease
Sexual Abuse and Molestation	\$1,000,000 per occurrence
Commercial Property Insurance on an "All Risk" or "Special Causes of Loss" basis covering all, contents and any tenant improvements including Business Interruption/Loss of Rents with a 12-month limit; provided, however, that in no event shall City be required to maintain earthquake or terrorism coverage or any other coverage not typically carried by owners or lessees of similar projects in the Orange County area.	100% of the Replacement Cost Value and no coinsurance provision.
Pollution Liability (Optional coverage to be required when hazardous materials are involved).	\$1,000,000 per claims-made, or occurrence

Increased insurance limits may be satisfied with Excess/Umbrella policies. Excess/Umbrella policies when required must provide Follow Form coverage.

Required Coverage Forms

The Commercial General Liability coverage shall be written on Insurance Services Office (ISO) form CG 00 01, or a substitute form providing liability coverage at least as broad.

The Business Auto Liability coverage shall be written on ISO form CA 00 01, CA 00 05, CA 00 12, CA 00 20, or a substitute form providing liability coverage at least as broad.

Required Endorsements

The Commercial General Liability policy shall contain the following endorsements, which shall accompany the Certificate of insurance:

- 1) An Additional Insured endorsement using ISO form CG 20 26 04 13 or a form at least as broad naming the County of Orange, its elected and appointed officials, officers, employees, and agents as Additional Insureds. Blanket coverage may also be provided which will state- As Required by Written Contract.
- 2) A primary non-contributing endorsement using ISO form CG 20 01 04 13, or a form at least as broad, evidencing that the City's insurance is primary, and any insurance or self-insurance maintained by the County shall be excess and non-contributing.

The Workers' Compensation policy shall contain a waiver of subrogation endorsement waiving all rights of subrogation against the County of Orange, its elected and appointed officials, officers, employees, and agents. Blanket coverage may also be provided which will state- As Required by Written Contract.

The Pollution Liability policy shall contain the following endorsements, which shall accompany the Certificate of Insurance:

- 1) An Additional Insured endorsement naming the County of Orange, its elected and appointed officials, officers, employees, and agents as Additional Insureds.
- 2) A primary non-contributory endorsement evidencing that City's insurance is primary, and any insurance or self-insurance maintained by the County of Orange shall be excess and non-contributing.

Pollution Liability insurance must include coverage for bodily injury and property damage, including coverage for loss of use and/or diminution in property value, and for clean-up costs arising out of, pertaining to, or in any way related to the actual or alleged discharge, dispersal, seepage, migration, release or escape of contaminants or pollutants resulting from any services or work performed by, or behalf of, City, including the transportation of hazardous waste, hazardous materials, or contaminants.

If City's Pollution Liability policy is a claims-made policy, City shall agree to the following:

- 1) The retroactive date must be shown and must be before the date of the contract or the beginning of the Lease.

- 2) Insurance must be maintained, and evidence of insurance must be provided for at least three (3) years after expiration or earlier termination of Lease.
- 3) If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the effective date of the contract services, City must purchase an extended reporting period for a minimum of three (3) years after expiration of earlier termination of the Lease.

All insurance policies required by this lease shall waive all rights of subrogation against the County of Orange, its elected and appointed officials, officers, employees, and agents when acting within the scope of their appointment or employment.

The Commercial Property policy shall contain a Loss Payee endorsement naming the County of Orange as respects the County's financial interest when applicable.

City shall provide thirty (30) days prior written notice of any policy cancellation or non-renewal and ten (10) days prior written notice where cancellation is due to non-payment of premium and provide a copy of the cancellation notice to County. Failure to provide written notice of cancellation may constitute a material breach of the Lease, upon which the County may suspend or terminate this Lease.

The Commercial General Liability policy shall contain a severability of interests clause, also known as a "separation of insureds" clause (standard in the ISO CG 001 policy).

Insurance certificates should be forwarded to the County address provided in the Clause (NOTICES) below or to an address provided by OC Public Libraries/Facilities Manager. City has ten (10) business days to provide adequate evidence of insurance, or this Lease may be cancelled.

If due to a material change in circumstances, the County reasonably determines that there is a need to change insurance of any of the above insurance types, the parties will meet and confer and reasonably establish revised insurance coverages.

The procuring of such required policy or policies of insurance shall not be construed to limit City's liability hereunder nor to fulfill the indemnification provisions and requirements of this Lease, nor in any way to reduce the policy coverage and limits available from the insurer.

24. INDEMNIFICATION (3.1 SR)

City's Indemnity. City hereby agrees to indemnify, hold harmless, and defend County, its elected and appointed officials, officers, agents, employees, and those special districts and agencies which the Board of Supervisors acts as the governing board, with counsel approved by County (such approval not to be unreasonably withheld, conditioned or delayed), against any and all claims, loss, demands, damages, costs, expenses, or liability arising out of the occupancy, maintenance, or use of the Premises, except to the extent any of such claims, loss, demands, damages, costs, expenses or liability arises out of the negligence of County, its elected and appointed officials, officers, agents, or employees, including the cost of defense of any lawsuit arising therefrom.

In the event County is named as co-defendant, City shall notify County of such fact and shall represent County, with counsel approved by County (such approval not to be unreasonably withheld, conditioned or delayed), in such legal action unless County undertakes to represent itself as co-defendant in such legal action, in which event City shall pay to County its litigation costs, expenses and attorneys' fees. In the event judgment is entered against County and City because of the concurrent negligence of County and City, their officers, agents, or employees, an apportionment of liability to pay such judgment shall be made by a court of competent jurisdiction. Neither Party shall request a jury apportionment.

County's Non-liability. County shall not be liable to City and City hereby waives all claims against County, its employees and agents for loss of or damage to any property, or any injury to any person, resulting from any condition including, but not limited to, acts or omissions (criminal or otherwise) of third parties, or their agents, employees or invitees, fire, explosion, falling plaster, steam, gas, electricity, water or rain which may leak or flow from or into any part of the Premises or from the breakage, leakage, obstruction, or other defects of the pipes, sprinklers, wires, appliances, plumbing, air conditioning, electrical works or other fixtures in the Premises, except to the extent arising from the negligence of County, its agents or any and all affiliates of County in connection with the foregoing. It is understood that any such condition may require the temporary evacuation or closure of all or a portion of the Premises. Notwithstanding anything to the contrary contained in this Lease, in no event shall County be liable for City's loss or interruption of business or income (including without limitation, City's consequential damages, lost profits or opportunity costs), or for interference with light or other similar intangible interests. City shall immediately notify County in case of fire or accident in the Premises and of defects in any improvements or equipment within the Premises.

Waiver of Subrogation. County and City each hereby waives all rights of recovery against the other on account of loss and damage occasioned to the Premises of such waiving Party to the extent that the waiving Party is entitled to proceeds for such loss and damage under any property insurance policies carried or otherwise required to be carried by this Lease; provided however, that the foregoing waiver shall not apply to the extent of City's obligation to pay deductibles under any such policies and this Lease. By this waiver it is the intent of the Parties that neither County nor City shall be liable to any insurance company (by way of subrogation or otherwise) insuring the other Party for any loss or damage insured against under any property insurance policies, even though such loss or damage might be occasioned by the negligence of such Party, its agents, employees, contractors, or invitees.

City acknowledges that it is familiar with the language and provisions of California Civil Code Section 1542, which provides as follows:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

City, being aware of and understanding the terms of Section 1542, hereby waives all benefit of its provisions to the extent described in this paragraph.

25. HAZARDOUS MATERIALS (3.2 SR)

A. Definition of Hazardous Materials. For purposes of this Lease, the term “**Hazardous Materials**” shall mean any hazardous or toxic substance, material, product, byproduct, or waste which is or shall become regulated by any governmental entity, including, without limitation, County, acting in its governmental capacity, the State of California, or the United States government.

B. Use of Hazardous Materials. City or City’s employees, agents, independent contractors, or invitees (collectively “**Tenant Parties**”) shall not cause or authorize any Hazardous Materials to be brought upon, stored, kept, used, generated, released into the environment, or disposed of on, under, from or about the Premises (which for purposes of this clause shall include the subsurface soil and ground water). Notwithstanding the foregoing, City and Tenant Parties may keep on or about the Premises small quantities of Hazardous Materials that are used in the ordinary, customary, and lawful cleaning of and business operations on the Premises. Said permitted Hazardous Materials shall be stored in a safe location and shall be disposed of in a manner provided by law.

C. City Obligations. If the presence of any Hazardous Materials on, under or about the Premises caused or authorized by City or Tenant Parties results in (i) injury to any person, (ii) injury to or contamination of the Premises (or a portion thereof), or (iii) injury to or contamination of any real or personal property wherever situated, City, at its sole cost and expense, shall promptly take all actions necessary or appropriate to return the Premises, to the condition existing prior to the introduction of such Hazardous Materials to the Premises and to remedy or repair any such injury or contamination. Without limiting any other rights or remedies of County under this Lease, City shall pay the cost of any such cleanup or remedial work performed on, under, or about the Premises as required by this Lease or by applicable laws in connection with the removal, disposal, neutralization, or other treatment of such Hazardous Materials caused or authorized by City or Tenant Parties to be introduced on, under, or about the Premises. Notwithstanding the foregoing, City shall not take any remedial action in response to the presence, discharge, or release, of any Hazardous Materials on, under or about the Premises caused or authorized by City or Tenant Parties, or enter into any settlement agreement, consent decree, or other compromise with any governmental or quasi-governmental entity without first obtaining the prior written consent of the Director, which consent shall not be unreasonably withheld, conditioned, or delayed. All work performed or caused to be performed by City as provided for above shall be done in good and workmanlike manner and in compliance with plans, specifications, permits, and other requirements for such work approved by Director, which approval shall not be unreasonably withheld, conditioned, or delayed.

26. BEST MANAGEMENT PRACTICES (3.3 SR)

A. City shall conduct operations under this Lease so as to assure that pollutants do not enter municipal storm drain systems which systems are comprised of, but are not limited to curbs and

gutters that are part of the street systems (“**Stormwater Drainage System**”), and to ensure that pollutants do not directly impact Receiving Waters (as used herein, “**Receiving Waters**” include, but are not limited to, rivers, creeks, streams, estuaries, lakes, harbors, bays, and oceans).

B. The Santa Ana and San Diego Regional Water Quality Control Boards have issued National Pollutant Discharge Elimination System (“**NPDES**”) permits (“**Stormwater Permits**”) to the County, and to the Orange County Flood Control District and cities within Orange County, as co-permittees (hereinafter collectively referred to as “**County Parties**”) which regulate the discharge of urban runoff from areas within the County, including the Premises leased under this Lease. The County Parties have enacted water quality ordinances that prohibit conditions and activities that may result in polluted runoff being discharged into the Stormwater Drainage System.

C. To assure compliance with the Stormwater Permits and water quality ordinances, the County has developed a Drainage Area Management Plan (“**DAMP**”) which includes a Local Implementation Plan (“**LIP**”) for each jurisdiction that contains Best Management Practices (“**BMP(s)**”) as provided in Exhibit D, and which may change from time to time, that tenants using properties within Orange County must adhere to. As used herein, a BMP is defined as a technique, measure, or structural control that is used for a given set of conditions to manage the quantity and improve the quality of stormwater runoff in a cost effective manner. These BMPs are found within County’s LIP in the form of Model Maintenance Procedures and BMP Fact Sheets (the Model Maintenance Procedures and BMP Fact Sheets contained in the DAMP/LIP shall be referred to hereinafter collectively as “**BMP Fact Sheets**”) and contain pollution prevention and source control techniques to eliminate non-stormwater discharges and minimize the impact of pollutants on stormwater runoff.

D. BMP Fact Sheets that apply to uses authorized under this Lease include the BMP Fact Sheets that are attached hereto as Exhibit D. These BMP Fact Sheets may be modified during the term of the Lease; and County shall provide City with any such modified BMP Fact Sheets. City, its subtenants, agents, contractors, representatives, and employees and all persons authorized by City to conduct activities on the Premises shall, throughout the term of this Lease, comply with the BMP Fact Sheets as they exist now or are modified, and shall comply with all other requirements of the Stormwater Permits, as they exist at the time this Lease commences or as the Stormwater Permits may be modified. City agrees to maintain current copies of the BMP Fact Sheets on the Premises throughout the term of this Lease. The BMPs applicable to uses authorized under this Lease must be performed as described within all applicable BMP Fact Sheets.

E. City may propose alternative BMPs that meet or exceed the pollution prevention performance of the BMP Fact Sheets. Any such alternative BMPs shall be submitted to County for review and approval prior to implementation.

F. County may enter the Premises and/or review City’s records at any time to assure that activities conducted on the Premises comply with the requirements of this clause. City may be required to implement a self-evaluation program to demonstrate compliance with the requirements of this clause.

G. Among other requirements, the industrial NPDES permit requires periodic stormwater inspections by the State and/or County OC Watersheds staff to ensure facility compliance, which

may include annual inspections of the Premises, with follow up inspections as a result of observed violations requiring corrective actions.

H. Dependent upon the reuse of the Premises, the Premises shall have a clarifier drain that captures low flow runoff from throughout the site, which ensures all flows are properly drained without any unacceptable runoff. City shall conduct their work throughout the site and any resultant low flow discharges shall work their way to the clarifier. In regards to Tenant Improvements, City shall designate operational zones minimally affected by storm flows that allow drainage to the clarifier, and the non-operational portions of the site are to have normal storm discharges going through the storm drain system. As the site undergoes a new NPDES Industrial Permit application process, these conditions may get re-examined.

I. The BMPs shall stipulate the process for the City to take corrective actions and state the consequences of non-compliance or County options under the Lease to self-remedy the matter. The Santa Ana and San Diego Regional Water Quality Control Boards have established penalties/consequences for non-compliance and those are to be included in this Lease. County to have the option to terminate the Lease if the City does not correct a non-compliance situation in a timely manner.

J. Environmental Indemnification language may be added or amended from time to time.

K. Work activities are to be conducted in a controlled area where pollutants shall be contained and any heavy metals detected at significantly higher levels than the benchmarks set by the Regional Board shall be addressed. All applicable BMPs are to be properly implemented, including any and all future modifications, updates, or replacement BMPs that may be issued from time to time, shall be used by City.

L. Site modifications, such as distinctly designated work areas with controls to prevent pollutants from escaping and wastewater drain, will be required to be segregated from stormwater drain.

M. In the event City fails to comply with all applicable BMPs following City's receipt of written notice and expiration of any applicable cure period, County, in addition to any and all remedies available in Clause 32 (DEFAULTS AND REMEDIES), shall have the right to self-help remedies or terminate the Lease as follows:

1. Terminate the Lease due to non-compliance with the BMPs incorporated in the Lease and as BMPs may change from time to time, or;
2. Remedy a non-compliance situation with a chargeback to the City for the cost. The details regarding notification, timeline, and procedure are to be drafted and mutually agreed upon by both Parties to ensure all water quality issues are addressed within the Lease. In the event the City's BMP implementation is lacking or if the City allows a prohibitive discharge to occur, then the Regional Board will only take enforcement action against County. Therefore, this Lease must establish a BMP compliance partnership with the City and the Lease must ensure the protection of water quality is inherent in the City's day-to-day operations.

27. BUILDING AND SAFETY REQUIREMENTS (3.4 SR)

During the Term of this Lease, City, at City's sole cost, agrees to maintain the Premises in compliance with all applicable laws, rules, regulations, building codes, statutes, and orders as they are applicable on the date of this Lease, and as they may be subsequently amended, including but not limited to the California Building Code, Title 24, Seismic Code, Fire and Life Safety requirements, including maintaining an alarm system, and, if applicable, California Green Building Standard Code.

Included in this provision is compliance with the Americans with Disabilities Act ("ADA") and all other federal, state, and local codes, statutes, and orders relating to disabled access as they are applicable on the dates of this Lease, and as they may be subsequently amended and all regulations issued by the U. S. Attorney General or other agencies under the authorization of the ADA.

City shall use commercially reasonable efforts to repair and maintain the Premises as a "safe place of employment," as defined in the California Occupational Safety and Health Act (California Labor Code, Division 5, Part 1, Chapter 3, beginning with Section 6400) and the Federal Occupational Safety and Health Act, where the provisions of such Act exceed, or supersede, the California Act, as the provisions of such Act are applicable on the date of this Lease, and as they may be subsequently amended. County agrees to notify City of any repair or maintenance necessary within the Premises to comply with such Act and City agrees to diligently act to repair or maintain appropriately.

In the event City neglects, fails, or refuses to maintain said Premises as aforesaid, following thirty (30) days after written notice from County to City providing notice of such neglect, failure or refusal, County may, notwithstanding any other termination provisions contained herein:

- A. Thirty (30) days following a second written notice of such neglect or failure or refusal, County may terminate this Lease with written notice to the City; or
- B. At County's sole option, cure any such Tenant Default by performance of any act, including payment of money, and add the cost thereof plus reasonable administrative costs (ten percent (10%)) to the Rent.

City agrees to reimburse and indemnify, and defend County for any expenses incurred because of the failure of the Premises to conform with any and all applicable laws, rules, regulations, building codes, statutes, and orders, including the costs of making any alterations, renovations, or accommodations required by the ADA, or any governmental enforcement agency, or any court, any and all fines, civil penalties, and damages awarded against County resulting from a violation or violations of the above-cited laws, rules, regulations, building codes, statutes, and orders and regulations, and all reasonable legal expenses incurred in defending claims made under the above-referenced laws, rules, regulations, building codes, statutes, and orders, including reasonable attorneys' fees. Should City fail to comply with the provisions of this Clause 27 City may be found in Tenant Default and the County may exercise those remedies set forth in Clause 32 (DEFAULTS AND REMEDIES).

28. DAMAGE TO OR DESTRUCTION OF PREMISES AND/OR TENANT IMPROVEMENTS (3.5 SR)

Premises. In the event of any damage to our destruction of the Premises or in the event the Premises or improvements located within the Premises are declared unsafe or unfit for use or occupancy by a public entity with the authority to make and enforce such declaration, either Party shall have the immediate right to terminate this Lease effective upon providing written notice to the other Party. In the event of said termination, County shall be entitled to receive and retain any and all insurance proceeds resulting from or attributable to such casualty, except for those proceeds payable under any separate policy maintained by City which specifically insures City's personal property and trade fixtures. In the event that neither Party elects to terminate this Lease following said casualty, County may rebuild, reconstruct, and restore the Premises, excluding City's personal property and trade fixtures. City understands and acknowledges that following a casualty, County shall be free to make such changes and modifications to the Premises as County deems appropriate in the exercise of its good faith discretion. During any period when there is substantial interference with City's use of the Premises by reason of such casualty, as determined by the Parties in their reasonable discretion, the monthly Rent payable hereunder shall be temporarily abated in proportion to the degree of such substantial interference. With respect to damage or destruction which County elects to repair, City waives and releases its rights under California Civil Code Sections 1932 (2) and 1933 (4).

Tenant Improvements. In the event of damage to or destruction of Tenant Improvements located within the Premises or in the event Tenant Improvements located within the Premises are declared unsafe or unfit for use or occupancy by a public entity with the authority to make and enforce such declaration, then subject to City's immediate right to terminate this Lease, City shall, within thirty (30) days, commence and diligently pursue to completion the repair, replacement, or reconstruction of Tenant Improvements as necessary to permit full use and occupancy of the Premises for the purposes required by the Lease. Repair, replacement, or reconstruction of Tenant Improvements within the Premises shall be accomplished in a manner and according to plans approved by the County.

County shall not be liable for any damage to Tenant Improvements or City personal property or of others located on the Premises, nor for the loss of or damage to any property of City or others by theft or otherwise. All property of City kept or stored on the Premises shall be so kept or stored at the risk of City, unless such damage is caused by County willful misconduct or gross negligence.

29. ASSIGNMENT AND SUBLETTING (3.6 N)

City shall not assign this Lease or sublet the Premises or any part thereof without the prior written consent of County. However, both Parties agree that the City has the right to enter into a license agreement with the Friends of the Library, without the prior written consent of the County. This Lease serves as notice to the County of said license agreement between the City and Friends of the Library, so long as Friends of the Library use the Premises consistent with the terms of this Lease.

30. TAXABLE POSSESSORY INTEREST ASSESSMENTS (3.7 SR)

Should this Lease create any possessory interest, which is subject to the payment of taxes levied on such interest, it is understood and agreed that all assessments associated with said taxable possessory interest shall be the full responsibility of the City, and City shall cause said assessments to be paid promptly.

31. ESTOPPEL CERTIFICATE (3.8 SR) – *Intentionally Omitted*

32. DEFAULTS AND REMEDIES (3.9 SR)

Tenant Default: City shall be deemed in default of this Lease if: a) in the event of any monetary breach of this Lease by City, County shall notify City in writing of such breach, and City shall have ten (10) days from such notice in which to cure said breach or b) in the event of any non-monetary breach of this Lease, City fails within thirty (30) days after receipt by City of written notice specifying wherein such obligation of City has not been performed; provided however, that if the nature of City's obligation is such that more than thirty (30) days after such notice are reasonably required for its performance, then City shall not be in breach of this Lease if performance is commenced as soon as reasonably possible within such thirty (30) day period and thereafter diligently pursued to completion (each, a “**Tenant Default**”).

County Default: County shall be deemed in breach of this Lease if: a) in the event of any monetary breach of this Lease by County, County shall notify County in writing of such breach, and County shall have ten (10) days from such notice in which to cure said breach or b) in the event of any non-monetary breach of this Lease, County fails within thirty (30) days after receipt by County of written notice specifying wherein such obligation of County has not been performed; provided however, that if the nature of County's obligation is such that more than thirty (30) days after such notice are reasonably required for its performance, then County shall not be in breach of this Lease if performance is commenced as soon as reasonably possible within such thirty (30) day period and thereafter diligently pursued to completion (each, a “**County Default**”).

Tenant Remedies: City's remedies as the result of County Default shall be the right to terminate this Lease, the right to damages, injunctive relief, and/or any other rights at law or in equity (collectively, “**Tenant Remedies**”). No delay or omission of City to exercise any right or remedy shall be construed as a waiver of such right or remedy or of any County Default hereunder.

County Remedies: If the Tenant Default is a result of a monetary breach by City in the payment of the Rent, pursuant to Clause 9 (RENT), County may, at the County's sole discretion, a) declare all Rent payments to the end of City's current fiscal year to be due, including any delinquent rent from prior budget years or b) terminate the Lease. County's remedies as the result of Tenant Default for monetary or non-monetary breach shall be the right to damages, injunctive relief, and/or any other rights at law or in equity. No delay or omission of County to exercise any right or remedy shall be construed as a waiver of such right or remedy or of any Tenant Default hereunder.

33. LABOR CODE COMPLIANCE (4.0 SR)

City acknowledges and agrees that any and all improvements or modifications required to be performed by City shall be governed by, and performed in accordance with, the provisions of Article 2 of Chapter 1, Part 7, Division 2 of the Labor Code of the State of California (Sections 1770, et seq.), as applicable. These provisions may be applicable to improvements or modifications costing more than \$1,000, unless an exception applies, including but not limited to the exception to the definition of public works under § 1720.2.

Pursuant to the provisions of Section 1773 of the Labor Code of the State of California, the Orange County Board of Supervisors has obtained the general prevailing rate of per diem wages and the general prevailing rate for holiday and overtime work in the locality applicable to this Lease for each craft, classification, or type of workman needed to execute the aforesaid improvements or modifications from the Director of the State Department of Industrial Relations. Copies of said prevailing wage rates may be obtained from the State of California, Department of Industrial Relations, or Chief Real Estate Officer.

City hereby agrees to pay or cause its contractors and/or subcontractors to pay said prevailing wage rates at all times for all improvements or modifications to be completed for City within the Premises, and City herein agrees that City shall post, or cause to be posted, a copy of the most current, applicable prevailing wage rates at the site where the improvements or modifications are performed.

Prior to commencement of any improvements or modifications, City shall provide County with the applicable certified payroll records for all workers that will be assigned to the improvements or modifications. Said payroll records shall contain, but not be limited to, the complete name, address, telephone number, social security number, job classification, and prevailing wage rate for each worker. City shall provide County, bi-weekly updated, certified payroll records for all workers that include, but not be limited to, the weekly hours worked, prevailing hourly wage rates, and total wages paid.

If City fails to comply with this clause, such occurrence may constitute an event of default of this Lease and County may, notwithstanding any other termination provisions contained herein:

- A. Terminate this Lease upon written notice to City; or
- B. At County's sole option, County may require as a penalty for such non-compliance of paying prevailing wage, payment pursuant to applicable law.

Except as expressly set forth in this Lease, nothing herein is intended to grant authority for City to perform improvements or modifications on space currently leased by County or for which County has entered into a lease or lease amendment.

34. RIGHT TO WORK AND MINIMUM WAGE LAWS (4.1 SR)

In accordance with the United States Immigration Reform and Control Act of 1986, City shall require its employees that directly or indirectly service the Premises pursuant to the terms and conditions of this Lease, in any manner whatsoever, to verify their identity and eligibility for

employment in the United States. City shall also require and verify that its contractors or any other persons servicing the Premises pursuant to the terms and conditions of this Lease, in any manner whatsoever, verify the identity of their employees and their eligibility for employment in the United States.

Pursuant to the United States of America Fair Labor Standard Act of 1938, as amended, and State of California Labor Code, Section 1178.5, City shall pay no less than the greater of the Federal or California Minimum Wage to all its employees that directly or indirectly service the Premises, in any manner whatsoever. City shall require and verify that all its contractors or other persons servicing the Premises on behalf of the City also pay their employees no less than the greater of the Federal or California Minimum Wage.

City shall comply and verify that its contractors comply with all other Federal and State of California laws for minimum wage, overtime pay, record keeping, and child labor standards pursuant to the servicing of the Premises consistent with the terms and conditions of this Lease.

Notwithstanding the minimum wage requirements provided for in this clause, City, where applicable, shall comply with the prevailing wage and related requirements, as provided for in Clause 33 (LABOR CODE COMPLIANCE) of this Lease.

35. SIGNAGE (4.2 SR)

Subject to prior review and approval by County, City may install and maintain signs or displays on the Premises. Such signage must comply with all applicable laws and zoning and site plan requirements. Unapproved signs, awnings, banners, flags, etc., may be removed by County without prior notice to City.

36. AUTHORITY (4.3 SR)

The persons executing this Lease on behalf of County or City warrant that they have the power and authority to bind County or City to this Lease.

37. LEASE ORGANIZATION (4.4 SR)

The various headings in this Lease, the numbers thereof, and the organization of the Lease into separate sections and paragraphs are for purposes of convenience only and shall not be considered otherwise.

38. SUCCESSORS IN INTEREST (4.5 SR)

Unless otherwise provided in this Lease, the terms, covenants, and conditions contained herein shall apply to and bind the heirs, successors, executors, administrators, and assigns of all the Parties hereto, all of whom shall be jointly and severally liable hereunder.

39. AMENDMENTS (4.6 SR)

This Lease sets forth the entire agreement between City and County and any modification must be in the form of a written amendment.

40. PARTIAL INVALIDITY (4.7 SR)

If any term, covenant, condition, or provision of this Lease is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired, or invalidated thereby.

41. WAIVER OF RIGHTS (4.8 SR)

The failure of City or County to insist upon strict performance of any of the terms, conditions, and covenants in this Lease shall not be deemed a waiver of any right or remedy that City or County may have and shall not be deemed a waiver of any right or remedy for a subsequent breach or default of the terms, conditions, and covenants herein contained. Any waiver, in order to be effective, must be signed by the Party whose right or remedy is being waived.

42. HOLDING OVER (4.9 SR)

If City shall continue to use or store personal property in the Premises at the termination of this Lease or expiration of the Term, without a prior written agreement between the Parties authorizing such continued use, such use shall be deemed a month-to-month use of the Premises under the same terms and conditions of this License, except that the monthly Rent shall be in the amount of one hundred and fifty percent (150%) of the monthly Rent in effect at the expiration or termination of this Lease. The Rent will be prorated to the date City removes its personal property, restores, and repairs any and all damage resulting from the removal of such personal property, and returns possession of the Premises to the County. Nothing contained herein shall grant City the right to holdover after the Term of this Lease has expired or terminated. City agrees that it shall return possession and restore the Premises to the County at its earliest opportunity and that failure to do so prior to the agreed upon expiration or termination of this Lease is an inconvenience to the County that results in additional costs associated with the management and maintenance of this Premises. City also agrees that the Rent set forth above for such holdover period represents a fair approximation of the potential impact and damage to the County in the event of such City holdover.

43. EARTHQUAKE SAFETY (5.0 SR)

City accepts the Premises “as is” and “where is” and County offers no warranties or representations whatsoever that the Premises is or has been in compliance with applicable seismic safety regulations and building codes at the time of construction. All such seismic, safety and building regulation compliance is the responsibility of the City.

44. QUIET ENJOYMENT (5.1 SR)

County agrees that, subject to the terms, covenants and conditions of this Lease, City may, upon observing and complying with all terms, covenants, and conditions of this Lease, peaceably and quietly occupy the Premises.

45. GOVERNING LAW AND VENUE (5.2 SR)

This agreement has been negotiated and executed in the State of California and shall be governed by and construed under the laws of the State of California. In the event of any legal action to enforce or interpret this agreement, the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California, and the Parties hereto agree to and do hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure section 394.

46. ATTORNEYS' FEES (5.3 SA)

In the event of a dispute between City and County concerning claims arising out of this Lease, or in any action or proceeding brought to enforce or interpret any provision of this Lease or where any provision hereof is validly asserted as a defense, each Party shall bear its own attorneys' fees and costs.

47. TIME OF ESSENCE (5.4 SR)

Time is of the essence of this Lease. Failure to comply with any time requirements of this Lease shall constitute a material breach of this Lease.

48. INSPECTION OF PREMISES BY A CERTIFIED ACCESS SPECIALIST (5.5 SR)

A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The Parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the Premises.

Pursuant to California Civil Code 1938, County hereby represents that the Premises has not undergone an inspection by a certified access specialist and no representations are made with respect to compliance with accessibility standards. If it is determined during this tenancy that a violation of handicapped access laws (including the Americans with Disabilities Act) exists at the Premises, City shall correct such non-compliance at City's cost.

49. FORCE MAJEURE (5.6 SR)

For purposes of this Lease, the term "**Force Majeure**" means any of the following events which are beyond the control of either Party: act of God, unavailability of equipment or materials (but only if such equipment and materials were ordered in a timely fashion), enemy or terrorist act, act of war, riot or civil commotion, strike, lockout, or other labor disturbance, fire, earthquake, explosion, governmental delays (including nonstandard delays in issuance of any permit or other necessary governmental approval or the scheduling of any inspections or tests), nonstandard

delays by third party utility providers, or any other matter of any kind or character beyond the reasonable control of the Party delayed or failing to perform under this Lease despite such Party's best efforts to fulfill the obligation. "**Best Efforts**" includes anticipating any potential force majeure event and addressing the effects of any such event (a) as it is occurring and (b) after it has occurred, to prevent or minimize any resulting delay to the greatest extent possible. Force Majeure shall not include inability to obtain financing or other lack of funds. City and County shall be excused for the period of any delay in the performance of any obligation hereunder when such delay is occasioned by causes beyond its control.

50. CONDEMNATION (5.7 SR)

If the Premises or any portion thereof are taken under the power of eminent domain or sold under the threat of the exercise of said power (collectively, "**Condemnation**"), this Lease shall terminate as to the part taken as of the date the condemning authority takes title or possession, whichever first occurs. If all or a material portion of the Premises are taken by Condemnation, City may, at City's option, to be exercised in writing within ten (10) days after County shall have given City written notice of such taking (or in the absence of such notice, within ten (10) days after the condemning authority shall have taken possession) terminate this Lease as of the date the condemning authority takes such possession. City shall also have the right to terminate this Lease if there is a taking by Condemnation of any portion of the Premises which would have a material adverse effect on City's ability to operate the Premises as a public library. If City does not terminate this Lease in accordance with the foregoing, this Lease shall remain in full force and effect as to the portion of the Premises remaining, except that the rent shall be reduced in proportion to the reduction in utility of the Premises caused by such Condemnation. Condemnation awards and/or payments shall be the property of County, whether such award shall be made as compensation for diminution in value of the leasehold, the value of the part taken or for severance damages. City hereby waives any and all rights it might otherwise have pursuant to Section 1265.130 of the California Code of Civil Procedure, or any similar or successor Laws.

51. CONSENT OR APPROVAL (5.8 SR)

Unless expressly stated otherwise, where the consent or approval of a Party is required, such consent or approval will not be unreasonably withheld, conditioned, or delayed.

52. UNENFORCEABLE PROVISIONS (5.9 SR)

If any paragraph or clause hereof shall be determined illegal, invalid, or unenforceable, it is the express intention of the Parties hereto that the remainder of the Lease shall not be affected thereby, and it is also the express intentions of the Parties hereto that in lieu of each paragraph or clause of this Lease which may be determined to be illegal, invalid, or unenforceable, there may be added as a part of this Lease a paragraph or clause as similar in terms to such illegal or invalid or unenforceable paragraph or clause as may be possible and may be legal, valid and enforceable.

53. CONTROL OF HOURS, PROCEDURES, AND PRICES (6.0 SR) – *Intentionally Omitted*

54. LIMITATION OF THE LEASEHOLD (6.1 SR)

This Lease and the rights and privileges granted City in and to the Premises are subject to all covenants, conditions, restrictions, and exceptions of record or apparent. Nothing contained in this Lease or in any document related hereto shall be construed to imply the conveyance to City of rights in the Premises which exceed those owned by County, or any representation or warranty, either express or implied, relating to the nature or condition of the Premises or County's interest therein. City has accepted the Premises in its "as is" / "where is" condition.

55. PERMITS AND LICENSES (6.2 SR)

City shall be required to obtain any and all approvals, permits, and/or licenses which may be required in connection with the operation of the Premises as set out herein. No permit, approval, or consent given hereunder by County, in its governmental capacity, shall affect or limit City's obligations hereunder, nor shall any approvals or consents given by County, as a party to this Lease, be deemed approval as to compliance or conformance with applicable governmental codes, laws, rules, or regulations.

56. PAYMENT CARD COMPLIANCE (6.3 SR) – *Intentionally Omitted***57. NONDISCRIMINATION (6.4 SR)**

City agrees not to discriminate against any person or class of persons by reason of sex, age, race, color, creed, physical handicap, or national origin in employment practices and in the activities conducted pursuant to this Lease. City shall make its accommodations and services available to the public on fair and reasonable terms.

58. CONDITION OF PREMISES UPON TERMINATION (6.5 SR)

Except as otherwise agreed to herein or in subsequent approval in writing by County, upon termination of this Lease, City shall re-deliver possession of said Premises to County in substantially the same condition that existed immediately prior to City's entry thereon, reasonable wear and tear, flood, earthquakes, war, and any act of war, excepted. It is agreed that any Tenant Improvement on the Premises may be considered the personal property of County at County's sole discretion. Upon termination, County will notify City if any such Tenant Improvements need to be removed at City's sole cost and expense. References to the "termination of the Lease" in this Lease shall include termination by reason of the expiration of the lease term.

59. DISPOSITION OF ABANDONED PERSONAL PROPERTY (6.6 SR)

If City abandons or quits the Premises or is dispossessed thereof by process of law or otherwise, title to any personal property belonging to and left on the Premises thirty (30) days after such event shall, at County's option, be deemed to have been transferred to County. County shall have the right to remove and to dispose of such property without liability therefor to City or to any person claiming under City and shall have no need to account therefor.

60. QUITCLAIM OF CITY'S INTEREST UPON TERMINATION (6.7 SR) – *Intentionally Omitted*

61. PUBLIC RECORDS (6.8 SR)

Any and all written information submitted to and/or obtained by County from City or any other person or entity having to do with or related to this Lease and/or the Premises, either pursuant to this Lease or otherwise, at the option of County, may be treated as a public record open to inspection by the public pursuant to the California Public Records Act, Government Code sections 7920.000, et seq. as now in force or hereafter amended, or any Act in substitution thereof, or otherwise made available to the public and City hereby waives, for itself, its agents, employees, subtenants, and any person claiming by, through or under City, any right or claim that any such information is not a public record or that the same is a trade secret or confidential information and hereby agrees to indemnify and hold County harmless from any and all claims, demands, liabilities, and/or obligations arising out of or resulting from a claim by City or any third party that such information is a trade secret, or confidential, or not subject to inspection by the public, including without limitation reasonable attorneys' fees and costs.

62. RELATIONSHIP OF PARTIES (6.9 SR)

The relationship of the Parties hereto is that of lessor and tenant, and it is expressly understood and agreed that County does not in any way or for any purpose become a partner of or a joint venturer with City in the conduct of City's business or otherwise, and the provisions of this Lease and the agreements relating to rent payable hereunder are included solely for the purpose of providing a method by which rental payments are to be measured and ascertained.

63. NO BROKERS USED (7.0 SR)

Neither Party has employed any broker or finder or incurred any liability for any brokerage fee, commission, finder's fee, or reimbursement expenses in connection with the transactions contemplated by this Lease.

64. NOTICES (7.1 SR)

All written notices pursuant to this Lease shall be addressed as set forth below or as either Party may hereafter designate by written notice and shall be deemed received upon personal delivery, deposit with reputable overnight delivery service that provides a receipt with the time and date of delivery, or seventy-two (72) hours after deposit in the United States Mail.

To: City
 City of Irvine
 1 Civic Center Plaza
 Irvine, CA 92606
 Attention: City Manager

To: County
 Orange County Public Library
 1501 E. St. Andrew Place
 Santa Ana, CA 92705
 Attention: County Librarian

With a copy to:

with copy to:

Rutan & Tucker, LLP
18575 Jamboree Road, 9th Floor
Irvine, CA 92612
Attention: City Attorney

County of Orange/CEO Real Estate
400 West Civic Center Drive, 5th Floor
Santa Ana, CA 92701
Attention: Chief Real Estate Officer

Any and all insurance related mail shall include the Lease number and project name and City shall mail all insurance certificates and insurance-related correspondence to: insurance.ceore@ocgov.com.

65. COUNTERPARTS (7.3 SR)

This Lease may be executed in one or more electronic or original counterparts, each of which will be deemed an original signature but all of which together will constitute one and the same instrument.

66. ATTACHMENTS TO LEASE (7.4 SR)

This Lease includes the following, which are attached hereto and made a part hereof:

EXHIBITS

- Exhibit A - Description of Premises
- Exhibit B - Depiction of Premises
- Exhibit C – City’s Services – Repair, Maintenance and Janitorial Obligations
- Exhibit D - Best Management Practices

IN WITNESS WHEREOF, the Parties have executed this Agreement the day and year first above written.

APPROVED AS TO FORM:

CITY

OFFICE OF COUNTY COUNSEL
ORANGE COUNTY, CALIFORNIA

City of Irvine

By: _____
Oliver Chi, City Manager

By: _____
Deputy

By: _____
Name, Title

ATTEST:

RECOMMENDED FOR APPROVAL:

Carl Petersen, City Clerk

County Library

APPROVED AS TO FORM:
RUTAN & TUCKER, LLP

By: _____
County Librarian

Jeffrey T. Melching, City Attorney

County Executive Office

By: _____
Real Estate Manager

SIGNED AND CERTIFIED THAT A
COPY OF THIS DOCUMENT HAS BEEN
DELIVERED TO THE CHAIR OF THE BOARD
PER GC § 25103, RESO. 79-1535

Attest:

COUNTY

COUNTY OF ORANGE

ROBIN STIELER
Clerk of the Board of Supervisors
of Orange County, California

Chairman of the Board of Supervisors
Orange County, California

EXHIBIT A

DESCRIPTION OF PREMISES

[LEGAL DESCRIPTION BASED ON SURVEY TO BE INSERTED PRIOR TO EXECUTION]

NOT TO BE RECORDED

EXHIBIT B
PREMISES DEPICTION

**[UPDATED DEPICTION OF PREMISES WITH CLEAR DESIGNATION OF PROPERTY LINES
TO BE ADDED PRIOR TO EXECUTION]**

EXHIBIT C

CITY'S SERVICES - REPAIR, MAINTENANCE, AND JANITORIAL OBLIGATIONS

HEATING-VENTILATION-AIR CONDITIONING ("HVAC")

- Inspect all HVAC systems at least twice a year
- Inspect all support structures, and provide documentation of maintenance and repairs
- Inspect all moving parts or components, investigate noises; belts; bearings; drives; and fans, and lubricate and adjust as recommended per manufacturers' specifications.
- Perform air-handling unit maintenance including replacing air filters at least quarterly.
- Perform monthly walkthroughs of HVAC systems for preventative maintenance work requests.

UNIVERSITY PARK LIBRARY LANDSCAPE MAINTENANCE BY CITY CONTRACTOR

- Mowing -weekly
- Planter weeding -minimum one time per month
- Shrub trimming -minimum one time per month
- Turf Fertilization -two times per year
- Planter Fertilization -two times per year
- Planter Pre-emergent or alternate method, as needed
- Irrigation inspection -one time per month
- Trimming of trees on an as needed basis

LIBRARY BUILDING MAINTENANCE

- Clean inside and outside of all windows -minimum two (2) times a year

EXHIBIT D**BEST MANAGEMENT PRACTICES ("BMP" FACT SHEETS)**

City shall be responsible for implementing and complying with all BMP Fact Sheet requirements that apply to City's operations. City is to be aware that the BMP clause within this Lease, along with all related BMP Exhibits, may be revised, and may incorporate more than what is initially being presented in this Lease.

Suggested BMPs Fact Sheets may include, but may not be limited to, the following list shown below and can be found at: <http://ocwatersheds.com/documents/bmp> (website may change from time to time):

- IC3 Building Maintenance
- IC4 Carpet Cleaning
- IC5 Concrete & Asphalt Production, Application, & Cutting
- IC6 Contaminated or Erodible Surface Areas
- IC7 Landscape Maintenance
- IC9 Outdoor Drainage from Indoor Areas
- IC10 Outdoor Loading/Unloading of Materials
- IC11 Outdoor Process Equipment Operations & Maintenance
- IC12 Outdoor Storage of Raw Materials, Products, & Containers
- IC13 Over Water Activities
- IC14 Painting, Finishing, & Coatings of Vehicles, Boats, Buildings, & Equipment
- IC15 Parking & Storage Area Maintenance
- IC17 Spill Prevention & Cleanup
- IC21 Waste Handling & Disposal
- IC22 Eating & Drinking Establishments
- IC23 Fire Sprinkler Testing/Maintenance
- IC24 Wastewater Disposal Guidelines

EXHIBIT 5

EXHIBIT 5**BILL OF SALE FOR
IRVINE UNIVERSITY PARK LIBRARY FURNITURE, FIXTURES, AND EQUIPMENT
TRANSFERRED TO CITY**

THIS Bill of Sale for Irvine University Park Library Furniture, Fixtures, and Equipment Transferred to City (“Bill of Sale”), effective July 1, 2025, is made and entered into by and between the County of Orange, a political subdivision of the State of California (“County”), Orange County Public Libraries (“OCPL”), and the City of Irvine, a municipal corporation (“City”). County, which includes OCPL, and City are sometimes referred to in this Agreement as a “Party” and are collectively referred to as “Parties.”

WHEREAS, OCPL is operated and administered by the County as a county free library system organized under the provisions of California Education Code section 19100 et seq. (“OCPL System”) that provides library services at branch locations throughout the County; and

WHEREAS, OCPL has operated three library branches in the City known as the Irvine Heritage Park Library, Irvine University Park Library, and Irvine Katie Wheeler Library; and

WHEREAS, City desires to withdraw from the OCPL System and operate its own municipal library system following its withdrawal; and

WHEREAS, City and County entered into the Agreement Between the County of Orange and the City of Irvine for Transfer of Library Services on or about August ___, 2024 (the “Agreement”); and

WHEREAS, pursuant to the Agreement, County agrees to sell and transfer to City and City agrees to accept from County all of County’s rights, title, and interest in and to certain assets used to provide library services at the Irvine University Park Library.

NOW THEREFORE, in consideration of the mutual promises and covenants contained herein and, in the Agreement, and of other good and valid consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

1. The term “Transferred Assets” shall mean the furniture, fixtures, and equipment, and other tangible items used by County to provide library services at the Irvine University Park Library that are listed on the Irvine University Park Transferred Asset List attached as Appendix A hereto. The list of assets attached as Appendix A can be modified by mutual agreement of the Parties prior to execution of this Bill of Sale, which is anticipated to take place on or before June 23, 2025, and the Parties agree that the final quantity and quality of assets to be transferred to City will vary in certain respects from the preliminary list of assets due to depreciation, changes, and losses incurred during normal business operations. County will use reasonable efforts to provide assets that are substantially similar, in quantity and quality, to those listed in the preliminary list of assets identified in Appendix A.
2. Effective as of July 1, 2025, County hereby sells, assigns, transfers, grants, conveys and delivers to City, and City hereby accepts from County, all of County’s right, title, interest, and ownership in and to the Transferred Assets, free

and clear of any and all mortgages, pledges, leases, licenses, charges, liens, claims, security interests, liabilities and encumbrances of any kind.

3. Such sale, assignment, transfer, grant, conveyance, and delivery is subject to the terms set forth in the Agreement. Through the foregoing transfers, the Parties shall not assume any obligations or liabilities of each other arising from the Transferred Assets, all of which are disclaimed.
4. THIS BILL OF SALE IS MADE WITHOUT ANY REPRESENTATION OR WARRANTY BY COUNTY. COUNTY DISCLAIMS ALL WARRANTIES, EXPRESSED OR IMPLIED, IN CONNECTION WITH THE TRANSFERRED ASSETS, INCLUDING, BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE. THE TRANSFERRED ASSETS ARE SOLD ON AN "AS IS" BASIS.
5. Upon execution of this Bill of Sale, this Bill of Sale shall become part of the Agreement and shall be subject to the Agreement's terms and conditions, which are incorporated herein by reference.
6. This Bill of Sale shall be governed by and construed in accordance with the applicable laws of the State of California, without giving effect to the principles thereof relating to conflicts of laws as stated in Section 12 of the Agreement.
7. In the event of any conflict or ambiguity between the terms of this Bill of Sale and the terms of the Agreement, the terms of the Agreement shall govern.

IN WITNESS WHEREOF, the Parties hereto certify that they have read and understand all the terms and conditions contained herein and have hereby caused this Bill of Sale to be executed by their duly authorized representatives.

CITY OF IRVINE

By: _____
Name: Oliver C. Chi
Title: City Manager

By: _____
Name: Carl Petersen
Title: City Clerk

Dated: _____

Dated: _____

APPROVED AS TO FORM

By: _____
CITY ATTORNEY

Dated: _____

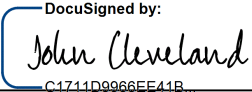
COUNTY OF ORANGE
A Political Subdivision of the State of California
COUNTY AUTHORIZED SIGNATURE:

By: _____
Name: Dylan Wright
Title: Director of Orange County Community
Services

By: _____
Name: Julie Quillman
Title: County Librarian

Dated: _____ Dated: _____

APPROVED AS TO FORM
Office of the County Counsel

By:  _____
DEPUTY COUNTY COUNSEL

Dated: 7/31/2024 _____

**Appendix A
Irvine University Park Library Transferred Asset List**

Irvine University Park Library	
Item	Quantity
Linear feet of shelving	~6006
Computers (PC, Mouse, Keyboard, Monitor)	31
4 Seat Wired Table	2
6 Seat Wired Table 8ft	1
6 Seat Wired Table 9ft	3
8 Seat Wired Table	1
Bench	1
Black Filing Cabinet	1
Blue Couch	1
Children's Computer Tables	3
Children's Tables	5
Colorful Wooden Chairs (Children's)	28
Counter Height Office Chairs (various)	2
Craft Storage	1
Folding Chairs	2
Grandfather Clock	1
Gray 2 Piece Cabinet	1
Gray Plastic and Metal Chairs	60
Large Folding Tables	7
Large Self-Checkout Table	1
Large Upholstered Wood Chairs	8
Lectern	1
Low Children's Table	1
Manager's Office Cabinet	1
Manager's Office Desk	1
Appliances	3
Office chairs	16
OPAC Table	1
Paper Storage Cabinet	1
Program Room Chairs and Chair Cart	30
Projector	1
Projector Screen	1
Purple Couch	1
Purple loveseat	1
Rolling Black Cabinet	1
Round Table	1
Self-Checkout Table	1
Small Blue Upholstered Chairs	4
Small Children's Chairs	3
Small Folding Table	1
Upholstered Stools	2
White Rolling Cabinet	4
Wood Veneer Filing Cabinet	1

EXHIBIT 6

EXHIBIT 6**BILL OF SALE FOR
IRVINE HERITAGE PARK LIBRARY FURNITURE, FIXTURES, AND EQUIPMENT
TRANSFERRED TO CITY**

THIS Bill of Sale for Irvine Heritage Park Library Furniture, Fixtures, and Equipment Transferred to City (“Bill of Sale”), effective July 1, 2025, is made and entered into by and between the County of Orange, a political subdivision of the State of California (“County”), Orange County Public Libraries (“OCPL”), and the City of Irvine, a municipal corporation (“City”). County, which includes OCPL, and City are sometimes referred to in this Agreement as a “Party” and are collectively referred to as “Parties.”

WHEREAS, OCPL is operated and administered by the County as a county free library system organized under the provisions of California Education Code section 19100 et seq. (“OCPL System”) that provides library services at branch locations throughout the County; and

WHEREAS, OCPL has operated three library branches in the City known as the Irvine Heritage Park Library, Irvine University Park Library, and Irvine Katie Wheeler Library; and

WHEREAS, City desires to withdraw from the OCPL System and operate its own municipal library system following its withdrawal; and

WHEREAS, City and County entered into the Agreement Between the County of Orange and the City of Irvine for Transfer of Library Services on or about August ___, 2024 (the “Agreement”); and

WHEREAS, pursuant to the Agreement, County agrees to sell and transfer to City and City agrees to accept from County all of County’s rights, title and interest in and to certain assets used to provide library services at the Irvine Heritage Park Library.

NOW THEREFORE, in consideration of the mutual promises and covenants contained herein and, in the Agreement, and of other good and valid consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

1. The term “Transferred Assets” shall mean the furniture, fixtures, and equipment, and other tangible items used by County to provide library services at the Irvine Heritage Park Library that are listed on the Irvine Heritage Park Transferred Asset List attached as Appendix A hereto. The list of assets attached as Appendix A can be modified by mutual agreement of the Parties prior to execution of this Bill of Sale, which is anticipated to take place on or before June 23, 2025, and the Parties agree that the final quantity and quality of assets to be transferred to City will vary in certain respects from the preliminary list of assets due to depreciation, changes, and losses incurred during normal business operations. County will use reasonable efforts to provide assets that are substantially similar, in quantity and quality, to those listed in the preliminary list of assets identified in Appendix A.
2. Effective as of July 1, 2025, County hereby sells, assigns, transfers, grants, conveys and delivers to City, and City hereby accepts from County, all of County’s right, title, interest, and ownership in and to the Transferred Assets, free

and clear of any and all mortgages, pledges, leases, licenses, charges, liens, claims, security interests, liabilities and encumbrances of any kind.

3. Such sale, assignment, transfer, grant, conveyance, and delivery is subject to the terms set forth in the Agreement. Through the foregoing transfers, the Parties shall not assume any obligations or liabilities of each other arising from the Transferred Assets, all of which are disclaimed.
4. THIS BILL OF SALE IS MADE WITHOUT ANY REPRESENTATION OR WARRANTY BY COUNTY. COUNTY DISCLAIMS ALL WARRANTIES, EXPRESSED OR IMPLIED, IN CONNECTION WITH THE TRANSFERRED ASSETS, INCLUDING, BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE. THE TRANSFERRED ASSETS ARE SOLD ON AN "AS IS" BASIS.
5. Upon execution of this Bill of Sale, this Bill of Sale shall become part of the Agreement and shall be subject to the Agreement's terms and conditions, which are incorporated herein by reference.
6. This Bill of Sale shall be governed by and construed in accordance with the applicable laws of the State of California, without giving effect to the principles thereof relating to conflicts of laws as stated in Section 12 of the Agreement.
7. In the event of any conflict or ambiguity between the terms of this Bill of Sale and the terms of the Agreement, the terms of the Agreement shall govern.

IN WITNESS WHEREOF, the Parties hereto certify that they have read and understand all the terms and conditions contained herein and have hereby caused this Bill of Sale to be executed by their duly authorized representatives.

CITY OF IRVINE

By: _____
Name: Oliver C. Chi
Title: City Manager

By: _____
Name: Carl Petersen
Title: City Clerk

Dated: _____

Dated: _____

APPROVED AS TO FORM

By: _____
CITY ATTORNEY

Dated: _____

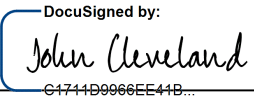
COUNTY OF ORANGE
A Political Subdivision of the State of California
COUNTY AUTHORIZED SIGNATURE:

By: _____
Name: Dylan Wright
Title: Director of Orange County Community
Services

By: _____
Name: Julie Quillman
Title: County Librarian

Dated: _____ Dated: _____

APPROVED AS TO FORM
Office of the County Counsel

By:  _____
DEPUTY COUNTY COUNSEL

Dated: 7/31/2024

Appendix A Irvine Heritage Park Transferred Asset List

Irvine Heritage Park Library	
Items	Quantity
Computers (PC, Mouse, Keyboard, Monitor)	44
Linear feet shelving	~11,226
Small Wood Chairs	3
Small Chairs	26
Lounge Chairs	11
Wood Round Tables 4'D	3
Stools	2
Office Chair	1
Coffee Tables	3
Wood Tables - Rectangular	2
Regular Chairs	2
Wood tables - Small 42"D	2
Wood Round Tables 4'D	3
Regular Chairs	12
Coffee Table	1
Lounge Chairs	3
Wood Round Tables 4'D	3
Regular Chairs	16
Printer Table - Tall	1
Teen Computer Table - Rectangular	1
Wood Chairs	48
Lounge Chairs	3
Wood Tables 3'x2'	3
Wood Tables 2.5'x1.5'	2
Wood Carrel Tables 5.5'x30"	5
Built-in Study Carrel Areas	5
Small Wood Carrel Table 3'x30"	1
Wood Tables 4.5'x8'	2
Wood Round Tables 4'D	2
Wood Tables 3'x6'	2
Wood Tall Rectangular Tables 5.5'x30"	5
Tall Wood Chairs	2
Ladder on Wheels - Metal	1
Office Chairs	13
Tall Wood Table 5'x2' - Height: 52" Width: 15" Depth: 29"	1
Metal Shelving Units 42"Wx65"T - Height: 64.5" Width: 42" Depth: 18"	2
4-Drawer Metal Filing Cabinet - Height: 52" Width: 15" Depth: 29"	1
2-Drawer Metal Filing Cabinets	1
Heavy Duty Metal Shelving Unit	1
Office Chairs	5
Foldable Table	1
Wood Table 3'x6'	1

Wood Chairs	6
Built-In Lockers	
Shelving Unit	1
Breakroom appliances	4
Small Wood Tables 3'x2'	2
Couch - Fabric	1
Wood Outdoor Table	1
Wood Outdoor Chairs	6
Wood Square Tables	2
Wood Chairs	4
Patio Chairs	19
Small Patio Tables	4
Small Wood Tables 2'x3'	3
Small Round Table	1
Chairs	3
Computer Desk	1
Work Table	1
Sofa	1
2-Drawer Vertical Metal File Cabinet - 17" W	1
2-Drawer Lateral Metal File Cabinet - 42" W	1
Office Chairs	3
Small Wood Table	1
Computer Desk (L Shape)	1
Office Chair	1
Built-In Wooden Bookshelf - 6'T	1
Wood Table	1
Narrow Foldable Tables	2
Regular Foldable Tables	10
Small FoldableTable	1
Chairs	63
Metal Shelving Units	3
Wood Round Tables 22in D w/ 4 Chairs Each (16 total)	4
Wood Tables 3'x6' w/ 4 Chairs Each (20 total)	5
Square Table w/ 4 Chairs	1

EXHIBIT 7

EXHIBIT 7**BILL OF SALE FOR
LIBRARY COLLECTION MATERIALS TRANSFERRED TO CITY**

THIS Bill of Sale for Library Collection Materials Transferred to City (“Bill of Sale”), effective July 1, 2025, is made and entered into by and between the County of Orange, a political subdivision of the State of California (“County”), Orange County Public Libraries (“OCPL”), and the City of Irvine, a municipal corporation (“City”). County, which includes OCPL, and City are sometimes referred to in this Agreement as a “Party” and are collectively referred to as “Parties.”

WHEREAS, OCPL is operated and administered by the County as a county free library system organized under the provisions of California Education Code section 19100 et seq. (“OCPL System”) that provides library services at branch locations throughout the County; and

WHEREAS, OCPL has operated three library branches in the City known as the Irvine Heritage Park Library, Irvine University Park Library, and Irvine Katie Wheeler Library; and

WHEREAS, City desires to withdraw from the OCPL System and operate its own municipal library system following its withdrawal; and

WHEREAS, City and County entered into the Agreement Between the County of Orange and the City of Irvine for Transfer of Library Services on or about August ___, 2024 (the “Agreement”); and

WHEREAS, pursuant to the Agreement, County agrees to sell and transfer to City and City agrees to accept from County all of County’s rights, title and interest in and to certain library collection materials used to provide library services at the Irvine University Park Library and/or Irvine Heritage Park Library.

NOW THEREFORE, in consideration of the mutual promises and covenants contained herein and, in the Agreement, and of other good and valid consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

1. The term “Transferred Library Collection Materials” shall mean approximately 167,000 items of library collection materials used by County to provide library services at the Irvine University Park Library and/or Irvine Heritage Park Library that are listed on the Transferred Library Collection List attached as Appendix A hereto. The list of library collection materials attached as Appendix A can be modified by mutual agreement of the Parties prior to execution of this Bill of Sale, which is anticipated to take place on or before June 23, 2025, and the Parties agree that the final quantity and quality of library collection materials to be transferred to City will vary in certain respects from the preliminary description of library collection materials due to depreciation, changes, and losses incurred during normal business operations. County will use reasonable efforts to provide library collection materials that are substantially similar, in quantity and quality, to those listed in the preliminary list of library collection materials identified in Appendix A.

2. Effective as of July 1, 2025, County hereby sells, assigns, transfers, grants, conveys and delivers to City, and City hereby accepts from County, all of County’s right, title, interest, and ownership in and to the Transferred Library Collection Materials, free and clear of any and all mortgages, pledges, leases, licenses, charges, liens, claims, security interests, liabilities and encumbrances of any kind.

3. Such sale, assignment, transfer, grant, conveyance, and delivery is subject to the terms set forth in the Agreement. Through the foregoing transfers, the Parties shall not assume any obligations or liabilities of each other arising from the Transferred Library Collection Materials, all of which are disclaimed.

4. THIS BILL OF SALE IS MADE WITHOUT ANY REPRESENTATION OR WARRANTY BY COUNTY. COUNTY DISCLAIMS ALL WARRANTIES, EXPRESSED OR IMPLIED, IN CONNECTION WITH THE TRANSFERRED LIBRARY COLLECTION MATERIALS, INCLUDING, BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE. THE TRANSFERRED LIBRARY COLLECTION MATERIALS ARE SOLD ON AN “AS IS” BASIS.

5. Upon execution of this Bill of Sale, this Bill of Sale shall become part of the Agreement and shall be subject to the Agreement’s terms and conditions, which are incorporated herein by reference.

6. This Bill of Sale shall be governed by and construed in accordance with the applicable laws of the State of California, without giving effect to the principles thereof relating to conflicts of laws as stated in Section 12 of the Agreement.

7. In the event of any conflict or ambiguity between the terms of this Bill of Sale and the terms of the Agreement, the terms of the Agreement shall govern.

IN WITNESS WHEREOF, the Parties hereto certify that they have read and understand all the terms and conditions contained herein and have hereby caused this Bill of Sale to be executed by their duly authorized representatives.

CITY OF IRVINE

By: _____
Name: Oliver C. Chi
Title: City Manager

By: _____
Name: Carl Petersen
Title: City Clerk

Dated: _____

Dated: _____

APPROVED AS TO FORM

By: _____

Dated: _____

CITY ATTORNEY

COUNTY OF ORANGE
A Political Subdivision of the State of California
COUNTY AUTHORIZED SIGNATURE:

By: _____
Name: Dylan Wright
Title: Director of Orange County Community
Services

By: _____
Name: Julie Quillman
Title: County Librarian

Dated: _____ Dated: _____

APPROVED AS TO FORM
Office of the County Counsel

By:  _____
DEPUTY COUNTY COUNSEL

Dated: 7/31/2024 _____

Appendix A

Transferred Library Collection List

The Transferred Library Collection Materials shall include approximately 167,000 library collection items located at the Irvine University Park Library and/or Irvine Heritage Park Library made up of the following approximate percentages, each of which may vary, up or down, by up to 20 percent:

- 52% Fiction Books
- 36% Nonfiction Books
- 11% Audiovisual Materials (includes Audiobooks, DVDs, and CDs)
- 1% Magazines, Newspapers, and other assorted item types









July 25, 2024 Fully Assembled FINAL Agreement Between Irvine and County Regarding Withdrawal from OCPL (with ALL Exhibits)

Final Audit Report

2024-07-25

Created:	2024-07-25
By:	Renee HighEagle (rhigh eagle@cityofirvine.org)
Status:	Signed
Transaction ID:	CBJCHBCAABAA7PcUo0Gm_tBzQastb4ExK-4Y0A7Bdmin

"July 25, 2024 Fully Assembled FINAL Agreement Between Irvine and County Regarding Withdrawal from OCPL (with ALL Exhibits)" History

-  Document created by Renee HighEagle (rhigh eagle@cityofirvine.org)
2024-07-25 - 9:43:49 PM GMT- IP address: 63.194.45.134
-  Document emailed to Jennifer Farrell (jfarrell@rutan.com) for signature
2024-07-25 - 9:49:17 PM GMT
-  Email viewed by Jennifer Farrell (jfarrell@rutan.com)
2024-07-25 - 9:55:45 PM GMT- IP address: 160.72.199.130
-  Document e-signed by Jennifer Farrell (jfarrell@rutan.com)
Signature Date: 2024-07-25 - 9:56:09 PM GMT - Time Source: server- IP address: 160.72.199.130
-  Document emailed to Oliver Chi (ochi@cityofirvine.org) for signature
2024-07-25 - 9:56:10 PM GMT
-  Email viewed by Oliver Chi (ochi@cityofirvine.org)
2024-07-25 - 10:18:32 PM GMT- IP address: 104.28.111.144
-  Document e-signed by Oliver Chi (ochi@cityofirvine.org)
Signature Date: 2024-07-25 - 10:18:52 PM GMT - Time Source: server- IP address: 104.28.111.148
-  Document emailed to Carl Petersen (cpetersen@cityofirvine.org) for signature
2024-07-25 - 10:18:54 PM GMT

 Email viewed by Carl Petersen (cpetersen@cityofirvine.org)

2024-07-25 - 10:36:35 PM GMT- IP address: 104.47.64.254

 Document e-signed by Carl Petersen (cpetersen@cityofirvine.org)

Signature Date: 2024-07-25 - 10:37:06 PM GMT - Time Source: server- IP address: 63.194.45.134

 Agreement completed.

2024-07-25 - 10:37:06 PM GMT