

**REAL PROPERTY LEASE**

County of Monterey Standard Form [Rev. 4/94]

THIS LEASE made this Sixth (6th) day of June, 2006 between County of Monterey c/o Real Property Specialist, 855 East Laurel Drive, Building C, Salinas, CA 93905, "LESSEE," and Susan Glau Living Trust, P.O. Box 451, King City, CA 93930, "LESSOR."

SECTION 1 - PREMISES: LESSOR, in consideration of the rent and agreements hereinafter set forth does hereby lease to LESSEE, and LESSEE leases from LESSOR those certain premises located at 62350 College Street, San Ardo, CA 93450, consisting of approximately 1,008 square feet of space as shown on attached Exhibits A and B.

SECTION 2 - TERM: The term shall be for two (2) years, beginning May 1, 2006, and ending April 30, 2008.

SECTION 3 - OPTION: LESSEE shall have the option to renew this lease for one additional term of two (2) years, on the same terms and conditions except and save that the monthly rent be \$840.00 provided that LESSEE gives LESSOR not less than sixty (60) days written notice of its intent to exercise the option to renew prior to the expiration of this lease.

SECTION 4 - RENT: LESSEE shall pay LESSOR monthly rent of \$780.00 on the first day of each month during the term of said lease. This amount shall be the amount of monthly rent unless such rent shall be reduced or diminished as provided in Section 15, Destruction, herein below. The first month's rent shall be prorated in the event LESSEE takes possession after the first of the month.

It is mutually agreed that in the event the LESSEE shall default in the payment of rent herein reserved when due, the LESSOR shall forward notice in writing of such default to the LESSEE, and failure of the LESSEE to cure such default within thirty (30) days after the date of receipt of such notice shall, at the option of the LESSOR, work as a forfeiture of this lease.

SECTION 5 - DELIVERY OF PREMISES: LESSOR agrees to deliver to the LESSEE physical possession of the demised premises upon the commencement of the term hereof in good, clean and tenable condition, free and clear of all tenants and occupants and the rights of either. Such delivery shall also be free of liens, encumbrances and violations of laws, ordinances and regulations relating to the use, occupation and construction of the building on the demised premises or of which the demised premises are a part.

LESSEE agrees to deliver to LESSOR physical possession of the demised premises within ten (10) days after the termination or expiration of this lease or any extension thereof, in as good condition as it was at the commencement of this lease, wear and tear, damage by fire, or damage from any other cause not directly attributable to the negligence of the LESSEE excepted.

SECTION 6 - USE: The premises shall be used by the LESSEE exclusively for purposes of operating a public library or county offices and for no other purpose. LESSEE's use of the premises, as provided in this lease, shall be in accordance with the following: a) LESSEE shall not do, bring or keep anything in or about the premises that will cause a cancellation of any insurance covering the premises, b) LESSEE shall comply with all laws concerning the premises or LESSEE's use of the premises, c) LESSEE shall not use the premises in any manner that will constitute waste, nuisance or unreasonable annoyance to owners or occupants of adjacent properties, d) LESSEE shall have access to the premises at all times when access is necessary in the conduct of LESSEE's activities.

SECTION 7 - LESSOR'S ENTRY OF PREMISES: LESSOR and his authorized representatives shall have the right to enter the premises at all reasonable times for any of the following purposes: a) To determine whether the premises are in good condition and whether LESSEE is complying with its obligations under this lease, b) To do any necessary maintenance and to make any restoration to the premises that LESSOR has the right or obligation to perform, but coordinating such actions with library activities in order to minimize disruption of those activities.

SECTION 8 - UTILITIES: LESSEE shall make all arrangements for and pay for all water, natural gas, electricity, trash collection, telephone and janitorial service provided to or used by it and any telephone connection charges.

SECTION 9 - MAINTENANCE: LESSEE shall permit no act of waste, take good care of and perform routine minor maintenance to the interior of said premises such as repair of leaky faucets, electrical switches, light fixtures and ballasts, replacement of light bulbs and tubes, broken glass, interior painting, and any damage caused by misuse or neglect by a county employee, its agents or its clients.

LESSOR agrees to perform major maintenance on heating and ventilating systems, interior repairs to electrical wiring or plumbing within walls, or at electrical service panels, and make all structural repairs, and all exterior repairs including flooring, roof, parking area, sidewalk and common areas.

LESSOR and its officers, employees and agents shall not apply any substance as part of any building maintenance or repair which would introduce irritating or noxious odors or any other hazardous condition to occupied spaces without prior coordination and approval of the Facilities and Construction Manager at (408) 755-4855. Prior notification and approval shall be made at least 48 hours prior to the desired application time. Also, a Product Safety Data Sheet shall be furnished by the proposed applicator to the Monterey County Facilities Manager.

Examples of such substances or materials include, but are not limited to, the following:

- Termite Control Materials Pesticides Paint
- Water Treatment Chemicals
- Any other substance that is or could be construed as hazardous

SECTION 10 - INSURANCE AND INDEMNIFICATION: LESSEE, during the term hereof, shall indemnify and save harmless the LESSOR from and against any and all claims and demands whether for injuries to persons or loss of life, or damage to property, occurring within the demised premises and arising out of the use of the demised premises by the LESSEE, excepting however, such claims and demands whether for injuries to persons or loss of life, or damage to property caused by acts or omissions of the LESSOR.

LESSEE agrees to maintain public liability and property damage insurance or self-insurance coverage with liability limits of not less than \$1,000,000 for injury or death to one or more persons and property damage limits of not less than \$50,000 per occurrence insuring against all liability of LESSEE and its authorized representatives arising out of and in connection with LESSEE's use or occupancy of the premises.

LESSOR, during the term hereof, shall indemnify, defend and save harmless the LESSEE from and against any and all claims and demands whether for injuries to persons or loss of life, or damage to property arising out of acts or omissions of the LESSOR. In the latter regard, LESSEE shall promptly notify LESSOR in writing of any building hazards of which the LESSEE becomes aware so that LESSOR may immediately eliminate the hazard. LESSOR agrees that it will keep insured against loss or damage by fire, the building on the demised premises or of which the demised premises are a part of without recourse by the insurance carrier against the LESSEE for negligence.

SECTION 11 - SIGNS: LESSEE may place such signs and advertisements upon the demised premises as LESSEE may desire, provided, however, that at the expiration of the term hereof or any renewal or extension of this lease, LESSEE will remove said signs and will restore the demised premises to their original condition.

SECTION 12 - FIXTURES: Any trade fixtures, equipment, furniture, de-mountable walls, or other property installed in the demised premises by and at the expense of the LESSEE shall remain the property of the LESSEE, and the LESSOR agrees that the LESSEE shall have the right at any time, and from time to time, to remove any and all of its trade fixtures, equipment and other property which it may have stored or installed in the demised premises provided the premises are restored to acceptable condition. LESSOR agrees not to mortgage or pledge the LESSEE's trade fixtures, equipment or other property.

SECTION 13 - COMPLIANCE WITH THE "AMERICANS WITH DISABILITIES ACT OF 1990" (ADA): The LESSOR will ensure that the premises are in compliance with the Americans with Disabilities Act of 1990 ("ADA") and, if necessary, shall modify the premises to comply with the Act and the regulations promulgated to implement the Act.

SECTION 14 - IMPROVEMENTS AND ALTERATIONS: LESSEE shall not make any alterations or improvement of said premises without the written consent of the LESSOR, first had and obtained. All alterations and additions to and improvement of the said premises, immediately when made shall become and be the property of the LESSOR and shall not be changed in the said premises without the consent in writing of the LESSOR first had and obtained.

SECTION 15 - ASSIGNMENT: LESSEE agrees not to assign, mortgage, pledge or encumber this lease without first obtaining the written consent of the LESSOR. The consent of LESSOR to any assignment of LESSEE's interest in this lease or the subletting of LESSEE of said premises or parts of said premises shall not be unreasonably withheld. LESSEE is hereby given the right to sublet the demised premises or any part thereof, but notwithstanding such subletting the LESSEE shall continue to be liable for the performance of the terms, conditions and covenants of this lease.

SECTION 16 - DESTRUCTION: In the event of a partial destruction of the premises for any cause, LESSOR shall forthwith repair the same, provided such repairs can be made within sixty (60) days, but such partial destruction shall in no way annul or void this lease except that LESSEE shall be entitled to a proportionate reduction of rent while repairs are being made. Such reduction shall be based upon the extent to which the destruction and the making of repairs shall interfere with the business carried on by LESSEE. In the event of destruction of more than one third of the premises or that repairs cannot be reasonably made in sixty (60) days, this lease may be terminated at the option of either party.

SECTION 17 - LEGAL ACTION: Should LESSOR be compelled to commence or sustain an action at law to collect said rent or parts thereof or to dispossess the LESSEE or to recover possession of said premises, or should LESSEE be compelled to commence or sustain an action at law or in equity to enforce any obligation of LESSOR under this lease, the prevailing party shall be entitled to payments of its costs and reasonable attorneys' fees as may be determined by the court.

SECTION 18 - LIENS: LESSEE agrees that in the event any liens including liens for labor or materials should arise during the term of this lease on account of any act or omission by the LESSEE, LESSEE shall forthwith discharge and pay the same.

SECTION 19 - REAL PROPERTY TAXES: LESSEE shall use the premises as a public library and for the purpose of operation of a library service. Exemption from real property taxes, based upon such use by LESSEE, may be filed by LESSOR, solely at LESSOR's option. In the event LESSOR does not file, all such taxes shall be paid by LESSOR.

SECTION 20 - PERSONAL PROPERTY TAXES: LESSEE, as a local government entity, is exempt from any taxation upon personal property. In the event, however, that personal property taxes are levied on personal property belonging to LESSEE, it shall be LESSEE's responsibility to pay or satisfy such taxes or otherwise have such taxes released from the personal property.

SECTION 21 - ABANDONMENT: If LESSEE shall abandon said premises, the same may be relet by the LESSOR for such rent and upon such terms as said LESSOR may see fit, and if a sufficient sum shall not thus be realized after paying the expenses of such reletting and collecting, to satisfy the rent hereby reserved, the LESSEE agrees to satisfy and pay all deficiency. In the event the LESSOR shall relet the premises for the balance of the entire term of this lease, the LESSOR may immediately declare due and payable from the LESSEE the difference between the rental provided for herein and the rental procured upon such reletting.

SECTION 22 - WAIVER: The waiver, by LESSOR or LESSEE, of any covenant or condition herein contained shall not vitiate the same or any other covenant or condition contained herein and that the terms and conditions contained herein shall apply to and bind the heirs, successors and assigns of the respective parties hereto.

SECTION 23 - HOLDING OVER: If LESSEE, with LESSOR's consent, remains in possession of the premises after expiration or termination of the term, or after the date in any notice given terminating this lease without a new agreement being reached, such possession by LESSEE shall be deemed to be a month-to-month tenancy terminable on thirty (30) days notice given at any time by either party, at the same terms and conditions herein stated.

SECTION 24 - TERMINATION BY COUNTY: Notwithstanding any other provisions of this lease, LESSEE at its sole option, may terminate this lease upon ninety (90) days written notice that funds have not been budgeted for leasing of the property described herein. Such termination shall be without penalty to LESSEE. Such right of termination shall not be construed so as to permit LESSEE to terminate this lease in order to lease other premises for a similar purpose within San Ardo. LESSEE represents it is its intent to lease said property for the full term unless financial conditions make it necessary for the Board of Supervisors to not budget funds therefor.

SECTION 25 - NOTICE: Any notice which either party desires or is required to give to the other party shall be in writing and either served personally or sent by registered or certified mail, at the address set forth in the introductory paragraph of this lease. Either party may change its address or addresses by notifying the other party of such change of address. Notice shall be deemed communicated within forty-eight (48) hours from the time of mailing, if mailed as provided in this paragraph.

SECTION 26 - SUCCESSORS AND ASSIGNS: Subject to the restriction on assignment hereinabove written, this lease, and all of the terms, covenants, and conditions hereof, shall be binding upon and shall insure to the benefits of their heirs, legal representatives, successors and assigns of the respective parties hereto.

SECTION 27 - TIME: Time is of the essence in this agreement.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by their respective duly authorized agents the day and year shown above.

**LESSEE: (County of Monterey)**

**APPROVED AS TO FORM: (County Counsel)**

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: Purchasing Manager

Title: Deputy County Counsel

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**LESSOR: (Susan Glau Living Trust)**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_