

AMENDED AND RESTATED LEASE AGREEMENT

This AMENDED AND RESTATED LEASE AGREEMENT (the "Lease") is made and entered into by and between the City of Petaluma, a California municipal corporation ("Landlord") and the Sonoma County Library, a joint powers agency ("Tenant"), under the following terms and conditions:

RECITALS

A. Landlord owns that certain property located at 100 Fairgrounds Drive in the City of Petaluma, California, more particularly described in Exhibit A (the "Property").

B. The Property has been improved with a building (the "Building") and a parking lot. The portion of the Building that is used to provide Library Services as defined below, is shown on the floor plan to the Building that is attached as Exhibit B (the "Premises").

C. Landlord, as a member of Tenant, is bound by the First Amended and Restated Joint Powers Agreement for the County-Wide Provision of Library Services by the Sonoma County Library dated August 1, 2014 (the "JPA Agreement"), which governs the relationship between the Parties to this Lease.

D. Landlord and Tenant entered into a certain Lease Agreement, dated January 27, 1978, for a term of 55 years for Tenant's use of the Premises for public library services. The existing lease agreement would normally expire on January 17, 2033. There are no provisions for extension of the lease beyond the original 55-year term.

E. Landlord applied to and was notified of a successful award of \$1,856,449 from the California State Library Building Forward Grant program. A requirement of the grant award includes at least ten years of use of the Premises for public library services, post-construction completion. The existing lease agreement would expire prior to the ten-year grant condition.

F. Landlord and Tenant agree that the presence of a public library in a community enhances the quality of life in that community. Landlord is therefore willing to lease the Premises to the Tenant for the operation of a library on the terms set forth herein.

1. Amended and Restated Lease and Use of the Premises.

a. Amended and Restated Lease and Termination of Existing Lease. Upon the full execution of this Amended and Restated Lease and any required protest periods thereafter, the existing lease, dated January 27, 1978, between Landlord and Tenant shall be terminated by mutual consent and the Amended and Restated shall be effective.

b. Use of the Premises. Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the Premises, which consists of approximately 25,800 square feet, for the purpose of providing library services, which include lending books and other media to the public, offering programs to the public, and providing collection management and technical services in the course of operating a library, as well as related services, activities, and events, including without limitation services, activities and events of non-profit organizations whose primary purposes include supporting the Library (collectively, the "Library Services").

2. Term, Occupancy, and Renewal.

a. Term. The term of this Lease (the "Term") shall commence on the date this Lease is executed by both Tenant and Landlord (the "Commencement Date") and shall continue for a term of 40 years.

b. Occupancy. Tenant has been in occupancy of the Premises under a 55-year lease, and by the execution of this Lease enters into a lease of the Premises for the Term. Provided Tenant is not in default under any terms of this Lease, with mutual consent of the Parties an option to renew this Lease, under the same terms and conditions as set forth in this Lease, for the further term of 10 years from and after the expiration of the original term of this Lease as set forth under Section 3(a) (the "Renewal Term") by giving Landlord written notice of election of exercise option to at least 120 days prior to the expiration of the then unexpired term; provided, if Tenant fails to timely notify Landlord of election to extend for any option period, all succeeding option periods, if any, shall automatically expire and lapse and the Lease shall terminate at the end of the term then in effect.

3. Rent. In exchange for the use of the Premises, Tenant shall perform the Library Services and related activities at the Building during the Term of this Lease. No rent is due or payable from the Tenant to the Landlord during the Term of this Lease, except for "additional rent" as may be charged by Landlord to Tenant pursuant to this Agreement.

a. Holdover. Tenant shall not hold over after the expiration or earlier termination of the term hereof without the express prior written consent of Landlord. If Tenant fails to surrender the Premises upon the expiration of this Lease, Tenant shall indemnify, protect, defend and hold Landlord harmless from all loss or liability, including without limitation, any claim made by any succeeding tenant founded on or resulting from such failure to surrender. Such indemnity shall survive the expiration of this Lease.

4. Condition of, and Improvements to, Premises.

a. Improvements. Under this Lease, Landlord shall have no obligation or responsibility, actual or implied, to install, construct, accommodate, or make any improvements to the Premises prior to, or as a condition of, Tenant's entering into this Lease.

b. As-Is Condition. Tenant warrants and agrees that Tenant has inspected the Premises. Tenant agrees to take possession of the Premises in an AS-IS condition (which exists on the date this Lease is signed) and Tenant further agrees that, if Tenant wishes to construct any improvement in the Premises, Tenant shall comply with all requirements in Section 12 (Alterations and Liens) of this Lease. Landlord makes no representations regarding the condition, status, compliance with laws, or suitability for a particular purpose for Tenant's use.

c. Condition Upon Surrender. Upon termination of this Lease, Tenant shall surrender the Premises to Landlord in as good condition as when originally received, ordinary wear and tear, and including any repairs or improvements made by Tenant. If Tenant fails to surrender the Premises in good order and repair, after thirty (30) days' prior written notice, Landlord may, at its option, make such repairs, and Tenant shall pay the reasonable cost thereof as additional rent hereunder within ten (10) days after receipt of a written statement therefor. In the event the giving of thirty (30) days' prior notice may result in additional damage to the Premises, Landlord may

make such repairs, at Tenant's expense, without thirty days' prior written notice. Lessee shall take particular care, when quitting the Premises, that nothing is removed from the building that was contained in it or built into it prior to its initial occupancy by Lessee, including books previously owned by the City of Petaluma and which have been the subject of any agreement or agreements, whenever made for eventual return to the City of Petaluma, particularly including rare books and books of historical interest to the City.

d. Inspection by Certified Access Specialist. Landlord discloses that the Premises have not undergone inspection by a Certified Access Specialist as referenced in California Civil Code Section 1938 subsection (e) which provides: "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 the foregoing Section 1938(e), Tenant acknowledges and agrees that, if Tenant wishes to have the Premises inspected by a CASp: (i) Tenant must notify Landlord on or before the date when Tenant executes this Lease pursuant to the election below; (ii) the inspection will be at Tenant's sole cost and expense; (iii) the inspection must be scheduled through Landlord and in coordination with the Building's property manager; (iv) any repairs or modifications necessary to correct any violation of construction-related accessibility standards that is noted in the CASp report shall be Tenant's responsibility; and (v) Tenant must provide a copy of the CASp report to Landlord on completion. By initialing below, Tenant represents that:

Tenant wishes to have a CASp inspection of the Premises Initials: _____

Tenant hereby waives its right to have a CASp inspection of the Premises Initials: _____

5. Use. The Premises shall be used only for the Library Services and for no other purpose. Tenant shall not use any portion of the Premises for purposes other than the Library Services without first obtaining the written consent of Landlord. Tenant shall maintain and conduct its said business insofar as the same relates to Tenant's use and occupancy of the Premises, in a lawful manner and in strict compliance with all governmental laws, rules, regulations and order.

6. Uses Prohibited. In addition to the limitations on uses pursuant to Section 5, Tenant shall not do or permit anything to be done in or about the Premises nor bring or keep anything therein which is not within the scope of Library Services on the Premises which will in any way increase the existing rate of or affect any fire or other insurance upon the Property or any of its contents, or cause a cancellation of any insurance policy covering the Property or any part thereof or any of its contents. Tenant shall not do or permit anything to be done in or about the Premises which will in any way obstruct or interfere with the rights of other tenants or occupants of the Property or injure or annoy them or use or allow the Premises to be used for any improper, immoral, unlawful or objectionable purpose; nor shall Tenant cause, maintain or permit any nuisance in, on or about the Premises. Tenant shall not commit or allow to be committed any waste in or upon the Premises.

7. Compliance with Laws/Hazardous Materials.

a. Tenant, at Tenant's expense, shall comply with and cause all of Tenant's agents to comply with all applicable laws, ordinances, rules and regulations of governmental authorities applicable to the Premises or the use or occupancy thereof, including, without limitation, the law commonly known as the Americans With Disabilities Act and California Code of Regulations Title 8, Sections 3281 through 3299 (collectively, "Laws").

b. Tenant shall not cause or permit any Hazardous Materials, as defined below, to be brought upon, kept, used, discharged, deposited or leaked in or about the Premises or the Property by Tenant or any of Tenant's agents or by anyone in the Premises (other than Landlord or its agents, employees or contractors), except to the extent such Hazardous Materials are cleaning or office supplies customarily kept or used by in connection with provision of the Library Services and are kept and used in accordance with all applicable laws. If Tenant breaches the obligations stated in the preceding sentence, or if the presence of any Hazardous Material on the Premises or the Property caused or suffered or permitted by Tenant or any of Tenant's agents or by anyone in the Premises (other than Landlord or its agents, employees or contractors) results in contamination of the Premises or the Property, or if contamination of the Premises or the Property by any Hazardous Material otherwise occurs for which Tenant is legally liable, then Tenant shall indemnify, defend and hold Landlord harmless from any and all claims, damages, costs, liabilities and expenses (including, without limitation, diminution in value or use of the Property, attorneys' fees, consultant fees and expert fees) which arise during or after the Term as a result of such contamination. This indemnification shall include, without limitation, costs incurred in connection with any investigation of site conditions or any clean-up, remedial, removal or restoration work on or under the Premises. "Hazardous Material" means any hazardous or toxic substance, material or waste which is or becomes regulated by any local, state or federal governmental authority or by common law decisions, including without limitation (i) all chlorinated solvents, (ii) petroleum products or by-products, (iii) asbestos and (iv) polychlorinated biphenyls.

8. Waste; Nuisance; Quiet Enjoyment. Tenant shall not suffer or commit any waste or nuisance on the Premises, nor shall Tenant interfere with or obstruct the rights of or disturb the quiet enjoyment of any other tenant or occupant of the building or injure or annoy them.

9. Repair, Maintenance and Operating Expenses.

In accordance with Section X.C.2 of the JPA Agreement, Landlord and Tenant shall work together to plan for the provision and payment of capital improvements and capital repairs to the Library facilities operated by Tenant, including, but not limited to, major repair and replacement of building structures, HVAC systems, plumbing, roofing, ADA improvements, and other structural elements or external features such as parking lots.

a. Landlord shall repair and maintain the roof, structural foundations, and exterior walls of the building in which the Premises are located at its own expense unless the need for such repair shall be caused by the neglect, misuse, or misconduct of Tenant, its agents, employees or invitees, in which case Landlord shall promptly cause the repairs to be made at Tenant's sole expense. Landlord's repair and maintenance responsibilities shall generally include the following:

(1) Effect repairs to the HVAC, mechanical, electrical, plumbing systems, sidewalks, parking lot.;

(2) Effect maintenance services, repair, and replacement of the building shell and all exterior walls, structural members, and roof as needed;

(3) Effect ADA improvements exterior to the building footprint pursuant to the California Building Code associated with the path of travel to all doors as identified in the City's adopted transition plan.

(4) Replace windows damaged from the outside.

A detailed list of Landlord's responsibilities is included in Attachment Two.

b. Tenant shall, at Tenant's sole cost and expense, maintain the Premises except as noted under Section 9(a), above, in good condition and repair. Tenant's cleaning, maintenance, and repair responsibilities shall include the following:

(1) Maintain the Premises in neat and sanitary order, repair, and condition;

(2) Maintain landscaping of the premises;

(3) Provide janitorial services to the Premises, and keep all areas assigned solely to Tenant clean and clear of debris, litter, and garbage;

(4) Furnish all materials and supplies, including light bulbs, electrical and lighting fixtures, plumbing fixtures and plumbing drains (from the interior of the Premises to the Point of connection of Tenant's drainage system with the public sanitary sewer system to the back of sidewalk);

(5) Effect routine service to the electrical service panel, in addition to service of the heating, ventilation, and air conditioning ("HVAC") equipment, through a service plan approved by Landlord;

(6) Replace windows damaged from the inside; and

(7) Replace carpeting if excessively worn and presents a hazardous or unsightly appearance.

(8) Effect all ADA improvements interior to the building footprint including interior patio or courtyard areas pursuant to the California Building Code within the facility including exterior doors.

c. Fixtures And Equipment. Tenant at its own expense shall provide and maintain all fixtures and equipment reasonably required to enable it to conduct the Library Services in the Premises in a customary manner. Tenant shall keep all fixtures and equipment clean and in good repair. Kitchens or other food preparation facilities shall be steam cleaned annually. Landlord may inspect the Premises annually to ensure good maintenance practices and review the current condition of the Premises pursuant to Section 12. Such fixtures and equipment shall remain the property of Tenant, and Tenant may remove or if required to do so by Landlord, shall remove the same or any part thereof upon the termination of this Lease. Prior to lease expiration or earlier termination, Tenant shall repair at its own expense any damage to the Premises caused by its removal of said fixtures or equipment. All fixtures and equipment installed by Tenant pursuant

thereto shall not be subject to, and to and shall be free of any lien for payment of rent by Tenant or for the performance of any other obligation of Tenant. Tenant shall keep Tenant's fixtures and equipment insured for full replacement value.

d. Utilities. To the extent separately assessed, billed or charged, Tenant shall pay, during the term hereof, all electric, water, gas, telephone, and other public utility charges in connection with its occupancy and use of the Premises, including all costs of operating and maintaining all equipment therein, and all business taxes, possessory use tax, if any and all taxes upon the property and fixtures of the Tenant. Landlord shall not be responsible for any interruptions or disturbance of service regardless of whether Tenant is paying directly for such services or if such services are being contracted for by Landlord, nor shall there be any abatement of rent resulting from any cessation or interruption of utility service or other service contemplated by this section. Tenant hereby waives the provisions of California Civil Code Section 1932(1) or any other applicable existing or future law, ordinance or governmental regulation permitting the termination of this Lease due to the interruption or failure of any services to be provided under this Lease. If Landlord renovates the Premises to include renewable energy, Lessee and Landlord will amend this agreement to reflect the purchase of energy from Landlord.

e. Revenue & Taxation Code Section 107.6 Possessory Interest Tax. Tenant recognizes and understands that this Lease may create a possessory interest subject to property taxes and that, if a possessory interest is created, Tenant shall, in accordance with this Section 11(e) hereof, be responsible for payment of property taxes levied against such possessory interest.

10. Alterations and Liens. Tenant shall not make or cause to be made any alterations, additions, or improvements to or of the Premises or any part thereof without the prior written consent of Landlord. If any alterations require additional changes to comply with Laws which are triggered by Tenant's alterations, all such resulting requirements to comply with Laws shall be at Tenant's expense and any Landlord consent to such alterations shall be conditioned on Tenant's payment for same. Any alterations, additions, or improvements affixed to the Premises, except furnishings, equipment, and trade fixtures, shall, at Landlord's option, become part of the real property and belong to Landlord on expiration or termination of the term and any extension thereof. If Landlord consents to the making of any alteration, additions, or improvements to the Premises, they shall be made at Tenant's sole cost and expense, unless otherwise agreed to by Landlord. Tenant shall keep the Premises free and clear of any liens or encumbrances which may arise from such work. At Landlord's option, Tenant shall, at its sole cost and expense, remove all such additions, alterations, and improvements from the Premises at the end of the term hereof and repair any damage to the Premises occasioned by such removal; provided that Landlord shall inform Tenant in writing at the time of Landlord's approval that such removal will be required. If Tenant shall fail to complete such removal and repair such damage within ten (10) days after such termination, Landlord may do so and Tenant shall pay the reasonable cost thereof as additional rent within ten (10) days after Landlord shall render to Tenant a written statement therefor. In the event Tenant makes any alterations to the Premises that trigger or give rise to a requirement that the Premises come into compliance with any governmental laws, ordinances, statutes, order and or regulations (such as ADA requirements), Tenant shall be fully responsible for complying, at its sole cost and expense with same. Tenant shall file a Notice of Completion after completion of any alteration or improvement and provide Landlord with a copy thereof. Tenant shall provide Landlord with a copy of a set of "as built" drawings of any such work. In procuring work, labor, materials or other things of value to the Premises Lessee will notify its contractors and suppliers that the Premises is publicly owned and is not subject to mechanics' liens, and will further notify such persons that the

City of Petaluma shall have no responsibility for the payment of related claims except by written consent entered into by the City pursuant to law.

11. Assignment and Subletting. Tenant shall not either voluntarily, or by operation of law, assign, transfer, mortgage, pledge, hypothecate or encumber this Lease or any interest therein, and shall not sublet the said Premises or any part thereof, or any right or privilege appurtenant thereto, or allow any other person (the employees, agents, servants and invitees of Tenant excepted) to occupy or use the said Premises, or any portion thereof, without first obtaining the written consent of Landlord which may be granted or withheld in Landlord's sole and absolute discretion. Consent to one assignment, subletting, occupation or use by another person shall not be deemed to be consent to any subsequent assignment, subletting, occupation or use by another person. Consent to any such assignment or subletting shall in no way relieve Tenant of any liability under this Lease. Any such assignment or subletting without such consent shall be void, and shall, at the option of the Landlord, constitute a default under the terms of this Lease. No sublease or assignment shall release Tenant from continuing liability hereunder. In the event that Landlord shall consent to a sublease or assignment hereunder, Tenant shall pay Landlord reasonable attorney fees and costs incurred in connection with the processing of documents necessary to giving of such consent. Any consideration that Tenant receives as a result of any assignment or sublease that is in excess of any rent payable by Tenant under this Lease shall be divided and paid 50% to Tenant and 50% to Landlord; provided, however, that if Tenant is in default under this Lease, Landlord shall be entitled to all such excess consideration. Notwithstanding the foregoing, fundraising revenue received by the library or non-profits supporting the library shall not be considered consideration for purposes of this section.

12. Entry by Landlord. Except for emergencies such as fire, water intrusion and the like which may be at any time, Landlord and its agents shall have the right to enter the Premises at reasonable times to inspect and examine the same and to make such repairs to the Premises as the Landlord shall deem advisable, and to show the Premises to prospective tenants, buyers or lenders upon forty-eight (48) hours' notice.

13. Indemnification.

a. Waiver of Claims. To the extent permitted by law, Tenant waives all claims against Landlord for damage to person or property arising for any reason. Tenant assumes all such risks for Tenant and any employees, licensees, invitees, agents, or contractors to the maximum extent permitted by law.

Indemnity. To the maximum extent permitted by law, Tenant shall, at its own expense, indemnify, defend with counsel acceptable to the City, (which acceptance will not be unreasonably withheld), and hold harmless City and its officers, officials, employees, agents and volunteers ("Indemnitees") from and against any and all liability, loss, damage, claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, civil penalties and fines, expenses and costs (including, without limitation, claims expenses, attorney's fees and costs and fees of litigation) (collectively, "Liability") of every nature, whether actual, alleged or threatened, arising out of or in connection with Tenant's use of the Building or Tenant's failure to comply with any of the terms of this Agreement, regardless of any fault or alleged fault of the Indemnitees.

Tenant's obligation to indemnify, defend and hold harmless under this provision shall not be

excused because of Tenant's inability to evaluate Liability, or because Tenant evaluates Liability and determines that Tenant is not or may not be liable. Tenant must respond within 30 calendar days to any tender of defense and indemnity by the City, unless the time for responding has been extended by an authorized representative of the City in writing. In the event that the City must file responsive documents in a matter tendered to Tenant prior to Tenant's acceptance of tender, Tenant agrees to fully reimburse all costs, including but not limited to attorney's fees and costs and fees of litigation, incurred by the City in filing such responsive documents.

Tenant waives any and all rights to express or implied indemnity against the Indemnitees concerning any Liability of Tenant arising out of or in connection with Tenant's use of the Building or Tenant's failure to comply with any of the terms of this Agreement.

Notwithstanding the foregoing, to the extent this Agreement is a "construction contract" as defined by California Civil Code Section 2783, as may be amended from time to time, Tenant's duty to indemnify under this provision shall not apply when to do so would be prohibited by California Civil Code Section 2782, as may be amended from time to time.

Notwithstanding the foregoing, to the extent that Tenant's use of the Building includes design professional services subject to California Civil Code Section 2782.8, as may be amended from time to time, Tenant's duty to indemnify shall only be to the maximum extent permitted by California Civil Code Section 2782.8.

14. Insurance. Tenant shall obtain and maintain at all times during the Term of this Lease insurance against claims for injuries to personal or damages to property which may arise from or in connection with the Lease by the Tenant, its agents, representatives, employees, invitees, or subcontractors. Tenant shall obtain and furnish proof of coverage as to each type of insurance required. Landlord shall procure and maintain a policy of standard fire and casualty insurance for the building and Premises. Such policy shall include loss of use coverage to the benefit of Tenant, and Tenant shall be named as an additional insured on the policy.

a. Waiver of Subrogation. The Tenant releases Landlord, and its respective authorized representatives, from any claims (for damage to any person or to the Premises and/or the building in which the Premises are located, and to the fixtures, personal property, Tenant's improvements, and alterations of either Landlord or Tenant in or on the Premises and/or the building in which the Premises are located) that are caused by or result from risks which are insured against under any insurance policies carried by the parties and in force at the time of any such damage and to the full extent of any proceeds paid under said policies.

b. Ratings, Certificates. All policies shall be taken out with insurers licensed to do business in California with a current Best Rating of (A, VII) and in form satisfactory from time to time to Landlord. Certificates of insurance evidencing all such insurance and acceptable to the Landlord shall be filed with Landlord prior to occupancy of the Tenant and at least ten (10) days prior to the expiration of the term of each policy thereafter. Such certificates of insurance must specifically show all the special policy conditions required in this Section 14, including "additional insured," "waiver of subrogation," "notice of cancellation," and "primary insurance" wording applicable to each policy. Alternatively, a certified, true and complete copy of each properly endorsed policy may be submitted. All policies shall contain an undertaking by the insurers to notify Landlord and the mortgagees of Landlord in writing not less than thirty (30) days prior to

any material change, reduction in coverage, cancellation, or other termination thereof. Tenant shall furnish Landlord with proof of renewal or binders for new insurance at least thirty (30) days before the expiration date of each policy. With respect to CGL Insurance, Tenant shall name Landlord, its employees, elected officials, board members, officers, agents and volunteers as additional insureds with respect to Tenant's negligence for any claims arising out of Tenant's operations in or upon the Premises. In addition, the CGL Insurance: (i) must be endorsed to be primary and non-contributory, rather than excess, with respect to each party's additional insured status; (ii) endorsed to provide cross-liability coverage if they do not contain a standard ISO separation of insureds provision; (iii) shall not contain any endorsement or provision that states the limits of the policy will not stack, pyramid or be addition to any other limits provided by that insurer, and (iv) have no cross suits exclusion, or any similar exclusion that excludes coverage for claims brought by an additional insured under the policy against another insured under the policy. All insurance policies required by this Section 14 (i) must be issued by insurance companies having an "A" rating or better by Standard and Poor's, and if not rated by Standard & Poor's, then a rating of "A" by A.M. Best Company, and (ii) may be satisfied by a primary policy or combination of primary and umbrella policies. The insurance provisions set forth in this Section 14 set forth the minimum amounts and scopes of coverage to be maintained by Tenant and are not to be construed in any way as a limitation on each party's liability under this Lease.

15. Destruction of Premises.

a. Destruction Due to Risk Covered by Insurance. If, during the term of this Lease and any renewal term, the Premises or the Property and other improvements in which the Premises are located are totally or partially destroyed from a risk covered by insurance carried by either Tenant or Landlord for the Property, rendering the Premises totally or partially inaccessible or unusable, Landlord shall restore the Premises or the Property, and other improvements in which the Premises are located, to substantially the same condition as they were immediately before destruction if they can be repaired within 270 days from date of destruction. Such destruction shall not terminate this Lease. If the existing laws do not permit the restoration, either party can terminate this Lease immediately by giving notice to the other party. Provided, however, if the cost of the restoration exceeds the amount of proceeds received from the insurance, or the estimate of time to fully restore the Premises exceeds the lesser of 270 days or the remaining Term of the Lease, Landlord can elect to terminate this Lease by giving notice to Tenant within fifteen (15) days after determining that the restoration cost will exceed the insurance proceeds.

b. Destruction Due to Risk Not Covered by Insurance. If, during the term of this Lease and any renewal term, the Premises or the Property and other improvements in which the Premises are located are totally or partially destroyed by a risk not covered by the insurance, rendering the Premises totally or partially inaccessible or unusable, Landlord can elect to terminate this Lease by giving notice to Tenant within fifteen (15) days after determining the restoration cost and replacement value.

c. Abatement or Reduction of Rent. In case of destruction, there shall be an abatement or reduction of rent between the date of destruction and the date of substantial completion of restoration based on the extent to which the destruction interferes with Tenant's use of the Premises.

d. Waiver of Civil Code Sections. Tenant waives the provisions of California Civil Code Section 1932(2) and California Civil Code Section 1933(4) with respect to any destruction of the Premises.

16. Default and Landlord's Remedies.

a. Default. The occurrence of any of the following shall constitute a default by Tenant:

(1) Tenant shall fail to pay when due any monetary sum payable under this Lease.

(2) Tenant shall fail to observe, keep or perform any of the other terms, covenants, agreements or conditions contained in this Lease if such default continues for a period of thirty (30) days after written notice by Landlord specifying the nature of the default with reasonable particularity, unless the nature of the default is such that more than thirty (30) days is required to cure it and Tenant commences to cure it within such thirty (30) -day period and thereafter diligently pursues it to completion.

(3) Tenant shall become bankrupt or insolvent or make a transfer in fraud of creditors, or make an assignment for the benefit of creditors, or take or have taken against Tenant any proceedings of any kind under any provision of the Federal Bankruptcy Act or under any other insolvency, bankruptcy or reorganization act and, in the event any such proceedings are involuntary, Tenant is not discharged from the same within thirty (30) days thereafter.

(4) A receiver is appointed for a substantial part of the assets of Tenant, and such receivership is not released within thirty (30) days.

(5) The abandonment of the Premises by Tenant, or the vacation (hereby defined to be thirty (30) or more consecutive days of continual absence from the Premises) of the Premises by Tenant.

(6) This Lease or any estate of Tenant hereunder shall be levied upon by any attachment or execution and such levy is not released within thirty (30) days.

Notices given under this Section shall specify the alleged default and the applicable Lease provisions, and shall demand that Tenant perform the provisions of this Lease or pay the rent that is in arrears, as the case may be, within the applicable period of time, or quit the Premises.

b. Landlord's Remedies. If any default by Tenant shall occur and following notice of default as required by this Lease (for the period applicable to the default under the applicable provision of this Lease), Landlord shall have the following remedies in addition to all other rights and remedies provided by law or equity, to which Landlord may resort cumulatively or in the alternative.

(1) In the event that Lessee fails or neglects to do or perform any act or thing required of it under this Lease and its default shall continue for a period of ten (10) days after written notice from Lessor specifying the nature of the act or thing to be done or performed Landlord may, but shall not be required to, perform or cause to be done or performed the act or thing required, and shall be entitled to charge the expense of such doing or performance to the Lessee, and to have and recover its expense from the Lessee. Landlord shall not be held liable in any way or in any way

responsible for any loss, inconvenience, annoyance, or damage resulting to Lessee on account thereof. Any act or thing done by Landlord pursuant to this paragraph shall not be construed as a waiver of any such default by Lessee, or as a waiver of any term or condition of this Lease, or as a waiver of any subsequent default.

(2) Landlord shall have the immediate option to terminate this Lease and all rights of Tenant hereunder by giving written notice of such intention to terminate. In the event that Landlord shall so elect to terminate this Lease, then Landlord may recover from Tenant:

(a) The worth at the time of award of any unpaid rent which had been earned at the time of such termination; plus

(b) The worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss Tenant proves could have been reasonably avoided; plus

(c) The worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss that Tenant proves could be reasonably avoided; plus

(d) Any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom; and

(e) At Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable law.

As used in Subparagraphs (a) and (b) above of this Section, the "worth at the time of award" is computed by allowing interest at the maximum rate an individual is permitted by law to charge. As used in subparagraph (c) above, the "worth at the time of award" is computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%).

(3) In the event of the vacation or abandonment of the Premises by Tenant, or in the event that Landlord shall elect to reenter as provided herein or shall take possession of the Premises pursuant to legal proceeding or pursuant to any notice provided by law, then Landlord shall have the remedy specified by Civil Code Section 1951.4, in which Landlord may from time to time recover all rental as it becomes due or relet the Premises or any part thereof for the account of Tenant on such term or terms and at such rental or rentals and upon such other terms and conditions as Landlord in its sole discretion may deem advisable, with the right to make alterations and repairs to the Premises. In the event that Landlord shall elect so to relet, then rentals received by Landlord from such reletting shall be applied first, to the payment of any indebtedness, other than rent due hereunder, owed by Tenant to Landlord; second, to the payment of any cost (including commissions) of such reletting; third, to the payment of the cost of any alterations and repairs to the Premises; fourth, to the payment of rent due and unpaid hereunder; and the residue, if any, shall be held by Landlord and applied in payment of future rent as the same may become due and payable hereunder. Should that portion of such rentals received from such reletting during any month, which is applied to the payment of rent hereunder, be less than the rent payable during that month by Tenant hereunder, then Tenant shall pay such deficiency to Landlord upon demand.

Tenant shall also pay to Landlord, as soon as ascertained, any and all costs and expenses incurred by Landlord in such reletting or in making such alterations and repairs not covered by the rentals received from such reletting.

(4) No reentry or taking possession of the Premises by Landlord pursuant to this Section shall be construed as an election to terminate this Lease unless a written notice of such intention be given to Tenant or unless the termination thereof be decreed by a court of competent jurisdiction.

c. **Landlord Default.** Landlord shall be in default for failure to observe, keep or perform any of the other terms, covenants, agreements or conditions contained in this Lease if such default continues for a period of thirty (30) days after written notice by Tenant specifying the nature of the default with reasonable particularity, unless the nature of the default is such that more than thirty (30) days is required to cure it and Landlord commences to cure it within such thirty (30) -day period and thereafter diligently pursues it to completion. Tenant shall have all available remedies at law or equity.

17. **Signs.** All signs and graphics of every kind visible in or from public view or corridors, or the exterior of the Premises, whether inside or outside the Premises, shall be the sole responsibility of Tenant to install and maintain, subject to Landlord's prior written approval and shall be subject to compliance with any applicable Laws, including local sign ordinances , Historic Preservation laws and adopted specific plans.

18. **Parking.** Tenant shall have use of parking areas owned by Landlord and specifically designated for Tenants use at and around the Premises; provided, however, that no tenant may park in an area designated, identified, and/or reserved for parking by any other tenant or tenants, if any. Should any damages to the Premises, the parking area, and/or the vehicles of Tenant or their invitees/licensees/employees be occasioned by the invitees, licensees, tradesmen, or customers of Tenant, such damage shall be repaired at Tenant's sole cost and expense. It is expressly understood and agreed the Tenant's right to the use of said parking area shall be non-exclusive and subject to the Rules and Regulations, and that Landlord reserves the right to establish and enforce other rules with respect to the use thereof, and Tenant agrees to abide by and conform to the same, as revised from time-to-time.

19. **Estoppel Certificate.** Tenant shall execute and deliver to Landlord within ten (10) days of request a commercially reasonable estoppel statement. Landlord and Tenant intend that any estoppel statement delivered pursuant to this Section may be relied upon by any mortgagee, beneficiary, purchaser or prospective purchaser of the building or any interest therein and failure to execute and return such estoppel shall be a material breach of the Lease.

20. **Effect of Early Termination.** If Landlord terminates the leases for all Library locations within Petaluma, Landlord will withdraw from the JPA. Alternative locations must be identified and made available sufficiently in advance of the termination date to allow a reasonable time for the Library to relocate its operations to the alternative location prior to the termination date.

21. **Brokers.** The parties represent that there are no brokers involved in the negotiation of this Lease or otherwise entitled to a commission or fee in connection with the transactions contemplated in this Lease. Each party hereby indemnifies, defends and holds the other party harmless from all loss, cost and expense (including reasonable attorneys' fees) arising out of a

breach of its representation set forth in this Section 21. The provisions of this Section 21 shall survive the termination of the Lease. This Section 21 is for the benefit of Landlord and Tenant only and is not intended to give any third person, including a broker, any right of subrogation or action over or against any party to this Lease.

22. Attorneys' Fees. If either party commences an action against the other party arising out of or in connection with this Lease, the prevailing party shall be entitled to have and recover from the losing party reasonable attorney's fees and costs of suit.

23. Notices. All notices and demands which either party is required or desires to give to the other shall be given in writing by certified mail, return receipt requested with appropriate postage paid, by personal delivery, or by private overnight courier service to the address set forth below for the respective party, provided that if any party gives notice of a change of name or address or number notices to that party shall thereafter be given as demanded in that notice. All notices and demands so given shall be effective only upon the receipt by the party to whom notice or demand is being given.

If to Tenant:	Sonoma County Library Attn: Library Director 6135 State Farm Drive Rohnert Park, CA 94928
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With copy to Tenant's Legal Counsel:	Kronick, Moskovitz, Tiedemann & Girard Attn: Jeffrey Mitchell 1331 Garden Hwy, 2 nd Floor Sacramento, CA 95833
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If to Landlord:	City of Petaluma Attn: City Manager 11 English Street Petaluma, CA 94952
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With copy to Landlord's Legal Counsel:	City Attorney's Office 11 English Street Attn: City Attorney Petaluma, CA 94952
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24. Waiver; Accord and Satisfaction. No delay or omission in the exercise of any right or remedy of Landlord on any default by Tenant shall impair such right or be construed as a waiver. The receipt and acceptance by Landlord of delinquent rent shall not constitute a waiver of any other default; it shall constitute only a waiver of timely payment for the particular rent payment involved. No payment by Tenant or receipt by Landlord of a lesser amount than the rent payment herein stipulated shall be deemed to be other than on account of the rent, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such rent or pursue any other remedy provided in this Lease.

25. Time is of the Essence. Time is of the essence of this Lease as to the performance of all terms, covenants, and conditions stated herein.

26. Successors and Assigns. Except as otherwise provided herein, all of the terms and conditions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. In the event of any transfer, assignment or other conveyance or transfers of any such title or tenant, Landlord herein named (and in case of any subsequent transfers or conveyances, the then grantor) shall be automatically freed and relieved from and after the date of such transfer. Landlord may transfer its interest in the Premises without the consent of Tenant and such transfer or subsequent transfer shall not be deemed a violation on Landlord's part of any of the terms and conditions of this Lease.

27. Titles and Definitions. The titles of paragraphs herein are for identification only. They shall not be considered to be a part of this Lease and shall have no effect upon the construction or interpretation thereof. The words "Landlord" and "Tenant" as used in this Lease shall include both singular, plural, masculine, feminine, and neuter as the context shall require.

28. Counterparts and Electronic Signatures. This Agreement and future documents relating thereto may be executed in two or more counterparts, each of which will be deemed an original and all of which together constitute one Agreement. Counterparts and/or signatures delivered by facsimile, pdf or City of Petaluma-approved electronic means have the same force and effect as the use of a manual signature. Both Buyer and Seller wish to permit this Agreement and future documents relating thereto to be electronically signed in accordance with applicable federal and California law. Either Party to this Agreement may revoke its permission to use electronic signatures at any time for future documents by providing notice pursuant to this Agreement. The Parties agree that electronic signatures, by their respective signatories are intended to authenticate such signatures and to give rise to a valid, enforceable, and fully effective Agreement. Either Party reserves the right to reject any digital signature that cannot be positively verified by the other as an authentic electronic signature

29. Entire Agreement/Amendment. This Lease contains the entire agreement of the parties and supersedes all prior negotiations, drafts, and other understandings which the parties may have concerning the subject matter hereof. This Lease may not be modified except by written instrument duly executed by the parties hereto or their successors in interest.

30. Choice of Laws; Interpretation. This Lease shall be governed by and construed pursuant to the laws of the State of California. The provisions of this Lease shall be construed in accordance with the fair meaning of the language used and shall not be strictly construed against either party.

31. Authority/Consents & Approvals. Each of the persons executing this Lease on behalf of Tenant warrants and represents that Tenant is a duly organized and validly existing entity, that Tenant has full right and authority to enter into this Lease and that the persons signing on behalf of Tenant are authorized to do so and have the power to bind Tenant to this Lease. Tenant shall provide Landlord upon request with evidence reasonably satisfactory to Landlord confirming the foregoing representations. The approval of Landlord, wherever required in this Lease, shall mean the approval of the City Council or City Manager.

32. No Merger. The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation thereof, shall not work a merger, and shall, at the option of Landlord, operate as an assignment to it of any or all subleases or subtenancies.

33. Recordation. Tenant shall not record this Lease or a short form memorandum hereof without Landlord's prior written approval.

34. No Third Party Benefit. This Lease is a contract between Landlord and Tenant and nothing herein is intended to create any third party benefit.

35. Severability. If, for any reason whatsoever, any of the provisions hereof shall be unenforceable or ineffective, all of the other provisions shall be and remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Lease of the date last written below, which shall be the Commencement Date.

TENANT:

Sonoma County Library,
a joint powers agency

By: _____
Name: _____
Title: _____

Dated: _____

Approved as to form:

By: _____
Jeffrey Mitchell, General Counsel

CITY:

City of Petaluma,
a Municipal Corporation

By: _____
City Manager

Dated: _____

Approved as to form:

By: _____

Attachments:

Exhibit A – Property

Exhibit B – Building Floor Plan

EXHIBIT A
PROPERTY

EXHIBIT B
BUILDING FLOOR PLAN