

Sacramento Public Library Authority

July 28, 2011 Agenda Item 15.0: Orangevale Library:Terms of Lease

TO: Sacramento Public Library Authority Board Members

FROM: Don Tucker, Director of Facilities

RE: Orangevale Library: Terms of Lease

RECOMMENDED ACTIONS:

Adopt Resolution 11-42, A Resolution Accepting the Terms and Conditions of Sacramento County Lease 1781 for the Orangevale Branch of the Sacramento Public Library

REASON FOR RECOMMENDATION

Sacramento County's Department of General Services, Lease Management Division has negotiated lease terms for the Orangevale branch located at 8820 Greenback Lane, Suites K, L and M, Orangevale, California, through June 30, 2016. The basic terms of the lease provide for a termination clause with a six month notice after the first eighteen months of the lease. The terms also reflect a lower monthly lease rate, down from the current rate of \$5,803 per month to \$4,968 per month in the first year of the new lease. This lower rate will render a total savings of \$23,780 over the full term of the lease as compared to current rates.

The Orangevale branch was expanded and remodeled in April 2008 and serves the community well. Conceptual plans exist for a new library near the Orangevale Community Center, but funding for such a project has not yet been identified. The lease terms proposed will provide enough flexibility for the Sacramento Public Library Authority to act if that project receives funding.

Library staff is recommending acceptance of the lease terms negotiated by the County of Sacramento's Department of General Services, Lease Management Section in order to continue the provision of Library services at the existing Orangevale branch location.

ATTACHMENTS

Resolution 11-42, A Resolution Accepting the Terms and Conditions of Sacramento County Lease 1781 for the Orangevale Branch of the Sacramento Public Library

Exhibit A: Sacramento County Lease 1781 with Exhibits A through E

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Sacramento Public Library Authority

RESOLUTION NO. 11-42

Adopted by the Governing Board of the Sacramento Public Library Authority on the date of:

JULY 28, 2011

A RESOLUTION ACCEPTING THE TERMS AND CONDITIONS OF SACRAMENTO COUNTY LEASE 1781 FOR THE ORANGEVALE BRANCH OF THE SACRAMENTO PUBLIC LIBRARY

BE IT HEREBY RESOLVED BY THE GOVERNING BOARD OF THE SACRAMENTO PUBLIC LIBRARY AUTHORITY AS FOLLOWS:

- 1. The terms and conditions of Sacramento County Lease 1781, as negotiated by the County of Sacramento's General Services Department, Lease Management Office, are accepted.
- 2. The Library Director is authorized to approve the Lease document as to terms and conditions as the Authority's representative.

S	andy Sheedy, Chair
ATTEST:	
Rivkah K. Sass, Secretary	
By:	<u> </u>

ATTACHMENTS:

Exhibit A: Sacramento County Lease 1781 with Exhibits A through E

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LEASE 1781

COUNTY OF SACRAMENTO

8820 GREENBACK LANE SUITES K, L, M ORANGEVALE, CALIFORNIA 95668

On Behalf Of:

SACRAMENTO PUBLIC LIBRARY

Prepared By:

Svetlana Vorontsov, Real Estate Officer II

Suzanne Meyer, Program Manager Lease Management Section

LEASE 1781

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SIGNATURE PAGE

EXHIBITS

EXHIBIT "A"	PROPOSED SPACE PLAN
EXHIBIT "B"	LEASE DESIGN SPECIFICATIONS
EXHIBIT "C"	NOT USED
EXHIBIT "D"	LEGAL DESCRIPTION
EXHIBIT "E"	MAINTENANCE TIMELINES
EXHIBIT "F"	NOT USED

LEASE AGREEMENT 8820 GREENBACK LANE, SUITES K, L, M ORANGEVALE, CALIFORNIA 95668 LEASE 1781

THIS LEASE is made between Theodoros G. Avdalas and Georgia G. Avdalas, Trustee of the Theodoros G. Avdalas Family Revocable Inter Vivos Trust (created by a Declaration of Trust dated February 14, 1991) as to an undivided 33.34% interest and Nicolette Gianulias, Trustee of the GIANCO Trust dated May 17, 2007 as to undivided 33.33% interest, and Vasio Gianulias, a single woman as to an undivided 33.33% interest, all as tenants in common (LESSOR) and the COUNTY OF SACRAMENTO, a political subdivision of the State of California (LESSEE), and shall be effective upon execution by the County of Sacramento's Director of General Services, or his/her designee, under delegation of authority Sacramento County Code, Chapter 2.62.035, as set forth on the signature page hereof.

ARTICLE 1 LEASED PREMISES

hereinafter contained, LESSOR does hereby lease to LESSEE and LESSEE does hereby lease from LESSOR the following described property, collectively referred to hereinafter as the "Leased Premises" or "Premises": a mutually agreed area of 4,320 square feet in the building located at 8820 Greenback Lane, Suites K, L, M, Orangevale, California 95662 as more particularly shown on Exhibit "A-1", attached hereto and made a part hereof by reference, and as described in the attached Exhibit "D", together with the exclusive right to use that portion of the parking area designated "Exclusive Parking" on Exhibit "A-2", and the non-exclusive right to use any of the remaining parking spaces, and the access drives and other parking rights as are contained in this Lease.

ARTICLE 2 TERM

- **2.1 TERM COMMENCEMENT**. The term of this Lease (the "Term") shall commence, and LESSEE'S obligation to pay rent shall commence on July 1, 2011 (the "Commencement Date").
- **EXPIRATION**. Unless sooner terminated as herein provided the Term shall expire and end at 12:00 o'clock midnight, local time, on the June 30, 2016 (the "Expiration Date").

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2.3 OPTIONAL TERM. *Intentionally omitted.*

Lessor____

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- **2.4 EARLY TERMINATION.** LESSEE shall have the option to terminate this Lease, which termination shall not be effective until after the eighteenth (18th) month of the Term, by giving written notice of that intention and identifying the early termination date to LESSOR at least six (6) months prior thereto. The County of Sacramento's Director of General Services, or his/her designee, is authorized, on behalf of LESSEE, to execute and deliver the written notice provided for herein.
- **2.5 HOLDOVER.** LESSEE shall have the option to hold possession of the Leased Premises after the Expiration Date of the Term, upon the same terms and conditions. In the event LESSEE remains in possession of the Leased Premises after the Expiration Date of the Term either party may terminate the tenancy by giving a 120 day written notice. The County of Sacramento's Director of General Services, or his/her designee, is authorized, on behalf of LESSEE, to execute and deliver the written notice provided for herein.

ARTICLE 3 IMPROVEMENTS

- 3.1 IMPROVEMENTS IN GENERAL. Intentionally omitted.
- **3.2 COST OF IMPROVEMENTS.** *Intentionally omitted.*
- **3.3 DESIGN DEVELOPMENT.** *Intentionally omitted.*
- **3.4 CONSTRUCTION STANDARDS.** *Intentionally omitted.*
- **3.5 ASBESTOS**. If, in the performance of any maintenance or the construction of alterations, it is determined that asbestos-containing materials will have to be removed from the Leased Premises, then LESSOR shall engage the services of a licensed asbestos contractor for the removal of such materials. All asbestos-containing materials removed from the Leased Premises shall be promptly replaced. Any cost and expense which may be caused by the need to hire such asbestos contractor, either for the removal of asbestos-containing materials, or the replacement of such materials shall be borne solely by LESSOR.
- **3.6 PREVAILING WAGES**. If the work to be performed by LESSOR hereunder is a public work as defined in California Labor Code Section 1720.2, then LESSOR must comply with the payment of prevailing wages and the employment of apprentices as set forth in Section 1770, et al. and following of the Labor Code.
- **3.7 TIME OF COMPLETION.** *Intentionally omitted.*
- **3.8 OCCUPANCY.** *Intentionally omitted.*
- **3.9 LIQUIDATED DAMAGES.** *Intentionally omitted.*

ARTICLE 4 RENT

4.1 MONTHLY RENT. The monthly rental rate (the "Rent") during the Term of this Lease shall be as shown below. The "Rent" shall be payable in arrears.

Term in Months	Monthly Rate		Monthly Rent	
July 2011 - June 2012	\$	1.15	\$	4,968.00
July 2012 - June 2013	\$	1.18	\$	5,117.04
July 2013 - June 2014	\$	1.22	\$	5,270.55
July 2014 - June 2015	\$	1.26	\$	5,428.67
July 2015 - June 2016	\$	1.29	\$	5,591.53

ARTICLE 5 TAXES AND ASSESSMENTS

- **5.1 TAXES AND ASSESSMENTS**. LESSOR shall pay all Real Estate Taxes assessed against the Leased Premises, and any other assessments of whatever character which may become a lien against said Leased Premises.
- **5.2 REAL ESTATE TAXES DEFINED**. The term "Real Estate Taxes" means all taxes, rates, and assessments, general or special, levied or imposed with respect to the land, the Leased Premises, or the Improvements constructed thereon (including all taxes, rates and assessments, general or special, levied or imposed for school, public betterment and/or general or local Improvements). If the system of real estate taxation is altered or varied, and any new tax or levy is levied or imposed on said Leased Premises, or the LESSOR, in substitution for or modification of Real Estate Taxes presently levied or imposed in the jurisdiction where the Leased Premises is located, then such new tax or levy shall be included within the term "Real Estate Taxes".

ARTICLE 6 UTILITY AND SERVICE PAYMENTS

- **6.1 GAS AND ELECTRICITY**. LESSEE shall pay all gas and electricity utility charges for heating, cooling, and lighting purposes and operation of all office equipment, including computers, used on the Leased Premises.
- **6.2 REMOVAL OF GARBAGE, WASTE AND RECYCLABLE MATERIALS.** LESSEE shall, without additional charge, furnish regular and adequate garbage, waste and recyclable material removal services to the Leased Premises.
- **6.3 SEWER AND WATER**. LESSOR shall furnish, without additional charge, sewer and water service to the Leased Premises.

- **6.4 JANITORIAL SERVICE**. LESSEE shall, furnish all necessary janitorial service to the Leased Premises
- **6.5 FAILURE TO MAKE PAYMENT.** In the event LESSOR shall fail to pay any of the charges or rates or payments for the above utilities and services when due, LESSEE may pay the same and deduct the amount thereof from the Rent to accrue.

ARTICLE 7 MAINTENANCE AND REPAIR

- 7.1 INTERIOR AND EXTERIOR. LESSOR shall, at LESSOR'S sole cost and expense, and in accordance with the terms of this Lease, keep the Leased Premises in good order, repair and tenantable condition at all times during the Term; including, but not limited to: the roof, ceiling, interior and exterior walls and doors, glazing, flooring, elevators, plumbing, water pipes, hot water heater, alarm systems, fire extinguishers, lighting (including, but not limited to, bulbs, tubes, fixtures, lens covers, ballasts, emergency lights, security lights and exterior lights), heating, ventilating and air conditioning units, and toiletry dispensers.
- **7.2 TIMING OF MAINTENANCE WORK**. All maintenance and repair work requested by LESSEE, shall be performed by LESSOR (or LESSOR'S agent) in a timely fashion and in accordance with the terms herein. LESSEE, in its sole discretion, shall determine if the requested maintenance or repair constitutes an Emergency, Urgent or Routine response by LESSOR.
 - **A. Emergency.** Maintenance and repair work determined to be Emergency by LESSEE, performed by LESSOR (or LESSOR'S agent), shall be scheduled and arranged by LESSOR as determined by LESSEE, in accordance with the response times more particularly identified or defined in Exhibit "E" (attached hereto) and with LESSEE'S knowledge and consent.
 - If LESSEE is unable to reach LESSOR (or LESSOR'S agent), after LESSEE makes reasonable active efforts to notice LESSOR, and LESSOR is unreachable or non-responsive, then within one (1) hour of commencement of notification efforts, LESSEE may arrange for said emergency maintenance and repair work and deduct the cost, pay the outstanding charge, rate, fee, or payment, including LESSEE staff time, and deduct said amount from the Rent to accrue.
 - **B. Urgent.** Maintenance and repair work determined to be Urgent by LESSEE, performed by LESSOR (or LESSOR'S agent), shall be scheduled and arranged by LESSOR as determined by LESSEE, in compliance with the response times more particularly identified or defined in Exhibit "E" (attached hereto) and with LESSEE'S knowledge and consent.
 - C. Routine. Maintenance and repair work determined to be Routine by LESSEE, performed by LESSOR (or LESSOR'S agent), shall be scheduled and arranged by LESSOR as determined by LESSEE, in compliance with the response times more

particularly identified or defined in Exhibit "E" (attached hereto) and with LESSEE'S knowledge and consent. Maintenance and repair work determined to be Routine by LESSEE which would disrupt LESSEE'S operation and use of the Leased Premises shall not be performed during LESSEE'S office hours.

- **D.** Planned preventative maintenance initiated by LESSOR. Preventative maintenance and repair work initiated by LESSOR, performed by LESSOR (or LESSOR'S agent), shall be scheduled and arranged by LESSOR and with LESSEE'S knowledge and consent at least five (5) business days in advance of any planned preventative maintenance, repair, or alteration. Preventative maintenance and repair work or alterations which would disrupt LESSEE'S operation and use of the Leased Premises shall not be performed during LESSEE'S office hours.
- **MAINTENANCE, MONITORING, AND TESTING OF LIFE/HEALTH/SAFETY SYSTEMS.** LESSOR shall perform annual maintenance, monitoring, and testing of all Life/Health/Safety Systems; including but not limited to: emergency lighting, fire alarm systems, fire extinguishers, smoke detectors, and all mechanical systems. LESSOR shall provide to LESSEE a written report within thirty (30) days of said maintenance and testing.
- **7.4 LIGHTING.** LESSOR shall furnish, maintain, and repair all light fixtures; including the prompt replacement of all extinguished ballasts, light bulbs and/or tubes at all times during the Term. LESSOR shall also dispose of all extinguished light bulbs and/or tubes in accordance with the standards set forth by the California Code of Regulations (CCR) Title 22, Charter 23.
- **7.5 EXTERIOR.** LESSOR shall with specific regard to exterior maintenance and repair of the Leased Premises:
 - **A.** Landscaping. LESSOR shall furnish all landscaping maintenance and repair.
 - **B.** Parking Lot. As to all parking areas shown on Exhibit "A", LESSOR shall furnish parking lot sweeping, maintenance and repair, cleaning, re-striping, and re-surfacing.
 - C. Graffiti Removal. LESSOR shall promptly remove all graffiti from the exterior walls of the Leased Premises and from all of the exterior of the Leased Premises. If LESSOR fails to remove any such graffiti from the exterior of the Leased Premises within forty eight (48) hours of LESSOR'S receipt of written notice by LESSEE, LESSEE may perform, or cause to be performed, removal of said graffiti and deduct the actual costs thereof from the Rent. For purposes of the self-help remedy herein granted, LESSOR hereby grants to LESSEE all rights necessary to exercise such remedy.
 - **D. Security Patrol**. *Intentionally omitted*.
- **7.6 WALL AND FLOOR FINISH**. In addition to the foregoing, with specific regard to wall and floor finishing:

- **A. Walls.** At LESSEE's request, LESSOR shall, at its sole cost and expense, repaint the exterior paintable surfaces of the Leased Premises and repaint the interior using paint of the same quality as specified in Exhibit "B" with colors subject to LESSEE approval, once after the second year. Said repainting work shall be performed by LESSOR within ninety (90) days of the conclusion of the second year of the Term. LESSOR shall move any furniture as necessary and provide boxes to accommodate said moving of furniture; all without cost or expense to LESSEE. In addition, all work shall be performed after LESSEE'S hours of operations, or on weekends or during County holidays.
- **B. Floors.** No scheduled carpet and other flooring materials replacement provided during the Term of the Lease. LESSOR shall maintain the carpet and other flooring materials as provided in subparagraph 7.1 above.
- 7.7 **PEST CONTROL.** LESSOR shall provide, at its sole cost and expense, all structural and non-structural pest control service for the Leased Premises. Said pest control service shall be provided on a scheduled basis, at a minimum quarterly, and address the following: structural pests, non-structural pests, landscaping pests and organisms, termites, dry rot, and powder post beetles.
- **7.8 MECHANICAL SYSTEM SERVICE.** LESSOR shall, at its sole cost and expense, provide the following:
 - **A.** Employ a licensed heating and air conditioning contractor to inspect, service, maintain, and repair all mechanical systems, of the Leased Premises on a regular and consistent basis to maintain the original performance and operation of the systems.
 - **B.** Perform annual inspections of all mechanical systems, to include HEPA air cleaning devices, of the Leased Premises; including, but not limited to, the heating, ventilating, and air-conditioning system. Annual inspections shall occur during the months of February or March, in anticipation of the air-conditioning season.
 - C. Heating, Ventilating, And Air Conditioning (HVAC). Use air filters manufactured in accordance with industry standards and for use in the specific model of the mechanical system of the Leased Premises and shall replace said air filters upon occupancy and on a quarterly basis (i.e. every 90 days) starting ninety (90) days from the Commencement Date and continuing until the Termination of this Lease.
 - **D.** Provide a copy of the mechanical system service record to LESSEE prior to occupancy and upon LESSEE'S request during the Term.
 - E. Insure that all inspections, maintenance and repair of the mechanical system be documented in writing and available for review within forty eight (48) hours of request as stated in Title 8, California code of Regulations, Section 5142(b). Records must be kept for a minimum of five (5) years.

- **7.9 SECURITY SYSTEM SERVICE.** The parties acknowledge and agree:
 - **A. Intrusion Alarm System.** LESSOR shall provide and pay for, during the Term of this Lease or renewal thereof, maintenance and monitoring of the Intrusion Alarm System installed on the Leased Premises.
 - B. C-Cure Access Control System. *Intentionally omitted.*
- **7.10 REPAIR CONTACT**. For those maintenance and repair duties undertaken by LESSOR under the provisions of this Lease, LESSEE may notify LESSOR or LESSOR'S designated contacts requesting service when maintenance or repair is required for the Leased Premises as hereinafter provided.
 - A. **Repair Contacts.** Ten (10) days prior to the Lease Commencement Date, LESSOR shall designate in writing sources to be called when repairs to the Leased Premises are required. Information regarding these sources shall include names, addresses, telephone numbers, fax numbers, and email addresses.
 - B. **Emergency/After Hours Repair Contacts.** Ten (10) days prior to the Lease Commencement Date, LESSOR shall designate in writing a list of additional sources to be called when emergency or after hours repair to the Leased Premises is required. Said sources shall be called in the event LESSEE is unable to contact LESSOR or LESSOR'S agent within a reasonable time under the circumstances. This list shall include, as to each source, name, address, telephone number, fax number, and email address.
 - C. Self-Help. In the event LESSOR fails, refuses or neglects to make those repairs for which LESSOR is obligated, within the timelines specified in Exhibit "E", then LESSEE may, in addition to any other remedy LESSEE may have, make, or cause to be made, such repairs and may thereafter deduct the actual cost so incurred from the next monthly installment of rent due plus an administrative fee/penalty. Said administrative fee/penalty shall not be less than \$500.00 USD or up to a maximum of eighteen (18) percent of the actual cost incurred whichever sum is greater.
- LESSEE requests maintenance and repair work from LESSOR pursuant to subparagraph 7.1 above, and said maintenance and repair work is later determined to be caused by the unreasonable acts of LESSEE, its officers, employees, agents, volunteers, or invitees (based on proper documentation submitted to, and approved by, LESSEE), then LESSEE shall reimburse LESSOR, LESSOR'S agent (property manager), or LESSOR'S vendor for the actual amount of said maintenance and repair work within thirty (30) days of LESSEE'S receipt of a proper invoice. Upon satisfactory completion thereof the County of Sacramento's Director of General Services, or his/her designee, shall have the authority to approve and pay said reimbursement (including applicable overhead and profit as identified in subparagraph 11.5.B).

ARTICLE 8 INDEMNITY

8.1 INDEMNITY.

- A. LESSEE shall defend, indemnify and hold harmless LESSOR, its officers, directors, agents, employees and volunteers from and against any and all demands, claims, actions, losses, liabilities, damages, and costs, including reasonable attorneys' fees, sustained by any person or to any property in, on or about the leased premises caused in whole or in part by a wrongful or negligent act or omission of LESSEE or anyone directly employed by LESSEE, its officers, agents, invitees, guests, or volunteers.
- **B.** LESSOR shall defend, indemnify and hold harmless LESSEE, its officers, directors, agents, employees and volunteers from and against any and all demands, claims, actions, losses, liabilities, damages, and costs, including reasonable attorneys' fees, sustained by any person or to any property in, on or about the leased premises caused in whole or in part by a wrongful or negligent act or omission of LESSOR or anyone directly employed by LESSOR, its officers, agents, invitees, guests, or volunteers.
- C. It is the intention of LESSOR and LESSEE that, where comparative fault is determined to have been contributory, principles of comparative fault will be followed and each party shall bear the proportionate cost of any injury or damage attributable to the fault of that party, its officers, employees, agents, invitees, guests, or volunteers.

ARTICLE 9 INSURANCE

9.1 INSURANCE.

A. LESSOR agrees that it shall, during the Term of this Lease and its own expense, keep the Leased Premises and any structural improvements on the Leased Premises insured in sufficient amounts against loss or damage by fire and other casualty commonly covered by standard fire and all risk coverage insurance including flood coverage. Valuation shall be on a replacement cost basis. LESSOR does hereby release and waive on behalf of itself and its insurer by subrogation or otherwise, all claims against LESSEE on account of any fire or other casualty whether or not such fire or other casualty shall have resulted in whole or in part from the negligence of LESSEE.

LESSEE agrees that it shall, during the Term of this Lease and at its own expense, keep its contents, non-structural improvements and personal property located on the Leased Premises fully insured against loss or damage by fire or other casualty, commonly covered by standard fire and all risk coverage insurance including flood coverage. Valuation shall be on a replacement cost basis. LESSEE does hereby release and waive on behalf of itself and its insurer by subrogation or otherwise, all claims against the LESSOR on account of any fire or other casualty whether or not

- such fire or other casualty shall have resulted in whole or in part from the negligence of the LESSOR.
- **B.** LESSOR shall maintain property damage and public liability insurance covering the Leased Premises. Liability insurance coverage shall be not less than One Million Dollars (\$1,000,000) combined single limit per occurrence for injury or property damage.
- C. LESSOR shall furnish a certificate substantiating the fact the LESSOR has taken out the insurance herein set forth for the period covered by the Lease with an insurance carrier(s) with an A.M. Best financial rating of not less than A-:VII and authorized to do business in the State of California. LESSOR'S insurance policy required by this agreement shall be endorsed to state that coverage shall not be canceled except after thirty (30) days written notice for cancellation or sixty (60) days written notice for non-renewal has been given to the Director of General Services, or his/her designee, in the Internal Services Agency. For non-payment of premium ten (10) days prior written notice of cancellation is required.
- **D.** The certificate of insurance shall be filed with the Internal Services Agency, Real Estate Division, not less than ten (10) days prior to the date of occupancy by LESSEE.
- **E.** LESSEE is self-insured for liability and shall furnish LESSOR a letter confirming this upon request.

ARTICLE 10 USE OF LEASED PREMISES

10.1 USE OF LEASED PREMISES.

- A. LESSEE may use and occupy the Leased Premises during the Term by the County of Sacramento, Sacramento Public Library and for any other lawful uses. LESSEE shall not use the Leased Premises or permit the Leased Premises to be used in whole or in part for any purpose or use that is in violation of any of the laws, ordinances, regulations, or rules of any public authority at any time.
- **B.** LESSOR consents that LESSEE, throughout the Term of this Lease, may post and maintain, in locations proximate to all exterior entrances to the Leased Premises and the building in which the Leased Premises is situated, signs prohibiting smoking on the Leased Premises within twenty (20) feet of all entrances, exits, open windows, ventilation intake systems, and covered walkways.

ARTICLE 11 GENERAL

11.1 TIME IS OF THE ESSENCE. LESSOR and LESSEE acknowledge and affirm that time is of the essence in the performance of the terms of this Lease.

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11.2 DAMAGE TO LEASED PREMISES. In the event of the following:

- **A.** If the Leased Premises are totally destroyed by fire or other casualty, then this Lease shall terminate. If ten (10) percent or less of the floor space of the Leased Premises is rendered unusable for the purposes intended, because of fire or other casualty, LESSOR shall restore the Leased Premises as quickly as reasonably possible.
- **B.** In the event that destruction of the Leased Premises renders more than ten (10) percent of the floor space unusable, LESSOR shall give notice to LESSEE as to the time required to make the repairs. If LESSOR has not given such notice within fifteen (15) days after the destruction, or if the time for repair is considered unreasonable by LESSEE, or if LESSOR does not diligently pursue the repairs, LESSEE may make the repairs itself, deducting the costs from the Rent.
- C. In the event of any such destruction where LESSEE remains in possession of said Leased Premises, the Rent shall be reduced by the percentage of unusable space.
- 11.3 RISK OF HAZARDS. LESSEE shall not do anything on the Leased Premises, nor bring or keep anything thereon which will in any way increase the risk of fire or the rate of insurance, or which shall conflict with the regulations of any fire district having jurisdiction.

11.4 ACCESS AND USE RIGHTS.

- **A.** LESSEE shall have the exclusive right to use all interior and exterior areas of the Leased Premises as same are identified as shown on Exhibit "A", and legally described on Exhibit "D", which exhibits are attached hereto and made a part hereof.
- **B.** In the event of a reduction in LESSEE'S rights under paragraph 11.4.A above, and the reduction, in LESSEE'S opinion, renders the Leased Premises unsuitable for LESSEE'S operations, and LESSOR does not furnish equivalent access and rights within thirty (30) days of said reduction, LESSEE may terminate this Lease by giving ninety (90) days written notice to LESSOR.
- **11.5 ALTERATIONS BY LESSEE.** "Alterations" shall mean any improvement made or installed during LESSEE'S possession of the Leased Premises (the "Alterations").
 - A. LESSEE may make Alterations to the Leased Premises necessary for the accommodation of LESSEE'S uses. Prior to the commencement of any Alteration to the Leased Premises, LESSEE shall notify LESSOR of the desired Alteration, to include a written description of the Alteration deemed necessary. LESSEE shall have the option to undertake and perform the Alteration on its own behalf using LESSEE'S choice of agent, vendor and/or contractor or, at LESSEE'S option, request that the LESSOR perform the Alteration through LESSOR'S agent, vendor, and/or contractor. Permission to use an agent, vendor, and/or contractor of LESSEE'S choice in making an Alteration of the Leased Premises shall not be unreasonably withheld by LESSOR.

In the event that LESSEE uses LESSEE'S own agent, vendor, and/or contractor, LESSEE shall be responsible for making certain that LESSEE'S agent, vendor, and/or contractor has adequate workers compensation and liability insurance as would be required by LESSOR for the level of Alteration required.

- В. In the event LESSOR performs the Alteration through LESSOR'S agent, vendor, and/or contractor, then LESSOR shall provide written cost estimates (quantity of written cost estimates to be determined by LESSEE based on size and scope of Alteration) to LESSEE for the cost of the desired Alteration. LESSOR'S overhead and profit on Alteration projects shall be limited to five (5) percent of the total hard costs of the Alteration project (hard costs exclude building permit fees, school impact sewer/water connection fees, electrical grid connection fees, furniture/workstation moving costs involved in the Alteration project). Upon approval of the cost estimate and completion of the Alteration, LESSEE shall pay the full cost of the Alteration project (including applicable overhead and profit as identified in subparagraph 11.5.A) to LESSOR in a lump sum payment (based on proper documentation of the costs submitted to, and approved by, LESSEE upon completion of the work). Upon satisfactory completion thereof the County of Sacramento's Director of General Services, or his/her designee, shall have the authority to approve and pay the full cost of the Alteration at the completion of the desired Alteration. The total price payable by LESSEE to LESSOR for the Alterations shall be less than \$6,500 and paid within thirty (30) days of LESSEE'S receipt of a proper invoice issued upon satisfactory completion thereof. LESSOR shall maintain any Alteration after the Alteration is performed over the remaining terms of the Lease or renewal thereof regardless of whether the LESSOR performs the Alteration or if LESSEE performs the Alteration.
- C. All fixtures, partitions, or other Alterations made or installed within the Leased Premises by either LESSEE or LESSOR, and paid for by LESSEE, are and shall remain the property of LESSEE. LESSEE shall have the right to remove the Alterations at LESSEE'S sole cost and expense, or abandon same in place without further liability therefore to LESSOR. LESSEE shall repair any damage to the Leased Premises resulting from the removal of any fixture, partition, or other Alteration.
- 11.6 LESSEE'S RIGHT TO OFFSET AND SELF-HELP. LESSEE shall have the right (but not the obligation) to fulfill LESSOR'S obligations with respect to any duties or obligations further described in Article 5, Article 6, Article 7, or Article 8 (LESSEE shall have access to utility systems and elements outside the Leased Premises which service the Leased Premises in order to do so) in the event LESSOR defaults in its obligations to do the same, after the expiration of appropriate notice from LESSEE in the manner prescribed herein, and LESSOR'S failure to cure. In such event, LESSEE shall deduct its actual cost so incurred from the next monthly installment of rent due plus an administrative fee/penalty. Said administrative fee/penalty shall not be less than \$500.00 USD or up to a maximum of eighteen percent (18%) of the actual cost incurred whichever sum is greater.

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11.7 LESSOR'S RIGHT TO LEASE.

Lessor ____

- A. LESSOR warrants LESSOR is well seized of and has good right to lease the Leased Premises, will defend the title thereto, and will indemnify LESSEE against any damage and expense which LESSEE may suffer by reason of any lien, encumbrance, restriction or defect in the title to or description herein of the Leased Premises. LESSOR shall provide to LESSEE sufficient documentation (e.g.: partnership agreement, grant deed, trust deed, trust, corporate resolution, or articles of incorporation) to support this assertion within ten (10) days of LESSEE'S request. If at any time LESSOR'S title or right to receive Rent hereunder is disputed, LESSEE may withhold Rent thereafter until LESSEE is furnished with proof satisfactory to LESSEE as to the proper person entitled to receive the Rent.
- **B.** If LESSOR conveys its leasehold interest in the Leased Premises to another prior to the time LESSEE shall be required to pay Rent to the new owner, LESSEE shall be furnished with a fully executed assignment of LESSOR'S interest, together with a notification of the transfer executed by both LESSOR and the successor LESSOR.
- **11.8 SUCCESSORS IN INTEREST.** This Lease shall be binding upon and inure to the benefit of the successors-in-interest of the parties hereto.
- **11.9 ASSIGNMENT OF LEASE.** LESSEE shall have the right and option to assign this Lease or any part hereof, or underlet the whole, or any part of said Leased Premises, without the consent of LESSOR. Assignment or subleasing by LESSEE will not release LESSEE from the obligations contained herein.
- **11.10 WRITTEN COMMUNICATIONS AND NOTICE.** Any notice, demand, request, consent, approval, or communication that either party desires or is required to give to the other party pursuant to this Lease shall be in writing and either served personally, sent by fax, as evidenced by a fax transmittal, or sent by prepaid, first class, certified mail, or nationally recognized over-night delivery company. Such matters shall be addressed to the other party at the following addresses:

To LESSOR at:

Theodoros Avdalas Greenback Oaks Shopping Center C/O Gloria Wright 9509 Mira Del Rio Drive Sacramento, California 95662

Phone No. (916) 296-1073 FAX No. (NONE)

Email Address: gwright@intercalre.com

To LESSEE at:

County of Sacramento Real Estate Division 3711 Branch Center Road Sacramento, California 95827

Phone No. (916) 876-6200 FAX No. (916) 876-6391

Or such other address as a party may designate to the other by notice. Such notice shall be deemed effective five (5) days after transmittal, as herein provided.

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- **11.11 AMENDMENT AND WAIVERS.** This Lease constitutes the entire understanding of the parties hereto and shall not be altered or amended except by a supplementary agreement in writing and executed under proper authority by both parties. The failure of either LESSOR or LESSEE to exercise the rights granted hereunder shall not constitute a waiver of the same either at the time or upon a late recurrence.
- 11.12 RIGHT AND REMEDY. No delay or omission in the exercise of any right or remedy of either party on any default of the other party shall impair such a right or remedy or be construed as a waiver of such default. Any waiver by either party of any default of the other party shall be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Lease.
- 11.13 CONSTRUCTION AND INTERPRETATION. It is agreed and acknowledged by the parties hereto that the provisions of this agreement have been arrived at through negotiations, and that each of the parties has had a full and fair opportunity to revise the provisions of this agreement and the normal rule of construction that any ambiguities are to be resolved against the drafting party shall not apply in construction or interpreting this agreement.
- **11.14 RECORDATION OF LEASE.** This Lease shall not be recorded, but, at the request of either party, the parties agree to execute a Memorandum of Lease in recordable form which may be recorded by either party.
- **11.15 SUBORDINATION.** This Lease is and shall be prior to any encumbrance recorded after the date of this Lease or Memorandum of Lease affecting the building, other improvements, and land of which the Leased Premises are a part.
 - If, however, a lender requires that this Lease be subordinate to any such encumbrance, this Lease shall be subordinate to that encumbrance, if LESSOR first obtains from the lender a written agreement that provides the following (or language substantially similar):
 - "As long as LESSEE performs its obligations under this Lease, no foreclosure of, deed given in lieu of foreclosure of, or sale under the encumbrance, and no steps or procedures taken under the encumbrance, shall affect LESSEE'S rights under this Lease."
 - LESSEE shall attorn to any purchaser at any foreclosure sale, or to any grantee or transferee designated in any deed given in lieu of foreclosure.
 - LESSEE shall execute the written agreement and any other documents reasonably required by the lender to accomplish the purpose of this subparagraph.
- 11.16 ESTOPPEL. Upon LESSOR'S written request, LESSEE shall deliver to LESSOR a written statement containing the following information, current as of the date of the statement: (A) The status of the Lease. (B) An explanation of any default claims LESSEE may have against LESSOR. (C) The term of the Lease. (D) The monthly rental payable. LESSEE shall deliver such statement to LESSOR or to any prospective purchaser upon LESSOR'S request. Any such statement by LESSEE may be given to any prospective purchaser or encumbrancer of the property.

- 11.17 CONDEMNATION. In the event of a condemnation of the Leased Premises or of any other rights of LESSEE hereunder, each of the parties hereto shall have and retain their separate and independent rights for loss, costs, and damages against the condemning authority. Should more than ten (10) percent of the building on the Leased Premises, or of any other rights be taken so as to render the remaining Leased Premises or rights impractical for use of LESSEE, and LESSOR does not, within a reasonable time, reconfigure the remaining property so that the usability of the Leased Premises and other rights shall be substantially the same, LESSEE may terminate the Lease by giving LESSOR thirty (30) days notice. In the event less than all of the Leased Premises or other rights are condemned, and the balance remaining after any reconfiguration, may reasonably be devoted to the use of LESSEE, and LESSEE does not elect to terminate, then the rental rate shall thereafter be reduced to the extent that the market rental value of the facilities is reduced by such taking and any reconfiguration.
- 11.18 FORCE MAJEURE. Neither LESSOR nor LESSEE shall be deemed to be in breach of this Lease if either is prevented from performing any of its obligations herein by reason of strike, boycott, labor dispute, embargo, shortage of energy or materials, act of God, act of a public enemy, act of a superior governmental authority, weather conditions, rebellion, riot, sabotage, delays in obtaining building permits or other governmental approvals or any other circumstance for which it is not responsible, or which is not within its control (collectively, "Force Majeure Delay").
- 11.19 CONSTITUTIONAL DEBT LIMITATION. LESSOR acknowledges and agrees that the obligation of LESSEE to pay Rent under this Lease is contingent upon the availability of County funds which are appropriated and allocated by LESSEE'S governing body for the payment of Rent hereunder. In this regard, in the event that this Lease is terminated due to an uncured default of LESSEE hereunder, LESSOR may declare all Rent payments to the end of LESSEE'S current fiscal year to be due, including any delinquent Rent from prior budget years. In no event shall LESSOR be entitled to a remedy of acceleration of the total Rent payments due over the Term of this Lease. The parties acknowledge and agree that the limitations set forth above are required by Article 16, Section 18, of the California Constitution. LESSOR acknowledges and agrees that said Article 16, Section 18, of the California Constitution supersedes any law, rule, regulation or statute, which conflicts with the provisions of this subparagraph. Notwithstanding the foregoing, LESSOR may have other rights or civil remedies to seek relief due to LESSEE'S right of possession under the Lease and sue for the Rent as it becomes due.
- 11.20 FUNDING LIMITATION. LESSOR expressly understands and agrees that LESSEE is dependent upon certain Federal and/or State funding to pay the Rent provided in this Lease. If such Federal and/or State funding is discontinued and/or reduced, LESSEE shall have the right to: (A) reduce the amount of space occupied by LESSEE, or (B) terminate the Lease. In either event LESSEE shall provide LESSOR with at least ninety (90) days prior written notice of such reduction or termination.

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In the event of a reduction in the amount of space, the monthly Rent shall be reduced by an amount equal to the ratio of the total remaining occupied space in square feet divided by the

total office space in square feet previously occupied by LESSEE. In the event LESSEE reduces the amount of space, LESSOR in the exercise of its own absolute discretion, shall have the right to terminate the Lease by giving written notice of the exercise of such right to LESSEE within ten (10) days of its receipt of the notice of reduction from LESSEE. The tenancy shall then terminate sixty (60) days after service of the notice of the exercise of the right to terminate by LESSOR.

- 11.21 UNPAID AMORTIZED IMPROVEMENT COSTS. Intentionally omitted.
- 11.22 TERMINATION OF HOLDOVER TENANCY. Upon commencement of this Lease, the holdover tenancy resulting from Lease 1517, as amended, and approved by the County of Sacramento Board of Supervisors on 12/12/2000 by Resolution 2000-1504 shall terminate.

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Lessor____

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Lease Effective Date:	
	8820 Greenback Lane,
Lease Commencement Date: J	· ·
	Orangevale, CA 95662
LESSOR:	Theodoros G. Avdalas and Georgia G. Avdalas, Trustee of the Theodoros G. Avdalas Family Revocable Inter Vivos Trust (created by a Declaration of Trust dated February 14, 1991) as to an undivided 33.34% interest
	By:
	By: Theodoros G. Avdalas, Trustee
	Nicolette Gianulias, Trustee of the GIANCO Trust dated May 17, 2007 as to undivided 33.33% interest
	By: Nicolette Gianulias, Trustee
	Vasio Gianulias, a single woman as to an undivided 33.33% interest By: Vasio Gianulias
LESSEE:	COUNTY OF SACRAMENTO, a political subdivision of the State of California
	By:
REVIEWED AND APPROVED	
	Deputy County Counsel
APPROVED AS TO TERMS A	ND CONDITIONS:
	Sacramento Public Library

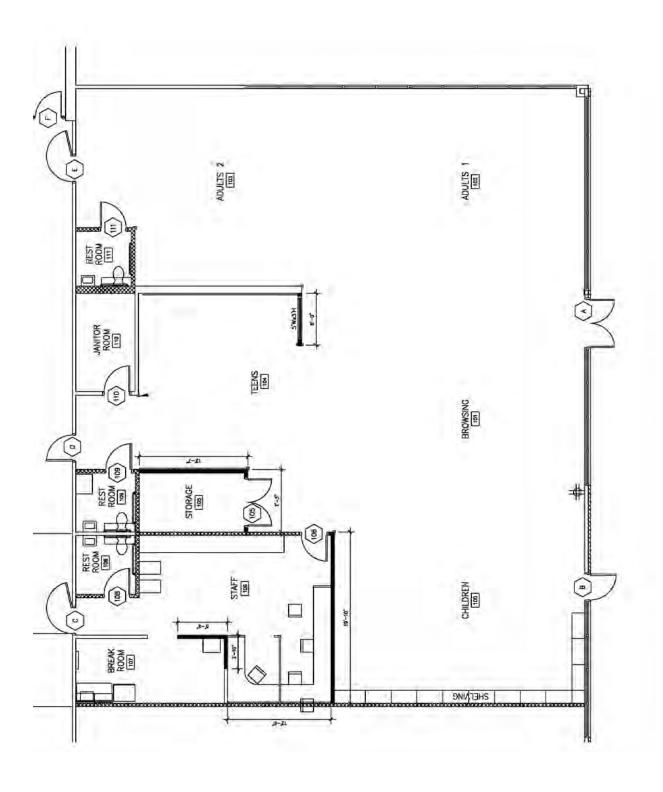
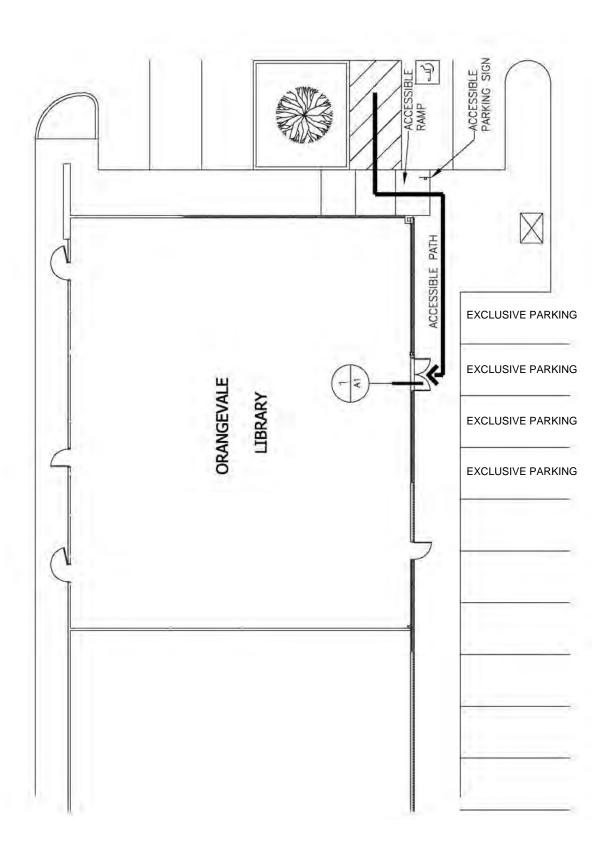


EXHIBIT A-1



PAINTING - 099100

- A. Comply with printed recommendations of the manufacturer for installation.
- B. Comply with Modern Guide to Paint Specification, Painting and Decorating Contractors of America "Standard (Type 1)"

C. Submittals:

- 1. Provide the full range of colors available for each proposed product. Color selection by the County.
- 2. After receipt of County's color schedule, submit three (3) 8-1/2" x 11" painted samples for each color and gloss selected, and three (3) stained samples of actual wood to be used.
- 3. Mock-up: Provide on site color samples on wall as required by the County. Minimum sample area shall be 144 sq. ft. for interior and/or exterior surfaces. Upon acceptance by the County this mock-up will serve as the standard of quality for the remaining portion of this project.
- 4. Provide Material Safety Data Sheets (MSDS) for all paints, stains, solvents, etc. used in this project.
- 5. See Section 013300 Submittals for additional information.
- D. Deliver materials in manufacturer's original, unopened containers with labels intact and legible.
- E. Job Conditions
 - 1. Exterior: Do no work during damp, rainy or frosty weather, when temperature is below 50 degrees F or when dusty conditions exist.
 - 2. Interior: Maintain 65 degrees F during application and until dry. Remove dust, dirt and grime from surfaces to be painted. Provide adequate ventilation to remove fumes.
 - 3. Lighting: Provide adequate artificial lighting where day lighting is inadequate.
- F. The following is a partial list of acceptable manufacturers: Note: lead base paints are not acceptable.
 - 1. Ameritone
 - 2. Devoe
 - 3. PPG
 - 4. ICI
 - 5. Sherwin-Williams
 - 6. Albi Manufacturing, "Albi Cote FRL" intumescent coating
 - 7. or equal
- G. Secondary materials not specified by name, but required for job, shall be "best grade" products of a reputable manufacturer.

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- H. All paint materials, surfaces to be painted and equipment used for painting shall be compatible with each other.
- I. Gloss: All surfaces shall receive satin-gloss finish except for toilet rooms which shall receive semi-gloss finish. Flat finish is not allowed.
- J. Mixing: On-site color mixing or tinting is not allowed.

K. Execution of Work:

- 1. Protect all surfaces not to be painted.
- 2. Apply paint, varnishes and lacquers with suitable brushes, rollers and/or spray equipment.
- 3. New surfaces to be painted shall be primed, when recommended by manufacture, and then shall receive two (2) separate finish coats.
- 4. Existing surfaces shall be properly patched, repaired, cleaned with TCP or other cleaners which will remove materials which would reduce or impair adhesion of paint finish and then receive a minimum of one (1) finish coat. Prime surfaces as required.
- 5. Defective Work: Do not paint when conditions might jeopardize the appearance or quality of painting. Do not paint improperly prepared surfaces. Repair work damaged during construction. Touch-up or refinish damaged surface. Touch-up or refinish work shall be inconspicuous.
- 6. Protection of Completed Work: Provide barricades or other forms of protection necessary to safeguard work of others and as required to maintain painted work free from damage. Post signs immediately following application of paint.
- 7. Cleaning: Remove all paint spots and stains from surfaces that are not to be painted, taking care not to damage surfaces. Repair, replace or refinish damaged work. Remove paint from all glass.
- L. Exterior walls shall be weatherproof and not allow wind or water to enter the building. Seal concrete and masonry walls exposed to the exterior.
- M. Repainting of existing buildings: The entire existing building shall be repainted inside and outside in accordance with this specification section. Repaint/refinish all walls, soffits, wood and metal trim/flashing, ceiling tiles/grids and other surfaces that are presently painted or are unfinished but will become exposed due to remodel work.

Lease 1781

8820 Greenback Lane

Orangevale, CA

Exhibit "D"

Legal Description

All that certain real property situated in the County of Sacramento, State of California, described as follows:

(Unincorporated Area)

Parcel A as shown on the parcel map entitled "A portion of Lot 252, as shown on map of Orangevale Colony, recorded in County Recorder Office, Sacramento, CA in Book 3 of Maps, at Page 20", recorded October 1, 1981 in Book 67 of Parcel Maps at Page 7.

EXHIBIT "E"

Maintenance Response Timelines				
Type of Problem (The catagories of items are for illustrative purposes only.)	Lessor Response to Notification	Lessor Commencement & Completion Time *		
Emergency Situations	1 hour	1-4 hours		
Life, Health, Safety, Security & Environmental Issues				
Security door, security gate repairs				
Server room HVAC issues				
Alarms				
Utility services disruption				
water intrusions				
sewage back-up, restroom overflows				
Break-ins or vandalism				
Other emergency repairs				
Urgent Situations	1 hour	48 hours		
Life, Health, Safety, Security & Environmental Issues				
HVAC in employee workspace: Non functional or thermal comfort				
Elevators				
Grafitti	_			
Other urgent repairs				
Routine	4 hours	1-14 days		
Life, Health, Safety, Security & Environmental Issues				
Lighting	<u> </u>			
Non-functional sinks/toilets	+			
General Plumbing	+			
Door/gate repairs (non-security) General electrical	+			
General mechanical	†			
Walls/surfaces				
Carpet/flooring (including tears, ripples, trip hazards)				
Odors and noises	_			
Landscaping	-			
Other routine repairs * The completion times stated herein may be amended/changed/extension.	1 11 / 12			

^{*} The completion times stated herein may be amended/changed/extended by mutual written agreement by parties