

LEASE FOR PALM DESERT LIBRARY

73-300 Fred Waring Drive

Palm Desert, California

THIS LEASE is entered into as of _____, 2024 by and between Desert Community College District (herein called the "District") and the City of Palm Desert (herein called the "City"). District and City may be referred to in this Lease individually as a "Party" or jointly as the "Parties."

RECITALS

This Lease is entered into upon the following facts, understandings, and intentions of the District and City.

- A. District owns certain real property located at 73-300 Fred Waring Drive, Palm Desert, California that contains a 41,189 square feet building ("District Building"), which includes a southern approximately 16,609 square feet area known as the Palm Desert Library ("Library Premises") and an approximately 4,193 square feet area known as the "Common Area," which is located on the College of the Desert campus, depicted in Exhibit "A," attached hereto and incorporated herein by reference.
- B. The District desires to lease to the City, and City desires to lease from District, the exclusive use of the Library Premises and the nonexclusive, shared use of the Common Area pursuant to the terms of this Lease.

NOW THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties agree as follows:

1. **Lease.** The District hereby leases the exclusive use of the Library Premises and grants the nonexclusive, shared use of the Common Area to the City, and City hereby leases the Library Premises and shared use of the Common Area from the District on the terms and conditions set forth in this Lease.

2. **Description.** The Lease Area leased hereby consists of the southern approximately 16,609 square feet of the District Building located at 73-300 Fred Waring Drive, Palm Desert, California, known as the Library Premises, and the approximately 4,193 square feet of Common Area to be commonly shared and used by the City, the District, and any other tenants of the District Building, if any (hereinafter, the Library Premises and the Common Area shall be jointly known as the "Lease Area").

3. **Annual Fee.** The Lease Area is leased to the City for a base rate of One Hundred Twelve Thousand Three-Hundred and Thirteen dollars (\$112,313.00) annually ("Annual Fee"). The Annual Fee due to District under this Lease shall be paid by City to District by the start of each fiscal year, no later than the first (1st) day of July each year, at the District's address set forth hereinafter for notices, or to such other person and/or at such other address as District may direct by written notice to City. The Annual Fee includes the costs of rent, utilities, and general maintenance labor, as described below and as set forth in the Fee Structure in Exhibit "B." The District may raise the Annual Fee each year by a rate of no more than three percent (3%) of the prior year's Annual Fee amount. However, costs that are assigned to the lease for personnel (e.g. groundskeeper), which are party to the Annual Fee, may increase by a percentage equal to no more than the statutory Cost of Living Adjustment for the following fiscal year, as adopted by the California State Legislature, based on the prior year's Annual Fee. The

District shall notify the City of the increased annual rate no later than May 31st each year. Upon proof of work and agreement between the City and the District, the City may deduct reasonable charges from the base rent for one-time landscape services described in 3(a) and 3(b) from the first-year lease agreement. If landscape services are less than the not to exceed amount of \$23,000.00, the City will reimburse the District a credit within fifteen (15) days after the work has been completed. The deduction in the not to exceed amount of \$23,000.00 will be applied to year one of the base rent. The City will contract services for the following one-time cleanup of landscape work around the exterior of the leased area:

i. **An arborist contractor will trim the palms and prune the trees** around the exterior of the leased grounds. Addition of (15) fifteen 24' box trees be planted on the exterior of the leased grounds and that (7) seven trees, palms, and their stumps be removed.

ii. **Add decomposed granite to the leased grounds and new plantings be added to the courtyard.**

(a) **Utilities.** District shall provide, or cause to be provided, and pay for all utility services that City may require or desire in the operation and use of the Lease Area.

(b) **Maintenance Labor.** The District shall provide, or cause to be provided, and pay for, all reasonable maintenance services within the District Building, including the Lease Area, as follows: District shall maintain the physical exterior and interior of the Lease Area and all structural and systematic components thereof, including, but limited to, roof (including roof membrane), air conditioning equipment, heating equipment, plumbing, electrical wiring and fixtures, communication wiring and fixtures including all

lights and replacement of light bulbs, windows, gutters, and structural parts, in good working condition and repair, in accordance with industry standards and in compliance with all applicable laws, ordinances, rules and regulations. Any maintenance services and/or facility improvements to the Lease Area that exceed the standard upkeep and maintenance of the Lease Area necessary for its regular use as set forth in section 4(a) shall be addressed as set forth in section 9 and mutually agreed upon by both parties. Any services performed by the District shall not interfere with City's use or visibility of the Lease Area and shall not impede the City's access to the Lease Area.

4. Use.

a. The Lease Area is leased primarily for the purpose of providing space to operate and conduct a public library, for use by the City of Palm Desert, but may be used for any official business by the City of Palm Desert government with the prior written consent of the District, which shall not be unreasonably withheld, conditioned, or delayed.

b. City shall have the exclusive possession of the Lease Area and shared common usage of the Common Area, which shall include the walkways, rest rooms, driveways, vehicular parking spaces, sidewalks, landscaped courtyards, planted areas, monument signage, and other similar facilities maintained by the District for its own use, other tenants, and the public.

5. Term.

(a) The Term of this Lease shall commence upon execution of this Lease Agreement and subject to consideration of Section 6 below, continue in full force and effect for a period of five (5) years.

(b) Any holding over by City after the expiration of said term shall be deemed a month-

to-month tenancy upon the same terms and conditions of this Lease.

(c) City, in its sole discretion, shall have the right of first refusal as to the renewal of this Lease at the expiration of said term on whatever terms and conditions the District may then offer.

6. Right to Early Termination. The City shall have the option to terminate the Lease, with a sixty (60) day advance written notice to the District. The District shall have the option to terminate the Lease, with a sixty (60) day advance written notice to the City prior to the end of the fiscal year (June 30) to take effect no earlier than the start of the following fiscal year, e.g. notice to terminate given May, 2024 to be effective July 1, 2024. Upon the termination of the Lease, District and City shall have no further rights, obligations or claims with respect to each other arising from the Lease, except for those obligations of under this Lease which expressly survive and continue after the termination or expiration of the Lease.

7. Consideration. In Consideration for the use of the Lease Area, City shall provide library services to City residents.

8. Custodial and Grounds.

a. City shall provide their own custodial services within the Lease Area, including the Library Premises, and Common Areas, as set forth in **Exhibit "A."** District shall provide and pay for custodial services within the remainder of the District Building, not including the Common Areas.

b. District shall provide, or cause to be provided, and pay for all landscape and other exterior grounds care for the Lease Area. Such services shall be provided at a level which shall keep the Lease Area in the same condition as other portions of the District Building.

c. District shall, at its cost and expense, provide maintenance of parking lots designated for public library use.

d. District represents and warrants that the exterior portions of the District Building, including access to the Library Premises and Lease Area, are compliant with ADA (including parking areas) as of the commencement of the Term, and that any capital expenditures or other expense to comply with Laws in effect as of the commencement of the Lease shall be at District's expense and not passed through to City in the Annual Fee or otherwise.

e. Upon prior written consent by the District, not to be unreasonably withheld, conditioned, or delayed, the City shall have the right to make reasonable exterior modifications to accommodate Information Technology (IT) infrastructure needs, provided it provides the District notice (which may be verbal or written) within five (5) days of commencing such work, provided the modification is not brought about by an emergency situation, in which case City may proceed with such work without notice. District shall approve or disapprove City's request within ten (10) business days after District's receipt thereof.

f. Upon prior written consent by the District, not to be unreasonably withheld, conditioned, or delayed, the City shall have the right to change the existing monument sign to better reflect the use of the District Building as a public library only. District shall approve or disapprove City's request within ten (10) business days after District's receipt thereof. The City shall remove the sign within thirty (30) days of the expiration of the Lease.

g. City shall not be required to remediate or pay (either as part of the Annual Fees or

otherwise) for the removal or remediation of Hazardous Materials to the extent such Hazardous Materials exist in an amount in violation of applicable Hazardous Materials Laws and (i) were present in the Lease Area prior to the commencement of this Lease, or (ii) are placed in, on under or about the Lease Area by District or any District's employees, agents, contractors, other tenants, or third parties.

9. Maintenance/Alterations.

(a) As set forth in section 3, District shall keep, repair, maintain, and replace as necessary, the physical exterior and interior of the Lease Area and all structural and systematic components thereof, including, but limited to, roof, air conditioning equipment, heating equipment, plumbing, electrical wiring and fixtures, communication wiring and fixtures including all lights and replacement of light bulbs, windows and structural parts, in good working condition and repair, in accordance with industry standards and in compliance with all applicable laws, ordinances, rules and regulations.

(b) Within thirty (30) days after delivery of an invoice by District, City shall reimburse, or cause to be provided, and pay for any maintenance services and/or improvements to the Lease Area, including costs of any supplies, materials, and specialty equipment, that exceed the standard upkeep and maintenance of the Lease Area necessary for its regular use under section 4(a). Any such maintenance services and/or improvements as set forth in this subsection shall be permitted only upon the written request of the City Manager, or their designee, following the written approval of the Vice President for Administrative Services and/or Superintendent/President of the District. Any such maintenance services and/or improvements under this subsection shall comply with any and all applicable federal, state, local laws, rules, regulations, and any and all applicable District policies,

procedures, regulations, and guidance.

(c) Any necessary repairs to the Lease Area shall be made by District as promptly as possible to keep the Lease Area in the condition necessary for its regular use under section 4(a). The District understands timely response is required to ensure City operations continue with minimal interruption to ensure the safety of employees and delivery of services. To the extent reasonably feasible, the District shall make efforts to commence repairs relating to any Base Building Systems, which shall include any mechanical, electrical, or plumbing system or component of the building, and any HVAC distribution system, and any fire safety system, within hours one (1) business day from receipt of written notice of the repair request, and to complete all other repairs within thirty (30) calendar days upon receipt of written notice. If, due to the nature of the particular repair or maintenance obligation, more than thirty (30) calendar days are reasonably required to complete the repair, the District shall not be in default under this Section, provided the District begins work within these thirty (30) calendars day period and diligently pursue this work to completion. All requests for repairs shall be submitted in writing by the City to the District.

(d) If the City provides written notice to the District of an event or circumstance that requires the action of the District with respect to the replacement, repair or maintenance to the Lease Area or Base Building Systems serving the Lease Area as set forth in Section 3(c), above, and the District fails to provide such action as required by the terms of this Lease within the period specified in Section 9(c), the City may, but shall not be obligated to, directly address the requested repair if: (1) the City delivers to the District an additional written notice advising the District that the City intends to take the required action to

address the repair if the District does not begin to schedule the required repair or maintenance within five (5) business days after the written notice of the repair request; and (2) the District fails to schedule the required work within the five (5) business day period. In the event the City makes the requested repair, District shall reimburse City for the reasonable costs of such repairs, within thirty (30) days of City's providing District an invoice.

(e) Upon prior written consent by the District, not to be unreasonably withheld, conditioned, or delayed, the City may at any time and from time to time at its expense, paint and decorate the interior of the Library Premises (including the right to paint the concrete block and stone walls), install trade fixtures and equipment, and make such changes, alterations, additions and improvements in and to the Library Premises, all as will in the judgment of the City better the Library Premises for the purposes for which the same are permitted to be used hereunder. District shall approve or disapprove City's request within ten (10) business days after District's receipt thereof.

10. Hold Harmless/Indemnification.

a. Each Party to this Lease ("Indemnitor") shall indemnify and hold harmless the other, its Agencies, Districts, Special Districts and Departments, their respective directors, officers, governing boards, elected and appointed officials, employees, agents and representatives (individually and collectively hereinafter referred to as "Indemnitees") from any liability whatsoever, based or asserted upon any services of the Indemnitor, its officers, employees, subcontractors, agents or representatives arising out of or in any way relating to this Lease, including but not limited to property damage, bodily damage, or death, or any other element of any kind or nature whatsoever arising from the

performance of the Indemnitor, its officers, employees, subcontractors, agents or representatives Indemnitors from this Lease. The Indemnitor shall defend, at its sole expense all costs and fees, including, but not limited, to reasonable attorney fees, cost of investigation, defense and settlements or awards, the indemnities in any claim or action based upon such alleged acts or omissions.

b. With respect to any action or claim subject to indemnification herein by the Indemnitor, the Indemnitor shall, at their sole cost, have the right to use counsel of their choice and shall have the right to adjust, settle, or compromise any such action or claim subject to the prior consent of Indemnitee; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes the Indemnitor's indemnification to Indemnitees as set forth herein.

c. The Indemnitor's obligation hereunder shall be satisfied when the Indemnitor has provided to Indemnitee the appropriate form of dismissal relieving Indemnitee from any liability for the action or claim involved.

d. The specified insurance limits required in this Lease shall in no way limit or circumscribe the Indemnitor's obligations to indemnify and hold harmless the Indemnitees herein from third party claims.

e. In the event there is conflict between this clause and California Civil Code Section 2782, this clause shall be interpreted to comply with Civil Code 2782. Such interpretation shall not relieve the Indemnitor from indemnifying the Indemnitees to the fullest extent allowed by law.

f. Survival of Indemnification. The paragraphs of this Paragraph 11 shall survive the expiration or earlier termination of this Lease until all claims against Indemnitor involving

any of the indemnified matters are fully, finally, and absolutely barred by the applicable statutes of limitations.

12. Insurance.

(a) **City Insurance.** Without limiting or diminishing the City's obligation to indemnify or hold the District harmless, the City shall procure and maintain or cause to be maintained, at its sole cost and expense, the following insurance coverages during the term of this Lease. Notwithstanding the foregoing, District shall accept City's qualified self-insurance or risk pool insurance in lieu of the insurance policies set forth below.

(b) **Workers' Compensation.** If the City has employees as defined by the State of California, the City shall maintain statutory Workers' Compensation Insurance (Coverage A) as prescribed by the laws of the State of California. Policy shall include Employers' Liability (Coverage B) including Occupational Disease with limits not less than \$1,000,000.00 per person per accident. The policy shall be endorsed to waive subrogation in favor of the District, its Board of Trustees, and their officers and employees.

(c) **Commercial General Liability.** Commercial General Liability Insurance coverage, including but not limited to, premises liability, unmodified contractual liability, products and completed operation liability, personal and advertising injury, cyber liability, and cross liability coverage, covering claims which may arise from or out of the City's performance of its obligation hereunder. Policy shall name the District, its Board of Trustees, and their officers, employees, volunteers, and agents as Additional Insureds by endorsement. Policy's limit of liability shall not be less than \$1,000,000.00 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this Lease or be no less than two (2) times the occurrence limit.

(d) **Vehicle Liability.** If vehicles or mobile equipment, which include tractors, trailers or similarly equipped vehicles, are used in the performance of the obligations under this Lease, then the City shall maintain liability insurance for all owned, non-owned or hired vehicles so used in an amount not less than \$1,000,000.00 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this Lease or be no less than two (2) times the occurrence limit. Policy shall name the District, its Board of Trustees, and their officers, employees, volunteers, and agents as Additional Insureds by endorsement. If minor or patron transportation is provided by Lessee, the limits shall be changed to an amount not less than \$5,000,000.00 combined single limit.

(e) **Property Insurance.**

- “Special perils” form real property insurance covering the Lease Area including improvements, betterments, and loss of rents or loss of income providing protection against any covered peril included for an amount not less than the replacement cost of said Lease Area, including any Improvements thereto. Said policies shall contain a “Replacement Cost” endorsement and shall include deductible amounts acceptable to the District. Said policies shall name the District as an additional insured and loss payee, as its interests may appear.

- “Special perils” form personal property insurance covering the City’s personal property on the Lease Area against any peril included in the classification of “Special Form” for an amount not less than one hundred percent (100%) of the replacement cost.

(f) **Sexual Abuse and Molestation Coverage.** Sexual abuse and molestation

coverage shall be no less than \$4,000,000.00 per occurrence and \$6,000,000.00 aggregate.

(g) **General Insurance Provisions – All Lines.**

- Any insurance carrier providing insurance coverage hereunder shall be admitted to the State of California and have an A.M. BEST rating of not less than an A:VIII (A:8) unless such requirements are waived, in writing, by the District's Risk Manager. If the District's Risk Manager waives a requirement for a particular insurer such waiver is only valid for that specific insurer and only for one policy term.

- The City must declare its insurance self-insured retention for each coverage required herein. If such self-insured retentions exceed \$500,000.00 per occurrence each such retentions shall have the prior written consent of the District Risk Manager before the commencement of this Lease. Upon notification of self-insured retention unacceptable to the District, at the election of the District's Risk Manager, the City's carriers shall either: 1) reduce or eliminate such self-insured retention as respects this Lease with the City, or 2) procure a bond which guarantees payment of losses and related investigations, claims administration, and defense costs and expenses.

- The City shall cause the City's insurance carrier (s) to furnish the District with either 1) a properly executed original Certificate(s) of Insurance and certified original copies of Endorsements effecting coverage as required herein, and 2) if requested to do so orally or in writing by the District Risk Manager, provide original Certified copies of policies including all Endorsements and all attachments thereto, showing such insurance is in full force and effect. Further, said Certificate(s) and policies

of insurance shall contain the covenant of the insurance carrier(s) that a minimum of thirty (30) days written notice be given to the District prior to any material modification, cancellation, expiration or reduction in coverage of such insurance. If the City insurance carrier (s) policies does not meet the minimum notice requirement found herein, the City shall cause the City's insurance carrier (s) to furnish a 30-day Notice of Cancellation Endorsement.

- In the event of a material modification, cancellation, expiration, or reduction in coverage, this Lease shall terminate forthwith, unless the District receives, prior to such effective date, another properly executed original Certificate of Insurance and original copies of endorsements or certified original policies, including all endorsements and attachments thereto evidencing coverage's set forth herein and the insurance required herein is in full force and effect. The City shall not commence operations until the District has been furnished original Certificates of Insurance and certified original copies of endorsements and if requested, certified original policies of insurance including all endorsements and any and all other attachments as required in this Section. An individual authorized by the insurance carrier to do so on its behalf shall sign the original endorsement for each policy and the Certificate of Insurance.

- It is understood and agreed by the Parties hereto that the City's insurance shall be construed as primary insurance, and the District's insurance and/or deductible and/or self-insured retentions or self-insured programs shall not be construed as contributory.

- The City is expressly obligated to provide for the legal defense and investigation of any claim against the District as an Additional Insured and for all costs

and expenses incidental to such defense or investigation.

- The insurance required herein, and the insurance carried by District, shall not be deemed to limit the respective insured Parties' liability related to performance under this Lease. The procuring of insurance shall not be construed as a limitation on liability or as full performance of the indemnification and hold harmless provisions of this Lease.

- If, during the term of this Lease or any extension thereof, there is a material change in the scope of services; or, there is a material change in the equipment to be used in the performance of the scope of work; or, the term of this Lease, including any extension thereof, exceeds five (5) years; the District reserves the right to adjust the types of insurance and the monetary limits of liability required under this Lease, if in the District Risk Management's reasonable judgment, the amount or type of insurance carrier by the City has become inadequate.

- If the City fails to procure any coverage require to be maintained hereunder, or renewal thereof, or to provide written evidence of the procurement or renewal thereof on a timely basis, the District may, but is not required to, after having given five (5) working days written notice to the City, procure such coverage and charge its cost to the City.

- The City shall pass down the insurance obligations contained herein to all tiers of subcontractors working under this Lease.

- The insurance requirement contained in this Lease may be met with a program(s) of self-insurance acceptable to the District. 27.

- The City agrees to notify the District of any claim by a third



party or any incident or event that may give rise to a claim arising from the performance of this Lease.

(h) **District Insurance Requirements.** At all times during the Term, the District shall maintain, at the District's expense, commercial general liability insurance, on an occurrence basis, insuring the District and its employees, agents and independent contractors against all bodily injury, property damage, personal injury and other covered loss arising out of its use and maintenance of the Lease Area. The City, its Governing Board, and their officers, employees, volunteers, and agents shall be named as Additional Insureds by endorsement as to claims and losses arising out of the Lease Area. Such coverage shall have limits in an amount not less than \$1,000,000.00 per occurrence and \$2,000,000.00 general aggregate.

13. Notices. Any notices required or desired to be served by either Party upon the other shall be addressed to the respective Parties as set forth below, or to such other addresses as from time to time shall be designated by the respective Parties:

City:	District:
City of Palm Desert	College of the Desert
73510 Fred Waring Drive	43-500 Monterey Avenue
Palm Desert, California 92260	Palm Desert, California 92260
Attn: Todd Hileman	Attn: Linda Costagliola
City Manager	Executive Administrative Assistant
thileman@palmdesert.gov	lcostagliola@collegeofthedesert.edu
(760) 776-6488	(760) 773-2511

14. Quiet Enjoyment. The District covenants that City shall at all times during

the term of this Lease peaceable and quietly have, hold and enjoy the use of the Lease Area so long as City shall fully and faithfully perform the terms and conditions that it is required to do under this Lease.

15. District Rules and Regulations. The City agrees that it will abide by, keep and observe all reasonable rules and regulations which the District may make from time to time for the management, safety, care and cleanliness of the District Building, Lease Area, and the surrounding areas, a copy of which shall be provided to the City.

16. Drug Free and Tobacco Free District. No drugs, alcohol, and/or smoking are allowed at any time in any buildings and/or grounds on District property, including this District Building and the Lease Area. No City officials, employees, agents and representatives, and no visitors of the Lease Area are permitted to use controlled substances, alcohol, or tobacco at the District Building and the Lease Area.

17. Nondiscrimination. The District, City, and all others who from time to time may use the Lease Area and District Building described herein with the permission and on the terms and conditions specified by both Parties shall not discriminate in any manner against any person or persons on account of race, color, sex, creed, or national origin, including but not limited to the provision of goods, services, facilities, privileges, advantages, and the holding and obtaining of employment.

18. Binding on Successors; Assignment. The terms and conditions herein contained shall apply to and bind the heirs, successors in interest, executors, administrators, representatives and assigns of all the Parties hereto. However, neither Party may assign and/or transfer any duties, obligations, or interest in this Agreement, without the prior written consent of the other Party.

19. Severability. The invalidity of any provision in the Lease as determined by court of competent jurisdiction shall in no way affect the validity of any other provision hereof.

20. Force Majeure. Neither Party shall be liable for non-performance due to a Force Majeure event; provided, however, that the non-performing Party notifies the other Party and resumes performance as soon as reasonably possible. "Force Majeure" means any act or event that prevents or delays the affected Party from performing its obligations in accordance with this Lease, if such act or event is beyond the reasonable control, and not the result of the fault or negligence, of the affected Party and such Party has been unable to overcome such act or event with the exercise of due diligence (including the expenditure of reasonable sums). Force Majeure includes but is not limited to: (i) acts of God and other natural phenomena, such as storms, extraordinary seasonal conditions, tornados, hurricanes, floods, lightning, landslides, earthquakes, pandemic or epidemic; explosions or fires arising from lightning or other causes unrelated to the acts or omission of the Party seeking to be excused from performance; (iii) acts of war or public disorders, civil disturbances, riots, insurrection, sabotage or vandalism, epidemic, pandemic, terrorist acts, or rebellion; (iv) any industry or trade-wide national labor dispute or strike or any other strike or labor dispute not directed solely at a contractor or vendor; and (v) a reasonably unanticipated action, delay or failure to act by a governmental authority, including a moratorium on any activities related to this Lease.

21. Venue. Any action at law or in equity brought by either of the Parties hereto for the purpose of enforcing a right or rights provided for by this Lease shall be tried in a court of competent jurisdiction in the County of Riverside, State of California, and the

Parties hereto waive all provisions of law providing for a change of venue in such proceedings to any other county.

22. Attorneys' Fees. In the event of any litigation or arbitration between the District and City to enforce any of the provisions of this Lease or any right of either party hereto, each Party shall bear its own costs.

23. Real Property Taxes. The City acknowledges that the District, as a public community college district, is generally not required to pay any general property taxes on the District Building. If the City's use of the Lease Area under this Lease subjects the District Building to any form of tax the District shall immediately notify City and the City shall pay all applicable real and personal property taxes, and all other fees, charges, taxes, or assessments of any type, levied against or resulting from the City's use of the Lease Area. Notwithstanding the foregoing, City shall have the right to contest any form of tax and District shall cooperate with City in this effort.

24. District's Representative. District hereby appoints Vice President, Administrative Services, as its authorized representative to administer this Lease.

25. City's Representative. City hereby appoints the City Manager with oversight and management of real property matters for the City of Palm Desert as its authorized representative to administer this Lease.

26. Entire Lease. This Lease is intended by the Parties hereto as a final expression of their understanding with respect to the subject matter hereof and as a complete and exclusive statement of the terms and conditions thereof and supersedes any and all prior and contemporaneous leases, agreements and understandings, oral or written, in connection therewith. This Lease may be changed or modified only upon the

signed written consent of the Parties hereto.

27. Counterparts. This Lease may be executed in one or more counterparts, electronic or otherwise, each of which shall constitute an original.

28. Interpretation. The Parties hereto have negotiated this Lease at arm's length with advice of their respective attorneys, and no provision contained herein shall be construed against the City solely because it prepared this Lease in its executed form.

29. Effectiveness/Governing Board Approval. This Lease shall become effective upon approval or ratification by the District's Board of Trustees and the Palm Desert City Council. Notwithstanding the preceding sentence, this Lease is contingent upon the termination of that certain lease between the County and District, dated March 2, 1993 (the "County Lease"). If the County Lease is not terminated by the execution of this Lease, then either party may terminate this Lease by providing a written sixty (60) day notice thereof to the other party, whereupon this Lease shall be null and void and of no force and effect.

30. Assignment/Sublease. City shall not, without the prior written consent of District, which shall not be unreasonably withheld, conditioned, or delayed, assign, encumber or otherwise transfer this Lease or any interest herein directly or indirectly, by operation of law or otherwise, or sublet the Lease Area or any part thereof, or permit the use or occupancy of the Lease Area by any party other than City (each, a "Transfer"), in each case without District's prior written consent, which shall not be unreasonably withheld, conditioned, or delayed. Notwithstanding the foregoing, City may be permitted, without the consent of District, to assign or transfer this Lease to a successor or affiliate of City.

In Witness Whereof, the Parties have executed this Lease Agreement as of the date first written above.

LESSEE:

CITY OF PALM DESERT,
a political subdivision of the
State of California

By: _____
L. Todd Hileman
City Manager

LESSOR:

Desert Community College District

By: _____
Rodrigo Garcia
Vice President of Administrative Services

Exhibit "A"

Depiction of Lease Area

[Insert Floor Plan]

Exhibit A



Exhibit "B"

Fee Structure

Annual Fee: \$112,313.00 Annual Fee (The District may raise the prior year's Annual Fee at a rate not to exceed three percent (3%). However, costs that are assigned to the lease for personnel (e.g. groundskeeper), which are party to the Annual Fee, may increase by a percentage increase equal to no more than the statutory Cost of Living Adjustment for the following fiscal year, as adopted by the California State Legislature, based on the prior year's Annual Fee.) The District shall notify the City of the increased annual rate no later than May 31 each year. Upon proof of work and agreement between the City and the District, the City may deduct reasonable charges from the base rent for one-time landscape services described in 3(a) and 3(b) from the first-year lease agreement.

Custodial Services: City bears all costs for custodial services within the common area and leased Library Premises.

Facility Improvements (In Excess of Regular Maintenance): City bears all costs.

All other service costs are included as part of the City's Annual Fee, as set forth in the Lease.