

El Dorado County Department of Child Support Services

Memorandum of Understanding #8098

THIS MEMORANDUM OF UNDERSTANDING (“MOU”) is made as of April 1, 2023 (“Commencement Date”), by and between the County of El Dorado, a political subdivision of the State of California (“Lessor”), and El Dorado County Department of Child Support Services (“Lessee”), an El Dorado County Department which independently operates under the State of California Department of Child Support Services, whose principal place of business is 3883 Ponderosa Road, Shingle Springs, California 95682, (together hereinafter referred to as, the “**Parties**”) upon the following terms and conditions.

SECTION 1: BASIC MOU PROVISIONS. These Basic MOU Provisions set forth the basic terms of this MOU. In the event of any inconsistency between the terms set forth in these Provisions and any other provision of this MOU, the Basic MOU Provisions shall prevail.

1.1	<u>Lessor:</u>	<u>Name:</u> <u>Address for Notices and Payments:</u>	County of El Dorado Chief Administrative Office Attention: Facilities Division Manager 3000 Fairlane Court, Suite One Placerville, California 95667
1.2	<u>Lessee:</u>	<u>Name:</u> <u>Address for Notices</u>	El Dorado County Department of Child Support Services Attn: Ron Ladage, Director, or successor 3883 Ponderosa Road Shingle Springs, California 95682
1.3	<u>Premises:</u>	Office space consisting of approximately ten thousand three hundred five (10,305) rentable square feet, including use of the interview room, training room, lobby, and other Common Areas, and access to the surrounding parking areas (“ <u>Premises</u> ”) represented in Exhibit A, marked “Floor Plan,” attached hereto and made by reference a part hereof. Premises do not include the adjacent warehouse.	
1.4	<u>Property:</u>	The Property contains that certain office building (“Building”) where the Premises are located and the surrounding parking areas located at 3883 Ponderosa Road, Shingle Springs, California 95682 (APN #070-270-031).	

1.5	<u>Term:</u>	<p><u>Initial Term:</u> Twelve (12) months from Commencement Date.</p> <p>Commencement Date: The Commencement date shall be April 1, 2023.</p> <p><u>Term Extensions:</u> Beginning on the one (1) year anniversary of the Commencement Date, and annually thereafter during the term of this MOU (the "Renewal Date"), the term of this MOU shall be extended automatically, without action of the Parties, for a period of one (1) year beyond its then current expiration date, unless, at least thirty (30) days prior to any Renewal Date, either party to this MOU gives written notice to the other of its intent not to renew this MOU. In the event such notice is given in accordance with this paragraph, then the term of the MOU shall not be extended upon that or any subsequent Renewal Date and the MOU shall expire at the end of its then current remaining term.</p>
1.6	<u>Rent:</u>	Monthly Rent \$14,403.60 (see <u>Section 3</u> – Rent for complete schedule).
1.7	<u>Security Deposit:</u>	None
1.8	<u>Permitted Use:</u>	General office space use, including government operations or uses related thereto.
1.9	<u>Definitions:</u>	All capitalized terms used in this MOU shall have the meanings specified in this <u>Section 1</u> or in <u>Section 40</u> .
1.10	<u>Exhibit:</u>	<p>The following Exhibit is attached to this MOU and incorporated herein by this reference:</p> <ul style="list-style-type: none"> • Exhibit A, marked "Floor Plan" • Exhibit B, marked "Termination Fee Schedule – Generator"

SECTION 2: PREMISES AND COMMON AREAS.

2.1 **Premises.** Lessor hereby leases the Premises to Lessee and Lessee hereby leases from Lessor the Premises, as outlined on the floor plans in Exhibit A.

2.2 The parties agree the Premises consists of ten thousand three hundred five (10,305) square feet of office, storage, and shared space, and shall not be subject to adjustment, during either the Term or any extensions thereof, unless Lessee leases additional space or Lessee reduces its occupied space in the Premises.

2.3 **Common Areas.** Lessee shall have the nonexclusive right to use the Common Areas, subject to reasonable rules and regulations for the management, safety, care, and cleanliness of the grounds, the parking and unloading of vehicles and the preservation of good order. Lessee's rights are subject to Lessor's right to make changes to the Common Areas or the use of such Common Areas which Lessor deems reasonable, perform maintenance and repairs, and otherwise use the Common Areas as Lessor may deem appropriate in its reasonable judgment. Notwithstanding the foregoing, in no event shall Lessor's activities pursuant to this section interfere with Lessee's access to or use of the Premises.

2.4 **Delivery of Premises.** Lessor shall deliver to Lessee possession of the Premises, free and clear of all other tenants and occupancies on the Premises. Lessor shall deliver the Premises in a clean condition on the Commencement Date, and warrants that the existing electrical, plumbing, fire sprinkler, lighting, heating, ventilating and air conditioning systems ("**HVAC**"), and all other items which the Lessor

is obligated to construct shall be in good operating condition on said date, that the structural elements of the roof, bearing walls and foundation of the Premises shall be free of material defects, and that the Premises do not contain hazardous levels of mold or fungi defined as toxic under applicable state or federal law.

2.5 Compliance with Laws. Lessor warrants that the Lessor is delivering the Premises and the Property in compliance with all applicable local, state, and federal laws, including, without limitation, the American Disabilities Act ("ADA") and any amendments thereto or regulations promulgated thereunder, ordinances, orders, rules, resolutions, and other governmental requirements relating to the use, condition, or occupancy of the Premises and the Building ("Applicable Requirements"). If the Property does not comply with Applicable Requirements, Lessee shall have the right to terminate this MOU as provided in Section 13.

2.5.1 If the Applicable Requirements are hereafter changed so as to require during the MOU Term the construction, alteration, or retrofit of the Premises, the remediation of any hazardous substance, or the reinforcement or other physical modification of the Premises, Lessor shall be solely responsible for the cost of such work, except where such work is triggered by Lessee as a result of an actual or proposed change in use or modification to the Premises.

2.5.2 Lessor shall, at its own cost and expense, be responsible for compliance with existing federal, state, and local statutes, codes, and ordinances, including the ADA and Title 24 requirements in the construction, alteration, or other physical modifications that may be required on the Property.

2.5.3 During the Term and any extension, Lessor shall be responsible for any repairs, improvements, retrofits, or upgrades to the exterior of the Building and the Property that are required to comply with the Applicable Requirements, including the evaluation, installation, and costs arising from changes necessary to bring the Property and the Building up to ADA accessibility standards due to changes in the Applicable Requirements after MOU commencement. Lessor shall defend and indemnify Lessee for any claims, liability, costs, or damages associated with Lessor's failure to comply with the ADA requirements. If Lessee makes any alterations or improvements to the interior of the Premises after the Commencement Date, Lessee shall, at its sole cost and expense, be responsible for insuring that any alterations or improvements to the Premises made by Lessee comply with Applicable Requirements.

2.5.4 The Premises being leased will not undergo an inspection by a Certified Access Specialist (CASp) and will be accepted AS-IS with the execution of the MOU Agreement.

2.6 Vehicle Parking. All parking areas will be shared use. Parking areas shall have appropriate and adequate overhead lighting.

2.7 Quiet Possession. So long as Lessee is not in Default, Lessee shall be entitled to quietly have, hold, and enjoy the Premises during the Term, subject to Lessor's rights under this MOU.

2.8 Use of Premises. Lessee shall use the Premises for the purpose of conducting business and activities permitted by law, including any government operations or uses related thereto.

2.9 Changes to Property. Except for the Premises, Lessor reserves the right to make or allow permanent or temporary changes or replacements to the Property during the Term. Lessor's activities may require the temporary alteration of means of ingress and egress to the Property and the installation of scaffolding and other temporary structures while the work is in progress. Such work shall be performed

in a manner reasonably designed to minimize interference with Lessee's conduct of business from the Premises. Notwithstanding the foregoing, Lessor shall not block Lessee's ingress and egress of the Premises.

SECTION 3: RENT.

3.1 Rent shall be paid in advance on or before the first day of each calendar month. If the Commencement Date or the expiration date of this MOU occurs on a day other than the first or last day of a calendar month, then the rent for the fractional month shall be prorated on the basis of a thirty (30) day month. Rent shall be paid in accordance with the monthly rent schedule specified below:

3.2

Period	Monthly Amount	Price per sq. ft.
Full term of the MOU, including all automatic annual term extensions	CSS Floor Space: \$8,980.80 CSS Storage: \$694.80 CSS Shared Space: \$4,728.00 Total: \$14,403.60	Floor Space (5,613 sf): \$1.60 Storage (1,737 sf): \$0.40 Shared Space (2,955 sf): \$1.60

3.3 Rent shall be made payable to the Lessor at the address stated in Section 1.1 or to such other persons or place as Lessor may from time to time designate in writing. Lessor shall notify Lessee in writing of such designation in accordance with the notice provision in Section 31. Said notice shall become part of this MOU upon acknowledgment in writing by County's MOU Administrator, and no further amendment of the MOU shall be necessary provided that such designation does not conflict with any other provisions of this MOU.

SECTION 4: RIGHT OF FIRST REFUSAL.

4.1 Not Applicable

SECTION 5: ALTERATIONS AND IMPROVEMENTS.

5.1 Not Applicable

SECTION 6: REPAIR AND MAINTENANCE.

6.1 Throughout the initial and extended term(s) of the MOU, Lessor, at its sole cost and expense, shall maintain and repair, or cause to be maintained and repaired, in good working order, repair, and condition:

- (a) Systems and Equipment of the Building and Property, HVAC, mechanical and electrical systems, fire safety systems, plumbing, elevators, stairs, and structural components;
- (b) Foundation, exterior paint, interior and exterior lighting, windows, interior and exterior walls, exterior of the building, and roof of the Premises; and
- (c) Building, landscaping, including parking lot and Common Areas.

6.2 Lessor shall respond to all maintenance and service requests within twenty-four (24) hours of written, electronic or telephone notice. Lessor shall use its best efforts to perform minor repairs and/or replacements within forty-eight (48) hours after initial response and inspection by Lessor, except Lessor shall perform its obligations immediately if the nature of the problem presents a material hazard or emergency as determined by Lessee. Any notice or demand concerning a material hazard or emergency may be made orally, by telephone, written, electronic, or otherwise, provided that written confirmation is given within two (2) days after the oral notice or demand is made. For issues that cannot be repaired within forty-eight (48) hours after the initial service request and inspection, the Lessor shall have fifteen (15)-days after the notice to perform its obligations subject to Lessor's rights and obligations under Section 10.1.2.

6.3 If Lessor does not perform its obligations within the time limitations provided herein, Lessee, after notice to Lessor, may perform the obligations and has the right to be reimbursed for the sum Lessee actually and reasonably expends (including charges for use of Lessee's employees and equipment) in the performance of Lessor's obligations. If Lessor does not reimburse Lessee within thirty (30) calendar days after demand from Lessee, Lessee shall have the right to withhold from future rent due the sum Lessee has expended until Lessee is reimbursed in full.

SECTION 7: BUILDING SERVICES, UTILITIES, TAXES AND ASSESSMENTS.

7.1 Lessor shall furnish the Premises with the following utilities and services:

(a) HVAC for the comfortable occupancy of Premises for general office purposes, subject to any energy conservation or other regulations which may be applicable from time to time. The HVAC system shall be inspected each year by a qualified inspector. Lessor shall notify Lessee when the inspection shall occur and shall provide Lessee with a copy of the inspection report within five (5) calendar days of receipt by Lessor. Lessor at its sole cost and expense, shall correct any problems identified in the inspection report within ten (10) calendar days of the date of the inspection. Lessor shall change the HVAC filters and clean the HVAC vents quarterly. Lessor shall be responsible for the ongoing monthly costs of the service.

(b) Electrical current for routine lighting and the operation of general office machines such as personal computers, copy machines, printers, office equipment, and the like, which use 110-volt electric power. Lessee shall be responsible for the ongoing monthly costs of the service in accordance with Section 7.9.

(c) Water and sewer suitable for the intended use of the Premises. Lessee shall be responsible for the ongoing monthly cost of the service in accordance with Section 7.9.

(d) Right of access to, from and within the Building (including a pathway to the Premises) to Lessee and/or its telecommunication companies, including but not limited to local exchange telecommunications companies and alternative access vendor service companies, for the installation and operation of Lessee's telecommunication systems, including but not limited to voice, video, data, and any other telecommunication services provided over wire, fiber optic, microwave, wireless, and any other transmission systems, for part or all of Lessee's telecommunications to, from and within the Building and Premises.

(e) Telephone and/or fiber optic to the Premises. Lessee shall be responsible for the ongoing monthly costs of the service in accordance with Section 7.9.

(f) Propane. Lessee shall be responsible for the ongoing monthly costs of the service in accordance with Section 7.9.

7.2 Lessee shall have the option, at its sole cost and expense, to install and operate a satellite antenna dish and cables thereto on the roof or exterior of the Premises at no charge. Lessee shall be responsible for the installation and removal of the satellite antenna dish and cables thereto and any necessary repair to the Building due to their installation and removal.

7.3 Lessee agrees to reasonably cooperate with Lessor, and to abide by all regulations and requirements which Lessor may prescribe for the proper functioning and protection of the Building's HVAC, electrical, and plumbing systems.

7.4 Unless due to any fault on the part of Lessee, its employees or agents, Lessee's obligation to pay rent shall abate proportionately during any period in which Lessee's access to, or use of, all or any portion of the Premises for their intended purpose is so impaired that Lessee cannot, and actually does not, use all or such portion of the Premise for a period in excess of five (5) consecutive business days; the rent abatement in such case to commence as of the sixth (6th) business day. Lessee shall give Lessor notice of any such interruption of access, use, or service prior to Lessee ceasing to use all or any portion of the Premises. If such interruption or discontinuation in services continues beyond thirty (30) consecutive business days, Lessee has the right to terminate the MOU with no additional financial obligation to Lessor.

7.5 Should Lessee require, and should Lessor provide, additional building services during the MOU Term, Lessee agrees to pay the expense of such additional services as mutually agreed upon by both parties. All costs for such additional services shall be prorated among all lessees in the Building then requesting comparable additional services during such time periods.

7.6 In the event that building services provided by Lessor under the MOU are discontinued due to Lessor's failure to pay, Lessee shall have the option to assume payment for such building services, in which event Lessee will be entitled to a rent credit equal to the amount thus paid by Lessee, plus ten percent (10%) annual interest, which shall be applied against the first installments of rent due under the MOU until the obligation is fully satisfied.

7.7 Lessor shall pay all real property taxes, special taxes, and assessments on or attributable to the Premises.

7.8 Building Services. Lessor shall also be solely responsible for the cost of providing the following services to the Property and Premises:

- (a) Building and Liability insurance
- (b) Snow and ice removal when snow level is expected to reach at least one (1) inch or more
- (c) Landscaping
- (d) HVAC filters
- (e) General building maintenance and repair

7.9 Lessee shall be invoiced monthly by Lessor's Fiscal Department for the following services. Lessee shall pay fifty-five percent (55%) of the Building's total for each item:

- (a) Exterior trash/disposal services
- (b) Pest control/extermination
- (c) Building system fire monitoring

- (d) Water
- (e) Sewer
- (f) Janitorial services
- (g) Intrusion & Access Control - (Lessee shall pay fifty-five percent (55%) of the intrusion and access control for the shared space, and shall pay for eighty-eight percent (88%) of Lessee's office space.
- (h) Electric
- (i) Propane
- (j) Telephone and/or fiber optic

SECTION 8: ASSIGNMENT AND SUBLETTING.

8.1 Restriction on Assignment and Subletting. This MOU shall not be assigned by either party without the written consent of the other party, which consent shall not be unreasonably withheld. The party requesting assignment or subletting ("Transfer") of the MOU shall provide the other party-with prior written notice of the proposed Transfer containing the items specified in Section 8.2 below. Within ten (10) business days after receipt of the Transfer notice, the other party shall notify the requesting party of its election to (a) approve the requested Transfer or (b) disapprove the requested Transfer, which disapproval shall specify the reasons for such disapproval. Notwithstanding the foregoing an assignment or sublet of the MOU by Lessee to any agencies, departments, affiliates, or contractors of Lessee, shall not constitute a transfer and shall only require written notice to the other party herein but not consent.

8.2 Documentation Required. The Transfer notice shall be accompanied by each of the following:

- (a) A copy of all proposed Transfer documents.
- (b) A statement setting forth the name, address, and telephone number of the transferee, and all principal owners of the transferee.
- (c) Current financial information regarding the proposed transferee, including a statement of financial condition.
- (d) For any sublease, a description of the portion of the Premises to be sublet.

8.3 In the event of any Transfer by any Lessor of its interest, Lessor shall be relieved from all liability accruing from and after the date of the transfer or conveyance, but shall not be released from the obligation to indemnify Lessee for acts or omission occurring prior to the transfer unless so released by Lessee in writing. Upon any conveyance of title to the Property, the grantee or transferee shall be deemed to have assumed Lessor's obligations to be performed under this MOU from and after the date of such conveyance.

8.4 Lessor and Lessee shall share equally in any profit made from the Transfer of the MOU by Lessee. In the event of any Transfer by Lessee of its interest Lessee shall not be relieved from all liability accruing from and after the date of transfer or conveyance, including the obligation for rent and the obligation to indemnify Lessor for acts or omissions occurring prior to the transfer unless so released by Lessor in writing.

SECTION 9: INDEMNITY.

9.1 Lessee shall defend, indemnify and hold Lessor harmless from and against any and all losses, damages, claims, suits, costs, and liability for damages of every name, kind and description, including reasonable attorney's fees, brought for, or on account of any damage to property or injury to any person or death of any person, or any economic or consequential losses occurring in, on, or about the Premises or any part thereof, caused by, arising out of, or in connection with the performance under this MOU by Lessee, its officers and employees, except to the extent such damage or injury is caused in whole or in part by the negligence or willful misconduct of Lessor, its employees, agents or contractor.

9.2 Lessor shall defend, indemnify and hold Lessee harmless from and against any and all losses, damages, claims, suits, costs, and liability for damages of every name, kind and description, including reasonable attorney's fees, incurred, brought for, or on account of any damages to property or injuries to or death of any person, or any economic or consequential losses which are claimed to or in any way caused by, arise out of, or are connected with the operations, acts, omissions, or performance under this MOU by Lessor, its employees, agents or contractors, except to the extent such damage or injury is caused by the sole or active negligence or willful misconduct of Lessee, its officers and employees.

SECTION 10: DAMAGE OR DESTRUCTION; EMINENT DOMAIN.

10.1 Damage or Destruction. If any part of the Premises or the Property is damaged by fire, Hazardous Substance Condition, or other casualty and the damage affects Lessee's use or occupancy of the Premises, Lessee shall give prompt notice to Lessor, and Lessor shall repair such damage with reasonable diligence. Except as provided herein, Lessor shall, at its sole cost and expense, restore or repair the Premises diligently and to their condition immediately prior to the damage. If such casualty occurs and a portion of the Premises is still usable by Lessee, the rent shall be abated and prorated on a square footage basis of usable space until the Premises are restored to their original condition.

10.1.1 In the event of damage or destruction or Hazardous Substance Condition to the Premises or the Property and a portion of the Premises is still usable, the rent payable by Lessee for the period required for the repair or remediation of such damage shall be abated and prorated on a square footage basis of usable space until the Premises are restored to their original condition immediately prior to the damage.

10.1.2 If Lessor is obligated to repair or restore the Premises and does not commence, in a substantial and meaningful way, such repair, remediation, or restoration of the Premises within ninety (90) calendar days after such obligation shall accrue, Lessee may at any time prior to the commencement of such repair or restoration give written notice to Lessor, of which Lessee has actual notice, of Lessee's election to terminate the MOU on a date not less than sixty (60) calendar days following the giving of such notice. If Lessee gives such notice and repair or restoration is not commenced within thirty (30) calendar days thereafter, this MOU shall terminate as of the date specified in said notice. If the repair or restoration is commenced within such thirty (30) calendar days, this MOU shall continue in full force and effect. "Commence" shall mean the beginning of the actual work on the Premises. Actual work shall include but not be limited to demolition of damaged structures or parts thereof, site surveys, architectural drafting of plans, insurance inspections and claim processing, repair equipment positioned on site, repair or replacement materials placed on site, and the application for city or county tear down and repair permits.

10.1.3 Exceptions to Obligation to Rebuild. Notwithstanding the above, this MOU may be terminated by Lessor in any of the following situations:

(a) If substantial alteration or reconstruction of the Property or Premises is required as a result of the damage, to an extent exceeding forty percent (40%) of the full insurable value thereof.

(b) If the damage to the Property or Premises is caused by the gross negligence or willful misconduct of Lessee, its employees or agents.

(c) If existing laws do not permit the Premises to be restored to substantially the same condition as they were in immediately before the destruction.

(d) If the damage occurs during the last six (6) months of the MOU Term and the repair, reconstruction, or restoration of the Premises will take more than six (6) months to complete.

Any such election to terminate this MOU shall be exercised by notice to Lessee delivered within sixty (60) calendar days after the occurrence of the event of casualty causing such damage. The notice shall specify the date of termination, which shall be at least sixty (60) calendar days after such notice is given. If Lessor gives such notice of termination, this MOU shall terminate as of the date specified, and all rent shall be prorated to the later of the date of termination or Lessee's vacation of the Premises.

10.1.4 Lessee's Right to Terminate. If the Premises are rendered unusable for the conduct of Lessee's business by reason of such damage, Lessor shall give Lessee a reasonable estimate of the time required for repair within forty-five (45) calendar days after the date of damage. If Lessor reasonably estimates that the time needed for repair will extend more than nine (9) months after the date of damage, then Lessee shall have the right to terminate this MOU by giving written notice within fifteen (15) calendar days after receipt of Lessor's estimate. The termination shall be effective ten (10) calendar days after the date such notice of termination is given.

10.2 Eminent Domain. If the Property or Premises, or such portion thereof shall be taken for public or quasi-public purpose by any lawful power or authority by exercise of the right of appropriation, condemnation, or eminent domain, or sold to prevent such taking, either party shall have the right to terminate this MOU effective as of the date possession is required to be surrendered to said authority.

10.2.1 Lessee shall not assert any claim against Lessor or the taking authority for any compensation because of such taking and Lessor shall be entitled to receive the entire amount of any award without deduction for any estate or interest of Lessee. However, Lessee shall not be precluded from claiming from the condemning authority any compensation to which Lessee may otherwise lawfully be entitled in respect to personal property or fixtures belonging to Lessee, or for relocating to new space, or for the unamortized portion of any Repair and Maintenance Improvements installed in the Premises to the extent they were paid for by Lessee or for the loss of goodwill.

10.2.2 In the event of taking of less than the entire Premises, Lessee may elect to terminate the MOU by giving thirty (30) calendar days written advanced notice to Lessor. If Lessee does not so elect, Lessor shall promptly proceed to restore the Premises (including the Repair and Maintenance Improvements and any Lessee's alterations) to substantially their same condition prior to such partial taking and a proportionate allowance shall be made to Lessee for the rent corresponding to the time during which, and to the part of the Premises of which Lessee shall be so deprived on account of such taking and restoration. Notwithstanding the foregoing, if the costs of restoration exceed the portion of the condemnation award allocated to restoration costs, Lessor may elect to terminate this MOU unless Lessee elects to pay such excess.

SECTION 11: DEFAULT.

11.1 The occurrence of any one or more of the following shall be deemed a default by Lessee, or as and where the context allows, by Lessor:

11.1.1 Abandonment or Vacation of Premises. Abandonment or vacation of the Premises by Lessee, together with the non-payment of rent, for a continuous period in excess of thirty (30) consecutive days.

11.1.2 Nonpayment of Rent. Lessee's failure to pay rent when due, if the failure continues for ten (10) calendar days after written notice has been given to Lessee.

11.1.3 Other Obligations. Except as otherwise expressly provided in this MOU, the failure to perform any other provisions or obligations under this MOU if the failure to perform is not cured within thirty (30) calendar days after written notice has been given to the defaulting party. The time to cure may be extended at the discretion of the party giving notice. Any extension of time to cure must be in writing, prepared by the party in default for signature by the party giving notice and must specify the reason(s) for the extension and the date on which the extension of time to cure expires.

11.2 Notice given under this Section 11.2 shall specify the alleged default and applicable MOU provisions, and shall demand that the defaulting party perform the provisions of this MOU or pay the rent that is in arrears, as the case may be, within the applicable period of time. No such notice shall be deemed a forfeiture or a termination of this MOU unless the party giving notice so elects in the notice, or the party giving notice so elects in a subsequent written notice after the time to cure has expired. If the nature of the obligation is such that more than thirty (30) calendar days are reasonably required for its performance, Lessee shall not be in default if Lessee commences to cure the default within ten (10) business days after receipt of notice and proceeds to completion with reasonable promptness. In the event of Lessee's default, this MOU shall continue in effect for so long as Lessor does not terminate Lessee's right to possession, and Lessor may enforce all its rights and remedies under this MOU, including the right to recover rent as it becomes due. If the MOU is terminated due to an uncured default by Lessee, in no event shall Lessor be entitled to a remedy of acceleration of the total rent payments due over the term of the MOU.

SECTION 12: REMEDIES UPON DEFAULT.

12.1 Termination. In the event of a default, non-defaulting party may elect to terminate this MOU or can cure the default at the defaulting party's cost. The election to terminate may be stated in any notice served upon the defaulting party.

12.2 Any sum paid by the non-defaulting party to cure the default shall be due within five (5) calendar days of notice of such sum, and if paid at a later date shall bear interest at the maximum rate permitted by law. Lessee shall have the right to withhold from future rent due the sum Lessee has expended until Lessee is reimbursed in full for the sum and interest on it.

12.3 Remedies Cumulative. All rights, privileges, and elections of remedies are cumulative and, to the extent permitted by law, are in addition to and do not in any manner limit other remedies set forth in other sections of this MOU.

SECTION 13: TERMINATION.

13.1 This MOU may be terminated upon the occurrence of one or more of the following:

- (a) The failure to remedy any default or breach of any provisions of this MOU.
- (b) The failure to comply with any provisions of this MOU.
- (c) Damage or destruction, or condemnation of the Premises as specified in Section 10.
- (d) In the case of bankruptcy, voluntary or involuntary, or insolvency of either party.

13.2 Non-Appropriation. Lessee's business operations are funded by federal, state, County, local, and/or private foundations ("**Funding Sources**"). Pursuant to Section 18, Article XVI of the California Constitution, and notwithstanding any provisions in this MOU, if during the Term of the MOU, the Funding sources reduce, eliminate, withhold, fail to allocate, or make unavailable to Lessee sufficient funds for Lessee's continued operations and/or administration of programs at the Premises or to meet the obligations of this MOU, Lessee shall have the right to terminate this MOU upon ninety (90) calendar days written notice of such termination to Lessor.

13.3 Termination for Convenience. Each party shall have the right to terminate this MOU for no reason, in each party's sole discretion, upon thirty (30) calendar days written notice.

13.4 Reimbursement of Generator Installation. The cost of the main building's transfer switch, all construction materials, and labor associated with underground and above ground infrastructure will be amortized over a period of approximately nine (9) years. In the event the MOU is terminated and Lessee vacates the Premises in less than nine (9) years from the Commencement Date of this MOU, Lessor will pay to Lessee a fee equal to Lessee's unamortized total cost for the transfer switch, all construction materials, and labor for the installation of the generator amortized straight line over nine (9) years, in accordance with Exhibit B, marked "Termination Fee Schedule – Generator," incorporated herein and made by reference a part hereof. Any partial years Lessee occupies the Premises will be prorated on the basis of twelve (12) months, and the month the Lessee vacates the Premises will be considered a full month occupied.

SECTION 14: AUDIT BY CALIFORNIA STATE AUDITOR.

14.1 Lessor acknowledges that if total compensation under this MOU is greater than \$10,000.00, this MOU is subject to examination and audit by the California State Auditor for a period of three (3) years, or for any longer period required by law, after final payment under this MOU, pursuant to California Government Code §8546.7. In order to facilitate these potential examinations and audits, Lessor shall maintain, for a period of at least three (3) years, or for any longer period required by law, after final payment under the contract, all books, records, and documentation necessary to demonstrate performance under the MOU.

SECTION 15: SUBORDINATION AND ATTORNMEN

15.1 Subordination. At the election of the Lessor or any first mortgagee with a lien on the property or any ground lessor with respect to the property, this MOU shall be subject to and subordinate the lien of any mortgage or deed of trust which may now exist or hereafter be executed for which the Building, land, ground leases or underlying leases, or Lessor's interest or estate in any said items is specified as security. If requested by Lessor, Lessee agrees to execute and deliver to Lessor, within ten (10) business days after written demand therefor, and in the form requested by Lessor or such further instruments

confirming the subordination of this MOU to the lien of any such mortgage or deed trust as may be requested by Lessor or any Lender from time to time. Any failure or refusal of Lessee to execute such instrument, which incorporates Lessee's reasonable changes, within ten (10) business days, shall constitute a default. However, Lessor agrees that as a condition to any subordination of this MOU to any future mortgage, deed of trust, or ground lease, Lessee shall first receive a subordination, attornment and non-disturbance agreement from such lender or ground lessor on commercially reasonable terms.

15.2 Attornment. In the event of the foreclosure of any mortgage or cancellation, Lessee, at the request of the then successor to the Lessor following such event, shall attorn to and recognize the successor ("**Successor Lessor**"), as Lessor under this MOU. Lessee agrees to execute and deliver at any time upon request of any Lender or purchaser, and the successors of either, any instrument reasonably requested to further evidence such attornment.

15.3 Non-Disturbance Protection. Notwithstanding anything to the contrary contained herein, Lessee's obligations to subordinate its rights hereunder to any future mortgage or to attorn to any future lender shall be conditioned upon Lessor's obtaining from the Lender (upon request from Lessee) a non-disturbance agreement in such other commercially reasonable form as may be acceptable to Lessor's lender providing in substance that: (i) so long as Lessee is not in default under this MOU, Lessee's tenancy will not be disturbed, nor its rights under this MOU affected by, any default under such mortgage nor shall Lessee be named as a defendant in any foreclosure proceeding (unless the Lender is legally required to do so), (ii) any Successor Lessor shall assume the obligations of Lessor under this MOU accruing thereafter, and (iii) the non-disturbance agreement shall be binding upon and inure to the benefit of the successors or assigns of the parties thereto.

SECTION 16: ENTRY AND ACCESS.

16.1 Lessor and its agents or representatives may enter the Premises only in case of emergencies or required maintenance and/or repairs of the Premises. Any inspection, entry, or access to the Premises shall be coordinated through Lessee's management or personnel and with no less than twenty-four (24) hours prior notice. Access to the Premises shall be under supervision and accompanied at all times by Lessee's employees. All work shall be done as expeditiously as reasonably feasible so as to cause as little interference to Lessee as reasonably possible. Lessor shall at all times have a key to all doors providing entry to the Premises, but excluding Lessee's vaults, safes, files, or security rooms, and any areas designated by Lessee, as to which Lessee shall provide Lessor with supervised access for the purpose of Lessor performing its obligations under the MOU.

16.2 Lessee shall have access twenty-four (24) hours per day, seven (7) days per week, fifty-two (52) weeks per year to the Premises, and parking facilities.

SECTION 17: RELOCATION.

17.1 Lessor shall not have the right to relocate Lessee under any circumstances.

SECTION 18: SURRENDER OF PREMISES.

18.1 Upon the expiration or earlier termination of this MOU, Lessee shall surrender the Premises in the same condition as when received, ordinary wear and tear excepted. Lessee, at its own expense, shall perform all necessary restoration made necessary by the removal of Lessee's personal property or alterations in the Premises, at or prior to the expiration or termination of this MOU.

18.2 Lessor may elect to retain or dispose of, in any manner, any personal property or alterations in the Premises made by Lessee that Lessee does not remove from the Premises upon expiration or earlier termination of the Term, provided, however, that in the event of an early termination, Lessee shall have thirty (30) calendar days to remove its personal property from the Premises.

SECTION 19: HIPAA. To the extent applicable, Lessor shall comply with all applicable provisions of the Health Insurance Portability and Accountability Act of 1996 ("**HIPAA**") including, but not limited to, Privacy Rule (45 CFR Parts 160 and 164), as such are implemented and revised from time to time, including, without limitation, the American Recovery and Reinvestment Act ("**ARRA**") and the objectives of the guidelines establishing privacy standards as adopted by any federal regulatory agencies having jurisdiction over Lessee's affairs (the "**Privacy Guidelines**"). Protected health information ("**PHI**") shall have the meaning defined by the Standards for Privacy of Individually Identifiable Health Information, 45 C.F.R. Part 160 and Subparts A and E of Part 164 and all amendments thereto (commonly known as the "**Privacy Standards**"), as promulgated by the U.S. Department of Health and Human Services pursuant to the Administrative Simplification provisions of the HIPAA and all amendments thereto. Neither Lessor nor Lessor's employees, agents or contractors shall need access to, or the use of, any PHI. In the event PHI is seen by or disclosed (whether inadvertently or otherwise) to Lessor or its employees, agents, or contractors, the party discovering such disclosure shall promptly notify Lessee, and if required by applicable law, to regulatory agencies. Lessor shall promptly take commercially reasonable measures to prevent any subsequent dissemination by Lessor or its employees or agents of such PHI to third parties, and if required by applicable law, to regulatory agencies. The parties agree that the provisions of this section do not create, and are not intended to create, a "business associate" relationship between the parties as that term is defined by the Privacy Standards.

SECTION 20: MOLD; AIR QUALITY. Lessor warrants and represents that the Premises are free of mold and offensive odor. Lessor, at its sole cost and expense, shall remove, mitigate, or remediate any such mold or odors that Lessee identifies during the initial and extended term(s) of the MOU.

SECTION 21: HAZARDOUS MATERIALS. Lessor hereby represents and warrants that to Lessor's actual knowledge that as of the date hereof there are no Hazardous Materials on or under the Premises or Property and that Lessor has received no written notice stating that any portion of the Property is in violation of any Hazardous Material laws. Removal or remediation of any Hazardous Materials which existed on the Premises or Property prior to Lessee's occupancy or not caused by the gross negligence or willful acts or omissions of Lessee, its employees or agents shall be the sole obligation of Lessor. Lessor shall indemnify, defend, and hold harmless Lessee, its employees or agents, from and against any and all losses, liability, claims, lawsuits, damages, destruction of property, or injuries incurred by Lessee in connection with or as the result of the presence, use, or disposal of any Hazardous Materials in or about the Premises or Property.

SECTION 22: LESSEE EXCLUSIONS. None.

SECTION 23: AUTHORITY. Each of the persons executing this MOU on behalf of any entity warrants and represents that he or she has been duly authorized to do so by the entity on whose behalf he or she executes this MOU and that said entity will thereby be obligated to perform the terms of this MOU.

SECTION 24: AMENDMENTS. This MOU may not be modified or amended except pursuant to a written instrument duly executed by all of the parties hereto.

SECTION 25: FURTHER ASSURANCES. From time to time, either party, at the request of the other party, and without further consideration, shall execute and deliver further instruments and take

such other actions as the requesting party may reasonably require to complete more effectively the transactions contemplated by this Agreement.

SECTION 26: NO THIRD PARTY BENEFITS. This MOU is made and entered into for the sole benefit and protection of the parties hereto, and the parties do not intend to create any rights or benefits under this MOU for any person who is not a party to this MOU, other than a Lender.

SECTION 27: WAIVER. The waiver by any party of any term, covenant, agreement, or condition herein contained shall be effective only if in writing and shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant, agreement, or condition herein contained, nor shall any custom or practice which may develop between the parties in the administration of this MOU be construed to waive or to lessen the right of any party to insist upon the performance by the other party in strict accordance with all of the terms, covenants, agreements, and conditions of this MOU.

SECTION 28: FORCE MAJEURE. Whether or not any specific provision of this MOU expressly excepts delays caused by Force Majeure, neither Lessee nor Lessor shall be chargeable with, or be liable or responsible to the otherwise chargeable, liable, or responsible party for, anything or in any amount for any failure to perform or delay in performing caused by Force Majeure, provided that nothing herein shall affect or relieve Lessee's obligation to pay rent under this MOU. Any such failure or delay due to Force Majeure shall not be deemed a breach of or default in the performance of this MOU by either Lessee or Lessor. Notwithstanding the foregoing, those provisions of this MOU that exclude specifically Force Majeure events shall govern and control over this Section 28.

SECTION 29: TIME OF THE ESSENCE. Time is of the essence with respect to the performance of this MOU.

SECTION 30: ESTOPPEL CERTIFICATE. Lessee, shall at any time, and from time to time, upon twenty (20) business days' prior written notice from Lessor, execute, acknowledge, and deliver to Lessor an Estoppel Certificate. Any Estoppel Certificate may be relied upon by any Lender or any prospective lender with respect to, or any prospective purchaser of any interest in, the Property. Any failure or refusal by Lessee to execute and return a requested Estoppel Certificate within the time period specified in this Section 30 (without additional time, despite any other provision of this MOU) shall constitute a default.

SECTION 31: NOTICES. All notices, requests, demands, or other communications required or desired to be given hereunder, to be legally binding, shall be in writing and may be served either personally (including service by any commercial messenger or courier service), by registered or certified United States mail, return receipt requested, with all postage and fees fully prepaid, via facsimile or electronically. Any written notice must be addressed to the respective addresses set forth in Section 1.1 and 1.2 above, or to such other address as the party to whom the notice is addressed has theretofore specified in a notice served upon the other party in accordance with the requirements hereof. All notices shall be effective upon actual delivery to the addressee, as evidenced by the return receipt if service is by mail, except in the case of a party that has relocated and has not served upon the other party a notice of a new address for service of notices as specified above, or in the case if a party to whom the notice is addressed that refuses to accept delivery of the notice, in either of which cases the notice shall be deemed effective upon the first date of attempted delivery, as indicated by the return receipt if the attempted service was by mail, at the last address of which the party attempting to make the service had notice.

SECTION 32: GOVERNING LAW. This MOU shall be governed by and construed pursuant to the law of the State of California, without reference to conflicts of laws rules.

SECTION 33: SEVERABILITY. In the event that any provision of this MOU shall be adjudicated to be void, illegal, invalid, or unenforceable, the remaining terms and provisions of this MOU shall remain in full force and effect.

SECTION 34: SUCCESSORS AND ASSIGNS. Subject to all restrictions set forth herein, the terms, covenants, conditions, and agreements herein contained shall inure to the benefit of and bind the heirs, successors, legal representatives, and assigns of the parties hereto.

SECTION 35: INTERPRETATION. The provisions of this MOU shall be construed, in all cases, according to its fair meaning, and not for or against either party hereto.

SECTION 36: COUNTERPARTS. This MOU may be executed in counterparts, each of which shall be deemed an original including copies sent to a party by facsimile transmission or in portable document format (pdf), but which together shall constitute one and the same instrument.

SECTION 37: MOU ADMINISTRATION. The County officer or employee with responsibility for administering this MOU is Charles Harrell, Facilities Division Manager, Chief Administrative Office, or successor.

SECTION 38: ELECTRONIC SIGNATURES. Each party agrees that the electronic signatures, whether digital or encrypted, of the parties included in this Agreement, are intended to authenticate this writing and to have the same force and effect as manual signatures. Electronic Signature means any electronic visual symbol or signature attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record, including facsimile or email electronic signatures, pursuant to the California Uniform Electronic Transactions Act (Civil Code sections 1633.1 to 1633.17) as amended from time to time.

SECTION 39: ENTIRE AGREEMENT. This MOU constitutes the entire understanding of the parties with respect to the Premises and supersedes all prior or contemporaneous understandings and agreements relating to the subject matter thereof. There are no other promises, covenants, understandings, agreements, representations, or warranties with respect to the subject matter of this MOU except as expressly set forth herein or in any instrument executed concurrently herewith.

SECTION 40: DEFINITIONS. In addition to the terms defined in Section 1 of the MOU, the following terms shall have the meanings specified below when used in the MOU:

(a) **“Common Areas”** means all areas within the exterior boundaries of the Property now or later made available for the general use of Lessor and other persons entitled to occupy floor area in the Property, including the common entrances, lobbies, restrooms, elevators, stairways and access ways, loading docks, ramps, parking stalls or areas, parkways, sidewalks, retaining walls, driveways and roadways, loading and unloading areas, trash areas, landscaped areas in the Property, and the common pipes, conduits, wires, and appurtenant equipment serving the Premises. Any enlargement of or addition to the Common Areas shall be included in the definition of Common Areas.

(b) **“Days”** means calendar days unless otherwise specifically referred to as business days.

(c) **“Estoppel Certificate”** means a certificate to be executed by Lessee as together with such additional information as any Lender or prospective purchaser may reasonably require.

(d) **“Force Majeure”** means fire or other casualty, earthquake, explosion, flood, hurricane, acts of God, enemy or hostile governmental action, civil commotion, war, invasion, terrorist attack, insurrection, rebellion, riots, strikes or lockouts, or any other cause or occurrence beyond the reasonable control of the party obligated to perform.

(e) **“Hazardous Materials”** means any substance, material, product, chemical, waste, contaminant, or pollutant including but not limited to, asbestos and asbestos-containing materials, urea formaldehyde, radioactive substance, flammable explosives, petroleum including crude oil or any fraction thereof, polychlorinated biphenyls, and all other hazardous substance, materials, wasted regulated by existing or future federal, state, or local law, ordinance, regulation, code, resolution, administrative or legal decisions, and any common law theory relating to such materials.

(f) **“Person”** means an individual, trust, partnership, joint venture, association, corporation, and any other legal or business entity.

(g) **“Personal Property”** means any trade fixtures, furnishings or equipment, and all other personal property contained in the Premises from time to time.

(h) **“Property”** shall mean the Property described in Section 1.4, including the land, the Building thereon and all roads, plazas, landscaped areas, Common Areas, improvements, and other facilities situated on or adjacent to the land, as the same may be modified, altered, reduced, or expanded from time to time throughout the Term of this MOU.

(i) **“Systems” and “Equipment”** means any plant, machinery, transformers, duct work, cable, wires, equipment, facilities, or systems designed to supply heat, ventilation, air conditioning, humidity, or any other services or utilities, or comprising or serving as any component or portion of the electrical, gas, steam, plumbing, sprinkler, communications, alarm, security, or fire/life/safety systems or equipment, or any other mechanical, electrical, electronic, computer or other systems, or equipment utilized for the Property or any portion of it.

IN WITNESS WHEREOF, the parties have executed this MOU #8098 on the day and year specified below.

“LESSOR”:

COUNTY OF EL DORADO

By: _____

Purchasing Agent
Chief Administrative Office

Date: _____

“LESSEE”:

EL DORADO COUNTY DEPARTMENT OF CHILD SUPPORT SERVICES

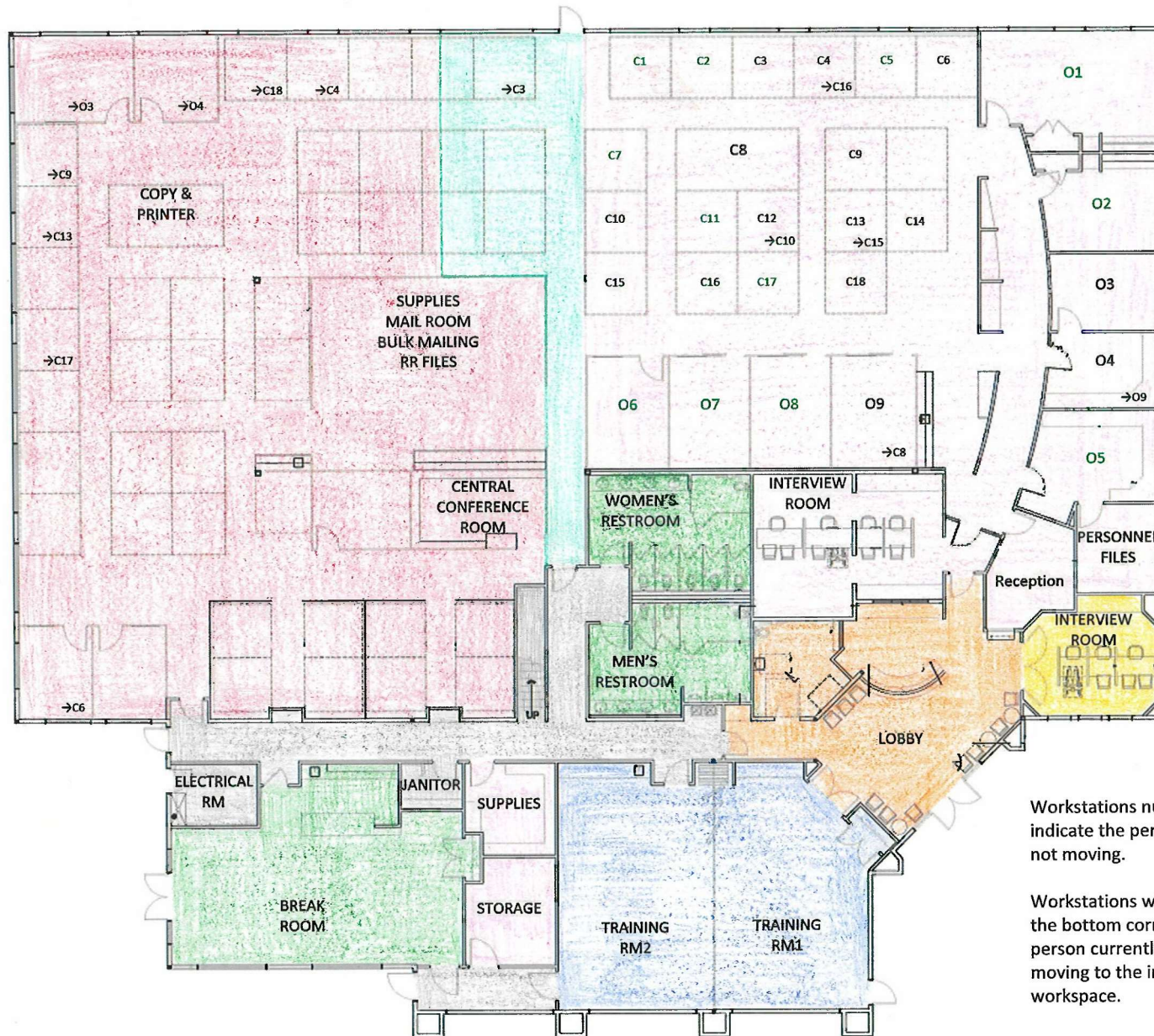
By: _____

Ron Ladage, Director

Date: _____

El Dorado County Department of
Child Support Services

Exhibit A
Floor Plan



CHILD SUPPORT
SERVICES - 7,350 SF
(includes upstairs
storage 1,737 SF)

HHSA
- 991 SF

ELECTIONS - 5,633
MAIN
BLDG

COMMON AREA
- 1,512 SF

INTERVIEW ROOM
- 280 SF

TRAINING ROOM
- 1,304 SF

LOBBY - 745 SF

OTHER - 1,085 SF

TOTAL MAIN BLDG: 18,900 SF

TOTAL WAREHOUSE: 4,650 SF

TOTAL RSF: 23,550 SF

Workstations numbered in green
indicate the person seated there is
not moving.

Workstations with an arrow (→) in
the bottom corner indicate the
person currently in that location is
moving to the indicated
workspace.

El Dorado County Department of Child Support Services

Exhibit B

Termination Fee Schedule - Generator

Count	Period Ending	Termination Fee
0	July 31, 2024	\$28,730.77
1	July 31, 2025	\$25,538.46
2	July 31, 2026	\$22,346.15
3	July 31, 2027	\$19,153.85
4	July 31, 2028	\$15,961.54
5	July 31, 2029	\$12,769.23
6	July 31, 2030	\$9,576.92
7	July 31, 2031	\$6,384.62
8	July 31, 2032	\$3,192.31
9	July 31, 2033	\$0.00

The Termination Fee includes the total cost of the transfer switch, all construction materials, and labor for the installation of the generator.