

ORIGINAL
COUNTY OF EL DORADO
LEASE # 198-L1011

THIS LEASE is made by and between **COUNTY OF EL DORADO**, a political subdivision of the State of California, hereinafter called "Lessee", and **TOWN CENTER EAST, L.P.** a California limited partnership, The Mansour Company, a California corporation, its General Partner, herein referred to as "Lessor".

IT IS AGREED between the parties hereto as follows:

1. PREMISES

Lessor hereby leases to Lessee and Lessee hereby leases from Lessor, for and in consideration of the rents, covenants and agreement hereinafter set forth, the "Premises" is more particularly described as follows:

Office Space
4354 Town Center Blvd., Suite 112
El Dorado Hills, CA 95762

The Premises consists of 1,064 square feet of improved office space together with the use of a designated parking space in front of Suite 112 and two designated spaces at the rear of the building closest to Suite 112.

2. TERM

The term of this Lease shall be for three (3) years commencing on May 1, 2010 and ending on April 30, 2013 or upon execution of this agreement by both parties, subject however, to earlier termination as hereinafter more particularly provided in Paragraph 20.

3. PAYMENT

Lessee agrees to pay to Lessor as rent the sum of **Zero Dollars (\$0.00)** per month, plus Lessee's share of Operating Expenses as set forth in Exhibit "A" hereto. " As shown in Exhibit "A", to this lease, all additional Operating Expense reimbursements are a prorated share of the space as a portion of the entire building's square footage and shall at no time increase by more than three (3%)

percent of the prior years' Operating Expense. Prorated shares of the Operating Expense reimbursements shall be paid to the order of: **Town Center East, L.P., c/o EDHTC Management, Inc., 4364 Town Center Blvd., Suite 212, El Dorado Hills, CA, 95762.** Said Operating Expenses are due and payable the first day of each month.

4. OPTION FOR ADDITIONAL TERMS

Lessee shall have the option to Lease the subject Premises for three (3) additional one (1) year term after the initial Lease expiration date of April 30, 2013. Lessee shall notify Lessor in writing approximately sixty (60) days prior to the expiration of the first three (3) year term and each additional one (1) year term thereafter, should Lessee elect to exercise said option(s).

5. USE OF PREMISES

The Premises are leased to the Lessee for the purpose of operating an El Dorado County Sheriff's Substation or uses related thereto. These lease terms shall be binding on and shall inure to the benefit of the successors and assignees of both parties.

6. PROHIBITED USE

Lessee shall not commit or permit the commission of any acts on the Premises nor permit the use of the Premises in any way that will:

- (a) Increase the existing fire rates or cancel any fire, casualty, liability or other insurance policy insuring the building or its contents;
- (b) Violate or conflict with any law, statute, ordinance, governmental rule or regulation whether now in force or hereinafter enacted, governing the Premises;
- (c) Obstruct or interfere with the rights of other tenants or occupants of the building; and
- (d) Constitute commission of a waste on the Premises.

7. **INSURANCE**

Lessor shall provide proof of a policy of insurance satisfactory to the El Dorado County Risk Manager and documentation evidencing that Lessor maintains insurance that meets the following requirements:

- A. Commercial General Liability Insurance of not less than \$1,000,000 combined single limit per occurrence for bodily injury and property damage.
- B. Workers' Compensation and Employers' Liability Insurance covering all employees of Lessor as required by law in the State of California.
- C. Lessor shall furnish a certificate of insurance satisfactory to the Lessee as evidence that the insurance required above is being maintained.
- D. The insurance shall be issued by an insurance company acceptable to Lessee or be provided through partial or total self-insurance likewise acceptable to Lessee.
- E. Lessor agrees that the insurance required above shall be in effect at all times during the term of this Lease. In the event said insurance coverage expires at any time or times during the term of this Lease, Lessor agrees to provide at least thirty (30) days prior to said expiration date, a new certificate of insurance evidencing insurance coverage as provided for herein for not less than the remainder of the term of the Lease, or for a period of not less than one (1) year. New certificates of insurance are subject to the approval of Lessee and Lessor agrees that the Lease shall not commence prior to the giving of such approval. In the event the Lessor fails to keep in effect at all times insurance coverage as herein provided, Lessee may, in addition to any other remedies it may have, terminate this Lease upon the occurrence of such event.
- F. The certificate of insurance must include a provision stating that the insurer will not cancel the insured's coverage without 30 day prior written notice to the Lessee.
- G. Any deductibles or self-insured retention must be declared to and approved by the Lessee. At the option of the Lessee either the insurer shall reduce or eliminate such deductibles or self-insured retention as respects the Lessee, its officers, officials and employees; or Lessor shall

procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

- H. Any failure to comply with the reporting provisions of the policies shall not affect coverage provided to the Lessee, its officers, officials, employees or volunteers.
- I. The insurance companies shall have no recourse against the Lessee, its officers, officials or employees for payment of any premiums or assessments under any policy issued by any insurance company.
- J. Lessor's obligations shall not be limited by the foregoing requirements and shall survive the expiration of this Agreement.
- K. In the event Lessor cannot provide an occurrence policy, Lessor shall provide insurance covering claims made as a result of performance of this Lease for not less than three (3) years following completion of this Lease.
- L. The Certificate of Insurance shall meet additional standards as may be determined by the Lessee, either independently or in consultation with Lessee's Risk Manager, as essential for protection of Lessee.
- M. Lessor shall provide property insurance on all real property owned by Lessor covered by this Lease under a standard "all risk" policy. The policy shall insure for not less than ninety percent (90%) of the replacement value of the property.

8. INDEMNIFICATION

Lessor shall indemnify, defend, and hold harmless Lessee, its officers, agents and employees, from and against any claims, actions, suits, costs, expenses (including reasonable attorney's fees) and other cost of defense incurred or liabilities, whether for damage to or loss of property, or injury to or death of person, which in any way arise from or are connected with the acts or omissions of Lessor or its officers, agents, employees, contractors, subcontractors, or business invitees, or Lessor's use of the Premises, unless such damage, loss, injury, or death shall be caused by the sole, or active negligence of County, or the willful misconduct of County, as expressly provided by statute.

Lessee shall indemnify, defend, and hold harmless Lessor, its officers, agents, and employees, from and against any claims, actions, suits, costs, expenses (including reasonable attorney's fees) and other cost of defense incurred or liabilities, whether for damage to or loss of property, or injury to or death of person, which in any way arise from or are connect with the acts or omissions of Lessee or its officers, agents, employees, contractors, subcontractors, or business invitees, or Lessee's use of the Premises to the extent such loss, damage, injury, or liability is not covered by the insurance required as provided for in Paragraph 7, "INSURANCE", unless such damage, loss, injury or death shall be caused by the sole, or active negligence of Lessor, or the willful misconduct of Lessor.

The duties of Lessor or Lessee to indemnify and save each other harmless include the duties to defend as set forth in California Civil Code Section 2778. The provisions of this section shall survive the termination of the Lease for any event occurring prior to the termination.

9. ALTERATIONS

Lessee shall not make or permit any other person to make any alterations to the Premises without the written consent of Lessor first obtained. Should Lessor consent to the making of any alterations to the Premises by the Lessee, subsequent to execution of this Lease, said alterations shall be made at the sole cost and expense of Lessee by a contractor or other person selected by Lessee and approved in writing by Lessor before work commences. Any and all alterations, with the exception of previously approved relocatable walls and other alterations readily removable without significant damage to the building Premises, interior or exterior, shall on expiration or sooner termination of this Lease, become the property of Lessor and remain on the Premises.

10. MAINTENANCE AND REPAIRS

Lessee shall, at all times during the term of this Lease and any renewal or extension thereof, maintain, at Lessee's sole cost and expense, the interior of the Premises, in a good, clean, and safe condition, and shall on expiration or sooner termination of this Lease surrender the Premises to Lessor in as good condition and repair as they are in on the date of this Lease, reasonable wear and tear and

damage by the elements excepted.

11. ADA MODIFICATIONS

Lessor agrees at its sole cost and expense to make changes necessary to bring the subject premises up to the accessibility standards of the Americans with Disabilities Act (ADA).

12. INSPECTION BY LESSOR

Lessee shall permit Lessor or Lessor's agent, representative, or employees to enter the Premises at all reasonable times for the purpose of inspecting the Premises to determine whether Lessee is complying with the terms of the Lease and for the purpose of doing other lawful acts that may be necessary to protect Lessor's interest in the Premises under this Lease.

13. SERVICES FURNISHED BY LESSOR

Lessor is responsible for the payment of all local, state and federal taxes associated with or attributable to the property subject to this Lease Agreement, the operation of this Lease and the income flowing to Lessor through this Lease agreement. Lessor shall, at Lessor's own cost and expense, maintain the exterior walls, exterior windows, automobile parking areas, exterior lighting, sidewalks, retaining walls, ramps, plumbing, electrical, heating and air-conditioning, landscaped areas, air-conditioning and heating equipment and ductwork, and roof and structural supports of the building of which the Premises are a part, in good order and repair, excepting any repairs caused by the negligent or willful act of Lessee or Lessee's agents or servants.

14. UTILITIES

- (a) The monthly cost of water and sewer suitable for the intended use of the Premises shall be provided and paid by Lessor and shall be reimbursed to Lessor by the Lessee upon receipt of invoice or through Lessee's payment of Operating Expenses.
- (b) Gas and/or electric utilities shall be obtained and paid for by Lessee.
- (c) Janitorial services, including the cleaning of interior windows and

replacement of light globes or fluorescent tubes, shall be paid by Lessee.

- (d) The monthly cost of Garbage removal shall be provided and paid for by Lessor and shall be reimbursed to Lessor by Lessee upon receipt of invoice or through Lessee's payment of Operating Expenses.
- (e) Lessee shall obtain and pay for telephone service.
- (f) Snow Removal shall be provided by and paid by Lessor and reimbursed to Lessor by Lessee upon receipt of invoice or through Lessee's payment of Operating Expenses.

15. AIR-CONDITIONING AND HEATING

Lessor has provided, and shall maintain, or cause to be maintained, in the building of which the Premises are a part, an air conditioning and heating system.

16. CONDEMNATION OF PREMISES

Should all or any part of the Premises be taken by any public or quasi-public agency or entity under the power of eminent domain during the term of the Lease:

- (a) Either Lessor or Lessee may terminate this Lease by giving the other thirty (30) days' written notice of termination; provided, however, that Lessee cannot terminate this Lease unless the portion of the Premises taken by eminent domain is so extensive as to render the remainder of the Premises useless for the purposes intended by this Lease.
- (b) Any and all damages and compensation awarded or paid because of the taking, except for amounts paid Lessee for moving expenses or for damage to any personal property or trade fixtures owned by Lessee, shall belong to Lessor, and Lessee shall have no claim against Lessor or the entity exercising eminent domain power for the value of the unexpired term of this Lease.
- (c) Should any portion of the building containing the Premises, other than the Premises, be taken by eminent domain, Lessor or Lessee may, at its option, terminate this Lease.

17. ASSIGNMENT OR SUBLEASING

Lessee shall not sub-lease, encumber, assign, or otherwise transfer its rights or

interests under this Lease, without the express written consent of the Lessor first had and received, provided said consent by Lessor shall not be unreasonably withheld.

18. ACTS CONSTITUTING BREACHES BY LESSEE

Lessee shall be guilty of a material default and breach of this Lease should:

- (a) Any rent be unpaid when due and remain unpaid for thirty (30) days after written notice to pay such rent or to surrender possession of the Premises has been given to Lessee by Lessor;
- (b) Lessee default in the performance of or breach any provision, covenant, or condition of this Lease other than one for the payment of rent and such default or breach is not cured within thirty (30) days after written notice thereof is given by Lessor to Lessee; or
- (c) Lessee breaches this Lease and abandons the Premises prior to the expiration of the term of this Lease.

19. NON-APPROPRIATION/TERMINATION CLAUSE:

Lessee may terminate this Lease upon sixty (60) days written notice to Lessor.

20. LESSOR'S LIABILITY

In the event of a transfer of Lessor's title or interest to the property during the term of this Lease, Lessee agrees that the grantee of such a transfer will be substituted as Lessor under this Agreement, provided that all deposits are transferred to the grantee. Lessor shall be released from all future liability under this Lease Agreement, but shall not be released from the obligation to indemnify Lessee under paragraph 8 above for acts or omissions occurring prior to the transfer unless so released by Lessee in writing.

21. NOTICES

Except as otherwise expressly provided by law, any and all notices or other communications required or permitted by this Lease or by law to be served on or given to either party hereto by the other party hereto shall be in writing and shall be deemed duly served and given when personally delivered to the party, Lessor or

Lessee, to whom it is directed or any managing employee of such party or, in lieu of such personal service, when deposited in the United States mail, first-class postage prepaid, addressed to:

Lessor: El Dorado Hills Town Center Management, Inc.
4364 Town Center Blvd. #212
El Dorado Hills, CA 95762

Attn: Jacob J. Gabrie, President/Broker
Telephone: (916) 933-6699

Lessee: County of El Dorado
Department of Transportation
2850 Fairlane Court
Placerville, California 95667

Attention: James W. Ware, P.E., Director of Transportation
Telephone: (530) 621-7533

Either party, Lessor or Lessee, may change its address for purposes of this paragraph by giving written notice of the change to the other party in the manner provided in this paragraph.

22. BINDING ON HEIRS AND SUCCESSORS

This Lease shall be binding on and shall inure to the benefit of the heirs, executors, administrators, successors, and assigns of the parties, Lessor and Lessee, hereto.

23. TIME OF ESSENCE

Time is expressly declared to be of the essence of this Lease.

24. WAIVER

The waiver of any breach of any of the provisions of this Lease by Lessor shall not constitute a continuing waiver or a waiver of any subsequent breach by Lessee either of the same or of another provision of this Lease.

25. SOLE AND ONLY AGREEMENT

This instrument constitutes the sole and only agreement between Lessor and Lessee respecting the Premises and correctly sets forth the obligations of Lessor and Lessee to each other as of its date. Any agreements or representations respecting the Premises or their leasing by Lessor to Lessee not expressly set forth in this instrument are null and void.

26. HOLD OVER

Any holding over after the expiration of this Lease shall be construed as a month-to-month tenancy at the monthly rental amount then in effect. In the event the Lessor wishes to terminate said month to month tenancy, Lessor shall provide Lessee written notice at least ninety (90) days prior to said termination.

27. SEVERABILITY

If any provision, clause or part of this Lease Agreement, or the application thereof under certain circumstances, is held invalid, the remainder of this Lease Agreement or the application of such provisions, clauses, or parts under other circumstances shall not be affected thereby.

28. CALIFORNIA FORUM AND LAW

Any dispute resolution action arising out of this Lease Agreement, including, but not limited to, litigation, mediation, or arbitration, shall be brought in El Dorado County, California, and shall be resolved in accordance with the laws of the State of California.

29. ATTORNEY'S FEES

Should any litigation be commenced between Lessor and Lessee concerning the Premises, this Lease, or the rights and duties of either Lessor or Lessee in relation thereto, the party, Lessor or Lessee, prevailing in such litigation shall be entitled, in addition to such other relief as may be granted, to a reasonable sum as and for its attorney's fees in the litigation which shall be determined by the court in such litigation or in a separate action brought for that purpose.

30. LEASE ADMINISTRATION

The County officer or employee with responsibility for administering this Lease is James W. Ware, P.E., Director of Department of Transportation or successor.

DEPARTMENT CONCURRENCE:

Dated: 4.5.10

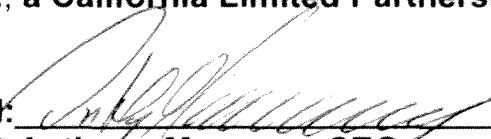
Signed: 

**Fred Kollar, Sheriff
Sheriff's Department**

IN WITNESS WHEREOF, the parties hereto have executed this Lease Agreement the day and year first below written.

LESSOR: TOWN CENTER EAST, L.P., a California Limited Partnership

Dated: 5/15/10

Signed: 

**Anthony Mansour, CEO
The Mansour Company, a California
corporation, its General
Partner**

LESSEE: COUNTY OF EL DORADO


Dated: 4/27/10

Signed: 

**Norma Santiago, Chair
Board of Supervisors**

ATTEST:

**Suzanne Allen De Sanchez, Clerk of the
Board of Supervisors**

By: 

Dated: 4/27/10

LEASE AGREEMENT 198-L1011
EXHIBIT "A"

In the event of any conflict between the provisions of this Exhibit A to Lease and the provisions of the Lease of which this Exhibit A is a part, the provisions of this Exhibit A shall prevail.

Lessee shall be responsible to pay "Operating Expenses" based on the ratio of lease space to the entire building's square footage. The entire building's rentable square footage is 5,149 sq. ft.; suite 112 entire rentable square footage is 1,064 sq. ft. =20.664% of the pool of Operating Expenses.

- Operating Expenses are due and payable the first day of each month. (see page 2, Budget for 2010 – Estimated - Monthly Charges)
- Estimated expenses are reconciled to actual expenses at the end of each calendar year.
- Lessor will provide to Lessee a statement within 90 days after the end of each calendar year.
- Each statement is referred to as an "Operating Expense Statement" showing (i) the total Operating Expenses incurred during such calendar year (ii) Lessee's share of such Operating Expenses during such calendar year (iii) the amount remaining unpaid toward Lessee's share of such Operating Expenses or the amount by which Lessee's payments have exceeded Lessee's share in that calendar year.
- Should Lessee's share of Operating Expenses exceed the actual Lessee's payments for the calendar year, Lessee has 30 days from receipt of such statement disclosing such deficiency to reimburse the Lessor of the difference.
- Should Lessee's payments exceed their share of Operating Expenses, Lessor shall apply the overpayment to any future Lessee obligations of their Operating Expenses.
- In the event of an expiration or earlier termination of said Lease, as long as Lessee has no further obligations to the Lessor, Lessor shall refund to Lessee any monies due within 30 days upon receipt of applicable Operating Expenses Statement provided by Lessor.
- The monthly amounts (see page 2, Budget for 2010 – Estimated –Monthly Charges) of such sums may be adjusted periodically as needed on the basis of Lessor's experience and reasonably anticipated costs, provided that any such adjustment in the monthly amounts payable by the Lessee shall not take effect until 30 days after Lessor provides Lessee written notice of the adjusted amount.
- Lessee shall be entitled to inspect and examine the books of the Lessor within a period of six month after receipt of an Operating Expenses Statement and upon a 30 day written notice to Lessor if the Lessee feels there are any discrepancies.

EXHIBIT "A"

- Lessee has the right of an independent audit (third party) and shall be limited to the determination of the amount of Current Operating Expenses indicated on the relevant Operating Expenses Statement. If the audit discloses that the amounts of Current Operating Expenses billed to Lessee are incorrect; the appropriate party shall pay to the other party the deficiency or overpayment, as applicable.
- Any increase in pro rata Operating Expenses above the amount charged in the first year and any year thereafter of the primary term of this Lease shall be limited to the lesser of: (i) the actual increase in Operating Expenses for the particular year, or (ii) "controllable" operating expenses shall be capped / limited to 103% of the previous year's controllable operating expenses, i.e., controllable operating expenses shall increase by no more than 3% each year.

Controllable Operating Expenses (definition)

Controllable expenses are expenses that the Lessor has control over. Lessor has control over Common Area Maintenance (CAM), which includes Landscaping, Janitorial, Street maintenance and cleaning, Exterior window cleaning three times a year, Exterior Pest control, and Parcel Cost, etc. Lessor has no control over Property Taxes, Insurance, Utilities and Direct Expenses, such as, Water and Sewer (EID), Trash removal (EDD), Town Center East Owners Association Cost.

Budget for 2010 – Estimated - Monthly Charges:

Common Area Maintenance.....	\$457.97.....	\$0.43 s/f
Direct Billed Expense.....	\$ 41.03.....	\$0.04 s/f
(Water/sewer, Trash removal, Snow Removal, Exterior Window cleaning)		
Real Property Tax Recoveries	\$218.90.....	\$0.21 s/f
Insurance Recoveries.....	\$ 30.30.....	\$0.03 s/f
(Fire Hazard & CGL)		
Total.....	\$748.20.....	\$0.71 (monthly budget per SF)

Annual HVAC Preventive Maintenance Service: 3 times a year at \$70.00 + \$7.00 (10%) Administrative fee for a total of \$77.00 each visit, Lessee will be billed back at time of service. This is a separate charge in addition to the monthly operating expenses, shown above.

Signage: is the responsibility of the Lessee. All signage shall be reviewed by the EDH Town Center Design Review Committee to ensure compliance with the PD94-04 master signage program.

Parking Space: Lessor shall paint on the curb at designated parking spaces "NO PARKING SHERIFF VEHICLES ONLY". Additional parking spaces needed by Sheriff's vehicles would be in the general parking areas of Town Center.