

**LEASE #8373**

**3974 Durock Road, Shingle Springs**

**Probation Department**

THIS LEASE ("**Lease**") is made as of April 1, 2024 ("**Effective Date**") by and between **El Dorado Foothills, LLC**, a California limited liability company ("**Lessor**"), and the **County of El Dorado**, a political subdivision of the State of California ("**Lessee**"), upon the following terms and conditions.

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

<b>1.1</b>	<b><u>Lessee:</u></b>	<b><u>Name:</u></b> <b>County of El Dorado</b> <b><u>Address for Notices:</u></b> Chief Administrative Office Attention: Facilities Manager 3000 Fairlane Court Placerville, California 95667
<b>1.2</b>	<b><u>Lessor:</u></b>	<b><u>Name:</u></b> <b>El Dorado Foothills, LLC</b> <b><u>Address for Notices:</u></b> <b>c/o M2M Properties</b> David Matista 8084 Old Auburn Road, Suite A Citrus Heights, California 95610
<b>1.3</b>	<b><u>Premises:</u></b>	Office space consisting of approximately sixteen thousand two hundred twenty (16,220) rentable square feet. The Premises are also defined in Exhibit A (marked " <b><u>Premises</u></b> "), attached hereto and made a part hereof by reference, with a street address of 3974 Durock Road, Shingle Springs, California 95682.
<b>1.4</b>	<b><u>Property:</u></b>	The property contains that certain office building (" <b><u>Building</u></b> ") where the Premises are located at 3974 Durock Road, Shingle Springs, California 95682. Lessee leases the entire Building.
<b>1.5</b>	<b><u>Term:</u></b>	The Term of this Lease shall commence on the Commencement Date and shall expire sixty (60) months thereafter.  <b><u>Commencement Date:</u></b> The Commencement Date shall be April 1, 2024. Lessee currently occupies the Premises under the terms of an existing lease dated August 1, 2013, as amended.  <b><u>Option to Extend:</u></b> Two (2) Option Terms of three (3)-year periods each, as more specifically described in <b><u>Section 5</u></b> .
<b>1.6</b>	<b><u>Rent:</u></b>	<b>Initial Monthly Base Rent</b> shall commence at the rate of twenty five thousand nine hundred fifty two dollars (\$25,952.00). Effective April 1, 2024, Base Rent shall be increased annually by three percent (3%) (see <b><u>Section 3</u></b> – Rent for complete schedule).
<b>1.7</b>	<b><u>Security Deposit:</u></b>	None
<b>1.8</b>	<b><u>Permitted Use:</u></b>	General office space use, including government operations or uses related thereto.

<b>1.9</b>	<b><u>Definitions:</u></b>	All capitalized terms used in this Lease shall have the meanings specified in this <u>Section 1</u> .
<b>1.10</b>	<b><u>Exhibits:</u></b>	The following Exhibits are attached to this Lease and incorporated herein by this reference: <ul style="list-style-type: none"> <li>• Exhibit "A" marked "Premises"</li> <li>• Exhibit "B" marked "California Levine Act Statement"</li> </ul>
<b>1.11</b>	<b><u>Addendum:</u></b>	Attached: ___ Yes <u>X</u> No

## **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 site map in Exhibit A, attached hereto and incorporated herein by reference.

2.2 The rentable and usable square feet of the Premises has been verified by the parties in accordance with the Building Owners and Management Association Method for Measuring Floor Area in Office Buildings, ANSI Z65.1-1996 **(the "BOMA Standard")**. The parties agree the Premises consists of sixteen thousand two hundred twenty (16,220) rentable square feet of office 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 on 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 unreasonably interfere with Lessee's access to or use of the Premises unless such interference is beyond the control of the Lessor.

### **2.4 Delivery of Premises.**

2.4.1 Lessee hereby acknowledges that Lessee is and has been in possession of the Premises since the date a prior lessor delivered the Premises to Lessee pursuant to the terms of a lease dated November 6, 2007. That lease was succeeded by a lease agreement dated August 1, 2013 **("Existing Lease")**, pursuant to which Lessee currently occupies the Premises. This Lease shall become effective April 1, 2024 and as of that date, the Existing Lease shall become null and void.

2.4.2 Lessor acknowledges that Lessee has no obligation to pay Rent under the terms of this Lease until the Commencement Date.

2.5 Compliance with Laws. Lessor warrants that the Premises and the Property are believed to be in compliance with all applicable local, state, and federal laws, including, without limitation, the Americans with 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")** at the time of Lease commencement. Lessee shall be solely responsible for compliance relating to interior access or utilization of any and all alterations, partition or temporary wall placement, or trade fixture installation that Lessee undertakes on the Premises. If the Property does not comply with Applicable Requirements that are the responsibility of Lessor, Lessee shall have the right to terminate this Lease as provided in Section 17 subject to Lessor's right to cure, following written notice and opportunity to cure, as stated in this Lease.

2.5.1 If the Applicable Requirements are hereafter changed so as to require during the 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 alteration 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 Building Common Areas owned by Lessor (excluding any and all areas owned by the building owner's association) that are required to comply with the Applicable Requirements, including the evaluation, installation, and costs arising from changes necessary to bring the Building and the Building Common Areas owned by Lessor (excluding any and all areas owned by the building owner's association) up to ADA accessibility standards due to changes in the Applicable Requirements after Lease 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.

2.6 Vehicle Parking. Lessee shall have the use of the approximately eighty-nine (89) parking stalls adjacent to the Building. All parking to the rear (southern portion), western facing side, and immediately in front and across from the front of the Premises is available for Lessee's use. Parking shall be free of charge during the Lease Term. 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 Lease.

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. Any such work will be coordinated and approved by Lessee with adequate notice, and Lessee will not unreasonably withhold approval.

### **SECTION 3: RENT.**

3.1 Rent. From and after the Commencement Date and thereafter during the Term, Lessee shall pay to Lessor the minimum monthly base rent for the Premises set forth below (the "**Base Rent**") in advance, without notice or demand, withholding, setoff, right of recoupment, or deduction, on or before the first day of each calendar month. If the Commencement Date or the expiration date of this Lease occurs on a day other than the first or last day of a calendar month, then the Base Rent for the fractional month shall be prorated on the basis of a thirty (30) day month. During the initial Term, Lessee shall pay Lessor as "**Additional Rent**" all other sums due and owing under the terms of this Lease. Base Rent shall be paid according to the following schedule:

<b>Period</b>	<b>Monthly Base Rent Amount</b>	<b>Probation Department Monthly</b>	<b>Community Corrections Center Monthly</b>
04/01/2024 - 03/31/2025	\$25,952.00	\$19,464.00	\$6,488.00
04/01/2025 - 03/31/2026	\$26,730.56	\$20,047.92	\$6,682.64
04/01/2026 - 03/31/2027	\$27,532.48	\$20,649.36	\$6,883.12
04/01/2027 - 03/31/2028	\$28,358.45	\$21,268.84	\$7,089.61
04/01/2028 - 03/31/2029	\$29,209.20	\$21,906.90	\$7,302.30

3.2 **Payment of Rent.** All amounts payable or reimbursable by Lessee under this Lease, including, but not limited to, Base Rent, Additional Rent, and interest, shall constitute **“Rent”** and shall be payable and recoverable as Rent in the manner provided in this Lease. Unless provided otherwise in this Lease, Rent shall be due on the first (1st) day of each month during the Term and shall be made to Lessor at the address stated in Section 1.2 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 37. Said notice shall become part of this Lease upon acknowledgment in writing by the County Lease Administrator, and no further amendment of the Lease shall be necessary provided that such designation does not conflict with any other provisions of this Lease. If Lessee fails to pay Rent within five (5) days after the due date, both Lessee and Lessor agree that Lessor will incur additional expenses including, but not limited to, extra collection efforts and handling costs. Lessee agrees that in case of any late payment, Lessor is entitled to compensation for the detriment caused by the timely payment failure, but that it is extremely difficult and impractical to ascertain the extent of the detriment. The parties therefore agree that if Lessee fails to pay any Rent due hereunder within five (5) days after the same becomes due, Lessor shall be entitled to recover from Lessee five percent (5%) of the amount past due as a late charge and not as a penalty. Lessee further agrees to pay Lessor any costs incurred by Lessor in the collection of past due Rent including, but not limited to, attorneys' fees and fees of a collection agency.

3.3 **Accord and Satisfaction.** No payment by Lessee or receipt by Lessor of a lesser amount than the Rent herein stipulated shall be deemed to be other than on account of the Rent, nor shall any endorsement or statement on any check or letter accompanying any check or payment as Rent be deemed an accord and satisfaction; and Lessor may accept such check or payment without prejudice to Lessor's right to recover the balance of such Rent or pursue any other remedy in this Lease, or at law or in equity. No endorsement on any check nor any letter accompanying any check or payment of Rent, or partial payment thereof, shall prevent Lessor from treating such payment on account of the earliest delinquent sum owed Lessor, at Lessor's sole election, and Lessee waives the benefit of any contrary court decision or statute, including, without limitation, California Civil Code section 1479 and Commercial Code section 3311. In connection with the foregoing, Lessor shall have the absolute right, in Lessor's sole discretion, to apply any payment received from Lessee to any account then not current and due or delinquent.

**SECTION 4: EARLY ACCESS.** Intentionally Omitted.

**SECTION 5: OPTIONS TO EXTEND.**

5.1 Provided Lessee is not in default as of the date of exercise or the commencement of an Option Term, Lessee shall be entitled to two (2) options (each, an **“Option”**) to extend the Term of the Lease for periods of three (3) years each (each, an **“Option Term”**) for all of the Premises, on the same terms and conditions of the Lease, except that the Base Rent shall be increased at the beginning of each Option Term and annually thereafter by three percent (3%).

5.2 Each Option shall be exercised (if at all) by Lessee giving written notice to Lessor at least three (3) months prior to the expiration of the Term, or the first Option Term, as applicable. Lessee's exercise of any Option shall be subject to approval by Lessee's Lease Administrator.

#### **SECTION 6: RIGHT OF FIRST OFFER AND RIGHT OF FIRST REFUSAL.**

Intentionally Omitted.

#### **SECTION 7: ALTERATIONS AND IMPROVEMENTS.**

7.1 Lessor Improvements. Except as otherwise provided in this Lease, Lessor shall not be required to perform any improvements to the Premises.

7.2 Lessee Alterations. Lessee shall not make any alterations to the interior of the Premises without the prior written consent of Lessor, which consent shall not be unreasonably withheld. Lessee, at its own cost, may install in the Premises the equipment needed for telecommunication system and computer terminals, including, but not limited to, the following: (a) telephone, internet, and/or cable; (b) key system units; (c) intercom system; (d) security system. Throughout the Term of this Lease or any extension thereof, Lessor shall not charge any coordination or review fee for Lessee's construction of alterations in the Premises. Lessee agrees to indemnify Lessor from any such installation, including additional construction cost, Premises damage, fixture damage, and related expense.

7.3 With the exception of previously approved relocatable walls and other alterations readily removable without significant damage to the Premises, any alterations permanently affixed to realty, that may be made or installed upon the Premises by either of the parties and that in any manner are attached to the floors, walls, or ceilings, shall become the property of the Lessor and surrendered with the Premises, provided, however, Lessee may remove trade fixtures or equipment if Lessee repairs any damage to the Premises caused by such removal. However, any floor covering that may be cemented or otherwise affixed to the floor of the Premises shall become property of Lessor.

#### **SECTION 8: REPAIR AND MAINTENANCE.**

8.1 Unless otherwise noticed by a repair request as herein below stated, throughout the initial and Option Term(s) of the Lease, Lessor at its sole cost and expense, shall inspect the Premises semiannually and 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, stairs, structural components;
- (b) Foundation, paint, exterior lighting, exterior windows (with the exception of the maintenance to be performed by the Association), interior and exterior walls, structural components, and roof of the Building; and
- (c) Building, landscaping, parking and Common Areas.
- (d) Cause the Association to perform annual cleaning/water spot removal of all exterior windows in the spring.

8.2 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) business 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, Lessor shall have fifteen (15) days after receipt of the notice to commence and perform, to the extent possible, its obligations subject to Lessor's rights and obligations under Section 14.1.2.

8.3 If Lessor does not perform its obligations within the time limitations provided herein, Lessee, after notice to Lessor, may perform the obligations and, in such event, has the right to be reimbursed for the sum Lessee actually and reasonably expends in the performance of Lessor's obligations. In such event, Lessee agrees to use qualified, licensed and insured repairmen and further agrees to indemnify Lessor from any damages sustained as a result of such Lessee repairs. If Lessor does not reimburse Lessee within thirty (30) days after demand from Lessee, Lessee shall have the right to withhold from future Base Rent due the reasonable sum Lessee has expended until Lessee is reimbursed in full.

8.4 Lessee, at Lessee's expense, shall contract directly with its janitorial vendor for janitorial services and for replacement and disposal of light bulbs and fluorescent tubes inside the Premises.

8.5 Lessor is responsible for replacement and disposal of light bulbs on the outside of the Premises.

8.6 Lessor shall be responsible for snow and ice removal when the level exceeds two inches (2") or more.

#### **SECTION 9: SIGNAGE AND IDENTIFICATION.**

9.1 Subject to applicable local sign ordinances, Lessee shall have the following sign identity rights and Lessee will be responsible for installation and all costs associated with installing the signs:

- (a) Building Signage;
- (b) On the Monument sign; and
- (c) Eyebrow signage above Lessee's entryway.

#### **SECTION 10: BUILDING SERVICES, UTILITIES, TAXES AND ASSESSMENTS.**

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

- (a) Heating, ventilation, and air conditioning ("***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 ten (10) days of receipt by Lessor. Lessor at its sole cost and expense, shall correct any problems identified in the inspection report. Lessor is responsible for replacement of the HVAC filters quarterly and the cleaning of the HVAC vents semiannually or as otherwise needed or required.
- (b) Water and sewer suitable for the intended use of the Premises. Lessee shall be responsible for the ongoing monthly costs of the service.
- (c) Propane and/or natural gas. Lessee shall be responsible for the ongoing monthly costs of the service.
- (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) Conduit for telephone and/or fiber optic to the Premises. Lessee shall be responsible for the ongoing monthly costs of the service.

(f) 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 one hundred ten (110) volt electric power. Lessee shall be responsible for the ongoing monthly cost of the service.

(g) Conduit for security Access Control System for the Premises. Lessee shall be responsible for the ongoing monthly costs of the service.

(h) Maintenance costs and expenses related to Lessee's telecommunication and security systems as described herein shall be the sole responsibility of Lessee.

10.2 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 Building 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. Lessee agrees to use qualified antenna and cable installation personnel and further agrees to indemnify Lessor from any and all property damages and personal injury claims, sustained as a result of Lessee installation, removal and operation thereof.

10.3 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.

10.4 Unless due to any fault on the part of Lessee, its employees or agents, Lessee's obligation to pay Base Rent shall abate proportionately during any period in which Lessee's access to, or use of the Premises for their intended purpose is so impaired that Lessee cannot, and actually does not, use substantially all of the Premises for a period in excess of ten (10) consecutive business days; the Base Rent abatement in such case to commence as of the eleventh (11<sup>th</sup>) 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 prorate monthly Base Rent based on that percentage of the Premises that is unusable until such interruption or discontinuation of services is remedied by Lessor. If such interruption or discontinuation in services continues beyond sixty (60) consecutive business days, Lessee has the right to terminate the Lease, with no additional financial obligation to Lessor.

10.5 In the event that building services provided by Lessor under the Lease 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 Base 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 Base Rent due under the Lease until the obligation is fully satisfied.

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

10.7 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) Real Property Taxes

- (c) Landscaping
- (d) Pest Control/Extermination
- (e) HVAC Filters
- (f) Fire System Monitoring
- (g) Snow Removal

## **SECTION 11: ASSIGNMENT AND SUBLETTING.**

11.1 **Restriction on Assignment and Subletting.** This Lease shall not be assigned by Lessee without the written consent of Lessor, which consent shall not be unreasonably withheld. If Lessee requests consent to an assignment or subletting ("**Transfer**") of the Lease, Lessee shall provide Lessor with prior written notice of the proposed Transfer containing the items specified in Section 11.2 below. Within ten (10) business days after receipt of the Transfer notice, Lessor shall notify Lessee 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 Lease 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.

11.2 **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) For any sublease, a description of the portion of the Premises to be sublet.

11.3 In the event of any Transfer by 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 omissions 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 Lease from and after the date of such conveyance.

11.4 Lessor and Lessee shall share equally in any profit made from the Transfer of the Lease 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 12: INSURANCE.**

12.1 Prior to Commencement Date, Lessor shall furnish to Lessee proof of a policy of insurance issued by an insurance company that is acceptable and satisfactory to Lessee's 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 and a \$2,000,000 aggregate limit.
- (b) Workers' Compensation and Employers' Liability Insurance covering all employees of Lessor as required by law in the State of California.
- (c) Property insurance on real property 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 Building.



(d) The certificate of insurance must include a provision stating that insurer will not cancel insured's coverage without thirty (30) days written notice to Lessee.

12.2 Lessor shall maintain the required insurance in effect at all times during the Term of this Lease. In the event said insurance expires at any time during the Term, 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 not less than one (1) year, whichever is less. New certificates of insurance are subject to the approval of the Lessee. If Lessor fails to maintain in effect at all times the insurance coverage specified herein, Lessee may, upon Lessors failure to cure within fifteen (15) days of written notice from Lessee of such insurance lapse, in addition to any other remedies it may have, terminate this Lease.

12.3 The Lessee is self-insured for General Liability, Workers' Compensation and Employers Liability. In the event Lessee decides not to self-insure, Lessee shall furnish to Lessor proof of policies issued by an insurance company that is acceptable and satisfactory to Lessor and documentation evidencing that Lessee 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 and a \$2,000,000 aggregate limit.
- (b) Workers' Compensation and Employers' Liability Insurance covering all employees of Lessor as required by law in the State of California.

12.4 Lessee shall be included as additional insured, but only insofar as the operations under this Agreement are concerned. This provision shall apply to all general and excess liability insurance policies. Proof that Lessee is named additional insured shall be made by providing Lessee's Risk Manager with a certified copy, or other acceptable evidence, of an endorsement to Lessor's insurance policy naming Lessee as additional insured.

### **SECTION 13: INDEMNITY.**

13.1 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 attorneys' fees, incurred, 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 use of the Premises or the performance under this Lease 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 contractors.

13.2 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 attorneys' fees, incurred, brought for, or on account of any damage 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 Lease by Lessor, its employees, agents or contractors, except to the extent such damage or injury is caused in whole or in part by the negligence or willful misconduct of Lessee, its officers, agents, contractors or employees.

### **SECTION 14: DAMAGE OR DESTRUCTION ; EMINENT DOMAIN.**

14.1 Damage or Destruction. If any part of the Premises or the Property is damaged by an insured casualty such as fire or other insured casualty, or a Hazardous Substance Condition, 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 and this Lease shall continue. 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 Base Rent shall be abated and prorated on a square footage basis of usable space until the Premises are restored to their original condition.

14.1.1 In the event of damage or destruction covered by an insured peril or Hazardous Substance Condition to the Premises or the Property and a portion of the Premises is still usable, the Base 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.

14.1.2 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) 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 and to any Lenders, of which Lessee has actual notice, of Lessee's election to terminate the Lease on a date not less than sixty (60) days following the giving of such notice. If Lessee gives such notice and repair or restoration is not commenced within thirty (30) days thereafter, this Lease shall terminate as of the date specified in said notice. If the repair or restoration is commenced within such thirty (30) days, this Lease 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 any of the following: 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.

14.1.3 Exceptions to Obligation to Rebuild. Notwithstanding the above, this Lease 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 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 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 Lease shall be exercised by notice to Lessee delivered within sixty (60) 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) days after such notice is given. If Lessor gives such notice of termination, this Lease shall terminate as of the date specified, and all Base Rent shall be prorated to the later of the date of termination or Lessee's vacation of the Premises.

14.1.4 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 sixty (60) 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 Lease by giving written notice within fifteen (15) days after receipt of Lessor's estimate. The termination shall be effective ten (10) days after the date such notice of termination is given.

14.2 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 Lease effective as of the date possession is required to be surrendered to said authority.

14.2.1 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 loss of goodwill.

14.2.2 In the event of taking of less than the entire Premises, Lessee may elect to terminate the Lease by giving thirty (30) days written advanced notice to Lessor. If Lessee does not so elect, Lessor shall promptly proceed to restore the Premises (including 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 Base 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 Lease unless Lessee elects to pay such excess.

#### **SECTION 15: DEFAULT.**

15.1 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:

15.1.1 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.

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

15.1.3 Other Obligations. Except as otherwise expressly provided in this Lease, the failure to perform any other provisions or obligations under this Lease if the failure to perform is not cured within thirty (30) 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.

15.2 Notice given under this Section 15 shall specify the alleged default and applicable Lease provisions, and shall demand that the defaulting party perform the provisions of this Lease or pay the Rent that is in arrears, as the case may be, within the applicable period of time. No such notice shall be deemed a forfeiture or a termination of this Lease 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. Lessee agrees to give Lessor's lenders, by registered or certified mail, return receipt requested, a copy of any notice of default served upon Lessor, provided that prior to such obligation to give notice, Lessee has been notified, in writing of the addresses of the Lenders. Lessee further agrees that if Lessor shall have failed to cure such default within the time provided in this Lease, then before Lessee pursues its other remedies, Lessor's lenders shall have an additional thirty (30) days (the **"Lender Cure Period"**) within which to cure the default on behalf of Lessor.

## **SECTION 16: REMEDIES UPON DEFAULT.**

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

16.2 Any sum paid by the non-defaulting party to cure the default shall be due within five (5) business 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.

16.3 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 Lease.

## **SECTION 17: TERMINATION.**

17.1 This Lease may be terminated upon the occurrence of one or more of the following:

- (a) The failure to timely remedy any default or breach of any provisions of this Lease, following written notice and opportunity to cure.
- (b) Damage or destruction, or condemnation of the Premises as specified in Section 14.
- (c) In the case of bankruptcy, voluntary or involuntary, or insolvency of either party.

17.2 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 Lease, if during the Term of the Lease, 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 Lease, Lessee shall have the right to terminate this Lease upon ninety (90) days written notice of such termination to Lessor. If Lessee exercises the right to terminate, Lessee shall pay an early termination fee equal to six (6) months of Base Rent at the then applicable monthly rental rate ("Termination Fee"). The Termination Fee shall only apply if Lessee terminates the Lease within the first sixty (60) months of the Term. If Lessee terminates this Lease during an Option Term, Lessee shall pay a termination fee equal to six (6) months of Base Rent at the then applicable monthly rental rate.

## **SECTION 18: RIGHT OF FIRST OFFER AND RIGHT OF FIRST REFUSAL TO PURCHASE.**

18.1 Lessee shall have a one (1) time Right of First Offer to Purchase the Building and all of the associated improvements on the Property. Prior to marketing the Property for sale, Lessor shall deliver written notice to Lessee notifying Lessee of the availability of the Property for sale and the sales price. Lessee shall have twenty (20) days after receipt of the notice from Lessor to elect to exercise this right and provide written notice to Lessor that Lessee agrees to purchase the Property for cash at the sales price specified by Lessor, and an escrow shall be opened and escrow shall close within one hundred twenty (120) days thereafter. This right shall survive throughout the initial Term and Option Terms of the Lease.

18.2 In the event Lessor receives a bona fide offer to purchase the Property that is acceptable to Lessor, then Lessor shall provide Lessee with a copy of the acceptable offer. Lessee shall notify Lessor within fifteen (15) business days of receipt of the notice from Lessor of its intent to exercise this right by signing a binding letter of intent to match the terms and conditions of the bona fide offer. A purchase and sale agreement

shall then be signed by the parties within ten (10) days and an escrow shall be opened and the sale of the Property shall be completed based on the terms and conditions stated in the bona fide offer.

18.3 If the right of first offer or right of first refusal is exercised, Lessee's acceptance is expressly made contingent upon Lessee's Board of Supervisors' approval of the proposed purchase at an open and public hearing upon proper legal notice. In the event the approval of Lessee's Board of Supervisors is not granted within forty-five (45) days of Lessee's written notice of its intent to exercise this right, Lessor may proceed with the sale of the Property to the third party or to any other party and this Section 18 shall be null and void.

#### **SECTION 19: SUBORDINATION AND ATTORNMENT.**

19.1 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 Lease shall be subject to and subordinate to 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, and such further instruments as may be required, confirming the subordination of this Lease 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 under the terms of this Lease. However, Lessor agrees that as a condition to any subordination of this Lease 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.

19.2 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 (herein referred to as the "**Successor Lessor**"), as Lessor under this Lease. 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.

19.3 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 obtaining from the Lender (upon request from Lessee) a non-disturbance agreement in a 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 Lease, Lessee's tenancy will not be disturbed, nor its rights under this Lease 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 Lease 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 20: LESSEE'S DEFAULT.**

Neither party shall be deemed to be in default in the performance of any obligation required of it under this Lease, other than the payment of Rent by Lessee, unless such party has failed to perform such obligation within thirty (30) days after receipt of written notice from the non-defaulting party to the party in default, specifying the obligation in question and the manner in which the defaulting party has failed to perform the obligation. If the nature of the defaulted obligation is such that more than thirty (30) days are reasonably required for its performance, the party receiving the notice to perform the obligation shall not be in default if such party 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 Lease 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 Lease, including the right to recover Rent as it becomes due. If the Lessee's right to possession is terminated due to an uncured default by Lessee, the Lessor shall be entitled to a remedy of installments of the

agreed upon base rent payments as it becomes due over the Term of the Lease, less all base rent received from a replacement Lessee, if any, during the remainder of Lessee's Term, plus damages relating to remarketing the Premises, which shall include actual broker leasing commissions, plus other related marketing costs not to exceed One Thousand Dollars (\$1,000.00), plus other damages arising from the Lessee's uncured default. However, if Lessee fails to pay Rent as it becomes due, Lessor shall be entitled to all remedies available under California law, including remedies under California Civil Code Section 1951.2.

#### **SECTION 21: ENTRY AND ACCESS.**

21.1 Lessor and its agents or representatives may enter the Premises without prior notice in the case of emergencies, or to perform required maintenance and/or repairs to the Premises. Any inspection, other 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 will 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, but as to which Lessee shall provide Lessor with supervised access for the purpose of Lessor performing its obligations under the Lease.

21.2 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 the Building.

**SECTION 22: RELOCATION.** Lessor shall not have the right to relocate Lessee under any circumstances.

**SECTION 23: BROKERS.** Intentionally Omitted.

#### **SECTION 24: SURRENDER OF PREMISES.**

24.1 Upon the expiration or earlier termination of this Lease, 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, fixtures or alterations in the Premises, at or prior to the expiration or termination of this Lease.

24.2 Lessor may elect to retain or dispose of, in any manner, all without liability to Lessee, 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 due to Lessee's default, Lessee shall have thirty (30) days to remove its Personal Property from the Premises.

24.3 Holdover. Lessor believes the Premises are free of mold and odor at the commencement of the Term, as Lessee has not notified Lessor that any issues exist. Mold or air quality issues which arise during the Term shall be mitigated by the party responsible for causing same.

**SECTION 25: 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 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 26: MOLD; AIR QUALITY.** Lessor warrants and represents that the Premises are free of mold and offensive odor. Lessor believes the Premises are free of mold and odor at the commencement of the Term, as Lessee has not notified Lessor that any issues exist. Mold or air quality issues which arise during the Term shall be mitigated by the party responsible for causing same.

**SECTION 27: HAZARDOUS MATERIALS.** To Lessor's actual knowledge without obligation to investigate, as of the date hereof there are no known Hazardous Materials on or under the Premises or Property and 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 negligence or willful acts or omissions of Lessee, its employees, contractors or agents, shall be the sole obligation of Lessor. Lessor and Lessee shall indemnify, defend and hold harmless the other party and its employees and agents, from and against any and all losses, liability, claims, lawsuits, damages, destruction of property, or injuries incurred in connection with or as the result of the presence, use, or disposal of any Hazardous Materials in or about the Premises or Property by the party so bringing on the Premises, using or disposing of such hazardous material.

**SECTION 28: LESSEE EXCLUSIONS.** Lessor shall not lease any portion of the Property to the following types of lessees: marijuana dispensaries, tattoo parlors, and/or any business that serves alcoholic beverages as part of its normal business.

**SECTION 29: AUTHORITY.** Each of the Persons executing this Lease 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 Lease and that said entity will thereby be obligated to perform the terms of this Lease.

**SECTION 30: AMENDMENTS.** This Lease may not be modified or amended except pursuant to a written instrument duly executed by all of the parties hereto.

**SECTION 31: 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 32: NO THIRD PARTY BENEFITS.** This Lease 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 Lease for any person who is not a party to this Lease, other than a Lender and the indemnified parties.

**SECTION 33: WAIVER.** The waiver by any party of any term, covenant, agreement or condition herein contained shall be effective only if in writing signed by the waiving party 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 Lease 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 Lease.

**SECTION 34: FORCE MAJEURE.** Whether or not any specific provision of this Lease expressly excepts delays caused by Force Majeure (as defined in Section 47, below), neither Lessee nor Lessor shall be chargeable with, or be liable or responsible to the other party, or otherwise chargeable, liable or responsible 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 Lease as and when due. Any such failure or delay due to Force Majeure shall not be deemed a breach of or default in the performance of this Lease by either Lessee or Lessor. Notwithstanding the foregoing, those provisions of this Lease that exclude specifically Force Majeure events shall govern and control over this Section 34.

**SECTION 35: TIME OF THE ESSENCE.** Time is of the essence with respect to the performance of this Lease.

**SECTION 36: ESTOPPEL CERTIFICATE.** Lessee shall at any time, and from time to time, upon twenty (20) 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 the Lease and the Property, 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 36 (without additional time, despite any other provision of this Lease) shall constitute a default by Lessee.

**SECTION 37: 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), or by registered or certified United States mail, return receipt requested, with all postage and fees fully prepaid. Any written notice must be addressed to the respective addresses set forth in Sections 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. In addition, a copy of any notice with respect to a default of or claim against Lessor which is served upon Lessor, shall be sent concurrently to all Lenders of which Lessee has notice.

**SECTION 38: GOVERNING LAW.** This Lease shall be governed by and construed pursuant to the law of the State of California, without reference to conflicts of laws rules.

**SECTION 39: SEVERABILITY.** In the event that any provision of this Lease shall be adjudicated to be void, illegal, invalid, or unenforceable, the remaining terms and provisions of this Lease shall remain in full force and effect.

**SECTION 40: 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 41: INTERPRETATION.** The provisions of this Lease shall be construed, in all cases, according to its fair meaning, and not for or against either party hereto.

**SECTION 42: COUNTERPARTS.** This Lease may be executed in counterparts, each of which shall be deemed an original, but which together shall constitute one and the same instrument.



**SECTION 43: CONFLICT OF INTEREST.** The parties to this Lease have read and are aware of the provisions of Government Code Section 1090, et seq. and the Political Reform Act of 1974 (Section 87100, et seq.), relating to conflict of interest of public officers and employees. Individuals who are working for Lessor and performing work for Lessee and who are considered to be consultant within the meaning of 2 California Code of Regulations, section 18700.3, as it now reads or may thereafter be amended, are required to file a statement of economic interest in accordance with Lessee's Conflict of Interest Code. Lessee's Contract Administrator shall at the time this Lease is executed make an initial determination whether or not the individuals who will provide services or perform work pursuant to this Lease are consultants within the meaning of the Political Reform Act and County's Conflict of Interest Code. Statements of economic interests are public records subject to disclosure under the California Public Records Act.

Lessor covenants that during the term of this Lease neither it, or any officer or employee of Lessor, has or shall acquire any interest, directly or indirectly, in any of the following:

1. Any other contract connected with, or directly affected by, the services to be performed by this Lease.
2. Any other entities connected with, or directly affected by, the services to be performed by this Lease.
3. Any officer or employee of Lessee that are involved in this Lease.

If Lessor becomes aware of a conflict of interest related to this Lease, Lessor shall promptly notify Lessee of the existence of that conflict, and Lessee may, in its sole discretion, immediately terminate this Lease by giving written notice of termination specified in Section 17.

Pursuant to Government Code section 84308 (SB 1439, the Levine Act), Lessor shall complete and sign the attached Exhibit B, marked "California Levine Act Statement," incorporated herein and made by reference a part hereof, regarding campaign contributions by Lessor, if any, to any officer of Lessee.

**SECTION 44: LEASE ADMINISTRATION.** The County officer or employee with responsibility for administering this Lease is Kevin W. Gilliland, Facilities Program Manager, or his successor.

**SECTION 45: ELECTRONIC SIGNATURES.** Each party agrees that the electronic signatures, whether digital or encrypted, of the parties included in this Lease, 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 46: ENTIRE AGREEMENT.** This Lease 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 Lease, except as expressly set forth herein or in any instrument executed concurrently herewith.

**SECTION 47: DEFINITIONS.** In addition to the terms defined in Section 1 of the Lease, the following terms shall have the meanings specified below when used in the Lease:

- (a) **"Common Areas"** means all areas within the exterior boundaries of the Property now or later made available for the general use of Lessee and Lessor, and other persons entitled to occupy floor area in the Property, including the common entrances, lobbies, restrooms, stairways and accessways, 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. A “business day” as used herein, shall mean any day other than a Saturday, Sunday or holiday, as defined in Section 6700 of the California Government Code. If any date (whether calculated based on business days or calendar days) for performance herein falls on a day other than a business day, the time for such performance shall be extended to 5:00 p.m. on the next business day. The time in which any act is to be done hereunder is computed by excluding the first day and including the last.

(c) **“Estoppel Certificate”** means a certificate to be executed by Lessee, 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 the land, as the same may be modified, altered, reduced or expanded from time to time throughout the Term of this Lease.

(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 Lease on the day and year specified below.

**DEPARTMENT HEAD CONCURRENCE**

Brian Richart  
By: [Brian Richart \(Feb 17, 2024 19:32 PST\)](#)

Name: Brian Richart

Title: Chief Probation Officer

Date: 02/17/2024

**LEASE ADMINISTRATOR**

Kevin Gilliland  
By: [Kevin Gilliland \(Feb 20, 2024 08:05 PST\)](#)

Name: Kevin Gilliland

Title: Facilities Program Manager

Date: 02/20/2024

**“LESSEE”:**

**COUNTY OF EL DORADO**

By: \_\_\_\_\_

Purchasing Agent  
Chief Administrative Office

Date: \_\_\_\_\_

**“LESSOR”:**

**EL DORADO FOOTHILLS, LLC**

Robert L Beyer  
By: [Robert L Beyer \(Feb 20, 2024 10:17 MST\)](#)

Robert L. Beyer, Managing Member

Date: 02/20/2024

# El Dorado Foothills, LLC

## Exhibit A

### Premises



**El Dorado Foothills, LLC**  
**Exhibit B**  
**California Levine Act Statement**

**California Levine Act Statement**

California Government Code section 84308, commonly referred to as the "Levine Act," prohibits any officer of El Dorado County from participating in any action related to a contract if he or she accepts, solicits, or directs any political contributions totaling more than two hundred and fifty dollars (\$250) within the previous twelve (12) months, and for twelve (12) months following the date a final decision concerning the contract has been made, from the person or company awarded the contract. The Levine Act also requires disclosure of such contribution by a party to be awarded a specific contract. An officer of El Dorado County includes the Board of Supervisors, any elected official, and the chief administrative officer(collectively "Officer"). It is the Lessor's responsibility to confirm the appropriate "Officer" and name the individual(s) in their disclosure.

Have you or your company, or any agent on behalf of you or your company, made any political contribution(s), or been solicited to make a contribution by an Officer or had an Officer direct you to make a contribution of more than \$250 to an Officer of the County of El Dorado in the twelve months preceding the date of the submission of your proposals or the anticipated date of any Officer action related to this contract?

☐

YES

☒

NO

If yes, please identify the person(s) by name:

Do you or your company, or any agency on behalf of you or your company, anticipate or plan to make any political contribution(s) of more than \$250 to an Officer of the County of El Dorado in the twelve months following any Officer action related to this contract?

☐

YES

☒

NO

If yes, please identify the person(s) by name:

Answering YES to either of the two questions above does not preclude the County of El Dorado from awarding a contract to your firm or any taking any subsequent action related to the contract. It does, however, preclude the identified Officer(s) from participating in any actions related to this contract.

02/20/2024

Date

El Dorado Foothills, LLC

Type or write name of company

Robert L Beyer

Robert L Beyer (Feb 20, 2024 10:17 MST)

Signature of authorized individual

Robert L Beyer

Type or write name of authorized individual