FACILITY USE AGREEMENT

Agreement # 356-O1211

This Facility Use Agreement ("Agreement") is made by and between the County of El Dorado, a political subdivision of the State of California ("County" or "Licensee"), and the City of South Lake Tahoe, a municipal corporation ("City" or "Licensor"). County and City shall be collectively referred to herein as the "Parties."

- A. County is the owner of the real property located at 3050 Lake Tahoe Boulevard, South Lake Tahoe, California ("Real Property") and the building located thereon ("Building"). The Building consists of approximately 6523 square feet. The Real Property and the Building are collectively referred to herein as the "Property."
- B. On or about April 14, 1987, the Parties executed an "Amendment to Lease of Real Property," whereby County agreed to lease the Property to City in exchange for City's agreement to utilize the Property for the sole purpose of administering senior citizen programs for the residents of the County. That amendment provides for a lease term that will expire on June 30, 2023.
- C. County now desires to utilize portions of the Property to house County staff and to provide services to its residents and the City desires to grant to County a license to use designated portions of the Property.

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

1. PREMISES

For and in consideration of the covenants and agreement hereinafter set forth, City hereby grants to County the right to use those portions of the Property consisting of approximately 1481 square feet of dedicated space, as depicted in Exhibit A, in the Building (the "Premises") together with use of approximately 1756 square feet of common area, as depicted in Exhibit B including the parking lot, entrance lobby, hallways, restrooms, craft rooms, mechanical room, and kitchen. The Premises constitute 31.07% of the total square footage of the Building, excluding the common area.

2. TERM

The term of this Agreement shall be for a period of time concurrent with the remaining term of City's lease of the Property, commencing upon the effective date of this Agreement and ending on June 30, 2023, unless terminated earlier pursuant to Paragraph 9 herein.

3. CONSIDERATION

County shall not be required to pay rent to City for use of the Premises and common area; however, County shall reimburse City for County's pro-rata share of the costs associated with those utilities and services identified in Paragraph 4 herein (the "Operations Costs").

On or about June 30th of each year during the term of this Agreement, City shall provide County with an accounting of the Operations Costs for the preceding fiscal year, accompanied by any supporting documentation required by County to verify the Operations Costs. County's share of such Operations Costs shall be based on the ratio the square footage of the Premises bears to the total square footage of the Building, less common area, expressed as a percentage. County shall pay to City within thirty (30) days of receipt of the aforementioned accounting County's share of the Operations Costs.

4. UTILITIES AND SERVICES

The following utilities and services shall be provided and paid for by City, subject to reimbursement by County for County's pro-rata share of such Operations Costs, as more specifically set forth in Paragraph 3 herein:

- (a) Water and sewer service suitable for the intended use of the Premises;
- (b) Gas and/or electric utilities service;
- (c) Janitorial services, including the cleaning of windows and replacement of light globes or fluorescent tubes;
- (d) Garbage removal service;
- (e) Landscaping maintenance, including parking lot maintenance;

5. MAINTENANCE AND REPAIR

City shall, at its own cost and expense and not subject to reimbursement by County, maintain and repair 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 County or County's agents or servants.

6. PERSONAL USE

The use granted herein is personal to County and any attempt to assign this Agreement shall terminate it.

7. USE OF PREMISES

The Premises are to be used by County for the purpose of conducting business activities permitted by law, including any government operations or uses related thereto. County shall, at all times during the term of this Agreement and any renewal or extension thereof, maintain, at its sole cost and expense, the Premises in a good, clean, and safe condition, and shall on expiration or sooner termination of this Agreement surrender the Premises to City in as good condition and repair as they are in on the effective date of this Agreement,

reasonable wear and tear and damage by the elements excepted.

8. PROHIBITED USE

County shall not commit or permit the commission of any acts on the Premises and common area nor permit the use of the Premises and common area 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 or injure or annoy them; or
- (d) constitute commission of a waste on the Premises.

9. TERMINATION

County may terminate this Agreement upon providing sixty (60) days' written notice to City in the manner specified in Paragraph 11 herein.

10. INDEMNIFICATION

City shall indemnify, defend, and hold harmless County, its officers, agents and employees, from and against any claims, actions, suits, costs, expenses (including reasonable attorney's fees) and other costs 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 City or its officers, agents, employees, contractors, subcontractors, or business invitees, or City's use of the Property, unless such damage, loss, injury or death shall be caused by the sole or active negligence of County or the willful misconduct of County.

County shall indemnify, defend, and hold harmless City, its officers, agents and employees, from and against any claims, actions, suits, costs, expenses (including reasonable attorney's fees) and other costs 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 County or its officers, agents, employees, contractors, subcontractors, or business invitees, or County's use of the Property, unless such damage, loss, injury or death shall be caused by the sole or active negligence of City or the willful misconduct of City.

The duty of the Parties to indemnify and hold one another harmless includes the duty to defend as set forth in California Civil Code Section 2778. The provisions of this section shall survive the expiration or earlier termination of the Agreement.

11. NOTICES

Except as otherwise expressly provided by law, any and all notices or other communications required or permitted by this Agreement 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 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:

County: County of El Dorado

Chief Administrative Office

330 Fair Lane

Placerville, CA 95667 Attn: Russell Fackrell

City: City of South Lake Tahoe

Community Services Department

1180 Rufus Allen

South Lake Tahoe, CA 96150

Attn: Stan Sherer

Either party 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.

12. BINDING ON HEIRS AND SUCCESSORS

This Agreement shall be binding on and shall inure to the benefit of the heirs, executors, administrators, successors, and assigns of the Parties.

13. TIME OF ESSENCE

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

14. WAIVER

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

15. SOLE AND ONLY AGREEMENT

This instrument constitutes the sole and only agreement between the Parties respecting County's use of the Premises and correctly sets forth the obligations of the Parties to each other as of its date. Any agreements or representations respecting County's use of the

Premises not expressly set forth in this instrument are null and void.

16. SEVERABILITY

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

17. CALIFORNIA FORUM AND LAW

Any action arising out of this 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.

18. ATTORNEY'S FEES

Should any litigation be commenced between the Parties concerning the Premises, this Agreement, or the rights and duties of either Party in relation thereto, the party 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.

19. CONTRACT ADMINISTRATOR

The County officer or employee with responsibility for administering this Agreement is Russell Fackrell or successor.

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

DEPARTMENT CONCURRENCE:		
By:	Date:	
Daniel Nielson, Director		
Health and Human Services Agency		

LICENSEE

COUNTY OF EL DORADO

By:Chair	Date:	
Board of Supervisors		
Attest:		
Suzanne Allen de Sanchez Clerk of the Board of Supervisors		
By:	Date:	
]	LICENSOR	
CITY OF SOUTH LAKE TAHOE		
By:Claire Fortier, Mayor	Date:	
By:Patrick L. Enright, City Attorney	_ Date:	
Attest:		
By:	Date:	
Susan Alessi, City Clerk		

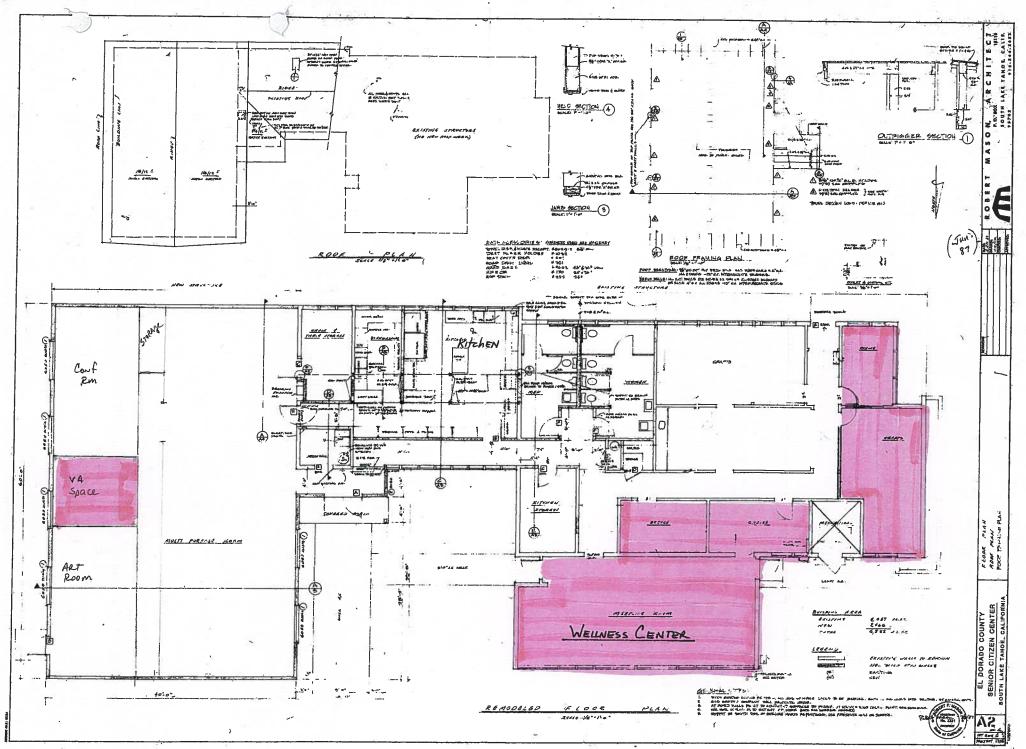


EXHIBIT A

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