ORIGINAL

# EL DORADO LAFCO
# LOCAL AGENCY FORMATION COMMISSION
# L E A S E # 233-L0411

**THIS LEASE** is made by and between **EL DORADO LOCAL AGENCY FORMATION COMMISSION (LAFCO),** a political subdivision of the State of California, hereinafter called "Lessee", and **THE CASO TRUST,** owner of premises, herein after referred to as "Lessor".

## 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" described as follows:

**Office Space**
**550 Main Street, Suite E**
**Placerville, CA 95667**

The Premises consists of 1126 square feet of improved office space along with additional provisions included in "Exhibit A" together with the use of the restrooms and common areas with the tenants of the building.

## 2. TERM

The term of this Lease shall be for five (5) years commencing on or about November 1, 2003 and ending on October 31, 2008, subject however, to earlier termination as hereinafter more particularly provided in Paragraph 20

## 3. PAYMENT

Lessee agrees to pay Lessor as base rent One Thousand One Hundred Eighty-Two Dollars ($1,182.00) per month (1.05/sq.ft) commencing with occupancy on or about November 1, 2003. This base rent shall continue until such time as an ADA compliant elevator/lift is installed and operational, including final approval by the permitting agency, at which time base lease amount shall increase to One Thousand Two Hundred Thirty-Nine Dollars ($1,239.00) per month ($1.10/sq ft). Said increased rent amount shall become effective on the first of the month immediately following final approval of said elevator/lift by the permitting agency.

Annual Pre-payment of Monthly Rent

If lessee, at their own discretion, pays each year's rent in advance annually within 45 days of the anniversary of occupancy, the base lease amount shall be reduced to One Thousand One Hundred Forty-Nine Dollars ($1,149.00) per month (1.02/sq.ft) before elevator/lift installation and One Thousand Two Hundred Five Dollars ($1,205.00) per month ($1.07sq ft) after elevator/lift is operational.

Rent shall be paid to the order of: The Caso Trust, P.O. Box 1018, Placerville, CA 95667, attention: Lawrence Caso. Said monthly rent amount shall be adjusted on November 1, 2004, and annually thereafter, at a rate equal to the Consumer Price Index for all Urban Consumer (CPI) San Francisco-Oakland-San Jose index or three percent (3%) per annum, whichever amount is lower.

## 4. OPTION FOR ADDITIONAL TERMS

Lessee shall have the option to Lease the subject Premises for five (5) additional two (2) year terms after the initial Lease expiration date of October 31, 2008. Lessee shall notify Lessor in writing approximately sixty (60) days prior to the expiration of the first five (5 ) year term and each additional two (2) year terms thereafter, should Lessee elect to exercise said option (s). After 3 years, if Lessee's current space is insufficient for Lessee needs, Lessee shall have the option of terminating the lease unless Lessor can provide appropriate adjoining space to accommodate Lessee's needs. Lessee shall have the first right of refusal for additional space subordinate to those that are in effect for existing tenants.

## 5. USE OF PREMISES

The Premises are leased to the Lessee for the purpose of conducting business and activities permitted by law, including any government operations or uses related thereto.

## 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 or injure or annoy them; and

(d) Constitute commission of a waste on the Premises.

## 7. INSURANCE

1. 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.

**PROPERTY INSURANCE**

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 the property of Lessor covered by this Lease for not less than ninety (90%) percent of the replacement value of the property. The standard "all risk" policy of insurance shall be subject to the approval of Lessee and shall comply with provisions of C, D, E, F, I and L set forth above. Lessor shall obtain from its standard "all risk" insurer a waiver of all rights of subrogation that Lessor's insurer may have against Lessee or any of Lessee's officers, agents, representatives or employees. Lessor covenants and agrees to indemnify and

hold Lessee harmless for any loss or expense, including reasonable attorney fees, resulting from the failure of Lessor to obtain this waiver.

## 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 LAFCO, or the willful misconduct of LAFCO , 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" above, 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 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/TENANT IMPROVEMENTS (attached "Exhibit A")**

A. Lessor agrees, that it shall be solely responsible for the cost and expense incurred to make changes necessary to bring the subject Premises up to the accessibility standards of the Americans with Disabilities Act. Within six (6) months of execution of this lease agreement, Lessor shall install an elevator/lift to second story level at Lessor's sole cost and expense. Said elevator/lift shall meet all requirements of the Americans with Disabilities Act (ADA) and applicable state and local codes. Said installation shall be done in accordance with existing Building Codes. The costs of permits, inspections and any other cost associated with said elevator/lift shall be borne fully by the Lessor.

B. Lessor acknowledges that with the execution of this lease, the Lessor, covenants and agrees that all ADA modifications required pursuant to the terms and conditions of this lease shall be only undertaken by a contractor(s), subcontractor(s), including Lessor, who covenant and agrees:

1. To pay and require payment of wages according to a scale of prevailing wage rates determined by California law, which scale is on file at the El Dorado County Department of General Services and shall comply with all wage requirements, as set forth in Labor Code Section 1770 et. Seq., 1773.2, 1775, 1776, 1810, & 1813.

2. To comply with the provisions of Labor Code Section 1776 by keeping and maintaining accurate payroll records. Lessor covenants and agrees, and each Contractor and subcontractor shall be required to covenant and agrees that a certified copy of all of their payroll records with respect to the construction or installation of any tenant improvements or ADA modifications shall be available for inspection at all reasonable hours at the principal offices of the Lessor, contractor(s) or subcontractor(s).

## 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) Lessor shall provide all utilities except installation, maintenance, repair and service fees for the telephone system. The energy utility expense, paid by the Lessor, shall not exceed $0.10 per square foot per averaged metered bills pertaining to Suite E of subject lease. Lessor shall be reimbursed for amounts exceeding said $0.10/sf within 30 days of Lessee's receipt of itemized billing

thereof.

(b) Lessor shall provide standard janitorial services, including replacement of ceiling light fixtures and bulbs as necessary.

(c) Garbage removal shall be provided and paid for by Lessor.

(f) Snow removal shall be provided for and paid by the Lessor. (If applicable)

## 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. DESTRUCTION OF PREMISES

Should said Premises, or the building of which they are a part, be damaged or destroyed by any cause not the fault of Lessee, Lessor shall at Lessor's sole cost and expense promptly repair the same and the rent payable under this Lease shall be abated for the time and to the extent Lessee is prevented from occupying the Premises in their entirety; provided, however, that should the cost of repairing the damage or destruction exceed twenty-five (25%) percent of the full replacement cost of the Premises, Lessee may choose, in lieu of Lessor making the repairs required by this paragraph to terminate this Lease by giving Lessor ten (10) days' written notice of such termination.

## 17. 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.

## 18. 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.

## 19. 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.

## 20. NON-APPROPRIATION

Lessor acknowledges that Lessee's funding for this Lease is in large part dependent upon receipt of certain state and federal funds by Lessee. Lessee may terminate this Lease upon sixty (60) days notice if funds are not budgeted in any fiscal year for the leasehold of these Premises. If the termination for lack of funding provision of this paragraph is utilized by the Lessee, Lessee agrees not to lease other space for the non-funded function for the remainder of the then-current fiscal year.

## 21. 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.

## 22. 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: The Caso Trust
P.O. Box 1018
Placerville, CA 95667

Attention: Lawrence Caso
Telephone: (530) 626-8651

Lessee: LAFCO
550 Main Street, Suite E
Placerville, California 95667

Attention: Executive Officer
Telephone: (530) 621-5322

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.

## 23. 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.

**24. TIME OF ESSENCE**

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

**25. 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.

**26. 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.

**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 officer or employee with responsibility for administering this Lease is the Executive Officer of LAFCO, or successor.

**DEPARTMENT CONCURRENCE:**

**Dated:** 9/04/03 **Signed:** _____

**Roseanne Chamberlain, Executive Officer**
**LAFCO**

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

**LESSOR: THE CASO TRUST**

**Dated:** 09/18/03 **Signed:** _____

**Lawrence Caso, Trustee**

**LESSEE: EL DORADO LOCAL AGENCY FORMATION COMMISSION**

**Dated:** 10-22-03 **Signed:** _____

**Tom Davis, Chairman**
**Local Agency Formation Commission**
**"LAFCO"**

**ATTEST:**
**Susan Stahmann**
**Clerk of LAFCO**

By: _____

Dated: 10-2-03

# EL DORADO LAFCO
# LOCAL AGENCY FORMATION COMMISSION
# EXHIBIT "A"

## Tenant Improvements

1. Lessor will provide internal demolition and debris removal within the subject suite at Lessor's sole cost and expense.
2. Lessee to pay Six Thousand Four Hundred Dollars ($6,400.00) toward tenant improvements. Any additional cost for tenant improvements will be at Lessor's sole cost and expense.
3. Lessor will replace the carpet, carpet pad, baseboards and repaint walls with commercial grade materials in business neutral colors similar to the quality and scheme currently in the suite, at Lessor's sole cost & expense.
4. Lessor will repair or replace stained or damaged ceiling tiles at Lessor's sole cost and expense.
5. Lessee will pay for signage at suite entrance and interior.
6. Lessor to pay for front directory signage.

## Breakdown for Tenant Improvements

1) **Demolition, debris removal, and repainting - $1,890.00 (paid by Lessor)**
2) **Tenant Improvements (not to exceed) - $6,400.00 (paid by Lessee)**
3) **Carpet and related - (Paid by Lessor)**

# First Amendment to Lease Agreement #233-L0411 Between El Dorado Local Agency Formation Commission (LAFCO) and the Caso Trust, executed on or about October 2003

This Amendment to Lease Agreement #233-L0411 is made by and between El Dorado Local Agency Formation Commission (LAFCO), a political subdivision of the State of California, hereinafter referred to as "Lessee," and the Caso Trust, owner of the premises, hereinafter referred to as "Lessor," and both collectively referred to as "the Parties." The Parties agree to amend the Lease Agreement in the following sections only. Except as expressly amended by this Amendment, all other provisions of the Lease remain in full force and effect. From and after the date of this Amendment, whenever the term "Lease" appears in the Lease, it shall mean the Lease as amended by this Amendment:

1. **Section 1** of the Lease Agreement is hereby amended as follows:

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" described as follows:

**Office Space**

**550 Main Street, Suites E and F1**

**Placerville, CA 95667**

The Premises consists of 1,236 square feet of improved office space along with additional provisions included in "Exhibit A" together with the use of the restrooms and common areas with the tenants of the building.

2. The following paragraphs are added to the end of **Section 3** as follows:

*Effective April 1, 2007, Lessee agrees to pay Lessor a monthly rate of One Hundred Twenty-Eight Dollars and Seventy Cents ($128.70) per month for seven (7) months to lease the additional space known as Suite F1 (110 square feet of improved office space), which is hereby included within the 'Premises' as set forth herein. At Lessee's sole discretion, this rent can be paid in advance as a single payment of Nine Hundred Dollars and Ninety Cents ($900.90). Lessor agrees to hold Lessee harmless if Lessee, at its sole discretion, occupies and utilizes Suite F1 after April 1, 2007, but before all Parties sign and execute this Amendment after such date.*

*Effective November 1, 2007, the rental payment for Suite F1 shall be at the same square footage rate as the existing square footage rate for Suite E and subject to the same terms and conditions.*

3. The following paragraph is added to the end of **Section 9** as follows:

*Subject to the terms and conditions listed immediately above, any alterations to connect Suites E and F1 shall not be made without the written consent of Lessor*

*and said alteration 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. The full cost of said alteration shall be credited back to Lessee should Lessee, at its sole discretion, exercise its first two-year extension at the end of the Lease expiration date of October 31, 2008 in accordance with Section 4 of this agreement.*

**IN WITNESS WHEREOF,** the parties hereto have executed this Agreement as of April _____, 2007.

EL DORADO LAFCO

By: _____
Ted Long
Chairman, El Dorado LAFCO

CASO TRUST

By: _____
Trustee

*Attest:*

By: _____
José C. Henríquez
Executive Officer

*Approved as to Form:*

By: _____
Tom Gibson
Best Best & Krieger LLP
LAFCO Counsel

# Second Amendment to Lease Agreement #233-L0411 Between El Dorado Local Agency Formation Commission (LAFCO) and the Caso Trust, executed on or about October 2003 and as Amended by the First Amendment on or about April 2007

This Second Amendment to Lease Agreement #233-L0411 ("Second Amendment") is made by and between El Dorado Local Agency Formation Commission ("LAFCO"), a political subdivision of the State of California, hereinafter referred to as "Lessee," and the Lawrence and Dianne Caso Trust 01/22/2007, owner of the premises, hereinafter referred to as "Lessor," and both collectively referred to as "the Parties." The Parties agree to amend the Lease Agreement ("Lease") in the following sections only. Except as expressly amended by this Second Amendment, all other provisions of the Lease and the First Amendment to the Lease ("First Amendment)" shall remain in full force and effect. From and after the date of this Second Amendment, whenever the term "Lease" appears in the Lease, it shall mean the Lease as amended by both the First Amendment and this Second Amendment.

1. **Section 2** of the Lease Agreement is hereby amended to read, in its entirety, as follows:

The term ("Term") of this Lease shall continue for an additional four (4) years from the date it would otherwise terminate (October 31, 2018) and shall terminate on October 31, 2022 ("Termination Date"), subject however, to earlier termination as hereinafter more particularly provided in Sections 4 and 20, and unless further extended pursuant to Section 4.

2. **Section 4** of the Lease Agreement is hereby amended to read, in its entirety, as follows:

Lessee shall have the option to continue to lease the Premises pursuant to this Lease for four (4) additional two (2) year terms after the termination date of October 31, 2022. Lessee shall notify Lessor in writing approximately sixty (60) days prior to the Termination Date and prior to any termination date of any successive term(s) thereafter should Lessee elect to exercise said option(s) to extend the term. Lessee anticipates needing additional space. If Lessee determines that it needs additional space prior to the Termination Date and/or any future termination date(s), desires to continue to lease the Premises, and notifies Lessor of such in writing, Lessee may terminate the Lease unless Lessor finds sufficient additional space for Lessee and the parties negotiate a mutually acceptable lease. Lessee shall have the first right of refusal for the rental of additional space that will satisfy Lessee's space needs.

**3.** A new paragraph is hereby added to **Section 13** of the Lease Agreement, to read as follows:

Upon the execution of the Second Amendment, Lessor agrees that it shall construct or install, or cause to be constructed or installed, the following alterations to Suites E and F1 at no cost or expense to Lessee:

A. New paint on the walls of both Suites;

B. New carpeting on both Suites, to building standard;

C. New linoleum flooring of the kitchen area and entryway of Suite E, to building standard;

D. Installing a doorway to connect Suites E and F1;

E. Moving existing Lessee furniture around to install new flooring, entryways and painting as specified in A-D immediately above;

F. New blinds on all windows of both Suites, to building standard;

G. Widening the conference room in Suite E to be approximately 10 feet deep;

H. Installing a pocket, sliding or double door for the conference room in Suite E, subject to prior approval from Lessee. This option shall not decrease interior depth of conference room

I. The extension of fiber internet access into Suite E or the reimbursement of such an extension if LAFCO incurs that cost before the execution of this Second Amendment.

**IN WITNESS WHEREOF,** the parties hereto have executed this Agreement as of December 01, 2017.

EL DORADO LAFCO

By: _____
Shiva Frentzen
Chair, El Dorado LAFCO

*Attest:*

By: _____
José C. Henríquez
Executive Officer

*Approved as to Form:*

By: _____
Kara K. Ueda
Best Best & Krieger LLP
LAFCO Counsel

LAWRENCE AND DIANNE CASO TRUST

By: Dianne Caso, Trustee
Trustee