

**EMERGENCY OCCUPANCY AGREEMENT**

<u>OCCUPANCY AGREEMENT COVERING PREMISES LOCATED AT:</u>
<u>OWNER'S FED. TAX. I.D., NO. OR SOCIAL SECURITY NO.:</u>
<u>TENANT AGENCY:</u> Department of Social Services

**File No:** EL-

**Preamble** THIS OCCUPANCY AGREEMENT, made and entered into this day of **March**, 2020 by and between

hereinafter called the Owner, without distinction as to number or gender, and the State of California, acting by and through the Director of the Department of General Services, hereinafter called the State. **This Agreement is entered into pursuant to the Governor’s State of Emergency Proclamation dated March 4, 2020 and Executive Order N-25-20, in response to COVID-19, and is directly related to that emergency and necessary for the preservation of public health and safety.**

**WITNESSETH**

**Description** 1. The Owner hereby authorizes the State and the State hereby hires from the Owner those certain premises “AS IS” with appurtenances situated in the City of , County of , State of California, and more particularly described as follows:

The (up to Rooms) located at , , CA as outlined in red on the attached Exhibit "A" aerial site plan, consisting of one (1) page, dated , said Exhibit "A", hereby being incorporated into this occupancy agreement, and including all parking spaces contiguous to the subject hotel building, and unlimited use of the building's common facilities. The State shall occupy a fluctuating number of rooms, up to \_\_\_\_\_, and pay for rooms based on the actual daily occupancy. The State shall have exclusive access to and use of the occupied premises set forth in this occupancy agreement twenty-four (24) hours per day, seven (7) days per week with no exceptions.

**Term** 2. The term of this occupancy agreement shall commence on **March** , 2020, and shall continue month to month, with such rights of termination as may be hereinafter expressly set forth.

**Early Termination** 3. The State may terminate this occupancy agreement at any time by giving written notice to the Owner at least thirty (30) days prior to the date when such termination shall become effective. If the State fails to complete its move out within the notice period and remains in the premises, additional rent shall be paid and prorated on a thirty (30) day month, based on the actual number of days the State occupies the premises following the effective date of termination. Any such payments for additional rent shall be limited to the actual number of rooms occupied by the state following the effective date of termination.

**Rent**

4. Rental payments shall be paid by the State, from legally available funds and subject to the California Constitution, in arrears on the last day of each month during said term as follows:

**THE DAILY ROOM RATE SHALL BE AND 00/100 DOLLARS (\$.00)  
DURING THE TERM OF THIS OCCUPANCY AGREEMENT.**

Owner shall provide a monthly invoice to the State at the address below based on each room occupied, multiplied by the number of days actually occupied in that month, and then multiplied by the daily room rate. Rental shall be paid to Owner at the address specified in Paragraph 5 or to such other address as the Owner may designate by a notice in writing.

Invoices to State shall be sent to: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Notices**

5. All notices and correspondence herein provided to be given, or which may be given by either party to the other, shall be deemed to have been fully given when made in writing and either: 1) deposited in the United States Mail, certified and postage prepaid; or 2) sent via an alternate commercial overnight delivery service (i.e. FedEx or similar) with receiver's signature required; and addressed as follows:

**To the Owner:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
**Phone No.:** \_\_\_\_\_  
**Hotel No.:** \_\_\_\_\_  
**Email:** \_\_\_\_\_

**To the State:**

**DEPARTMENT OF GENERAL SERVICES      Phone No.                      (916) 375-4172**  
**REAL ESTATE SERVICES DIVISION      FAX No.                        (916) 375-4029**  
**LEASE MANAGEMENT EL-              Email: leasemanagement@dgs.ca.gov**  
**707 THIRD STREET, SUITE 5-305**  
**WEST SACRAMENTO, CA 95605**

**ALL NOTICES AND CORRESPONDENCE MUST REFERENCE  
STATE AGENCY AND PREMISES ADDRESS**

Rental warrants shall be made payable to: \_\_\_\_\_

and mailed to: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Nothing herein contained shall preclude the giving of any such written notice by personal service. The address to which notices and correspondence shall be mailed to either party may be changed by giving written notice to the other party.

**Parking**

6. Parking spaces, upon commencement of the occupancy agreement, shall be unobstructed and completely accessible for State's use.

**Services,  
Utilities, and  
Supplies**

7. Owner, at Owner's sole cost and expense, shall furnish normal and standard hotel operation functions including but not limited to the following services, utilities, and supplies to the area occupied by the State, and also to the "common" building areas (if any) such as lobbies, elevators, stairways, corridors, etc., if any:

- A. Sewer, trash disposal, and water service, including both hot and cold water to the lavatories.
- B. Elevator (if any) service.
- C. Electricity and/or gas as necessary to provide power for heating, ventilating, and air conditioning, and electrical or gas service as needed for State's operations.
- D. Pool, pool area, and pool equipment, if any.
- E. Linen/terry and laundry services.
- F. Standard hotel housekeeping/janitorial services not less than every 3 days.

All housekeeping/janitorial services, as well as linen/terry and laundry services shall be provided in accordance with any applicable, current health and safety protocols established by public health officials.

In the event of failure by the Owner to furnish any of the above services or utilities in a satisfactory manner, the State may furnish the same at its own cost; and, in addition to any other remedy the State may have, may deduct the amount thereof, including State's administrative costs, from the rent that may then be, or thereafter become due hereunder.

**Repair and  
Maintenance**

8. During the term of this occupancy agreement, the Owner shall maintain the occupied premises in good repair and tenantable condition.

**Assignment**

9. The State shall have the ability to assign this occupancy agreement.

**Quiet  
Possession**

10. The Owner agrees that the State, while keeping and performing the covenants herein contained, shall at all times during the existence of this occupancy agreement, peaceably and quietly have, hold, and enjoy the occupied premises without suit, trouble, or hindrance from the Owner or any person claiming under Owner.

**Destruction**

11. If the occupied premises are totally destroyed by fire or other casualty, this occupancy agreement shall terminate. If such casualty shall render ten percent (10%) or less of the floor space of the occupied premises unusable for the purpose intended, Owner shall effect restoration of the premises as quickly as is reasonably possible, but in any event within thirty (30) days.

In the event such casualty shall render more than ten percent (10%) of such floor space unusable but not constitute total destruction, Owner shall forthwith give notice to State of the specific number of days required to repair the same. If Owner under such circumstances shall not give such notice within fifteen (15) calendar days after such destruction, or if such notice shall specify that such repairs will require more than ninety (90) days to complete from date such notice is given, State, in either such event, at its option may terminate this occupancy agreement or, upon notice to Owner, may maintain occupancy and elect to undertake the repairs itself, deducting the cost thereof from the rental due or to become due under this occupancy agreement and any other occupancy agreement between Owner and State.

In the event of any such destruction other than total, where the State has not terminated the occupancy agreement as herein provided, or pursuant to the terms hereof has not elected to make the repairs itself, Owner shall diligently prosecute the repair of said premises and, in any event, if said repairs are not completed within the period of thirty (30) days for destruction aggregating ten percent (10%) or less of the floor space, or within the period specified in Owner's notice in connection with partial destruction aggregating more than ten percent (10%), the State

shall have the option to terminate this occupancy agreement or complete the repairs itself, deducting the cost thereof from the rental due or to become due under this occupancy agreement and any other occupancy agreement between Owner and State.

It is understood and agreed that the State or its agent has the right to enter its destroyed or partially destroyed occupied facilities no matter what the condition. At the State's request, the Owner shall immediately identify an appropriate route through the building to access the State occupied space. If the Owner cannot identify an appropriate access route, it is agreed that the State may use any and all means of access at its discretion in order to enter its occupied space.

**Subrogation  
Waived**

12. To the extent authorized by any fire and extended coverage insurance policy issued to Owner on the herein occupied premises, Owner hereby waives the subrogation rights of the insurer, and releases the State from liability for any loss or damage covered by said insurance.

**Prevailing  
Wage  
Provision**

13. For those projects defined as "public works" pursuant to Labor Code §1720.2, the following shall apply:

- A. Owner/contractor shall comply with prevailing wage requirements and be subject to restrictions and penalties in accordance with §1770 et seq. of the Labor Code which requires prevailing wages be paid to appropriate work classifications in all bid specifications and subcontracts.
- B. The Owner/contractor shall furnish all subcontractors/employees a copy of the Department of Industrial Relations prevailing wage rates which Owner will post at the job site. All prevailing wage rates shall be obtained by the Owner/contractor from:

Department of Industrial Relations  
Division of Labor Statistics and Research  
455 Golden Gate Avenue, 8th Floor  
San Francisco, California 94102  
Phone: (415) 703-4774  
Fax: (415) 703-4771

For further information on prevailing wage: [http://www.dir.ca.gov/dlsr/statistics\\_research.html](http://www.dir.ca.gov/dlsr/statistics_research.html)

- C. Owner/contractor shall comply with the payroll record keeping and availability requirement of §1776 of the Labor Code.
- D. Owner/contractor shall make travel and subsistence payments to workers needed for performance of work in accordance with the Labor Code.
- E. Prior to commencement of work, Owner/contractor shall contact the Division of Apprenticeship Standards and comply with §1777.5, §1777.6, and §1777.7 of the Labor Code and Applicable Regulations

**Fair  
Employment  
Practices**

14. During the performance of this occupancy agreement, the Owner shall not deny benefits to any person on the basis of religion, color, ethnic group identification, sex, age, physical or mental disability, nor shall they discriminate unlawfully against any employee or applicant for employment because of race, religion, color, national origin, ancestry, physical handicap, mental disability, medical condition, marital status, age, or sex. Owner shall ensure that the evaluation and treatment of employees and applicants for employment are free of such discrimination.

Owner shall comply with the provisions of the Fair Employment and Housing Act (Government Code, Section 12900 et seq.), the regulations promulgated thereunder (California Code of Regulations, Title 2, Section 11000 et seq.), the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (Government Code, Sections 11135-11139.8), and the regulations or standards adopted by the awarding State agency to implement such article.

**Holding Over**

15. In the event the State remains in possession of the premises after the expiration of the occupancy agreement term, or any extension or renewal thereof, this occupancy agreement shall be automatically extended on a month to month basis, subject to a thirty day (30) days termination by the State and otherwise on the terms and conditions herein specified, so far as applicable. If the State fails to vacate the premises within the notice period and remains for an extended period, additional rent shall be paid and prorated on a thirty (30) day month, based on the actual number of days the State occupies the premises following the effective date of termination. Any such payments for additional rent shall be limited to the actual number of rooms occupied by the state following the effective date of termination.

**Surrender of Possession**

16. Upon termination or expiration of this occupancy agreement, the State will peacefully surrender to the Owner the occupied premises in as good order and condition as when received, except for reasonable use and wear thereof and damage by earthquake, fire, public calamity, the elements, acts of God, or circumstances over which State has no control or for which Owner is responsible pursuant to this occupancy agreement.

**Time of Essence, Binding upon Successors**

17. Time is of the essence of this occupancy agreement, and the terms and provisions of this occupancy agreement shall extend to and be binding upon and inure to the benefit of the heirs, executors, administrators, successors, and assigns to the respective parties hereto. All of the parties hereto shall be jointly and severally liable hereunder.

**No Oral Agreements**

18. It is mutually understood and agreed that no alterations or variations of the terms of this occupancy agreement shall be valid unless made in writing and signed by the parties hereto, and that no oral understanding or agreement not incorporated herein, shall be binding on any of the parties hereto.

**Insurance**

19. Owner understands and agrees to the following:

In accordance with Government Code section 11007.4, the State of California has elected to be self-insured for liability exposures. Under this form of insurance, the State and its employees acting in the course and scope of their employment are insured for tort liability arising out of official State business. All claims against the State of California based on tort liability should be presented as a government claim to the Government Claims Program, P.O. Box 989052 MS 414, West Sacramento, CA 95798-9052. (Gov. Code section 900, et. seq.) Internet link:

<https://www.dgs.ca.gov/ORIM/Services/Page-Content/Office-of-Risk-and-Insurance-Management-Services-List-Folder/File-a-Government-Claim>

The State of California has also elected to be insured for its motor vehicle liability exposures through the State Motor Vehicle Liability Self-Insurance Program (VELSIP). This program provides liability coverage arising out of the operations of motor vehicles used by state employees for official state business (California Vehicle Code Sections 17000 and 17001). Motor vehicle liability claims against the State of California should be presented to the Office of Risk and Insurance Management, P.O. Box 989052 MS-403, West Sacramento, CA 95798-9052, (800) 900-3634, [claims@dgs.ca.gov](mailto:claims@dgs.ca.gov). If your motor vehicle liability claim is not resolved within six months from the date of loss, California law requires you to file a formal claim with the Government Claims Program, P.O. Box 989052 MS 414, West Sacramento, CA 95798-9052. (Gov. Code section 900, et. seq.) Internet link:

<https://www.dgs.ca.gov/ORIM/Services/Page-Content/Office-of-Risk-and-Insurance-Management-Services-List-Folder/File-a-Government-Claim>

The State of California has a Master Agreement with the State Compensation Insurance Fund regarding workers' compensation benefits for all state employees, as required by the Labor Code.

**Hazardous Substance**

20. State agrees that it will comply with all applicable laws existing during the term of this occupancy agreement pertaining to the use, storage, transportation, and disposal of any hazardous substance as that term is defined in such applicable law. In the event a government order is issued naming the State or the State incurs any liability during or after the term of the occupancy agreement in connection with contamination which pre-existed the State's obligations and occupancy under this occupancy agreement or which were not caused by the State, Owner shall hold harmless, indemnify, and defend the State in connection therewith and shall be solely responsible as between State and Owner for all efforts and expenses thereto.

**Restoration of Premises**

21. Upon termination of this Occupancy agreement, Owner agrees that the equipment installed by the State shall be and remain the property of the State, and State shall remove such property when vacating the premises. State shall restore all surfaces, including floors and walls, to the condition existing prior to its installation, including repair of damaged floor tile and patching and repainting damaged wall surfaces to match adjacent existing surfaces. State shall clean the premises per the current health and safety protocols established by public health officials, immediately prior to vacating the premises.

**Access**

22. Owner shall allow State or its agents to enter the premises as of 7:00 A.M. on **March**, 2020, to stage and prepare the property for occupants, or other parties, or for any other purpose State deems necessary.

**Indemnification**

23. The State agrees to indemnify and hold harmless the Owner to the extent authorized by Government Code Section 14662.5 and agrees to repair or pay for any damage proximately caused by reason of the State's use of said premises during the term of this agreement, except to the extent that any such damages suffered by Owner are the result of Owner's negligent or wrongful acts or the acts of any persons acting under or on behalf of the Owner and/or where the State is found to have no liability by reason of any immunity arising by statute or common law in connection with the fulfillment of the State's constitutional and statutory public responsibilities.

Owner agrees to indemnify and hold harmless the State in the event of any claim, demand, cause of action, judgments, obligations, or liabilities, and all reasonable expenses which State may suffer as direct and proximate result of the negligence or other wrongful act or violation of law by the Owner, its employees, or any person or persons acting under the direct control and authority of the Owner or its employees, in connection with the State's occupancy of said premises under and during the term of this agreement except to the extent that any such damages or expenses suffered by State are the result of State's sole negligence.

**Taxes**

24. Owner is solely responsible for all tax liabilities, including property taxes.

**Exclusive Use**

25. Owner shall not rent or allow occupancy of any vacant rooms or facilities in the hotel during the term of the State's occupancy of the premises.

**Occupancy of Premises**

26. Owner and State understand that they shall not receive rent, fees, or any other form of payments or consideration, or gifts from occupants of hotel rooms in exchange for access to or use of the Premises. Owner and State also understand that they have not entered into any agreements with the occupants of the hotel rooms related to the use of the Premises. The occupants of the hotel rooms are not persons who hire any dwelling unit from Owner or State within the meaning of California Civil Code section 1940

## FEDERAL PROVISIONS

### Remedies

27. Unless otherwise expressly provided herein, the rights and remedies hereunder are in addition to, and not in limitation of, other rights and remedies under the Occupancy Agreement, at law or in equity, and exercise of one right or remedy will not be deemed a waiver of any other right or remedy.

### Clean Air Act

28. The Owner agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. Section 7401 et seq.

29. The Owner agrees to report each violation to the State and understands and agrees that the State will, in turn, report each violation as required to assure notification to the California Governor's Office of Emergency Services, Federal Emergency Management Agency (FEMA), and the appropriate Environmental Protection Agency Regional Office.

30. The Owner agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with Federal assistance provided by FEMA.

### Federal Water Pollution Control Act

31. The Owner agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. Sections 1251 et seq.

32. The Owner agrees to report each violation to the State and understands and agrees that the State will, in turn, report each violation as required to assure notification to the Federal Emergency Management Agency (FEMA), and the appropriate Environmental Protection Agency Regional Office.

33. The Owner agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with Federal assistance provided by FEMA.

### Debarment and Suspension Clause

34. This Occupancy Agreement is a covered transaction for purposes of 2 C.F.R. pt. 180 and 2 C.F.R. pt. 3000. As such the Owner is required to verify that none of the Owner, its principals (defined at 2 C.F.R. § 180.995), or its affiliates (defined at 2 C.F.R. § 180.905) are excluded (defined at 2 C.F.R. § 180.940) or disqualified (defined at 2 C.F.R. § 180.935).

35. The Owner must comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C and must include a requirement to comply with these regulations in any lower tier covered transaction it enters into.

36. This certification is a material representation of fact relied upon by the State. If it is later determined that the Owner did not comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C, in addition to remedies available to the State, the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment.

37. The bidder or proposer agrees to comply with the requirements of 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C while this offer is valid and throughout the period of any contract that may arise from this offer. The bidder or proposer further agrees to include a provision requiring such compliance in its lower tier covered transactions.

### Byrd Anti-Lobbying Amendment, 31 U.S.C. § 1352 (as amended)

38. Owners who apply or bid for an award of \$100,000 or more shall file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Each tier shall also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures

are forwarded from tier to tier up to the recipient who in turn will forward the certification(s) to the State.

APPENDIX A, 44 C.F.R. PART 18- CERTIFICATION REGARDING LOBBYING

The undersigned [Owner] certifies, to the best of his or her knowledge, that:

A. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

B. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

C. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31, U.S.C. § 1352 (as amended by the Lobbying Disclosure Act of 1995). Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

The Owner certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the Owner understands and agrees that the provisions of 31 U.S.C. § 3801 et seq., apply to this certification and disclosure, if any.

OWNER

By \_\_\_\_\_  
Date \_\_\_\_\_

**Procurement  
of Recovered  
Materials**

39. In the performance of this Occupancy Agreement, the Owner shall make maximum use of products containing recovered materials that are EPA-designated items unless the product cannot be acquired—

- i. Competitively within a timeframe providing for compliance with the contract performance schedule;
- ii. Meeting contract performance requirements; or

iii. At a reasonable price.

40. Information about this requirement, along with the list of EPA-designated items, is available at EPA's Comprehensive Procurement Guidelines web site, <https://www.epa.gov/smm/comprehensive-procurement-guideline-cpg-program>

41. The Owner also agrees to comply with all other applicable requirements of Section 6002 of the Solid Waste Disposal Act.

**Access to Records**

42. The following access to records requirements apply to this Occupancy Agreement:

- i. The Owner agrees to provide the State, the FEMA Administrator, the Comptroller General of the United States, or any of their authorized representatives access to any books, documents, papers, and records of the Owner which are directly pertinent to this Occupancy Agreement for the purposes of making audits, examinations, excerpts, and transcriptions.
- ii. The Owner agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed.
- iii. The Owner agrees to provide the FEMA Administrator or his or her authorized representatives access to construction or other work sites pertaining to the work being completed under the contract.
- iv. In compliance with the Disaster Recovery Act of 2018, the State and the Owner acknowledge and agree that no language in this contract is intended to prohibit audits or internal reviews by the FEMA Administrator or the Comptroller General of the United States.

**Department of Homeland Security Seal, Logo, Flags**

43. The Owner shall not use the DHS seal(s), logos, crests, or reproductions of flags or likenesses of DHS agency officials without specific FEMA pre-approval.

**Compliance with Federal Law, Regulations, and Executive Orders**

44. This is an acknowledgement that FEMA financial assistance will be used to fund all or a portion of the contract. The Owner will comply with all applicable Federal law, regulations, executive orders, FEMA policies, procedures, and directives.

**No Obligation by Federal Government**

45. The Federal Government is not a party to this Occupancy Agreement and is not subject to any obligations or liabilities to the non-Federal entity, contractor, or any other party pertaining to any matter resulting from the contract.

**Program Fraud and False or Fraudulent Statements or Related Acts**

46. The Owner acknowledges that 31 U.S.C. Chapter 38 (Administrative Remedies for False Claims and Statements) applies to the Contractor's actions pertaining to this Occupancy Agreement.

**Option to Acquire Property**

**47. Option to Acquire Property.** Owner hereby grants to State the right and option, but not the obligation, for the State of California, to acquire fee title to the Property from Owner ("Option"), upon terms and subject to conditions set forth in this Agreement during the Option Term (as

hereinafter defined). State will provide Owner written notification of the exercise of the Option not less than thirty (30) calendar days prior to the Option Expiration (as hereinafter defined).

- i. **Option Term**. For purposes of this Agreement, the term "Option Term" shall mean the period beginning on the effective date of this Agreement and ending upon the State's termination of this Agreement.
- ii. **Exercise of Option**. The Option herein can only be exercised by State's execution and delivery of a written exercise of Option to Owner at any time during the Option Term. The State Public Works Board ("SPWB") must approve of the State's execution and delivery of a written exercise of Option to Owner to be provided any time prior to the end of the Option Term. Any exercise of Option by the State prior to SPWB approval is void. The Option to acquire the Property may be exercised to provide for a closing date on or after the State's termination of this Agreement.
- iii. **Purchase Price**. The purchase price for the Property (the "Purchase Price") shall be equal to the fair market value of the Property as determined by an appraisal conducted and approved by the State. The appraisal obtained by State shall comply with Part 3, commencing with Section 11300 of Division 4 of the California Business and Professions Code, the California Code of Regulations, Title 10, Section 3701, and the most recent version of the Uniform Standards of Professional Appraisal Practice.
- iv. **Conveyance of Property**. If the State elects to exercise the Option, the transfer of fee title to the Property shall be in accordance with the terms and conditions of that certain Property Acquisition Agreement by and between State and Owner, acting by and through the State Public Works Board ("SPWB"), the substantive form of which has been agreed to by and between the Parties as set forth in Exhibit \_\_ (the "PAA Form") attached hereto, and incorporated herein by this reference. In accordance with the terms of the Form PAA, the Property shall be conveyed to State by Owner free and clear of liens and encumbrances by a grant deed, subject only to approved conditions of title.
- v. **Escrow**. In accordance with the terms of the PAA Form, the conveyance of the Property shall be handled through escrow to be selected and opened by the State within seven (7) calendar days after the State's exercise of the Option.
- vi. **Memorandum of Option to Purchase**. Concurrent with Owner's execution of this Agreement, Owner shall execute a memorandum of option substantially in the form of Exhibit \_\_ ("Memorandum of Option") attached hereto and incorporated herein by this reference. The State shall cause the Memorandum of Option to be recorded in the Official Records of the County where the Property is located. In the event State elects not to exercise the Option during the Option Term, State shall execute and cause a quitclaim deed to be recorded in the Official Records of the County where the Property quitclaiming all its rights to acquire fee title to the Property to Owner to remove the Memorandum of Option encumbrance.
- vii. **Additional Agreements**. The Parties acknowledge and agree that if State exercises the Option, additional agreements will be needed in furtherance of the acquisition of the Property. The Parties agree to promptly obtain all necessary approvals and execute and deliver such papers, documents and instruments and perform all acts

reasonably necessary or proper to effectuate the acquisition of the Property by the State.

- viii. **Legislative Approval**. Any obligation of the State created by or arising from this Option shall not impose a debt upon the State, but shall be payable solely out of funds duly authorized and appropriated by the California State Legislature.
- ix. **Authorization, Approvals, Binding Nature**. Any agreement executed by the State to effectuate the acquisition of the Property in accordance with this Option shall have no force and effect and is not binding on the State of California until and unless it is approved by the Department of General Services (Government Code section 11005) and is authorized by SPWB (Government Code section 15853).

**IN WITNESS WHEREOF, this occupancy agreement has been executed by the parties hereto as of the dates written below**

STATE OF CALIFORNIA

OWNER

Approval Recommended

DEPARTMENT OF GENERAL SERVICES  
REAL ESTATE SERVICES DIVISION  
ASSET MANAGEMENT BRANCH

By \_\_\_\_\_  
, Real Estate Officer  
Real Estate Leasing and Planning Section

By \_\_\_\_\_  
,

Date \_\_\_\_\_

Date \_\_\_\_\_

Approved

By \_\_\_\_\_  
,

DIRECTOR OF THE DEPARTMENT  
OF GENERAL SERVICES

Date \_\_\_\_\_

By \_\_\_\_\_  
, Leasing Manager  
Real Estate Leasing and Planning Section

By \_\_\_\_\_  
,

Date \_\_\_\_\_

Date \_\_\_\_\_