

PARKING LOT USE AGREEMENT

Placer County Office of Education

Portion of the Placer County Administration Center Parking Lot
located at 145 Fulweiler Avenue, Auburn, CA

This Parking Lot Use Agreement ("Agreement") is entered into as of _____, by and between the County of Placer, a political subdivision of the State of California ("County") and the Placer County Office of Education, a public body organized and existing under the provisions of § 1000, et seq., of the California Education Code ("PCOE"). County and PCOE are sometimes hereinafter each singularly referred to as a "Party" and collectively referred to as the "Parties."

RECITALS

This Agreement is entered into on the basis of the following facts, understandings, and intentions of the Parties:

WHEREAS, County owns real property at the northeast corner of Nevada Street and Fulweiler Avenue in Auburn, California, which is designated as Assessor's Parcel No. 001-032-034-000 ("County Property").

WHEREAS, on February 15, 2007, County granted the property described as the 3.16± acre real property located at 360 Nevada Street in the City of Auburn to PCOE by grant deed, document number 2007-0015922 O.R.P.C. ("PCOE Property").

WHEREAS, PCOE has needed additional space for overflow parking for PCOE operations at the PCOE Property adjacent to County Property on Library Drive; and

WHEREAS, on September 26, 2012, Placer County and PCOE executed a Parking Lot Use Agreement wherein PCOE was authorized to use a portion of the County Property, located at 145 Fulweiler Avenue in Auburn, as additional parking for PCOE's operations; and

WHEREAS, on September 15, 2021, Placer County and PCOE executed an Addendum to the 2012 Parking Lot Use Agreement authorizing PCOE an additional year of continued use.

WHEREAS, PCOE continues to desire to use the same portion of the County Property to provide additional parking for PCOE's operations.

WHEREAS, County is willing to allow the use of the same to PCOE, upon the promises, terms, conditions, and covenants set forth below.

NOW, THEREFORE, in consideration of the promises, terms, conditions, and covenants set forth below, County and PCOE hereby mutually agree as follows:

ARTICLE 1. SPECIAL CONDITIONS

1.1 PARKING LOT

Subject to the County's rights as described in Section 1.05 herein, throughout the Term of this Agreement, PCOE is granted the use of the following described parking area, ("Parking Lot") and as depicted on Exhibit A, attached hereto, and incorporated herein by this reference.

Parking Lot: PCOE is authorized to use approximately Fifty-five (55) parking spaces within a portion of the Parking Lot located on the County Property. Said upper parking lot is comprised of approximately Thirty Thousand Five Hundred and Twenty-five (30,525) square feet. Parking Lot includes the lighting for the parking lot.

PCOE is authorized to use the Parking Lot for the use of its employees, agents, guests, patrons, invitees, visitors, suppliers, or contractors for the parking of vehicles on a temporary and intermittent basis. PCOE is responsible for controlling access to the Parking Lot and to ensure that County Property areas are not used by PCOE. PCOE is further responsible for the security, use and maintenance of the Parking Lot. PCOE shall use and maintain the Parking Lot in a manner consistent with all applicable laws and regulations and shall at its sole expense secure any operational permits required by local, state, or federal agencies ("Permitted Use").

PCOE shall have the non-exclusive right of ingress to and egress from the Parking Lot over and across the roadways and driveways on County Property. County shall have the non-exclusive right of ingress to and egress from the Parking Lot to access roadways and driveways on County Property.

1.2 TERM

Commencing on the date this Agreement is executed by the County ("the Effective Date") the term of this Agreement shall be for a term of Three (3) years commencing on the Effective Date and expiring on the last day of the third year (the "Term").

1.3 RENT

The rent for the Term of this Agreement shall be One and No/100 Dollars (\$1.00) per year (the "Rent"), with the entire Term's Rent in the amount of Three and No/100 Dollars (\$3.00) due and payable prior to the commencement of the Term.

1.4 ADDITIONAL FEES, CHARGES AND RENTALS

PCOE shall pay to County the following additional fees, charges, and rentals:

- A.** Reimbursement for the County's cost to perform a slurry seal and perform parking stall striping for Parking Lot pursuant to Section 1.11. Failure of PCOE to remit this sum to the County within sixty (60) days following the receipt of the County's invoice shall be considered a material default of this Agreement; and,
- B.** In the event the County has paid any sum or sums, or has incurred any obligation or expense, for which PCOE has agreed to pay or reimburse County, or for which PCOE is otherwise responsible. Such fees or charges may include utility hookup fees, utility meter installation costs, or emergency response charges incurred by PCOE; and,
- C.** Pursuant to any separate agreement between the Parties not contained herein.

PCOE obligations pursuant to this Section 1.04 shall include all interest, cost, damages, and penalties in conjunction with such sums so paid or expenses so incurred by County, which may be added by County to any installment of fees, charges, and rents payable herein.

1.5 SHARED USE

County shall from time to time require overflow parking for County operations or for community

events sponsored by County of other community agencies. Should such use be required, County shall provide advance notice to PCOE of such event and specify the date, time, and number of spaces required. PCOE shall make reasonable efforts to accommodate County's request.

1.6 PARKING LOT CONDITION AND POSSESSION

PCOE acknowledges and represents that it has had a reasonable opportunity to access the Parking Lot and conduct any inspections and/or investigations of the Parking Lot, which it considers necessary or prudent, and that PCOE has determined that the Parking Lot is satisfactory to its purpose. PCOE therefore agrees that it shall take the Parking Lot "as is" as of the Effective Date and shall thereafter bear full responsibility for the condition of the Parking Lot during the Term, pursuant to the terms, conditions, and improvements specified in this Agreement.

1.7 IMPROVEMENTS BY PCOE

No improvements are scheduled by PCOE as of the date of execution of this document. Any future or potential improvements required by PCOE will require the prior approval of the County and will require an amendment to this document.

1.8 OWNERSHIP OF IMPROVEMENTS

Upon expiration or sooner termination of this Agreement, title to any future Parking Lot Improvements, and/or alterations shall vest in the County without payment of any further consideration to PCOE.

1.9 TITLE TO PROPERTY

Title to the County Property underlying the Parking Lot and any Parking Lot Improvements, shall remain vested in County. PCOE shall not encumber in any way the Parking Lot.

1.10 SURRENDER

Upon expiration or sooner termination of the Term, PCOE shall have removed all of its personal property and vehicles remaining on the Parking Lot. PCOE shall be prepared to surrender the Parking Lot in satisfactory condition as determined solely by County, reasonable wear and tear excepted. PCOE shall leave the Parking Lot in such condition that it shall not be in violation of any rules or regulations governing the condition of the Parking Lot or in violation of any land- use, building, health, or safety code, and shall not be subject to undue erosion or degradation by environmental conditions and pedestrian or vehicular traffic.

1.11 MAINTENANCE AND REPAIRS

PCOE shall, at its sole cost and expense, maintain all portions of the Parking Lot, Parking Lot Lighting and any Parking Lot Improvements made thereon specifically for the benefit of PCOE, and any underground utility distribution systems used solely by PCOE within or outside the Parking Lot in accordance with all applicable laws and regulations, whether now or hereafter enacted, and this Agreement. The Parking Lot shall at all times be kept in a clean, safe, and orderly condition and appearance and shall at its own cost and expense repair or replace any damage done to the Parking Lot, future Parking Lot improvements, or neighboring properties caused by PCOE. County shall not be required to notify PCOE to perform any of PCOE's maintenance responsibilities hereunder. However, if County gives such notice, and PCOE fails

to commence and, thereafter, diligently prosecute completion of the maintenance which is called for within 30 days of such notice, County may at its option, itself perform, or cause to be performed, such work and shall seek reimbursement Additional Rent.

The County requires that the Parking Lot, as shown on Exhibit A, have a slurry seal and parking stall striping applied to the parking lot surfaces as periodic maintenance. This maintenance occurs approximately every five (5) years. This scheduled maintenance may occur during the Term of this Agreement. Approximately one year in advance of this maintenance the County will provide PCOE a cost estimate and the expected time frame for execution of this work to support the PCOE budgeting process. The County shall contract for these projects and shall invoice PCOE upon completion of this work.

1.12 TRASH, GARBAGE, STORAGE AND PARKING LIMITATIONS

PCOE shall, at its sole cost and expense, provide a complete and proper arrangement for the adequate sanitary handling and disposal away from the Parking Lot of all trash, waste, garbage, and other refuse resulting from, or in any way associated with, PCOE's operations hereunder. PCOE shall not store or permit to be stored any materials, parts, or vehicles in, on or about the Parking Lot which are not incidental to PCOE's operation of the PCOE Property. PCOE shall not permit any vehicle to be parked in the Parking Lot for more than seventy-two (72) consecutive hours.

1.13 HAZARDOUS MATERIALS

PCOE shall not bring, keep, use, generate, or dispose of on the Parking Lot any substance, material, and/or waste that is or becomes regulated or classified as hazardous or toxic under any federal, state, or local laws or regulations. The hold harmless and indemnification provisions set forth below apply to any claims, losses, and/or liabilities associated with any such hazardous or toxic substance, material, and/or waste.

1.14 SIGNS

PCOE shall not erect, install, or construct any sign on the Parking Lot without the prior written consent of County. County reserves the right to remove any unauthorized signs without notice, and at PCOE's sole expense. In the event County determines that any of PCOE's signs present on the County Property prior to the Effective Date of this Agreement are unacceptable, then PCOE shall remove said signage within thirty (30) days following receipt of a notice to remove said signage.

1.15 INSURANCE

It is agreed that PCOE shall maintain at all times during the performance of this Agreement insurance coverage or self-insurance in the amounts of not less than One Million Dollars (\$1,000,000) to cover all of its operations, including General Liability, Automobile Liability and provide Workers' Compensation insurance or self-insurance in the statutory amount (or in the amount of \$1,000,000).

Failure to comply with this Section 1.15 shall be considered a material default of this Agreement.

1.16 INDEMNIFICATION

PCOE shall indemnify and hold Placer County harmless from and defend Placer County against

any and all claims of liability for any injury, death, or damage to any person or property occurring in, on or about the Premises when such injury, death or damage is caused in part or in whole by the act, neglect, fault, or omission of any duty with respect to the same by PCOE, its agents, contractors, employees, or invitees.

PCOE shall further indemnify and hold Placer County harmless from and against any and all claims arising from any act or negligence of PCOE or any of its agents, contractors, employees and from and against all costs, attorney's fees, expenses, and liabilities incurred in the defense of any such claim or any action or proceeding brought thereon. PCOE shall be required to provide notice to the Placer County within thirty (30) working days of the date when PCOE is made aware of the occurrence of any such claim.

In case any action or proceeding is brought against Placer County by reason of any such claim, PCOE, upon notice from Placer County, shall defend the same at PCOE's expense provided, however, that PCOE shall not be liable for damage or injury solely occasioned by the negligent or intentional acts of Placer County and its designated agents or employees. Placer County shall be required to provide notice to PCOE within thirty (30) working days of the date when Placer County is made aware of the occurrence of any such claim.

1.17 AMERICANS WITH DISABILITIES ACT

PCOE acknowledges that it is aware of the provisions and requirements of the Americans with Disabilities Act (ADA) of 1990 and is hereby notified that the Parking Lot may not comply with all of the provisions of the ADA. By execution of this Agreement, PCOE acknowledges and agrees that it is PCOE's sole responsibility to determine the suitability of the Parking Lot for its intended use. PCOE's compliance with ADA guidelines shall apply to PCOE's use of the Parking Lot, to any signage associated with PCOE's use of the Parking Lot, and to any improvements and/or alterations to the Parking Lot made by PCOE. In case any claim, action, or proceeding is brought against PCOE or County in regard to compliance with the ADA, which is caused in whole or in part by PCOE, its agents, employees, contractors, clients, or invitees, PCOE shall defend, indemnify and hold County harmless, as provided for in the Indemnification Section 1.16 of this Agreement.

In case any action or proceeding is brought against PCOE or County in regard to compliance with ADA which is caused by PCOE's use, County reserves the right, at its sole discretion, to give PCOE a fifteen (15) day written Notice of Termination. PCOE shall indemnify County for all damages and actual costs incurred by County, including, but not limited to, staff time, attorney fees, litigation costs, or any other expenses sustained by County as a result of such action or proceedings.

1.18 INCORPORATION OF GENERAL PROVISIONS

Additional terms of this Agreement are set forth in Exhibit B, attached hereto and incorporated herein by reference as though fully set forth herein.

1.19 POSSESSORY INTEREST TAXES

PCOE's interest in this Agreement may be subject to taxation as a possessory interest in publicly owned property as described in California Revenue and Taxation Code Section 107.6, a copy of which is attached as Exhibit C. For every year that this Agreement is in effect on January 1st PCOE may be required to pay possessory interest taxes on or before

August 31st of that same year. Failure of PCOE to pay any such taxes shall constitute a material breach of this Agreement.

1.20 WAIVER OF SUBROGATION

PCOE hereby waives any right of recovery from County, its officers and employees for any loss or damage (including consequential loss) resulting from any of the perils insured against in the standard form fire insurance policy with extended coverage endorsement if agreeable by PCOE's insurance carrier. PCOE shall cause each insurance policy obtained by it to provide that the insurance company waives all right of recovery by way of subrogation against the County in connection with any damage covered by any policy. If any insurance cannot be obtained with a waiver of subrogation, PCOE shall notify County of this fact. County shall have a period of ten (10) days after receiving the notice either to place the insurance with a company that is reasonably satisfactory to the other party and that will carry the insurance with a waiver of subrogation, or to agree to pay the additional premium if such a policy is obtainable at additional cost.

1.21 GOOD NEIGHBOR POLICY

PCOE and County may, as necessary, jointly develop and adopt a Good Neighbor Policy addressing policies and procedures related to the Parking Lot. Such policies and procedures may address the use of designated smoking areas (if any) and parking areas so as to ensure the safe and appropriate use of PCOE and County facilities. Said policies may also address the control of access to parking areas on the Parking Lot and on the County Property. The Parties shall meet annually, prior to the close of the Fiscal Year, to discuss operational issues, review existing policies and procedures, and develop and agree upon new or updated policies and procedures.

ARTICLE 2 GENERAL CONDITIONS

2.1 ASSIGNMENT AND SUBLETTING

PCOE shall not assign, transfer, or hypothecate this Agreement or any right or privilege thereto or permit any other person/party (the agents, clients, and servants of PCOE excepted) to occupy or use the Parking Lot or any portion thereof.

2.2 DEFAULT; REMEDIES

A. Default by PCOE

PCOE shall be in default of this Agreement for failure to perform any of the terms, covenants, and conditions of this Agreement, including any such failure remaining uncured for thirty (30) days after written notice thereof. If by reason of the nature of the breach, it cannot be cured within thirty (30) days, then it shall be cured within a time that would be reasonable if PCOE were to proceed with diligence to remedy the breach. Upon lapse of the aforesaid cure periods, County shall have all remedies available at law and in equity, including, without limitation, the right to terminate this Agreement with no further obligation to PCOE.

B. Early Termination

Either party may terminate this Agreement in whole or in part, for convenience upon written notice to either party specifying the extent of the termination and its effective date and provide either party with at least thirty (30) days-notice.

C. Default by COUNTY

If the County materially breaches this Agreement, PCOE shall give County written notice of such breach, which requests that the breach be cured. If the breach is not cured: (i) within thirty (30) days after receipt by the County of the notice of breach or (ii) if by reason of the nature of the breach, it cannot be cured within thirty (30) days, then within a time that would be reasonable if County were to proceed with diligence to remedy the breach, PCOE shall be entitled to any remedy available to it at law or equity.

2.3 NOTICES

- A.** "Notice" means any notice, demand, request or other communication or document to be provided under this Agreement to a Party to this Agreement.
- B.** All notices required or authorized by this Agreement shall be in writing and shall be deemed to have been served if: (1) sent by email (upon written confirmation by recipient); (2) delivered personally (upon delivery); or (3) deposited in the U.S. mail, postage prepaid and properly addressed as set forth below (three days after deposit in mail). Notice given by any other means that is actually received shall also be effective with respect to the receiving Party. Changes in contact person or address information shall be made by notice, in writing, to the other Party.

If to COUNTY:

Placer County, Facilities Management
Attention: Property Manager

Mailing Address:
11476 C Avenue
Auburn, CA 95603

Physical Address:
2855 Second Street
Auburn, CA 95603

Telephone: (530) 886-4900
Fax: (530) 889-6857
Division Email: FACPropMgmt@placer.ca.gov

If to PCOE:

Placer County Office of Education
Attention: Matt Shawver, Director, Maintenance & Operations

Mailing Address:
360 Nevada Street
Auburn, CA 95603

Telephone: (916) 415-4442
Fax: (866) 257-6329
Email: mshawver@placercoe.org

2.4 NON-LIABILITY OF OFFICIALS, EMPLOYEES AND AGENTS

The liability of PCOE for its obligations under this Agreement is limited solely to PCOE's use of the Parking Lot as the same may from time to time be encumbered. No member, official, employee or agent of the PCOE, shall be personally liable to the PCOE, or any successor in interest, in the event of any default or breach by the PCOE or for any amount, which may become due to the County or successor or assign on any obligation under the terms of this Agreement.

2.5 ENTRY BY COUNTY

County reserves and shall at any and all reasonable times, and upon reasonable notice, have the right to enter the Parking Lot to (a) inspect the same, (b) supply any service to be provided by County hereunder, (c) post notices of non-responsibility, and (d) to use the Parking Lot and Improvements as provided for in Section 1.05.

2.6 COUNTY'S RIGHT TO PERFORM PCOE'S OBLIGATIONS

If PCOE fails to make any payment required of it hereunder, or defaults in the performance of any other promise, term, covenant, or condition required of it under this Agreement, County may, at its sole option, without being under any obligation to do so and without thereby waiving such default, may make such payment and/or remedy such other default, for the account of and at the expense of PCOE. County may do so immediately and without notice to PCOE in the case of an emergency, or in any other case if PCOE fails to make such payment or remedy such default with all reasonable dispatch after County has notified PCOE in writing of the same.

2.7 JOINT AND SEVERAL LIABILITY

All the terms, covenants and conditions contained in this Agreement to be performed by either Party, if such Party shall consist of more than one person or organization, shall be deemed to be joint and several.

2.8 BINDING EFFECT

The provisions of this Agreement shall be binding upon and inure to the benefit of both Parties and their heirs, administrators and assigns of each.

2.9 REASONABLE CONSENT

Except as limited elsewhere in this Agreement, wherever in this Agreement County or PCOE is required to give its consent or approval to any action on the part of the other, such consent or approval shall not be unreasonably withheld.

2.10 NOT A PARTNERSHIP

The provisions of this Agreement are not intended to create, nor shall they be in any way interpreted or construed to create a joint venture, partnership, or any other similar relationship between the Parties. Each Party shall be considered a separate Party, and no Party shall have the right to act as an agent for the other.

2.11 FREE FROM LIENS

The PCOE shall keep the Parking Lot free from any liens arising out of any work performed, material furnished, or obligation incurred by the PCOE.

2.12 ATTORNMENT

PCOE shall attorn to any party succeeding to County's interest in the Parking Lot and recognize that party as the licensor under this Agreement, provided such party acquires and accepts the Parking Lot subject to the terms, conditions and covenants of this Agreement.

2.13 CALCULATION OF TIME PERIODS

If any date for performance under this Agreement falls on a Saturday, Sunday, or bank holiday, then the date for performance shall be the next day which is not a Saturday, Sunday or bank holiday, and the next time period shall be calculated from and after the date of such actual performance. Unless specifically described herein as working days, all time periods shall be calculated as calendar days. Any time periods in this Agreement which are calculated in terms of "months" shall be calculated by using the same dates of the months being counted, regardless of the number of days in each month (for example, the period from April 15 to June 15 would be counted as two months, the period from April 15 to July 15 would be counted as three months, etc.).

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IN WITNESS WHEREOF, County and PCOE have executed this Agreement as of the date of execution by the County.

COUNTY: County of Placer

BY: _____

Date: _____

Steve Newsom, Director
Department of Facilities Management

PCOE: Placer County Office of Education

BY: _____

Date: _____

Name

Title

APPROVED AS TO FORM:

County Counsel

BY: _____

Date: _____

Deputy County Counsel

PCOE Counsel

BY: _____

Date: _____

Attachments:

EXHIBIT A – PARKING LOT SITE MAP

EXHIBIT B – GENERAL PROVISIONS

EXHIBIT C – COPY OF REVENUE AND TAXATION CODE SECTION 107.6

**EXHIBIT A
COUNTY PROPERTY
PARKING LOT SITE MAP**

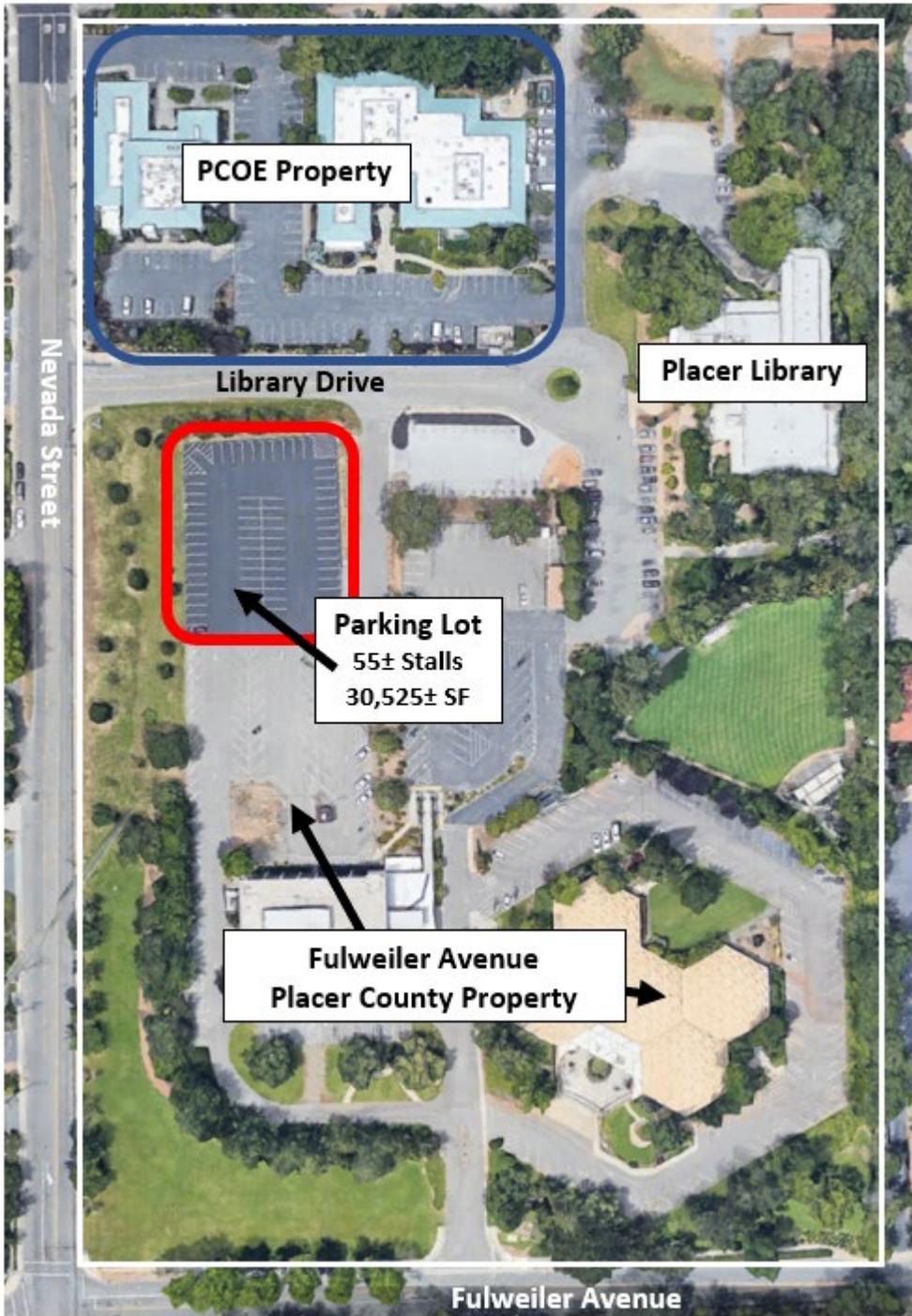


EXHIBIT B

GENERAL PROVISIONS

1. ENTIRE AGREEMENT.

This Agreement and any attachments hereto constitute the sole, final, complete, exclusive and integrated expression and statement of the terms and conditions of the agreement among the Parties hereto concerning the subject matter addressed herein, and supersede all prior negotiations, representations or agreements, oral or written, that may be related to the subject matter of this Agreement.

2. AMENDMENTS.

No revision or amendment to this Agreement shall be valid unless made in writing and signed by duly authorized representatives of all Parties.

3. 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 more effectively complete the transactions contemplated by this Agreement.

4. TIME OF THE ESSENCE.

Time is of the essence with respect to the obligations to be performed under this Agreement.

5. SUCCESSORS IN INTEREST.

The covenants herein contained shall apply to and bind the successors and assigns (to the extent assignment is permitted) of the Parties hereto.

6. STATUS OF EMPLOYEES.

All persons performing services for PCOE in the Premises or Parking Lot shall be solely employees or contractors of PCOE and not employees of County, except those persons expressly and directly employed by County. Furthermore, PCOE is not an agent of County.

7. CONSTRUCTION AND INTERPRETATION.

It is agreed and acknowledged by the Parties that the provisions of this Agreement have been arrived at through negotiation, and that each of the Parties has had a full and fair opportunity to review the provisions of this Agreement and to have such provisions reviewed by legal counsel. Therefore, the normal rule of construction that any ambiguities are to be resolved against the drafting party shall not apply in construing or interpreting this Agreement.

8. CAPTIONS.

The captions in this Agreement are for convenience only and shall not be deemed to be relevant in resolving any question of interpretation or construction of any section or paragraph of this Agreement. All references to section numbers refer to sections in this Agreement.

The words County and PCOE used herein shall include the plural as well as the singular. Words used in neuter general include the masculine and feminine and words in the masculine or feminine gender include the neuter.

The Parties agree that all provisions in this Agreement are to be construed as both covenants and conditions as though the words imparting such covenants and conditions were used in each separate Section or paragraph hereof.

9. COUNTERPARTS.

This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which when affixed together shall constitute but one and the same instrument.

10. SEVERABILITY.

The invalidity of any term or provision of this Agreement as determined by a court of competent jurisdiction shall in no way affect the validity of any other provision hereof. Each remaining term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

11. WAIVER.

The failure of any Party to insist upon strict performance of any of the terms, covenants, or conditions of this Agreement shall not be deemed a waiver of any right or remedy that said Party may have and shall not be deemed a waiver of said Party's right to require strict performance of all terms, covenants, and conditions thereafter, nor a waiver of any remedy for the subsequent breach of any of the terms, covenants or conditions.

12. FORCE MAJEURE.

If any Party hereto shall be delayed or prevented from the performance of any act required hereunder by reason of acts of God, strikes, lockouts, labor troubles, inability to procure materials, or other cause without fault and beyond the control of the Party obligated (financial inability excepted), performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay.

13. LEGAL JURISDICTION.

The Parties hereto expressly agree that this Agreement shall be governed by, interpreted under and construed and enforced in accordance with the laws of the State of California. Venue for any disputes shall be the Superior Court for the State of California, in Placer County. The Parties hereby waive any federal court removal rights and/or original jurisdiction rights that they may have.

14. AUTHORITY OF DIRECTOR.

The Director of the Department of Facilities Management, or designee, shall administer this Agreement on behalf of County. Unless otherwise provided herein or required by applicable law, the Director shall be vested with all rights, powers, and duties of County hereunder.

15. AUTHORITY OF EXECUTION.

Each person executing this Agreement on behalf of a Party represents and warrants that such person is duly and validly authorized to do so on behalf of the entity which it purports to bind and, if such Party is a partnership, corporation, or trustee, that such partnership, corporation or trustee has full rights and authority to enter into this Agreement and perform all of its obligations hereunder.

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EXHIBIT C
REVENUE AND TAXATION CODE

(As of June 1, 2022)

State of California

REVENUE AND TAXATION CODE

Section 107.6

CA Rev & Tax Code § 107.6 (2017)

(a) The state or any local public entity of government, when entering into a written contract with a private party whereby a possessory interest subject to property taxation may be created, shall include, or cause to be included, in that contract, a statement that the property interest may be subject to property taxation if created, and that the party in whom the possessory interest is vested may be subject to the payment of property taxes levied on the interest.

(b) Failure to comply with the requirements of this section shall not be construed to invalidate the contract. The private party may recover damages from the contracting state or local public entity, where the private party can show that without the notice, he or she had no actual knowledge of the existence of a possessory interest tax.

The private party is rebuttably presumed to have no actual knowledge of the existence of a possessory interest tax.

In order to show damages, the private party need not show that he or she would not have entered the contract but for the failure of notice.

(c) For purposes of this section:

(1) "Possessory interest" means any interest described in Section 107.

(2) "Local public entity" shall have the same meaning as that set forth in Section 900.4 of the Government Code and shall include school districts and community college districts.

(3) "State" means the state and any state agency as defined in Section 11000 of the Government Code and Section 89000 of the Education Code.

(4) "Damages" mean the amount of the possessory interest tax for the term of the contract.

(Amended by Stats. 1996, Ch. 1087, Sec. 14. Effective January 1, 1997.)

Note: This excerpt is provided for reference only and is subject to legislative amendments. It shall be PCOE's sole responsibility to review any updates to this code.