

MEDICAL OFFICE LEASE

LEASE SUMMARY PAGE

TENANT: The County of Monterey on behalf of Natividad Medical Center

LANDLORD: Drs. Steven and Catherine Petronijevic

1. **PREMISES:** 17615 Moro Road, Salinas, California 93907
2. **GROSS RENTABLE SQUARE FEET:** 5,381
3. **LEASE START DATE:** The date mutually agreed upon by the parties, but no later than _____.
4. **TERM:** 5 years
5. **BASE RENT DURING TERM:**
 - Base Rent Per Square Foot Years 1 Through 3: \$23.00
 - Monthly Base Rent Payment Years 1 Through 3: \$10,313.58
 - Base Rent Per Square Foot Years 4 Through 5: \$23.69
 - Monthly Base Rent Payment Years 4 Through 5: \$10,622.99
6. **NOTICES.** Notices addressed to Landlord shall be sent (in accordance with the terms of Article 19 of the Lease) to:

Steven and Catherine Petronijevic
6393 Tustin Rd
Salinas, California 93907
Attention: Dr. Catherine Petronijevic

Notices addressed to Tenant shall be sent (in accordance with the terms of Article 19 of the Lease) to:

Natividad Medical Center
1441 Constitution Blvd.
Salinas, California 93906
Attention: Daniel Leon

MEDICAL OFFICE BUILDING SPACE LEASE

THIS LEASE (“Lease”) is made by and between **Drs. Steven and Catherine Petronijevic** (“Landlord”) and the **County of Monterey** (“County”) on behalf of **Natividad Medical Center** (“Tenant”). Landlord and Tenant are sometimes referred to in this Lease as a “party” or, collectively, as the “parties.”

The parties hereby agree as follows:

1. AGREEMENT TO LEASE; OWNERSHIP AND COMPLIANCE.

- 1.1 Landlord and Tenant agree that Tenant will lease the “**Premises**” (defined on the Lease Summary Page and more particularly described on the floor plan attached to this Lease as **Exhibit A**) from Landlord, upon the terms and conditions in this Lease. The parties agree that the Premises contain the **Gross Rentable Square Feet** set forth on the Lease Summary Page.
- 1.2 Tenant shall also have the non-exclusive right to use at all times, in common with other tenants in the Building (as defined below), any and all of the following areas which may be appurtenant to the Premises: Common entrances, lobbies, corridors, hallways, elevators, stairways and access ways, loading and unloading areas, visitor parking areas, ramps, drives, platforms, public rest rooms, common walkways and sidewalks necessary for access to the Premises, and any other public or common areas located within or appurtenant to the Building.
- 1.3 Landlord represents and warrants to Tenant that Landlord is the sole legal and equitable owner of the building in which the Premises is located (the “**Building**”), that the Building and the present uses thereof are in compliance with all Applicable Law (as defined in Section 22.8, below), all applicable zoning, subdivision, land development, health, building, safety and environmental laws, statutes, ordinances, regulations, orders and other governmental requirements which in any way apply or relate thereto, and that all necessary consents, permits, licenses, approvals and certificates from governmental and regulatory authorities have been obtained in order to lawfully permit such use and occupancy. Landlord represents and warrants that it will take such actions necessary to ensure the foregoing statements remain true and accurate during the Term. Landlord shall indemnify, defend and hold Tenant harmless from and against any and all claims, actions, damages, liabilities and expenses (including reasonable fees of attorneys) arising out of or in connection with the inaccuracy of any of the foregoing representations and warranties. In case any such claim or action is brought against Tenant as a result of the inaccuracy of any of the foregoing representations, then upon notice from Tenant, and at Landlord’s sole cost and expense, Landlord shall defend such claim or action with counsel selected by Landlord and reasonably approved by Tenant. Landlord’s indemnification obligations shall survive the termination or expiration of this Lease.

2. **TERM.**

2.1 The term of this Lease shall commence on the "**Lease Start Date**" set forth on the Lease Summary Page and shall continue without interruption for an initial period of five (5) years (the "**Term**"). In the event that the Premises are not delivered within thirty (30) days from the Lease Start Date, Tenant may immediately terminate this Lease, at its sole option. Within thirty (30) days of the occurrence of Tenant's occupation of the Premises, if said date differs from the Lease Start Date, as specified in the Lease Summary Page, Landlord and Tenant shall execute a written amendment to this Section 2.1 confirming the actual Lease Start Date and the termination date of this Lease.

3. **TENANT RIGHT OF FIRST REFUSAL.**

3.1 Landlord grants to Tenant the right of first refusal and privilege ("**Purchase Right**") to purchase the Premises upon the terms and conditions contained in this Lease.

3.1.1 In the event Landlord receives at any time, or from time to time, a bona fide offer from a third party to purchase the Premises or the Building ("**Third Party Offer**"), and Landlord decides to sell either or a portion thereof under the terms of such Third Party Offer, Landlord agrees that it first shall give notice within fourteen (14) days of receipt of such Third Party Offer to Tenant. The notice shall be in writing and shall include a copy of the intent to purchase agreement executed by Landlord and the third party and any addenda thereto ("**Offer Notice**"). Landlord shall notify all third parties seeking to purchase the Premises or Building (or portions thereof) of Tenant's Purchase Right.

3.1.2 Tenant may exercise its Purchase Right at any time within sixty (60) days of the Offer Notice by sending written notice of exercise to Landlord ("**Exercise Notice**").

3.1.3 In the event Tenant exercises its Purchase Right as provided in this Lease, Landlord and Tenant shall enter into a purchase agreement (the "**Purchase Agreement**") within sixty (60) days, or within such longer period upon mutual agreement of the parties, of the Exercise Notice on substantially the same terms as disclosed in the Third Party Offer.

3.1.4 If Tenant fails to exercise its Purchase Right within said sixty (60) day period, Landlord shall be entitled to sell the Building, Premises, or portions thereof to the third party making the offer under the same terms and conditions and at the same price as initially set forth in the Third Party Offer as presented to Tenant. Tenant's rights under this Lease are continuing rights applicable to each and every contemplated sale of the Premises and/or the Building, or portions thereof, during the Term.

Tenant's failure to exercise its Purchase Right in any one instance shall not constitute a waiver or release of such rights as to future sales or offers to buy the Premises, Building, or portions thereof from time to time.

- 3.1.5 If Landlord fails to perform its obligations under this Section 3.1 and its subparts, Tenant shall be entitled to either sue for specific performance or sue for money damages and may have the option to terminate this Lease upon thirty (30) days written notice to Landlord. Upon execution by the parties of the purchase agreement, respective rights and remedies shall be as provided in the purchase agreement.
- 3.1.6 The Purchase Right expressed herein and exercise of such by Tenant is contingent upon Tenant not being in breach or default of any material term of this Lease.

4. RENT.

- 4.1. Tenant shall pay Landlord the "**Base Rent**" set forth on the Lease Summary Page. The Base Rent and Additional Rent, if any (as defined in Section 4.2), shall be payable in monthly installments in advance on the first day of each month without notice, demand, counterclaim, abatement, deduction or set off, with the first installment due on the Lease Start Date. If Tenant occupies the Premises for a fraction of a month at the beginning or the end of the Term, Tenant shall pay a proportionate part of the applicable monthly installment of the Base Rent.
- 4.2 Landlord and Tenant agree that the monthly Base Rent for the Term shall be no more than ninety-five percent (95%) of the then current market "Modified Gross Lease" rents for medical office space in the Salinas, California area. As it pertains to this Lease, "Modified Gross Lease" shall mean that responsibilities for repairs and maintenance are set forth in Exhibit D – Summary of Repairs and Maintenance Responsibilities. Tenant will be responsible to pay for property taxes and assessments and insurance.
- 4.3 Any amounts payable by Tenant to Landlord under any provisions of this Lease other than the Base Rent shall be payable as "**Additional Rent**", and is set forth in **Exhibit B**, attached hereto and incorporated herein. Rent and Additional Rent shall hereinafter be collectively referred to as "**Rent**." Rent shall be payable to Landlord at the address specified in the Lease Summary Page or at such other address as Landlord may from time to time designate in writing.
- 4.4 Landlord and Tenant acknowledge and agree that the Base Rent and the annual Base Rent per square foot set forth on the Lease Summary Page were arrived at and through good faith and arms-length negotiations, and are consistent with the fair market rental value of the Premises for general commercial purposes, not taking into account Tenant's intended use of the Premises or reflecting any additional value that either party attributes to the proximity or convenience of referral sources. The parties also expressly acknowledge and agree that neither

party or its affiliates is obligated or expected to refer patients to the other party or its affiliates hereunder, that no portion or purpose of the Rent (or any other arrangements between the parties or their affiliates) is intended to induce or reward such referrals, and that the arrangements described herein are commercially reasonable even if no referrals are made between the parties and/or their respective affiliates.

5. TERMINATION OF LEASE.

- 5.1 Termination by Tenant. Notwithstanding any other provision of this Lease, Tenant, at its sole option, may terminate this Lease upon sixty (60) days written notice to Landlord, solely on the condition that funds have not been budgeted for leasing of the property described herein. Such termination shall be without penalty to Tenant. Such right of termination shall not be construed so as to permit Tenant to terminate this Lease in order to lease other premises for a similar purpose within the City of Salinas. Tenant represents that its intent is not to exercise its rights under this Section 5.1 unless financial conditions prevent the Monterey County Board of Supervisors from budgeting funds for this Lease.
- 5.2 Effect of Termination. At the termination of this Lease, Tenant shall surrender the Premises to Landlord in good condition and repair (ordinary wear and tear excepted) in broom-clean condition free and clear of all liens and encumbrances, other than those, if any, existing as of the Lease Start Date or consented to or created by Landlord. Tenant shall have the right prior to such expiration or termination to remove any equipment, furniture, trade fixtures, signage or other personal property placed in or about the Premises or Building by Tenant, provided that Tenant promptly repairs any damage to the Premises caused by such removal. Should Tenant fail to remove same and/or restore the Premises, Landlord may do so, and Tenant shall pay the cost and expense thereof to Landlord upon demand.
- 5.3 If Tenant fails to vacate the Premises upon the termination of this Lease, Tenant shall be a month-to-month tenant upon the same terms of this Lease and shall be subject to all applicable laws of the State of California.

6. USE OF PREMISES.

- 6.1 Use. Tenant shall use and occupy the Premises as a medical office or for any other purpose reasonably related to the business operation of Tenant and such use and occupancy shall be in compliance with the terms and conditions of this Lease. Tenant shall not use or permit the use of the Premises or any part thereof in any way that would violate any certificate of occupancy for the Premises. Tenant shall use and occupy the Premises in accordance with Applicable Law and shall obtain all permits, licenses or authorizations of any nature required in connection therewith. Tenant and its employees, agents, contractors, and invitees shall have full access and use to the Building's parking lot.

- 6.2 Hazardous Substances. Tenant shall have no liability or responsibility for toxic or hazardous materials or substances in existence on the Premises or which result from Landlord's acts or omissions or which occur on any portion of Landlord's property not occupied by Tenant, in each case unless, and only to the extent, caused by Tenant. Landlord will comply with all applicable laws concerning the handling and removal of any hazardous materials, including asbestos or polychlorinated biphenyl ("**PCB**") containing materials. Landlord warrants, to the best of Landlord's actual knowledge, that at the time of execution of this Lease, there are no known areas on Landlord's property where hazardous or toxic materials or substances (including asbestos or PCBs) have been used, stored, or deposited. Nothing in this Lease shall be taken as Tenant's assumption of any duty or liability not otherwise imposed by law.
- 6.3 Environmental Hazards. Landlord hereby warrants and guarantees that the Premises and Common Areas will be maintained free of all Environmental Hazards (including hazards related to asbestos, leads, toxic mold spores or PCBs) and agrees to survey, test, and abate such hazards as applicable and in accordance with Environmental Protection Agency ("**EPA**") guidelines. A qualified industrial hygienist approved by Landlord and Tenant shall perform all testing and development of an abatement work plan as deemed necessary, with the test results/reports/plans forwarded to Tenant and Landlord upon completion. Landlord further agrees to contract with a qualified remediation contractor to provide remediation services as specified by Tenant in **Exhibit C - Remediation Contractor Specifications** on an as needed basis. Landlord specifically agrees that any costs related to abatement of Environmental Hazards shall be Landlord's responsibility unless, and only to the extent, caused by Tenant, its agents, employees, invitees or guests.
- 6.3.1 Tenant shall immediately notify Landlord of any suspected appearance of toxic mold spores and of any conditions (such as excessive moisture) that may lead to the appearance of toxic mold spores, and Landlord agrees to investigate same.
- 6.3.2 Tenant may request that Landlord hire a qualified industrial hygienist, approved by Landlord and Tenant, to perform indoor air quality testing/surveying for the Premises and the Common Areas of the building as described in Section 7.2 with the understanding that if test results reveal that unacceptable levels (as determined by EPA guidelines) of Environmental Hazards are not present, Tenant will reimburse Landlord the cost of the testing within thirty (30) day of receipt of the County Auditor-Controller's receipt of a County approved invoice from Landlord. By providing for and requesting air quality testing, Landlord's duties and obligations are not diminished and Tenant does not assume or agree to share in Tenant's duties and obligations in respect of maintenance of the Premises.

7. **BUILDING SERVICES, TAXES, EQUIPMENT AND FURNISHINGS.**

- 7.1 Maintenance of the Premises. The respective repair and maintenance responsibilities of Landlord and Tenant are set forth in **Exhibit D - Summary of Repair and Maintenance Responsibilities**, attached and incorporated by this reference. As stated in **Exhibit D**, the term “deemed necessary” shall mean that Landlord and Tenant agree that appropriate action needs to be taken to ensure the health, safety and general well-being of the occupants and or invitees of the Premises. Nothing contained herein shall prevent Tenant from carrying out improvements or making repairs and maintenance on its own behalf and such repairs and maintenance for its own benefit and such shall not be deemed completed on behalf of Tenant. Notwithstanding the foregoing, Tenant shall not be responsible for maintaining or repairing structural integrity or damages within the Premises.
- 7.1.1 Notwithstanding the foregoing, Tenant will pay to Landlord the reasonable cost of any repairs or maintenance to the extent required as a direct result of the negligence or willful misconduct of Tenant or its agents or invitees.
- 7.1.2 If Landlord fails to maintain the Premises or to make the repairs required in this Section 7.1.2 within the time periods as specified in Section 15, Tenant may perform such maintenance or make such repairs at its expense and deduct the reasonable cost thereof from the rent due hereunder. When necessary or upon Tenant’s notice, Landlord agrees to perform all emergency repairs involving the Premises and the Common Areas with the utmost urgency. An emergency repair is a repair that is necessary in order to protect health and safety of persons or public property or to save the Building’s integrity.
- 7.2 Maintenance of the Building and the Common Area. Landlord shall, at its sole cost and expense, except as further provided in this Section and Section 7.1, maintain, repair, replace, and upkeep the Common Area and the structural aspects of the Building and the Premises. All upkeep, maintenance, replacement, and repair shall be completed expeditiously in a good workmanlike manner and in compliance with Applicable Law. The “Common Area” shall mean all areas of the Building that are designed for the general use of Tenant, other tenants, and invitees, including, without limitation, pedestrian walkways, utility rooms, janitorial closets, sidewalks, service corridors, restrooms, stairways, decorative walls, plazas, throughways, loading areas, parking areas and the like. The Common Area shall also include all heating, ventilation and air conditioning systems, security/fire protection systems, sprinkler systems, and elevators. Landlord shall be solely responsible for the replacement of all plate glass or other glass in the Building and the Premises. Landlord shall be solely responsible for any damage to the Premises or Tenant’s personal property resulting from Landlord’s failure to perform any of the foregoing. Landlord’s failure to perform maintenance under this Section 7.2 shall be deemed constructive eviction in which case Tenant shall have the option to either, subject to applicable notice and cure periods set forth in this Lease, terminate this Lease in which case

neither party shall have any continuing liability or obligation to the other, or repair and/or restore such services, the reasonable cost of which Tenant may deduct from the next due payment of Rent.

7.2.1 Landlord agrees to perform all emergency repairs involving the Premises and the Common Areas with the utmost urgency. An emergency repair is a repair that is necessary in order to protect the health and safety of persons or public property or to save the Building's integrity. Tenant agrees to make a diligent effort to contact Landlord before it uses responsible judgment to contact an appropriate vendor to perform emergency repair to protect health and safety of persons or public property or to save the Building's integrity.

7.4 Landscaping. Tenant shall pay invoices related to routine landscaping to areas immediately outside the Premises as set forth in Exhibit E.

7.4 At all times hereunder, Tenant shall:

7.4.1 Use all electric, plumbing, heating, cooling and other facilities in the Premises in a safe and reasonable way;

7.4.2 Permit no load to be placed upon the floors of the Premises in excess of such floor's weight-bearing capacity;

7.4.3 Do nothing to destroy, deface, damage or remove any part of the Premises or the Building;

7.4.4 Keep no flammable or hazardous substances or object in or about the Premises except in accordance with Applicable Law; and

7.4.5 Do nothing to impair the peace and quiet of other tenants and occupants of the Building, or persons in the neighborhood.

7.5 Services and utilities for the Premises shall be furnished and the cost borne as outlined in **Exhibit E - Summary of Services and Utilities** attached and incorporated by this reference. If Landlord does not furnish, in a satisfactory manner, any of the services and utilities to the Premises for which Landlord is responsible or to the Common Areas, Tenant may furnish the same if Landlord has not undertaken to correct such failure within fifteen (15) days after written notice, and, in addition to any other remedy Tenant may have, Tenant may invoice Landlord for such costs, including Tenant's service costs, from rent or other remuneration due Landlord hereunder. As stated in **Exhibit E**, the term "adequate" shall mean sufficient enough to ensure the health, safety and general well-being of the occupants or invitees of the Premises; the term "deemed necessary" shall mean that Landlord and Tenant agree that appropriate action needs to be taken to ensure the health, safety and general well-being of the occupants and or invitees of the Premises. Notwithstanding the foregoing,

Landlord in no event shall be responsible for utility interruption not within its control, including, without limitation, interrupted service due to actions taken by applicable utilities per fire risk public safety power shutoff programs.

8. PUBLIC WORKS LAWS.

Pursuant to California Labor Code Section 1720.2, any construction work done under private contract to improve the space to be leased by Tenant for government services may be considered a “public work” when all of the following conditions exist: a) The construction contract is between private persons; (b) The property subject to the construction contract is privately owned, but upon completion of the construction work, more than 50 percent of the assignable square feet of the property is leased to the state or a political subdivision for its use; and (c) Either of the following conditions exist: (1) The lease agreement between the lessor and the state or political subdivision, as lessee, was entered into prior to the construction contract; or (2) The construction work is performed according to plans, specifications, or criteria furnished by the state or political subdivision, and the lease agreement between the lessor and the state or political subdivision, as lessee, is entered into during, or upon completion of, the construction work.

If applicable, Landlord shall comply with provisions of law governing public works including, without limitation, California Labor Code Sections 1773, 1773.2, 1773.3, 1773.8, 1775 (payment of prevailing wages), 1776 (payroll records), and 1777.5 (employment of apprentices) as may be amended from time to time.

9. LANDLORD OBLIGATIONS IN APPLYING NOXIOUS SUBSTANCES.

9.1 Landlord, its officers, employees, and agents shall not apply or install any substance as part of any building construction, remodel, renovation, maintenance or repair which would cause an injurious, unsafe or hazardous condition to occupied spaces without prior notification to Tenant. Prior notification and approval shall be made at least forty-eight (48) hours prior to the desired application or installation time to the Tenant. A Product Safety Data Sheet shall be furnished by the proposed applicator or installer to Tenant. Examples of such substances or materials may include, but are not limited to, the following:

9.1.1 Termite Control Materials;

9.1.2 Pesticides;

9.1.3 Paint (excluding routine minor touch up in the common areas);

9.1.4 Water Treatment Chemicals;

9.1.5 Carpeting, Pressed Wood Products, Insulation, Plastics and Glues;

- 9.1.6 Texture and Joint Compounds;
 - 9.1.7 Roofing Material;
 - 9.1.8 Construction Cleaning Solutions; and
 - 9.1.9 Any other substance that is or could be construed as hazardous (excluding common janitorial cleaning supplies)
- 9.2 In the event of any building construction, remodel, renovation, maintenance or repair to the Premises or other areas to the building which the Premises is a part of, Landlord, to the best of Landlord's ability, shall exercise precautionary and protective measures to ensure the health, safety and general wellbeing of the occupants and or invitees of the Premises. Examples of precautionary and protective measures may include, but are not limited to:
- 9.2.1 Isolating or disconnecting heating ventilation and air-conditioning ("HVAC") systems;
 - 9.2.2 Performing work on the weekends and/or outside normal business hours;
 - 9.2.3 Installing appropriate plastic containment systems for egress and egress to and from the building construction, remodel, renovation, maintenance or repair area;
 - 9.2.4 Using a HEPA vacuum to clean up dust and debris from the Premises after work is done;
 - 9.2.5 Compliance with the U.S. Department of Labor, Occupational Safety and Health Administration ("OSHA") and State of California, Department of Industrial Relations, Division of Occupational Safety and Health ("Cal/OSHA") regulations, as may be amended from time to time.
- 9.3 No activities shall be taken (or failed to be taken) by Landlord that would violate any OSHA or Cal/OSHA standards as may be amended from time to time.

10. STATEMENT OF SEISMIC ADEQUACY.

10.1 Prior to the Lease Start Date, Landlord shall provide either 1); If the Premises are contained in a building constructed on or before December 31, 1972, or one of which has undergone major structural renovation since January 1, 1973, the Landlord shall obtain a Statement of Seismic Adequacy from its licensed structural engineer and it shall be attached to this Lease as **Exhibit F - Statement of Seismic Adequacy**, which is attached and incorporated herein by this reference. Or; 2) If the Premises are contained in a building constructed on or after January 1, 1973, Landlord shall provide Tenant with

official documentation evidencing the Construction Date from the respective Municipality's, or Political Subdivision's Building Department with jurisdiction over the Premises at the time of construction. If the Premises are contained in a building constructed on or after January 1, 1973, official documentation from said Municipality or Political Subdivision of the State of California shall be attached as **Exhibit F-1 - Evidence of Construction**, and incorporated by this reference. The Parties understand and agree that the Statement of Seismic Adequacy, or Evidence of Construction is a condition precedent to the occupancy of the Premises and that failure to obtain said Statement of Seismic Adequacy by a licensed structural engineer, or a functional equivalent by a licensed design professional acceptable to the County, or Evidence of Construction, prior to occupancy shall render this Lease null and void.

11. INSURANCE; WAIVER OF SUBROGATION; INDEMNIFICATION.

- 11.1 Landlord shall insure the Building and Premises in accordance with Applicable Law and with reasonable policies and limits comparable to the coverage and amounts of insurance that are carried by reasonably prudent landlords of comparable buildings in Salinas, California, including policies to insure against fire and natural disaster damage or destruction with full replacement cost coverage (including foundations and footings) for the Building, and with commercial general liability insurance with commercial reasonable limits for similar situated buildings in the area. Notwithstanding the foregoing, however, Landlord shall not be required to carry insurance of any kind on Tenant's personal property. Tenant shall be responsible for procuring and maintaining in full force and effect at all times hereunder insurance on its personal property.
- 11.2 Tenant shall maintain public liability and property damage coverage or program of self-insurance with liability limits of not less than \$1,000,000/\$2,000,000 aggregate for injury or death to one or more persons insuring against all liability of Tenant and its authorized representatives arising out of and in connection with Tenant's use or occupancy of the Premises. Tenant hereby agrees to provide Landlord with certificates of insurance evidencing all insurance, including Liability Insurance, Tenant is obligated to maintain hereunder.
- 11.3 Landlord, during the Term hereof, shall indemnify, defend and hold harmless Tenant from and against any and all claims and demands whether for injuries to persons or loss of life, or damage to property, to the extent arising out of acts or omissions of Landlord, excepting however, such claims and demands whether for injuries to persons or loss of life, or damage to property, to the extent caused by acts or omissions of Tenant.

12. ASSIGNMENT AND SUBLETTING.

Tenant may not assign this Lease, sublet, or grant any license, concession or other right of occupancy of the Premises (or any part thereof), without the prior written consent of Landlord, which consent shall not be unreasonably withheld, delayed, or denied, provided that such assignment or subletting shall not relieve

Tenant from its primary liability under this Lease. Any such assignment, mortgage or subletting without such consent shall be null and void. Notwithstanding the foregoing, Tenant shall have the right, without the consent of Landlord, to assign this Lease, sublet, or grant any license, concession or other right of occupancy to any portion of the Premises, to any entity that is "affiliated" with Tenant. For purposes of this Lease, an affiliated entity shall mean any entity that directly or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, another entity or has an ownership interest in, or is owned by or under common ownership with, another entity.

13. DAMAGE OR DESTRUCTION.

- 13.1 If the Premises or any other part of the Building is damaged by fire or other casualty (collectively "**Casualty**"), the damage shall be repaired and restored by and at the sole expense of Landlord within ninety (90) days of the date of the Casualty to the same or substantially similar condition as immediately prior to the Casualty. Until such repairs are made, the Rent shall be abated in proportion to that part of the Premises that Tenant reasonably determines is rendered unusable by Tenant due to the Casualty. Landlord shall not be liable for delays in the making of any such repairs which are due to government regulation, casualties and strikes, unavailability of labor and materials, awaiting the adjustment of insurance proceeds, and other causes beyond the reasonable control of Landlord (e.g. including, but not limited to, fire, storm, explosion, strike, lockout, labor dispute, casualty or accident, acts of God, riot, war, terrorism, interference by civil or military authorities), nor shall Landlord be liable for any inconvenience or annoyance to Tenant or injury to the business of Tenant resulting from such delays in repairing such damage.
- 13.2 If Landlord does not complete said repairs within ninety (90) days, then Tenant may, by written notice to Landlord terminate this Lease as of the date of the Casualty and Tenant will owe no further obligations to Landlord.
- 13.3 If the Casualty results in damage so extensive that Landlord cannot, in its reasonable determination, repair and restore the Premises to the same or substantially similar condition as before the Casualty within such ninety (90) day period, Landlord or Tenant shall have the right to terminate this Lease upon fifteen (15) days prior written notification to the other party effective as of the date of the Casualty and any payments of Rent made by Tenant that were paid on account of any period subsequent to such date shall be promptly returned to Tenant. Upon the effective date of the termination notice, Landlord and Tenant shall have no further obligations to the other under this Lease, except obligations accruing prior to the date of termination.

14. EMINENT DOMAIN.

If the whole of the Premises or so much thereof as to render the balance unusable by Tenant, in Tenant's sole discretion, shall be taken under power of eminent domain, condemnation or by deed in lieu of foreclosure or otherwise, this Lease shall automatically terminate as of the date of such condemnation, together with any and all rights of Tenant existing or hereafter arising in or to the same or any part thereof, provided, however, that nothing contained herein shall be deemed to give Landlord any interest in or to require Tenant to assign to Landlord any award made to Tenant for: (1) the taking of personal property and trade fixtures belonging to Tenant; and (2) cost of relocation expenses incurred by Tenant. In the event of a partial taking that does not result in a termination of this Lease, the Rent shall be equitably apportioned according to the part of the Premises remaining usable by Tenant.

15. DEFAULTS.

15.1 The occurrence of any of the following shall constitute an event of default and a breach of this Lease (an "**Event of Default**"):

15.1.1. A failure by Tenant to pay the Rent or to make any other payment required to be made by Tenant hereunder within thirty (30) days after written notice from Landlord to Tenant of such default.

15.1.2 A failure by Tenant or Landlord to observe and perform any other provision of this Lease, subject to its right to cure as set forth below.

15.2 It shall not be an Event of Default by Tenant unless and until Tenant has failed to perform such obligation within thirty (30) days after receipt of written notice by Landlord to Tenant specifying such default; provided that, if such default cannot be cured within the thirty (30) day period but Tenant commences such cure within such thirty (30) day period and diligently pursues such cure thereafter, the thirty (30) day period shall be extended for such period of time as may be reasonably necessary to complete such cure.

15.3 It shall not be an Event of Default by Landlord unless and until Landlord has failed to perform such obligation within thirty (30) days after receipt of written notice by Tenant to Landlord specifying such default; provided that, if such default cannot be cured within the thirty (30) day period but Landlord commences such cure within such thirty (30) day period and diligently pursues such cure thereafter, the thirty (30) day period shall be extended for such period of time as may be reasonably necessary to complete such cure.

16. REMEDIES.

16.1 Upon the occurrence of any Event of Default by Tenant, Landlord shall have the right to seek all remedies available at law or in equity, all of which shall be deemed cumulative and not exclusive of one another; provided however,

Landlord may re-enter the Premises by legal proceeding only. Landlord shall be responsible for all claims for damages by reason of such re-entry as well as any and all claims for damages by reason of any distress warrants or other proceedings that Landlord may employ to recover said rents. Tenant shall be responsible for reasonable costs Landlord incurs in re-letting the Premises, including brokers' commissions, expenses of repairing the Premises and other reasonable costs incurred by Landlord in connection with such re-letting. Landlord shall take all commercially reasonable steps to mitigate any and all damages and costs.

- 16.2 Upon the occurrence of any Event of Default by Landlord, Tenant shall have the option to cure the default or to terminate this Lease, in addition to any other remedies at law not inconsistent herewith. Should Tenant elect to cure the default, all reasonable costs associated with such cure, including reasonable attorneys' fees incurred and awarded as a result of any legal action or proceeding brought to enforce or interpret this Lease (if any), shall be reimbursed by Landlord to Tenant within thirty (30) days of receipt of Tenant's invoice for said costs which shall be accompanied by invoice and receipts to document Tenant's cost to cure said default, and by any Court Order awarding reasonable attorney's fees incurred to cure said default. However, upon Landlord's failure to so reimburse Tenant within thirty (30) days of receipt of Tenant's invoice for said costs, at Tenant's option, said costs shall be deducted from rent due hereunder. If Landlord's default hereunder prevents Tenant use of the Premises, there shall be an abatement of rental payments for the period of such non-use.

17. RULES AND REGULATIONS.

Tenant shall observe and comply substantially with any rules and regulations of the Building that are provided to Tenant in writing.

18. SUBORDINATION, ATTORNMENT AND NONDISTURBANCE; ESTOPPEL CERTIFICATE.

This Lease and all rights of Tenant hereunder are subject and subordinate to any deeds of trust, mortgages or other instruments of security which do now or may hereafter cover the Building and the Premises or any interest of Landlord therein, and to any and all advances made on the security thereof, and to any and all increases, renewals, modifications, consolidations, replacements and extensions of any of such deeds of trust, mortgages or instruments of security. This provision is hereby declared by Landlord and Tenant to be self-operative and no further instrument shall be required to effect such subordination of this Lease. Landlord shall, however, obtain in connection with any subordination a Subordination, Non-Disturbance and Attornment Agreement in a form reasonably acceptable to Tenant (an "SNDA"), executed by the appropriate party or parties, and Tenant shall execute acknowledge and deliver to Landlord the

SNDA and any and all other instruments and certificates that may be reasonably necessary to confirm or evidence such subordination.

19. NOTICES.

- 19.1 Any notice required or permitted to be given hereunder shall be given by (1) personal delivery and shall be deemed given on the date of delivery; (2) registered or certified mail and shall be deemed given the third day following the date of mailing; or (3) guaranteed overnight delivery and shall be deemed given the day following deposit with overnight delivery company.
- 19.2 All notices to Landlord shall be addressed to Landlord as set forth on the Lease Summary Page. All notices to Tenant shall be addressed to Tenant as set forth on the Lease Summary Page. By written notice to the other, either party may change its own mailing address or correspondence information.
- 19.3 Correspondence other than notices may be given by phone, regular mail, email or facsimile. Any correspondence sent by facsimile shall also be sent by United States mail if requested by either party.

20. LANDLORD'S ACCESS.

Landlord (and its agents, employees, contractors and representatives) shall have the right to enter the Premises upon not less than five (5) business days advance written notice to Tenant (or at any time without prior notice in the event of an emergency) for the purposes of inspecting or making repairs to the same and Tenant agrees to make access available to the Premises at reasonable times to any prospective or existing mortgagees, purchasers or tenants of all or any part of the Premises. Notwithstanding the foregoing, Tenant shall have the right to keep certain portions of the Premises locked for the purpose of protecting patient confidentiality or trade-secrets of Tenant. In effecting any entry into the Premises, Landlord (and its agents, employees, contractors and representatives) shall exercise all possible care to preserve and maintain the confidentiality of any records and information, consistent with state and federal privacy laws relating to private and medical information, and including protection of the privacy of clients and patients.

21. SIGNAGE AND FIXTURES.

- 21.1 Provided that Tenant complies with all Applicable Law and obtains any required permits, consents, and approvals (collectively, "**Approvals**"), Tenant shall have the right, at its sole cost and expense and without Landlord's consent, to (i) erect, affix or display such signs advertising its business as Tenant may reasonably consider necessary or desirable on the exterior or interior walls, doors, or windows of the Premises, and in locations on the Building and/or exterior monuments or pylons; and (ii) install directional signs in the parking areas of the Building that indicate

the location of the Premises. If Tenant installs any sign in violation of Applicable Law or without all required Approvals, Landlord may remove the same upon written notice to Tenant. Landlord agrees to cooperate with Tenant, at no cost to Landlord, in the filing of any required applications for Approvals for signage. Tenant shall be solely responsible for maintaining all signage and for restoring damage to the Premises, the Building and exterior monuments or pylons caused by the removal thereof.

21.2 Any trade fixtures, equipment, furniture, demountable walls, and other property installed in the Premises by and at the expense of Tenant shall remain the property of Tenant, and Landlord agrees that Tenant shall have the right at any time, and from time to time, to remove any and all of its trade fixtures, equipment and other property which it may have stored or installed in the Premises, provided the Premises are restored to acceptable condition. Landlord agrees not to mortgage or pledge Tenant's trade fixtures, equipment and other property.

22. CUSTODIAL SERVICE SPECIFICATIONS.

22.1 Custodial Service Specifications for the Premises shall be furnished and the cost borne as outlined in **Exhibit G - Custodial Service Specifications** attached and incorporated by this reference. If Landlord fails to furnish, in a satisfactory manner, any of the service specifications for the Premises for which Landlord is responsible or to the Common Areas, Tenant may furnish the same if Tenant has not undertaken to correct such failure within fifteen (15) days after written notice, and, in addition to any other remedy LESSEE may perform such services and invoice Landlord the costs thereof. The term "adequate" shall mean sufficient enough to ensure the health, safety and general well-being of the occupants or invitees of the Premises; the term "deemed necessary" shall mean that Landlord and Tenant agree that appropriate action needs to be taken to ensure the health, safety and general well-being of the occupants and or invitees of the Premises.

23. PROPOSITION 65 WARNING.

23.1 If applicable to the Premises which are the subject of this Lease, Landlord and Tenant agree to post the CALIFORNIA PROPOSITION 65 WARNING on the Premises in substantially the same form as follows set forth in **Exhibit H - California Proposition 65 Warning** attached and incorporated by this reference.

24. LANDLORD'S STATEMENT REGARDING DISABILITY ACCESS & CERTIFIED ACCESS SPECIALIST INSPECTION (CASP) REPORT.

Pursuant to California Civil Code Section 1938 (a), LESSOR represents that the Premises has has **not** undergone inspection by a Certified Access Specialist (CASp).

Pursuant to California Civil Code Section 1938 (b), if the Premises has undergone inspection by a CASp, and to the best of LESSOR'S knowledge, there have been no modifications or alterations completed or

commenced between the date of the inspection and the date of execution of this Lease which have impacted the subject Premises' compliance with construction related accessibility standards, LESSOR shall provide, prior to execution of the Lease Agreement, a copy of any report prepared by the CASp with an agreement from LESSEE that information in the report shall remain confidential, except as necessary for the LESSEE to complete repairs and corrections of violations of construction related accessibility standards that the LESSEE agrees to make.

Pursuant to California Civil Code Section 1938 (c), making any repairs or modifications necessary to correct violations of construction related accessibility standards that are noted in a CASp report is presumed to be the responsibility of the LESSOR, unless otherwise mutually agreed upon by LESSOR and LESSEE. The LESSOR and LESSEE specifically waive this presumption and agree as set forth below. LESSEE shall have the opportunity to review any CASp report prior to execution of the Lease. If the report is not provided to the LESSEE at least 48 hours prior to execution of the Lease Agreement, LESSEE, shall have the right to rescind the Lease, based upon the information contained in the report, for 72 hours after execution of the Lease Agreement.

Pursuant to California Civil Code Section 1938 (d), if the Premises have been issued an inspection report by a CASp, as described in paragraph (1) of subdivision (a) of Civil Code Section 55.53, indicating that it meets applicable standards, as defined in paragraph (4) of subdivision (a) of Civil Code Section 55.52, LESSOR shall provide a copy of the current disability access inspection certificate and any inspection report to LESSEE not already provided pursuant to Civil Code Section 1938 (b) within seven (7) days of the date of the execution of this Lease Agreement.

Pursuant to California Civil Code Section 1938 (e), if the Premises have not been issued a disability access inspection certificate, as described in subdivision (e) of Civil Code Section 55.53, the parties understand and agree that the following provision shall apply to this Lease Agreement:

A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the LESSEE, if requested by the LESSEE. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection shall be made by LESSEE. The cost of making any repairs necessary to correct violations of construction-related accessibility standards within the Premises shall be agreed by the LESSOR and LESSEE and if they cannot agree, the Lease may be terminated.

MISCELLANEOUS PROVISIONS.

- 22.1 **Amendment.** This Lease may be amended or modified only by an instrument in writing signed by Landlord and Tenant.
- 22.2 **Time is of the Essence.** Time is of the essence of each term and provision of this Lease.
- 22.3 **No Rights in Third Parties.** Nothing contained in this Lease will be construed as giving rise to any person or entity that is not a party to this Lease any right to enforce its provisions under any legal theory.

- 22.4 **Headings; Meaning of Including.** The captions and headings contained in this Lease are for convenience only and shall not be considered in the construction or interpretation of any provision hereof. Whenever the term “including” is used in this Lease it shall mean “including, but not limited to.”
- 22.5 **Incorporation of Prior Agreement; Amendments.** This Lease contains all of the agreements of the parties with respect to any matter covered or mentioned in this Lease, and no prior agreement or understanding pertaining to any such matter shall be effective for any purpose. This Lease may not be modified, amended, supplemented or waived except by written agreement of the parties.
- 22.6 **Invalidity.** The invalidity of any provision of this Lease as determined by a court of competent jurisdiction shall in no way affect the validity of any other provision hereof.
- 22.7 **Waiver.** No waiver by Landlord or Tenant of any provision of this Lease shall be deemed to be a waiver of any other provision hereof or of any subsequent breach by Landlord or Tenant, as the case may be, of the same or any other provision. Landlord’s consent to or approval of any act of Tenant which requires Landlord’s consent or approval shall not be deemed to render unnecessary the obtaining of Landlord’s consent to or approval of any subsequent act of Tenant, whether or not similar to the act so consented to or approved. The subsequent acceptance of Rent shall not be deemed a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease, other than the failure of Tenant to pay the particular Rent so accepted.
- 22.8 **Quiet Enjoyment.** Landlord agrees that Tenant shall lawfully and quietly hold and enjoy the Premises during the Term without interference. Landlord, to the best of Landlord’s ability, shall also be responsible for ensuring that all other tenants in the Building do not interfere with the quiet enjoyment of Tenant.
- 22.9 **Binding Effect.** This Lease shall be binding upon, and inure to the benefit of the parties and their respective successors, assigns, heirs, executors and administrators. However, nothing in this Section shall be deemed to amend the provisions of this Lease relating to assignment and subletting.
- 22.10 **Compliance with Laws.** It is the intention of the parties that the provisions of this Lease shall comply with all applicable federal, state and local statutes, regulations, rules and ordinances, including the federal Anti-kickback Law and the federal Physician Self-Referral Law (collectively, “**Applicable Law**”).
- 22.10.1 In the event that (1) changes in any Applicable Law or third-party reimbursement policies or the interpretation thereof cause any provision of this Lease to be in violation of any Applicable Law (or cause the method of operation or consideration to be adversely affected), or (2) any federal or state governmental agency or court determines that any provision of this Lease violates any Applicable Law, the parties agree to

renegotiate the applicable provision or provisions in order to comply with Applicable Law and to preserve the economic viability of this Lease.

22.10.2 A party shall provide notice of its request for renegotiation pursuant to the preceding Subsection to the other party at any time during the Term. If the parties fail to agree to appropriate revisions to this Lease within 30 days following such notice, then either party may terminate this Lease effective immediately upon the expiration of the 30 days.

22.10.3 Each party agrees to promptly notify the other of any regulatory or other investigation that may lead to a determination that any provision of this Lease violates any Applicable Law.

22.10.4 Landlord acknowledges that the Building (including the Premises) may constitute a place of public accommodation or a commercial facility under Title III of the Americans with Disabilities Act (the "ADA"), as may be amended from time to time, and that the ADA is applicable to both an owner and tenant of a place of public accommodation or commercial facility. Landlord represents that the Building is currently ADA compliant. Landlord acknowledges that, under the ADA, any structural alteration to the Building must comply with accessibility standards set forth in the rules promulgated by the Department of Justice, 28 C.F.R. 836.101 et seq. In the event Landlord makes any structural alteration to the Building that would require compliance with Title III of the ADA and the accessibility standards promulgated by the Department of Justice, Landlord agrees to design and build such structural alterations so as to comply with the ADA and the accessibility standards. Landlord hereby agrees to indemnify and hold County and Tenant harmless from and against any and all liabilities, claims, demands, damages, expenses, fees, fines, penalties, suits, proceedings, actions or causes of action of any and every kind of nature arising or growing out of or in any way connected with any structural alteration of the Building or Premises by Landlord. Landlord's indemnification obligation shall survive the termination or expiration of the Lease.

22.10.5 Landlord shall ensure that the Premises and the Common Areas are in compliance with Government Code Title 1, Division 7, Chapter 32, commencing with Section 7596 (the "No Smoking Law"), as may be amended from time to time, and, if necessary, prior to the Lease Start Date, shall modify the Premises to comply with the No Smoking Law and the regulations promulgated to implement the No Smoking Law.

22.11 **Access to Records.** Subject to the legality and applicability of Section 952 of the Omnibus Reconciliation Act of 1980 and implementing regulations, the parties agree to, until the expiration of four years after the furnishing of the services provided under this Lease, make available to the Secretary of the U.S. Department of Health and Human Services, the U.S. Comptroller General, and

their representatives, this Lease and all books, documents and records necessary to certify the nature and extent of the costs of the services rendered under this Lease. If the duties of this Lease are carried out through a subcontract worth **\$10,000** or more over a 12-month period with a related organization, the subcontract will also contain an access provision to permit access by the Secretary, Controller General and their representatives to the related organization's books and records. This provision applies regardless of whether the party is designated elsewhere in this Lease as a contractor, subcontractor, vendor, and seller, landlord, tenant or otherwise.

- 22.12 **Other Expenses.** Any and all expenses not reserved herein to Tenant shall be the sole and absolute responsibility of Landlord and Landlord shall have no right to demand payment thereof by Tenant.
- 22.13 **Estoppel Certificates.** Each party (the "**Requested Party**") shall from time to time, within fifteen (15) calendar days after prior written request by the other party (the "**Requesting Party**"), execute, acknowledge and deliver to the Requesting Party a statement in writing certifying such facts as the Requesting Party may reasonably require concerning the status of this Lease, including that this Lease is unmodified and in full force and effect (or that it is in full force and effect as modified and listing the instruments of modification), the dates to which Rent and other charges have been paid, whether or not the Requested Party is in breach of any of its obligations under this Lease or has any claims, demands, defenses, offsets or counter-claims under this Lease against the Requesting Party and/or against any of its obligations and covenants under this Lease, and such other items as shall be reasonably requested. Any such statement delivered pursuant to this Section 22.11 may be relied upon by any prospective purchaser or mortgagee of the Premises.
- 22.14 **Confidentiality of Protected Health Information.** Neither Landlord, nor its contractors, subcontractors, agents or representatives, shall access, use or disclose any of Tenant's confidential information maintained at the Premises, including any information that constitutes "protected health information" under the Health Insurance Portability and Accountability Act of 1996, as amended. Landlord shall defend, indemnify and hold Tenant, its owners, officers and agents, harmless from and against any claims, penalties, damages or costs of any nature whatsoever (including reasonable attorneys' fees) arising from or relating to any such access, breach or disclosure. This Section shall survive the termination or expiration of this Lease.
- 22.15 **Holding Over.** If Tenant remains in possession of the Premises after the Term, this Lease shall automatically be extended on a two month to two-month basis at the monthly rent applicable to the last month of the Lease Term or Extended Term, subject to termination upon sixty (60) days written notice by either party. All other terms and conditions of this Lease shall remain in full force and effect

- 22.16 **Construction of Lease.** Landlord and Tenant agree that each party has fully participated in the review and revision of this Lease and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Lease or any amendment to this lease.
- 22.17 **Governing Law.** This Lease shall be governed by and interpreted under the laws of the State of California.
- 22.18 **Counterparts.** This Lease may be executed in two (2) or more counterparts, each of which shall be demand an original, but all of which together shall constitute one (1) and the same Lease.

Signature Page to Follow

IN WITNESS WHEREOF, the parties have duly executed this Lease effective _____, 2022.

Landlord:
Drs. Steven and Catherine Petronijevic

Tenant:
The County of Monterey on Behalf of
NATIVIDAD MEDICAL CENTER

By: _____
Name: Steven Petronijevic, M.D.

By: _____
Name:
Title:

By: _____
Name: Catherine Petronijevic, M.D.

Approved as to form (County Counsel)

Stacy Saetta

By: _____

Print: _____

Title: _____

Exhibit A

FLOOR PLAN

[attached]

Exhibit B

ADDITIONAL RENT

Exhibit C

REMEDIATION CONTRACTOR SPECIFICATIONS

A. Scope of Services

Remediation Contractor to provide treatment, cleanup, damage restoration and any other necessary remediation of:

- Water and/or sewage damage
- Mold, asbestos, lead, and polychlorinated biphenyl (PCB) contamination
- Fire and smoke damage
- Hazardous materials within the license and certification capabilities of the Remediation Contractor
- Human bodily fluids, including but not limited to blood, vomit, urine, feces, and saliva
- Routine sanitation cleanup

B. Work Standards

All work must be done in accordance with the California Health and Safety Code, California Occupational Safety and Health Act (OSHA), and other applicable laws and regulations as may be amended from time to time. The Remediation Contractor must take all care to ensure that work proceeds under the highest standards of safety and prudence, and in compliance with all applicable laws.

Exhibit D

SUMMARY OF REPAIR AND MAINTENANCE RESPONSIBILITIES

The following is a summary of maintenance and repair responsibilities of Landlord and Tenant for the proposed use of the Premises:

	N/A	Landlord	Tenant
Common Areas	X		
Foundations and Floor Slabs		X	
Elevators and/or Dumb Waiters	X		
Exterior and Bearing Walls		X	
Exterior Doors and Hardware		X	
Exterior Windows and Window Frames		X	
Roofs (including replacement if deemed necessary)		X	
Gutters, Drains and Downspouts		X	
Parking Lots		X	
Ceilings (damage due to roof leaks only)		X	
Fire Sprinkler Systems		X	
Fire Alarm Systems		X	
Intrusion/Security Alarm Systems (excluding common areas)			X
Heating, Ventilation and Air Conditioning (HVAC) Systems (including replacement if deemed necessary)		X	
Heating, Ventilation and Air Conditioning (HVAC) control switches, sensors and thermostats		X	
Electrical Systems (including electrical outlets, panels, circuit breakers and wiring)		X	
Plumbing Systems (including sewer and drain stoppages, and fixtures)		X	
Exterior Lighting (including starters, ballasts, transformers and light switches)		X	
Interior Lighting (including starters, ballasts, transformers and light switches)			X
Interior Light Bulbs and Fluorescent Light Tubes (replacement)			X
Solar Photo Voltaic System		R	
Interior Wall Surfaces (including repainting every 5 years if Premises wall surfaces are accessible)			X
Interior Doors and Hardware			X
Interior Windows and Window Frames			X
Carpet, VCT, and Linoleum Flooring (including replacement if deemed necessary and with the understanding that LESSEE pays for moving office furniture and equipment).			X
Base and/or Moldings (including replacement if deemed necessary)			X
Appliances (excluding common area)			X

Communication Systems (data/telephone cabling, connections and equipment)			X
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***Notwithstanding the forgoing, Tenant will pay to Landlord the reasonable cost of any repairs or maintenance required as a result of negligent acts or omissions, or which is otherwise the fault, of Tenant, its agents, employees, contractors, guests, or invitees.**

****Tenant will also pay to Landlord the reasonable cost of any repair or maintenance required for Tenant-installed improvements to the Premises, such as phone/data cabling, support equipment, trade fixtures, special door locks, and any other equipment used to meet Tenant's operational needs that are considered above normal general office space improvements.**

Exhibit E

SUMMARY OF SERVICES AND UTILITIES

The following is a summary of services and utilities responsibilities of Landlord and Tenant for the proposed use of the Premises during the Lease Periods:

	N/A	Landlord	Tenant
Provide adequate paper supplies, dispensers, and waste and recycling containers for the Premises and restrooms within Premises (not in common area)			X
Provide adequate custodial service for the interior of the Premises per schedule attached as Exhibit G, "Custodial Services Specifications"			X
Provide adequate custodial service for exterior of the Premises and the non-exclusive areas of the building			X
Professionally clean carpets, rugs, tile and linoleum flooring as indicated in Exhibit G			X
Professionally clean existing drapes, blinds, and window shades as indicated in Exhibit F			X
Professionally clean interior windows as indicated in Exhibit G			X
Professionally clean exterior windows as indicated in Exhibit G			X
Provide adequate pest control for the interior of the Premises			X
Provide adequate pest control for exterior of Premises			X
Provide adequate landscape maintenance and gardening (including landscape irrigation system and associated water supply and service)			X
Provide adequate parking lot area sweeping			X
Provide adequate refuse, rubbish, garbage, and recyclable (paper, plastic, and aluminum, if available) disposal and pick up service			X
Provide adequate fire sprinkler systems testing			X
Provide adequate fire alarm systems monitoring			X
Provide adequate intrusion/security alarm systems monitoring			X
Provide adequate patrolled security guard service (to common area only, from 6 am to 9 pm M-F, and 7 am to 4 pm on Sat.) (Subject to change with mutual written consent)	X		
Provide adequate heating, ventilation & air conditioning (HVAC) systems filter replacements, unit inspections, unit lubrications and record keeping pursuant to the California Code of Regulations, Title 8, Section 5142		X	
Provide adequate servicing of uninterrupted power source	X		

(UPS)			
Provide adequate servicing of back up generator	X		
Provide adequate gas utility service		X	
Provide adequate electric utility service		X	
Provide adequate water utility service		X	
Provide adequate telephone, computer and data service (including connection charges)			X

Exhibit F

STATEMENT OF SEISMIC ADEQUACY

Construction/renovation of the Building containing the Premises occurred on _____ (date).
Construction/renovation plans have been determined to be in compliance with all building codes
applicable to seismic safety.

I declare under penalty of perjury of the laws of the State of California that the foregoing Statement
of Seismic Adequacy is true and correct.

Executed this ____ day of _____, 20 __ at _____, California, County of
Monterey.

LESSOR'S Licensed Structural Engineer:

By: _____

Name: _____

Title: _____

Date: _____

Exhibit F-1

EVIDENCE OF CONSTRUCTION

Exhibit G

CUSTODIAL SERVICE SPECIFICATIONS

None

Exhibit H

PROPOSITION 65 WARNING

CALIFORNIA PROPOSITION 65 WARNING. This warning is provided in compliance with the requirements of California's Proposition 65, due to exposure to formaldehyde and other chemicals known to the State to cause cancer and birth defects or other reproductive harm, from exposures to materials used in and around the construction site of [INSERT ADDRESS].

"WARNING: MATERIALS INCLUDED IN THE CONSTRUCTION OF THE PREMISES AND PROPERTY WILL EXPOSE YOU TO FORMALDEHYDE AND OTHER CHEMICALS KNOWN TO THE STATE OF CALIFORNIA TO CAUSE CANCER AND BIRTH DEFECTS OR OTHER REPRODUCTIVE HARM. FURTHER INFORMATION MAY BE OBTAINED FROM THE MANAGER/OWNER."

This warning is provided to inform tenants of the exposure to formaldehyde and other chemicals known to the State to cause cancer and birth defects or other reproductive harm. The exposures are caused by the materials of which the office buildings on this site are constructed. Environmental exposures to chemicals known to the State of California to cause cancer and birth defects or other reproductive harm will continue for as long as _____ engages in ongoing construction on and around the surrounding property.

Formaldehyde. The United States Environmental Protection Agency, the California Air Resources Board, and other agencies have measured the presence of formaldehyde in the indoor air of homes in California. Levels of formaldehyde that present a significant cancer risk have been measured in most homes and offices. Formaldehyde is present in the air because it is emitted by a variety of building materials and products purchased by the builder from materials suppliers. These materials and products include carpeting, pressed wood products, insulation, plastics, and glues.

Other Chemicals. The Premises and/or ongoing construction sites in this development have not been tested. Given the cost of testing, it is not feasible to test every rental property and nearby construction site to ascertain the level of formaldehyde or other carcinogens and reproductive toxicants present in the rental property or ongoing construction sites nearby. Most homes, offices and construction sites that have been tested elsewhere do contain formaldehyde as well as other carcinogens and reproductive toxicants, although their concentrations vary from property to property with no obvious explanations for the differences. One of the problems is that many of the suppliers of building materials and products do not provide information on chemical ingredients to their builders. In the absence of specific information on these leased premises, and in light of the materials used in and around their construction, we believe that a warning is necessary.

Please provide this warning to invitees and guests entering this leased property. You may have further questions about these issues. _____, has made no inquiries of our material suppliers concerning these matters. _____ is willing to provide, upon request, the names of known material suppliers, which may be contacted for further information.