

Attachment A

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COUNTY OF MONTEREY

STANDARD LEASE AGREEMENT



LEASED PREMISES: 344 Salinas Street, Suites 101, 102, 201, 202, 205, 206,
207, 208 and 209
Salinas, California 93901
(aka Three Salinas Square)

DEPARTMENT: Workforce Development Board

LESSOR: Parco Family Investments LP
820 Park Row, # 687
Salinas, California 93901

COUNTY OF MONTEREY STANDARD LEASE AGREEMENT

PREAMBLE

THIS LEASE AGREEMENT ("Lease") is made by and between **Parco Family Investments LP**, a California limited liability partnership ("LESSOR") and the **COUNTY OF MONTEREY**, a political subdivision of the State of California ("LESSEE"), (sometimes collectively referred to as "the parties") as of the last date opposite the respective signatures below, and effective as of the "Lease Commencement Date" as defined in **Article 2.1** "Lease Term" below.

Whereas, the parties understand and agree that the following Lease Exhibits are attached and incorporated by this reference:

EXHIBIT A1	DESCRIPTION OF PREMISES
EXHIBIT A2	PARKING PLAN
EXHIBIT B	EVIDENCE OF SEISMIC ADEQUACY
EXHIBIT C1	PREMISE IMPROVEMENT PLANS AND SPECIFICATIONS
EXHIBIT C-2	REMEDATION CONTRACTOR SPECIFICATIONS
EXHIBIT D	SUMMARY OF SERVICES AND UTILITIES
EXHIBIT E	SUMMARY OF REPAIR AND MAINTENANCE RESPONSIBILITIES
EXHIBIT F	SERVICE CONTACT LIST
EXHIBIT G	CUSTODIAL SERVICE SPECIFICATIONS
EXHIBIT H	CALIFORNIA PROPOSITION 65 WARNING

LESSOR and LESSEE hereby agree as follows:

ARTICLE 1 – PREMISES

1.1 Description: LESSOR hereby leases to LESSEE and LESSEE hereby leases from LESSOR, upon the terms and conditions herein set forth, that certain real property and its appurtenances, situated at **344 Salinas Street, Suites 101, 102, 201, 202, 205, 206, 207, 208 and 209, Salinas, California 93901** and described as follows: General offices consisting of approximately +/-11,497 usable square feet of space and +/-13,222 rentable square feet of space (the "Premises"), as designated in **EXHIBIT A1 – DESCRIPTION OF PREMISES - Floor Plan**, which is attached and incorporated herein. If the Premises constitutes only a portion of the building or complex, the Premises represents one hundred percent (100%) of the total rentable space.

1.2 Non-Exclusive Use Areas: The rentable square footage of the Premises set forth in **Article 1,1** above includes a proportionate share of the building common area and LESSEE shall have the non-exclusive right to use, in common with other tenants in the building, any and all of the following areas which may be appurtenant to the Premises; common entrances, lobbies, elevators, stairways and access ways, loading and unloading areas, visitor parking areas, ramps, drives, platforms, public rest rooms, and common walkways and sidewalks necessary for access to the Premises.

1.3 Parking Areas: LESSEE shall have the non-exclusive right to use, in common with other lessees or occupants of the building or complex, the parking lot and **driveway area generally depicted in EXHIBIT A2 – PARKING PLAN** which is incorporated by this reference. Parking within the parking lot is not assigned; however, Lessee shall be allotted twenty-seven (27) exclusive parking spaces within the parking lot identified in the drawing attached as **EXHIBIT A2 – PARKING PLAN** which shall be marked by LESSOR accordingly. LESSEE shall not at any time park any trucks or vehicles in areas not designated for truck or vehicle parking, respectively, park inoperative vehicles or equipment on any portion of the parking lot not specifically designated for such use, or permit its agents, employees, guests or invitees to do the same. If requested by LESSEE, LESSOR agrees to secure available parking spaces in the adjacent City of Salinas parking structure. LESSEE agrees to add the monthly per parking space cost

to the monthly rent paid to LESSOR described in **Article 3** below.

1.4 Compliance with the "Americans with Disabilities Act of 1990" (ADA): LESSOR represents and warrants, to the best of LESSOR's knowledge, LESSOR is delivering the Premises and non-exclusive areas of the building described in Article 1.2, as of the lease Commencement Date, free from violations of the Americans with Disabilities Act of 1990 ("ADA" or "Act"), as amended. After the Lease Commencement Date, any repairs, alterations or other improvements to the Premises and non-exclusive areas of the building required for compliance with the Act and the regulations promulgated to implement the ADA will be performed by LESSOR at its sole cost and expense.

LESSOR shall not be required to remove any architectural or communications barriers that are structural in nature in the Premises or in/on the Building if such removal is not readily achievable. As used herein, "readily achievable" means easily accomplishable and able to be carried out without much difficulty or expense as determined by and between the parties.

1.5 Compliance with "No Smoking Law" (2003 Assembly Bill 846): If requested by LESSEE, LESSOR shall ensure that the Premises and the non-exclusive areas of the building as described in **Article 1.2** are in compliance with Government Code Title 1, Division 7, Chapter 32 (commencing with section 7596), as amended, and, if necessary, prior to the Commencement Date, shall modify the same to comply with the law and the regulations promulgated to implement 2003 Assembly Bill 846.

1.6 Statement of Seismic Adequacy: Prior to the Commencement Date, LESSOR shall provide a statement of seismic adequacy for the Premises by a reputable structural engineer and it shall be attached to this Lease as **EXHIBIT B – STATEMENT OF SEISMIC ADEQUACY**, which is attached and incorporated herein by this reference.

ARTICLE 2 - TERM

2.1 Lease Term: The term of this Lease (the "Lease Term") shall be for **five (5) years**, commencing upon the date the Premises are delivered to LESSEE with the Premise Improvements complete as provided in **Article 7.1 subject to punch list items** ("Lease Commencement Date"), and **ending five (5) years thereafter**, unless terminated sooner or extended in accordance with the provisions of this Lease provided, if the Lease Commencement date is not the first (1st) day of the month, the expiration date shall be the last day of the month following said five-year period. LESSOR agrees to use commercially reasonable efforts to deliver possession of the Premises to LESSEE by May 1, 2020 ("Estimated Delivery Date").

2.1.1 Commencement Certificate: LESSOR and LESSEE shall execute a certificate memorializing the Lease Commencement Date within twenty (20) days after the Lease Commencement Date, which certificate shall constitute an addendum to this Lease.

2.1.2 Delay in Possession: If, despite LESSOR's reasonable efforts, LESSOR is unable to deliver possession by the Estimated Delivery Date, LESSOR shall not be subject to any liability for such delay and this Lease shall remain in effect; however, LESSEE shall not be obligated to pay rent or perform its other obligations until it receives possession of the Premises. If possession is not delivered within sixty (60) days after the Estimated Delivery Date, LESSEE may, at its option, by notice in writing within ten (10) days after the end of such 60-day period, cancel this Lease, in which event the parties shall be discharged from all obligations hereunder. If such written notice is not received by LESSOR within said 10-day period, LESSEE's right to cancel shall terminate.

2.2 Extended Term: **Provided LESSEE is not then in default of this Lease, upon** completion of the initial Lease Term, the LESSEE may renew the Lease for one (1) additional **two (2) year** term ("First Extended Term"), and upon the expiration of the First Extended Term, the LESSEE may renew the Lease for a second additional **two (2) year** term ("Second Extended Term"). LESSEE shall give LESSOR advance written notice of its intent to renew **ninety (90) days** prior to expiration of the initial Lease Term or First Extended Term.

ARTICLE 3 - RENT

In consideration of the continuing right of use, quiet enjoyment and possession of the Premises, LESSEE shall pay to LESSOR as monthly rent for the Premises the initial sum of **Twenty Two Thousand Three Hundred Forty-Five Dollars and 18/100 (\$22,345.18)** payable on or before the first day of each month. LESSEE shall commence rental payments upon the Lease Commencement Date ("Rent Commencement Date"). If the Rent Commencement Date is other than the first day of a calendar month, then the rent for that month shall be prorated on a daily basis, based on a thirty (30) day month. Rent shall be payable to LESSOR at the address specified in **Article 6** or at such other address as LESSOR may from time to time designate in writing. **Monthly rent shall include LESSEE'S proportional share of real estate taxes, assessments, insurance (liability and fire), common area maintenance and utilities, and Monterey Regional Water Pollution Control (MRWPCA) fee for the Premises.** *[Initial monthly rent is computed as follows: \$1.69 per rentable square foot as set forth above in Section 1.1 per month for the initial term of the Lease.]*

As an incentive for the LESSEE to lease the Premises, LESSOR agrees to waive the monthly rent for the first month of the initial Lease Term to offset telephone and data cabling, and moving costs paid by LESSEE. Such period of "no cost" rent, shall be referred to as a "Rent Concession." LESSEE shall be credited with having paid all of the Rent Concession on the expiration of the Lease Term only if LESSEE has fully, faithfully, and punctually performed all of LESSEE's obligations hereunder, including the payment of rent and additional rent (other than the Rent Concession) and all other monetary obligations, and the surrender of the Premises in the physical condition required by this Lease. LESSEE acknowledges that its right to receive credit for the Rent Concession is absolutely conditioned upon LESSEE's full, faithful and punctual performance of its obligations under this Lease. If LESSEE defaults and does not cure within any applicable grace period, the unamortized Rent Concession shall immediately become due and payable in full and this Lease shall be enforced as if there were no such Rent Concession.

ARTICLE 4 - ANNUAL RENT ADJUSTMENT

Commencing on the first (1st) day of the month following the twelfth (12th) full month of the initial Lease Term and each year thereafter, including any extension of the Lease Term, the monthly base rent shall be increased, but not decreased by **two percent (2%)**. Delay by the parties in computing or collecting the adjusted rent shall not relieve LESSEE of its obligation to pay such adjusted rent to LESSOR. LESSEE waives any applicable statute of limitation and defenses such as waiver of estoppel which could defeat LESSOR's right to collect the adjustments to the rent.

ARTICLE 5 - TERMINATION BY COUNTY

Notwithstanding any other provisions of this Lease, LESSEE, at its sole option, may terminate this Lease upon **sixty (60) days** written notice, solely on the condition that funds have not been budgeted for leasing of the property described herein. Such termination shall be without penalty to LESSEE. Such right of termination shall not be construed so as to permit LESSEE to terminate this Lease in order to lease other premises for a similar purpose within the **City of Salinas**. LESSEE represents that its intent is not to exercise its rights under this Article unless financial conditions prevent the Monterey County Board of Supervisors from budgeting funds for this Lease.

ARTICLE 6 - NOTICES

All notices or correspondence provided for herein shall be effective only when made in writing, personally delivered or deposited in the United States mail, certified, postage prepaid, and addressed as follows:

To LESSOR: Parco Family Investments LP
c/o Randall J. (Randy) Parola
820 Park Row, #687
Salinas, California 93901
Phone: 831-595-2654
Email: randyrodeo@aol.com

To LESSEE: County of Monterey
RMA-Administrative Services
c/o Real Property Specialist
1441 Schilling Place, South Bldg., 2nd Fl
Salinas, California 93901
Phone: 831-755-4859
Email: salcidog@co.monterey.ca.us

Rent payments shall be made to (need not be sent certified): **Parco Family Investments LP**, at the address listed above.

Any notice or correspondence shall be deemed delivered upon personal delivery or **five (5) days** after mailed. 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. By written notice to the other, either party may change its own mailing address or correspondence information.

LESSOR or LESSOR'S designated property management agent shall be available to LESSEE by phone during regular business hours, and for emergencies after hours and weekends. LESSOR or LESSOR'S designated property management agent shall maintain contact phone numbers of key personnel or maintenance/service companies in the event of an emergency. **Emergency phone number for LESSOR is 831-595-2654.**

LESSEE shall be available to LESSOR, by phone during regular business hours, and for emergencies after hours and on weekends. LESSEE shall subscribe to a 24-hour, seven (7) days a week emergency answering service that maintains contact phone numbers of key personnel or maintenance/service companies in the event of an emergency. **Emergency answering service phone number for LESSEE is 831-212-0378.**

If applicable, LESSOR'S designated property management agent shall be vested with such power and authority as is reasonably necessary or incidental to the performance of this Lease and the accomplishment of its purpose.

ARTICLE 7 - PREMISE IMPROVEMENTS

7.1 Premise Improvements: Upon execution of this Lease, LESSOR agrees to commence and diligently pursue completion of the installations and improvements to the Premises (collectively "Premise Improvements") in accordance with those provisions of the attached **EXHIBIT C- PREMISE IMPROVEMENT PLANS AND SPECIFICATIONS** incorporated by this reference which describe construction LESSOR agrees that the Premise Improvements shall be substantially completed, except punch list items, no later than the Estimated Delivery Date. LESSOR's time for performance shall be extended if delayed or prevented by reason of changes to the Premise Improvements requested by LESSEE, acts of God, war, riot, strikes, lockouts, labor shortage or troubles, inability to procure materials, restrictive governmental laws or regulations or other cause without fault and beyond the reasonable control of LESSOR.

7.2 Cost of Premise Improvements: LESSOR shall bear all cost of Premise Improvements constructed by LESSOR, or under LESSOR'S direction. Premise Improvement costs may include costs associated with architectural, engineering, building permits and fees, inspections and signage.

7.2.1 Changes to Premise Improvements: If LESSEE requests any changes to the Premise Improvements and LESSOR agrees in writing to make such changes, then any additional charges, expenses or costs attributable to such changes (including any delays impacting LESSEE's occupancy) shall be at the sole cost and expense of LESSEE unless such changes are necessary to correct errors, building code requirements or design defects in LESSOR's Work.

7.3 Premise Improvement Warranties: LESSOR warrants to LESSEE that all materials and equipment furnished by LESSOR in its improvement of the Premises shall be new unless otherwise specified in the Premise Improvement Agreement, and that all of LESSOR'S work to be performed under the Premise Improvement Agreement shall be of good and workmanlike quality, free from faults and defects, and in accordance with the final requirements of the Premise Improvement Agreement. Any of LESSOR'S work not conforming to the above standards shall be considered defective.

For one (1) year after the date of substantial completion of Premise Improvements, LESSOR shall, following written notice from LESSEE, unconditionally make any repair, replacement, correction or other alteration of any nature necessary by virtue of any defective construction of the Premises or defective materials used therein. Thereafter, LESSOR shall promptly make or cause to be made all repairs, replacements, corrections or alterations, at no expense to LESSEE, to correct latent defects in the Premises. If written notice is not received by LESSOR within said one (1) year period, LESSEE shall be deemed to have accepted the Premise Improvement in their current as-is condition.

ARTICLE 8 - NOTICE OF COMPLETION

LESSOR will be responsible to ensure that a properly prepared Notice of Completion is filed with the County Clerk-Recorder's Office on all construction and remodeling work performed as a result of this Lease Agreement. The Notice of Completion form will be filed within ten (10) working days after the construction is complete.

ARTICLE 9 - 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 the County of Monterey 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. (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. (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, LESSOR 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.

ARTICLE 10 - TIME LIMIT AND PRIOR TENANCY

It shall be LESSOR'S responsibility to remove any prior LESSEE in the Premises.

ARTICLE 11 - USE

11.1 ***Use:*** LESSEE shall use the Premises for general offices. LESSEE may alter said use to any lawful purpose, upon the written consent of LESSOR, which consent shall not be unreasonably withheld. LESSOR makes no representation, warranty or covenant with respect to the occupancy of the building by any other lessee, the business any other lessee will conduct within the building or that any lessee will continue to remain a lessee of the building.

11.2 ***Compliance with Laws:*** LESSOR represents and warrants to LESSEE that, to the best of LESSOR'S knowledge, the construction (including all LESSOR constructed Premise Improvements), the current and proposed uses, and the operation of the Premises and the non-exclusive areas of the building as described in **Article 1.2** are in full compliance with applicable building and seismic codes, environmental, zoning and land use laws, and other applicable local, state and federal laws, regulations and ordinances. LESSOR absolves LESSEE of legal or other responsibility for any code violations or other deviations from applicable local, state and federal laws, regulations and ordinances as may be listed above. Said absolution excludes LESSEE installed improvements to the Premises such as phone/data cabling, support equipment, trade fixtures, and any other equipment used to meet LESSEE'S operational needs.

11.3 ***Hazardous Substances:*** LESSEE shall have no liability or responsibility for toxic or hazardous materials or substances in existence on the demised premises prior to LESSEE'S occupancy of the demised premises or which result from LESSOR'S acts or omissions or which occur on any portion of LESSOR'S property not occupied by LESSEE, unless caused by LESSEE, its agents, employees, invitees or guests. LESSOR warrants, to the best of LESSOR'S actual knowledge, that at the time of execution of this Lease there are no known areas on LESSOR'S property where hazardous or toxic materials or substances (including asbestos or PCBs) have been used, stored, or deposited. LESSOR will comply with all applicable laws concerning the handling and removal of any hazardous materials, including asbestos or PCB containing material.

11.4 **Environmental Hazards – Remedial Contractor Specification:** LESSOR hereby warrants and guarantees that the Premises and the non-exclusive areas of the building as described in **Article 1.2** will be maintained free of all Environmental Hazards (including asbestos, leads, toxic mold spores or PCBs) and agrees to survey, test, and abate as applicable and in accordance with Environmental Protection Agency, “EPA” guidelines. A qualified industrial hygienist approved by LESSOR and LESSEE shall perform all testing and development of an abatement work plan as deemed necessary, with the test results/reports/plans forwarded to LESSOR and LESSEE upon completion. LESSOR further agrees to contract with a qualified remedial contractor to provide remedial services as specified in **EXHIBIT C-4 – REMEDIATION CONTRACTOR SPECIFICATIONS** on an as needed basis. LESSOR specifically agrees that any costs related to abatement of Environmental Hazards shall be the LESSOR’S responsibility unless caused by LESSEE, its agents, employees, invitees or guests.

LESSEE may request that LESSOR hire a qualified industrial hygienist, approved by LESSOR and LESSEE, to perform indoor air quality testing/surveying for the Premises and the non-exclusive areas of the building as described in **Article 1.2** with the understanding that if test results reveal that unacceptable levels (as determined by EPA guidelines) of Environmental Hazards are not present, LESSEE will reimburse LESSOR the cost of the testing within thirty (30) day of receipt of invoice from LESSOR. By providing for and requesting air quality testing, LESSOR’S duties and obligations are not diminished and LESSEE does not assume or agree to share in LESSOR’S duties and obligations in respect of maintenance of the Premises.

LESSEE shall immediately notify LESSOR of any suspected Environmental Hazards.

11.5 **Acceptance of Premises:** By entry hereunder, LESSEE accepts the Premises as being in good and sanitary order, condition and repair.

ARTICLE 12 - SIGNS AND FIXTURES

LESSEE may place such signs and advertisements upon the Premises (including exterior of building) as LESSEE may desire, subject to the approval by the LESSOR, which approval shall not be unreasonably withheld provided, however, that at the expiration of the term hereof or any renewal or extension of this Lease, LESSEE will remove said signs and will restore the Premises to their original conditions. Any trade fixtures, equipment, furniture, demountable walls, and other property installed in the Premises by and at the expense of the LESSEE shall remain the property of the LESSEE, and the LESSOR agrees that the LESSEE 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. The LESSOR agrees not to mortgage or pledge the LESSEE’S trade fixtures, equipment and other property. LESSEE signage (consistent with other lessees of the building) for the interior of the building, of which the Premises is a part of, shall be paid for by LESSOR. LESSEE signage (consistent with other lessees of the building) for the exterior of the building, of which the Premises is a part of, shall be paid for by LESSEE.

ARTICLE 13 - SERVICES AND UTILITIES

Services and utilities shall be furnished and the cost borne as outlined in **EXHIBIT D – SUMMARY OF SERVICES AND UTILITIES**, which is incorporated by this reference. In the event of failure by LESSOR to furnish, in a satisfactory manner, any of the services and utilities to the Premises and the non-exclusive areas of the building as described in **Article 1.2** for which LESSOR is responsible, LESSEE may furnish the same if LESSOR has not undertaken to correct such failure within five (5) days after written notice, and, in addition to any other remedy LESSEE may have, may deduct the amount thereof, including LESSEE’S service costs, from rent or other remuneration due LESSOR hereunder. As stated in **EXHIBIT D**, the term “adequate” shall mean sufficient enough to ensure the health, safety and general wellbeing of the occupants or invitees of the Premises; the term “deemed necessary” shall mean that LESSOR and LESSEE are in agreement that appropriate action needs to be taken to ensure the health, safety and general wellbeing of the occupants and or invitees of the Premises.

Normal office hours for the Building shall be **7:00 am to 7:00 pm, Monday through Friday (holidays excluded), and on Saturdays from 10:00am to 2:00 pm (holidays excluded)**. LESSOR acknowledges that LESSEE will need access to the Premises 24 hours a day, 7 days a week. An employee of the LESSEE may need to be in the Premises for MANDATED EMERGENCY RESPONSES at any time of the day or night. This is not a regular occurrence, nor is the employee necessarily inside the Premises for a very long time period. In the event that LESSEE should require additional heating ventilation and air conditioning (HVAC) services after-hours, other than as stated above, LESSEE shall pay LESSOR for the reasonable cost of such additional services needed within thirty (30) days of invoice by LESSOR. LESSOR and LESSEE agree that said reasonable cost shall not exceed fifty dollars (\$50.00) per hour for such additional services, with an HVAC activation and shutdown fee of fifty dollars (\$50.00).

ARTICLE 14 - REPAIR AND MAINTENANCE

14.1 LESSOR and LESSEE Obligations: The respective repair and maintenance responsibilities of LESSOR and LESSEE are set forth in **EXHIBIT E – SUMMARY OF REPAIR AND MAINTENANCE RESPONSIBILITIES**, which is incorporated by this reference. As stated in **EXHIBIT E**, the term “deemed necessary” shall mean that LESSOR and LESSEE are in agreement that appropriate action needs to be taken to ensure the health, safety and general wellbeing of the occupants and or invitees of the Premises.

14.2 Negligent Acts or Omissions of LESSEE: Notwithstanding the foregoing, LESSEE will pay to LESSOR the reasonable cost of any repairs or maintenance required as a result of negligent acts or omissions, or which is otherwise the fault, of LESSEE, its agents, employees, or invitees.

14.3 Failure of LESSOR to Make Repairs: If LESSOR fails to maintain the Premises and the non-exclusive areas of the building as described in **Article 1.2** or to make the repairs required in this article in a satisfactory manner within a reasonable time after written notification from LESSEE, LESSEE may perform such maintenance or make such repairs at its expense and deduct the reasonable cost thereof from the rent due hereunder.

LESSOR agrees to perform all emergency repairs involving the Premises and the non-exclusive areas of the building as described in **Article 1.2** 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. LESSEE agrees to make a diligent effort to contact LESSOR before it uses responsible judgment to contact the appropriate vendor identified in **EXHIBIT F – SERVICE CONTACT LIST** to perform emergency repair to protect health and safety of persons or public property or to save the building’s integrity.

14.4 LESSOR’s Obligations in Applying or Installing Noxious Substances: LESSOR, 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 of the LESSEE. Prior notification and approval shall be made at least 48 hours prior to the desired application or installation time to the LESSEE as identified under **Article 6**. Also, a Product Safety Data Sheet shall be furnished by the proposed applicator or installer to the LESSEE. Examples of such substances or materials may include, but are not limited to, the following:

- a. Termite Control Materials
- b. Pesticides
- c. Paint (excluding routine minor touch up in the common areas)
- d. Water Treatment Chemicals
- e. Carpeting, Pressed Wood Products, Insulation, Plastics and Glues
- f. Texture and Joint Compounds
- g. Roofing Material
- h. Construction Cleaning Solutions
- i. Any other substance that is or could be construed as hazardous (excluding common janitorial cleaning supplies).

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, LESSOR, to the best of LESSOR'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 may not be limited to:

- a. Isolating or disconnecting heating ventilation and air-conditioning (HVAC) systems.
- b. Performing work on the weekends and/or outside normal business hours.
- c. Installing appropriate plastic containment systems for egress and egress to and from the building construction, remodel, renovation, maintenance or repair area.
- d. Using a HEPA vacuum to clean up dust and debris from the Premises after work is done.

No activities shall be taken (or fail to be taken) that would violate any Federal or Cal OSHA standards.

ARTICLE 15 - SERVICE COMPANIES

Within ten (10) days after occupancy of the Premises by LESSEE, LESSOR shall give LESSEE a list (see **EXHIBIT F**) of the names, addresses and telephone numbers of any agencies or persons convenient to LESSEE as a local source of services with regard to LESSOR'S responsibilities under **EXHIBIT D** and **EXHIBIT E** of this Lease. If LESSOR fails to provide such list, LESSEE may choose service companies as needed and without penalty from LESSOR and shall have the right to offset the cost of such service as provided in **Article 14.3**.

ARTICLE 16 - ALTERATIONS, MECHANICS' LIENS

16.1 ***Alterations:*** Except for the Premise Improvements, no alterations or improvements shall be made to the Premises by LESSEE or at LESSEE'S request without the prior written consent of LESSOR, which consent shall not be unreasonably withheld.

16.2 ***Condition at Termination:*** LESSEE may remove any fixtures, machinery and equipment installed in the Premises by LESSEE upon the termination of this Lease, if LESSEE is not then in default under this Lease and if LESSEE repairs any damage to the Premises caused by such removal. Upon termination of this Lease, LESSEE shall return the Premises in the same condition as when delivered to LESSEE, reasonable wear and tear, and damage by casualty, and alterations approved by LESSOR excepted.

16.3 ***Mechanic's Liens:*** LESSOR and LESSEE shall keep the Premises free from any liens arising out of any work performed by, materials furnished to, or obligations incurred by the parties.

ARTICLE 17 - ASSIGNMENT AND SUBLETTING

LESSEE shall not assign or sublet all or any portion of the Premises without the prior written consent of LESSOR, which consent shall not be unreasonably withheld. Any assignment or sublet requiring LESSOR'S consent and made without LESSOR'S prior written consent shall be voidable at LESSOR'S election and shall constitute a default under this Lease. No request for assignment or sublet may be made by LESSEE if LESSEE is then in default under this Lease and LESSEE agrees that LESSOR may withhold consent on the grounds that LESSEE is in default under this Lease. Lessor and its successors in interest shall have the right to transfer or assign its interest in the building, including the Premises, and underlying property at any time and to any person or entity. After the date of such transfer, the term LESSOR as used herein shall mean the transferee of such interest in the property. LESSEE agrees to perform its obligations under this Lease as though this Lease was originally made by and between LESSEE and such assignee or transferee. The parties understand and agree that in the event that either party assigns any interest in or any portion of the premises, the provision of this Lease shall be assigned to the respective party's successor.

ARTICLE 18 - ENTRY BY LESSOR

LESSEE shall permit LESSOR and LESSOR'S agents to enter the Premises, with reasonable advance notice (except in the case of emergency), provided such entry is made in a reasonable manner and does not unreasonably interfere with the conduct of LESSEE'S business. Such entry shall also be done in accordance with **Article 30.7** of this Lease.

ARTICLE 19 - INSURANCE AND INDEMNIFICATION

LESSEE, during the term hereof, shall indemnify and hold harmless the LESSOR from and against any and all claims and demands whether for injuries to persons or loss of life, or damage to property, occurring within the demised Premises and arising out of the use of the demised Premises by the LESSEE, excepting however, such claims and demands whether for injuries to persons or loss of life, or damage to property, caused by acts or omissions of the LESSOR.

LESSEE shall maintain public liability and property damage coverage or program of self insurance with liability limits of not less than \$2,000,000 for injury or death to one or more persons and property damage limits of not less than \$1,000,000 per occurrence insuring against all liability of LESSEE and its authorized representatives arising out of and in connection with LESSEE'S use or occupancy of the Premises.

LESSOR, during the terms hereof, shall indemnify, defend and save harmless the LESSEE from and against any and all claims and demands whether for injuries to persons or loss of life, or damage to property, arising out of acts or omissions of the LESSOR, excepting however, such claims and demands whether for injuries to persons or loss of life, or damage to property, caused by acts or omissions of the LESSEE.

LESSOR agrees that it will keep insured against loss or damage by fire, to at least eighty percent (80%) of the full fair insurable value thereof, the building on the demised Premises or of which the demised premises are a part.

ARTICLE 20 - WAIVERS OF SUBROGATION

LESSOR and LESSEE each hereby waive any right of recovery against the other due to loss of or damage to the property of either LESSOR or LESSEE when such loss of or damage to property arises out of the acts of God or any other property perils whether or not such perils have been insured, self-insured or non-insured.

ARTICLE 21 - DESTRUCTION

If the Premises are totally destroyed by fire or other casualty, either party may terminate this Lease immediately by giving notice to the other party.

If such casualty shall render ten percent (10%) or less of the floor space of the Premises unusable for the purpose intended, LESSOR shall effect restoration of the Premises as quickly as is reasonably possible, but in any event restoration shall begin within thirty (30) days after such destruction.

If such casualty shall render more than ten percent (10%) of such floor space unusable but not constitute total destruction, LESSOR shall forthwith give notice to LESSEE of the specific number of days required to repair the same. If LESSOR under such circumstances shall not give such notice within fifteen (15) calendar days after such destruction, or if such notice shall specify that such repairs will require more than ninety (90) days to complete from the date such notice is given, LESSEE, in either such event, at its option, may terminate this Lease.

In the event of any such destruction other than total, where LESSEE has not terminated the Lease as herein provided, LESSOR shall diligently prosecute the repair of the Premises and, in any event, if said repairs are not completed within sixty (60) calendar days from the work commencement date, for destruction aggregating ten percent (10%) or less of the floor space, or within the period specified herein in connection with partial destruction aggregating more than ten percent (10%), LESSEE shall have the option to terminate this Lease. LESSEE shall assist LESSOR with obtaining all applicable building permits if necessary.

Parties understand that, in normal circumstances, work cannot commence before a building permit is obtained. Time deadlines set forth herein shall not commence before required permits are issued. Lessor warrants to diligently pursue issuance of said permits.

If LESSEE remains in possession of the Premises though partially destroyed, the rent for said Premises as herein provided, during restoration, shall be reduced by the same ratio as the rentable square feet LESSEE is thus precluded from occupying, bears to the total rentable square feet in the Premises. "Rentable square feet" shall mean actual inside dimensions and shall not include public areas.

ARTICLE 22 - DEFAULT BY LESSEE

22.1 **Default:** If any of the following events occur, each such event shall constitute a material breach of this Lease, and LESSOR may, at LESSOR'S option, exercise any or all rights available to a LESSOR under the laws of the State of California:

- a. A default in the payment of rent or other obligation when such default continues for a period of thirty (30) days after written notice, or
- b. LESSEE fails to faithfully perform or observe any other covenant or undertaking required under this Lease and such failure continues for a period of thirty (30) days after written notice thereof, or
- c. LESSEE is adjudicated bankrupt, or
- d. LESSEE'S lease interest is sold under execution of judgment.
- e. LESSEE shall have abandoned the Premises.

22.2 **Remedies:** If LESSEE fails to cure a prospective default within the time frames outlined above, LESSOR 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 LESSOR elect to cure the default itself, all costs associated with such cure, including reasonable attorneys' fees (if any), shall be reimbursed by LESSEE to LESSOR, as Additional Rent, within thirty (30) days of receipt of LESSOR'S invoice for said costs.

ARTICLE 23 - DEFAULT BY LESSOR

23.1 **Default:** LESSOR shall not be in default unless LESSOR fails to perform its obligations under this Lease within a reasonable time, but in no event later than thirty (30) days after written notice by LESSEE to LESSOR specifying wherein LESSOR has failed to perform such obligations. If the nature of LESSOR'S obligation is such that more than thirty (30) days are required for performance, then LESSOR shall not be in default if LESSOR commences performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion.

23.2 **Remedies:** If LESSOR fails to cure a prospective default within the time periods outlined above, LESSEE 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 LESSEE elect to cure the default itself, all costs associated with such cure, including reasonable attorneys' fees (if any), shall be reimbursed by LESSOR to LESSEE within thirty (30) days of receipt of LESSEE'S invoice for said costs. However, upon LESSOR'S failure to so reimburse or, at LESSEE'S option, said costs shall be held from rent due hereunder. If LESSOR'S default hereunder prevents LESSEE'S use of the Premises, there shall be an abatement of rental payments for the period of such non-use.

ARTICLE 24 - CONDEMNATION

If more than ten percent (10%) of the floor space area of the Premises is taken or condemned for a public or quasi-public use, or the part taken renders the entire Premises insufficient for the conduct of LESSEE'S business and operations, then this Lease shall terminate at the option of LESSEE as of the date title shall vest in the condemner. If only part of the Premises is taken and the remainder of the Premises is sufficient for the conduct of LESSEE'S business and operations, then LESSOR shall restore the Premises to a single architectural unit and the Lease shall continue as to the part not taken, but the monthly rent shall be reduced in proportion that the rentable

area of the Premises taken bears to the rentable area of the Premises before the taking.

ARTICLE 25 - HOLDING OVER

If LESSEE, with LESSOR'S written consent, remains in possession of the Premises after the Lease Term or any Extended Term, this Lease shall automatically be extended on a two (2) month to two (2) 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 shall remain in full force and effect.

ARTICLE 26 - WAIVER

The waiver by LESSOR or LESSEE of any term, covenant or condition herein contained shall not be deemed to be a waiver of any other term, covenant or condition, nor shall either party consent to any breach of any term, covenant or condition, nor shall either party be deemed to constitute or imply its consent to any subsequent breach of the same or other term, covenant or condition herein contained.

ARTICLE 27 - QUIET POSSESSION

As long as LESSEE keeps and performs the covenants in this Lease, LESSEE shall at all times during the term of this Lease peaceably and quietly have, hold and enjoy the Premises, without suit, trouble or hindrance from LESSOR or any person claiming under LESSOR. LESSOR, to the best of LESSOR'S ability, shall also be responsible for ensuring that all other tenants in the building or complex do not interfere with the quiet enjoyment of the LESSEE.

ARTICLE 28 - SUBORDINATION

This Lease shall be subject and subordinated to the lien of any mortgages and deeds of trust which are hereafter placed against the LESSOR'S interest or estate in the property provided that the mortgagor or beneficiary under such mortgage or deed of trust shall agree in writing that, in the event of a foreclosure of same or of any other such action or proceeding for the enforcement thereof, or of any sale thereunder, this Lease shall not be barred, terminated, cut off, or foreclosed, nor will the rights and possession of LESSEE hereunder be disturbed if LESSEE shall not then be in default under the terms of this Lease, and LESSEE shall attorn to the purchaser at such foreclosure, sale or other action or proceeding. The foregoing subordination shall be effective without the necessity of having any further instruments executed by LESSEE, but LESSEE shall nonetheless execute, upon demand, such further instruments evidencing such subordination as may be reasonably requested by LESSOR or any mortgagee or beneficiary.

ARTICLE 29 - ESTOPPEL CERTIFICATE

Within thirty (30) days of written notice by one party to the other, each will execute, acknowledge and deliver to the other an estoppel certificate in writing declaring any modifications, defaults or advance payments and whether the Lease, as may be modified, is in full force and effect. Any such certificate may be conclusively relied upon for the intended transaction for which the statement was requested.

ARTICLE 30 - MISCELLANEOUS PROVISIONS

30.1 ***No Amendments:*** No oral amendment of this Lease shall be valid unless made in writing and signed by the parties hereto, and no prior oral understanding or agreement not incorporated herein shall be binding on either party hereto.

30.2 ***Time is of the Essence:*** Time is of the essence of each term and provision of this Lease.

30.3 ***Binding Effect:*** Subject to any provision hereof restricting assignment or subletting by LESSEE, this Lease shall bind the parties, their personal representatives, successors, and assigns.

30.4 ***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.

30.5 **Warranty of Authority:** The person executing this Lease on behalf of LESSOR hereby covenants and warrants that LESSOR is a duly authorized and existing Limited Partnership and that he/she is duly authorized to execute this Lease on behalf of said Limited Liability Partnership.

30.6 **Addendum:** In the event of conflict between this Lease and any Addendum or Exhibit attached hereto, the provisions of such Addendum or Exhibit shall control.

30.7 **Confidentiality of LESSEE'S Services/Clients:** LESSOR recognizes and understands that LESSEE'S services, identity of clients, and records relate to a confidential relationship between the LESSEE and its clients, and LESSOR agrees that, in its interaction with LESSEE, its clients and records, whether through itself, its employees, or its agents, it will maintain such confidences as might become available to it and not release or divulge such confidential identities, information, or records.

30.8 **Surrender of the Premises:** Immediately prior to the expiration or upon sooner termination of this Lease, LESSEE shall remove all personal property belonging to LESSEE and shall thereupon vacate and peacefully surrender the Premises to LESSOR as required by this Lease and otherwise in good condition, normal reasonable wear and tear, and casualty excepted.

30.9 **Construction:** The language in all parts of this Lease shall in all cases be construed as a whole according to its fair meaning, and not strictly for or against either LESSOR or LESSEE. The captions used in this Lease are for convenience only and shall not be considered in the construction or interpretation of any provision hereof. This Lease and the exhibits attached hereto constitute the entire agreement between the parties, and there are no binding agreements or representations between the parties. No subsequent change or addition to this Lease shall be binding unless in writing and signed by the parties hereto. This Lease shall, subject to the provisions regarding assignment, apply to and bind the respective heirs, successors, executors, administrators and assigns of LESSOR and LESSEE.

30.10 **Counterparts/Facsimile Signatures:** This Lease may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. The signature page of each counterpart may be detached from such counterpart and attached to a single document which shall for all purposes be treated as an original. The execution of this Lease shall be deemed to have occurred, and this Lease shall be enforceable and effective, only upon the complete execution of this Lease by all parties. To facilitate execution of this Lease, the parties may execute and exchange by facsimile or electronic counterparts of the signature pages.

ARTICLE 31 - MAJOR APPLIANCES

Installation of major appliances such as vending machines, refrigerators, stoves, etc., must be approved by LESSOR prior to installation. The LESSOR will grant installation approval for new appliances only. Such approval shall not be unreasonably withheld.

ARTICLE 32 - PROPERTY TAX EXEMPTION

LESSOR will cooperate with LESSEE and do all acts reasonably necessary and appropriate to secure and maintain tax exemption of the Premises pursuant to Article XIII, Section 3 of the California Constitution. LESSOR will apply one hundred percent (100%) the amount of any reduction of tax resulting from such exemption either in the form of a cash payment or of rental credit to LESSEE as soon as possible after LESSOR receives the benefit of tax exemption.

If such exemption is granted for a fiscal year which is, in whole or in part, after the date of expiration or earlier termination date of this Lease, then, with respect to that portion of such fiscal year which is after the expiration of the term of this Lease, LESSOR will pay LESSEE the amount of such reduction of tax in cash.

ARTICLE 33 - PUBLIC TRANSPORTATION

LESSOR will cooperate with LESSEE and do all acts reasonably necessary and appropriate to ensure that public transportation (bus service) will be provided to this site. The service level of this public transportation will be sufficient to service the employees who will work at the site as well as clients of the County offices who need access by public conveyance to and from the site.

ARTICLE 34 – ALTERNATE ENERGY

LESSOR and LESSEE agree to work together to explore options to install solar and/or other alternate energy options and enhancements to the Premises. In the event any alternate energy enhancement creates a tax deduction, PG&E rebate or any other form of monetary credit to LESSOR, LESSOR further agrees to pass to LESSEE said monetary credit to defray LESSEE'S operational cost for the Premises as identified in **EXHIBITS D and E** of the Lease.

ARTICLE 35 – CUSTODIAL SERVICE SPECIFICATIONS

Custodial Service Specifications for the Premises shall be furnished as outlined in **EXHIBIT G – CUSTODIAL SERVICE SPECIFICATIONS** attached and incorporated by this reference.

ARTICLE 36 - PROPOSITION 65 WARNING

If applicable to the Premises which are the subject of this Lease, LESSOR AND LESSEE 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.

**ARTICLE 37 – LESSOR'S STATEMENT REGARDING DISABILITY ACCESS
& CERTIFIED ACCESS SPECIALIST INSPECTION (CASp) REPORT**

Pursuant to California Civil Code Section 1938 (a), LESSOR represents that the Premises [X] 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 the Lease Agreement 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. 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 Section 55.53, indicating that it meets applicable standards, as defined in paragraph (4) of subdivision (a) of 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 subdivision (b) within seven (7) days of the date of the execution of the 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 Section 55.53, LESSOR shall state the following on the 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 or tenant, if requested by the lessee or tenant. 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, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises.

IN WITNESS WHEREOF, LESSOR and LESSEE have executed this Lease as of the last date opposite the respective signatures below

LESSEE: County of Monterey

APPROVED AS TO FORM:
Office of the County Counsel
Leslie J. Girard, County Counsel

By: Debra R. Wilson
DocuSigned by:
Michael R. Den Debra R. Wilson, PhD

By: See Counterpart Electronically Signed on 3.25.2020_Mary Grace Perry_6/3.25.2020
DocuSigned by:
Mary Grace Perry

Title: Contracts/Purchasing Officer
Date: 4/4/2022 | 12:52 PM PDT

Title: Deputy County Counsel
Date: 4/4/2022 | 12:29 PM PDT

LESSOR: Parco Family Investments LP, a California Limited Partnership

By: Randall J. Parola
Randall J. Parola

Title: General Partner
Date: 2/28/2020

By: Tom Parola
2004 Gary Parola Revocable Trust dated April 30, 2004,
Title: Thomas Parola, Co-Trustee

Title: General Partner
Date: 2/28/2020

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 Section 55.53, LESSOR shall state the following on the 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 or tenant, if requested by the lessee or tenant. 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, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises.

IN WITNESS WHEREOF, LESSOR and LESSEE have executed this Lease as of the last date opposite the respective signatures below.

LESSEE: County of Monterey

By: _____
Michael R. Derr

Title: Contracts/Purchasing Officer

Date: _____

**APPROVED AS TO FORM:
Office of the County Counsel
Leslie J. Girard, County Counsel**

By: _____
Mary Grace Perry

Title: Deputy County Counsel

Date: Mary Grace Perry _/s/_3-25-2020

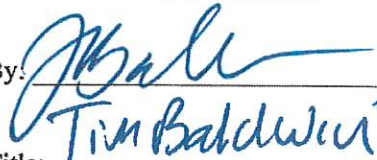
LESSOR: Parco Family Investments LP, a California Limited Partnership

By: _____
Randall J. Parola

Title: General Partner

Date: _____

APPROVED AS TO FORM:

By: 
Title: Tim Baldwin
Date: 3/20/2020

By: _____
2004 Gary Parola Revocable Trust dated April 30, 2004,
Title: Thomas Parola, Co-Trustee

Title: General Partner

Date: _____

EXHIBIT A1

DESCRIPTION OF PREMISES (Floor Plan)

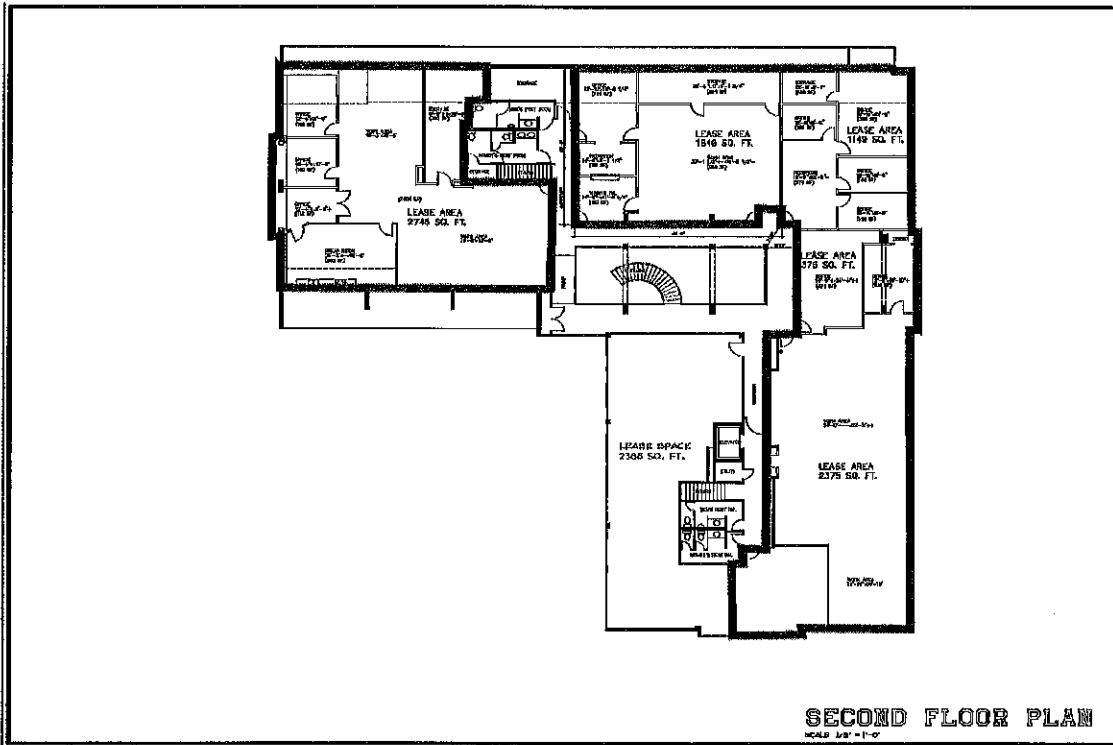
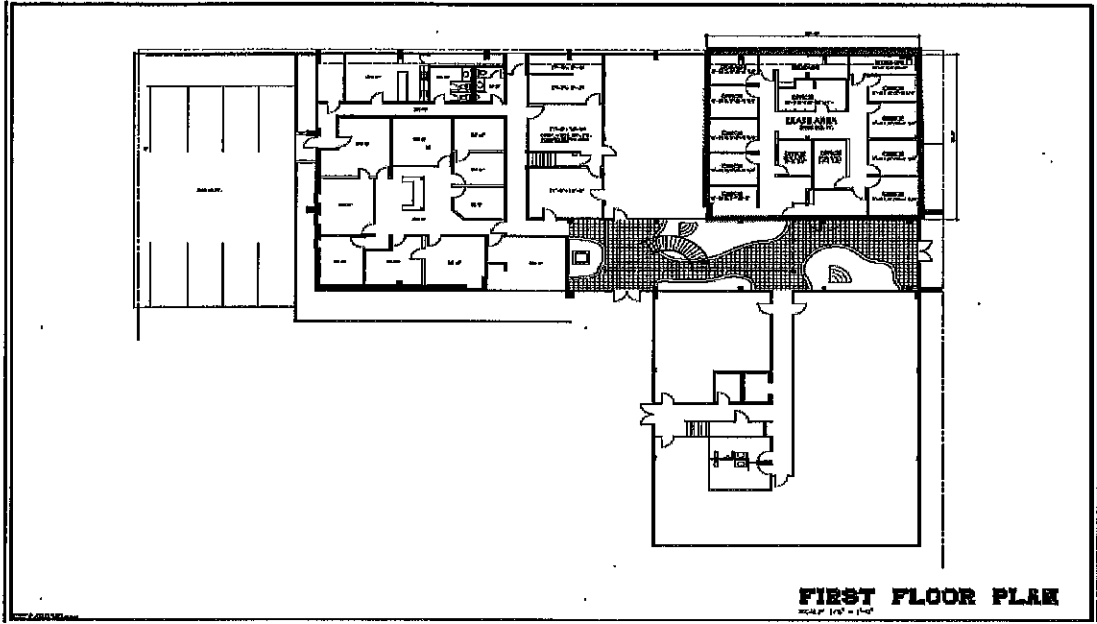


EXHIBIT A2

PARKING PLAN

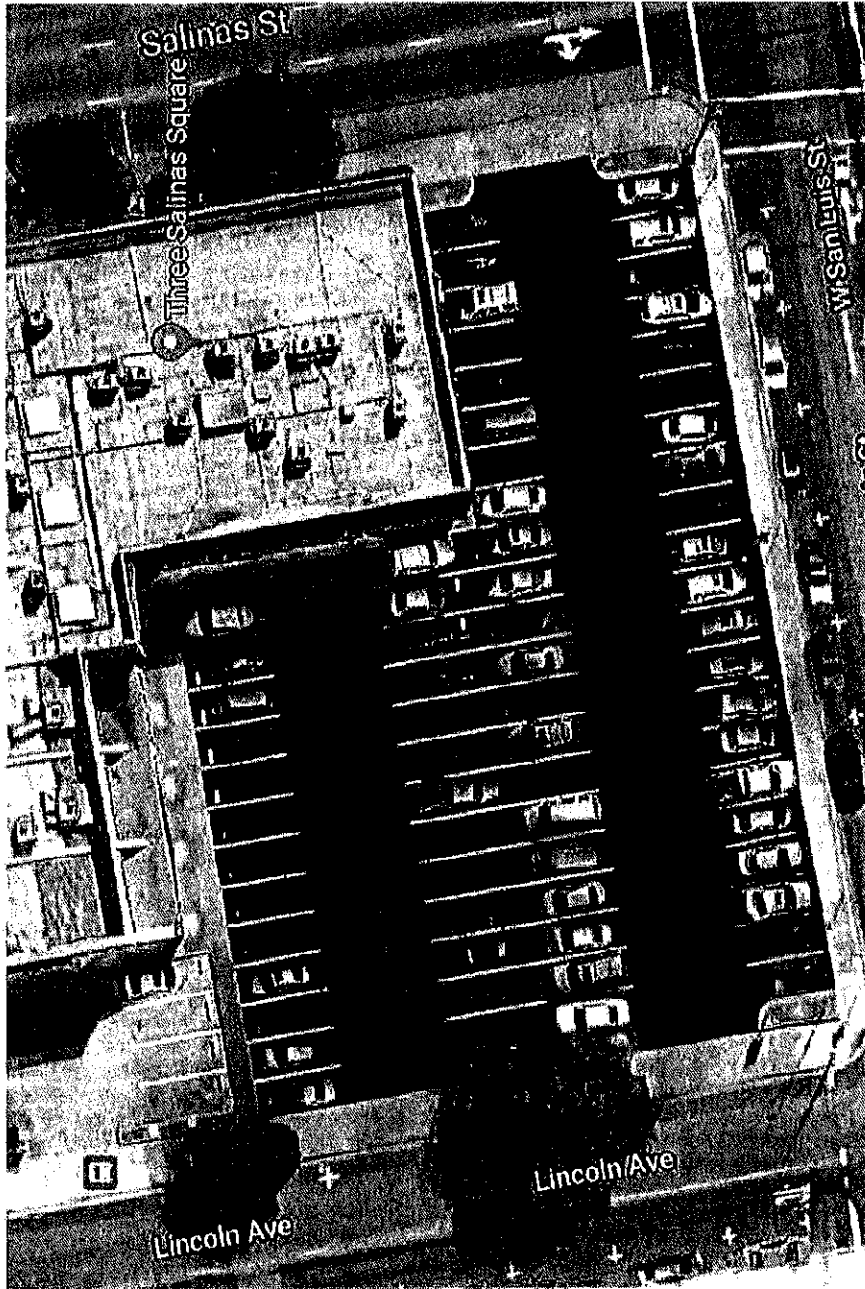


EXHIBIT B

STATEMENT OF SEISMIC ADEQUACY

Central Coast Engineers, Inc.

P.O. Box 2503, Salinas, CA 93902

Tel (831) 757-5554, Fax (831) 757-2226

Statement of Seismic Adequacy

April 5, 2019

At the request of the owner, Parco Family Investments LP, I conducted a review of the structural portions of the construction documents prepared by Architect Alden W. Barstad in 1974, for the existing buildings located at 344 Salinas Street in Salinas, California. I also conducted a walk-through visual observation of the buildings.

I conclude that the structure is designed and built in substantial compliance with the seismic requirements of the "Uniform Building Code" in effect at the time of construction. In addition, the structure does not show any obvious significant structural damage.

Prepared by:



Derek Johnson, P.E.

Civil Engineer, No. 66027 (Exp. 6/30/2020)

EXHIBIT C1

PREMISE IMPROVEMENTS PLANS AND SPECIFICATIONS

FRONT AND SIDE ENTRENCE DOORS TO BUILDING

1. Signage as specified by LESSEE.

SUITE 101

1. Remove wall between Rooms C & D (back office) seal door on Room C.
2. Remove half wall in Room F.
3. Remove storage shelves in storage room.
4. Install new flooring in storage room.
5. Security system for front door (Johnsons Electric). *** It is understood that this will be paid by LESSEE.**
6. Install emergency exit door in Room D (back office), if requested by LESSEE. *** It is understood that said emergency exit will be slip 50/50 between LESSOR and LESSEE.**

SUITE 102

1. Remove storage shelves in storage rooms.
2. Install new flooring in storage rooms.

SUITE 201

1. Add wall to back part of room (as per attached plan).
2. Electrical outlets need to be added once wall is completed.
3. Add key button entry system. *** It is understood that this will be paid by LESSEE.**
4. Security system for front door (Johnsons Electric). *** It is understood that this will be paid by LESSEE.**

SUITE 202

1. Remove back wall.
2. Add wall after entrance door.
3. Electrical work for computer room (as per attached plan).
4. Security system for front door (Johnsons Electric). *** It is understood that this will be paid by LESSEE.**

SUITE 204

1. Add folding panel wall between 201 & 204. *** It is understood that this will be paid by LESSEE.**
2. Security system for front door (Johnsons Electric). *** It is understood that this will be paid by LESSEE.**

SUITE 205

1. Add electrical outlet by front door and back wall.

SUITE 207

1. Need exit light above door.
2. Install electrical wire whips for computer stations.

SUITE 208

1. Add double doors behind reception area.
2. Remove bullet proof glass in reception area.

SUITE 209

1. Add exit sign at top of front door/entry exit.
2. Add wall/door in storage/computer room (as per attached plan).
3. Fix kitchen cabinets (falling off hinges).
4. Front door button entry system (Johnsons Electric).* **It is understood that this will be paid by LESSEE**
5. Add electrical wire whips for workstations.

GENERAL IMPROVEMENTS TO AND FOR THE PREMISES

1. Upgrade all doors to and for the Premises to be ADA compliant, including door handles and opening pressure specifications. Directional signage may be used were deemed appropriate by an architect approved by LESSOR and LESSEE.
2. Upgrade metal gate going into city parking garage to be ADA compliant.
3. Upgrade second floor restroom (near Suite 202) to be ADA compliant.
4. Upgrade second floor drinking fountain (near suite 202) to be ADA compliant.
5. Upgrade the parking lot for the building to be ADA compliant.
6. Upgrade Elevator to be ADA compliant.
7. Upgrade smoke/fire life safety systems and emergency exit lighting and signage for the Premise and common areas of the building as per City of Salinas Fire Marshall recommendations.
8. Replace all air conditioning & heating units beyond their useful life.
9. Place all door locks for the Premises on a Master and Sub Master key system per LESSEE specifications.
10. Replaced all stained ceiling tiles throughout the Premise, including the common areas of the building.
11. Check electrical outlets and lighting fixtures throughout the Premises and replace as needed.
12. Check all window coverings throughout the Premises and replace as needed.
13. Repair/patch walls and professionally touch-up paint throughout the Premises as needed.
14. Install 4" by 12" window on all interior office doors.
15. Install new electrical outlets and data cabling outlets (boxes only, with flexible conduit stubbed above ceiling grid) per Peninsula Office Interior furniture design layout (attached).

EXHIBIT C2

REMEDIAL CONTRACTOR SPECIFICATIONS

A. Scope of Services

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

- Water and/or sewage damage
- Mold contamination
- Fire and smoke damage
- Hazardous materials within the license and certification capabilities of the Remedial Contractor
- Human bodily fluids, including but not limited to blood, vomitus, 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. The Remedial 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 SERVICES AND UTILITIES

The following is a summary of services and utilities responsibilities of LESSOR and LESSEE for the proposed use of the Premises:

	N/A	LESSOR	LESSEE
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 Service Specifications"		X	
Provide adequate custodial service for exterior of the Premises and the non-exclusive areas of the building as described in Article 1.2 (including sweeping sidewalks)		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 G		X	
Professionally clean interior windows as indicated in Exhibit G		X	
Professionally clean exterior windows as deemed necessary		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 alarm system equipment		X	
Provide adequate fire alarm systems monitoring and testing		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 (charcoal type filters to be used if deemed necessary), 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 (UPS)	X		
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 and data service (including connection charges)			X

EXHIBIT E

SUMMARY OF REPAIR AND MAINTENANCE RESPONSIBILITIES

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

	N/A	LESSOR	LESSEE
Common Areas		X	
Foundations and Floor Slabs		X	
Elevators and/or Dumb Waiters (including annual certification)		X	
Exterior and Bearing Walls (including wood destroying pest infestation)		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 (including damage caused by roof leaks)		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, fixtures, and water heaters)		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	
Interior Walls		X	
Interior Wall Surfaces (including repainting every 8 years if deemed necessary and 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 (refrigerator, countertop microwave and water filtration/dispensing units)			X
Communication Systems (data/telephone cabling, connections and equipment)			X

***Notwithstanding the forgoing, LESSEE will pay to LESSOR the reasonable cost of any repairs or maintenance required as a direct result of negligent acts or omissions, or which is otherwise the fault, of LESSEE, its agents, employees, or invitees.**

EXHIBIT F

SERVICE CONTACT LIST (Page 1 of 2)

Item	Contact	Number
Back Up Generator	N/A	N/A
Carpenter	Palomino Construction (Jim)	831-596-2333
Ceiling Tile	Tony Hernandez	831-595-5548
Electrical	Palomino Construction (Jim)	831-596-2333
Electronic Gates and Garage Doors	Tommys Glass	831-758-4721
Elevator	Thyssenkrupp	908-63-4541
Elevator Phone	Jane's Answering Service	831-758-3351
Exterior Door and Hardware	Tommys Glass	831-758-4721
Flooring	Chuck Bozzo	831-229-6737
Fire Sprinkler System	Carlton's Fire Extinguisher Sales	831-424-6152
Fire Extinguisher Servicing	Carlton's Fire Extinguisher Sales	831-424-6152
Fire Alarm Company	All-Safe	831-758-2721
Heating & Air Conditioner	Comfort Control	831-758-1285
Industrial Hygienist		
Interior Door and Hardware	Tony Hernandez	831-595-5548
Janitorial for common areas	Pureserve	831-424-2136
Landscape Maintenance	Jorge Razo	831-205-9966
Light Bulbs & Fluorescent Tubes	Tony Hernandez	831-595-5548
Locksmith	Lock Stock 'N Barrel	831-422-8333
Painting	Tony Hernandez	831-595-5548
Pest Control	Gavilan Pest Control	831-442-1915
Parking Lot Repair	Boyds	831-754-1224

SERVICE CONTACT LIST (Page 2 of 2)

Item	Contact	Number
Parking Lot Sweeping	Tony Hernandez	831-595-5548
Patrolled Security	N/A	N/A
Plumbing	Scott Grider Plumbing	831-809-3401
Remedial Contractor	Palomino Construction (Jim)	831-596-2333
Roofing System	Salinas Valley Roofing	831-757-4900
Roof Gutters & Downspouts	Comfort Control	831-758-1285
Security Alarm Company	TBD	TBD
Sewer & Drain Cleaning	Scott Grider Plumbing	831-809-3401
Utility (Gas & Electric)	POSE	800-743-5000
Utility (Telephone)	AT&T	866-912-8216
Utility (Water)	California Water Service	831-757-3644
Waste Disposal & Recycle	Republic Services	831-775-3850
Window Replacement & Repair	Tommy's Glass	831-758-4721
Window Cleaning	Pureserve	831-424-2136

EXHIBIT G

CUSTODIAL SERVICE SPECIFICATIONS (Page 1 of 3)

DAILY SERVICE (Monday through Friday)

- A. General Cleaning
 - 1. Empty waste baskets, replace liners, place trash in dumpster
 - 2. Sweep outside Premises entrances
 - 3. Remove graffiti from any interior walls
- B. Floor and Carpet Care (including stairways)
 - 1. Sweep and dust mop hard surface floors with treated mop
 - 2. Vacuum carpeted floors and entry mats
 - 3. Damp mop all spills on hard surfaces
 - 4. Remove gum/candy from carpet/floors
- C. Window Cleaning
 - 1. Clean entry door and lobby glass, inside and outside
 - 2. Clean interior partitions and counter glass
 - 3. Clean interior-door glass
- D. Restroom Cleaning (including non-exclusive areas of the building)
 - 1. Empty waste containers
 - 2. Sweep and wet mop floors
 - 3. Restock dispensers with proper product (common area to have extra service performed in mid-morning and mid-afternoon, M-F)
 - 4. Clean and disinfect all restroom fixtures (common area to have extra service performed in mid-morning and mid-afternoon, M-F)
 - 5. Unstop urinals, toilets and sinks (Notify LESSOR of necessary repairs)
 - 6. Clean restroom mirrors and glass
 - 7. Replenish air fresheners in all restrooms (common area only and as needed)
 - 8. Remove graffiti from interior walls
 - 9. Damp wipe all walls and partitions (as needed)
 - 10. Clean around all door knobs and push plates
- E. Dusting
 - 1. Tops of all filing cabinets (only if cleared off and with notice posted by office worker)
 - 2. Tops of desks where cleared (only if cleared off and with posted notice by office worker)
 - 3. Table tops and counters where cleared

CUSTODIAL SERVICE SPECIFICATIONS (Page 2 of 3)

WEEKLY SERVICE (Fridays)

- A. General Cleaning
 - 1. Remove fingerprints from doors, walls, and light switches
 - 2. Remove marks/clean door kick plates
 - 3. Wash wastebaskets/trash receptacles inside and out
 - 4. Wash all handrails
 - 5. Clean around door knobs/push plates
- B. Floor and Carpet Care (including stairways)
 - 1. Damp mop all hard surface floors
 - 2. Buff all hard surface floors using a high speed buffing machine
 - 3. Spot clean all carpeted floors
- C. Restroom Cleaning
 - 1. Scrub all sinks with abrasive cleaner
 - 2. Scrub inside toilets and urinals with acid-type bowl cleaner
- D. Dusting
 - 1. All windows and door sills
 - 2. Ledges, baseboards, and partitions
 - 3. All chairs
 - 4. Remove cobwebs from ceilings, corners and crevices, etc.

BI-WEEKLY SERVICES (Fridays)

Dry Shampoo all carpeted areas

MONTHLY SERVICE (Last weekend of the month)

- A. Floor and Carpet Care
 - 1. Scrub and refinish all hard surface floors using an acrylic finish
 - 2. Edge out all carpet areas (areas that are out of reach during normal vacuuming)
- B. Restroom Cleaning
 - 1. Wash all walls and partitions
- C. Dusting
 - 1. Vacuum all upholstered furniture
 - 2. Clean all blinds, drapes and window shades
- D. Additional requirements specific to Premises
 - 1. Shampoo all upholstered furniture

CUSTODIAL SERVICE SPECIFICATIONS (Page 3 of 3)

QUARTERLY SERVICES (January, April, July, October)

- A. General Cleaning
 - 1. Wash exterior of all desks, filing cabinets and tables
- B. Floor and Carpet Care
 - 1. Shampoo all carpeted areas using bonnet method
 - 2. Strip and refinish all hard surface floors using an acrylic finish
- C. Window Cleaning
 - 1. Wash inside and outside windows
- D. Dusting
 - 1. High dust all light fixtures, HVAC vents and surface /ledges above six feet

BI-ANNUAL SERVICES (April and October)

- A. Restroom Cleaning (including non-exclusive areas of the building)
 - 1. Machine Scrub restroom floors (porcelain tile floors)

ANNUAL SERVICES

- A. Floor and Carpet Care
 - 1. Steam/Extraction clean all carpeted areas

*** LESSOR and LESSEE agree that it may be necessary to modify the foregoing Custodial Service Specifications to better meet facility needs. Such modification shall be with mutual written consent. LESSOR and LESSEE acknowledge that additional costs may apply.**

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 _____.

“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.