

# LEASE AGREEMENT

LEASED PREMISES:	1611 Bunker Hill Road, Suite 120, Salinas, California
DEPARTMENT:	<b>Health Department, Behavioral Health</b>
LESSOR:	ITO Farms, Inc. 9112 McFadden Avenue Westminster, CA 92683

# LEASE AGREEMENT

## PREAMBLE

THIS LEASE ("Lease") is made by and between **ITO FARMS, INC.**, a California Corporation ("LESSOR") and the **COUNTY OF MONTEREY**, ("LESSEE"), C/O Real Property Specialist, 855 East Laurel Drive, Building C, Salinas, CA, 93905. 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 situated at **1611 Bunker Hill Road, Suite 120, Salinas, CA 93906** and described as follows: General offices consisting of approximately **3,872** rentable square feet and **3,291** of useable square feet of space (the "Premises"), as designated in Exhibit A, which is attached and incorporated herein. The terms "rentable square feet" and "useable square feet" shall be used as defined by the Building Owners and Managers Association ("BOMA"). 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:** LESSEE shall also have the non-exclusive right to use, in common with other lessees in the building, any and all of the following areas provided for common use by the lessees and occupants of the property of which the Premises are a part: 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 be provided non-exclusive parking spaces in the parking area adjacent to the Building at no cost to LESSEE at a ratio of four (4) spaces per 1,000 rentable square feet throughout the Lease Term (defined below).

1.4 **Compliance with the "Americans with Disabilities Act of 1990" (ADA):** LESSOR shall ensure that the Premises are in compliance with the Americans with Disabilities Act of 1990 ("ADA"), as amended, and, if necessary, prior to the Commencement Date, shall modify the Premises to comply with the Act and the regulations promulgated to implement the ADA.

1.5 **Compliance with "No Smoking Law" (2003 Assembly Bill 846):** 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. LESSOR and LESSEE agree that LESSOR is in compliance with Assembly Bill 846 by posting "No Smoking Signs" at the entrances of the Building and removing the ashtrays.

1.6 **Statement of Seismic Adequacy:** LESSOR shall provide the statement described in Exhibit B with respect to seismic adequacy clearance.

## ARTICLE 2 - TERM

2.1 **Lease Term:** The term of this Lease (the "Lease Term") shall be **five (5) years**, commencing upon completion of the Premise Improvements which is estimated to be March 1, 2013 ("Lease Commencement Date") and ending **sixty (60) months** thereafter, with such rights of termination and extension of the Lease Term as are hereinafter set forth.

**2.2 Extended Term:** Upon completion of the initial Lease Term, the LESSOR and LESSEE, upon mutual written consent, may renew the Lease for one additional one (1) year term ("First Extended Term"), and upon the expiration of the First Extended Term, the LESSOR and LESSEE, upon mutual written consent, may renew the Lease for a second additional one (1) year term ("Second Extended Term"). LESSEE shall give LESSOR advance written notice of its intent to renew one hundred twenty (120) days prior to expiration of the initial Lease Term or First Extended Term. Said advanced written notice may be modified by mutual written agreement.

### **ARTICLE 3 - RENT**

LESSEE shall pay to LESSOR as monthly rent for the Premises the initial sum of **Six Thousand Seven Hundred Seventy Six and 00/100 Dollars (\$ 6,776.00)**, payable on or before the first day of each month. LESSEE shall commence rental payments upon occupancy ("Lease Commencement Date"). If the Lease 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. In addition, LESSEE shall contract and pay directly to its vendors for its responsibilities as outlined in Exhibits D and E. Monthly rent shall include LESSEE'S share of real estate taxes, assessments, Lessor's fire and liability insurance, and Monterey Regional Water Pollution Control Agency (MRWPCA) fee for the Premises.

LESSOR agrees to waive the monthly rent for the first month of the initial Lease Term to offset telephone and Data cabling costs paid by LESSEE.

It is also hereby agreed that the figures noted herein are subject to change based upon final verification of rentable square footage as outlined in Article 1.1.

### **ARTICLE 4 - ANNUAL RENT ADJUSTMENT**

At the end of each one year period of the Lease Term or any one year period of any Extended Term, the monthly rent shall be increased by the fixed amount of two percent (2%).

### **ARTICLE 5 - TERMINATION BY COUNTY**

Notwithstanding any other provisions of this Lease, LESSEE, at its sole option, may terminate this Lease upon **one hundred twenty (120) days** written notice, solely on the condition that funds have not been budgeted for leasing premises anywhere in Monterey County for the uses or services for which the county is leasing the property described herein. Such termination shall be without penalty to LESSEE other than as defined below. 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 in 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: Ito Farm, Inc.  
Attn: John Sun  
9112 McFadden Avenue  
Westminster, CA 92683  
Ph: 714-893-8166  
Email: john@itofarms.com

To LESSEE: County of Monterey  
Public Works Department  
c/o Real Property Specialist  
855 East Laurel Drive, Building C  
Salinas, CA 93905  
Ph: 831-755-4855 Fax: 831-755-4688  
Email: salcidog@co.monterey.ca.us

Copy to: LESSOR's Designated Facilities Manager  
Naturipe Berry Growers  
ATTN: Susan Miller  
1611 Bunker Hill Road, Suite #200  
Salinas, CA 93906  
Ph: 831-785-5945 (Daytime)  
831-214-8363 (Evening)  
Email: susan@naturipe.com

Copy to: County of Monterey  
Health Department  
c/o Facility Manager  
1270 Natividad Rd.  
Salinas, CA 93906  
Ph: 831-755-4513 Fax 831-755-4797  
Email: [leventonc@co.monterey.ca.us](mailto:leventonc@co.monterey.ca.us)

Rent payments shall be made (need not be sent certified) to: **Ito Farms, Inc.**, at the address listed above.

Any notice or correspondence shall be deemed delivered upon personal delivery or **forty-eight (48) hours** 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 facilities manager shall be available to LESSEE by phone during regular business hours, and for emergencies after hours and weekends. LESSOR or LESSOR'S designated facilities manager shall maintain contact phone numbers of key personnel or maintenance/service companies in event of an emergency.

If applicable, LESSOR'S designated property management 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**

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#### **ARTICLE 8 - NOTICE OF COMPLETION**

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#### **ARTICLE 9 - PUBLIC WORKS LAWS**

Under Section 1720.2 of the California Labor Code, any construction contract to improve the space to be leased by the County of Monterey for government services may be considered a 'public work' if certain conditions are met. If applicable, LESSOR shall comply with provisions of law governing public works including, without limitation, Labor Code sections 1773, 1773.2, 1773.3, 1773.8, 1775 (payment of prevailing wages), 1776 (payroll records), and 1777.5 (employment of apprentices), all as periodically amended.

#### **ARTICLE 10 - TIME LIMIT AND PRIOR TENANCY**

It shall be LESSOR'S responsibility to remove any prior LESSEE in the Premises at LESSOR'S sole cost and expense.

## **ARTICLE 11 - USE**

11.1 **Use:** LESSEE shall use the Premises for **general office** space and for no other purpose without the prior written consent of LESSOR, which LESSOR may grant or deny in its sole and absolute discretion. "General office" excludes any medical patient visitations or any other non-administrative use whatsoever.

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), of the Premises and the non-exclusive areas of the building in which the Premises are located described in Article 1.2 was (and, in the case of the LESSOR-constructed Premise Improvements, will be) performed in full compliance with all applicable building and seismic codes, laws, regulations and ordinances.

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 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 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, other than as described in Exhibit H attached hereto and incorporated herein by the reference. LESSEE shall immediately notify LESSOR of any Hazardous Substances of which it becomes aware. LESSOR and LESSEE will comply with all applicable laws concerning the handling and removal of any hazardous materials, including asbestos or PCB containing materials. Nothing in Article 11 shall be taken as LESSEE'S assumption of any duty or liability not otherwise imposed by law.

11.4 **Environmental Hazards:** LESSOR hereby warrants and guarantees that the Premises and the non-exclusive areas of the building as described in Article 1.2 will be free of toxic mold spores upon delivery of possession of the Premises to LESSEE. LESSEE shall immediately notify LESSOR of any suspected appearance of toxic mold spores and of any conditions that may lead to the appearance of toxic mold spores, and LESSOR agrees to investigate same. A qualified industrial hygienist approved by LESSOR and LESSEE shall perform all testing that LESSOR deems necessary, with the test results/reports forwarded to LESSOR and LESSEE upon completion. LESSOR shall have any remediation deemed necessary by LESSOR, of toxic mold spores or of any items identified on Exhibit K, performed by a qualified remedial contractor and in compliance with all applicable laws and regulations. LESSOR specifically agrees that any costs related to investigation and remediation of toxic mold spores or the items identified on Exhibit K shall be LESSOR'S responsibility unless caused by LESSEE, its agents, employees, invitees or guests, in which case LESSEE shall be responsible for said costs.

LESSEE hereby acknowledges LESSOR'S warning (attached to this Lease as Exhibit H) regarding formaldehyde and other chemicals known to the State of California to cause cancer and birth defects or other reproductive harm, from exposures to materials used in and around the construction site of the building, which the Premises is a part of.

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 as LESSEE may desire, subject to LESSOR'S sign plan and approval by the LESSOR which consent 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 LESSOR-acceptable condition. LESSEE'S right to remove property described in the immediately foregoing sentence shall become an obligation of LESSEE at the expiration or earlier termination of the Lease Term. The LESSOR agrees not to mortgage or pledge the LESSEE'S trade fixtures, equipment and other property owned by LESSEE.

#### **ARTICLE 13 - SERVICES AND UTILITIES**

Services and utilities shall be furnished and the cost borne as outlined in Exhibit D. LESSOR agrees to furnish to the Premises electricity for normal lighting, fractional horsepower office machines, and elevator service. LESSOR agrees to furnish to the Premises during reasonable hours of generally recognized business days to be determined by LESSOR, and subject to the Rules and Regulations of the building, heat and air conditioning required in LESSOR'S judgment for the comfortable use and occupancy of the Premises, janitorial, and window washing. LESSOR shall also maintain and keep lighted the common stairs, galleries, entries and toilet rooms in the building. LESSOR shall not be liable for and LESSEE shall not be entitled to any reduction of rental by reason of LESSOR'S failure to furnish any of the foregoing when such failure is caused by accident, breakage, repairs, strikes, lockouts or other labor disturbances or labor disputes of any character, or by any other cause, similar or dissimilar, beyond the reasonable control of LESSOR.

As stated in Exhibit D, 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 LESSOR and LESSEE are in agreement that action needs to be taken to ensure the health, safety and general well being of the occupants and or invitees of the Premises. The services and utilities to be furnished by LESSOR in Exhibit D shall be for normal office use associated with LESSEE'S use of the Premises. The term "normal office use" shall mean activities that are typically found in office buildings in the area by users who conduct administrative, professional and office functions that are consistent with the zoning for which the building is located. LESSEE will not, without the prior written consent of LESSOR and subject to any conditions, which LESSOR may impose, use any apparatus or device in the Premises which will in any way increase the amount of electricity or water usually furnished for use of the Premises as general office space. If LESSEE shall require water or electric current in excess of that usually furnished or supplied for use of the Premises as general office space, LESSEE shall first procure the consent of LESSOR. Wherever heat generating machines or equipment are used in the Premises which affect the temperature otherwise maintained by the air conditioning system, LESSOR reserves the right to install supplementary air conditioning units in the Premises and the cost thereof, including the cost of installation, operation and maintenance thereof, shall be paid by LESSEE to LESSOR upon demand by LESSOR. LESSOR shall not be liable for LESSOR'S failure to furnish any of the foregoing when such failure is caused by any cause beyond the reasonable control of LESSOR. LESSOR shall not be liable under any circumstances for loss of or injury to property, however occurring, in connection with failure to furnish any of the foregoing.

Normal office hours for the Building shall be 8:00 am to 6:00 pm on the weekdays, 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 services and utilities after-hours, other than as stated above, LESSEE shall pay LESSOR for the reasonable cost of such additional services or utilities needed within thirty (30) days of invoice by LESSOR.

#### **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 by this reference is incorporated herein. 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 well being 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 of, or which is otherwise the fault of, LESSEE, its agents, employees, contractors, guests, or invitees.

**14.3 Failure of LESSOR to Make Repairs:** If LESSOR fails to maintain the Premises or to make the repairs required in this article within the time periods as specified in Article 23.1, 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.

**14.4 LESSOR 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 well being 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**

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#### **ARTICLE 16 - ALTERATIONS, MECHANICS' LIENS**

16.1 **Alterations:** Except as expressly provided to the contrary in Article 17, LESSOR and its agents, contractors and employees shall make all alterations and additions to the Premises. Except as expressly provided to the contrary in Article 17, LESSEE shall not make or allow any alterations, additions or improvements of or to the Premises. If LESSOR consents to construct any alterations, additions or improvements requested by LESSEE, they shall be made at LESSEE'S cost. Any alterations, additions or improvements, including, but not limited to, wall covering, paneling and built-in cabinet work, but excepting movable furniture and trade fixtures, shall become a part of the realty, shall belong to the LESSOR and shall be surrendered with the Premises at expiration or termination of the Lease; provided, however, that upon termination LESSEE shall, upon written demand by LESSOR, promptly pay LESSOR to remove any alterations, additions or improvements made at the request of LESSEE that would otherwise be required to be surrendered with the Premises. Such removal and repair of any damage to the Premises caused by such removal shall be at LESSEE'S cost. LESSEE shall approve in writing the fixed cost of any LESSEE requested work prior to LESSOR commencing work.

16.2 **Condition at Termination:** 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 not the fault of LESSEE, and alterations approved by LESSOR, excepted.

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

#### **ARTICLE 17 - ELECTRICAL, COMMUNICATIONS AND ALARM WIRING**

17.1 LESSEE shall contact LESSOR prior to installing or relocating any electrical, telephone, network, LAN, intercom, doorbell, or alarm wiring systems at the 1611 Bunker Hill.

17.2 All electrical wiring shall be installed by a licensed contractor in expanded metal tubing in accordance with the most current electrical code.

17.3 All communication cabling shall be installed by a licensed contractor and shall be plenum rated and shall not be installed as to lay on ceiling tile of t-bar grid systems. A certificate of compliance shall be provided by contractor to LESSOR at time of completion..

17.4 LESSOR shall not be financially responsible for any repair or replacement of any communication cables, telephone lines, telephone feeders, or trunk lines beyond the M.P.O. (minimum point of entry) established by Pacific Bell. If one or more of these lines serve several lessees, the cost of installation and repair shall be divided between the lessees currently being served by said lines.



17.5 Not all existing telephone rooms/punchdown boards are permanent. LESSEE and its contractor must verify location of termination points with the LESSOR prior to installation.

17.6 No audible alarm systems will be permitted. LESSOR will not assume any financial responsibility for any alarms attributable to its employees, contractors, including janitors, guards, or service personnel.

17.7 Any work requiring access to adjoining lessees' spaces shall be prearranged so that LESSOR can obtain permission for the intrusion/interruption of the space. LESSEE shall reasonably cooperate in arranging access to contractors for adjoining lessee when requested by LESSOR.

#### **ARTICLE 18 - ENTRY BY LESSOR**

LESSOR reserves the right to enter the Premises at any time to inspect the Premises, to provide any service for which LESSOR is obligated hereunder, to submit the Premises to prospective purchasers or lessees, to post notices of nonresponsibility, and to alter, improve, maintain or repair the Premises or any portion of the building of which the Premises are a part that LESSOR deems necessary or desirable, all without abatement of rent. LESSOR may erect scaffolding and other necessary structures where reasonably required by the character of the work to be performed, but shall not block entrance to the Premises and not interfere with LESSEE'S business, except as reasonably required for the particular activity by LESSOR. LESSOR shall not be liable in any manner for any inconvenience, disturbance, loss of business, nuisance, interference with quiet enjoyment, or other damage arising out of LESSOR'S entry on the Premises as provided in this paragraph, except damage, if any, resulting from the negligence or willful misconduct of LESSOR or its authorized representative. LESSOR shall retain a key with which to unlock all doors into, within and about the Premises, excluding LESSEE'S vaults, safes and files. In an emergency, LESSOR shall have the right to use any means which LESSOR deems reasonably necessary to obtain entry to the Premises, without liability to LESSEE, except for any failure to exercise due care for LESSEE'S property. Any such entry to the Premises by LESSOR shall not be construed or deemed to be forcible or unlawful entry into or a detainer of the Premises or an eviction of LESSEE from the Premises or any portion thereof.

#### **ARTICLE 19 - INSURANCE, SELF-INSURANCE, AND INDEMNIFICATION**

LESSEE shall, at all times during the term of this Lease, and at its own cost, procure and continue in force the insurance coverage or a program of self insurance as described in Exhibit M. The limits of said insurance policies shall not, however, limit the liability of the LESSEE hereunder. LESSEE may carry said insurance under a blanket policy.

LESSEE shall deliver to LESSOR prior to occupancy of the Premises written confirmation of insurance or self insurance from Monterey County Risk Management Division evidencing the existence and amounts of such insurance as described in Exhibit M. Said written confirmation to be updated and sent to LESSOR within thirty (30) days of LESSOR'S request.

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 of which the Premises are a part.

LESSEE shall give prompt notice to LESSOR in case of fire or accidents in the Premises or in the building or of alleged defects in the building, fixtures or equipment.

LESSEE shall indemnify, defend, and hold harmless LESSOR, its officers, agents, and employees, from and against any and all claims, liabilities, and losses whatsoever (including damages to property its' leased, and injuries to or death of persons, court costs, and reasonable attorneys' fees) occurring or resulting from use or occupancy of the Premises or from any activity permitted by LESSEE in or about the Premises, and any claims arising from any breach or default in LESSEE'S performance of any obligation under the terms of this Lease, unless such claims, liabilities, or losses arise out of the sole negligence or willful misconduct of the LESSOR. "LESSEE'S performance" includes LESSEE'S action or inaction and the action or inaction of LESSEE'S officers, employees, agents and subcontractors.

LESSOR shall indemnify, defend, and hold harmless LESSEE, its agents, officers and employees, from and against any and all claims, liabilities, and losses whatsoever (including damages to property it owns, and injuries to or death of persons, court costs, and reasonable attorneys' fees) occurring or resulting from use or occupancy of the Premises or from any activity permitted by LESSOR in or about the Premises, and any claims arising from any breach or default in LESSOR'S performance of any obligation under the terms of this Lease, unless such claims, liabilities, or losses arise out of the sole negligence or willful misconduct of the LESSEE. "LESSOR'S performance" includes LESSOR'S action or inaction and the action or inaction of LESSOR'S officers, employees, agents and subcontractors.

#### **ARTICLE 20 - WAIVERS OF SUBROGATION**

As long as their respective insurers so permit, LESSOR and LESSEE each hereby waive any and all rights of recovery against the other for any loss or damage occasioned to such waiving party or property of others under its control to the extent that such loss or damage is insured under any fire or extended coverage insurance policy which either may have in force at the time of such loss or damage.

#### **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 twenty-five percent (25%) 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 twenty-five percent (25%) 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 thirty (30) calendar days after such destruction, or if such notice shall specify that such repairs will require more than one hundred eighty (180) calendar 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.

Notwithstanding anything foregoing to the contrary, no rental reduction shall occur in the event of a casualty that is the fault of LESSEE, and the cost of reconstruction stemming from any such casualty shall be borne solely by LESSEE.

#### **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 and remedies described in Article 22.2 or available to a LESSOR under the laws of the State of California:

- a. A default in the payment of rent or other monetary obligation when such default continues for a period of **fifteen (15) days** after written notice (which written notice shall satisfy any statutory notice requirement of the California Civil Code), 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.

**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 and relief available under California law (all of which, along with any other remedies and relief of LESSOR contained in this Lease, shall be construed and held to be cumulative, and LESSOR shall have the right to pursue any one or all of such remedies and relief). 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 and relief available under California law (all of which, along with any other remedies and relief of LESSEE contained in this Lease, shall be construed and held to be cumulative, and LESSEE shall have the right to pursue any one or all of such remedies and relief). 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, 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 twenty-five percent (25%) of the floor space area of the Premises is taken or condemned for a public or quasi-public use and 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 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 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, and subject to the provisions of this Lease and any applicable provision of law, 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 validly claiming under LESSOR.

#### **ARTICLE 28 - SUBORDINATION**

This Lease shall be subject and subordinated to the lien of any mortgages and deeds of trust which are now or 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 ten (10) 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:** If LESSOR is a corporation, the person executing this Lease on behalf of LESSOR hereby covenants and warrants that LESSOR is a duly authorized and existing corporation and that he/she is duly authorized to execute this Lease.

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; provided that all such confidential items are maintained in a locked environment and that any confidential items are shredded prior to disposing of them in trash receptacles. LESSOR and LESSEE shall consider the entire Premises a locked environment.

30.8 **Existing Furniture:** LESSOR, at no cost to LESSEE, shall allow LESSEE to use the existing systems and office furniture ("Furniture") during the Lease Term and any extension period(s). LESSOR makes not representation or warranty of the condition of the Furniture. LESSEE shall surrender the Furniture at the expiration of the Lease Term in the same condition excepting normal wear and tear.

30.9 **Data Conduit between 1611 Bunker Hill and 1615 Bunker Hill:** LESSOR, at no cost to LESSEE, shall allow LESSEE to use the portion of conduit which LESSOR owns between 1611 Bunker Hill and the adjacent building at 1615 Bunker Hill. LESSEE, at LESSEE'S cost, shall be responsible for the installation and maintenance of its cabling.

### **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 - 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.

**ARTICLE 33 - RULES AND REGULATIONS**

LESSEE shall faithfully observe and comply with the rules and regulations attached as Exhibit L to this Lease, as well as such rules and regulations that LESSOR shall from time to time promulgate. LESSOR reserves the right from time to time to make all reasonable modifications to those rules which shall be binding on LESSEE upon delivery of a copy of them to LESSEE as long as LESSOR'S modifications do not materially impact the access or use of the Premises by LESSEE as contemplated by this Lease. LESSOR shall not be responsible to LESSEE for the nonperformance of any of said rules by any other lessee.

LESSEE: (County of Monterey)

By: \_\_\_\_\_

Michael R. Derr

Title: Contracts/Purchasing Officer

Date: 3-14-13

APPROVED AS TO FORM: (County Counsel)

By: \_\_\_\_\_

Jesse J. Avila

Title: Deputy County Counsel

Date: 1/28/13

LESSOR\*: (Ito Farms, Inc.)

By: \_\_\_\_\_

William Ito, President

Date: 11/20/12

By: \_\_\_\_\_

Heaven Sun

Secretary

Date: 11/20/12

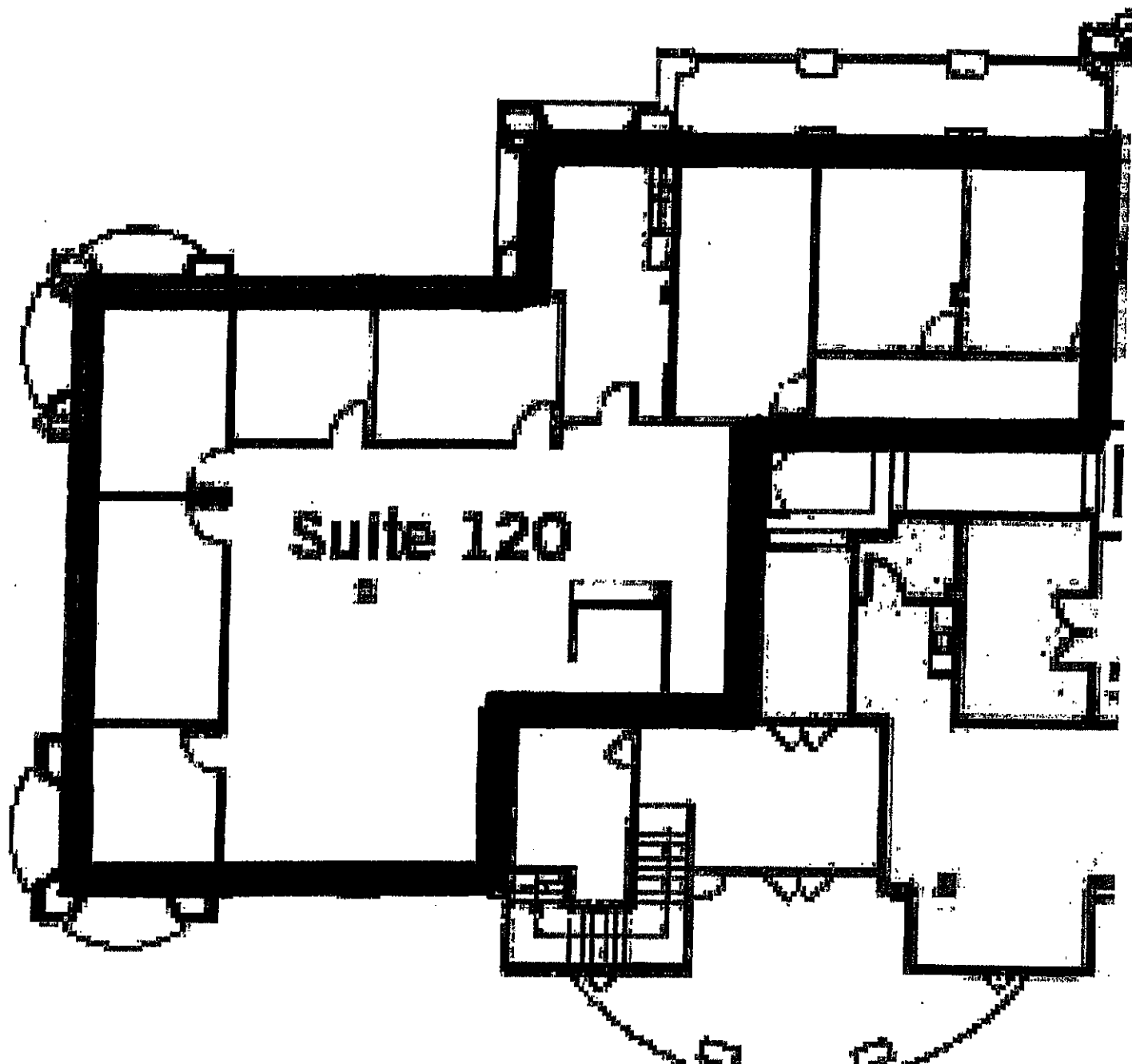
\*INSTRUCTIONS: IF LESSOR is a corporation, including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers. If LESSOR is a partnership, the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership. IF LESSOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any, and shall personally sign the Agreement.

**EXHIBIT A**

**DESCRIPTION OF PREMISES**

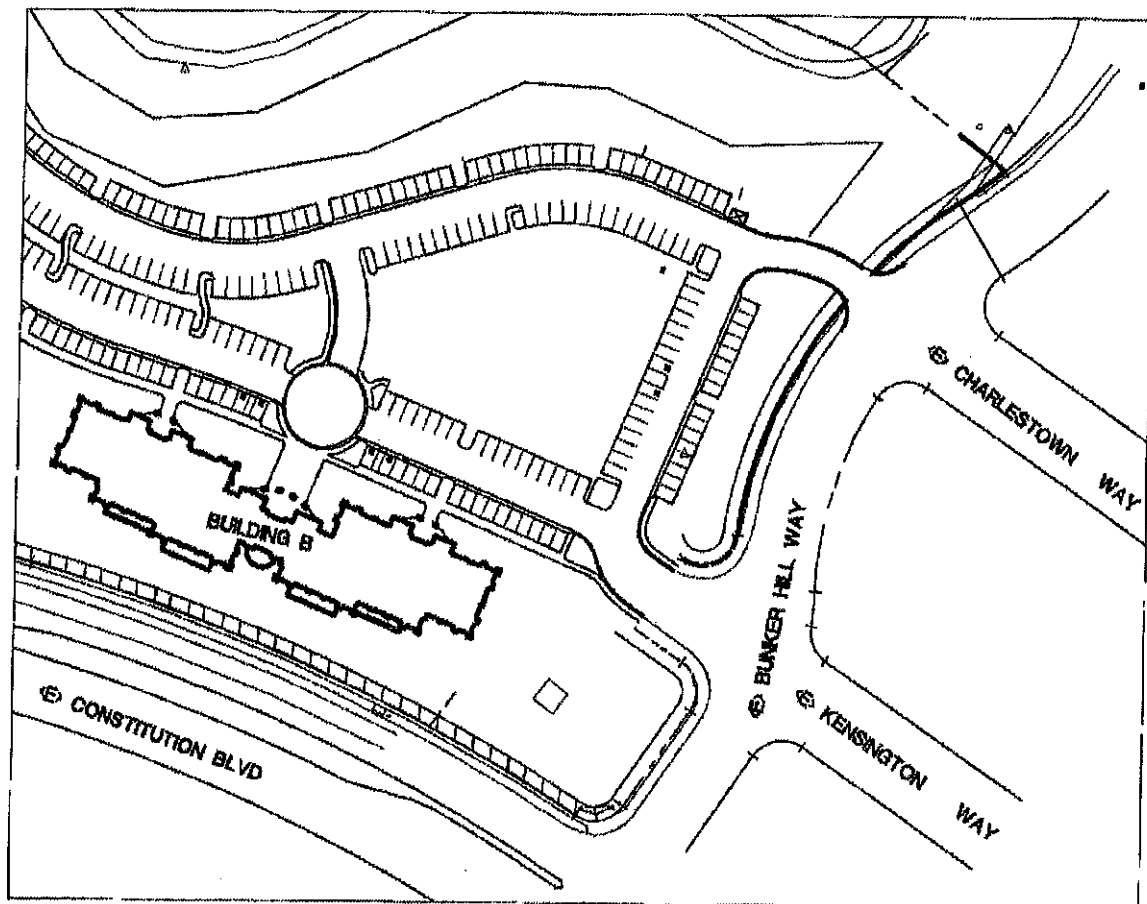
(Floor Plan)

(Parking Location)



1811 Bunker Hill Road, Suite 120 (Floor Plan)





1611 Bunker Hill Road Suite 120 (Parking Location)

<b>EXHIBIT B</b>
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**STATEMENT OF SEISMIC ADEQUACY**

If the Premises are contained in a building constructed after 1973, or one of which has undergone major structural renovation since 1973, the LESSOR shall obtain from its design engineer a warranty, which contains the following:

Construction/renovation of the Building containing the Premises occurred in 2004. Construction/renovation plans have been determined to be in compliance with all building codes applicable to seismic safety.

## **EXHIBIT C**

### **PREMISE IMPROVEMENTS**

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## 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 F, "Custodial Services 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 steam cleaning or pressure washing sidewalks)		X	
Professionally clean carpets, rugs, tile and linoleum flooring as indicated in Exhibit F		X	
Professionally clean existing drapes, blinds, and window shades as indicated in Exhibit F		X	
Professionally clean interior windows as indicated in Exhibit F		X	
Professionally clean exterior windows as indicated in Exhibit F		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 (UPS)	X		
Provide adequate servicing of back up generator	X		
Provide adequate gas utility service as per Article 13		X	
Provide adequate electric utility service as per Article 13		X	
Provide adequate water utility service as per Article 13		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		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	
Interior Walls		X	
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

**\*Notwithstanding the forgoing, 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, contractors, guests, or invitees.**

## EXHIBIT F

### CUSTODIAL SERVICES SPECIFICATIONS

1611 Bunker Hill Way, Salinas, CA

Daily	Weekly	Monthly	Quarterly	Notes
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#### MAIN LOBBIES

Dust mop or vacuum all hard surface floors.	1				
Spot mop with clean water where needed.	1				
Remove matter such as gum and tar which has adhered to the floor.	1				
Spot clean all metal trim work, removing fingerprints, smudges, water and other marks.	1				
Spot clean all doors, door frames, walls and light switches to remove fingerprints, spills and other markings.	1				
Wash glass on entrance doors.	1				
Police/sweep exterior entrances.	1				

#### GENERAL OFFICES

Secure all lights as soon as possible each night.	1				
Vacuum all carpets.	1				
Dust mop all resilient and composition floors with treated dust mops.	1				
Damp mop to remove spills and water stains as required.	1				
Dust all desks and office furniture with treated dust cloths.	1				
Empty all ash trays and ash urns. Clean and sanitize as required.	1				
Empty all waste paper baskets and other trash containers. Replace plastic liners as needed.	1				
Remove all trash from floors to the designated trash areas.	1				
Remove finger prints, dirt smudges, graffiti, etc., from all doors, frames, glass partitions, windows, light switches and walls.		1			
Vacuum entrance mats.	1				
Wash interior and exterior lobby doors and side panels.	1				

**RESTROOMS**

Empty and wipe clean receptacles and dispose of trash.	1				
Replenish supplies: towels, tissue, etc...	1				
Thoroughly sweep and damp mop with disinfectant all floors.	1				
Clean and disinfect seats, bowls and urinals; all surfaces to be wiped dry.	1				
Clean and wipe dry basins.	1				
Spot wash doors, partitions, and walls.	1				
Clean and polish mirrors, shelves and bright work.	1				
Damp wipe and dry all ledges.	1				
Pour clean water / germicidal solution in urinal traps, lavatory traps & toilet bowls.	1				
Clean and sanitize shower stalls to remove soap scum and mildew.	1				

**OFFICE AND ADMINISTRATIVE AREAS**

Clean and wipe down empty trash containers.		1			
Empty waste containers, and change liners as needed.	1				
Dust furniture: desks, chairs, tables and cabinets.	1				
Vacuum carpeted floor surfaces.	1				
Spot clean carpeted floor surfaces.	1				
Clean with chemically treated dust mop resilient floor surfaces.	1				
Wet mop resilient floor surfaces where necessary.	1				
Spot clean partitions, partition glass, doors, casings, and switch plates.		1			
Dust sills, ledges, flat surfaces, moldings, and partitions.		1			
Clean and disinfect drinking fountains.	1				
Lock doors on completion of work.	1				
Clean all glass tops with glass cleaner solution and cloth.	1				
Spot clean all metal trim work, removing fingerprints, smudges, water and other markings.	1				
Keep all access doors locked while cleaning.	1				
Properly arrange office furniture.	1				
Wash office partition glass.			1		

**BREAK AREAS / COFFEE STATIONS - AS APPLICABLE**

Sweep and mop floors.	1				
Clean and wash tables, counters, sinks, cabinets, etc.	1				
Empty trash, spot clean trash cans as needed.	1				
Clean microwave ovens inside and outside.	1				
Arrange furniture in proper positions.	1				

**CUSTODIAN STORAGE AREAS**

Sweep and mop floors.	1				
Clean and wipe down janitorial sink.	1				
Organize all equipment and supplies in an orderly fashion	1				
Secure and lock door.	1				

**FLOOR MAINTENANCE SERVICE**

Carpet Cleaning – Bonnet				1	
Carpet Cleaning – Shampoo/Extraction – Additional Fee					A/R

**Window Washing Service**

Window Washing – Interior –				1	
Window Washing – Exterior –				1	

\* LESSOR and LESSEE agree that it may be necessary to modify the foregoing Custodial Services Specifications to better meet facility needs. Such modification shall be with mutual written consent. LESSOR and LESSEE acknowledge that additional costs may apply to any such modifications, which shall be borne by LESSEE.



## **EXHIBIT G**

**COUNTY OF MONTEREY INFORMATION TECHNOLOGY**  
**CABLING STANDARDS** (Page 1 of 3)

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## EXHIBIT H

**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 1611 Bunker Hill.

**"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 Ito Farms, Inc. 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. **Ito Farms, Inc**, has made no inquiries of our material suppliers concerning these matters. **Ito Farms, Inc** is willing to provide, upon request, the names of known material suppliers, which may be contacted for further information.

## **EXHIBIT I**

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## **EXHIBIT J**

### **AMORTIZED PREMISE IMPROVEMENT COSTS**

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## **EXHIBIT K**

### **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 L

### RULES AND REGULATIONS

1. Keys are issued in a reasonable number by LESSOR to LESSEE at no charge.
2. Access cards, used to open the electronic lock of the front entry door of a particular building after normal business hours, are assigned to individual people pursuant to a list submitted by LESSEE to LESSOR. A \$15.00 deposit per card is charged upon issuance and refundable upon return. When a card holder is no longer entitled to a card (left employment, etc.) LESSEE shall notify LESSOR of a new holder, or if the card has been taken or lost. By so notifying LESSOR, a particular card code can be removed from the authorized list, so that it no longer will activate the lock.
3. No sign or notice shall be displayed by LESSEE outside of its office space without written consent of LESSOR. If approval is not given, LESSOR shall have the right to remove such sign or notice without notice to LESSEE and at the expense of the LESSEE. All signs on access doors to the Premises shall be approved by LESSOR. The original standard company sign on the main door to the Premises will be installed at LESSOR's expense. LESSEE may at its expense, install a different sign after receiving written design approval by LESSOR. Design criteria should be obtained from LESSOR in advance.
4. LESSEE shall not place anything within the Premises which may appear unsightly from outside of the Premises.
5. LESSEE shall not install any curtains, blinds, shades, or screens on any windows or doors of the Premises without LESSOR's consent.
6. Sidewalks, halls, passages, exits, entrances, elevators, and stairways shall not be obstructed by any of the lessees, or used by them for any purpose other than for ingress or egress from their respected offices.
7. LESSEE shall not alter any lock or install any new or additional locks or bolts on any doors or windows without the written consent of LESSOR.
8. The toilet rooms, urinals, wash bowls and other apparatus shall not be used for any purpose other than for which they were installed.
9. LESSEE shall not overload the floor of the office complex.
10. LESSEE shall not mark, drive nails, screw or drill into the partitions, woodwork, or plaster or in any way deface the Premises, except for hanging of small items such as pictures with nail type of hangers, without LESSOR's approval.

11. No unusually large or heavy equipment shall be brought into the complex without prior notice to LESSOR, and all moving of the same into or out of the office complex shall be done at such time and such a manner as LESSOR shall designate. All damage done to the office complex by moving or maintaining any such equipment shall be repaired at the expense of LESSEE.
12. LESSEE shall not use the office complex in a manner offensive or objectionable to the LESSOR or other occupants by reason of noise, odors, and/or vibrations, or interfere in any way with other lessees or those having business herein, nor shall any animals or birds be brought in or about the office complex.
13. No lodging, washing clothes, or cooking, excluding use of coffee makers and microwave ovens, shall be done or permitted by any lessee on the Premises.
14. LESSEE shall not use or keep on the Premises any foul or noxious gas, kerosene, gasoline or inflammable or combustible fluid or material, or use any method of heating or air conditioning other than that supplied by LESSOR.
15. LESSOR will direct electricians as to where and how telephone wires are to be installed. No changing of wires will be allowed without the consent of the LESSOR. The location of the telephones, call boxes and other office equipment affixed to the office complex shall be subject to the approval of LESSOR.
16. No aerial satellite dish or other item shall be erected on the roof or exterior walls of the complex, or on the grounds without, in each instance, the written consent of the LESSOR. Any such item so installed without such written consent shall be subject to removal without notice at any time.
17. No loud speakers, televisions, radios or other devices shall be used in a manner so as to be heard or seen outside of the Premises without prior written consent of the LESSOR.
18. On Saturdays, Sundays, legal holidays, and other days between the hours of 7:00 P.M. and 7:00 A.M. the following day, access to the office complex or to the Premises may be refused unless the person seeking access is known to the person or employee of the office complex in charge or is properly identified. The LESSOR shall in no case be liable for damages for any error with regard to the admission to or exclusion from the office complex of any person.

19. Any person whose presence on the Premises may in the judgment of the LESSOR be prejudicial to the safety, character, reputation or interest of the office complex or of its lessees may be denied access to the office complex or may be ejected therefrom.

20. No vending machine or machines of any description shall be installed, maintained or operated upon the Premises without the written consent of the LESSOR.

21. LESSEE shall not disturb, solicit, or canvass any occupant of the office complex and shall cooperate to prevent the same.

22. LESSOR shall control and operate the public portions of the office complex in such manner as it deems best for the benefit of the lessees generally.

23. All windows and entrance doors in the office complex shall be left locked when the Premises are not in use, and all doors opening to public corridors shall be kept closed except for normal ingress and egress from the office complex.

24. In case of invasions, mob riot, public excitement, or other emergency, the LESSOR reserves the right to prevent access to the office complex during the continuance of the same by closing of the doors or otherwise, for the safety of the lessees and protection of property in the office complex. LESSOR will also direct lessees as necessary in an emergency and will not assume any liability for damages suffered by lessees as the result of such directions.

25. LESSEE shall call LESSOR if the temperature in all or any portion of the Premises needs to be adjusted. LESSOR will dispatch a qualified technician to attend to the problem. LESSEE shall not attempt to make adjustments to the locked thermostats, registers, VAV boxes or any other portion or part of the HVAC system. Should LESSOR find that adjustments or other tampering has been made to the thermostats or any other portion of the HVAC system, LESSOR shall have the right to remove such thermostats and replace the thermostats with a more tamper-proof industrial thermostat which is larger and unlikely to blend with LESSEE's office décor. This will be installed at the expense of the LESSEE. The 2006 cost, including labor for replacing a thermostat with a more tamper-proof model and then replacing that thermostat with the original when the LESSEE vacates is \$250.00, which shall be due and payable within 10 calendar days of billing. This price is subject to change.

LESSOR may take whatever other action it deems necessary to stop the tampering including, but not limited to, declaring LESSEE in breach and commencing LESSEE's eviction process.



## EXHIBIT M

1. **Commercial General Liability**, insuring or self-insuring LESSEE against liability arising out of the ownership, use, occupancy or maintenance of the Premises and all areas appurtenant thereto, providing not less than

\$1,000,000 Each Occurrence  
\$2,000,000 General Aggregate  
\$2,000,000 Products / Completed Operations Aggregate  
\$1,000,000 Personal and Advertising Injury  
\$100,000 Fire Damage Legal Liability

2. **Workers' Compensation Insurance** in compliance with applicable Federal and State laws.

3. **Employers Liability**

\$1,000,000 Bodily Injury for Each Accident  
\$1,000,000 Bodily Injury by Disease for Each Employee  
\$1,000,000 Bodily Injury Disease Aggregate

4. **Comprehensive Automobile Liability** providing self-insurance not less than:

\$1,000,000 combined single limit per occurrence, bodily injury and property damage.

Such insurance to include: owned, hired, or non-owned vehicles.

5. **Umbrella Liability Insurance** with either self-insurance or excess insurance limits of not less than:

\$2,000,000 per occurrence.

Written confirmation, pursuant to Article 19 of the Lease Agreement to which this Exhibit is attached, shall be mailed to Ito Farms, 9112 McFadden Avenue, Westminster, CA 92683