RADIO COMMUNICATION SITE LEASE AGREEMENT

(LOWER SITE)

THIS RADIO COMMUNICATION SITE LEASE AGREEMENT (hereinafter "Agreement") is made and entered into by Dorrance Ranches, L.P., (hereinafter "LESSOR") with an address at 18500 Corral Del Cielo Road Salinas, CA 93908, and the County of Monterey, a political subdivision of the State of California (hereinafter "LESSEE"), with an address at 168 W. Alisal St. Salinas, CA 93901 (LESSOR and LESSEE being collectively referred to herein as the "Parties," or individually as "Party").

In consideration of the mutual covenants contained herein and intending to be legally bound hereby, LESSOR and LESSEE hereby agree as follows:

- 1. PREMISES, LICENSE TO INSTALL, MAINTAIN AND OPERATE EQUIPMENT AND FACILITIES, AND ACCESS TO PREMISES:
- (A) Premises. LESSOR is the owner of that certain real property in the County of Monterey, State of California, described as the area commonly within the existing fences located at 19883 Corral Del Cielo Road Salinas, CA 93908, further described in **Exhibit A** attached hereto and Incorporated herein by reference (hereinafter "Premises").
- (B) Premises, License to Install, Maintain, and Operate Equipment and Facilities. LESSEE currently leases the Premises from LESSOR under a thirty-four (34) year lease agreement dated March 13, 1990, with a lease commencement date of July 1, 1990, and has installed radio communication Facilities (as such term is defined in Section 2 below) and Equipment (as such term is defined in Section 2 below) pursuant to that lease agreement. LESSOR hereby grants to LESSEE a license to operate and maintain the radio communications Facilities and license to install, maintain, and operate the radio communication Equipment as shown in the "Site Plan" attached hereto as **Exhibit B**, for the Term of the Agreement (as such term is defined in Section 7 below) and under and subject to all of the terms and conditions set forth in this Agreement and to the terms and conditions of that certain conservation easement with The Nature Conservancy ("Conservation Easement") recorded in the Office of the Recorder of Monterey County, California as Document #2008014009. The parties acknowledge that use of the Premises by LESSEE as set in this Agreement is permitted by the Conservation Easement.
- (C) Access to Premises. Subject to the requirements as set forth in Section 3 and Section 5 below, LESSEE shall have the non-exclusive right for vehicular ingress to and egress from the Premises through LESSOR's property over the private driveway from the locked gate at the terminus of Corral Del Cielo Road to the Premises, seven (7) days a week, twenty-four (24) hours a day, for the purposes of operating and maintaining the Facilities, installing, maintaining, operating and repairing the Equipment, together with a license to install, maintain and operate and repair utility lines, wires, cables, conduits, lines, pipes or any other means of providing utility service, including electric and telephone service, to the Premises. Access will be confined

to normal business hours to the greatest extent possible. LESSOR shall maintain the paved portion of the private driveway from the terminus of Corral Del Cielo Road to the unpaved portion of the driveway to the Premises, except for ice and snow. Upon request by LESSEE, LESSOR shall repair and/or maintain the unpaved portion of the private driveway from the paved portion of the private driveway to the Premises. Estimated cost and expenses of said unpaved portion shall be approved by LESSOR and LESSEE prior to commencement of repair and/or maintenance. LESSEE shall reimburse LESSOR the cost and expense of repair and/or maintenance of said unpaved potion within thirty (30) days of receipt of invoice from LESSOR. LESSEE shall obtain advance written clearance from LESSOR for any underground excavation or construction.

LESSOR has the right to maintain and keep a locked gate at the terminus of Corral Del Cielo Road at LESSOR's property line, provided that LESSEE shall be allowed to have one key lock or combination lock on that gate and be authorized to give keys or the combination to all approved Sublessees. LESSEE agrees to provide LESSOR with one key or the combination to the lock and to notify LESSOR immediately if the lock is replaced. LESSEE agrees not to leave the gate open or unlocked. LESSEE also agrees to keep closed any other gates which Lessor may hereafter place on the private driveway from the terminus of Corral Del Cielo Road to the Premises. LESSEE shall not provide keys or the combination, nor grant permission for any person to enter LESSOR's property at its main gate except for those persons actually using the Premises for the Permitted Uses (as such term is defined in Section 2 below).

If the private driveway to the Premises is damaged by the acts of LESSEE or its invitees, contractors, employees, or representatives, LESSEE shall repair the damage at its sole cost and expense. If the LESSEE fails to repair, LESSOR shall have the right to make the necessary repairs and will be entitled to reimbursement by the LESSEE so long as LESSEE was notified of the damage and provided a reasonable opportunity to repair.

LESSEE agrees, for itself, its agents, representatives, and employees, that all vehicles traveling on the private driveway from the terminus of Corral Del Cielo Road shall not exceed a reasonable and safe speed (in no event to exceed fifteen miles per hour) for the nature of the road and then current weather conditions. If LESSOR determines, in its sole discretion, that LESSEE or its invitees, contractors, employees, or representatives are traveling at an unsafe speed, LESSOR may require that individuals be escorted to the Premises by a designee of LESSEE.

LESSEE shall use this private driveway in a manner that does not cause excessive wear or damage to the road or adjoining property.

(D) <u>Subject to Permit Limitations</u>. The LESSOR's obligations to provide LESSEE a license and access are subject to any limitations thereon imposed by the LESSEE's planning and CEQA documents, the Federal Communication Commission (FCC), Monterey County Planning and Building Department, the Regional Water Quality Control Board, and the Local Enforcement Agency or any other regulatory authority with jurisdiction over the Premises or telecommunications facilities.

2. PERMITTED USE:

Subject to the terms of this Agreement, LESSEE may use the Premises to operate and maintain the radio communications tower and shelter (hereinafter the "Facilities") and to install, operate and maintain the radio communications equipment and antennae and other appurtenant and incidental equipment, including, but not limited to, LESSEE's cables, wires, conduits, pipes, radios, radio shelter or cabinet, generator, and related transmission and reception hardware and software, fencing around the Premises, and other personal property (hereinafter the "Equipment"), and to install, maintain, replace and repair wires, cables, conduits and pipes from the Premises to the nearest appropriate utilities provider. All such Equipment shall be installed above ground: wires, cables, conduits, and pipes necessary to connect to utility providers (including communications provider fiber optic cables) may be installed below ground in accordance with Section l, above. LESSEE shall maintain the Facilities, Equipment and related improvements in good condition and repair.

3. IMPROVEMENTS ON THE PREMISES, PERFORMANCE OF WORK AND UTILITIES:

- (A) Installation and Maintenance of Equipment. LESSEE accepts the Premises in an "as is" condition. LESSEE shall have the right to finance and construct approved Equipment and related improvements on the Premises at LESSEE's sole cost and expense. LESSEE agrees to provide to LESSOR structural analysis, equipment lists, material lists, CAD drawings, and any other technical report in its possession as requested by the LESSOR. Any installation or maintenance project shall conform to all legal, regulatory and permit requirements beginning with construction and extending to project termination when all of the equipment is removed. LESSEE may, at its sole cost and expense, perform construction, maintenance, repairs and likefor-like replacements of its Equipment, as necessary, and appropriate for its ongoing business, subject to the terms of this Agreement, including, without limitation, this Section 3.
- (B) Modifications to Facilities. LESSEE, at its sole cost and expense, may make Modification (as such term is defined below) to the Facilities consistent with the permitted uses set forth in Section 2 above, as deemed appropriate by LESSEE, provided LESSEE shall not make any Modification that requires the issuance of a permit by any governmental agency without LESSOR's prior consent. LESSEE shall apply to make Modifications to its Facilities that require a permit from a governmental agency by submitting all plans to LESSOR for LESSOR's prior approval, including geotechnical reports, foundation recommendations, structural analysis, specifications, working drawings and other information reasonably required by the LESSOR in connection with a proposed Modification, and LESSEE will be liable for the cost thereof. LESSEE shall reimburse LESSOR's reasonable costs and expenses, including without limitation any attorneys' fees, incurred in connection with reviewing such permits, drawings and engineering reports and plans. All such Modifications shall be constructed in a workmanlike manner and in compliance with applicable building codes, ordinances and with licensed California contractors. All such structures and improvements must be maintained in good repair

and operational condition during the term of this Agreement. If LESSEE fails to complete any Modification or obtain the appropriate permit from the governmental agency having jurisdiction over any construction project, LESSOR may, in its sole and absolute discretion, obtain any needed permits and finish the work, with LESSEE paying all cost of completing the work as additional Lease Fees. LESSEE shall keep the Premises free from any mechanics liens and shall pay when due all bills arising out of any modification performed, materials furnished or obligations incurred by LESSEE, its agents, employees or contractors. If any claim of mechanics lien is recorded, LESSEE shall bond against or discharge the same within thirty (30) days after the same has been recorded against the Premises. Should any mechanics lien be filed against the Premises or any action commenced affecting title thereto, the party receiving notice of such lien or action shall promptly give the other party written notice thereof. On completion of any Modification, LESSEE shall file or cause to be filed a notice of completion. LESSEE hereby appoints LESSOR, as LESSEE's attorney, in fact, to file the notice of completion on LESSEE's failure to do so after the work of Modification has been substantially completed. For the purposes of this Agreement, a "Modification" shall mean (i) any change (including upgrade) to the Facilities.

- Maintenance of Premises. LESSEE shall maintain and repair, at its own expense, the (C) Premises and all Facilities on, approaches to, and appurtenances of the Premises, including, but not limited to, all fencing, the unpaved portion of the private drive from the paved portion of the private driveway to the Premises (as indicated in Section 1C above), the radio communications shelter, and the radio communications tower currently existing as of the date hereof on the Premises in a commercially reasonable manner. Maintenance and repair of the Facilities on the Premises shall include but is not limited to routinely painting to prevent accelerated deterioration from exposure to climatological elements, repairing identified structural deficiencies, removing and remediating any hazardous material on the Premises, and keeping the shelter free from leaks. LESSEE agrees that all trash and garbage will be disposed of off the Premises as well as off all or any of LESSOR's adjoining property. LESSEE also agrees to remove all equipment from the Premises that is not functioning and is not scheduled for repair or is not being utilized and does not have a planned future use. LESSEE must keep the fenced-in area of the leased Premises free of weeds and trash, and on or before June 1st of each year during the term, LESSEE shall mow the entire Premises within the fenced area and at least twelve (12) feet outside of the perimeter of the fence, and meet all other local and state fire department regulations for vegetation removal and fire fuel abatement. LESSOR hereby grants LESSEE permission to enter LESSOR's adjoining property for this purpose.
- (D) Portable Toilet. LESSEE may, at LESSEE's option and with prior written notice to LESSOR, provide, at its sole cost and expense, a portable toilet for the use by employees of LESSEE, Sublessees and others authorized to access the Premises. If LESSEE elects to not provide a portable toilet for the Premises and LESSOR reasonably determines that it is necessary to have a portable toilet available for use by employees of LESSEE, Sublessees and others authorized to access the Premises, LESSOR may require that LESSEE provide an exclusive use

portable toilet for the Premises or may require that LESSEE pay a portion of the cost of a non-exclusive use portable toilet located at or near the Premises.

- (E) <u>Utilities.</u> LESSEE shall pay for all electricity and other utilities for the Premises and shall contract for such in LESSEE's name.
- (F) Sublease. Provided LESSEE is not in possession of a notice of default of its obligations under this Agreement from LESSOR, LESSEE shall have the right to license or sublease to other local, state, or federal governmental agencies, solely for the purpose of radio communications, without LESSOR's prior consent, the use of its Facilities located on the Premises, subject to the terms, agreements, promises, covenants and conditions set forth in this Agreement. LESSEE shall not enter into subleases with private or commercial users. LESSEE will ensure that respective sub lessee's telecommunication operations are consistent with the standards set forth in this Agreement and that appropriate governmental approvals are received. LESSEE shall provide a notice to LESSOR proof of insurance for all sublessees and other salient data as may be required by LESSOR to ensure the terms of this lease have been met, at a minimum once a year or upon demand by LESSOR.

4. INTERFERENCE:

- (A) Interference to LESSEE's Operations. To the extent enforceable under existing lease agreements, LESSOR agrees that other users of LESSOR's property adjacent to the Premises, whose communications equipment is installed or modified subsequently to LESSEE's Equipment ("Subsequent Use"), shall not permit their communications equipment to interfere with LESSEE's permitted transmissions or reception. In the event that LESSEE experiences Radio Frequency ("RF") interference caused by such Subsequent Use, LESSEE shall notify LESSOR in writing of such RF interference and LESSOR shall, to the extent enforceable under existing lease agreements, cause the party whose Subsequent Use is causing said RF interference to reduce power and/or cease operations in order to correct and eliminate such RF interference within seventy-two (72) hours after LESSOR's receipt of such notice. LESSOR further agrees that any licenses or other agreements with third parties for a Subsequent Use will contain provisions that similarly require such users to correct or eliminate RF interference caused by Subsequent Use
- (B) Interference resulting from LESSEE's Operations. LESSEE agrees that any communications equipment installed or modified by LESSEE or its subleasees subsequently to communications equipment installed by other users of LESSOR's property adjacent to the Premises ("Subsequent Use By LESSEE") shall not permit LESSEEs communications equipment to interfere with other permitted transmissions or reception. In the event that LESSOR is notified of Radio Frequency ("RF") interference caused by such Subsequent Use By LESSEE, LESSOR shall notify LESSEE in writing of such RF interference, and LESSEE shall cause the party whose Subsequent Use is causing said RF interference to reduce power and/or

cease operations in order to correct and eliminate such RF interference within seventy-two (72) hours after LESSEE's receipt of such notice. LESSEE further agrees that any licenses or other subleases with third parties for a Subsequent Use By LESSEE will contain provisions that similarly require such users to correct or eliminate RF interference caused by Subsequent Use By LESSEE.

5. AUTHORIZED PERSONS, NOTICE RELATING TO ACCESS, PERMITS AND APPROVALS:

- (A) <u>Authorized Persons: Safety of Personnel.</u> LESSEE's right of access shall be limited to authorized employees, contractors, or subcontractors of LESSEE, or persons under their direct supervision.
- (B) Permits, Authorizations and Licenses. LESSEE shall be solely responsible for obtaining and maintaining, at its own expense, all permits, authorizations, and licenses associated with its occupancy of Premises and utilization of Equipment thereon and shall promptly provide copies thereof to LESSOR.

6. LEASE FEE AND OTHER CHARGES:

For the rights granted under this Agreement, LESSEE shall pay to LESSOR a fee (hereinafter "Lease Fee") in the amounts shown in the table below annually for the Premises as detailed in **Exhibit A**.

Lease Period	Lease Fee
July 1, 2024 to June 30, 2025	\$13,791.00
July 1, 2025 to June 30, 2026	\$14,343.00
July 1, 2026 to June 30, 2027	\$14,917.00
July 1, 2027 to June 30, 2028	\$15,514.00
July 1, 2028 to June 30, 2029	\$16,135.00
July 1, 2029 to June 30, 2030	\$16,781.00
July 1, 2030 to June 30, 2031	\$17,453.00
July 1, 2031 to June 30, 2032	\$18,152.00
July 1, 2032 to June 30, 2033	\$18,879.00
July 1, 2033 to June 30, 2034	\$19,635.00

LESSEE shall pay the Lease Fee for the first Lease Period prior to the Commencement Date (as such term is defined in Section 7 below). The Lease Fee shall be made to (need not be sent certified): Dorrance Ranches, L.P. For all subsequent Lease Periods during the Lease Term, the LESSOR shall provide a written invoice to LESSEE prior to the start of each Lease Period. The Lease Fee shall be paid within thirty (30) days after LESSEE's receipt of a written invoice from LESSOR; provided, however, LESSOR's failure to submit any invoice in accordance herewith

shall not be construed as a waiver of any right thereto. Any Lease Fee not postmarked by July 31st of the current Lease Period shall be considered a delinquent Lease Fee, and LESSEE shall immediately pay to LESSOR a late charge equal to five percent (5%) of the annual Lease Fee. Payment of such late charge shall not excuse or cure any default by LESSEE under this Agreement.

7. TERM OF AGREEMENT:

The term of this Lease ("Lease Term") shall be for ten (10) years, commencing on July 1, 2024 ("Commencement Date") and ending on June 30, 2034.

8. HOLDOVER:

LESSEE shall remove its Facilities and Equipment, including all portions of the Facilities and Equipment located above-ground and below-ground, from the Premises prior to the expiration or termination of this Agreement, subject to the terms of Section 18. Should any portion of LESSEE's Equipment remain at the Premises after the expiration or termination of this Agreement, no tenancy or interest in the Premises shall result, but this "holding over" shall be an unlawful detainer, and all such Equipment shall be subject to immediate removal. LESSEE shall, upon demand, pay to LESSOR, as a holdover fee, a sum equal to one-eighth (1/8) of the annual Lease Fee (based on the amount of the Lease Fee at the time of said expiration or termination for each month during which LESSEE shall "holdover' at the Premises after the expiration or termination of this Agreement.

9. ASSIGNMENT:

Neither this Agreement nor any rights hereunder shall be sold, transferred, or assigned (hereinafter "Assignment") by the LESSEE without the written consent of the LESSOR. Any approved assignment shall be evidenced by a form provided by LESSOR and executed by LESSOR, LESSEE, and the assignee. Notwithstanding the above, LESSEE may assign this Agreement, without written consent by LESSOR upon one hundred eighty (180) days prior written notice to LESSOR, to LESSEE's principal, or any wholly-owned subsidiary of its principal or to any entity which acquires all or substantially all of LESSEE's assets in the market defined by the FCC in which the Premises is located by reason of a merger, acquisition, or other business reorganization, or to another government or quasi-government entity. LESSEE shall not share the use of its Equipment with any non-governmental third party.

Any assignment made without LESSOR'S prior written consent shall be voidable at LESSOR'S election and shall constitute a default under this Agreement. An assignment by operation of law shall occur if LESSEE dissolves is or becomes bankrupt or insolvent, makes an assignment for the benefit of creditors, or institutes a proceeding under the Bankruptcy Act in which LESSEE is the bankrupt or, if a writ of attachment or execution is levied on this Agreement, or if, in any proceeding or action to which LESSEE is a party, a receiver is appointed with authority to take possession of the Facilities and Equipment at the Premises. In the event of an Assignment by

operation of law, LESSOR shall have the right to elect to terminate this Agreement, in which case this Agreement, subject to applicable law, shall not be treated as an asset of LESSEE.

No request for an Assignment may be made if LESSEE is then in possession of a notice of default of its obligations under this Agreement from LESSOR. In conjunction with any request for Assignment of this Agreement, LESSEE agrees that it is reasonable for LESSOR to consider and that it will provide to LESSOR the documents and information relating to the following concurrently with any such written request for Assignment or upon the request of LESSOR in order for such request to be effective:

- i Whether the proposed use is permitted under this Agreement and whether the proposed use of the Premises will violate any other agreements affecting the Premises or the Lessor; and
- ii Whether the proposed assignee has adequate financial strength and stability, and managerial experience to assure a successful operation.

In the event LESSOR is requested to an act under this section, LESSEE agrees to pay LESSOR'S reasonable legal, accounting, and other expenses connected with considering consent and reviewing the required information.

The acceptance by LESSOR of a Lease Fee or the waiver by LESSOR of any other obligation on the part of LESSEE to be performed shall not be deemed to be a waiver by LESSOR of any other provision of this Agreement or to be a consent to any Assignment. Consent by LESSOR to one or more Assignment shall not be deemed to be a consent to any subsequent Assignment. Following any approved assignment, LESSEE shall be relieved from any and all further obligations hereunder, except those obligations existing on the date of such assignment or arising from acts or omissions of LESSEE occurring prior to the date of such assignment.

10. NOTICES:

Any demand or notice which either party shall be required, or may desire, to make upon or give to the other hereunder shall be in writing and shall be delivered (i) by established express delivery service which maintains delivery records, (ii) personally upon the other, (iii) by prepaid certified or registered mail, return receipt requested; or (iv) by electronic mail if also contemporaneously sent by one of the other methods described in Sections 10(i) to 10(iv). All notices shall be effective upon receipt, or upon attempted delivery if delivery is refused. The notices shall be sent to the parties at the following addresses:

To LESSEE: County of Monterey

Information Technology Department

1590 Moffett Street Salinas, CA 93901

w//Email Copy To: MontoyaTL@co.monterey.ca.us

To LESSOR: Dorrance Ranches, L.P. 18500 Corral Del Cielo Road Salinas, CA 93908

w/Email Copy to: dorranceranches@gmail.com

Either party may, from time to time, designate any other address for this purpose by written notice to the other party. Either party for general communication may use telephone or email.

11. ACKNOWLEDGMENT OF TITLE:

It is understood and agreed that LESSEE, by the acceptance of this Agreement and by the use or occupancy of said Premises, has not acquired and shall not acquire hereafter any property rights or interest in or to said Premises (other than the leasehold interest granted herein), and LESSEE may use the Premises only as herein provided. LESSEE shall not have, nor will it obtain, any right or claim to the continued use of said Premises beyond that specifically given in this Agreement. LESSOR covenants that LESSEE, on paying the Lease Fee and performing all the terms, covenants, and conditions of this Agreement, shall peaceably and quietly have, hold and enjoy the Premises, subject to the terms, covenants and conditions set forth herein. LESSOR covenants that LESSOR has full power and authority to enter into and perform this Agreement and to grant the rights granted to LESSEE hereunder, subject to the terms, covenants and conditions set forth herein.

12. REPAIRS:

LESSEE shall be responsible for all maintenance and repairs of LESSEE's Facilities and Equipment on the Premises.

13. INSPECTION:

The LESSOR shall have the right upon written notification to and coordination with LESSEE to enter upon said Premises to inspect the Equipment and determine if said use is to the satisfaction of LESSOR; provided, however, that LESSOR shall not alter, adjust, move, disrupt, or otherwise affect the operation of the LESSEE's Equipment, except as LESSOR may otherwise be permitted as set forth herein. If LESSOR alters, adjusts, moves, disrupts, or otherwise affects the operation of LESSEE's Equipment during the inspection in such a manner to cause damage to LESSEE's Equipment, LESSOR shall be liable for the actual, direct damages to the Equipment.

14. INSURANCE AND INDEMNIFICATION:

(A) <u>Insurance Requirements.</u> LESSEE, at LESSEE'S own expense throughout the Term of this agreement, shall comply with the insurance requirements attached hereto as **Exhibit E** and incorporated by reference herein. In the event that LESSEE is self-insured in any or all of the

aforementioned insurance areas, a letter certifying that LESSEE is lawfully self-insured shall be furnished upon request of the LESSOR prior to execution of this Agreement or during the term of the Agreement. LESSOR is not required to maintain any level or type of insurance but may elect to obtain such insurance, which shall be for the sole benefit and protection of LESSOR.

- (B) Proof of Insurance. A certificate of insurance or evidence of self-insurance in forms reasonably satisfactory to LESSOR, indicating compliance with the insurance provisions of this Agreement shall be delivered to LESSOR upon the execution of this Agreement and, in subsequent years, upon written request by LESSOR, LESSEE shall keep the insurance or self-insurance in effect throughout the Term of the Agreement.
- (C) Indemnification. LESSEE, during the term hereof, shall indemnify and hold harmless the LESSOR from and against any and all claims and demands for injuries to persons or loss of life, or damage to property, occurring within the Premises or on LESSOR'S adjoining property and/or the access road described in Section 1(C) above, and arising out of the installation, operation, accessing, or maintenance of the Equipment on the Premises by the LESSEE, its employees, contractors, Sublessees, licensees, or agents, or of any other person entering upon the Premises under express or implied invitation of Lessee, excepting however, such claims and demands for injuries to persons or loss of life, or damage to property, caused by acts or omissions of the LESSOR.

LESSOR, during the term hereof, shall indemnify and hold harmless the LESSEE from and against any and all claims and demands for injuries to persons or loss of life, or damage to property, occurring within the Premises and arising out of the fault or negligence of the LESSOR.

15. CONDEMNATION:

If any part of the Premises shall be taken under the power of eminent domain LESSOR and LESSEE shall be entitled to assert their respective claims in accordance with applicable state law.

16. CASUALTY:

If LESSEE'S Facilities located on the Premises are damaged beyond repair or destroyed by any peril after the Effective Date of this Agreement, within sixty (60) days following the date of damage or destruction, LESSEE shall either: (i) give notice of LESSEE'S intent to restore the Facilities, and subsequently restore the Facilities and Equipment necessary to operate the Premises as a permitted use as set forth in Section 2, at LESSEE'S sole cost and expense, or (ii) elect not to repair, reconstruct or restore the Facilities and terminate this Lease, and remove all of LESSEE'S Facilities and Equipment and restore the Premises in accordance with the requirements set forth in Section 18, provided, upon giving such notice of termination of this Lease, LESSEE shall pay to LESSOR within thirty (30) days, a lease termination fee equal to the

amount of the annual Lease Fee for the lease period following the lease period at the time of damage. In the event of any damage to or destruction of LESSEE's Facilities, the Lease Fee shall not be reduced or abated unless LESSEE gives notice of termination of this Agreement and pays the lease termination fee as set forth above.

17. HAZARDOUS MATERIALS:

LESSEE shall, at its own expense, procure, maintain in effect and comply with all conditions of any and all permits, licenses and other governmental and regulatory approvals required for LESSEE'S use of the Premises, including without limitation, discharge of appropriately treated materials or wastes onto or from the Premises, if any. Except as discharged in strict accordance and conformity with all applicable Hazardous Materials Laws, LESSEE shall cause any and all Hazardous Materials removed from the Premises to be removed and transported solely by duly licensed haulers to duly licensed facilities for final disposal of such materials and wastes. LESSEE shall in all respects handle, treat, deal with and manage any and all Hazardous Materials in, on, under or about the Premises in total conformity with all applicable Hazardous Materials Laws and prudent industry practices regarding management of such Hazardous Materials. Upon expiration or earlier termination of the term of this Agreement, LESSEE shall cause all Hazardous Materials to be removed from the Premises and transported for use, storage or disposal in accordance and compliance with all applicable Hazardous Materials Laws. LESSEE shall not take any remedial action in response to the presence of any Hazardous Materials in or about the Premises, nor enter into any settlement agreement, consent decree or other compromise in respect to any claims relating to any Hazardous Materials in any way connected with the Premises, without first notifying LESSOR of LESSEE'S intention to do so and afford LESSOR ample opportunity to appear, intervene or otherwise appropriately assert and protect LESSOR's interest with respect thereto.

LESSEE hereby acknowledges and agrees to immediately notify LESSOR in writing of: (a) an accident, incident or occurrence that in any manner exposes the Premises to contamination by any hazardous or toxic material or substance, LESSEE shall report such accident, incident or occurrence to LESSOR with all details thereof not less than twenty four (24) hours after such occurrence; (b) any enforcement, cleanup, removal or other instituted, completed or threatened pursuant to Hazardous Materials Laws; (c) any claim made or threatened by any person against either Party or the Premises relating to damage, contribution, cost recovery compensation, loss or injury resulting from or claimed to result from any Hazardous Materials; and (d) any reports made to any environmental agency arising out of or in connection with any Hazardous Materials in or removed from the Premises thereon, including any complaints, notices, warnings or asserted violations in connection therewith. LESSEE shall promptly deliver to Lessor copies of hazardous waste manifests reflecting the legal or proper disposal of all Hazardous Materials removed from the Premises.

LESSEE shall indemnify, defend (by counsel reasonably acceptable to LESSOR), protect and hold LESSOR and LESSOR'S successors and assigns free and harmless from and against any and all claims, liabilities, penalties, forfeitures, losses or expenses, including attorneys' fees, or death of or injury to any person or damage to any property whatsoever arising from or caused in whole or in part, directly or indirectly by (1) the disposal, release or discharge caused by LESSEE or any of its agents, servants, subtenants or employees, of any Hazardous Materials in, on, under, about or from the Premises during the term of this Agreement or as a result of LESSEE's use, analysis, storage, transportation, disposal, release, threatened release, discharge or generation of Hazardous Materials in, on, under, about or from the Premises; or (2) LESSEE's failure to comply with any Hazardous Materials Law. LESSEE's obligations hereunder shall include, without limitation and whether foreseeable or unforeseeable, all costs of any required or necessary repair, cleanup or detoxification or decontamination of the Premises and the preparation and implementation of any closure, remedial action or other required plans in connection therewith, and shall survive the expiration or earlier termination of the term of the Lease. For purposes of the release and indemnity provisions hereof, any acts or omissions of LESSEE, or by its employees, agents, assignees, Sublessees, contractors or subcontractors of LESSEE or others acting for or on behalf of Lessee, whether or not they are negligent, intentional, willful or unlawful, shall be strictly attributable to LESSEE.

18. CONDITION OF PREMISES UPON TERMINATION:

All of LESSEE's Facilities and Equipment, including the above-ground and below-ground portions thereof, shall be removed from the Premises by LESSEE within ninety (90) days of the termination of this Agreement, for any reason whatsoever, and LESSEE shall restore the Premises, at its sole cost and expense, to the condition that existed prior to the installation of the Facilities and Equipment, excepting therefrom any tower footings which shall be removed to a subsurface depth of three feet (3'). In the event LESSEE fails to remove the Facilities and Equipment from the Premises and restore the Premises within ninety (90) days as set forth above, LESSOR may remove such improvements and restore the Premises to a condition suitable for cattle grazing and shall be entitled to reimbursement for all costs associated with removal and restoration from LESSEE. LESSEE shall continue to pay LESSOR Holdover Fee pursuant to Section 8 of this Agreement until the Premises are completely restored as set forth in this Section 18.

19. REAL PROPERTY TAXES:

LESSEE agrees to pay to LESSOR all taxes, assessments, levies and other charges of any kind or nature whatsoever, general and special, foreseen and unforeseen now or hereafter imposed by any governmental, quasi-governmental authority to special district having the direct or indirect power to tax or levy assessments ("Real Property Taxes"), which are levied or assessed against or with respect to, the value, occupancy or use of all or any portion of the Premises and any improvement located thereon (as now constructed or as may at any time hereafter be constructed, altered, or

otherwise changed); all charges, levies or fees imposed by reason of governmental regulation or control of the Premises; and all reasonable costs and fees (including attorneys' fees) incurred by LESSOR in contesting any Real Property Tax and in negotiating with public authorities as to any Real Property Tax to the extent that LESSEE approves such action. LESSEE acknowledges the Premises are not separately assessed and that LESSEE's share of Real Property Taxes shall be apportioned on a pro rata basis as reasonably determined by LESSOR. LESSOR, upon receipt of real property tax bills issued by the County of Monterey, shall invoice LESSEE and LESSEE shall pay LESSOR, as an additional Lease Fee, for the portion of said taxes that is attributable to the Premises, on or before November 1st of each year during the term of this Agreement. If LESSEE fails to make payment of its share of Real Property Taxes within thirty (30) days after the same becomes due, LESSEE shall immediately pay to LESSOR a late charge equal to ten percent (10%) of such delinquent payment. Payment of such late charge shall not excuse or cure any default by LESSEE under this Agreement. In addition, LESSEE shall pay prior to delinquency all personal property taxes levied upon and assessed against the facilities, equipment, and other personal property of LESSEE placed on the Premises.

20. DEFAULT, REMEDIES AND WAIVER OF CONSEQUENTIAL DAMAGES:

Notwithstanding any other provision to the contrary contained herein this Agreement, in the event there is a default by the LESSEE with respect to any of the provisions of this Agreement or its obligations under it, then the LESSOR shall give LESSEE written notice of such default. After receipt of such written notice, the LESSEE shall have ten (10) days to cure any monetary default and thirty (30) days to cure any non-monetary default (i.e., a default not related to timeliness of payments), provided that such thirty (30) day period will be extended as required if the nature of the cure is such that it reasonably requires more than thirty (30) days and the LESSEE commences the cure within the thirty (30) day period and thereafter continuously and diligently pursues the cure to completion. The LESSOR may not maintain any action or effect any remedies for default against the LESSEE unless and until the LESSEE has failed to cure the same within the time periods provided in this Section 20.

In the event that LESSEE fails to cure a default within thirty (30) days or as otherwise provided in this section, LESSOR may take possession of the Premises and remove all LESSEE Facilities and Equipment from the Premises in accordance with applicable laws. LESSOR shall invoice LESSEE, which invoice shall be accompanied by supporting documentation for such time and costs and for any reasonable staff time related to removal of Facilities and Equipment resulting from default after LESSEE's receipt of written notice and opportunity to cure as defined in this section.

21. GOVERNING LAW AND VENUE:

The laws of the State of California, regardless of conflict of law principles, shall govern this

Agreement. The duties and obligations of the parties created hereunder are performable in Monterey County, and such county shall be the venue for any action or proceeding that may be brought or arise by reason or connection with this Agreement.

22. RECORDING:

LESSOR agrees to execute a memorandum of this Agreement that LESSEE may record with the appropriate Recording Officer using the format identified as **Exhibit D**, and LESSEE shall pay all costs associated with recording, if there are any. The date set forth in the memorandum of this Agreement is for recording purposes only and bears no reference to Lease Fee payments. In the event that this Agreement is terminated prior to the end of its term, LESSEE grants to LESSOR a power of attorney to execute and record any instrument necessary to evidence said termination.

23. SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT:

- (A) Subordination. Subject to Section 23(B) below, this Agreement and LESSEE's rights hereunder are and will be subject and subordinate in all respects to: (i) any and all mortgages, deeds of trust or other deeds, and any similar security agreements that encumber the Premises to secure the debt of LESSOR (collectively, "Security Instrument") from LESSOR in favor of any and all lenders, creditors, indenture trustees and similar parties (collectively, "Lender") insofar as the Security Instrument affects the Premises of which the Premises forms a part; (ii) any and all advances to be made thereunder; and (iii) any and all renewals, extensions, modifications, consolidations and replacements thereof. Said subordination is made with the same force and effect as if the Security Instrument had been executed prior to the execution of this Agreement.
- (B) Non-Disturbance. The subordination described in Section 23(A) is conditioned upon the agreement by Lender that, so long as this Agreement is in full force and effect and LESSEE is not in material default (beyond applicable notice and cure periods) hereunder, Lender, for itself and on behalf of its successors in interest, and for any person acquiring title to LESSOR's interest in the real property of which the Premises forms a part (an "Acquiring Party") through a Conveyance (as such term is defined in Section 23(C) below), agrees that the right of possession of the Premises and all other rights of LESSEE pursuant to the terms of this Agreement shall remain in full force and effect and shall not be affected or disturbed by Lender in the exercise of its rights under the Security Instrument.
- (C) <u>Liability of Parties.</u> LESSEE and LESSOR agree (i) that any exercise by a Lender of its rights under the Security Instrument, including a foreclosure, sheriffs or trustee's sale under the power of sale contained in the Security Instrument, the termination of any superior lease of the Premises and any other transfer, sale or conveyance of the LESSOR's interest in the property of which the Premises forms a part under peril of foreclosure or similar remedy, including, without limitation to the generality of the foregoing, an assignment or sale in lieu of foreclosure or similar remedy ("Conveyance") shall be made subject to this Agreement and the rights of

LESSEE hereunder and (ii) that the parties shall be bound to one another and have the same remedies against one another for any breach of this Agreement as LESSEE and LESSOR had before such Conveyance; provided, however, that Lender or any Acquiring Party shall not be liable for any act or omission of LESSOR or any other predecessor-in-interest to Lender or any Acquiring Party. LESSEE agrees that Lender may join LESSEE as a party in any action or proceeding to foreclose, provided that such joinder is necessary to foreclose on the Security Instrument and not for the purpose of terminating this Agreement.

(D) Attornment. LESSEE agrees that, upon receipt by LESSEE of notice to attorn from Lender or any Acquiring Party, along with reasonable supporting documentation, (i) LESSEE shall not seek to terminate this Agreement and shall remain bound under this Agreement, and (ii) LESSEE shall attorn to, accept and recognize Lender or any Acquiring Party as the licensor or lessor hereunder pursuant to the provisions expressly set forth herein for the then remaining balance of the Term of this Agreement and any extensions or expansions thereof as made pursuant hereto. LESSEE agrees, however, to execute and deliver, at any time and from time to time, upon the request of Lender or any Acquiring Party any reasonable instrument which may be necessary or appropriate to evidence such attornment.

24. COMPLIANCE WITH LAWS:

LESSEE shall maintain and operate its Equipment during the term of this Agreement in compliance with all present and future rules and regulations of any local, State, or Federal authority having jurisdiction with respect hereto, including without limitation, the rules and regulations of the FCC, the Federal Aviation Administration (the "FAA"), and the Occupational Safety and Health Administration ("OSHA").

25. RF EMISSIONS COMPLIANCE:

LESSEE is aware of its obligation to comply with all applicable rules and regulations of the FCC pertaining to RF emissions standards, as well as applicable rules and / or regulations of any other federal or state agency (including but not limited to OSHA) having jurisdiction over the installation, operation, maintenance, and / or working conditions involving RF emissions and / or safety and work standards performed on or near communication towers and antennas. LESSEE agrees to be solely responsible for compliance with all applicable FCC and other governmental requirements with respect to installation, operation, and maintenance of its Equipment and for repairs to its Equipment at the Premises. LESSEE will immediately remedy its operations to comply with such laws, rules, and regulations as they apply to its operations and / or the operations of all licensed users at the Premises to comply individually and in the aggregate with all applicable FCC and other governmental RF emissions standards.

26. RF EXPOSURE:

LESSEE agrees to reduce power or suspend operation of its Equipment if necessary and upon reasonable notice to prevent exposure of workers or the public to RF radiation in excess of the then-existing regulatory standards.

27. LIENS:

LESSEE shall keep the Premises and any interest it or LESSOR has therein free from any liens arising from any work performed, materials furnished, or obligations incurred by or at the request of LESSEE, including any mortgages or other financing obligations and shall discharge any such lien filed, in a manner satisfactory to LESSOR, within thirty (30) days after LESSEE receives written notice from any party that the lien has been filed.

28. MISCELLANEOUS:

- (A) Prior Agreement Superseded. Effective July 1, 2024, this Agreement, including the exhibits attached hereto, constitutes the entire agreement and understanding between the parties, and revokes and supersedes all other oral or written offers, negotiations, and other agreements between the parties, concerning the subject matter contained herein.
- (B) Amendments. This Agreement may be amended or modified only by an instrument in writing signed by the LESSEE and the LESSOR.
- (C) Integration. This Agreement, including the exhibits, represent the entire Agreement between the LESSEE and LESSOR with respect to the subject matter of this Agreement and shall supersede all prior negotiations, representations, or agreements, either written or oral, between the LESSEE and LESSOR as of the effective date of this Agreement, which is the date of later execution.
- (D) No Waiver. No provision of this Agreement will be deemed to have been waived by either party unless the waiver is in writing and signed by the party against whom enforcement is attempted. No custom or practice which may develop between the parties in the administration of the terms of this Agreement shall be construed to waive or lessen any parties' right to insist upon strict performance of the terms of this Agreement. The rights granted in this Agreement are cumulative of every other right or remedy that the enforcing party may otherwise have at law or in equity or by statute, and the exercise of one or more rights or remedies will not prejudice or impair the concurrent or subsequent exercise of other rights or remedies.
- (E) <u>Non-exclusive Agreement.</u> This Agreement is non-exclusive and both LESSEE and LESSOR expressly reserve the right to contract with other entities for the same or similar services.
- (F) Authority. Any individual executing this Agreement on behalf of the LESSEE or the LESSOR represents and warrants hereby that he or she has the requisite authority to enter into

this Agreement on behalf of such party and bind the party to the terms and conditions of this Agreement.

- (G) Successors and Assigns. Subject to any provision hereof restricting assignment or subletting by LESSEE, this Agreement shall bind the parties, their personal representatives, successors, and assigns.
- (H) Severability. If any provision of this Agreement is invalid or unenforceable with respect to any party, the remainder of this Agreement, or the application of such provision to persons other than those as to whom it is held invalid or unenforceable, shall not be affected and each provision of this Agreement shall be deemed valid and enforceable to the fullest extent permitted by law. The parties agree to promptly renegotiate in good faith any provision held to be invalid or unenforceable under this paragraph.
- (I) <u>Time is of the Essence.</u> Time is of the essence in each and every provision of this Agreement.

IN WITNESS WHEREOF, the hereto have executed this Agreement on the dates appearing below their respective authorized signatures.

County of Monterey:	Dorrance Ranches, L.P.
	DocuSigned by:
	ALCONOMICATIONALD
By: Eric A. Chatham	By: Steven C. Dorrance
Chief Information Officer	General Partner of Dorrance Ranches, L.P.
Date:	Date: 3/6/2024 1:55 PM PST
COUNTY COUNSEL	
	Docusigned by: Cliffon J Dorrance
By: Samuel Beiderwell	By: Clifton J. Dorrance
Deputy County Counsel	General Partner of Dorrance Ranches, L.P.
Date:	Date: 3/6/2024 12:15 PM PST
AUDITOR-CONTROLLER	
	DocuSigned by:
	Mollie M. Lambert
By:	By: Mollie M. Lambert
Deputy Auditor Controller	General Partner of Dorrance Ranches, L.P.
Date:	Date: 3/6/2024 3:08 PM PST

Exhibit "A" to Radio Communication Site Lease Agreement

EXHIBIT "A" LEGAL DESCRIPTION OF COMMUNICATION SITE LEASE #2

Certain real property situate in the County of Monterey, State of California, described as follows:

Being a portion of the South 1/2 of Section 15, Township 16 South, Range 3 East, Mount Diablo Base and Meridian, more particularly described as follows:

Commencing at a monument disk stamped "VACA NO2 1930" located in said South 1/2 of Section 15 of said township and range said monument bears South 56°06'04" West, 55.57 feet from a monument disk stamped "VACA NO1 1930" also located in said South 1/2 of Section 15; thence from said POINT OF COMMENCEMENT

- a) North 51°17'51" West, 1,637.32 feet to the POINT OF BEGINNING; thence
- South 29°00'26" West, 38.00 feet; thence
- North 60°59'34" West, 38.00 feet; thence
- 3. North 29°00'26" East, 38.00 feet; thence
- 4. South 60°59'34" East, 38.00 feet; to the POINT OF BEGINNING.

Containing 1,444 square feet (0.03 acres), more or less.

The bearings and distances contained in this description are based on the California Coordinate System of 1983, Zone 4. To obtain ground level distances, multiply by 1.000057973.

Attached hereto is a plat to accompany legal description, and by this reference made a part hereof.

END OF DESCRIPTION.

PREPARED BY: WHITSON ENGINEERS

11/28/2022

RICHARD P. WEBER P.L.S.

L.S. NO. 8002 Job No.: 4563 DATE

PROJECT No.: 4563.00

SCALE 1"=1 MILE .ease site #2 14 VACA NO1 1930" "VACA NO2 1930" 22 23 T16S R3E SECTIONS 14,15,22 & 23 MOUNT DIABLO BASELINE AND MERIDIAN LEASE AREA 1,444 SF +/-S60'59'34"E 38.00" N29'00'26"E 38.00" POINT OF BEGINNING NS 17 25 1 W 1657 32' CMC) N60'59'34"W 38.00' FOUND MONUMENT DISK S29'00'26"W 38.00'-STAMPED "VACA NO1 1930" S 1/2 SEC 15 T168 R3E FOUND MONUMENT DISK STAMPED "VACA NO2 1930" POINT OF COMMENCEMENT 60 120 SCALE: 1" = 60' PLAT TO ACCOMPANY LEGAL DESCRIPTION Civil Engineering + Land Surveying 6 Harris Court **COMMUNICATION SITE LEASE #2** Monterey, CA 93940 831.649.5225 A PORTION OF THE SOUTH 1/2 OF SEC. 15, IN T.16S R.3E M.D.B.M. MONTEREY COUNTY, CALIFORNIA ENGINEERS.

Exhibit B to Radio Communication Site Lease Agreement – SITE PLAN

Exhibit C to Radio Communication Site Lease Agreement

EQUIPMENT LIST

- Site perimeter fencing
- Tower
- Shelter
- Cabling ice-bridge
- Generator
- Fuel tanks

County: Monterey

Exhibit D to Radio Communication Site Lease Agreement FORM OF MEMORANDUM OF AGREEMENT

MEMORANDUM OF LEASE

Recording Requested By:
And When Recorded Return to:
A DNI
APN: RE: Cell Site Name:
State: California

MEMORANDUM

OF

LEASE

This Memorandum of Lease is entered into effective as of the day of execution by all parties, by and between Dorrance Ranches, L.P. (hereinafter referred to as "Lessor") and COUNTY OF MONTEREY (hereinafter referred to as "Lessee"),

- 1. Lessor and Lessee entered into a certain Lease Agreement ("Agreement") on the [DATE], for the purpose of installing, operating, and maintaining a communications facility and other improvements. All of the foregoing are set forth in the Agreement.
- 2. The term of the Agreement is for ten (10) years commencing on July 1, 2024.
- 3. The Land which is the subject to the Agreement is described in Exhibit A attached hereto.

. IN WITNESS WHEREOF, the parties have executed this Memorandum of Agreement as of the day and year when the Memorandum is executed by all parties.

LESSOR	LESSEE
By:	By:
Title:	Title:
Date:	Date:
Approved as to Form	Approved as to Form
Ву:	By:
Title:	Title:
Date:	Date:
	Approved as to Fiscal Provisions
	Ву:
	Title:
	Date:

Exhibit E to Radio Communication Site Lease Agreement

Before the presence commencement of any work by Lessee on the Site, Lessee shall submit Certificates of Insurance and Endorsements evidencing that Lessee has obtained the following forms of coverage and minimal amounts specified:

A. MINIMUM SCOPE OF INSURANCE

- 1) <u>General Liability</u>. Either Comprehensive General Liability Insurance or Commercial Liability Insurance or Self Insurance that is permitted and licensed by the State of California
- 2) <u>Automobile Liability Insurance</u>. Either commercial auto insurance offered by insurance carriers licensed to sell auto liability insurance in California or Self Insurance that is permitted and licensed by the State of California.
- 3) <u>Workers' Compensation and Employer Liability Insurance.</u> Either standard insurance offered by insurance carriers or self insurance that is permitted and licensed by the State of California.
- 4) <u>Professional Liability Insurance.</u> Either Self Insurance or standard coverage offered by insurance carriers, but only when the contract involves professional services such as engineering architectural, legal, accounting, instructing, consulting, medical, and other professional services.
- 5) <u>Contractors Pollution Liability</u>. Either standard insurance offered by insurance carriers or Self Insurance that is permitted and licensed by tile State of California.
- 6) Wa<u>iver of Subrogation</u>. Lessee's comprehensive general liability insurance or-commercial liability insurance (if Lessee maintains either comprehensive general liability insurance or commercial liability insurance), automobile liability insurance (if Lessee maintains automobile liability insurance), worker's compensation insurance (if Lessee maintains worker's compensation insurance), and umbrella insurance policy (if Lessee maintains an umbrella insurance policy) shall provide a waiver of subrogation, in favor of Lessor.

B. MINIMUM LIMITS OF INSURANCE

- 1) <u>General Liability.</u> At least \$2,000,000 combined single limit per occurrence coverage for bodily injury, personal injury, and property damage, plus an annual aggregate of at least \$2,000,000; an umbrella policy may be used to attain such minimum coverage.
- 2) <u>Automobile Liability.</u> Policy limits shall be at least \$1,000,000 combined single limit for bodily injury and property damage for autos used by Lessee to fulfill the requirements of this contract.
- 3) Workers' Compensation and Employer's Liability.

<u>Workers' Compensation and Employer's Liability.</u> Workers' Compensation insurance at <u>statutory limits</u> and Employer's Liability insurance each with policy limits of at least \$1,000,000 for bodily injury or disease.

- Professional Liability Insurance (Only applies when contracting for professional services). Professional liability insurance covering Lessee's negligent acts or omissions (for professional services in connection with this Site Lease Agreement) shall be provided in an amount of at least \$1,000,000 per occurrence or \$1,000,000 on a claims made basis. Such professional liability insurance shall contain a one (1) year extended repotting period. If during the contract period or within two years after the contract has expired or terminated, Lessee terminates professional liability insurance, Lessee shall promptly notify Lessor of its decision to terminate coverage, and then purchase an extended claims reporting provision that covers liability claims that may be filed within two years after work under this contract has been completed.
- Contractors Pollution Liability. Contractors pollution liability insurance shall be provided on claims made basis in an amount of \$2,000,000, \$2,000,000 total all claims. Contractor's pollution liability insurance shall be limited to environmental damages that occur as a result of Lessee's own actions that directly cause environmental damage (after the Effective Date) and not from, among other things, (i) any preexisting conditions (preexisting the Date), and/or (ii) actions of Lessor and/or others (actions of the Lessor and/or others prior to the Effective Date or at any time on and/or after the -Effective Date). Such contractor's pollution liability insurance shall contain a thirty (30) day extended repotting period.
- 6) <u>Self-Insurance</u>. If Lessee chooses to self-insure any of the coverages listed above, they must provide Lessor a letter from a duly licensed and accredited Actuary stating that their self-insurance program is being funding in accordance with actuarially recommended guidelines.

C. DEDUCTIBLES AND SELF-INSURED RETENTIONS

Insurance deductibles or self-insured retention must be declared on certificates of insurance. If Lessee maintains either Comprehensive General Liability Insurance or Commercial Liability Insurance, Lessee's deductible for either the Comprehensive General Liability Insurance or Commercial Liability Insurance shall be no greater than \$5,000.

D. OTHER INSURANCE PROVISIONS

General liability insurance policies only

The Lessee's policy shall be endorsed to provide the following coverages:

- a) <u>Additional Insured Endorsement</u>. The Lessor shall be covered as insured as respects liability arising out of activities performed by or at the direction of the Lessee, including products and completed operations of the Lessee; premises owned, occupied or used by the Lessee; or automobiles owned, leased, hired or borrowed by Lessee. The coverage shall contain no special limitations on the scope of protection afforded to Lessor.
- b) <u>Primary Insurance Endorsement.</u> Lessee's insurance coverage shall be primary insurance (with the exception of Lessor's gross negligence or willful misconduct). Any insurance or self-insurance maintained by Lessor, its officers, officials, employees or volunteers shall be excess of the Lessee's insurance and shall not contribute with it.
- c) <u>Separation of Insured Clause</u>. Lessees insurance shall apply separately to each insured, as though a separate policy had been issued to each, except the policy aggregates apply collectively to all insureds.

Construction contracts exceeding \$25,000. Construction contracts exceeding \$25,000 must also provide an endorsement for Automobile Liability insurance, which includes the items listed in D a), b) and c) above.

E. ACCEPTABILITY OF INSURANCE CARRIERS.

Insurance is to be placed with insurers who are licensed to sell insurance in the State of California and who possess a Best's rating of no less than A-: VII. If the Lessee's insurance carrier is not licensed to sell insurance in the State of California, then the carrier must possess a Best rating of at least A: VIII. (For Best ratings go to http://www.ambest.com/)

F. VERIFICATION OF COVERAGE.

Lessee shall furnish the Lessor certificates of insurance and original endorsements affecting coverage required by this clause. All certificates of insurance and endorsements are to be received and approved by the Lessor before work under the contract has begun. The Lessor reserves the right to require complete, certified copies of ail insurance policies required by this contract.

Lessee agrees to notify Lessor within five (5) working days of any notice from an insuring agency that cancels, suspends, and reduces in coverage or policy limits the insurance coverages described herein.

G. SUBCONTRACTORS.

Lessee shall include all subcontractors as insured under its policies or require all subcontractors to be insured under their own policies. If subcontractors are insured under their own policies, they shall be subject to all the requirements stated herein, including providing the Lessor certificates of insurance and endorsements before beginning work under this contract.