

ORIGINAL

LEASE AGREEMENT
BETWEEN
TRANSPORTATION AGENCY FOR MONTEREY COUNTY
AND
COUNTY OF MONTEREY
(20 West Market Street)

PREAMBLE

THIS LEASE ("Lease") is made this 1st day of November, 2016 by and between the COUNTY OF MONTEREY, ("LESSEE"), a political subdivision of the State of California, and the TRANSPORTATION AGENCY FOR MONTEREY COUNTY, ("LESSOR").

RECITALS

WHEREAS, for the past three (3) years, the City of Salinas and County of Monterey have co-sponsored an inclement weather emergency shelter operation ("Warming Shelter") in downtown Salinas to provide shelter for homeless individuals and families during the winter; and

WHEREAS, the LESSOR owns certain real property located at 20 West Market Street, Salinas, California (the "Property"), which is currently vacant and unoccupied; and

WHEREAS, the LESSOR and the LESSEE desire that the Property be used for a homeless Warming Shelter program on a temporary basis; and

WHEREAS, the LESSEE will paint, replace doors, and make other such tenant improvements as necessary to the building on the Property and make it safe for occupancy for the intended use, and will obtain certification from the Salinas Fire Marshall.

WHEREAS, the parties understand and agree the following Lease Exhibits are incorporated by this reference; **EXHIBIT A-1 SITE PLAN, EXHIBIT A-2 FLOOR PLAN WITH DIMENSIONS, EXHIBIT B – EVIDENCE OF CONSTRUCTION, EXHIBIT C SUMMARY OF SERVICES AND UTILITIES, EXHIBIT D SUMMARY OF REPAIR AND MAINTENANCE RESPONSIBILITIES, EXHIBIT E PERMITTED IMPROVEMENTS EXHIBIT F PROPOSITION 65 WARNING.**

NOW, THEREFORE, in consideration of the mutual terms and conditions provided below, the parties agree as follows.

ARTICLE 1 - PREMISES

1.1 **Description:** LESSOR hereby leases to LESSEE and LESSEE hereby leases from LESSOR, upon the terms and conditions herein set forth, that certain real property and its appurtenances, situated at 20 West Market Street, Salinas, California, 93901, APN 002-172-011, (the "Premises"), and specifically including the approximately 4,932 square foot building and associated parking

existing on the approximate 16,612 square foot parcel of land. A Site Plan of the Premises is shown in Exhibit A-1 attached hereto and incorporated by this reference.

Expressly excluded from occupancy of the Premises for Warming Shelter purposes, is the unfinished store room accessed from the rear of the property through a separate entrance as designated on Exhibit A-2 attached hereto and incorporated by this reference, except for the use of said unfinished store room by LESSEE and its approved agents, of this area for storage. No persons intended to be served by the Warming Shelter shall be permitted to use or otherwise occupy this area.

1.2 **Parking Areas:** The Premises includes, for LESSEE's use, the parking lot located behind the building at 20 West Market Street, Salinas California.

1.3 **Compliance with all applicable laws relative to LESSEE's Use:** LESSEE has previously viewed the Property and represents that the Premises are, or will be put in sufficient compliance with all laws applicable to property relative to LESSEE's intended use.

1.4 **Acceptance of Premises Conditions "As Is":** LESSEE has previously viewed the Property and accepts the condition of the Premises in an "As Is" condition, acknowledging that LESSEE will undertake certain improvements at LESSEE's costs for its purposes. LESSEE expressly waives any obligation of LESSOR to place the Premises in compliance with the American with Disabilities Act of 1990," the "No Smoking Law" (2003 Assembly Bill 846) and any representation or obligation with respect to Seismic Adequacy. LESSEE acknowledges that it solicited from LESSOR the use of the Premises and that LESSEE has had adequate time and resources to satisfy itself with respect to the conditions of the Premises.

1.5 **Statement of Seismic Adequacy:** LESSEE acknowledges that **EXHIBIT B**, attached hereto and incorporated by this reference, is official documentation evidencing the Construction Date from the respective Municipality's, or Political Subdivision's Building Department with jurisdiction over the Premises at the time of construction (hereinafter, "Evidence of Construction"). LESSEE also acknowledges that the Premises are contained in a building constructed on or after January 1, 1973. The Parties understand and agree that the Evidence of Construction satisfies a condition precedent to the occupancy of the Premises by LESSEE, and that no Statement of Seismic Adequacy by a licensed structural engineer, or a functional equivalent by a licensed design professional acceptable to the County, is required from LESSOR.

ARTICLE 2 - TERM

2.1 **Lease Term:** The term of this Lease (the "Lease Term") shall be six (6) months, commencing on the execution of this agreement by both parties, ("Lease Commencement Date") and ending six (6) months later, or April 30, 2017, whichever is later, with such rights of termination and extension of the Lease Term as are hereinafter set forth.

ARTICLE 3 – RENT

In consideration of the continuing right of use, quiet enjoyment and possession of the Premises, LESSEE shall pay a monthly rent in the amount of One Dollar (\$1.00) for the six (6) month Lease Term. In addition, LESSEE shall assume all costs to operate and maintain the entire Premises, including utilities, water, sewer, and normal upkeep according to the Summary of Services and Utilities, attached hereto as **Exhibit C** and incorporated by this reference, and Summary of Repair and Maintenance Responsibilities, attached hereto as **Exhibit D** and incorporated by this reference. LESSEE's responsibilities shall commence on the Lease Commencement Date and shall continue until the Lease terminates and LESSEE vacates possession of the Premises. In addition, LESSEE shall be responsible for real estate assessments, and insurance (including liability and fire) for the Premises.

ARTICLE 4 – ANNUAL RENT ADJUSTMENT

No rent adjustment is contemplated for the Lease because of the short-term nature of the Lease.

ARTICLE 5 - TERMINATION BY LESSOR AND LESSEE

Notwithstanding any other provisions of this Lease, LESSOR or LESSEE may terminate this Lease upon thirty (30) days' written notice. In addition, LESSEE has retained and taken possession of the Premises under this Lease on the express understanding that LESSOR is in the process of including the Premises as part of a larger project and that no continued use of the Premises is expected after the initial Lease Term.

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 LESSEE: County of Monterey
Attn: Manuel T. González, Assistant County Administrative Officer
168 W. Alisal Street
Salinas, California 93901
Phone: 831-755-3593
Email: gonzalezmt@co.monterey.ca.us

To LESSOR: Transportation Agency for Monterey County
Attn: Debra L. Hale, Executive Officer
55-B Plaza Circle
Salinas, California 93940
Phone: 831-775-0903
Fax: 831-775-0897
Email: Debbie@tamcmonterey.org

Any notice or correspondence shall be deemed delivered upon personal delivery or five (5) days after mailed. Correspondence other than notices may be given by phone, regular mail, email or facsimile. Any correspondence sent by facsimile shall also be sent by United States mail if requested by either party. By written notice to the other, either party may change its own mailing address or correspondence information.

LESSOR shall be available to LESSEE by phone during regular business hours.

LESSEE or LESSEE's designated property management shall be available to LESSOR, by phone during regular business hours, and for emergencies after hours and on weekends. LESSEE shall subscribe to a 24-hour, seven (7) days a week emergency answering service that maintains contact phone numbers of key personnel or maintenance/service companies in 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

7.1 **No Premises Improvements Contemplated:** LESSOR intends to use the Premises as part of a larger project related to transportation needs in Monterey County. As such, no improvements to the Premises are contemplated by LESSOR and no improvements requested by LESSEE shall be permitted beyond those contained in **Exhibit E – PERMITTED IMPROVEMENTS** attached hereto and incorporated by this reference, unless relating to necessary repairs to the Premises and unless written approval is provided by LESSOR.

7.2 **Improvements Prior to Occupancy:** LESSEE shall be solely responsible for converting the Property to a building which is safe for occupancy, which conversion shall include painting, carpeting and encapsulation of any hazardous materials. LESSEE accepts the Property in an "as is" condition. Prior to occupancy, LESSEE shall receive certification from the Salinas Fire Marshall that improvements to the building are adequate for LESSEE's intended use under this agreement, as described in Article 9, and shall provide a copy of such certification to LESSOR.

7.3 **Ownership of Improvements:** All existing and future Premises Improvements, exclusive of trade fixtures, constructed or placed within the Premises by LESSEE shall be the property of the LESSOR upon termination of this Lease or earlier termination hereof, unless otherwise agreed to in writing between LESSOR and LESSEE.

ARTICLE 8 - PUBLIC WORK LAWS

Under Section 1720 of the California Labor Code, any construction done under contract and paid for in whole or in part out of public funds may be considered a 'public work' if certain conditions are met. If applicable, LESSEE 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 may be amended from time to time.

ARTICLE 9 - USE

9.1 **Use:** LESSEE shall use the Property only for use as a homeless warming shelter for youth and adults, and for no other use. LESSEE agrees that it will use the Property in accordance with all federal, state, and local laws, regulations, rules, and orders. To this end, LESSEE may employ agents to make appropriate repairs and to operate the Premises as intended, as more specifically described in Article 14 (Assignment and Subletting).

9.2 **Compliance with Laws:** LESSEE represents and warrants to LESSOR, that, to the best of LESSEE's knowledge, the anticipated construction, uses, and operation of the Premises as intended herein, are in full compliance with applicable building and seismic codes, environmental, zoning and land use laws, and other applicable local, state and federal laws, regulations and ordinances. LESSEE absolves LESSOR of legal or other responsibility for any code violations or other deviations from applicable local, state and federal laws, regulations and ordinances as may be listed above.

9.3 **Hazardous Substances:** LESSEE shall have no liability or responsibility for toxic or hazardous materials or substances which result from LESSOR'S acts or omissions or which occur on any portion of LESSOR'S property not occupied by LESSEE, unless caused by LESSEE, its agents, employees, invitees or guests. LESSOR warrants, to the best of LESSOR's actual knowledge, that at the time of execution of this Lease there are no known areas on the Premises where hazardous or toxic materials or substances (including asbestos, leads, toxic mold spores or PCBs) have been present, used, stored, or deposited. LESSEE will comply with all applicable laws concerning the handling and removal of the above-mentioned hazardous or toxic materials. LESSEE, at its own expense, shall comply with all applicable laws concerning the handling and removal of hazardous material and medical wastes generated as a result of LESSEE'S use of the Premises under this Lease.

9.4 **Environmental Hazards:** LESSEE warrants, to the best of LESSEE'S ability, that the Premises will be maintained free of all Environmental Hazards (including asbestos, leads, toxic mold spores or PCBs) and if deemed necessary, agrees to survey, test, and abate as applicable. Any said survey or test performed shall be provided to LESSOR upon completion.

LESSEE shall immediately notify LESSOR of any suspected Environmental Hazards.

9.5 **Acceptance of Premises:** By entry hereunder, LESSEE accepts the Premises for use as a temporary Warming Shelter, and as being in satisfactory condition for the intended improvements set forth above in Section 7.2 **Improvements Prior to Occupancy** and intended use.

ARTICLE 10 - SIGNS AND FIXTURES

LESSEE may place such signs and advertisements upon the Premises as LESSEE may desire, subject to 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 within the period of the Lease Term and for a thirty (30) day period thereafter, to remove any and all of its trade fixtures, equipment and other property which it may have stored or installed in the Premises, provided the Premises are restored to acceptable condition. LESSOR agrees not to mortgage or pledge the LESSEE'S trade fixtures, equipment and other property.

ARTICLE 11 - SERVICES AND UTILITIES

Services and utilities shall be furnished and the cost borne as outlined in **Exhibit B**. It is expressly acknowledged herein that LESSEE shall be responsible for establishing and maintaining any of the services and utilities to the Premises for the use intended by LESSEE. As stated in **Exhibit B** and **Exhibit C**, 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.

ARTICLE 12 - REPAIR AND MAINTENANCE

12.1 **LESSOR and LESSEE Obligations:** The respective repair and maintenance responsibilities of LESSOR and LESSEE are set forth in **Exhibit C**, Summary of Repair and Maintenance Responsibilities, which is attached hereto and incorporated by this reference.

12.2 **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 direct result of negligent acts or omissions of LESSEE, its agents, employees, or invitees.

12.3 **Failure of LESSEE to Make Repairs:** If LESSEE fails to maintain the Premises or to make the repairs required in this article within the time periods as specified herein, LESSOR may, but is not required to, perform such maintenance or make such repairs at its expense and add the reasonable cost thereof to the rent due hereunder.

12.4 **LESSOR and LESSEE Obligations in Applying Noxious Substances:** LESSEE, its officers, employees, and agents shall not apply any substance as part of any building maintenance or repair which would introduce irritating or noxious odors or any other hazardous condition to occupied spaces without prior coordination and approval of the LESSOR. Prior notification and approval shall be made at least 48 hours prior to the desired application time. Also, a Material Safety Data Sheet shall be furnished by the proposed applicator to the

LESSEE'S onsite office manager. Examples of such substances or materials include, but are not limited to, the following:

- Termite Control Materials
- Pesticides
- Paint
- Water Treatment Chemicals
- Any other substance that is or could be construed as hazardous

ARTICLE 13 - ALTERATIONS, MECHANICS' LIENS

13.1 **Alterations:** No structural alterations or improvements shall be made to the Premises by LESSEE or at LESSEE's request without the prior written consent of LESSOR, which consent shall be within LESSOR's sole discretion.

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

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

ARTICLE 14 - ASSIGNMENT AND SUBLETTING

LESSEE shall not assign this Lease or sublet all or any portion of the Premises. Provided, however, that it is expressly contemplated that LESSEE shall employ agents to undertake needed repairs or renovations to enable the Premises to obtain a certificate of occupancy for use as a Warming Shelter from the Salinas Fire Marshall. Further, it is also expressly contemplated that LESSEE shall contract with a professional manager, such as Community Homeless Solutions or comparable provider, to operate the Premises as a Warming Shelter for persons and families who are homeless. Such use as a Warming Shelter shall not constitute either "assignment" or "sublease" of the Premises.

ARTICLE 15 - ENTRY BY LESSOR

LESSEE shall permit LESSOR and LESSOR'S agents to enter the Premises, with reasonable advance notice (except in the case of emergency), provided such entry is made in a reasonable manner and does not unreasonably interfere with the conduct of LESSEE'S intended use as a Warming Shelter.

ARTICLE 16 - INSURANCE AND INDEMNIFICATION

LESSEE shall indemnify, defend, and hold harmless the LESSOR, its officers, agents and employees from any claim, liability, loss, injury or damage arising out of, or in connection

with, performance of this Agreement by LESSEE and/or its agents, employees or sub-contractors, excepting only loss, injury or damage caused by the negligence or willful misconduct of LESSOR or personnel employed by the LESSOR. It is the intent of the parties to this Agreement to provide the broadest possible coverage for the LESSOR. The LESSEE shall reimburse the LESSOR for all costs, attorneys' fees, expenses and liabilities incurred with respect to any litigation in which the LESSEE is obligated to indemnify, defend and hold harmless the LESSOR under this Agreement.

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

LESSOR agrees that it will keep the subject Property insured against loss or damage by fire, to at least eighty percent (80%) of the full fair insurable value thereof, the building on the demised Premises or of which the demised Premises are a part. **LESSOR'S insurance will not insure LESSEE'S personal property or trade fixtures.**

LESSOR shall not be liable to LESSEE, or to anyone whatsoever for any damages caused by plumbing, gas, water, steam, sprinkler or other pipe and sewage system, or by the bursting, running or leaking of any tank, washstand, closet, or waste or other pipe, in and about the Premises of the building of which they are a part, or for any damage caused by water being upon or coming in through the roof, skylight, vent, trap door or otherwise.

ARTICLE 17 - WAIVERS OF SUBROGATION

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

ARTICLE 18 - 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.

ARTICLE 19 - DEFAULT BY LESSEE

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

- a. A default in the payment of rent when such default continues for a period of thirty (30) days after written notice, or

b. LESSEE fails to faithfully perform or observe any other covenant or undertaking required under this Lease and such failure continues for a period of thirty (30) days after written notice thereof.

19.2 **Remedies:** If LESSEE fails to cure a prospective default within the time frames outlined above, LESSOR shall have the option to cure the default or to terminate this Lease, in addition to any other remedies at law not inconsistent herewith. Should LESSOR elect to cure the default itself, all costs associated with such cure shall be reimbursed by LESSEE to LESSOR, as Additional Rent, within thirty (30) days of receipt of LESSOR'S invoice for said costs.

ARTICLE 20 - DEFAULT BY LESSOR

20.1 **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. LESSEE'S obligation to provide written notice to LESSOR of a default by LESSOR is limited to those instances where knowledge of LESSOR'S default is within the actual knowledge of LESSEE.

20.2 **Remedies:** If LESSOR fails to cure a prospective default within the time periods outlined above, LESSEE shall have the option to cure the default or to terminate this Lease, in addition to any other remedies at law not inconsistent herewith.

ARTICLE 21 - HOLDING OVER

There shall be no holdover of the Lease in the absence of a further written agreement between LESSOR and LESSEE. LESSEE has been informed, and acknowledges, that the Property and Premises are intended for destruction shortly after the Initial Lease Term.

ARTICLE 22 - 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's consent to any breach of any term, covenant or condition be deemed to constitute or imply its consent to any subsequent breach of the same or other term, covenant or condition herein contained.

ARTICLE 23 - QUIET POSSESSION

As long as LESSEE keeps and performs the covenants in this Lease, LESSEE shall at all times during the term of this Lease peaceably and quietly have, hold and enjoy the Premises, without suit, trouble or hindrance from LESSOR or any person claiming under LESSOR, subject to LESSOR's right to sublease designated areas.

ARTICLE 24 – SUBORDINATION AND NON-DISTURBANCE

This Lease shall be subject and subordinated to the lien of any mortgages and deeds of trust which are hereafter placed against the LESSOR'S interest or estate in the property provided that the mortgage 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 25 - ESTOPPEL CERTIFICATE

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

ARTICLE 26 - MISCELLANEOUS PROVISIONS

26.1 **No Amendments:** No oral amendment of this Lease shall be valid. No amendment shall be effective 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.

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

26.3 **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.

26.4 **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.

26.5 **Warranty of Authority:** If LESSEE is a corporation; the person executing this lease on behalf of LESSEE hereby covenants and warrants that LESSEE is a duly authorized and existing corporation and that he/she is duly authorized to execute this Lease.

26.6 **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.

ARTICLE 27 - 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. LESSEE shall be responsible for any acquisition, maintenance of major appliances and shall remove all such appliances at the end of the Lease Term.

ARTICLE 28 - WAIVER OF RELOCATION BENEFITS

As LESSOR intends to use the Premises as part of a larger project related to transportation needs in Monterey County, LESSEE, and its agents and assigns, hereby waive any and all right to relocation benefits to assist with moving from the Property at the termination of this Lease. LESSEE shall assume all costs associated with moving and repair of the Property as defined by the LEASE.

ARTICLE 29 - PROPOSITION 65 WARNING

If applicable to the Premises which are the subject of this Lease, LESSEE agrees to post the **CALIFORNIA PROPOSITION 65 WARNING** on the Premises in substantially the same form as follows set forth in **EXHIBIT F - CALIFORNIA PROPOSITION 65 WARNING** attached and incorporated by this reference.

[Signatures on next page]

LESSOR: Transportation Agency for Monterey County

By: 

Debra L. Hale
Title: Executive Director

Date: 10/4/16

APPROVED AS TO FORM & LEGALITY:

By: 

Name: KAY REIMANN
Title: TAMC Counsel

Date: 9/29/16

LESSEE: County of Monterey

By: 

Michael R. Derr

Title: Contracts/Purchasing Officer

Date: 10-4-16

APPROVED AS TO FORM & LEGALITY:
Office of the County Counsel

Charles J. McKee, County Counsel

By: 

Mary Grace Perry

Title: Deputy County Counsel

Date: 9.29.16

APPROVED AS TO FISCAL PROVISIONS:
Michael J. Miller, County Auditor/Controller

By: 

Name: Gary Giboney

Title: Chief Deputy Auditor Controller

Date: 9-29-16

APPROVED AS TO LIABILITY PROVISIONS:
County Counsel Risk Management Division

By: 

Steven F. Mauck

Title: Risk Manager

Date: 9/29/16

EXHIBIT A-1

SITE PLAN



EXHIBIT A-2

FLOOR PLAN WITH DIMENSIONS

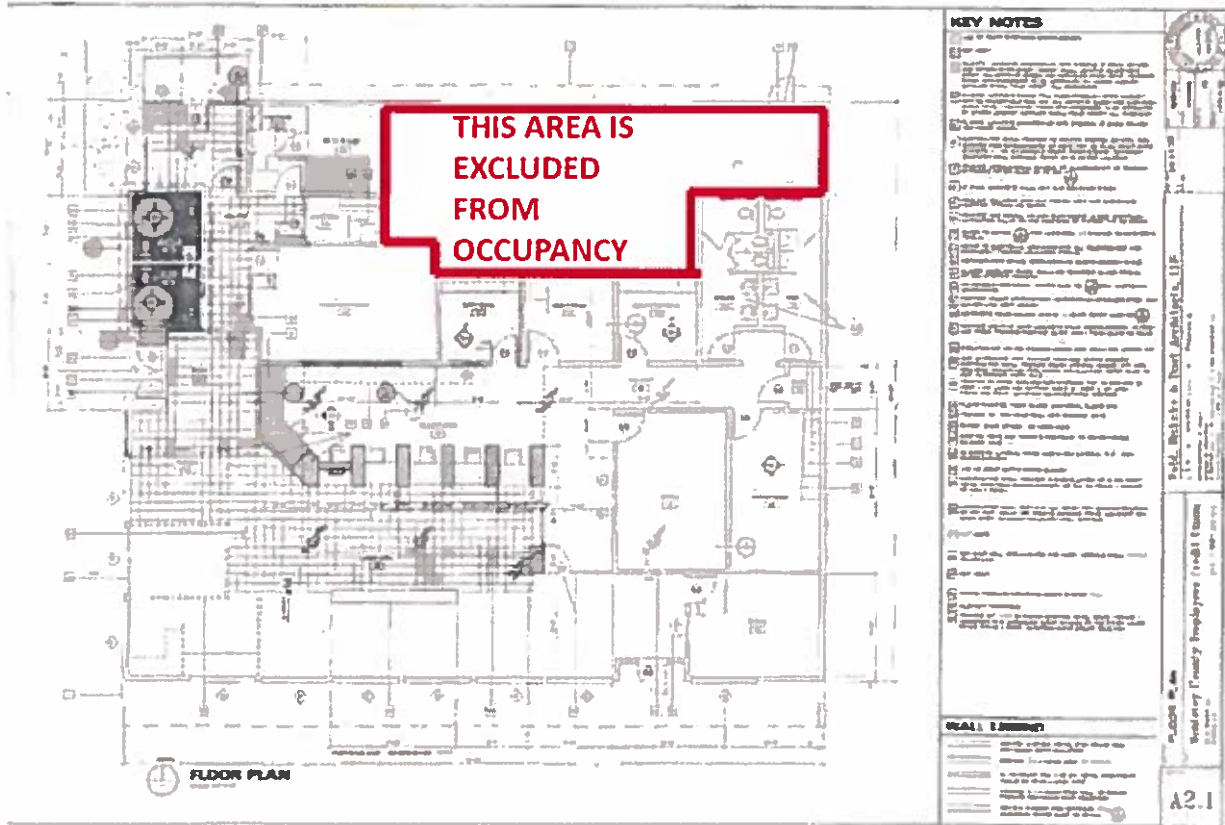


EXHIBIT B

EVIDENCE OF CONSTRUCTION

Building Permit Report

20 W Market St
Salinas, CA

Assessor Parcel Number:	002172011000	Zoning District(s)	CR - Commercial Retail
Owner Name 1:	Monterey County Employees Credit Un	Zoning Overlay(s):	CC DN - Downtown Neighborhood Area
Owner Name 2:	DBA Monterey County Employees Credit	Case File(s):	M00-05, RS70-33, UP00-25
Owner Address:	20 W Market Street	Redevelopment District:	Central City
Owner City:	Salinas	FEMA Flood Zone:	X
Owner State:	CA	FEMA Description:	.2% Annual Chance FI
Owner Zip:	93001		
<hr/>			
Building Permit:	00-51180		
Owner:	Monterey County Employees Credit	Permit Type:	Building Permit - Combo AB/Remod/Repair
Owner Address:	333 Capitol St	Applied:	9/14/2000
Owner City/State/Zip:	Salinas, Ca 93001	Finished:	none
Owner Home Phone:	none	Issued:	9/28/2000
Owner Work Phone:	none	Cancelled:	3/14/2002
		Square Feet:	none
Work Description:	INTERIOR DEMOLITION OF EXISTING SINGLE STORY RESTAURANT (NO NEW CONSTRUCTION)		
Job Address--Bedrooms:	20 W Market St -- 0		
FEES			
Fee Type:	Plan Check	Fee Type:	Bld Permit Fee
Receipt:	15962.14	Receipt:	15962.14
Amount:	300.65	Amount:	499.43
Date Paid:	9/14/2000	Date Paid:	9/14/2000
Paid By:	Monterey County Emp	Paid By:	Monterey County Emp
Fee Type:	Seismic Fee	Fee Type:	Microfilm Fee
Receipt:	15962.14	Receipt:	15962.14

Credit Union
New Building
51356

Work Description:	NEW RESTAURANT (4756')	Square Feet:	none
Job Address--Bedrooms:	20 W Market St -- 0		
Fees			
Fee Type:	Plan Check	Fee Type:	Bld Permit Fee
Receipt:	none	Receipt:	none
Amount:	405.93	Amount:	843.08
Date Paid:	none	Date Paid:	none
Paid By:	none	Paid By:	none
<hr/>			
Building Permit:	88-B408	Permit Type:	Building Permit - Combo
Owner:	Sizzler		All/Remod/Repair
Owner Address:	20 Market St W	Applied:	3/24/1988
Owner City/State/Zip:	none	Finald:	8/12/1988
Owner Home Phone:	none	Issued:	4/30/1988
Owner Work Phone:	none	Cancelled:	none
		Square Feet:	0
Work Description:	INTERIOR REMODEL		
Job Address--Bedrooms:	20 W Market St -- 0		
Fees			
Fee Type:	Plan Check	Fee Type:	Bld Permit Fee
Receipt:	none	Receipt:	none
Amount:	269.43	Amount:	559.58
Date Paid:	3/24/1988	Date Paid:	3/24/1988
Paid By:	none	Paid By:	none
Fee Type:	Seismic Fee		
Receipt:	none		
Amount:	3.5		
Date Paid:	3/24/1988		

EXHIBIT C

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 rest rooms			X
Provide adequate custodial service for interior of the Premises (dust, waste removal, recycling removal, vacuum, mop and general cleaning)			X
Provide adequate custodial service for exterior of the Premises and common areas			X
Professionally clean carpets, rugs, tile and linoleum flooring as deemed necessary			X
Professionally clean existing drapes, blinds, and window shades as deemed necessary			X
Professionally clean interior windows as deemed necessary			X
Professionally clean exterior windows as deemed necessary			X
Provide adequate pest control for the interior of the Premises			X
Provide adequate pest control for exterior of Premises			X
Provide adequate landscape maintenance and gardening (including landscape irrigation system and associated water supply and service)			X
Provide adequate parking lot area sweeping			X
Provide adequate refuse, rubbish, garbage, and recyclable (paper, plastic, and aluminum) 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			X
Provide adequate heating, ventilation & air conditioning (HVAC) systems filter replacements, unit inspections and unit lubrications			X
Provide adequate servicing of uninterrupted power source (UPS)	X		
Provide adequate servicing of power back up generator			X

(excludes any power back up generator provided by LESSEE)			
Provide adequate gas utility service			X
Provide adequate electric utility service			X
Provide adequate water utility service			X
Provide adequate telephone and data service (including connection charges)			X
Provide adequate sewage services (including MRWPCA fee, if applicable)			X
OTHER:			

EXHIBIT D

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			X
Floor Slabs			X
Elevators and/or Dumb Waiters	X		
Exterior and Bearing Walls			X
Exterior Doors and Hardware (excludes re-keying if deemed necessary)			X
Exterior Windows and Window Frames			X
Roofs			X
Gutters, Drains and Downspouts			X
Parking Lots			X
Ceilings			X
Fire Sprinkler Systems			X
Fire Alarm Systems			X
Intrusion/Security Alarm Systems			X
Uninterrupted Power Source (UPS)	X		
Power Back Up Generator (excludes any generator provided by LESSEE)	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 and Fixtures (including sewer and drain stoppages)			X
Lighting Systems (including starters, ballasts, transformers and light switches) (surgical units and/or operating rooms shall be the responsibility of the LESSEE)			X
Light Bulbs and Fluorescent Light Tubes (adequate replacement)			X
Interior Walls			X

Interior Wall Surfaces (including repainting if deemed necessary)			X
Interior Doors and Hardware			X
Interior Windows and Window Frames			X
Carpet, Tile, and Linoleum Flooring (including replacement if deemed necessary)			X
Base and/or Moldings			X
Appliances			X
Communication Systems (data/telephone cabling, connections and equipment)			X

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

EXHIBIT E

PERMITTED IMPROVEMENTS

AT LESSEE EXPENSE

- **Demolish Teller counters**
- **Install doors**
- **Paint as needed**
- **Drywall repair as needed**
- **Carpet demo, and reinstall as needed**
- **Tile repair as needed.**

EXHIBIT F

PROPOSITION 65 WARNING

CALIFORNIA PROPOSITION 65 WARNING. This warning is provided in compliance with the requirements of California's Proposition 65, due to exposure to formaldehyde and other chemicals known to the State to cause cancer and birth defects or other reproductive harm, from exposures to materials used in and around the construction site of 1127 Baldwin St. Salinas California.

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

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

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

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

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