

COUNTY OF MONTEREY

STANDARD LEASE AGREEMENT



LEASED PREMISES:	321 North Main Street, Salinas, California
DEPARTMENT:	Social Services
LESSOR:	The Joseph A. Cardinale and Jeanette M. Cardinale Revocable Trust dated July 1, 1993, and the Thomas A. Cardinale and Catherine M. Cardinale Family Trust dated September 14, 1999

COUNTY OF MONTEREY STANDARD LEASE AGREEMENT

PREAMBLE

THIS LEASE AGREEMENT (hereafter, "Lease" or "Lease Agreement") is made by and between the **Joseph A. Cardinale and Jeanette M. Cardinale Revocable Trust dated July 1, 1993**, and the **Thomas A. Cardinale and Catherine M. Cardinale Family Trust dated September 14, 1999** ("LESSOR") and the **COUNTY OF MONTEREY**, a political subdivision of the State of California ("LESSEE"), for the Department of Social Services as of the last date opposite the respective signatures below, and effective as of the "Commencement Date" specified in Article 2.1 "Lease Term" below.

WHEREAS, the parties understand and agree the following Lease Exhibits are incorporated by this reference:

EXHIBIT A1	<u>DESCRIPTION OF PREMISES - Current Basic Floor Plan</u>
EXHIBIT A2	<u>PARKING PLAN</u>
EXHIBIT B	<u>STATEMENT OF SEISMIC ADEQUACY</u>
EXHIBIT B1	<u>EVIDENCE OF CONSTRUCTION</u>
EXHIBIT C	<u>SUMMARY OF SERVICES AND UTILITIES</u>
EXHIBIT D	<u>SUMMARY OF REPAIR AND MAINTENANCE RESPONSIBILITIES</u>
EXHIBIT E	<u>PREMISE IMPROVEMENT SPECIFICATIONS</u>
EXHIBIT F	<u>PREMISE IMPROVEMENT AGREEMENT</u>
EXHIBIT G	<u>AMORTIZED PREMISE IMPROVEMENT COST</u>
EXHIBIT H	<u>COUNTY OF MONTEREY INFORMATION TECHNOLOGY CABLING STANDARDS</u>
EXHIBIT I	<u>REMEDATION CONTRACTOR SPECIFICATIONS</u>
EXHIBIT J	<u>SERVICE CONTACT LIST</u>
EXHIBIT K	<u>PROP 65 WARNING</u>

LESSOR and LESSEE hereby agree as follows:

ARTICLE 1 – PREMISES

1.1 **Description:** LESSOR hereby leases to LESSEE and LESSEE hereby leases from LESSOR, upon the terms and conditions herein set forth, that certain real property and its appurtenances, situated at **321 North Main Street, Salinas, California** and described as follows: Warehouse and store front consisting of approximately **6,828** rentable square feet of space, (the "Premises"), as designated in **EXHIBIT A1 - DESCRIPTION OF PREMISES - Current Basic Floor Plan**, which is attached and incorporated by this reference. The term "rentable square feet" shall be defined and measured from the outside finished surface of permanent outer building walls and to the center of the existing interior or common walls and does not include any portions of the roof, attic or crawl space.

LESSOR and LESSEE agreed that approximately 2,822 square feet of unfinished mezzanine storage area located in the Premises, as designated in **EXHIBIT A1**, will be considered bonus space and will not alter the rentable square footage as defined above.

1.2 **Common Areas:** If applicable, LESSEE shall also have the non-exclusive right to use at all times, in common with other lessees or occupants in the building or complex, any and all of the following areas which may be appurtenant to the Premises: Common entrances, lobbies, elevators, stairways and access ways, loading and unloading areas, visitor parking areas, ramps, drives, platforms, public rest rooms, and common walkways and sidewalks necessary for access to the Premises, and any other public or common area located within or appurtenant to the building or complex (collectively, the "Common Area").

1.3 **Parking Areas:** LESSEE and LESSEE'S agents, contractors, employees, invitees or guests shall be entitled to the exclusive use of the parking areas as shown on **EXHIBIT A2 – PARKING PLAN.**

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

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

1.5 **Compliance with "No Smoking Law" (2003 Assembly Bill 846):** LESSOR shall ensure that the Premises and the non-exclusive areas of the building as described in Article 1.2 are in compliance with Government Code Title 1, Division 7, Chapter 32 (commencing with section 7596), as amended, and, if necessary, prior to the Commencement Date, shall modify the Premises to comply with the law and the regulations promulgated to implement 2003 Assembly Bill 846. Notwithstanding the foregoing, LESSEE shall be responsible for ensuring that LESSEE's employees, agents, contractors and invitees comply with the foregoing statutes and regulations. If necessary, LESSEE shall provide LESSOR with appropriate signage for LESSOR to install at the Premises.

1.6 **Statement of Seismic Adequacy:** LESSOR shall provide either 1); If the Premises are contained in a building constructed on or before December 31, 1972, or one of which has undergone major structural renovation since January 1, 1973, the LESSOR shall obtain a Statement of Seismic Adequacy from its licensed structural engineer and it shall be attached to this Lease as **EXHIBIT B – STATEMENT OF SEISMIC ADEQUACY**, which is attached and incorporated by this reference. Or; 2) If the Premises are contained in a building constructed on or after January 1, 1973, LESSOR shall provide LESSEE with official documentation evidencing the Construction Date from the respective Municipality's, or Political Subdivision's Building Department with jurisdiction over the Premises at the time of construction. If the Premises are contained in a building constructed on or after January 1, 1973, official documentation from said Municipality or Political Subdivision of the State of California shall be attached as **EXHIBIT B1 – EVIDENCE OF CONSTRUCTION**, which is attached and incorporated by this reference. The Parties understand and agree that the STATEMENT OF SEISMIC ADEQUACY, or EVIDENCE OF CONSTRUCTION, is a condition precedent to the occupancy of the Premises and that failure to obtain said STATEMENT OF SEISMIC ADEQUACY by a licensed structural engineer, or a functional equivalent by a licensed design professional acceptable to the County, or EVIDENCE OF CONSTRUCTION, prior to occupancy shall render this Lease null and void. LESSOR and LESSEE agree that the cost for STATEMENT OF SEISMIC ADEQUACY, or EVIDENCE OF CONSTRUCTION may be included in the Premise Improvement Allowance described in **Article 7.2**.

ARTICLE 2 - TERM

2.1 **Lease Term:** The term of this Lease (the "Lease Term") shall be for **two (2) years, commencing on November 1, 2017, or upon issuance of a certificate of occupancy** from the City of Salinas and LESSEE'S final walk through and approval, whichever is later ("Lease Commencement Date") and **ending October 31, 2019, or two (2) years from the Lease Commencement Date**, whichever is later, with such rights of termination and extension of the Lease Term as are hereinafter set forth.

2.2 **Extended Term:** Upon completion of the initial Lease Term, the LESSEE may renew the Lease for one (1) additional **one (1) year** term ("First Extended Term"), and upon the expiration of the First Extended Term, the LESSEE may renew the Lease for a second additional **one (1) year** term ("Second Extended Term"). LESSEE shall give LESSOR advance written notice of its intent to renew not less than **sixty (60) days** prior to expiration of the initial Lease Term or First Extended Term.

ARTICLE 3 - RENT

In consideration of the continuing right of use, quiet enjoyment and possession of the Premises, LESSEE shall pay to LESSOR as monthly rent for the Premises the initial sum of **Seven Thousand Three Hundred Twenty-Eight Dollars and 00/100 (\$7,328.00)** payable on or before the first day of each month. LESSEE shall commence rental payments on the Lease Commencement Date. If the Lease Commencement Date is other than the first day of a calendar month, then the rent for that month shall be prorated on a daily basis, based on a thirty (30) day month. Rent shall be payable to LESSOR at the address specified in **Article 6** or at such other address as LESSOR may from time to time designate in writing. **In addition, LESSEE shall contract and pay directly to its vendors for its responsibilities as outlined in EXHIBIT C – SUMMARY OF SERVICES AND UTILITIES which is attached and incorporated by this reference and EXHIBIT D - SUMMARY OF REPAIR AND MAINTENANCE RESPONSIBILITIES which is attached and incorporated by this reference. Monthly rent shall include LESSEE’S proportional share of real estate taxes, assessments, common area insurance (liability and fire) and the Monterey Regional Water Pollution Control (MRWPCA) fee for the Premises.**

It is hereby agreed that the monthly rent stated above is subject to adjustment, as provided in this Lease, and that cost of any Premise Improvements requested by LESSEE pursuant to **Article 7.2**, will be paid in accordance with **EXHIBIT G – AMORTIZED PREMISE IMPROVEMENT COST** that will be attached to this Lease upon completion of such LESSEE requested Premise Improvements.

ARTICLE 4 – ANNUAL RENT ADJUSTMENT

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ARTICLE 5 - TERMINATION BY COUNTY

Notwithstanding any other provisions of this Lease, LESSEE, at its sole option, may terminate this Lease upon sixty (60) days prior written notice, solely on the condition that funds have not been budgeted for leasing of the property described herein. Such right of termination shall not be construed so as to permit LESSEE to terminate this Lease in order to lease other premises for a similar purpose within the **City of Salinas**. LESSEE represents that its intent is not to exercise its rights under this Article unless financial conditions prevent the County of Monterey from budgeting funds for this Lease.

Should LESSEE so terminate, and subject to the debt limitation provisions of the California Constitution ARTICLE XVI, Section 18, LESSEE shall pay in one lump sum payment one hundred percent (100%) of the unamortized Premise Improvement costs (including costs for heating units and fire sprinkler systems) incurred by LESSOR in connection with the Premise Improvements, as referenced in **Article 7.2**. Said payment shall be within thirty (30) days of LESSEE’S vacancy of the Premises and shall not exceed the Premise Improvement Allowance amount referenced in **Article 7.2**.

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, return receipt requested, and addressed as follows:

To LESSOR: Joseph A. Cardinale et al
 c/o Joe Cardinale
 3239 Imjin Road
 Marina, California 93933
 Phone: 831-601-7575
 Email: jcardinale@cardinaleway.com

To LESSEE: County of Monterey
 RMA-Administrative Services
 c/o Real Property Specialist
 1441 Schilling Pl., South Bldg., 2nd Fl.
 Salinas, California 93901
 Phone: 831-755-4800 (RMA Call Center)
 Email: salcidog@co.monterey.ca.us

Rent payments shall be made to (need not be sent certified): the **Joseph A. Cardinale and Jeanette M. Cardinale Revocable Trust dated July 1, 1993**, and the **Thomas A. Cardinale and Catherine M. Cardinale Family Trust dated September 14, 1999** at the address listed above.

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

LESSOR or LESSOR'S designated property management company shall be available to LESSEE by phone during regular business hours, and for emergencies after hours and weekends. LESSOR or LESSOR'S designated property management company shall subscribe to a 24-hour, seven (7) days a week emergency answering service that maintains contact phone numbers of key personnel or maintenance/service companies in the event of an emergency. Emergency answering service phone number for LESSOR is 831-601-7575.

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

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

ARTICLE 7 - PREMISE IMPROVEMENTS

7.1 **Premise Improvements:** Prior to the Lease Commencement Date, LESSOR shall construct Premise Improvements and make installations in the Premises (collectively "Premise Improvements") in accordance with the plans and specifications attached hereto as **EXHIBIT E - PREMISE IMPROVEMENT SPECIFICATIONS** and incorporated herein by this reference, and in accordance with those provisions of the Premises Improvement Agreement attached hereto and incorporated herein by this reference as **EXHIBIT F - PREMISE IMPROVEMENT AGREEMENT** which describe construction.

7.2 **Cost of Premise Improvements:** LESSOR shall provide, as an allowance to LESSEE for Premise Improvements to be constructed by LESSOR, the sum of which shall not exceed **Two Hundred Thirty-Five Thousand Dollars and 00/100 (\$235,000.00)** ("Premise Improvement Allowance") unless agreed to in writing by both parties. LESSOR shall amortize the Premise Improvement Allowance at a rate of **five percent (5%)** over the Lease Term. **Said amortized amount shall be paid monthly, concurrently with the monthly rent hereunder,** as compensation to LESSOR for the Premise Improvement Allowance and be paid in accordance with an amortized Premise Improvement cost schedule to be attached to this Lease as **EXHIBIT G – AMORTIZED PREMISE IMPROVEMENT COST**. Once the Premise Improvement Allowance has been completely amortized over the Lease Term as indicated in **EXHIBIT G**, LESSEE's obligation to pay such additional rent shall terminate.

No furniture or equipment items/cost shall be included in the Premise Improvement Allowance. LESSOR and LESSEE shall agree upon all Premise Improvement costs (presented in itemized format) and the construction schedule for the Premise Improvements (presented in an itemized and sequential format) prior to commencement of construction of the Premise Improvements. Premise Improvement costs shall include costs associated with architectural, engineering, building permits and fees, Project management, inspections and certifications (including ADA and seismic), signage necessary telecommunications/data processing linkages, and alarm/surveillance systems.

7.3 **Premise Improvement Warranties:** LESSOR warrants to LESSEE that all materials and equipment furnished by LESSOR in its improvement of the Premises shall be new unless otherwise specified in the "Premise Improvement Agreement" (**EXHIBIT F**), and that all of LESSOR'S work to be performed under the "Premise Improvement Agreement" shall be of good and workmanlike quality, be free from material faults and defects for a period of one (1) year from the date of substantial completion of Premise Improvements and/or installation of fixtures and, be in accordance with the final requirements of the "Premise Improvement Agreement". Any of LESSOR'S work not conforming to the above standards shall be considered defective.

For one (1) year after the date of substantial completion of Premise Improvements, LESSOR shall, following written notice from LESSEE, unconditionally make any repair, replacement, correction or other alteration of any nature necessary by virtue of any defective construction of the Premises or defective materials used therein. Thereafter, LESSOR shall promptly make or cause to be made all repairs, replacements, corrections or alterations, at no expense to LESSEE, to correct latent defects in the Premises.

ARTICLE 8 - NOTICE OF COMPLETION

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

ARTICLE 9 - PUBLIC WORKS LAWS

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

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

ARTICLE 10 - TIME LIMIT AND PRIOR TENANCY

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

ARTICLE 11 - USE

11.1 ***Use:*** LESSEE shall use the Premises as a **year round shelter for the homeless and other social service uses**. LESSEE may alter said use to any lawful purpose, upon the written consent of LESSOR, which consent shall not be unreasonably withheld.

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

11.3 ***Hazardous Substances:*** LESSEE shall have no liability or responsibility for toxic or hazardous materials or substances in existence on the Premises or which result from LESSOR'S acts or omissions or which occur on any portion of LESSOR'S property not occupied by LESSEE, in each case unless, and only to the extent, caused by LESSEE. LESSOR will comply with all applicable laws concerning the handling and removal of any hazardous materials, including asbestos or PCB containing materials. LESSOR warrants, to the best of LESSOR'S actual knowledge, that at the time of execution of this Lease there are no known areas on LESSOR'S property where hazardous or toxic materials or substances (including asbestos or PCBs) have been used, stored, or deposited. Nothing in this Lease shall be taken as LESSEE's assumption of any duty or liability not otherwise imposed by law.

11.4 **Environmental Hazards – Remediation Contractor Specifications:** LESSOR hereby warrants and guarantees that the Premises and the Common Areas will be maintained free of all Environmental Hazards (including hazards related to asbestos, leads, toxic mold spores or PCBs) and agrees to survey, test, and abate as applicable and in accordance with Environmental Protection Agency, “EPA” guidelines. A qualified industrial hygienist approved by LESSOR and LESSEE shall perform all testing and development of an abatement work plan as deemed necessary, with the test results/reports/plans forwarded to LESSOR and LESSEE upon completion. LESSOR further agrees to contract with a qualified remediation contractor to provide remediation services as specified in **EXHIBIT I - REMEDIATION CONTRACTOR SPECIFICATIONS** attached and incorporated by this reference on an as needed basis as determined by and between LESSOR and LESSEE. LESSOR specifically agrees that any costs related to abatement of Environmental Hazards shall be the LESSOR’S responsibility unless caused by LESSEE.

LESSEE shall immediately notify LESSOR of any suspected appearance of toxic mold spores and of any conditions (such as excessive moisture) that may lead to the appearance of toxic mold spores, and LESSOR agrees to investigate same.

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

11.5 **Acceptance of Premises:** By entry hereunder, LESSEE accepts the Premises as being in good and sanitary order, condition and repair, subject to the completion of Premise Improvements by LESSOR as detailed in **Article 7**.

ARTICLE 12 - SIGNS AND FIXTURES

LESSEE may place such signs and advertisements upon the Premises as LESSEE may desire, subject to compliance with applicable law and approval by the LESSOR, which consent shall not be unreasonably withheld provided, however, that at the expiration of the term hereof or any renewal or extension of this Lease, LESSEE will remove said signs and will repair any damage caused by such removal.

Any trade fixtures, equipment, furniture, demountable walls, and other property installed in the Premises by and at the expense of the LESSEE shall remain the property of the LESSEE, and the LESSOR agrees that the LESSEE shall have the right at any time, and from time to time, to remove any and all of its trade fixtures, equipment and other property which it may have stored or installed in the Premises, provided that LESSEE repairs any damage caused by such removal. LESSEE’S right to remove property described in the immediately forgoing sentence shall become an obligation of LESSEE at the expiration or earlier termination of the Lease Term. The LESSOR agrees not to mortgage or pledge the LESSEE’S trade fixtures, equipment and other property owned by LESSEE.

ARTICLE 13 - SERVICES AND UTILITIES

Services and utilities shall be furnished and the cost borne as outlined in **EXHIBIT C - SUMMARY OF SERVICES AND UTILITIES**. In the event of failure by LESSOR to furnish, in a satisfactory manner, any of the services and utilities to the Premises for which LESSOR is responsible or to the Common Areas, LESSEE may furnish the same if LESSOR has not undertaken to correct such failure within five (5) days after written notice, and, in addition to any other remedy LESSEE may have, may deduct the amount thereof, including LESSEE’S service costs, from rent or other remuneration due LESSOR hereunder. As stated in **EXHIBIT 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 appropriate action needs to be taken to ensure the health, safety and general well-being of the occupants and or invitees of the Premises.

ARTICLE 14 - REPAIR AND MAINTENANCE

14.1 **LESSOR and LESSEE Obligations:** The respective repair and maintenance responsibilities of LESSOR and LESSEE are set forth in **EXHIBIT D – SUMMARY OF REPAIR AND MAINTENANCE RESPONSIBILITIES**. As stated in **EXHIBIT D**, or elsewhere in this Lease, the term “deemed necessary” shall mean that LESSOR and LESSEE are in agreement that appropriate action needs to be taken to ensure the health, safety and general well-being of the occupants and/or invitees of the Premises.

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

14.3 **Failure of LESSOR to Make Repairs:** If LESSOR fails to maintain the Premises or to make the repairs required in this article within the time period as specified in **Article 23.1**, LESSEE may perform such maintenance or make such repairs at its expense and deduct the reasonable cost thereof from the rent due hereunder.

LESSOR agrees to perform all emergency repairs involving the Premises ~~and the Common Areas~~ with the utmost urgency. An emergency repair is a repair that is necessary in order to protect health and safety of persons or public property or to save the building’s integrity. LESSEE, or it’s designee, agrees to make a diligent effort to contact LESSOR before it uses responsible judgment to contact the appropriate vendor identified in **EXHIBIT J – SERVICE CONTACT LIST** which is attached and incorporated by this reference, to perform emergency repair to protect health and safety of persons or public property or to save the building’s integrity.

14.4 **LESSOR/LESSEE Obligations in Applying Noxious Substances:** LESSOR, its officers, employees, and agents shall not apply or install any substance as part of any building construction, remodel, renovation, maintenance or repair which would cause an injurious, unsafe or hazardous condition to occupied spaces without prior notification of the LESSEE. Prior notification and approval shall be made at least 48 hours prior to the desired application or installation time to the LESSEE as identified under **Article 6**. Also, a Product Safety Data Sheet shall be furnished by the proposed applicator or installer to the LESSEE. Examples of such substances or materials may include, but are not limited to, the following:

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

In the event of any building construction, remodel, renovation, maintenance or repair to the Premises or other areas to the building which the Premises is a part of, LESSOR, to the best of LESSOR’S ability, shall exercise precautionary and protective measures to ensure the health, safety and general well being of the occupants and or invitees of the Premises. Examples of precautionary and protective measures may include, but may not be limited to:

- a. Isolating or disconnecting heating ventilation and air-conditioning (HVAC) systems.
- b. Performing work on the weekends and/or outside normal business hours.
- c. Installing appropriate plastic containment systems for egress and egress to and from the building construction, remodel, renovation, maintenance or repair area.
- d. Using a HEPA vacuum to clean up dust and debris from the Premises after work is done.
- e. Compliance with the United States Department of Labor, Occupational Safety and Health Administration (OSHA) and State of California, Department of Industrial Relations, Division of Occupational Safety and Health (Cal/OSHA) regulations.

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

ARTICLE 15 - SERVICE COMPANIES

Within ten (10) days after occupancy of the Premises by LESSEE, LESSOR shall give LESSEE a list (see **EXHIBIT J – SERVICE CONTACT LIST**) of the names, addresses and telephone numbers of any agencies or persons convenient to LESSEE as a local source of service with regard to LESSOR'S responsibilities under **EXHIBIT C - SUMMARY OF SERVICES AND UTILITIES** and **EXHIBIT D - SUMMARY OF REPAIR AND MAINTENANCE RESPONSIBILITIES** of this Lease. If LESSOR fails to provide such list, LESSEE may choose service companies as needed and without penalty from LESSOR, and shall have the right to offset the cost of such services as provided in **Article 14.3**.

ARTICLE 16 - ALTERATIONS, MECHANICS' LIENS

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

16.2 **Condition at Termination:** Upon termination of this Lease, LESSEE shall return the Premises in the same condition as when delivered to LESSEE, reasonable wear and tear, and damage by casualty, and alterations approved by LESSOR excepted.

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

ARTICLE 17 - ASSIGNMENT AND SUBLETTING

LESSEE shall not assign or sublet all or any portion of the Premises without the prior written consent of LESSOR, which consent shall not be unreasonably withheld.

ARTICLE 18 - ENTRY BY LESSOR

LESSEE shall permit LESSOR and LESSOR'S agents, employees, lenders and contractors to enter the Premises for any lawful purpose, with reasonable advance notice (except in the case of emergency), provided such entry is made in a reasonable manner and does not unreasonably interfere with the conduct of LESSEE'S business.

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

ARTICLE 19 - INSURANCE AND INDEMNIFICATION

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

LESSEE shall maintain public liability and property damage coverage or program of self insurance with liability limits of not less than \$1,000,000 for injury or death to one (1) or more persons and property damage limits of not less than \$50,000 per occurrence insuring against all liability of LESSEE and its agents, employees other authorized representatives arising out of and in connection with LESSEE'S use or occupancy of the Premises.

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

LESSOR agrees that it will keep insured against loss or damage by fire, at full replacement value, the building, which insurance shall be, at a minimum, comparable to the coverage and amounts of insurance that are carried by reasonably prudent lessors of comparable buildings in the City or Unincorporated County, as applicable, in which the Premises is located.

ARTICLE 20 - DESTRUCTION

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

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

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

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

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

If LESSEE remains in possession of the Premises though partially destroyed, the rent for said Premises as herein provided, during restoration, shall be reduced by the same ratio as the rentable square feet LESSEE is precluded from occupying, as bears to the total "rentable square feet" of the Premises, as designated in **EXHIBIT A1** and as defined in **Article 1, Section 1.1 Description**. The term "rentable square feet" shall be defined and measured from the outside finished surface of permanent outer building walls and to the center of the existing interior or common walls.

ARTICLE 21 - DEFAULT BY LESSEE

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

- a. A default in the payment of rent or other obligation when such default continues for a period of thirty (30) days after written notice from LESSOR to LESSEE of such default, 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 from LESSOR to LESSEE of such default or, if such default is not reasonably curable within such thirty (30) day period, LESSEE fails to commence to cure such default within such thirty (30) day period and thereafter fails to diligently pursue such cure to completion, or
- c. LESSEE is adjudicated bankrupt, or
- d. LESSEE'S lease interest is sold under execution of judgment.

22.2 Remedies: If LESSEE fails to cure a default within the time frames outlined above, if any, LESSOR shall have the option to cure the default, if curable, and terminate this Lease in addition to any other remedies at law not inconsistent herewith. Should LESSOR elect to cure the default, all costs associated with such cure, including reasonable attorneys' fees incurred and awarded as a result of any legal action or proceeding brought to enforce or interpret this Lease

Agreement (if any), shall be reimbursed by LESSEE to LESSOR, as additional rent, within thirty (30) days of receipt of LESSOR'S invoice for said costs which shall be accompanied by invoices and receipts to document LESSOR'S costs to cure said default, and by any Court Order awarding reasonable attorney's fees incurred to cure said default.

ARTICLE 22 - DEFAULT BY LESSOR

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

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

ARTICLE 23 - CONDEMNATION

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

ARTICLE 24 - HOLDING OVER

If LESSEE, with LESSOR'S written consent, remains in possession of the Premises after the Lease Term or any Extended Term, this Lease shall automatically be extended on a two (2) month to two (2) month basis at the monthly rent applicable to the last month of the Lease Term or Extended Term, subject to termination upon sixty (60) days written notice by either party. All other terms and conditions shall remain in full force and effect.

ARTICLE 25 - WAIVER

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

ARTICLE 26 - QUIET POSSESSION

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 any interest in this Lease Agreement under LESSOR, subject to the terms of this Lease. LESSOR, to the best of LESSOR'S ability, shall also be responsible for ensuring that all other tenants in the building or complex do not interfere with the quiet enjoyment of the LESSEE.

ARTICLE 27 - SUBORDINATION

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

ARTICLE 28 - ESTOPPEL CERTIFICATE

Within thirty (30) days of written notice by one (1) 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, whether the lease, as may be modified, is in full force and effect, and such other information as may be reasonably requested respecting this Lease. Any such certificate may be conclusively relied upon for the intended transaction for which the statement was requested.

ARTICLE 29 - MISCELLANEOUS PROVISIONS

30.1 **Amendments**: This Lease may be amended or modified only by an instrument in writing signed by LESSEE and LESSOR.

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

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

30.4 **Invalidity**: The invalidity of any provision of this Lease as determined by a court of competent jurisdiction shall in no way affect the validity of any other provision hereof.

30.5 **Authority**: Any individual executing this Lease on behalf of LESSEE or LESSOR represents and warrants hereby that he or she has the requisite authority to enter into this Lease on behalf of such party and bind the party to the terms and conditions of this Lease.

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

30.7 **Successors and Assigns**: This Lease and the rights, privileges, duties, and obligations of LESSEE and LESSOR under this Lease, to the extent assignable or delegable, shall be binding upon and inure to the benefit of the parties and their respective successor, permitted assigns, and heirs.

30.8 **Headings**: The headings in this Lease are for convenience only and shall not be used to interpret the terms of this Lease.

30.9 **Governing Law**: This Lease shall be governed by and interpreted under the laws of the State of California.

30.10 **Construction of Lease**: LESSEE and LESSOR agree that each party has fully participated in the review and revision of this Lease and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Lease or any amendment to this Lease.

30.11 **Counterparts**: This Lease may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one (1) and the same Lease.

30.12 ***Integration:*** This Lease, including the exhibits and addenda, represents the entire agreement between LESSEE and LESSOR with respect to the subject matter of this Lease and shall supersede all prior negotiations, representations or agreements, either written or oral, between LESSEE and LESSOR as of the effective date of this Lease, which is **September 12, 2017.**

ARTICLE 30 - MAJOR APPLIANCES

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

ARTICLE 31 – PROPERTY TAX EXEMPTION

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

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

ARTICLE 32 - PUBLIC TRANSPORTATION

LESSOR and LESSEE shall cooperate to make public transportation (bus service) available to the site in which the Premises are a part of. The service level of this public transportation will be sufficient to service the employees who will work at the site as well as LESSEE'S clients and customers who need access by public conveyance to and from the site.

ARTICLE 33 – ALTERNATE ENERGY

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

ARTICLE 34 - PROPOSITION 65 WARNING

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

ARTICLE 35 – LESSOR'S STATEMENT REGARDING DISABILITY ACCESS & CERTIFIED ACCESS SPECIALIST INSPECTION (CASp) REPORT

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

Pursuant to California Civil Code Section 1938 (b), if the Premises has undergone inspection by a CASp, and to the best of LESSOR'S knowledge, there have been no modifications or alterations completed or commenced between the date of the inspection and the date of execution of the Lease Agreement which have impacted the subject premises' compliance with construction related accessibility standards, LESSOR shall provide, prior to execution of the Lease Agreement, a copy of any report prepared by the CASp with an agreement from LESSEE that information in the report shall remain confidential, except as necessary for the LESSEE to complete repairs and corrections of violations of construction related accessibility standards that the LESSEE agrees to make.

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

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

Pursuant to California Civil Code Section 1938 (e), if the Premises have not been issued a disability access inspection certificate, as described in subdivision (e) of Section 55.53, LESSOR shall state the following on the Lease Agreement:

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

IN WITNESS WHEREOF, the LESSOR and LESSEE have executed this Lease on the date set forth beneath their respective signatures below.

LESSEE: (County of Monterey)

By: _____
Michael R. Derr

Title: Contracts/Purchasing Officer

Date: _____

**APPROVED AS TO FORM & LEGALITY:
(County Counsel)**

By: _____
Mary Grace Perry

Title: Deputy County Counsel

Date: _____


**APPROVED AS TO FISCAL PROVISIONS:
(Auditor-Controller)**

By: _____
Gary Giboney

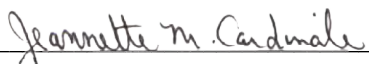
Title: Chief Deputy Deputy Auditor-Controller

Date: _____

LESSOR: The Joseph A. Cardinale and Jeanette M. Cardinale Revocable Trust dated July 1, 1993

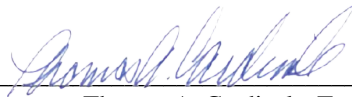
By: 
Joseph A. Cardinale, Trustee

Date: 9/7/2017

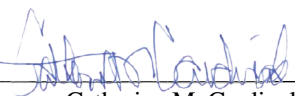
By: 
Jeanette M. Cardinale, Trustee

Date: 9/7/2017

LESSOR: The Thomas A. Cardinale and Catherine M. Cardinale Family Trust dated September 14, 1999

By: 
Thomas A. Cardinale, Trustee

Date: 9/7/2017

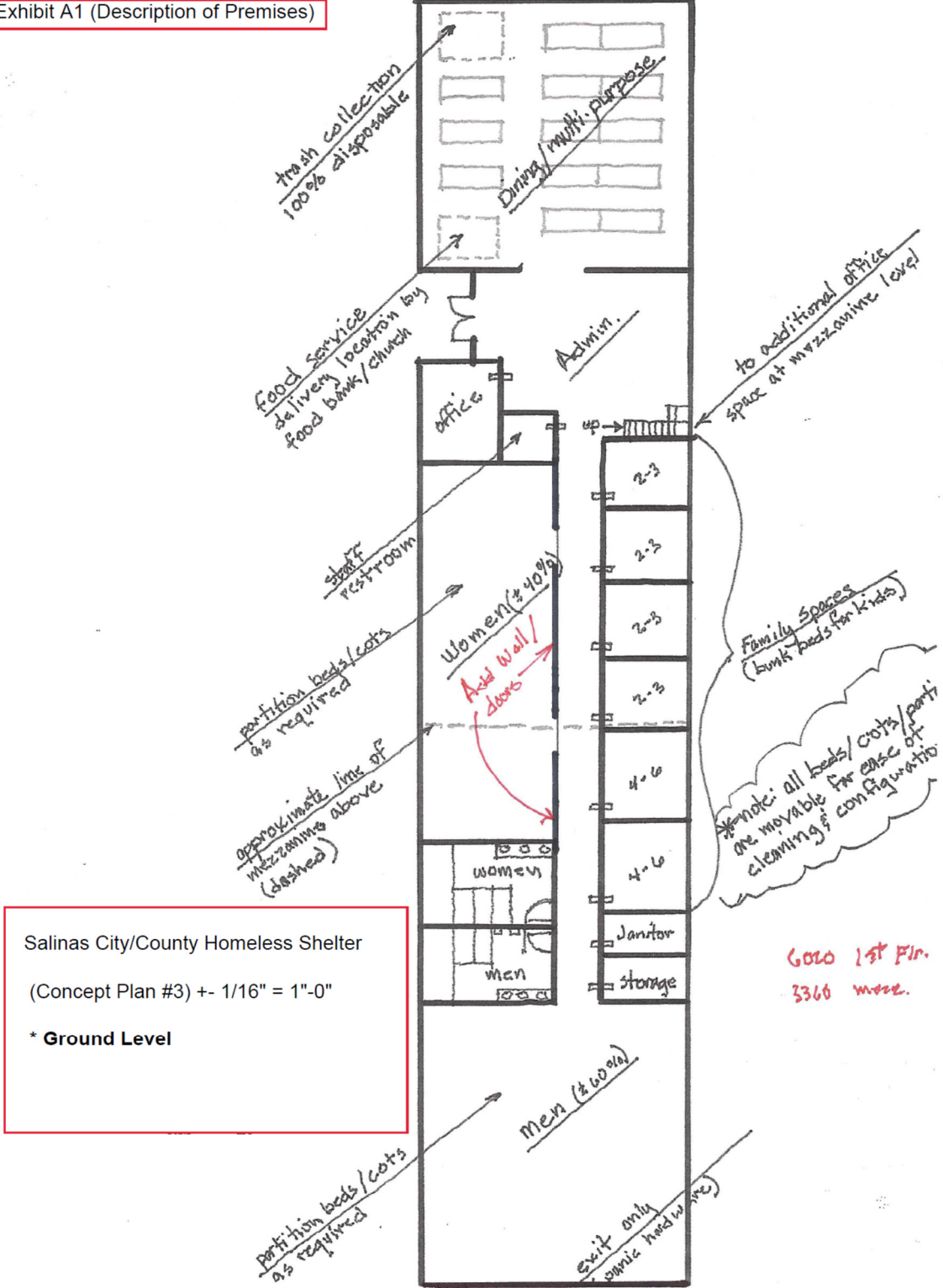
By: 
Catherine M. Cardinale, Trustee

Date: 9/7/2017

EXHIBIT A1

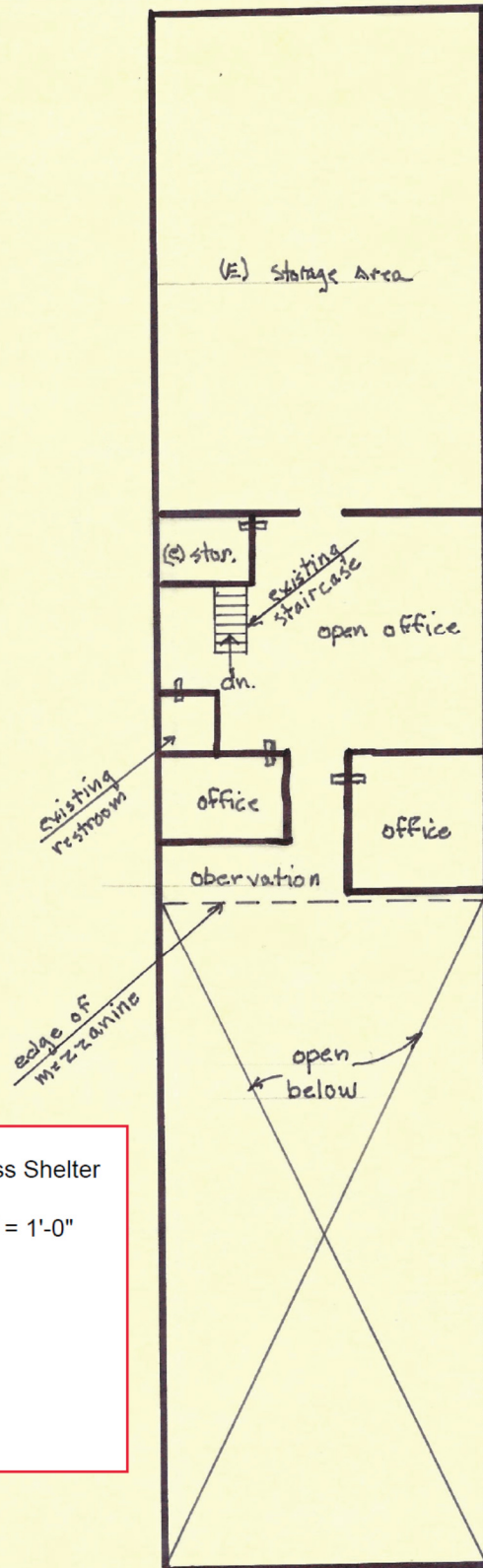
DESCRIPTION OF PREMISES

Exhibit A1 (Description of Premises)



Salinas City/County Homeless Shelter
 (Concept Plan #3) +/- 1/16" = 1"-0"
 * Ground Level

Exhibit A1 (Description of Premises)



Salinas City/County Homeless Shelter
(Concept Plan # 3) +/- 1/16" = 1'-0"
* Mezzanine Level

EXHIBIT A2

PARKING PLAN

Exhibit A2 (Parking Plan)

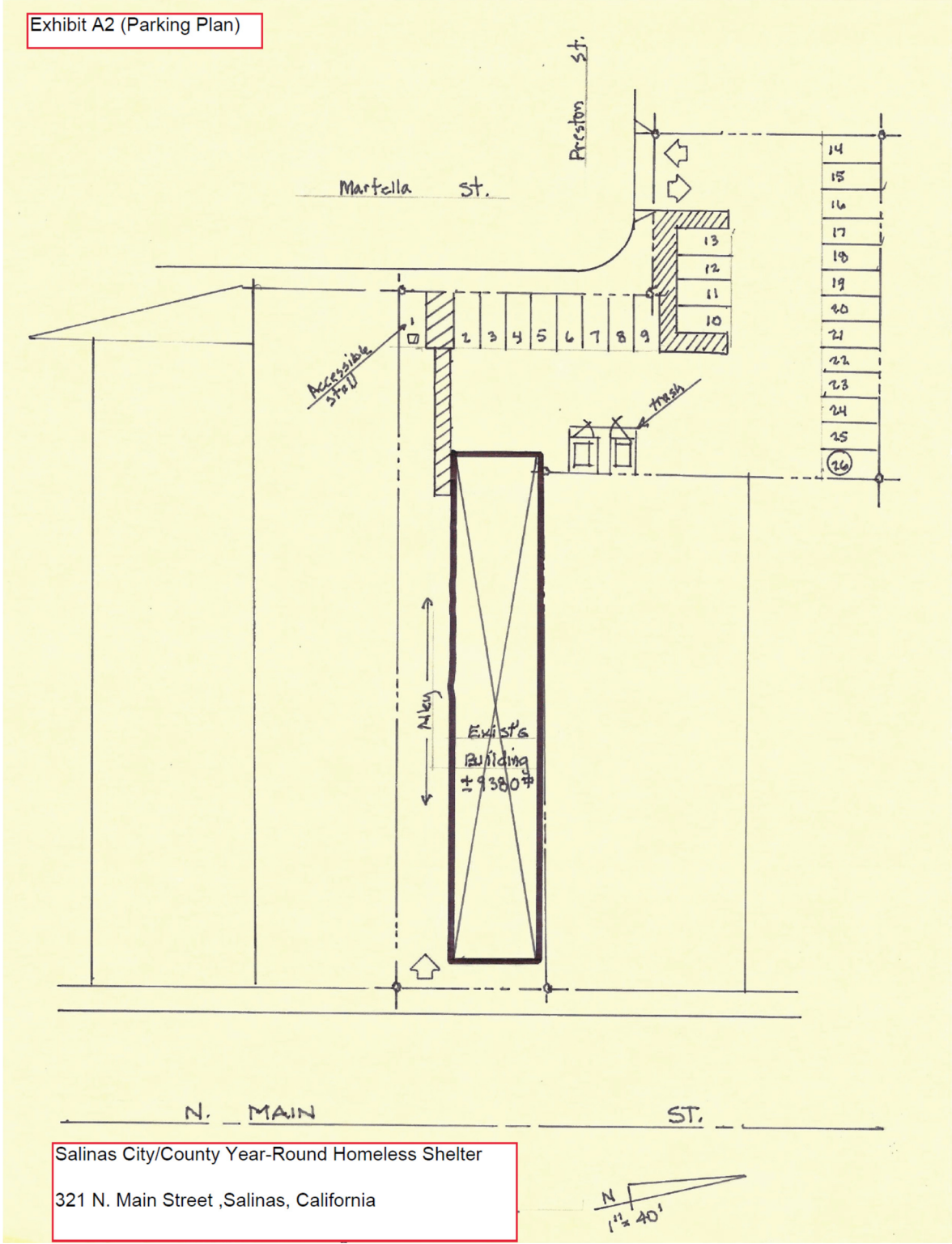


EXHIBIT B

STATEMENT OF SEISMIC ADEQUACY

To be added when completed

EXHIBIT B1

EVIDENCE OF CONSTRUCTION

To be added when completed

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 restrooms within Premises (not in common area)			X
Provide adequate custodial service for the interior of the Premises			X
Provide adequate custodial service for exterior of the Premises			X
Professionally clean carpets, rugs, and hard flooring surfaces as deemed necessary			X
Professionally clean existing drapes, blinds, and window shades as deemed necessary			X
Professionally clean interior windows <u>as deemed necessary</u>			X
Professionally clean exterior windows as deemed necessary			X
Provide adequate pest control for the interior of the Premises (LESSOR responsible for structural pests, such as termites)			X
Provide adequate pest control for exterior of Premises		X	
Provide adequate landscape maintenance and gardening (including landscape irrigation system and associated water supply and service)			X
Provide adequate parking lot area sweeping			X
Provide adequate refuse, rubbish, garbage, and recyclable (paper, plastic, and aluminum, if available) disposal and pick up service			X
Provide adequate fire sprinkler systems testing per National Fire Protection Association (NFPA) standards		X	
Provide adequate fire alarm systems monitoring per NFPA standards		X	
Provide adequate intrusion/security alarm systems monitoring			X
Provide adequate patrolled security guard service (at the sole discretion of LESSEE)			X
Provide adequate heating and ventilation systems filter replacements (charcoal filters to be used if deemed necessary), unit inspections, unit lubrications and record keeping pursuant to the California Code of Regulations, Title 8, Section 5142		X	
Provide adequate servicing of uninterrupted power source (UPS)	X		
Provide adequate servicing of backup generator	X		
Provide adequate gas utility service			X
Provide adequate electric utility service			X
Provide adequate water utility service			X
Provide adequate telephone and data service (including connection charges)			X

EXHIBIT 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 and Floor Slabs		x	
Exterior and Bearing Walls (including pressure washing and painting as deemed necessary)		x	
Exterior Doors and Hardware		x	
Exterior Windows and Window Frames (excluding cleaning as deemed necessary)		x	
Roofs (including replacement if deemed necessary)		x	
Gutters, Drains and Downspouts		x	
Parking Lots, Sidewalks, Walkways and Outside Stairways (pressure washing and steam cleaning as deemed necessary shall be the responsibility of LESSEE)		x	
Ceilings (including damage due to roof leaks)		x	
Fire Sprinkler Systems		x	
Fire Alarm Systems		x	
Intrusion/Security Alarm Systems		x	
Heating, Ventilation and Air Conditioning (HVAC) Systems (including replacement if deemed necessary)		x	
Heating, Ventilation and Air Conditioning (HVAC) control switches, sensors and thermostats		x	
Electrical Systems (including electrical outlets, panels, circuit breakers and wiring)		x	
Plumbing Systems (including sewer and drain stoppages, and fixtures)		x	
Exterior Lighting (including starters, ballasts, transformers and light switches)		x	
Interior Lighting (including starters, ballasts, transformers and light switches)		x	
Interior Light Bulbs and Fluorescent Light Tubes (replacement)		x	
Interior Walls		x	
Interior Wall Surfaces		x	
Interior Doors and Hardware		x	
Interior Windows and Window Frames		x	
Carpet and Hard Surface Flooring			x
Base and/or Moldings			x
Communication Systems (data/telephone cabling, connections and equipment)			x

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

Exhibit E

PREMISE IMPROVEMENT SPECIFICATIONS

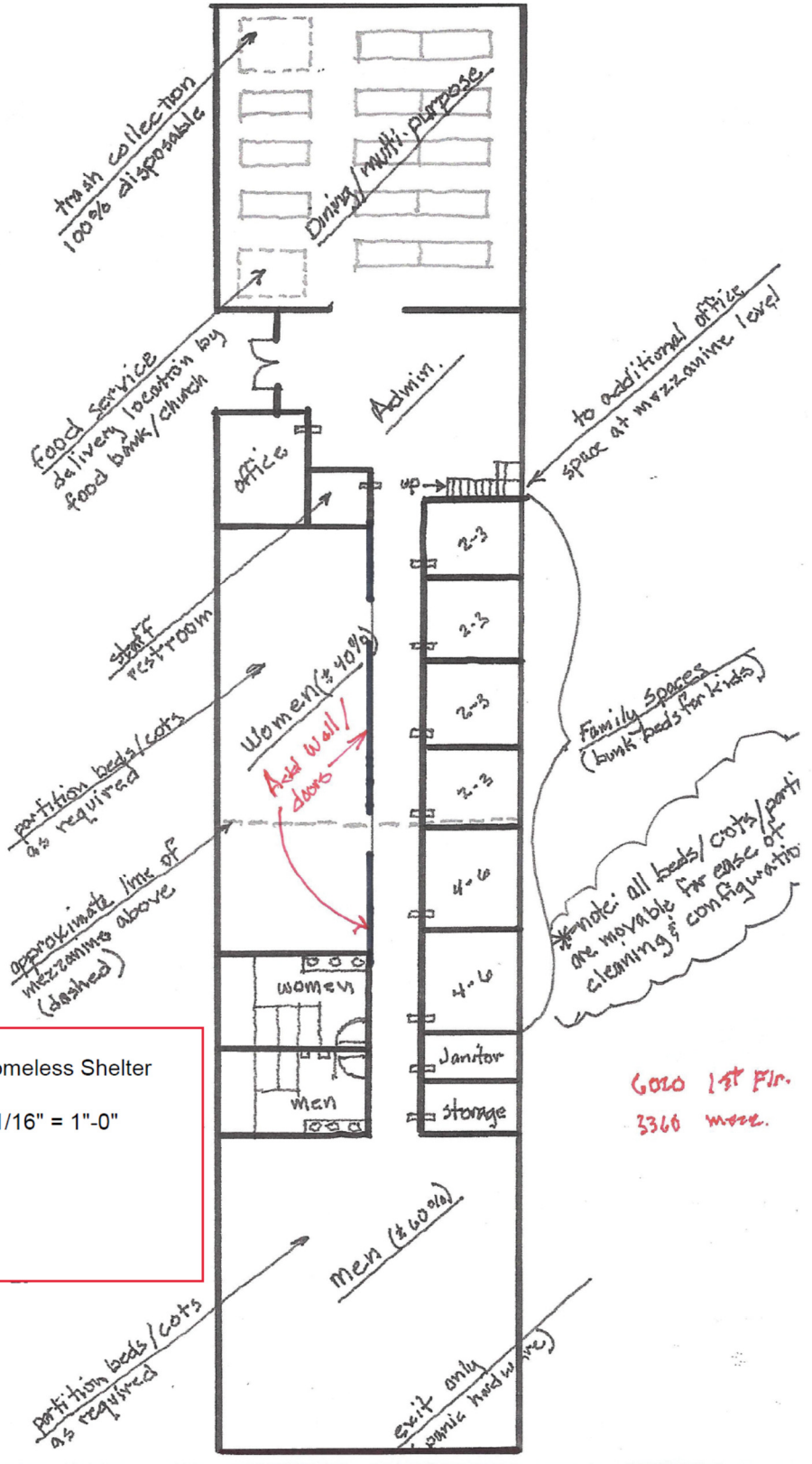
321 North Main Street, Salinas, California

CONCEPTUAL / PRELIMINARY DRAFT

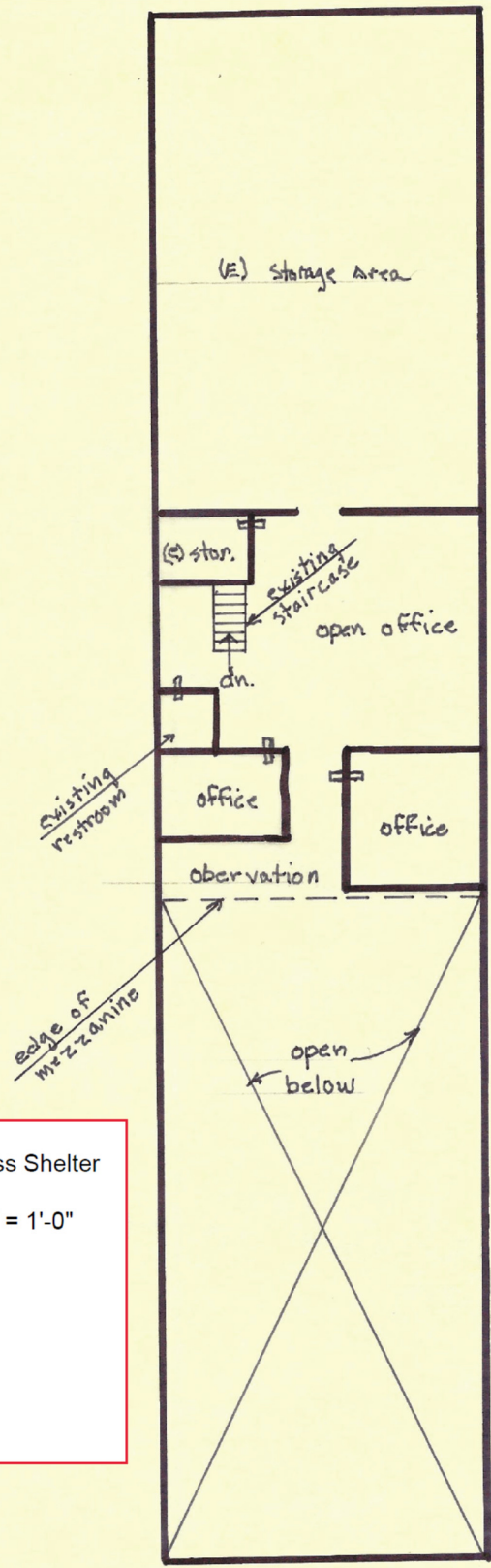
1. Provide core improvements as illustrated on Concept #3 attached describing the proposed occupied Premises.
2. Install adequate fire sprinkler system.
3. Install adequate heating and air exchangers in the Premises.
4. Provide for adequate architectural services.
5. Provide for adequate City permits and plan check fees.
6. Provide a ten percent (10%) contingency allowance.

Note: The parties understand and agree that this Preliminary Draft Exhibit E – PREMISE IMPROVEMENT SPECIFICATIONS will be replaced with a final Exhibit E- PREMISE IMPROVEMENTT SPECIFICATIONS on or before September 31, 2017

Salinas City/County Homeless Shelter
 (Concept Plan #3) +/- 1/16" = 1"-0"
 * Ground Level



Attachment to Exhibit E



Salinas City/County Homeless Shelter
(Concept Plan # 3) +/- 1/16" = 1'-0"
*** Mezzanine Level**

Attachment to Exhibit E

DRAFT PREMISE IMPROVEMENTS COST BREAKDOWN (ESTIMATED)

Project Name: Year-Round Homeless Shelter
(321 North Main Street, Salinas)

Contractor: Palacios and Son's Construction

Lessor: Joe Cardinale et al

Project Mgr: George Salcido, RMA-Real Property Specialist

		6,828 SQ FT		<i>Note: Square Footage is estimate.</i>
	Description	Total	Cost Per Sq Ft	Notes
1	Core Premise Improvements (per Concept # 3)	\$ 111,540.00	\$ 16.3357	Palacios and Son's Construction (rough estimate)
2	Fire Sprinklers	\$ 45,000.00	\$ 6.5905	Sub-Contractor to provide shop drawings (rough estimate)
3	Heating and Air Exchangers	\$33,000.00	\$ 4.8330	Sub-Contractor to provide shop drawings (rough estimate)
7	Architectural Services	\$14,750.00	\$ 2.1602	Kurt Hengelbrok (written proposal)
8	Permits and Plan Check Fees	\$9,000.00	\$ 1.3181	To City of Salinas (rough estimate)
9	Contingency (10%)	\$21,329.00	\$ 3.1238	
10			\$ -	
TOTAL		\$234,619.00	\$ 34.3613	

EXHIBIT F

PREMISE IMPROVEMENT AGREEMENT

1. Premise Improvements:

- a. LESSOR shall construct all Premise Improvements in accordance with the Plans and Specifications as set forth in Exhibit E or as otherwise approved by LESSOR and LESSEE. Premise Improvements must satisfy the Federal Americans with Disabilities Act of 1990, as and if applicable.
- b. LESSOR shall commence construction of the Premises Improvement work at the earliest opportunity, but not more than five (5) business days following issuance of building permit.
- c. LESSOR shall diligently pursue construction of approved Premises Improvement work and deliver the Premises to LESSEE in a condition suitable for occupancy no later than a date certain.

2. Construction Plans and Specifications, Change Orders and Delay:

- a. During construction, LESSOR and LESSEE'S Representative (as defined below) shall confer periodically regarding the progress of the work and the approximate cost of the work completed. LESSEE'S Representative may request changes, modifications or alterations to the Plans and Specifications by written change order delivered to LESSOR, but no such change shall be made without the written approval of LESSOR, which approval shall not be unreasonably withheld, and such changes shall be made at LESSEE'S cost and expense. LESSOR shall approve or deny each LESSEE change order within four (4) business days, and LESSOR shall also provide to LESSEE'S Representative, by written notice to LESSEE, an estimate of the maximum cost of each change order within five (5) business days after the delivery of the change order to LESSOR. No work based upon a change order shall be undertaken unless and until LESSEE'S Representative shall have approved (by notice to LESSOR) LESSOR'S cost estimate.
- b. If LESSOR determines that a change proposed by LESSEE will delay completion of the construction beyond the period allocated for such construction, LESSOR shall, within four (4) business days, notify LESSEE'S Representative of the estimated length of the delay caused by LESSEE'S request. LESSEE'S Representative shall advise LESSOR within two (2) business days after receipt of such notice as to whether LESSOR shall proceed with the requested change, modification or alteration. LESSOR shall not make the requested change to the Plans and Specifications without LESSEE'S approval of any proposed time extensions.
- c. If LESSOR requires that LESSEE clarify or refine the Plans and Specifications, then LESSEE'S Representative shall meet with LESSOR for the purpose of clarifying or refining the Plans and Specifications within two (2) business days after LESSEE'S receipt of LESSOR'S request therefore. No such clarification or refinement shall be deemed to be a change order.
- d. If LESSOR determines that the Plans and Specifications must be changed as a result of omissions or errors in the Plans and Specifications, then LESSOR shall prepare and submit to LESSEE revised Plans and Specifications correcting any such omission or error. LESSEE shall approve or disapprove such revised Plans and Specifications within two (2) business days after receipt and shall not unreasonably withhold its approval.
- e. LESSOR shall not be responsible for any delays in the time for completion of construction resulting from LESSEE'S delay. For purposes herein, LESSEE'S delay in the completion of the construction of the Premise Improvements are delays that may arise solely as a result of: (1) LESSEE'S failure to comply with its obligations set forth above, within the time specified; (2) any change directed by LESSEE after notification to LESSEE that the change will delay completion of the construction as provided above; or (3) extra time required to obtain any long lead items specified by LESSEE. For purposes herein, an item shall be considered a long lead item if LESSOR notifies LESSEE within fifteen (15) business days after receipt of LESSEE'S approval of the Plans and Specifications that such item is not readily available or readily installable after the same is requested by LESSEE.

3. Approval of Plans by Public Authorities: LESSOR shall obtain approval of the Plans and Specifications for the Premises from all appropriate government agencies, and a copy of the Plans and Specifications, as approved, shall be dated and initialed by both LESSOR and LESSEE. LESSOR shall exercise due diligence in obtaining any such approval. LESSEE shall cooperate with LESSOR in obtaining all such approvals, and in this regard, LESSEE shall make, or cause it to be made, all revisions and changes to the Plans and specifications reasonably required by any governmental agency, with due diligence and without delays.
4. Quality of Work: All work performed hereunder shall be done in a good and workmanlike manner, free from faults and defects and in accordance with the Plans and Specifications. All materials and equipment installed in the Premise Improvements shall be new unless otherwise specified in the Plans and Specifications.
5. LESSEE'S Access during Construction: LESSEE'S Representative, agents, consultants and contractors ("LESSEE Representatives") shall have access to the Premises during the construction of the Premise Improvements for activities and purposes related to construction of the Premises or preparation of the Premises for occupancy. LESSEE'S Representatives on the Premises during construction shall cooperate with LESSOR'S contractor and not delay or interfere in any way with the performance by LESSOR'S contractors or LESSOR'S representatives of any work (including but not limited to the construction of Premise Improvements).
6. Acceptance of Premises:
 - a. At any time during the construction of the Premise Improvements, LESSEE may reject any work that does not conform to the Plans and Specifications or does not meet good and workmanlike standards as reasonably interpreted by LESSEE.
 - b. Within five (5) business days after LESSOR delivers to LESSEE a list of work items remaining to be done or corrected and notifies LESSEE that the Premise Improvements are ready for inspection by LESSEE'S representative, LESSEE shall deliver to LESSOR a list of items that LESSEE shall have reasonably determined that LESSOR must complete or correct prior to LESSEE'S acceptance of possession in order for the work to conform to the Plans and Specifications. LESSOR shall immediately commence to complete or correct the items listed by LESSEE. If LESSEE fails to deliver such a list within the five (5) business days period, LESSEE shall be deemed to have accepted the Premises subject to completion of the corrections on LESSOR'S list of corrections and to have approved the construction.
 - c. Acceptance by LESSEE shall not be unreasonably withheld, conditioned or delayed.
7. Notices: All notices required or permitted hereunder shall be in writing and shall be delivered as indicated in Article 6 of this Lease Agreement.
8. Notice of Non-Responsibility: LESSOR may post such notices of non-responsibility as it reasonably deems appropriate in the Premises during the construction provided for herein.
9. Responsibility for Damage: If LESSEE installs equipment in the Premises prior to completion of the work hereunder, LESSEE shall bear the risk of loss to such equipment other than loss that is a result of negligence or willful misconduct by LESSOR, its agents, employees or contractors.
10. Approval of Agreement: Approval of this Lease Agreement will result in a construction of a facility suitable for a year-round homeless shelter. This Lease Agreement specifically includes the installation of necessary telecommunications/data processing linkages, and alarm systems. Specification for telecommunications/data processing linkages and alarm systems may be developed and provided by the Monterey County Information Technology Department.

EXHIBIT G

AMORTIZED PREMISES IMPROVEMENT COST

Amortized Premise Improvement Costs

Enter Values	
Loan Amount	\$ 235,000.00
Annual Interest Rate	5.00 %
Loan Period in Years	2
Number of Payments Per Year	12
Start Date of Loan	11/1/2017
Optional Extra Payments \$	-

Loan Summary	
Scheduled Payment	\$ 10,309.78
Scheduled Number of Payments	24
Actual Number of Payments	24
Total Early Payments	\$ -
Total Interest	\$ 12,434.64

Lessor Name: Joe Cardinale

Proposed Winter Warming Shelter
321 N. Main Street, Salinas

Pmt No.	Payment Date	Beginning Balance	Scheduled Payment	Extra Payment	Total Payment	Principal	Interest	Ending Balance	Cumulative Interest
1	12/1/2017	\$ 235,000.00	\$ 10,309.78	-	\$ 10,309.78	\$ 9,330.61	\$ 979.17	\$ 225,669.39	\$ 979.17
2	1/1/2018	225,669.39	10,309.78	-	10,309.78	9,369.49	940.29	216,299.90	1,919.46
3	2/1/2018	216,299.90	10,309.78	-	10,309.78	9,408.53	901.25	206,891.38	2,820.71
4	3/1/2018	206,891.38	10,309.78	-	10,309.78	9,447.73	862.05	197,443.65	3,682.75
5	4/1/2018	197,443.65	10,309.78	-	10,309.78	9,487.09	822.68	187,956.55	4,505.43
6	5/1/2018	187,956.55	10,309.78	-	10,309.78	9,526.62	783.15	178,429.93	5,288.59
7	6/1/2018	178,429.93	10,309.78	-	10,309.78	9,566.32	743.46	168,863.61	6,032.04
8	7/1/2018	168,863.61	10,309.78	-	10,309.78	9,606.18	703.60	159,257.43	6,735.64
9	8/1/2018	159,257.43	10,309.78	-	10,309.78	9,646.20	663.57	149,611.23	7,399.22
10	9/1/2018	149,611.23	10,309.78	-	10,309.78	9,686.40	623.38	139,924.83	8,022.60
11	10/1/2018	139,924.83	10,309.78	-	10,309.78	9,726.76	583.02	130,198.07	8,605.62
12	11/1/2018	130,198.07	10,309.78	-	10,309.78	9,767.28	542.49	120,430.79	9,148.11
13	12/1/2018	120,430.79	10,309.78	-	10,309.78	9,807.98	501.79	110,622.81	9,649.90
14	1/1/2019	110,622.81	10,309.78	-	10,309.78	9,848.85	460.93	100,773.96	10,110.83
15	2/1/2019	100,773.96	10,309.78	-	10,309.78	9,889.89	419.89	90,884.07	10,530.72
16	3/1/2019	90,884.07	10,309.78	-	10,309.78	9,931.09	378.68	80,952.98	10,909.41
17	4/1/2019	80,952.98	10,309.78	-	10,309.78	9,972.47	337.30	70,980.51	11,246.71
18	5/1/2019	70,980.51	10,309.78	-	10,309.78	10,014.02	295.75	60,966.48	11,542.46
19	6/1/2019	60,966.48	10,309.78	-	10,309.78	10,055.75	254.03	50,910.73	11,796.49
20	7/1/2019	50,910.73	10,309.78	-	10,309.78	10,097.65	212.13	40,813.09	12,008.62
21	8/1/2019	40,813.09	10,309.78	-	10,309.78	10,139.72	170.05	30,673.36	12,178.67
22	9/1/2019	30,673.36	10,309.78	-	10,309.78	10,181.97	127.81	20,491.39	12,306.48
23	10/1/2019	20,491.39	10,309.78	-	10,309.78	10,224.40	85.38	10,267.00	12,391.86
24	11/1/2019	10,267.00	10,309.78	-	10,267.00	10,224.22	42.78	0.00	12,434.64

EXHIBIT H

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

This document is to be used as a guide for voice and data cabling in all Monterey County facilities with the exception of Natividad Medical Center. Some of the requirements are dependent on specifications that are specific to a particular job and this information will be made available as necessary.

1. The cable plant shall be star configured, unshielded twisted pair (UTP) system capable of supporting data rates of 350 MBPS.
2. All riser and closet-to-closet voice wiring shall be unshielded twisted pair PVC rated, Outside Plant (OSP) rated for underground use, Riser rated, or Plenum rated as required by local Fire Marshall, and shall be EIA/TIA 568, 569 and TSB-36 Category 3 certified cable. This cable shall be tested for opens, shorts and reversals.
3. All riser and closet-to-closet data wiring shall be color coded tight tube 62.5/125 multimode fiber optic cable PVC, Outside Plant, Riser or Plenum rated as required by specific project specifications or the local Fire Marshall.
4. Only existing communications closets may be used for the termination of voice and data cable. Additional cable consolidation points and intermediate distribution frames will be added only with prior approval from the Monterey County Telecommunications Department.
5. All fiber optic cable shall be terminated on ST or SC connections as required by specific project specifications.
6. All fiber optic cable shall be installed in appropriate fiber optic interduct PVC, Outside Plant, Riser or Plenum rated as required by specific project specifications or the local Fire Marshall.
7. All Fiber optic cable shall be terminated in the equipment rooms in approved fiber optic LIU cabinets Leviton Part # 5R330-OAB or the equivalent with sufficient density to accommodate all fiber optic cable as specified in the project specifications.
8. The cable plant shall meet EIA/TIA-568 "Commercial Building Telecommunications Wiring Standard" and the maximum length of any UTP data drop SHALL NOT exceed 100 meters (322 feet) including patch cables and future jumper cables.
9. All data drop cabling shall be EIA/TIA 568, 569 and TSB-36 Category 5 enhanced certified (5E) cable.
10. All data drop cabling shall be 4 pair unshielded twisted pair, PVC rated, (Outside Plant (OSP) rated for underground use) (Plenum rated as required by local Fire Marshall), and Category 5 enhanced certified cable.
11. Approved cable supplier: Belden enhanced Data Twist CAT-5 #1700A (Blue color for data-1 Black color for data-2 unless otherwise requested) or it's equivalent or data and Belden CAT-5 #1583A (Grey color for voice-1 White color for voice-2 unless otherwise requested) or it's equivalent for voice.
12. All wiring closet data connecting hardware shall be EIA/TIA TSB-40 Category 5 enhanced certified cable.

COUNTY OF MONTEREY INFORMATION TECHNOLOGY
CABLING STANDARDS (Page 2 of 3)

13. All wiring closet data connecting hardware shall be modular jack panels with RJ45 jacks on the front and 110 style insulation displacement connectors (IDC) for termination of the drop cable on the back.
14. The modular information outlets shall be housed in a four or six position wall plate.
15. The modular information outlet shall have an identification display and each outlet shall have the assigned specific identification number in the sequence assigned by an appropriate representative of Monterey County ITD displayed on it.
16. All modular jacks shall be eight position jacks with the pin/pair assignments utilizing EIA/TIA T568B.
17. Approved information outlet supplier: Leviton 5G108-R*5 (Orange color for data-1 Black color for data-2 unless otherwise requested) for data and Leviton 41108-R*5 (Ivory color for voice-1 White color for voice-2 unless otherwise requested) for voice.
18. Approved wall plate supplier: Leviton 41080-4IP (single-gang 4 port), 41080-6IP (single-gang 6 port), 42080-4IP (dual-gang 4 port), and 42080-6IP (dual-gang 6 port).
19. Approved surface plate supplier: Leviton 41089-4IP 4 port surface plates permanently attached to the appropriate surface.
20. The patch panel shall be Category 5 enhanced, 8-position modular jack panel with circuit board construction in all IC/MC locations. The 8-position modular jack patch panel shall be with wall mounted or rack mounted with cable management panels.
21. The patch panel shall meet EIA/TIA TSB-40 standards.
22. The patch panel shall be configured for 48 ports maximum or as requested.
23. Approved supplier for patch panels: Leviton #5G484-B48.
24. Approved supplier for vertical wire manager: Panduit #WMP-1 and horizontal wire managers: Panduit #MVPVC45 and #MVPVS45 or approved equivalent.
25. All wiring closet voice connecting hardware shall be EIA/TIA TSB-40 Category 5 compliant.
26. All wiring closet voice connecting hardware shall be wall mounting 66 M150 connecting hardware for termination of drop cable. These blocks should be attached to the wall using Homaco 50M series wall racks and 89B brackets.
27. All data station drop cables shall be tested from the outlet device to the patch panel. Each wire/pair shall be tested at both ends.
28. Testing shall be made utilizing a hand cable tester meeting EIA/TIA 568 standards; all testing equipment shall be calibrated annually and shall have a dated certificate.
29. Printed test results shall be assembled and delivered to county's representative.
30. Test results for each 4 pair; UTP cable must be submitted with identification to match labels on all patch panels and 8 position modular jacks.

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

31. All voice cables shall be tested for continuity, grounds, split pairs, polarity, shorts between wires, and shorts between pairs.

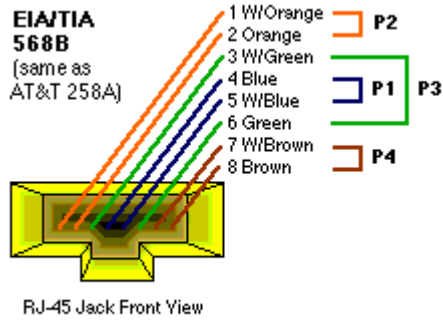


EXHIBIT I

REMEDIATION CONTRACTOR SPECIFICATIONS

A. Scope of Services

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

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

B. Work Standards

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

EXHIBIT J

SERVICE CONTACT LIST (Page 1 of 2)

During regular business hours (Monday thru Friday, 8am thru 5pm):

Fermin Calvario, 831-901-8548 or fcalvario@cardinaleway.com

For all other hours and holidays: To be added when completed

Item	Contact	Number
Back Up Generator		
Carpenter		
Ceiling Tile		
Electrical		
Electronic Gates and Garage Doors		
Elevator		
Elevator Phone		
Exterior Door and Hardware		
Flooring		
Fire Sprinkler System		
Fire Extinguisher Servicing		
Fire Alarm		
Heating & Air Conditioner		
Industrial Hygienist		
Interior Door and Hardware		
Janitorial for common areas		
Landscape Maintenance		
Light Bulbs & Fluorescent Tubes		
Locksmith		
Painting		
Pest Control		
Parking Lot Repair		

SERVICE CONTACT LIST (Page 2 of 2)

Item	Contact	Number
Parking Lot Sweeping		
Patrolled Security		
Plumbing		
Remedial Contractor		
Roofing System		
Roof Gutters & Downspouts		
Security Alarm Company		
Sewer & Drain Cleaning		
Utility (Gas & Electric)		
Utility (Telephone)		
Utility (Water)		
Waste Disposal & Recycle		
Window Replacement & Repair		
Window Cleaning		

EXHIBIT K

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 321 North Main Street, 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.