

REAL PROPERTY LEASE AGREEMENT



DRAFT

THIS LEASE (“Lease”) is made by and between the **COUNTY OF MONTEREY**, a political subdivision of the State of California, (“LESSOR”) and the **Salinas Valley Basin Groundwater Sustainability Agency, a joint powers authority** (“LESSEE”), sometimes collectively referred to as “party”. LESSOR and LESSEE hereby agree as follows:

1. **DISCRIPTION OF PREMISES:** LESSOR hereby leases to LESSEE and LESSEE hereby leases from LESSOR, upon the terms and conditions herein set forth, a portion of that certain real property and its appurtenances, situated at **1441 Schilling Place, South Building, Salinas, California 93901** (hereinafter, “the Building”) and described as follows: General offices consisting of approximately **108** rentable square feet of space, located on the **first floor** of the Building, as designated in **EXHIBIT A – DISCRIPTION OF PREMISES** attached and incorporated by this reference (hereinafter, “the Premises”).

In addition to the Premises, LESSEE shall also have the non-exclusive right to use, in common with other tenants and occupants of the Building, any and all of the following areas which may be appurtenant to the Premises: common entrances, lobbies, stairways and access ways, loading and unloading areas, visitor parking areas, ramps, drives, platforms, public restrooms, and common walkways and sidewalks necessary for access to the Premises.

Premises to include for LESSEE’S use, one (1) small dark wood conference table, one (1) small round end table and four (4) blue office chairs, all of which to be provided by LESSOR.

2. **TERM:** The term of this Lease shall be for a period of **five (5) years**, commencing on **May 1, 2018** and ending on **April 30, 2023**, unless otherwise terminated sooner pursuant to the terms of this Lease. Any holding over by the LESSEE after the expiration of the term will be deemed a month-to-month tenancy upon the same terms and conditions as set forth in this Lease.
3. **RENT:** LESSEE shall pay LESSOR as monthly rent the sum of **Two Hundred Fifty Dollars and 00/100 (\$250.00)** payable on or before the first day of each month. This is a “**modified gross full service**” rent amount which includes common area maintenance, utilities, trash collection and other services noted in **EXHIBIT B – SUMMARY OF SERVICES AND UTILIES**. If the rent commencement date is other than the first day of a calendar month, then rent for that month shall be prorated on a daily basis. Rent shall be payable to LESSOR at the address specified in Paragraph 17 (Notices) or at such other address as LESSOR may from time to time designate in writing. Rent to be subject to reasonable increases at the sole discretion of the LESSOR.
4. **DELIVERY OF PREMISES:** LESSOR agrees to deliver to the LESSEE physical possession of the Premises upon the commencement of the term of the Lease, free and

clear of all tenants and occupants, but subject to the non-exclusive rights of other tenants and occupants of the Building.

5. **TERMINATION**: LESSOR and LESSEE shall have the right to terminate this Lease for any reason, or for no reason, upon no less than thirty (30) days' prior written notice to the other party.

Upon termination of this Lease, LESSEE shall return the Premises in the same condition as when delivered, reasonable wear and tear, and damage by casualty or condemnation, and alterations approved by LESSOR, excepted.

In the event the LESSEE defaults in the payment of rent when due, the LESSOR shall forward notice in writing of such default to the LESSEE, and failure of the LESSEE to cure such default within thirty (30) days after the receipt of such notice shall, at the option of the LESSOR, constitute a default and allow for the termination of the Lease upon three (3) days' notice.

If the Premises are destroyed by fire or other casualty, either in whole or in part, either party may terminate this Lease by giving three (3) days' notice.

If any part of the Premises is taken or condemned for a public or quasi-public use by an entity other than LESSOR, then this Lease shall terminate as of the date title shall vest in the condemning entity, if no earlier notice is given, as provided in this Lease. LESSOR shall have no responsibility for any relocation benefits as the result of such condemnation. LESSEE expressly disclaims all rights and interests in the Lease or its value in the event of condemnation; all such rights, interests and entitlement to compensation shall accrue to LESSOR.

6. **USE**: The Premises shall be used by the LESSEE for general office and community meeting purposes.

LESSEE'S use of the Premises, as provided in this Lease shall be in accordance with the following:

- a) LESSEE shall not use the Premises for any private commercial gain such as, but not limited to, rental activities or commercial sales.
- b) LESSEE shall not do, bring or keep anything in or about the Premises that will cause a cancellation of any insurance covering the Premises.
- c) LESSEE shall comply with any and all laws and regulations concerning the Premises and/or LESSEE'S use of the Premises.
- d) LESSEE shall not use the Premises in any manner that will constitute waste, nuisance or unreasonable annoyance to owners or occupants of adjacent properties or other occupants of the Building.

- e) LESSEE shall not use or permit the use of Hazardous Substances on the Premises. As used herein, “Hazardous Substances” means hazardous or toxic substances such as asbestos, leads, toxic mold spores, PCBs or volatile organic chemicals.
 - f) LESSEE shall not install any major appliances, such as vending machines, refrigerators, stoves or other machinery larger than a microwave and/or personal computer.
 - g) LESSEE shall not modify the Premises, or undertake any construction on the Premises, without the written consent of LESSOR, which consent may be refused in the sole discretion of LESSOR.
 - h) If LESSEE requires conference room capabilities associated with its use of the Premises, LESSEE may use the Cayenne, Cinnamon and Saffron conference rooms only. Location of said conference rooms are illustrated in **EXHIBIT A**. Prior reservations shall be arranged in advanced by calling RMA-Administrative Services at 831-755-4879.
 - i) LESSOR shall have the right to establish and enforce reasonable rules and regulations applicable to the management, maintenance, use and operation of the Building. A copy of said rules and regulations will be attached hereto as **EXHIBIT C – BUILDING RULES AND REGULATIONS**.
 - j) LESSEE to contact Public Works Facilities at 755-4744 to be processed for access key card(s) with photo identification prior to occupancy. All access point privileges shall be subject to LESSOR’S approval.
7. **LESSOR'S ENTRY ON PREMISES:** LESSOR and its authorized representatives shall have the right to enter the Premises at all reasonable times with reasonable advance notice (except in cases of emergency), for any reasonable purpose including but not limited to the following:
- a) To determine whether the Premises are in good condition and whether LESSEE is complying with its obligations under this Lease.
 - b) To do any necessary maintenance and to make any restoration to the Premises that LESSOR has the right or obligation to perform.
8. **SERVICES AND UTILITIES:** LESSOR will provide LESSEE with a fair share portion of the facility services, including electricity, sewer, heating, water, janitorial services and trash disposal, as shown on the matrix attached as **EXHIBIT C – SUMMARY OF SERVICES AND UTILITIES**. The cost of these services are included in the “**modified gross full service**” rental amount.
9. **TELEPHONE:** LESSEE shall provide for and pay for all telephone services and installations, including fax services and computer-related data line services and installations.

10. **MAINTENANCE**: LESSEE shall be responsible for all cost to repair or correct any damages to the Building or Premises caused by its employees, invitees, or program participants. Repair and maintenance of the Premises shall be provided by the LESSOR.
11. **INDEMNIFICATION**:
- a) LESSEE shall defend, indemnify, and hold harmless LESSOR 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 or attributable to LESSEE'S use of the Premises, excepting however such claims and demands whether for injury to persons or loss of life or damage to property, caused by the gross negligence or willful misconduct of LESSOR.
 - b) 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 or the Building, or for any damage caused by water being upon or coming in through the roof, skylight, vent, trap door or otherwise; provided that LESSOR shall not be relieved from any of its obligations for maintenance and repair as otherwise set forth in this Lease.
12. **INSURANCE**: Without limiting LESSEE'S indemnification, LESSEE shall maintain in force at all times during the performance of this lease a policy or policies of insurance as follows and in the minimum limits of liability as stated herein:
- a) Comprehensive General Liability, including but not limited to premises, personal injuries, products, and completed operations for combined single limit of not less than \$1,000,000 per occurrence.
 - b) Worker's Compensation covering statutory requirements of the State of California and Employer's Liability of not less than \$1,000,000 per occurrence.
 - c) Liability policies shall provide an endorsement naming the LESSOR, its officers, agents and employees as Additional Insured and shall provide thirty (30) days written notice to the LESSOR in advance of cancellations or non-renewal of said policies.
 - d) Liability policies shall be endorsed to provide that such insurance is Primary Insurance and that no insurance of the additional insured shall be called upon to contribute to a loss covered by LESSEE'S insurance.
 - e) Certified copies of policies must be filed with the LESSOR. The insurance carried must be with established and reputable companies acceptable to the LESSOR. Acceptance or approval of insurance shall in no way modify or change the Indemnity and Hold Harmless Clauses in this Lease, which shall continue in full force and effect.
 - f) Comprehensive General Liability policy shall provide thirty (30) days written notice to the LESSOR in advance of cancellation.

- g) Failure by the LESSEE to maintain required insurance coverage is a breach of the Lease. If the LESSEE fails to maintain the required insurance coverage, the LESSOR may terminate the Lease on three (3) days' notice.
 - h) The coverage(s) shall be maintained through the term of the Lease, and the LESSEE shall file with the LESSOR prior to approval of the Lease, and from time to time, a Certificate of Insurance evidencing that insurance coverage(s) required herein are in effect.
13. **LIENS**: LESSEE agrees to keep the Premises free from liens of every character, and in the event any liens for labor or materials should arise during the term thereof on account of any act or omission by LESSEE, LESSEE agrees forthwith to discharge and pay the same.
 14. **ABANDONMENT**: If LESSEE abandons the Premises, or ceases the provision of services described in Paragraph 6 (USE), for a period of thirty (30) days or more, LESSOR may terminate the Lease on three (3) days' notice.
 15. **WAIVER**: The waiver, of LESSOR or LESSEE, of any covenant or condition herein, shall not vitiate the same or any other covenant or condition contained herein, and terms and conditions contained herein shall apply to and bind the heirs, successors and assigns of the respective parties hereto.
 16. **NOTICES**: Any notice which either party desires or is required to give to the other party shall be in writing and either served personally or sent by registered or certified mail, at the address set forth below:

LESSOR:	LESSEE:
COUNTY OF MONTEREY	Salinas Valley Basin Groundwater Sustainability Agency
Attention: Real Property Specialist 1441 Schilling Place, South, 2 nd Floor Salinas, California 93901 Phone: 831-755-4800 Fax: 831-755-4958 Email: salcidog@co.monterey.ca.us	Attention: General Manager P.O. Box 1350 Carmel Valley, California 93924 Phone: 831-471-7518 Email: peterseng@svgsa.org

Any notice or correspondence shall be deemed delivered upon personal delivery or five (5) days after notice is 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 mailing address or correspondence information.

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 may be withheld in LESSOR'S complete discretion.

18. **SUCCESSORS AND ASSIGNS:** Subject to the restriction on assignment hereinabove written, this Lease, and all of the terms, covenants and conditions hereof, shall be binding upon and shall inure to the benefits of their heirs, legal representatives, successors and assigns of the respective parties hereto.
19. **WAIVERS OF SUBROGATION:** LESSOR and LESSEE each hereby waive any right of recovery against the other due to loss 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.
20. **NO AMENDMENTS:** No oral amendment of this Lease shall be valid unless made in writing and signed by the parties hereto, and no oral understanding or agreement not incorporated herein shall be binding on either party hereto.
21. **DESIGNATION OF AUTHORITY:** The Deputy Director of Public Works and Facilities is hereby authorized to deliver approvals or consents as are required by this Lease, or to waive requirements under this Lease, on behalf of the LESSOR upon the terms specified above. Any consents or approvals required under this Lease shall not be unreasonably withheld or made, except where it is specifically provided that a sole discretion standard applies. LESSOR agrees to give reasonable consideration to requests by LESSEE for extensions of any time deadlines imposed under this Lease, provided that it is determined that the overall feasibility of the objectives of this Lease is not in jeopardy.
22. **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.
23. **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, the person executing this Lease is duly authorized to execute this Lease on behalf of the corporation.
24. **TIME IS OF THE ESSENCE:** Time is of the essence of each term and provision of this Lease.
25. **EXHIBITS AND ADDENDUMS:** In the event of conflict between this Lease and any Addendum or Exhibit attached hereto, the provisions of such Addendum or Exhibit shall control.
26. **EVIDENCE OF SEISMIC ADEQUACY:** The building containing the Premises was constructed after January 1, 1973, as evidenced by official documentation from the City of Salinas Building Department. Copy of which is attached as **Exhibit D –EVIDENCE OF SEISMIC ADEQUACY**, and incorporated by this reference.

27. **SCHILLING PLACE CAMPUS INFORMATIN PACKET:** LESSEE shall acknowledge receipt of the 2017 Schilling Place Campus Information Packet prior to occupancy of the Premises.

28. **LESSOR'S STATEMENT REGARGING DISABILITY ACCESS& CERTIFIED ACCESS SPECIALIST INSPECTION (CASp) REPORT.**

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

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

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

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

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

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

making any repairs necessary to correct violations of construction-related accessibility standards within the premises.

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

LESSOR: (County of Monterey)

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

By: _____
Michael R. Derr

By: _____
Mary Grace Perry

Title: Contracts/Purchasing Officer

Title: Deputy County Counsel

Date: _____

Date: _____

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

By: _____
Gary Giboney

Title: Chief Deputy Auditor-Controller

Date: _____

**LESSEE:
(Salinas Valley Basin Groundwater Sustainability
Agency)**

By: _____
Gary Petersen

Title: General Manager

Date: _____

Exhibit A

DISCRIPTION OF PREMISES

MONTEREY COUNTY GOVERNMENT CENTER 1441 SCHILLING PLACE - SALINAS FIRST FLOOR CONFERENCE ROOMS

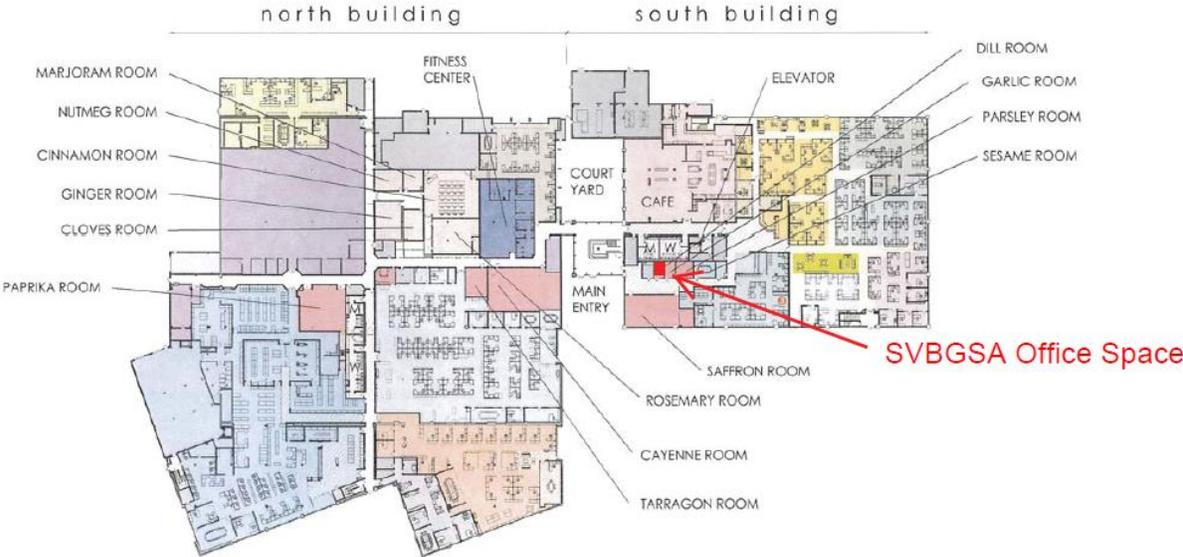


Exhibit B

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 tenants Premises		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 interior Premises' 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 of interior Premises		X	
Provide adequate fire sprinkler systems testing		X	
Provide adequate fire alarm systems monitoring		X	
Provide adequate intrusion/security alarm systems monitoring of interior Premises		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 (excludes any power back up generator provided by LESSEE)		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 and installations)			X
OTHER:			

Exhibit C
BUILDING RULES AND REGULATIONS

***To be attached when completed, if deemed necessary by the Deputy Director of Public Works and Facilities.**

Exhibit D

EVIDENCE OF SEISMIC ADEQUACY



City of Salinas Commercial Permit Research
 1441 SCHILLING PL
 Issuance Date: 1/18/2017

This is for informational purposes ONLY. This does not replace a required Residential City Report

Assessor Parcel Number: 177181024000

Code Violations, State/City Mandated Annual Inspections (if any):

Date	Description	CASE_NO
12/09/2014	Fire Underground South in Disrepair	FD1412-0004

Building Permit(s) on Record:

Permit No.	Issued	Finalized	Expired	Description
00-47917	01/31/2000	04/17/2000		REMODEL/REPLACEMENT OF DISHWASHER & TRAY CONVEYOR/MINOR WALL
01-52762	03/07/2001	06/04/2001		DEMO INTERIOR OF HOLEC ROOM REMOVE INTERIOR WALLS CONCRE
01-52866	04/06/2001	08/14/2001		T.I. HOUSEHOLD CREDIT
01-53130			09/26/2002	FIRE ALARM SYSTEM (REV. TO PERMIT #52866)
01-53356			05/08/2001	FIRE SPRINKLERS (REV TO PERMIT #52866)
01-53531			05/17/2002	REVISION TO RETURN AIR DUCTWORK ON HOLEC ROOM REMODEL -
01-53985			07/06/2002	ADA RAMP FOR FIRE EXIT (REV TO PERMIT #52866)
03-59477	02/11/2003	02/13/2003		INSTALL PAGING SYSTEM/EQUIPMENT AT ROOFTOP
04-64533	07/06/2004	08/24/2004		Data Room Renovation To Office Space for Household Credit Se
04-64963			07/12/2004	(4) Smoke Detectors For Household Credit Revision To Permit
05-67096	03/09/2005	03/25/2005		Install Wall Mounted Illuminated Sign For Household Credit
05-67435	04/25/2005	07/27/2005		Interior T.I. For Household Credit Relocating Partition Wall
05-69275	11/02/2005	02/15/2006		Construct interior office partitions for Household Credit
05-69683	12/27/2005	03/22/2006		Kitchen Remodel At Household Credit Relocate 1 Floor Drain
71457	03/29/2007	06/28/2007		Fill 10,000 Gallon & Install 2-2,000 Gallon Diesel Fuel Tank
72121	03/29/2007	06/28/2007		Install 2 New Above Ground 2000 Gal Diesel Tanks
82-B028	01/22/1982	12/21/1984		BUILD OFFICE WAREHOUSE ACTIVITY CENTER
87-B084	02/04/1987	03/24/1987		INTERIOR REMODEL PHASE I (DATA PROCESSING AREA) HF #C
87-B174	03/25/1987	08/12/1987		INTERIOR REMODEL FOR PHASE II (OFFICES) HC #C
87-D014	02/02/1987	08/12/1988		DEMOLISH INTERIOR PARTITIONS CEILING RAISED FLOORS
88-B969	12/01/1988	04/28/1989		TENANT IMPROVEMENT - OFFICES - INC. NON-BEARING PARTITIONS
88-B996	12/16/1988	05/08/1989		NEW OFFICE/WAREHOUSE ADD'N
89-B011	01/06/1989	01/20/1989		TEMPORARY OFFICE TRAILER INSTALLATION PLUMBING & ELECTRICAL
89-B088	02/02/1989	05/24/1989		BUILDING FOUNDATIONS ONLY NEW PARKING LOT SITE WORK UNDERSLA
89-B1010	10/11/1989	12/14/1990		KITCHEN & DINING FACILITY TENANT IMPROVEMENT
89-B1011	10/11/1989	11/02/1990		INSTALL ACCESS RAMP
89-B149	03/03/1989	04/17/1990		OFFICE BLDG SHELL ADD'N NEW PARKING LOT KITCHEN/DINING SHEL
89-B478	05/26/1989	06/01/1989		STORAGE RACK SYSTEMS IN EXISTING BLDG FC3