

Attachment 2

AMENDMENT #1 AND RENEWAL OF LEASE AGREEMENT

LESSOR: REDEVELOPMENT AGENCY OF THE COUNTY OF MONTEREY, by and through the statutory successor in interest, the SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE COUNTY OF MONTEREY (Health and Safety Code §34175(b) effective February 1, 2012)

LESSEE: CLINICA DE SALUD DEL VALLE DE SALINAS
440 Airport Boulevard, Salinas, California 93905

Premises: 29-A Bishop Road, Royal Oaks (Pajaro), California 95076

Lease: Lease Agreement - approved by the Board of Directors of the Redevelopment Agency of the County of Monterey on February 23, 2010

WHEREAS: On February 16, 2010 the Redevelopment Agency of the County of Monterey and the Clinica de Salud del Valle de Salinas (hereinafter "Clinica") entered into a Lease Agreement whereby the Redevelopment Agency leased to the Clinica that certain real property located at 29-A Bishop Street in the community of Pajaro (a portion of APN 117-323-013) for use as a medical and dental clinic (Exhibit A); and

WHEREAS: Pursuant to Article 2, Section 2.1 of the Lease Agreement, the formal term of the Lease ended on January 31, 2016. Pursuant to Article 25 of the Lease Agreement, the parties have been continuing on a two month-to-two month basis at the same agreed-upon rent by the mutual consent of the parties; and

WHEREAS: Pursuant to Article 2, Section 2.2 of the Lease Agreement, the parties desire to extend the lease for one additional six (6) year term through January 31, 2022; and

WHEREAS: Article 3 of the Lease Agreement states that rent payments are to be deposited into a Replacement Reserve Fund to be used for capital repairs and major maintenance for the exterior of the Premises; and

WHEREAS: Total rent payments by Clinica to the Agency through October 2016 have totaled \$38,950; and

WHEREAS: Due to an oversight, said rent payments were not placed into a reserve fund, and at the time of dissolution of the Redevelopment Agency, all funds and assets of the Agency were subsumed by the State Department of Finance; and

WHEREAS: Article 3, Rent, of the Lease Agreement states that at such time as the amount of rent paid into the Replacement Reserve Fund has reached the amount of Fifty Thousand Dollars (\$50,000), all rent payments shall cease, provided LESSEE continues to provide services to very-low-, low-, and moderate-income households, and operates the Premises for such services at least 15 hours a week; and

WHEREAS: At the current rate of rent payment, the total amount paid by Clinica will reach \$50,000 in January 2018; and

WHEREAS: The parties desire to delete the provision for said Replacement Reserve Fund from the subject lease.

IT IS
THEREFORE
AGREED:

1. Said Lease Agreement is hereby formally renewed, and shall have a term running through January 31, 2022.
2. Article 3, Rent, shall be modified to delete reference to the Replacement Reserve Fund, and shall read as follows:

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 Hundred and Seventy-Nine Dollars and 00/100 (\$779.00), payable on or before the first day of each month, commencing on the first of the month after issuance of a Certificate of Occupancy for the Premises (the "Rent Commencement Date"). ~~Such rent shall be paid to LESSOR for deposit into a Replacement Reserve Fund for the Premises, to be used to pay for capital repairs and major maintenance for the exterior of the Premises.~~ LESSEE shall commence rental payments on the Rent Commencement Date. If the Rent 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 to monthly rent, LESSEE shall contract and pay directly to its vendors for its responsibilities as outlined in Exhibits D and Exhibit E. Monthly rent shall include LESSEE'S proportional share of real estate assessments and insurance (liability and fire). At such time as the amount of rent paid ~~into the Replacement Reserve Fund~~ has reached the amount of Fifty Thousand Dollars (\$50,000), all rent payments shall cease, provided LESSEE continues to provide services to very-low-, low-, and moderate-income households, and operates the Premises for such services at least 15 hours a week.

3. LESSEE shall continue to pay the monthly rent of Seven Hundred and Seventy-Nine Dollars (\$779.00) until total payments reach a total of \$50,000 (presently estimated to be January 2018).
4. All other terms and conditions of said Lease Agreement shall remain the same.

LESSOR: Successor Agency to the Redevelopment
Agency of the County of Monterey

LESSEE: Clinica de Salud del Valle de
Salinas

By: _____
Mary L. Adams, Chair, Board of Directors
Successor Agency to the Redevelopment
Agency of the County of Monterey

By: _____
Dr. Maximiliano Cuevas
Chief Executive Officer

Date: _____

Date: _____

APPROVED AS TO FORM:
Agency Counsel

LESSEE: Clinica de Salud del Valle de
Salinas

By: _____
Kathryn Reimann
Senior Deputy County Counsel

By: _____
Nancy J. Jimenez
Executive Secretary

Date: _____

Date: _____

Exhibit A

**REDEVELOPMENT AGENCY OF THE
COUNTY OF MONTEREY**

LEASE AGREEMENT



**LEASED
PREMISES:** 29-A Bishop Road,
Pajaro, CA 95076
Pajaro Community Center

LESSEE: Clinica de Salud del Valle de Salinas
440 Airport Blvd
Salinas, CA 93905

LESSOR: Redevelopment and Housing Office
168 W. Alisal St., 3rd Floor
Salinas, CA 93901
(831) 755-5390

**REDEVELOPMENT AGENCY
OF THE COUNTY OF MONTEREY
LEASE AGREEMENT**

PREAMBLE

THIS LEASE ("Lease") is made this _____ day of _____, 2010, by and between the REDEVELOPMENT AGENCY OF THE COUNTY OF MONTEREY, ("LESSOR"), and Clínica de Salud del Valle de Salinas., ("LESSEE"). 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 **29-A Bishop Road, Watsonville, CA, 95076** and described as follows: General offices, clinic and dental space consisting of approximately **1,572** rentable square feet, (the "Premises"), as designated in Exhibit A, which is attached and incorporated herein. The Premises constitutes approximately forty-nine percent (49%) of the **Pajaro Community Center Building** ("Building").

1.2 **Non-Exclusive Use Areas:** LESSEE shall also have the non-exclusive right to use, in common with other tenants in the building, 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.

1.3 **Parking Areas:** The Premises includes, for LESSEE'S use, the parking lot located at 29-A Bishop Road, Watsonville, and that area which is the subject of a Reciprocal License Agreement between the Redevelopment Agency of the County of Monterey and the Roman Catholic Bishop of Monterey (Our Lady of the Assumption).

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

1.5 **Statement of Seismic Adequacy:** As a condition precedent to LESSEE'S obligation under this Lease, LESSOR shall provide the statement or obtain the warranty described in Exhibit B with respect to seismic adequacy.

ARTICLE 2 - TERM

2.1 **Lease Term:** The term of this Lease (the "Lease Term") shall be **six (6)** years, commencing on **January __, 2010**, ("Lease Commencement Date") and ending January, 2016, 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, LESSEE, may renew the Lease, for one additional _____ six (6) year term ("First Extended Term") by providing 60 days advance written notice to Lessor prior to the end of the initial Lease Term of Lessee's intent to renew, and upon the expiration of the First Extended Term, the LESSOR and LESSEE, may renew the Lease, upon mutual consent, for a second additional _____ six (6) year term ("Second Extended Term"). LESSEE shall give LESSOR advance written notice of its intent to renew sixty (60) days

prior to expiration of the initial Lease Term or First Extended Term. LESSOR and LESSEE agree that the monthly rent of the First Extended Term shall be set as set forth in Article 3 (Rent), and all other terms and conditions of this Lease shall remain the same.

LESSEE's unilateral right to extend the Lease Term for the First Extended Term is conditioned upon LESSEE's compliance with the Performance Standard set forth as follows: Beginning on the first anniversary of LESSEE's obligation to pay rent (i.e., the first of the month after issuance of a Certificate of Occupancy), LESSEE shall provide LESSOR with a certification, under penalty of perjury, of (a) the number of hours of operation by LESSEE at the Premises for the prior year, demonstrating at least 15 hours of operation per week, and (b) the total number of patients seen at the Premises during the prior year, including separately identifying the number of (i) very low-, (ii) low-, and (iii) moderate-income patients.

If LESSEE has failed to comply with the Performance Standard, the Lease may still be extended, but only upon the mutual consent of LESSEE and LESSOR.

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 Hundred and Seventy-Nine Dollars and 00/100 (\$779.00)**, payable on or before the first day of each month, commencing on the first of the month after issuance of a Certificate of Occupancy for the Premises (the "Rent Commencement Date"). Such rent shall be paid to LESSOR for deposit into a Replacement Reserve Fund for the Premises, to be used to pay for capital repairs and major maintenance for the exterior of the Premises. LESSEE shall commence rental payments on the Rent Commencement Date. If the Rent 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 to monthly rent, LESSEE shall contract and pay directly to its vendors for its responsibilities as outlined in Exhibits D and Exhibit E. Monthly rent shall include LESSEE'S proportional share of real estate assessments and insurance (liability and fire). At such time as the amount of rent paid into the Replacement Reserve Fund has reached the amount of Fifty Thousand Dollars (\$50,000), all rent payments shall cease, provided LESSEE continues to provide services to very-low-, low-, and moderate-income households, and operates the Premises for such services at least 15 hours a week.

ARTICLE 4 – ANNUAL RENT ADJUSTMENT

There shall be no escalation or increase to the rent for the length of the Lease Term or any extended lease term.

ARTICLE 5 - TERMINATION BY LESSOR AND LESSEE

The intent of the parties, and the purpose of this Lease is to provide space for the provision of medical and dental needs to very low-, low- and moderate-income residents of Monterey County. Unless otherwise agreed in writing by the parties, this Lease may only be terminated before the end of the term for good cause. Good cause shall include, among other things, the right of LESSEE to terminate this Lease if there is a significant change in Federal, State or local laws concerning the provision of medical and dental services or governmental funding for such services, such that it is impossible or unreasonably difficult for LESSEE to continue its operations as such have been conducted immediately prior to the date of this Lease, and after meeting and conferring with the LESSOR to consider all reasonable options to continue to provide reasonable medical and dental services to very low-, low- and moderate-income households, consistent with the provisions of Section 5.1 of the Grant Agreement between LESSOR and LESSEE, it is determined that LESSEE may terminate its operations at the Premises. In addition, this Lease shall terminate with no obligation for LESSEE to commence construction of the Premise Improvements described herein and in the Grant Agreement if, after consultation with LESSOR, LESSEE is unable to find a contractor willing to undertake the project on the terms and conditions, or for the fee, acceptable to LESSOR, as described in the Grant Agreement and as referenced in this Lease, including in Section 7.2 hereof.

ARTICLE 6 - NOTICES

All notices or correspondence provided for herein shall be effective only when made in writing, personally delivered or deposited in the United States mail, certified, postage prepaid, and addressed as follows:

To LESSOR: County of Monterey Redevelopment and Housing Office 168 W. Alisal St. 3 rd Floor Salinas, CA 93901 Phone: 831-755-5390 Fax: 831-755-5398 Email: cookj@co.monterey.ca.us	To LESSEE: Clinica de Salud del Valle de Salinas c/o 440 Airport Blvd Salinas, CA 93905 Phone: 831-757-8689 Fax: 831-757-6480 Email: mcuevas@csvs.org
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Rent payments shall be made to (need not be sent certified): **County of Monterey, c/o Redevelopment and Housing Office**, at the address listed above.

Any notice or correspondence shall be deemed delivered upon personal delivery or five (5) days after mailed. Correspondence other than notices may be given by phone, regular mail, email or facsimile.

Any correspondence sent by facsimile shall also be sent by United States mail if requested by either party. By written notice to the other, either party may change its own mailing address or correspondence information.

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, 7 days a week emergency answering service that maintains contact phone numbers of key personnel or maintenance/service companies in event of an emergency.

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

ARTICLE 7 - PREMISE IMPROVEMENTS

7.1 Premise Improvements: Prior to the Lease Commencement Date, LESSEE shall construct Premise Improvements and make installations in the Premises (collectively "Premise Improvements") in accordance with plans and specifications as prepared by an architect approved by LESSEE and LESSOR, and in accordance with those provisions of the attached Exhibit C ("Premise Improvement Agreement"), which describe construction. The work described in the preceding sentences and the resulting installations are referred to in this Lease as the "Premise Improvements", and Exhibit C is referred to herein as the "Premise Improvement Agreement".

7.2 Cost of Premise Improvements: LESSEE shall pay for all costs of Premise Improvements, with the understanding that a portion of the funds used by LESSEE to pay for such costs will be provided pursuant to that Grant Agreement between LESSOR and LESSEE, approved concurrently with this Lease. LESSOR and LESSEE shall be in agreement of all Premise Improvement costs (presented in AIA itemized format), and construction schedule (presented in Gant Chart format) prior to commencement of construction. LESSEE shall also provide LESSOR evidence that assures LESSOR that sufficient funds will be available to complete the proposed Premise Improvements, but shall not be required to post a bond or obtain a Letter of Credit as such evidence. Premise Improvement costs shall include, but not be limited to, costs associated with architectural, engineering, building permits, inspections, and supervision.

7.3 Premise Improvement Warranties: LESSEE warrants to LESSOR that LESSEE shall instruct all contractors and subcontractors hired to work on the Premises that all materials and equipment furnished by them for improvement of the Premises shall be new unless otherwise specified in the Premise Improvement Agreement, and that all of their work to be performed under the Premise Improvement Agreement shall be of good and workmanlike quality, free from faults and defects, and in accordance with the final requirements of the Premise Improvement Agreement. Any of the work not conforming to the above standards shall be considered defective.

LESSEE shall require of all contractors and subcontractors who LESSEE hires to work on the Premises that for

one (1) year after the date of substantial completion of Premise Improvements, they shall, following written notice from LESSOR, 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, they shall promptly make or cause to be made all repairs, replacements, corrections or alterations, at no expense to LESSOR, to correct latent defects in the Premises. LESSEE shall be responsible for any failure of its contractor or subcontractor to abide by this requirement.

7.4 Ownership of Premise Improvements: All Premise Improvements, exclusive of trade fixtures, constructed or placed within the Premises and that are affixed to the structure by LESSEE shall be the property of the LESSOR upon expiration of this Lease or earlier termination hereof, except for medical and dental equipment.

ARTICLE 8 - NOTICE OF COMPLETION

LESSEE 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 WORK LAWS

Under Section 1720 of the California Labor Code, any construction done under contract and paid for in whole or in part out of public funds may be considered a 'public work' if certain conditions are met. If applicable, LESSEE shall require any contractors or subcontractors hired by LESSEE to comply with provisions of law governing public works including, without limitation, Labor Code sections 1773, 1773.2, 1773.3, 1773.8, 1775 (payment of prevailing wages), 1776 (payroll records), and 1777.5 (employment of apprentices), all as periodically amended.

ARTICLE 10 - PRIOR TENANCY

It shall be LESSOR'S responsibility to remove any prior Lessees in the Premises.

ARTICLE 11 - USE

11.1 **Use:** LESSEE shall use the Premises for community health care purposes. 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, the current uses, and the operation of the Premises 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.

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

11.4 **Environmental Hazards:** LESSOR warrants, to the best of LESSOR'S ability, that the Premises will be maintained free of all Environmental Hazards (including asbestos, leads, toxic mold spores or PCBs) and if deemed necessary, agrees to survey, test, and abate as applicable. Any said survey or test performed shall be provided to LESSEE upon completion. LESSOR specifically agrees that any costs related to abatement of Environmental Hazards shall be the LESSOR'S responsibility unless caused by LESSEE, its agents, employees, invitees, guest or defect (latent or otherwise) of LESSEE'S Premise Improvements.

LESSEE shall immediately notify LESSOR of any suspected Environmental Hazards.

11.5 **Acceptance of Premises:** By entry hereunder, LESSEE accepts the Premises, following construction as provided for in the Premise Improvement Agreement, as being in good and sanitary order, condition and repair.

11.6 **Premises Rules and Resolutions:** LESSOR shall have the right to establish and enforce reasonable rules and regulations applicable to all lessees concerning the maintenance, management, use, and operation of the Building, a copy of which rules and regulations shall be attached hereto as Exhibit F.

ARTICLE 12 - SIGNS AND FIXTURES

LESSEE may place such signs and advertisements upon the Premises as LESSEE may desire, subject to approval by the LESSOR which consent shall not be unreasonably withheld provided, however, that at the expiration of the term hereof or any renewal or extension of this Lease, LESSEE will remove said signs and will restore the Premises to their original conditions. Any trade fixtures, equipment, furniture, demountable walls, and other property installed in the Premises by and at the expense of the LESSEE shall remain the property of the LESSEE, and the LESSOR agrees that the LESSEE shall have the right at any time, and from time to time, to remove any and all of its trade fixtures, equipment and other property which it may have stored or installed in the Premises, provided the Premises are restored to acceptable condition. The LESSOR agrees not to mortgage or pledge the LESSEE'S trade fixtures, equipment and other property.

ARTICLE 13 - SERVICES AND UTILITIES

Services and utilities shall be furnished and the cost borne as outlined in Exhibit D. 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, LESSEE may furnish the same if LESSOR has not undertaken to correct such failure within fifteen (15) 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 D and Exhibit E, the term "adequate" shall mean sufficient enough to ensure the health, safety and general well being of the occupants or invitees of the Premises; the term "deemed necessary" shall mean that LESSOR and LESSEE are in agreement that action needs to be taken to ensure the health, safety and general well being of the occupants and or invitees of the Premises.

ARTICLE 14 - REPAIR AND MAINTENANCE

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

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

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

14.4 ***LESSOR and LESSEE Obligations in Applying Noxious Substances:*** LESSOR and/or LESSEE, its officers, employees, and agents shall not apply any substance as part of any building maintenance or repair which would introduce irritating or noxious odors or any other hazardous condition to occupied spaces without prior coordination and approval of the **Department of Public Works, Facilities Manager**, who can be reached by telephone at **(831) 755-4855**. Prior notification and approval shall be made at least 48 hours prior to the desired application time. Also, a Product Safety Data Sheet shall be furnished by the proposed applicator to the LESSEE'S onsite office manager. Examples of such substances or materials include, but are not limited to, the following:

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

ARTICLE 15 - SERVICE COMPANIES

Within ten (10) days after occupancy of the Premises by LESSEE, LESSOR shall give LESSEE notice of the name, address and telephone number of an agency or person convenient to LESSEE as a local source of service with regard to LESSOR'S responsibilities under Exhibit E of this Lease. If LESSOR fails to provide such notice, LESSEE may choose service companies as needed.

ARTICLE 16 - ALTERATIONS, MECHANICS' LIENS

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

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

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 the parties.

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 to enter the Premises, with reasonable advance notice (except in the case of emergency), provided such entry is made in a reasonable manner and does not unreasonably interfere with the conduct of LESSEE'S business.

ARTICLE 19 - INSURANCE AND INDEMNIFICATION

LESSEE, during the term hereof, agrees to indemnify, defend, and save harmless LESSOR and its officers, agents, and employees from and against any and all claims, liabilities or losses whatsoever arising out of or in any way related to LESSEE'S use of the Premises under this agreement, including but not limited to, claims for property damage, personal injury, death, injuries to reputation, economic losses, and emotional distress, and any legal expenses (such as attorney's fees, court costs, investigation costs, and expert fees) incurred by the LESSOR in

connection with such claims. "LESSEE'S use" includes LESSEE'S action or inaction and the action or inaction of its officers, employees, and agents, including but not limited to LESSEE'S invitees. The obligation of LESSEE to indemnify does not extend to claims or losses arising out of the sole negligence or willful misconduct of the LESSOR or LESSOR'S officers, agents, or employees.

LESSEE shall maintain comprehensive general liability coverage with liability limits of not less than \$2,000,000 for injury or death to one or more persons and property damage limits of not less than \$1,000,000 per occurrence insuring against all liability of LESSEE and its authorized representatives arising out of and in connection with LESSEE'S use or occupancy of the Premises. LESSOR, during the terms hereof, shall indemnify and save 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.

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

LESSEE shall not be liable for any damages caused by plumbing, gas, water, steam, sprinkler or other pipe and sewage system, or by the bursting, running or leaking of any tank, washstand, closet, or waste or other pipe, in and about the Premises of the building of which they are a part, or for any damage caused by water being upon or coming in through the roof, skylight, vent, trap door or otherwise unless caused by a factor or event attributable to the action or inaction of LESSEE; LESSOR shall not be relieved from any of its obligations for maintenance and repair as otherwise set forth in this Lease.

ARTICLE 20 - WAIVERS OF SUBROGATION

LESSOR and LESSEE each hereby waive any right of recovery against the other due to loss of or damage to the property of either LESSOR or LESSEE when such loss of or damage to property arises out of the acts of God or any of the property perils when such perils have been insured.

ARTICLE 21 - DESTRUCTION

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

If such casualty shall render 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 shall 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 (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.

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 usable square feet LESSEE is thus precluded from occupying, bears to the total usable square feet in the Premises. "Usable square feet" shall mean actual inside dimensions and shall not include public corridors, stairwells, elevators, and rest rooms.

If such casualty should occur during construction of the Premise Improvements and LESSOR decides not to repair and reconstruct the building, LESSOR shall comply with Section 6.4 of the Grant Agreement (d) regarding termination.

ARTICLE 22 - DEFAULT BY LESSEE

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

- a. A default in the payment of rent when such default continues for a period of thirty (30) days after written notice, or
- b. LESSEE fails to faithfully perform or observe any other covenant or undertaking required under this Lease and such failure continues for a period of thirty (30) days after written notice thereof, or
- c. LESSEE fails to provide medical/dental services at a minimum level of fifteen (15) hours per week, and such failure continues for a period of thirty (30) days after written notice thereof, or
- d. LESSEE is adjudicated bankrupt, or
- e. LESSEE'S lease interest is sold under execution of judgment.

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

ARTICLE 23 - DEFAULT BY LESSOR

23.1 **Default:** LESSOR shall not be in default unless LESSOR fails to perform its obligations under this Lease within a reasonable time, but in no event later than thirty (30) days after written notice by LESSEE to LESSOR specifying wherein LESSOR has failed to perform such obligations. If the nature of LESSOR'S obligation is such that more than thirty (30) days are required for performance, then LESSOR shall not be in default if LESSOR commences performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion. 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 prospective default within the time periods outlined above, LESSEE shall have the option to cure the default or to terminate this Lease, in addition to any other remedies at law not inconsistent herewith. Should LESSEE elect to cure the default itself, all costs associated with such cure shall be reimbursed by LESSOR to LESSEE within thirty (30) days of receipt of LESSEE'S invoice for said costs. However, upon LESSOR'S failure to so reimburse or, at LESSEE'S option, said costs shall be held from rent due hereunder. If LESSOR'S default hereunder prevents LESSEE'S use of the Premises, there shall be an abatement of rental payments for the period of such non-use.

ARTICLE 24 - CONDEMNATION

If more than 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 or inappropriate 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 usable area of the Premises taken bears to the usable area of the Premises before the taking. If such condemnation should occur during construction of the Premise Improvements and LESSEE determines that the Premises are no longer suitable for the conduct of its intended operations, then LESSEE and LESSOR shall meet and confer on the possible termination of the Lease under the terms described in Section 6.4 of the Grant Agreement.

ARTICLE 25 - HOLDING OVER

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

ARTICLE 26 - WAIVER

The waiver by LESSOR or LESSEE of any term, covenant or condition herein contained shall not be deemed to be a waiver of any other term, covenant or condition, nor shall either party's consent to any breach of any term, covenant or condition be deemed to constitute or imply its consent to any subsequent breach of the same or any other term, covenant or condition herein contained.

ARTICLE 27 - QUIET POSSESSION

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

ARTICLE 28 - SUBORDINATION AND NON-DISTURBANCE

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

ARTICLE 29 - ESTOPPEL CERTIFICATE

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

ARTICLE 30 - MISCELLANEOUS PROVISIONS

30.1 No Amendments: No oral amendment of this Lease shall be valid unless made in writing and signed by the parties hereto, and no prior oral understanding or agreement not incorporated herein shall be binding on either party hereto.

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

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

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

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

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

ARTICLE 31 - MAJOR APPLIANCES

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

LESSOR: (Redevelopment Agency of the County of Monterey)

By: 

Title:

Date: _____

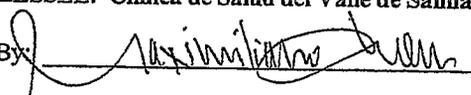
APPROVED AS TO FORM: (Agency Counsel)

By: 

Title: Deputy

Date: _____

LESSEE: Clinica de Salud del Valle de Salinas

By: 

Title: Chief Executive Officer

Date: February 16, 2010

LIST OF EXHIBITS

- | | |
|------------------|---|
| Exhibit A | Description of Premises |
| Exhibit B | Statement of Seismic Adequacy |
| Exhibit C | Premise Improvement Agreement |
| Exhibit D | Summary of Services and Utilities |
| Exhibit E | Summary of Repair and Maintenance Responsibilities |
| Exhibit F | Premises Rules and Regulations [Intentionally Deleted] |

THE
PAUL DAVIS
PARTNERSHIP, LLP
ARCHITECTS & PLANNERS



EXHIBIT B
STATEMENT OF SEISMIC
ADEQUACY

County of Monterey
Resource Management Agency
Attn: Real Property Specialist
168 West Alisal Street, 2nd Floor
Salinas, CA 93901

October 19, 2016

Re: Statement of Seismic Adequacy for 29A Bishop Road, Pajaro, California
Partial Renovation

I Paul W. Davis, AIA verify that partial renovation to the Pajaro Community Center building located at 29A Bishop Road in Pajaro, California was completed in December 2011. Said renovation for a 1,572 square foot community medical clinic was in compliance with all building codes applicable for seismic safety.

Paul W. Davis, AIA, Principal Architect




The Paul Davis Partnership, LLP
286 El Dorado Street
Monterey, CA 93940
831-373-2784 Fax: 831-373-7459

EXHIBIT C

PREMISE IMPROVEMENT AGREEMENT

1. Premise Improvements:
 - a. LESSEE shall construct all Premise Improvements in accordance with the Plans and Specifications as approved by LESSOR and LESSEE and as further defined in Article 7 of the basic Lease Agreement to which this Exhibit is attached. Premise Improvements must satisfy the Federal Americans with Disabilities Act of 1990, as and if applicable.
 - b. Premise Improvements are generally described as follows: Construction of new interior features so as to conform to LESSEE'S approved program for the use of the Premises.
 - c. LESSEE shall commence construction of the Premises Improvement work at the earliest opportunity, but not more than 30 days following issuance of building permit. Plans and Specifications shall be approved by LESSOR and LESSEE prior to submittal to local jurisdiction's Planning and Building Department.
 - d. LESSEE shall diligently pursue construction of approved Premises Improvement work and deliver the Premises to itself in a condition suitable for occupancy no later than a date certain, that will be mutually established by LESSOR and LESSEE on or before the date LESSEE'S contractor commences construction of the Premise Improvements.
2. Construction Plans and Specifications, Change Orders and Delay:
 - a. LESSEE shall provide for LESSOR'S approval the complete and detailed proposed Plans and Specifications for the Premises Improvements, the design of which shall conform to LESSEE'S approved program for use of the Premises.
 - b. LESSOR shall provide LESSEE with written notice of its approval or disapproval of the Plans and Specifications within five (5) business days after receipt of such Plans and Specifications.
 - c. During construction, LESSEE and LESSOR'S Representatives shall confer periodically regarding the progress of the work.
 - d. If LESSOR requires that LESSEE clarify or refine the Plans and Specifications, then LESSOR'S Representative shall meet with LESSEE 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.
 - e. If LESSOR reasonably determines that the Plans and Specifications must be changed as a result of omissions or errors in the Plans and Specifications, then LESSEE shall prepare and submit to LESSOR revised Plans and Specifications correcting any such material omission or error. LESSOR shall approve or disapprove such revised Plans and Specifications within two (2) business days after receipt and shall not unreasonably withhold its approval.
 - f. LESSEE shall not be responsible for any delays in the time for completion of construction resulting from LESSOR'S delay. For purposes herein, LESSOR'S delay in the completion of the construction of the Premise Improvements are delays that may arise solely as a result of LESSOR'S failure to comply with its obligations set forth in subsection b, d, e above, within the time specified.
3. Approval of Plans by Public Authorities: LESSEE 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 LESSEE. LESSEE shall exercise due diligence in obtaining any such approval. LESSOR shall cooperate with LESSEE in obtaining all such approvals.

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. LESSOR'S Access during Construction: LESSOR and its agents and contractors shall have access to the Premises during the construction of the Premise Improvements for activities and purposes related to construction of the Premises. LESSOR'S representatives on the Premises during construction shall cooperate with LESSEE'S contractor and not delay in any way the performance by LESSEE'S contractor or LESSEE'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, LESSOR may reject any work that does not conform to the Plans and Specifications or does not meet good and workmanlike standards as determined by the Monterey County Building Official or his/her designee.
 - b. Within five (5) business days after LESSEE delivers to LESSOR a list of work items remaining to be done or corrected and notifies LESSOR that the Premise Improvements are ready for inspection by LESSOR'S representative, LESSOR shall deliver to LESSEE a list of items that LESSOR shall have reasonably determined that LESSEE must complete or correct prior to LESSOR'S acceptance of the work conforming to the Plans and Specifications. LESSEE shall immediately commence to complete or correct the items listed by LESSOR, except those it contends are not justified. If LESSOR fails to deliver such a list within the five (5) business day period, LESSOR shall be deemed to have accepted the Premises subject to completion of the corrections on LESSEE'S list of corrections and to have approved the construction.
 - c. Acceptance by LESSOR shall not be unreasonably withheld.
7. Notices: All notices required or permitted hereunder shall be in writing and shall be delivered as indicated in Article 6 of the County of Monterey Standard Lease Agreement to which this Exhibit is attached.
8. Notice of Non-Responsibility: LESSEE 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 agent or contractors.
10. Approval of Agreement: LESSE agrees that implementation of this Premises Improvement Agreement will result in construction of a facility suitable for LESSEE'S use. This Agreement specifically includes the installation of necessary telecommunications/data processing linkages, and alarm systems. Specification for telecommunications/data processing linkages and alarm systems will be subject to approval by the Monterey County Information Technology Department, which approval will not be unreasonably withheld.

EXHIBIT D

SUMMARY OF SERVICES AND UTILITIES

The following is a summary of services and utilities responsibilities of LESSOR and LESSEE for the proposed use of the Premises:

	N/A	LESSOR	LESSEE
Provide adequate paper supplies, dispensers, and waste and recycling containers for the Premises and rest rooms			X
Provide adequate custodial service for interior of the Premises (dust, waste removal, recycling removal, vacuum, mop and general cleaning)			X
Provide adequate custodial service for exterior of the Premises and common areas		X	
Professionally clean carpets, rugs, tile and linoleum flooring as deemed necessary			X
Professionally clean existing drapes, blinds, and window shades as deemed necessary			X
Professionally clean interior windows as deemed necessary			X
Professionally clean exterior windows as deemed necessary			X
Provide adequate pest control for the interior of the Premises			X
Provide adequate pest control for exterior of Premises			X
Provide adequate landscape maintenance and gardening (including landscape irrigation system and associated water supply and service)		X	
Provide adequate parking lot area sweeping	X		
Provide adequate refuse, rubbish, garbage, and recyclable (paper, plastic, and aluminum) disposal and pick up service for Lessee's Premises			X
Provide adequate fire sprinkler systems testing		X	
Provide adequate fire alarm systems monitoring		X	
Provide adequate intrusion/security alarm systems monitoring for Lessee's 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)			X

EXHIBIT E

SUMMARY OF REPAIR AND MAINTENANCE RESPONSIBILITIES

The following is a summary of maintenance and repair responsibilities of LESSOR and LESSEE for the proposed use of the Premises:

	N/A	LESSOR	LESSEE
Common Areas		X	
Foundations		X	
Floor Slabs		X	
Elevators and/or Dumb Waiters	X		
Exterior and Bearing Walls		X	
Exterior Doors and Hardware (excludes re-keying if deemed necessary)		X	
Exterior Windows and Window Frames		X	
Roofs		X	
Gutters, Drains and Downspouts		X	
Parking Lots	X		
Ceilings		X	
Fire Sprinkler Systems		X	
Fire Alarm Systems		X	
Intrusion/Security Alarm Systems for Premises rented by Lessee			X
Uninterrupted Power Source (UPS)	X		
Power Back Up Generator (excludes any generator provided by LESSEE)	X		
Heating, Ventilation and Air Conditioning (HVAC) Systems (including replacement if deemed necessary)		X	
Heating, Ventilation and Air Conditioning (HVAC) control switches, sensors and thermostats		X	
Electrical Systems (including electrical outlets, panels, circuit breakers and wiring)			X
Plumbing Systems and Fixtures (including sewer and drain stoppages)			X
Lighting Systems (including starters, ballasts, transformers and light switches) (surgical units and/or operating rooms shall be the responsibility of the LESSEE)			X
Light Bulbs and Fluorescent Light Tubes (adequate replacement)			X
Interior Walls			X
Interior Wall Surfaces (including repainting if deemed necessary)			X
Interior Doors and Hardware			X
Interior Windows and Window Frames			X
Carpet, Tile, and Linoleum Flooring (including replacement if deemed necessary)			X
Base and/or Moldings			X
Appliances			X
Communication Systems (data/telephone cabling, connections and equipment)			X

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

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

EXHIBIT F

PREMISES RULES AND REGULATIONS

(Intentionally Left Blank)

RECIPROCAL PARKING LICENSE AGREEMENT

**Between Redevelopment Agency of the County of Monterey
And the Roman Catholic Bishop of Monterey, California,
A Corporation Sole (Our Lady of the Assumption)**

This Reciprocal Parking License Agreement is made and entered into on the 14 day of October, 2009, in Monterey County, California, by and between the Redevelopment Agency of the County of Monterey, a public body, corporate and politic ("Agency") and the Roman Catholic Bishop of Monterey, California, A Corporation Sole, ("Church").

The Agency owns that certain improved real property located at 29 Bishop Street, in the County of Monterey, State of California, more particularly described as APN 117-323-013-000 in Exhibit "A," attached hereto and incorporated herein by this reference ("Agency Property"). Located on the Property is an office building, together with 16 parking spaces.

The Church owns that certain parcel of improved real property located at 100 Salinas Road, in the County of Monterey, State of California, more particularly described as APNs 117-323-011-000 and 117-323-012-000 in "Exhibit B," attached hereto and incorporated herein by this reference ("Church Property"). Located on the Church Property are a church and a parish hall, together with 114 parking spaces.

The parties, by this agreement, wish to grant reciprocal licenses for parking to each other for the purposes and subject to the limitations described below.

NOW THEREFORE, the parties agree:

Grants of License.

The Agency hereby grants to the Church a non-exclusive right to use the parking spaces located at 29-A Bishop Street Real Property more particularly described in the Diagram attached hereto as "Agency Parking" and marked Exhibit "C," and incorporated herein by this reference ("Agency Parking Area").

The Church hereby grants to Agency a non-exclusive right to use the parking spaces located more particularly as described in the Diagram attached hereto as "Church Parking" and marked Exhibit "C," attached hereto ("Church Parking Area").

Purpose.

The purpose of these Reciprocal Licenses shall be for the temporary parking of motor vehicles within a total of 114 (Church) and 16 (Agency) parking spaces located on each of the party's real property and more specifically shown in Exhibit C attached hereto. The use of the parking spaces within the Church Parking Area by the Agency's tenants and users shall be limited to Monday through Friday of each week from 7:00 a.m. until 5:00 p.m. and Saturday from 7:00 a.m. until 12:00 noon. Use of the parking spaces within the Agency Parking Area by the Church and its users shall be limited to the hours before 8:00 a.m. and after 5:00 p.m. on Monday

Reciprocal Parking License Agreement
[date]

through Friday of each week, after the hour of 12:00 noon on Saturday, and all day and evening every Sunday.

In addition, Agency shall be entitled to the non-exclusive use of the Church's Parking Area for occasional community evening meetings, provided a minimum of 7 days' prior written notice is given. Agency shall consult with Church to minimize any conflict in uses.

Maintenance.

Each party shall maintain its own real property, including the portion of the Parking Area located on its real property. Each party, at their own cost, shall promptly repair any damage to any Parking Area caused by that party or its agents, employees, or invitees. Each party agrees to give the other party reasonable notice of the occurrence of any damage to the respective Parking Areas.

Maintenance shall include keeping the pavement of the Parking Area surface in good repair and free of hazards to pedestrians and automobiles, striping of parking spaces pursuant to minimum requirements of the County of Monterey, located on each party's respective Parking Area.

Term

The term of the reciprocal licenses granted herein shall be for period of Five (5) years from the date of execution of this Agreement and shall automatically renew for another Five (5) year period unless written notice of cancellation is give by one party to the other at least Sixty (60) days prior to the end of the initial Five (5) year term.

Uses.

Uses in the Parking Areas shall be limited to parking.

Hold Harmless.

Each of the parties for itself and its successors and assigns, agrees to indemnify and hold the other party, its officers, employees and agents harmless from any and all damages, claims, losses, suits, actions and costs, including attorney's fees, brought against the other party arising out of the use by one party or that party's employees, agents or invitees of the rights granted to said party pursuant to this Agreement.

Notices.

Any notice, demand or communication under, or in connection with, this Agreement may be served upon each party by personal service, by electronic transmission, by facsimile or by mailing the same by certified mail in the United States Post Office, postage prepaid, and directed to:

Agency: Redevelopment Agency of the County of Monterey
 Attn: Director, Housing and Redevelopment Office
 168 W. Alisal Street, 3rd Floor
 Salinas, California 93901

Church: DIOCESE OF MONTEREY
 425 Church Street

Reciprocal Parking License Agreement
[date]

Monterey, CA 93942

Notice shall be deemed satisfied within one (1) business day if provided by personal service, by electronic transmission or by facsimile. Notice shall be deemed satisfied within three (3) business days if provided by certified mail. Either Owner or Operator may change such address by notifying the other Party in writing as to such new address as Operator or Owner may desire used and which address shall constitute as the address until further written notice.

Successors and Assigns.

The rights and obligations granted under this Agreement shall extend to the benefit of the respective successors and assigns of each of the parties.

Entire Agreement

This Agreement contains the sole and entire agreement of the parties, and correctly sets forth the rights, duties and obligations of each to the other, any prior agreements, promises, negotiations, or representations not expressly set forth in this Agreement are hereby superseded and of no force and effect.

IN WITNESS WHEREOF, this Agreement is executed on the day and year first above written.

The Redevelopment Agency of
the County of Monterey

Roman Catholic Bishop of
Monterey, California

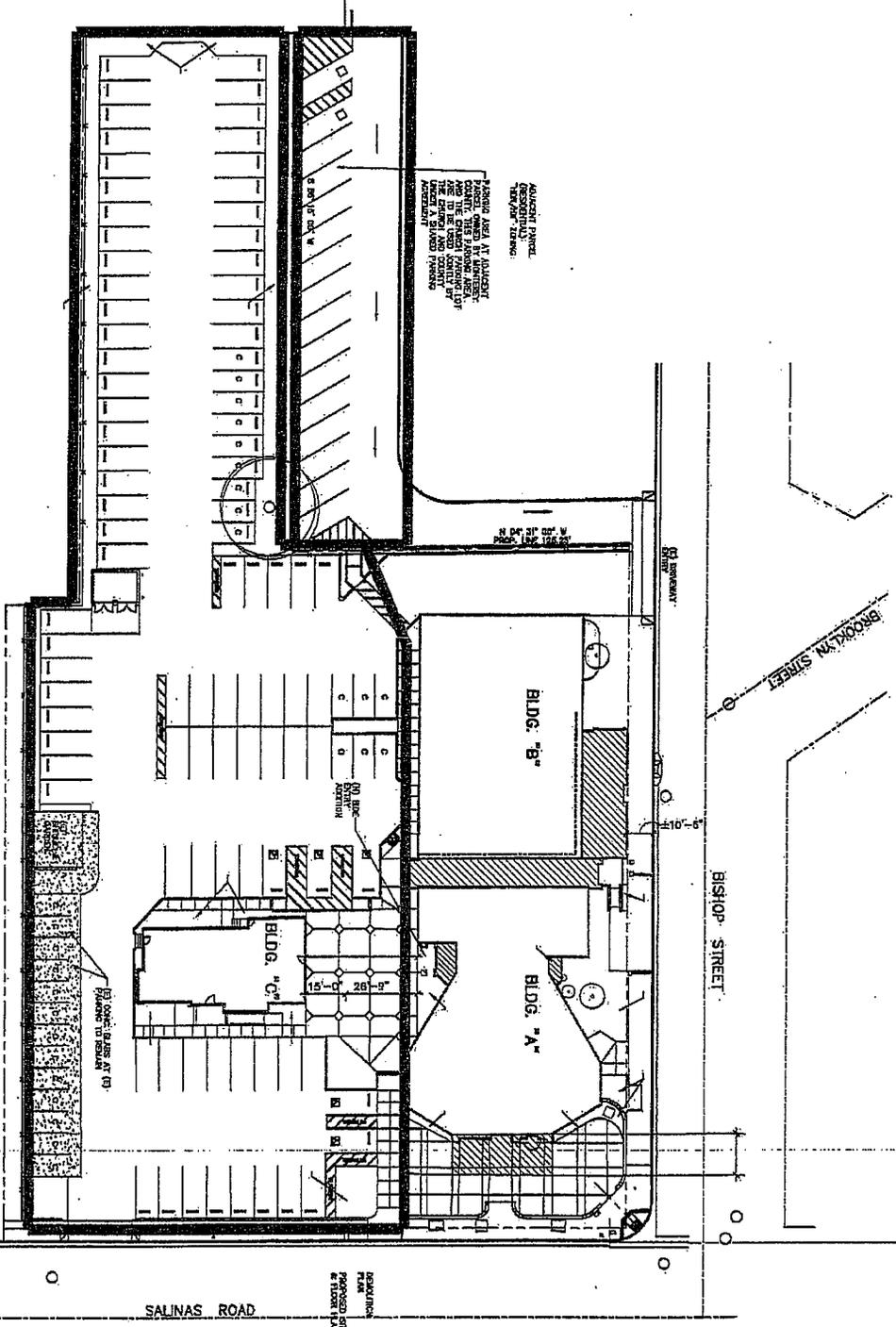
By: *Steven P. Callegan*

By: *[Signature]*

Title: Chair, Board of Supervisors

Title: Finance Officer

Exhibit C



PARKING AREA AT ADJACENT
 RESIDENTIAL BUILDING
 (SEE PLAN FOR DETAILS)
 THIS AREA IS TO BE USED FOR
 THE STORAGE AND DISPLAY OF
 MOTOR VEHICLES PARKING

(3) CONCRETE USE AT
 INTERSECTION

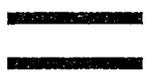
SALINAS ROAD

BLDG. "B"

BLDG. "A"

BISHOP STREET

BROOKLYN STREET



Agency Parking
 Church Parking

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