

COUNTY OF MONTEREY

STANDARD LEASE AGREEMENT



LEASED PREMISES:	<u>713 LaGuardia Street</u>
	<u>Salinas, California 93901</u>
DEPARTMENT:	<u>Social Services</u>
LESSOR:	<u>713 LaGuardia, LLC</u>

COUNTY OF MONTEREY STANDARD LEASE AGREEMENT

PREAMBLE

THIS LEASE ("Lease") is made by and between 713 LaGuardia, LLC a California Limited Liability Company, ("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 at Section 2.1 "Lease Term" below.

Whereas, the parties understand and agree that the following Lease Exhibits are attached and incorporated by this reference:

EXHIBIT A-1 DESCRIPTION OF THE PREMISES

EXHIBIT A-2 PARKING PLAN

EXHIBIT B-1 EVIDENCE OF CONSTRUCTION

EXHIBIT C-1 PREMISES IMPROVEMENTS

EXHIBIT C-5 REMEDIATION CONTRACTOR SPECIFICATIONS

**EXHIBIT C-6 COUNTY OF MONTEREY INFORMATION TECHNOLOGY
CABLING STANDARDS**

EXHIBIT D SUMMARY OF SERVICES AND UTILITIES

EXHIBIT E SUMMARY OF REPAIR AND MAINTENANCE RESPONSIBILITIES

EXHIBIT F SERVICE CONTACT LIST

EXHIBIT H PROPOSITION 65 WARNING

Whereas, the parties understand and agree that the terms and conditions of this Lease, which shall be effective as of the "Commencement Date" specified in Section 2.1 below, shall supersede the terms and conditions of the {2001 "Standard Lease Agreement"} dated January 3, 2001 (Agreement No. A-08449), approved by LESSEE on January 2, 2001, executed by LESSEE on January 3, 2001 as amended.

Whereas, the parties understand and agree that the {2001 "Standard Lease Agreement"}, currently in effect pursuant to {The Fourth Amendment dated December 18, 2017} "2001 Standard Lease Agreement" (Agreement No. A-08449) shall continue through and including the last day prior to the "Commencement Date" and shall be terminated as of the "Commencement Date" specified in Section 2.1 below.

Whereas, the parties understand and agree that the monthly rent of \$43,011 per month, set pursuant to the {2001 "Standard Lease Agreement"} (Agreement No. A-08449) shall cease pursuant to Section 2.1 below "Commencement Date".

Whereas, the parties understand and agree that terms and conditions of Agreement No A-08449 shall be terminated and superseded by the terms and conditions of this Lease which shall be effective as of the "Commencement Date" specified in Section 2.1 below.

ARTICLE 1 - PREMISES {to " " \ 12 PREMISES}

1.1 **Description:** 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 **713 LaGuardia Street Salinas California 93901** (the "Building") and described as follows: General offices consisting of approximately **28,224** rentable square feet of space, located on the 1st floor of the Building, as designated in **EXHIBIT A1 - DESCRIPTION OF PREMISES - Current Basic Floor Plan**, to be prepared by a Licensed, Independent architect mutually selected by LESSEE and LESSOR (the "Architect"), attached and incorporated by this reference (hereinafter, "the Premises"). The term "rentable square feet" shall mean the "Rentable Area" of the Premises as calculated pursuant to the Building Owners and Managers Association International's Office Buildings: Standard Methods of Measurement (ANSI/BOMA Z65.1, 2010). The Premises constitute **28,224 square feet** of a **28,224** square foot Building. The Premises constitute (100%) of the total rentable space of the Building.

1.2 **Common Areas:** LESSEE shall also have the non-exclusive right to use at all times, 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, corridors, hallways, elevators, stairways and access ways, loading and unloading areas, visitor parking areas, ramps, drives, platforms, public rest rooms, common walkways and sidewalks necessary for access to the Premises, and any other public or common areas located within or appurtenant to the Building (collectively, the "Common Areas").

1.3 **Parking Areas:** LESSEE shall be provided exclusive parking spaces in the parking area adjacent to the building, Pursuant to **EXHIBIT A-2 - PARKING PLAN** attached and incorporated by this reference in which the Premises are a part of, at no cost to LESSEE throughout the Lease Term (defined below). Exclusive parking means exclusive to LESSEE. LESSOR agrees that at all times during the term of this Lease, LESSOR shall maintain the quantity of **171 parking spaces** and type of parking at the premises as required by all applicable laws and regulations. Should the need for LESSEE to install a chain-link fence to protect its vehicles arise, LESSOR shall designate a location acceptable to both LESSOR and LESSEE, and authorize the installation of a chain-link fence, to be installed at LESSEE's sole cost and expense for the protection of 20 County vehicles, or a different number or amount acceptable to LESSOR and LESSEE.

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.

1.5 **Compliance with "No Smoking Law" (2003 Assembly Bill 846):** LESSOR shall ensure that the Premises and the Common Areas are in compliance with Government Code Title 1, Division 7, Chapter 32 (commencing with section 7596), as may be amended from time to time, 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.

1.6 **Statement of Seismic Adequacy:** Prior to "Lease Commencement Date" specified in Section 2.1 below, 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 for the Premises by a licensed structural engineer and it shall be attached to this Lease as **EXHIBIT B - STATEMENT OF SEISMIC ADEQUACY**, which is attached and incorporated herein 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 B-1 – EVIDENCE OF CONSTRUCTION**, 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, prior to occupancy shall render this Lease null and void.

1.7 Area of the Premises: LESSOR has had the rentable square feet of the Premises measured by a licensed, independent architect selected by LESSOR (the "Architect"), and the parties agree that the rentable area of the Premises is as set forth in ARTICLE 1.1. A diagram showing the Premises is attached as **EXHIBIT A-1 DESCRIPTION OF THE PREMISES** and incorporated by this reference.

1.8 Right of First Refusal: *[Intentionally Left Blank]*

ARTICLE 2 – TERM

2.1 Lease Term: The term of this Lease (the "Lease Term") shall be **five (5) years**, commencing **January 1, 2019** ("Lease Commencement Date"), and ending **five (5) years** from said Lease Commencement Date, 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 the **First extended Five (5) year term** ("First Extended Term"), by giving LESSOR advance written notice of its intent to renew at least One Hundred Eighty (180) days prior to expiration of the initial Lease Term.

2.3 Monthly Rent Limit: LESSOR and LESSEE agree that the monthly rent in any extended term shall be no more than the then current market "Modified Gross Lease" rents for general office space in the City of Salinas, California (the "Fair Market Rent"). As it pertains to this Lease, "Modified Gross Lease" shall mean that the LESSOR will be responsible to pay for the general maintenance and repair, elevator maintenance and repair, property taxes and assessments, insurances (Real Property and lessor's risk liability). In the event that LESSOR and LESSEE are unable to agree upon the then current market Gross Lease rents for the Premises within thirty (30) days of LESSEE'S delivery of its intent to renew this Lease as described in ARTICLE 2.2, LESSOR and LESSEE shall submit the determination of the then current market Modified Gross Lease rent to mediation pursuant to the process described below. Within fifteen (15) days after the end of said 30-day period, the parties will submit their opinion of the Fair Market Rent in writing to a California-licensed commercial real estate appraiser (to be agreed upon by the parties within ten (10) days of the end of the 30-day negotiation period) with at least ten (10) years of experience in appraising of office buildings in the City of Salinas (the "Appraiser"). If the parties cannot agree upon the Appraiser within said ten (10) days period, LESSOR shall, within ten (10) days thereafter, select three (3) or more commercial real estate appraisers with the qualifications stated above and provide the names of the appraisers to LESSEE. Within five (5) days after receipt of the list of brokers from LESSOR, LESSEE shall select one of the three appraisers identified by LESSOR to act as the Appraiser and LESSEE shall notify LESSOR in writing of its selection. If LESSOR fails to provide a list of such names within the time specified, LESSEE will be entitled to unilaterally select a qualified broker to act as the Appraiser. If LESSOR provides the list of appraisers to LESSEE and LESSEE fails to select one within the time specified above, then LESSOR will be entitled to unilaterally designate one of the listed appraisers to act as the Appraiser. Within fifteen (15) days of submission, the Appraiser will choose one of the parties' determinations of the Fair Market Rent as being the closest to the Appraiser's opinion of the Fair Market Rent, and the Appraiser's determination will be binding on the parties. At any time before the Appraiser has notified the parties of his determination, the parties may agree on the Fair

Market Rent. The parties will split the cost of the Appraiser.

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 shall be according to the following:

“Lease Term” Rent

Calculated as follows:

Base Rent - \$1.63 Per Square foot or \$46,005 Per Month.

“First Extended Term” Rent

Calculated as follows:

Base Rent - \$1.80 Per Square foot or \$50,803 Per Month

(“Monthly Rent”), is payable on or before the first day of each month. LESSEE shall commence rental payments upon the Lease Commencement date (“Rent Commencement Date”). If the Rent Commencement Date is other than the first day of a calendar month, then the Monthly Rent for that month shall be prorated on a daily basis, based on a thirty (30) day month. Monthly Rent shall be payable to LESSOR at the address specified in ARTICLE 6 – NOTICES or at such other address as LESSOR may from time to time designate in writing. Monthly Rent is inclusive of, among other things, LESSEE’S share of real estate taxes, assessments, insurances (Real Property and lessor’s risk liability), and Monterey Regional Water Pollution Control Agency (MRWPCA) fee for the Premises.

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 written notice, solely on the condition that funds have not been budgeted for leasing of the property described herein. Such termination shall be without penalty to LESSEE, but subject to the payment requirement in the following paragraph of this Article 5. 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 Monterey County Board of Supervisors 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 to LESSOR, in addition to any other amounts which are owing by LESSEE under this Lease, in one lump sum payment one hundred percent (100%) of the Premises Improvement costs, as referenced in ARTICLE 7, Section 7.2, that have been actually disbursed by LESSOR as of the effective date of termination (the “Termination Amount”). The Termination Amount shall be paid by LESSEE within thirty (30) days of LESSEE’S vacancy of the Premises or the effective date of termination, whichever occurs earlier. If the debt limitation provisions of the California Constitution ARTICLE XVI, Section 18, preclude payment of the Termination Amount, in whole or in part, in the year of such termination or at any time thereafter, LESSEE’s payment obligation hereunder shall be to pay so much of the Termination Amount as is not so precluded in the year of such termination and to pay the balance (or so much of the balance as is not similarly precluded) each and every year thereafter on the first business day of said year until the Termination Amount has been paid in full.

ARTICLE 6 - NOTICES {tc " " \ 121**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, sent certified, postage prepaid, and addressed as follows:

To
LESSOR: 713 LaGuardia, LLC

Attn: Property Manager
2323 S. Bascom Ave, Suite 100
Campbell, California 95008

408-559-3300
kkuechler@dcco.net

To LESSEE:

County of Monterey

RMA-Administrative Services
c/o Real Property Specialist
1441 Schilling Place, South Bldg., 2nd
Floor.
Salinas, California 93901
Phone: 831-755-8912 Fax 831-755-4958
Email: fulgonibg@co.monterey.ca.us

Copy to:

Department of Social Services
C/O Kim Petty
Administrative Operations Manager
1000 South Main Street
Salinas, California 93901
PettyK@co.monterey.ca.us

Rent payments to LESSOR shall be made to (need not be sent certified) **713 LaGuardia, LLC**, Attn: Property Manager, at the Campbell address listed above.

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 own mailing address or correspondence information.

LESSOR or LESSOR'S designated property management company shall be available to meet with LESSEE's vendors and/or contractors at the building on business days with at least 24 hours prior notice from LESSEE or otherwise as agreed upon between LESSOR and LESSEE. 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. Emergency answering service phone number for LESSOR is **408-559-3300**

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 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 - PREMISES IMPROVEMENTS

7.1 **Premises Improvements**: LESSOR shall fund, and construct improvements to and make installations in the Premises (collectively "Premises Improvements") in accordance with plans and specifications to be approved by LESSEE and LESSOR ("Plans and Specifications"), and in accordance with those provisions which describe construction, set forth in **EXHIBIT C-1 - PREMISES IMPROVEMENTS, EXHIBIT C-5 - REMEDIATION CONTRACTOR SPECIFICATIONS AND EXHIBIT C-6 - COUNTY OF MONTEREY INFORMATION TECHNOLOGY CABLING STANDARDS** attached and incorporated by this reference.

7.2 **Premises Improvement Allowance**: LESSOR shall contribute to the Premises Improvement Costs a Premises Improvement Allowance at LESSOR'S sole cost and expense of \$ **350,000**. This Premises Improvement Allowance may be used to fund Premises Improvements for the Premises and are to be constructed by LESSOR for the benefit of, and at LESSEE's sole discretion, which may not be unreasonably withheld. LESSOR shall be authorized upon LESSEE's approval (such approval not to be unreasonably withheld or delayed) via email to make payments from the Premises Improvement Allowance. At the end of 36 months after the Lease Commencement Date, this fund balance will be Zero (\$0) regardless of actual costs incurred. At the beginning of each Lease year LESSOR shall provide LESSEE with a report itemizing each LESSEE approved cost incurred, with vendor information, against the account, and a remaining fund balance. In the event LESSOR does not authorize the use of the Premises Improvement Allowance, LESSEE may employ a Licensed Contractor, perform work, incur costs, and deduct costs incurred from the Rent, up to the lesser of: i) \$350,000; or ii) the remaining fund balance. In the event the total cost of the Premises Improvements exceeds the Premises Improvement Allowance, LESSEE shall pay any and all such excess cost within thirty (30) days after receipt of a written request from LESSOR for payment, which request shall include copies of invoices, bills, and any other supporting documentation reflecting the costs for which payment is being requested.

No furniture or equipment items/cost shall be included in the Premises Improvement Allowance. LESSOR and LESSEE shall agree upon all Premises Improvement costs (presented in itemized format) and the construction schedule for the Premises Improvements (presented in an itemized and sequential format) prior to commencement of construction of the Premises Improvements. Premises Improvement costs shall include costs associated with architectural, engineering, building permits and fees, inspections and signage.

7.3 **Premises 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 Plans and Specifications, and that all of LESSOR'S work to be performed under the Plans and Specifications shall be of good and workmanlike quality, free from faults and defects, and in accordance with LESSEE's approved specifications.

For one (1) year after the date of substantial completion of Premises Improvements, LESSOR shall, following written notice from LESSEE, promptly, **unconditionally** and at LESSOR'S sole cost and expense, 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

If applicable, LESSOR will ensure 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. The Notice of Completion form is to be filed within ten (10) working days after the LESSOR and the

LESSEE have concurred that the construction is complete. LESSOR shall forward a copy of the recorded Notice of Completion to LESSEE within five (5) days of recordation.

ARTICLE 9 - PUBLIC WORKS LAWS {c " " \ 19PUBLIC 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 50 percent of the assignable square feet of the property is leased to the state or a political subdivision for its use; and (c) either of the following conditions exists: (1) the lease agreement between the LESSOR and the state or political subdivision, as LESSEE, was entered into prior to the construction contract, or (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{c " " \ 110TIME 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: {c " " \ 111 Use} LESSEE shall use the Premises for General Office space. 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 Premises Improvements), the current and proposed uses, and the operation of the Premises and the 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 polychlorinated biphenyl (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, provided that LESSEE agrees

that it will not cause or permit any toxic or hazardous materials or substances to be brought upon, kept, or used in or about the Premises (other than typical cleaning and office supplies stored and used in compliance with applicable laws), and will indemnify, defend and hold harmless LESSOR from all claims, losses, liabilities, damages, costs and expenses resulting from or arising in connection with the breach of the foregoing agreement, including, without limitation, the cost of any required or necessary repair, cleanup, or detoxification and the preparation of any closure or other required plans, to the full extent that such action is attributable to the presence, use, generation, storage, release, threatened release, or disposal of toxic or hazardous materials or substances by LESSEE, its contractors, agents or employees. The indemnity obligations contained in this Article 11.3 shall survive the expiration or earlier termination of this Lease.

11.4 Environmental Hazards – Remediation Contractor Specifications: LESSOR hereby warrants and guarantees that the Premises and 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 C-5 – REMEDIATION CONTRACTOR SPECIFICATIONS** on an as needed basis. LESSOR specifically agrees that any costs related to abatement of Environmental Hazards shall be the LESSOR'S responsibility unless, and only to the extent, caused by LESSEE, its agents, employees, invitees or guests.

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 1.1, and Article 1.2 with the understanding that if test results reveal that unacceptable levels (as determined by EPA guidelines) of Environmental Hazards are not present, LESSEE will reimburse LESSOR the cost of the testing within thirty (30) day of receipt of the County Auditor-Controller's receipt of a County approved 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 in respect of maintenance of the Premises.

ARTICLE 12 - SIGNS AND FIXTURES{tc " " \ 112SIGNS AND FIXTURES}

12.1 Building signage: 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 movable personal 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 movable personal 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 foregoing 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{tc " " \ 0SERVICES AND UTILITIES}

Services and utilities for the Premises shall be furnished and the cost borne as outlined in **EXHIBIT D – SUMMARY OF SERVICES AND UTILITIES** attached and incorporated by this reference. 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 fifteen (15) days after written notice, and, in addition to any other remedy LESSEE may have, LESSEE may deduct the amount thereof, including LESSEE'S service costs, from rent or other remuneration due LESSOR hereunder. As stated in **EXHIBIT D**, 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 E – SUMMARY OF REPAIR AND MAINTENANCE RESPONSIBILITIES**, attached and incorporated by this reference. As stated in **EXHIBIT E**, 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 the reasonable cost of any repairs or maintenance to the extent required as a direct result of the negligence or willful misconduct of LESSEE or its agents, employees, contractors, 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 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 agrees to make a diligent effort to contact LESSOR before it uses responsible judgment to contact the appropriate vendor identified in **EXHIBIT F – SERVICE CONTACT LIST** attached hereto 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 forty eight (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 wellbeing 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 U.S. 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 as may be amended from time to time.

No activities shall be taken (or failed to be taken) that would violate any Federal or California Occupational Safety and Health Administration (OSHA) standards as may be amended from time to time.

ARTICLE 15 - SERVICE COMPANIES

LESSOR shall give LESSEE a list (see **EXHIBIT F**) of the names, addresses and telephone numbers of an agencies or persons convenient to LESSEE as a local source of service with regard to LESSOR'S responsibilities under **EXHIBIT D** and **EXHIBIT E** 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 17 - ASSIGNMENT AND SUBLETTING {to " " \ 113118- ASSIGNMENT AND SUBLETTING}

LESSEE shall not either voluntarily, or by operation of law, assign, transfer, mortgage, pledge, hypothecate or encumber this Lease or any interest therein, and shall not sublet the said Premises or any part thereof, or any right or privilege appurtenant thereto, or allow any other person (the employees, agents, servants and invitee of LESSEE excepted) to occupy or use the said Premises, or any portion thereof, without first obtaining the written consent of LESSOR, which consent shall not be unreasonably withheld. As to any request by LESSEE for LESSOR's consent to any proposed assignment or subletting, LESSEE shall notify LESSOR in writing of the complete name and address of the proposed assignee or sublessee, and provide to LESSOR the proposed assignee's or sublessee's most recent financial statements and such other information as LESSOR may reasonably request in order to review the proposed assignment or subletting. It shall be reasonable for LESSOR to withhold its consent to a proposed assignment or subletting if LESSEE fails to promptly provide such information to LESSOR. LESSOR shall have thirty (30) days from receipt of LESSEE'S written request to consent to or disapprove the proposed assignment or subletting in writing. If LESSOR fails to consent to or disapprove a proposed assignment or subletting within said thirty (30) day period, the proposed assignment or subletting will be deemed approved. Notwithstanding the foregoing, LESSEE may assign the Lease to an Affiliate (as defined below) without LESSOR's prior written consent (a "Permitted Transfer"), if LESSEE is not then in default under this Lease and with at least fifteen (15) days advance written notice to LESSOR identifying the assignee and concurrent delivery to LESSOR of a written assumption of the Lease by the assignee. For purposes of the foregoing sentence, an "Affiliate" shall mean any

governmental agency, department, or subdivision of LESSEE. LESSEE shall provide prior written notice to LESSOR of its intent to sublet all or part of the Premises or assign the Lease to an Affiliate no less than thirty (30) days prior to entering into any agreement to sublet any portion of the Premises or assign the Lease to an Affiliate. Notwithstanding any other provisions of this Lease, neither LESSOR's consent to a proposed assignment or subletting of the Premises or a part thereof, nor a Permitted Transfer by LESSEE to an Affiliate, shall release or relieve LESSEE from its obligations and liabilities under this Lease unless otherwise specifically agreed by LESSOR in writing.

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 that threatens the integrity of the building), provided such entry is made in a reasonable manner and does not unreasonably interfere with the conduct of LESSEE'S business. Such entry shall also be done in accordance with ARTICLE 20 of this Lease. In effecting any entry into the Premises, LESSOR and its agents shall exercise all possible care to preserve and maintain the confidentiality of any records and information, consistent with state and federal privacy laws relating to private and medical information, and including protection of the privacy of clients and patients.

ARTICLE 19 - INSURANCE AND INDEMNIFICATION {to " " \ 115- **INSURANCE AND INDEMNIFICATION**}

LESSEE, during the term hereof, shall indemnify 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 Premises and to the extent arising out of the use of the Premises by the LESSEE, excepting however, such claims and demands whether for injuries to persons or loss of life, or damage to property, 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 or more persons and property damage limits of not less than \$50,000 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 term 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, to the extent arising out of acts or omissions of LESSOR, 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 landlords of comparable buildings in the city of which the Premises is located

ARTICLE 20 - CONFIDENTIALITY OF LESSEE'S SERVICES/CLIENTS

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, it will maintain such confidences as might become available to it and not release or divulge such confidential identities, information, or records; provided that all such confidential items are maintained in a locked environment and that any confidential items are shredded prior to disposing of them in trash receptacles. **LESSOR and LESSEE shall consider the entire Premises a locked environment.** LESSOR and its agents shall exercise all possible care to preserve and maintain the confidentiality of any records and information,

consistent with state and federal privacy laws relating to private and medical information. This includes protection of the identity of patients, clients, and users of the Premises.

ARTICLE 21 - DESTRUCTION {to " " \ 123DESTRUCTION}

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 rentable area 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, subject to reasonable extension due to any delays for causes beyond LESSOR's reasonable control, such as labor strikes and labor or materials shortages.

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 thirty (30) 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%) (but subject to reasonable extension due to any delays for causes beyond LESSOR's reasonable control, such as labor strikes and labor or materials shortages), 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 occupancy 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 22 - DEFAULT BY LESSEE {to " " \ 224DEFAULT 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 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, LESSOR 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 LESSOR elect to cure the default, all reasonable 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 the County Auditor-Controller's receipt of LESSOR'S County approved invoice for said costs which shall be accompanied by County approved invoices and receipts to document LESSOR'S cost to cure said default, and by any Court Order awarding reasonable attorney's fees incurred to cure said default. In the event LESSOR elects to terminate the Lease due to a default by LESSEE, LESSOR shall be entitled to recover from LESSEE all unpaid rent and other losses incurred by LESSOR as a result of such default in accordance with applicable law, including the unamortized portion of the Premises Improvement costs, as referenced in ARTICLE 7, Section 7.2, that have been actually disbursed by LESSOR as of the effective date of termination, provided that such Premises Improvement costs are being amortized with an interest rate of six percent (6%) per annum in equal monthly installments of such total cost and accrued interest as part of the Monthly Rent over the initial Lease Term hereunder.

ARTICLE 23 - DEFAULT BY LESSOR {tc " " \ 224DEFAULT 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, all reasonable 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 invoice and receipts to document LESSEE'S cost 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 thirty (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 all or a portion of the Premises, there shall be an equitable abatement of rental payments during the period of time during which LESSEE'S use is affected, which abatement shall be based upon the degree to which LESSEE is prevented from using all or a portion of the Premises for the period of such non-use.

ARTICLE 24 - CONDEMNATION{tc " " \ 126CONDEMNATION}

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 25 - HOLDING OVER {tc " " \ 127HOLDING OVER}

If LESSEE 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 {tc " " \ 129WAIVER}

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 27 - QUIET POSSESSION{tc " " \ 130QUIET 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 28 - SUBORDINATION SUBORDINATION {tc " " \ 131SUBORDINATION! Would the County want the landlord to pursue an SNDA from an existing mortgagee?}

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, within twenty (20) days after LESSOR's demand, such further instruments evidencing such subordination as may be reasonably requested by LESSOR or any mortgagee or beneficiary.

ARTICLE 29 - ESTOPPEL CERTIFICATE {tc " " \ 132ESTOPPEL 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, and containing such other information regarding the Lease as may be reasonably requested by the other party. Any such certificate may be conclusively relied upon for the intended transaction for which the statement was requested.

ARTICLE 30 - MISCELLANEOUS PROVISIONS {to " " \ 132**MISCELLANEOUS PROVISIONS**}

30.1 **Amendment:** 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 in each and all of the provisions 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 any conflict or inconsistency between the provisions of this Lease and the provisions of any addendum or exhibit attached hereto, the provisions of this Lease shall prevail and 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 the date that LESSEE signs this Lease.

30.13 **Incorporation of Recitals:** The parties understand and agree that the preamble and recitals above are hereby incorporated into this Lease.

ARTICLE 31 - MAJOR APPLIANCES

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

ARTICLE 32 - 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.

ARTICLE 33 - 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 34 - ALTERNATE ENERGY

LESSOR has the option, subject to LESSEE'S approval to install a solar photovoltaic system designed to provide 100% of LESSEE's estimated annual electricity usage for the premises. The initial installation cost of the solar array shall be the sole responsibility of the LESSOR. LESSEE agrees to amortize the cost of the solar photovoltaic system pursuant to Article 3.1(d) above. LESSOR agrees to maintain solar array and keep the solar array operating at the capacity designed so long as this Lease is effective. LESSEE agrees to reimburse LESSOR for maintenance expenses directly incurred to maintain the solar photovoltaic system.

ARTICLE 35 - CUSTODIAL SERVICE SPECIFICATIONS

Custodial Service Specifications for the Premises shall be furnished and the cost borne as outlined in **EXHIBIT D - SUMMARY OF SERVICES AND UTILITIES** attached and incorporated by this reference. In the event of failure by LESSOR to furnish, in a satisfactory manner, any of the service specifications for 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 fifteen (15) days after written notice, and, in addition to any other remedy LESSEE may have, LESSEE may deduct the amount thereof, including LESSEE'S service costs, from rent or other remuneration due LESSOR hereunder. 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 36 - 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 H - CALIFORNIA PROPOSITION 65 WARNING** attached and incorporated by this reference.

**ARTICLE 37 – 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 Civil Code Section 55.53, indicating that it meets applicable standards, as defined in paragraph (4) of subdivision (a) of Civil Code 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 Civil Code Section 1938 (b) within seven (7) days of the date of the execution of this 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 Civil Code Section 55.53, the parties understand and agree that the following provision shall apply to this 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 FISCAL PROVISIONS:
(County Auditor/Controller)**

By:

Name:

Title: [Assistant] Auditor Controller

Date:

7-13-18

LESSOR:

(713 LaGuardia, LLC)

By:

Name: Daniel J. Caputo, Jr.

Title: Managing Member / Manager

Date:

7/3/18

(713 LaGuardia, LLC)

By:

Name: Daniel J. Caputo, Jr.

Title: : Managing Member / Manager

Date:

7/3/18

**APPROVED AS TO FORM & LEGALITY:
(Office of the County Counsel-Risk Manager)**

By:

Mary Grace Perry

Title: Deputy County Counsel

Date:

July 12, 2018

**APPROVED AS TO LIABILITY
PROVISIONS:**

(County Counsel-Risk Management)?

By:

Name: Leslie J. Girard

Title: Chief Assistant/Risk Manager

Date:

7/13/18

EXHIBIT A1	
DESCRIPTION OF THE PROPERTY	
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DESCRIPTION OF THE PREMISES

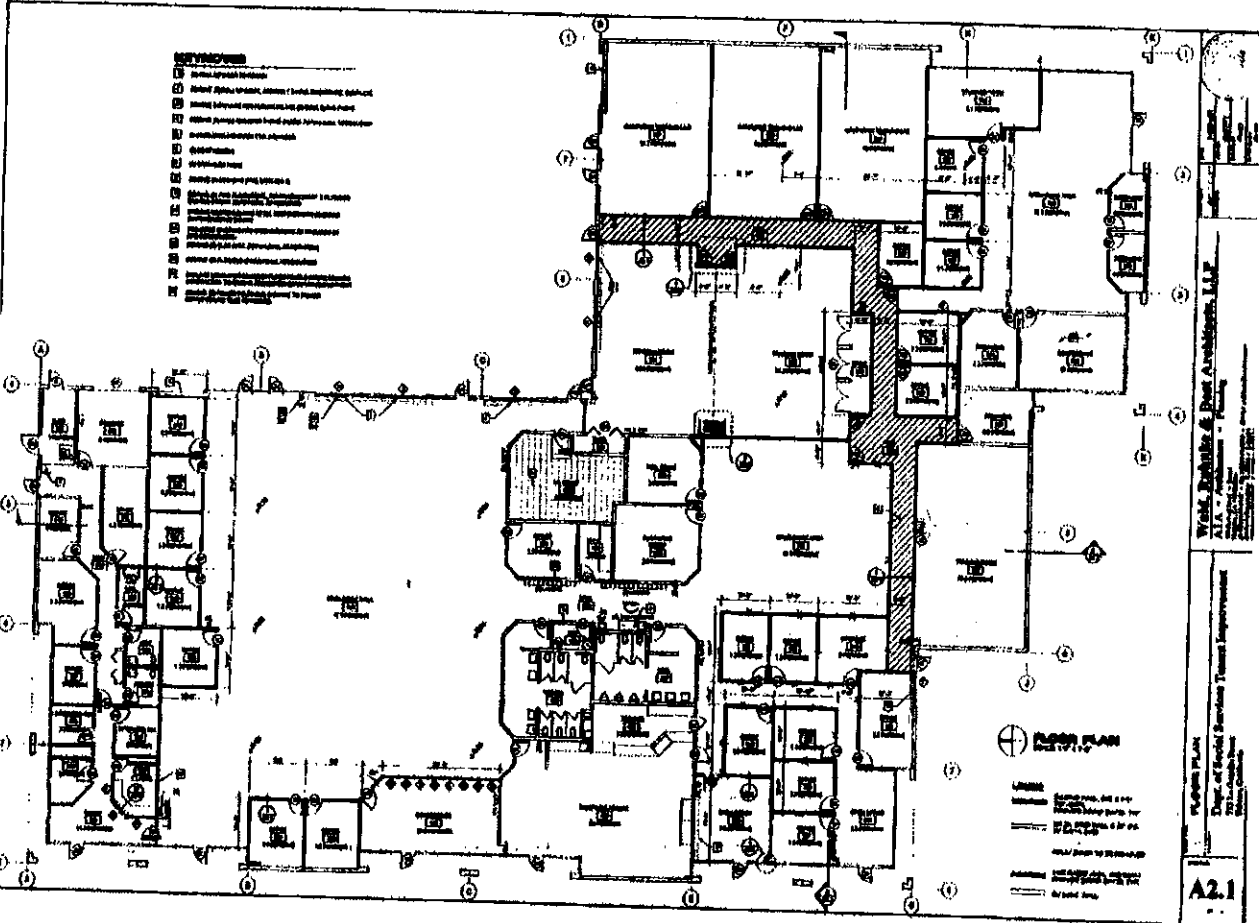


EXHIBIT A2

PARKING PLAN

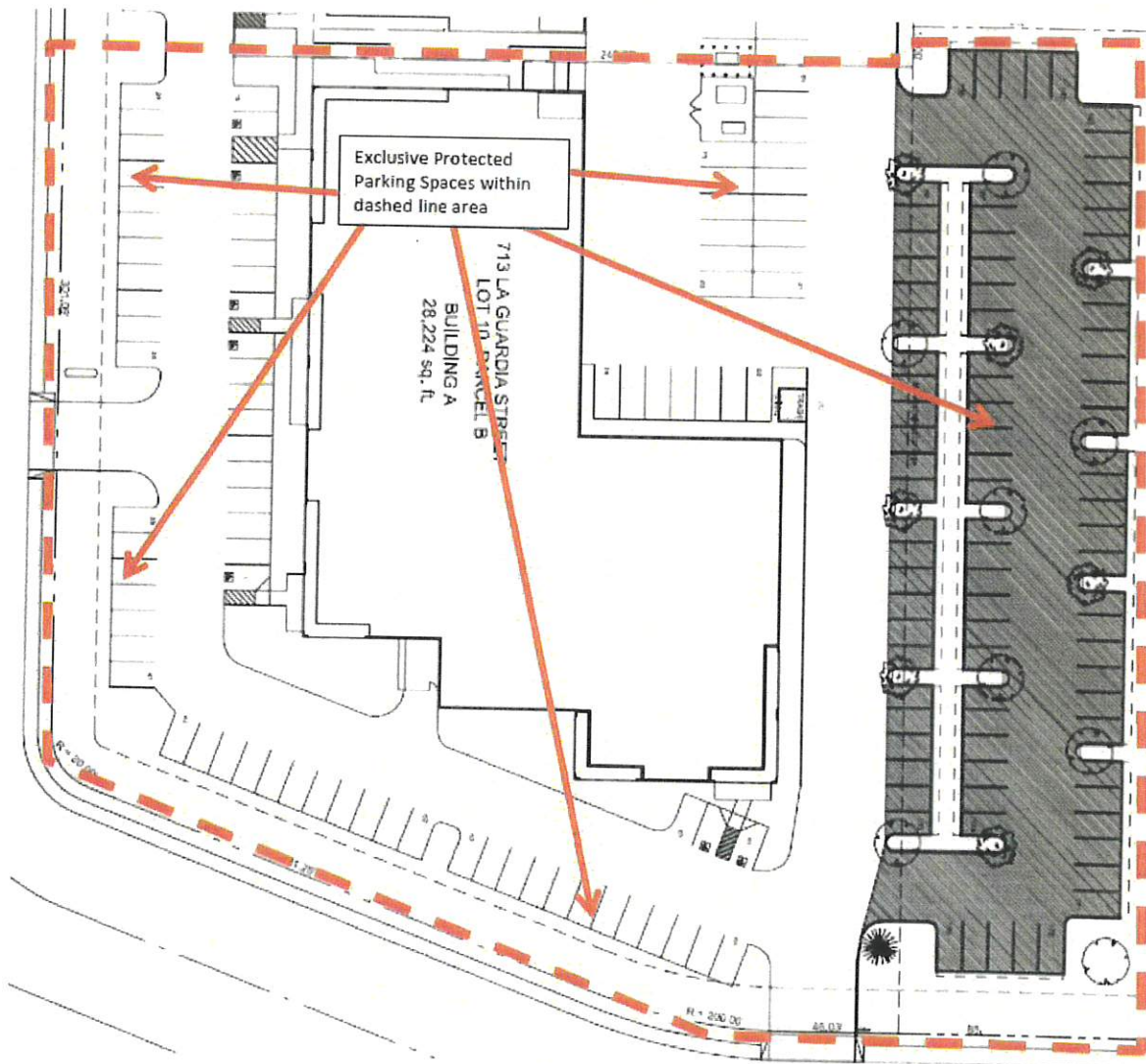


EXHIBIT B-1

Evidence of Construction



Page 1

City of Salinas Commercial Permit Research

713 LA GUARDIA ST #C/A

Issuance Date: 1/25/2018

This is for informational purposes ONLY.
This report contains all property information closed or current.
This is NOT a City Report required by ordinance.

Assessor Parcel Number: 003863043000

Zoning IBP

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

Opened Date	Closed Date	Status	Description	Case Number
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Planning Projects on Record:

PROJECT_NO	APPLIED	APPROVED	EXPIRED	DESCRIPTION
M1992-003	2/10/92			Temporary parking facility
MM2017-004	3/21/17	5/16/17		MM to CUP 87-18 for parking lot
RS1987-009	6/8/87	7/14/87		CC&F Investment Company Minor Subdivision
RS1988-003	3/22/88	6/7/88		Salinas Airport Business Park Minor Subdivision
RS1996-013	7/15/96	8/20/96		James & Judith Knapp
RS2006-001	2/2/06	6/13/06		Caputo Assoc. LLA
SPR2006-014				construct new parking lot

Building Permit(s) on Record:

PERMIT NO.	ISSUED	FINALED	EXPIRED	DESCRIPTION
01-52492	02/26/2001	07/26/2001		MONTEREY COUNTY DEP. OF SOCIAL SERVICE T.I. 27 000 SF
01-52493	02/06/2001		11/30/2002	DEMO INTERIOR PARTITIONS AND T-BAR CEILING IN PREPARATION FOR
01-52684			02/14/2001	INSTALL FIRE SPRINKLERS (REV. TO PERMIT #52493)
01-53191			04/25/2001	RELOCATE TRASH ENCLOSURE AND CONSTRUCTION DETAILS FOR
88-B532	08/12/1988	03/09/1989		REINFORCED CONCRETE D/F MONUMENT SIGN 3'6" X 12'0" NON ILLUM
88-E104	08/09/1988	10/25/1988		1200 AMP U/GROUND POLE 277/408 VOLT (1) 100 AMP METER
89-B1392	12/21/1989	02/16/1990		TENANT IMPROVEMENTS
91-21878	12/11/1991	02/20/1992		TENANT IMPROVEMENT-HOUSEHOLD CREDIT
92-22467	02/13/1992	04/28/1992		INSTALL 126 ELECTRICAL OUTLETS FOR OFFICE WORK STATIONS
92-22578	02/27/1992	04/28/1992		INSTALL 5 NEW DUPLEX RECEPTACLES
92-24640	12/09/1992		12/09/1993	INSTALL 18 LIGHTS 3 OUTLETS AND 100 AMP SERVICE
92-24641	12/09/1992	06/18/1993		INSTALL 1200 AMP SERVICE WITH PORTABLE GENERATOR
98-41332	03/25/1998	04/20/1998		SEISMIC TIE DOWNS (GENERATOR)
B07-0373			07/03/2008	PARKING LOT IMPROVEMENTS FOR CAPUTO ASSOCIATES
B08-0139	04/02/2008	05/14/2008		Interior office remodel for Monterey County D S E S
CABMP17-0007	07/24/2017		03/31/2018	Summer Construction of partial parking lot
E17-0106	07/12/2017	12/12/2017	06/10/2018	INSTALL 3 NEW LIGHT POLES
GPI7-0003	07/24/2017	12/22/2017	12/27/2017	PARKING LOT IMPROVEMENTS WITH LID FEATURES
PCBMP17-0010	07/24/2017			Bioretention Swale for parking lot updates
R17-0417	06/20/2017	07/19/2017	01/15/2018	REMOVE EXISTING HOT MOP AND INSTALL GAF PVC ROOFING MATERIAL
REV08-0107	04/29/2008	04/28/2008		Fire Sprinklers

EXHIBIT C - 1

PREMISES IMPROVEMENTS

1. Premises Improvements:

- a. LESSOR shall construct all Premises Improvements in accordance with the Plans and Specifications as approved by LESSOR and LESSEE, which Plans and Specifications are or will be attached to this Exhibit C-1 upon such approval. Premises Improvements must satisfy the Federal Americans with Disabilities Act, as applicable.

Premises Improvements are generally described as follows:

- i. To be determined by LESSEE.
 - b. LESSOR shall commence construction of the Premises Improvement work at the earliest opportunity. Cost and schedule of Premises Improvement work shall be approved by LESSOR and LESSEE prior to commencement.
 - 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, that will be mutually established by LESSOR and LESSEE on or before the date LESSOR'S contractor commences construction of the Premises Improvements.
2. Construction Plans and Specifications, Change Orders, Project Contingency, and Delay:

- a. Project Contingency is to be used at LESSEE'S sole discretion for Change Orders caused by LESSEE'S, adjustment to the Scope of Work. The sum of the difference in cost from the standard scope of work, to the revised scope of work, may be funded by the Project Contingency. The Project Contingency may not be used for LESSOR'S unforeseen conditions, or unforeseen budgeting circumstances, nor for work to be performed per the scope of work by the LESSOR.
- b. LESSOR shall provide for LESSEE'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.
- c. LESSEE shall provide LESSOR 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. If LESSEE disapproves the Plans and Specifications, LESSEE shall describe the reasons for its disapproval in reasonable detail in LESSEE'S notice of disapproval. LESSOR shall revise the Plans and Specifications to satisfy the issues giving rise to LESSEE'S disapproval and submit the revised Plans and Specifications to LESSEE as provided in Section 2.a. of this Exhibit C-1.
- d. 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. 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.
- e. 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 requested change, modification or alteration. Any addition of work days caused by LESSEE'S change in scope shall be paid to LESSOR in the form of prorated base rent on a day to day basis, respective to each corresponding day of delay in obtaining the Certificate of Occupancy. Any Additional Rent shall be due the First month after the Rent commencement date. LESSOR shall not make the requested change to the Plans and Specifications without LESSEE'S approval of any proposed time extensions.

- f. If LESSOR requests 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 for clarification or refinement. The parties understand and agree that any clarification or refinement of the Plans and Specifications by LESSEE in response to LESSOR'S request or requests shall not be deemed to be a change order.
 - g. 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.
 - h. 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 Premises Improvements are delays that may arise solely as a result of: (1) LESSEE'S failure to comply with its obligations set forth in Sections 2.b., 2.d., 2.e., or 2.f. of this Exhibit C-1 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 in subsection Section 2.d. of this Exhibit C-1; 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: Following LESSEE'S approval of the Plans and Specifications, LESSOR shall obtain approval of the Plans and Specifications for the Premises from all appropriate governmental agencies, and a copy of the Plans and Specifications, as approved by such governmental agencies, 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 approve 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 Premises Improvements shall be new unless otherwise specified in the Plans and Specifications.
5. LESSEE'S Access during Construction: LESSEE'S representatives, agents, consultants and contractors ("LESSEE'S 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 in any way the performance by LESSOR'S contractors or LESSOR'S representatives of any work (including but not limited to the construction of Premises Improvements). LESSEE will defend and indemnify LESSOR against any and all claims, losses, damages, liabilities, costs and expenses, including reasonable attorneys' fees incurred by LESSOR, arising from any such early access to the Premises by LESSEE'S Representatives. Prior to any early access to the Premises hereunder, LESSEE must provide to LESSOR reasonably satisfactory evidence that the insurance coverage required under Article 19 of the Lease is in effect and names LESSOR as an additional insured party.

6. Acceptance of Premises:

- a. At any time during the construction of the Premises 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 and at the sole discretion of the 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 Premises 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, except those it contends are not justified. If LESSEE fails to deliver such a list within the five (5) business day 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.
7. Notices: All notices required or permitted hereunder shall be in writing and shall be delivered as indicated in ARTICLE 6 of the Lease to which this Exhibit is attached.
8. Notice of Non-Responsibility: LESSOR may post such notices of non-responsibility for payment to LESSEE contracted vendors as it reasonably deems appropriate in or around 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 or contractors.
10. Telecommunications/Data: Telecommunications/Data: Premises Improvements may include the installation of necessary telecommunications/data processing linkages, and alarm systems. Specification for telecommunications/data processing linkages and alarm systems will be developed and provided by the Monterey County Information Technology Department as specified in EXHIBIT C-6 – COUNTY OF MONTEREY INFORMATION TECHNOLOGY CABLING STANDARDS attached and incorporated by this reference.

EXHIBIT C - 5

REMEDATION 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 as may be amended from time to time. 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 C - 6

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

General:

- All requirements necessary to accomplish the items set forth below shall be considered part of this scope of work.
- All work and materials shall be compliant to the latest version of the Monterey County Cabling Specifications, corresponding County drawings, and the scope of work contained herein.
-

1.0 MPOE, MDF Equipment Racks, and Cable Management:

- 1.1 LESSOR shall ensure building entry for service providers (such as AT&T) is adequate and meets service providers specifications in order to install copper, fiber, or coax for connectivity.
- 1.2 LESSOR shall provide and install four (4) standard two-post racks (7-foot tall with 19-inch mounting rails) with appropriate seismic anchor bolts in the MDF room. Install in location designated on COUNTY provided drawing and label each accordingly:
 - Rack# 1.1
 - Rack# 1.2
 - Rack# 1.3
 - Rack# 1.4
- 1.3 LESSOR shall provide and install cabling ladder rack and hardware above the MDF racks as specified on drawings.
- 1.4 LESSOR shall provide and install three (3) 10" vertical double sided wire managers for in-between-racks as specified in drawings.
- 1.5 LESSOR shall provide and install two (2) 6" vertical double sided wire managers for the end racks (end of rack row) as specified in drawings.
- 1.6 LESSOR shall provide and install fourteen (14) 2 RU horizontal double side wire managers as specified in drawings.
- 1.7 LESSOR shall provide and install six (6) 2 RU horizontal single side wire manager as specified in drawings.
- 1.8 LESSOR shall provide and install four (4) 4" diameter cabling entry conduits secured to the building framing. Provide grommets for perimeters of wall, floor, and/or ceiling penetrations made to accommodate the entry conduits. Coordinate location of entry ports with the COUNTY prior to installation.

1.9 LESSOR shall provide and install fire rated $\frac{3}{4}$ " thick plywood on all MDF walls from 3'-6" A.F.F. to 7'-6" A.F.F..

2.0 Copper Infrastructure:

2.1 LESSOR shall provide and install six (6) 48-port angled patch panels on Rack 1.3 for workstation location cabling termination.

2.2 LESSOR shall install three (3) CAT6 cables for each workstation location designated on the floorplan (preliminary count at 86 locations is subject to change). The LESSOR shall verify a final count of locations with the COUNTY prior to the commencement of said work. Each workstation location shall consist of a faceplate with three (3) data jacks that are labeled as D1, D2, and D3. Each location shall have a unique location number and labeled accordingly. The CAT6 workstation cables shall be routed and terminated on the dedicated patch panels in Rack 1.3 in a manner that is in compliance with the COUNTY specifications i.e. use of j-hooks, cable trays, awareness of bend radius, etc..

2.3 LESSOR shall provide and install two (2) 48-port angled patch panels on Rack 1.2 for Voice Transition Patch Panels (VTPP).

2.4 COUNTY shall provide and install LFU VTPP cables as required to connect Phone System to VTPP

2.5 LESSOR shall provide and install two (2) CAT6 cables from the MDF to the MPOE. The cables shall be terminated on surface mount biscuit jacks on both ends. Coordinate with the COUNTY prior to installation for placement of biscuit jacks.

2.6 LESSOR shall provide and install one (1) 25 Pair copper feeder from the MDF to the MPOE. The feeder shall be terminated on wall mounted 110-blocks on both ends. Coordinate with the COUNTY prior to installation for placement of the 110-blocks.

3.0 Fiber Infrastructure:

3.1 LESSOR shall provide, install, and secure in place a fiber optic inner duct with pull string from the MPOE to the MDF.

4.0 MDF Electrical:

4.1 LESSOR shall provide and install four (4) dedicated 120V/20A standard receptacles in the MDF. The said receptacles shall be installed and concealed inside the vertical wire management as specified in the drawing.

4.2 LESSOR shall provide and install five (5) dedicated 120V/20A NEMA 5-20R standard duplex receptacles at 18" above finished floor (A.F.F.) in the MDF as specified in the drawing.

4.3 COUNTY shall provide and install four (4) vertical power strips mounted at rack rear Geist PDU 120V/20A standard receptacles with customized rack mount standoff brackets.

5.0 Network and Phone System Equipment:

5.1 COUNTY shall provide and install all network devices, phone system components, and uninterruptible power supplies (UPS) as specified in the drawings.

5.2 COUNTY shall coordinate with AT&T to install ASE Fiber services in Rack 1.1 as specified in drawings for network connectivity.

5.3 If necessary, the COUNTY shall provide a second UPS for the AT&T ASE Fiber equipment.

6.0 General Specifications:

6.1 All work shall be completed in accordance to the latest edition of COUNTY supplied plans, drawings, technical specifications, and with the Monterey COUNTY Low Voltage Cabling Standards (April 2015 or later).

6.2 All work shall conform to the requirements of the local building code, the latest edition, and all other applicable codes and ordinances.

6.3 All construction coordination efforts, work, and materials to deliver a turnkey project shall be provided by the LESSOR unless specifically and otherwise noted.

6.4 LESSOR shall submit a project schedule within 3 days of receipt of a Notice to Proceed (NTP) for review and approval by Health Department Operations Manager.

6.5 LESSOR shall have a single point of contact (Health Department Operation Manager) during entire project.

6.6 Before work has been completed, LESSOR shall notify Health Department Operations Manager and County ITD to schedule a final walk-through.

6.7 All debris, trash, etc resulting from installation shall be removed on a daily basis from site.

6.8 LESSOR shall receive clarification and authorization by Health Department Operation Manager and County ITD, in writing, prior to starting work on any items not clearly defined or identified in the construction drawings and/or the scope of work provided herein.

6.9 Any drawing provided by Monterey COUNTY Information Technology Department (ITD), shall be marked up "red lined" by LESSOR with any pertinent changes and information

6.10 Modified drawings shall be returned to ITD during final expectance walk-through

6.11 All completed aspects of this IT Scope-of-Work shall be inspected and signed off by the Health Department Operation Manager.

6.12 LESSOR's work crew (low voltage contractor) will be on site for final inspection and all discrepancies shall be corrected prior to acceptance.

7.0 Cabling Specifications:

7.1 LESSOR shall verify all cabling distances prior to installation.

7.2 LESSOR shall provide a minimum of ten feet of service loop (slack) to allow for future movement for all copper/fiber cable runs into cabinet and racks. The service loop shall be neatly coiled and concealed where possible.

7.3 LESSOR shall utilize existing conduit infrastructure where feasible and shall notify ITD prior to pulling new cable, if the existing cabling route (conduit) cannot accommodate the proposed work.

7.4 LESSOR shall verify placement and orientation of equipment racks with the Health Department Operation Manager prior to installation.

7.5 LESSOR shall label each cabling component (Rack, Patch Panel, LIU, etc.) as specified on plans and drawings.

7.6 LESSOR shall test and certify each copper and fiber termination.

8.0 Grounding Specifications:

8.1 All above grade connections shall be exothermic welds, two-hole high compression tinned copper lugs or crimps. In some cases, the LESSOR shall make connections as specified in the plans sheet notes.

8.2 All below grades connections shall be exothermic welds.

8.3 All materials and labor shall be provided by the LESSOR unless otherwise noted.

8.4 All nuts, bolts, washers, brackets, and other miscellaneous hardware shall be stainless steel.

8.5 All non-conductive coatings shall be removed and the metal shall be burnished prior to all bonds.

8.6 Anti-oxidant compound shall be applied to all mating surfaces prior to bonding.

8.7 All completed exterior bonds shall be treated with a zinc galvanizing compound.

8.8 All construction/work shall be performed in a SAFE, WORKMANLIKE manner and in accordance with National Electrical Code and COUNTY Specifications. If there is a conflict in the differing specifications, the most stringent shall prevail.

8.9 All parts and materials shall be listed by U.L. /equivalent agency or be approved by the Authority Having Jurisdiction (AHJ).

8.10 All parts and materials shall be installed/used in the manner listed/intended.

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 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 and the non-exclusive areas of the building as described in ARTICLE 1.2 (including steam cleaning or pressure washing sidewalks)			X
Professionally clean carpets, rugs, tile and linoleum flooring			X
Professionally clean existing drapes, blinds, and window shades as indicated in Exhibit F			X
Professionally clean interior windows as indicated in Exhibit G			X
Professionally clean exterior windows as indicated in Exhibit G		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, if available) disposal and pick up service			X
Provide adequate fire sprinkler systems testing		X	
Provide adequate fire alarm systems monitoring		X	
Provide adequate intrusion/security alarm systems monitoring			X
Provide adequate patrolled security guard service (to common area only, from 6 am to 9 pm M-F, and 7 am to 4 pm on Sat.) (Subject to change with mutual written consent)	X		
Provide adequate heating, ventilation & air conditioning (HVAC) systems filter replacements, 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 back-up generator			X
Provide adequate gas utility service as per ARTICLE 13			X
Provide adequate electric utility service as per ARTICLE 13			X
Provide adequate water utility service as per ARTICLE 13			X
Provide adequate telephone and data service (including connection charges)			X

LESSOR and LESSEE contact information is detailed in ARTICLE 6 of this Lease.

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 and Floor Slabs		X	
Elevators and/or Dumb Waiters		X	
Exterior and Bearing Walls		X	
Exterior Doors and Hardware		X	
Exterior Windows and Window Frames		X	
Roofs (including replacement if deemed necessary)		X	
Gutters, Drains and Downspouts		X	
Parking Lots		X	
Ceilings (damage due to roof leaks only)		X	
Fire Sprinkler Systems		X	
Fire Alarm Systems		X	
Intrusion/Security Alarm Systems (excluding common areas)			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		
Solar Photo Voltaic System			X
Interior Wall Surfaces (including repainting every 5 years if Premises wall surfaces are accessible)			X
Interior Doors and Hardware			X
Interior Windows and Window Frames			X
Carpet, VCT, and Linoleum Flooring (including replacement if deemed necessary and with the understanding that LESSEE pays for moving office furniture and equipment).			X
Base and/or Moldings (including replacement if deemed necessary)			X
Appliances (excluding common area)			X
Communication Systems (data/telephone cabling, connections and equipment)			X

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

**LESSEE will also pay to LESSOR the reasonable cost of any repair or maintenance required for LESSEE-installed improvements to the Premises, such as phone/data cabling, support equipment, trade fixtures, special door locks, and any other equipment used to meet LESSEE'S operational needs that are considered above normal general office space improvements.

EXHIBIT F**SERVICE CONTACT LIST**

Item	Contact	Number
Cabinets/Millwork		
Ceiling Tile		
Electrical		
Exterior Door and Hardware		
Flooring		
Fire Sprinkler System		
Fire Extinguisher Servicing		
Fire Alarm		
Heating & Air Conditioner		
Interior Door and Hardware		
Janitorial for common areas		
Janitorial for the Premises		
Landscape Maintenance		
Light Bulbs & Fluorescent Tubes		
Locksmith	Lock, Stock, & Barrel	422-8333
Painting	Sam's	595-5951
Pest Control		
Parking Lot Repair		

EXHIBIT H

PROPOSITION 65 WARNING

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

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

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

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

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

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