



**Judicial Council of California
Administrative Office of the Courts
Office of Court Construction and Management
455 Golden Gate Avenue, San Francisco CA 94102**

Location of Sublease Premises: 118 West Gabilan Street, Salinas CA 93901 AOC Building 27-G1.

SUBLEASE AGREEMENT

This Sublease Agreement (“**Sublease**”) dated January 29, 2013, is made by and between the Judicial Council of California, Administrative Office of the Courts, (the “**AOC**”) and County of Monterey, a political subdivision of the State of California (the “**County**”). AOC and County may hereinafter be collectively referred to as the “**Parties**” or individually as a “**Party**.”

RECITALS

- A. AOC is tenant under that certain Lease dated December 1, 2010 as amended by that certain First Amendment to Lease Agreement dated May 23, 2011 (together, the “**Master Lease**”), pursuant to which Courthouse Square (“**Master Landlord**”) leased to AOC that portion of building (the “**Building**”) located at 118 West Gabilan Street, Salinas CA (the “**Property**”), consisting of approximately 5,781 square feet of space (the “**Master Premises**”) for the benefit of the Superior Court of California, County of Monterey (the “**Court**”). A copy of Master Lease is attached hereto as **Exhibit “A”** and incorporated herein, and Master Premises is shown on the floor plan attached to Master Lease as Exhibit A.
- B. AOC and County entered into that certain letter agreement dated October 18, 2010, a copy of which attached hereto as **Exhibit “B”** and incorporated herein (the “**Letter Agreement**”) wherein AOC and County agreed, among other things, that (1) AOC would reimburse County for rental and utility payments for Master Premises made by County to the Master Landlord on behalf of AOC for the months of October and November 2010, and (2) following execution of Master Lease, AOC would sublease space at the location shown on the floor plan attached hereto and incorporated herein as **Exhibit “C”** consisting of approximately 1,100 square feet (the “**Sublease Premises**”).
- C. AOC and County now wish to give effect to the Letter Agreement by entering into this Sublease.

NOW THEREFORE, in consideration of the Sublease Premises subleased to County hereunder and the mutual covenants and conditions herein contained, AOC and County hereby agree as follows:

AGREEMENT

1. Sublease of Sublease Premises; Common Area

- (a) AOC subleases to County, and County subleases from AOC, the Sublease Premises on the terms and conditions contained herein.
- (b) In addition, subject at all times to the terms and conditions of this Sublease, County will also have non-exclusive rights to use all areas and facilities outside the Sublease Premises and within the exterior boundary line of the Property that are for the general non-exclusive use of Master Landlord, AOC, County, and other tenants of the Building including parking areas, loading and unloading zones, trash areas, roadways, walkways, driveways, and landscaped areas (the “**Common Area**”).

2. **Term.** The term of this Sublease (the “**Initial Term**”) will be deemed to have commenced December 1, 2010 (“**Commencement Date**”), and will end on January 31, 2013, the date on which Master Lease expires, or at such time that Master Lease is earlier terminated (“**Termination Date**”), provided however,, that County will have the right to terminate this Sublease upon the giving of not less than 60 days prior written notice to AOC.

3. Rent.

- (a) Monthly Rent. As of the Commencement Date and continuing through the Initial Term, County will pay to AOC on the first day of each month thereafter as rent the sum of \$900 per month provided however, that subject to subsection (b) below, County’s obligation to pay this rent on a monthly basis will commence on November 1, 2012.
- (b) AOC’s Back Rent and Utility Obligations. As set forth in the Letter Agreement, AOC will reimburse County for its agreed-upon share of rent and utilities that County paid on AOC’s behalf for the months of October and November 2010, for the Court’s share of the space in the Building leased by County pursuant to County’s lease with the Master Landlord that preceded the Master Lease. The Parties agree that for (i) October 2010, the amount of rent owed by AOC is \$4,126.93, with an additional \$263.59 for AOC’s one-half share of utilities, and (ii) for November 2010, the amount of rent owed is \$5,600 (\$6,500.00, the rental amount the County paid to the Master Landlord for November, less the County’s \$900.00 contribution), with an additional \$191.80 for AOC’s share of utilities for a total amount of \$10,182.32 (“**AOC’s Back Rent and Utilities Obligation**”).
- (c) County’s Back Rent Obligations. The Parties acknowledge and agree that (i) County has not paid its monthly \$900.00 rent obligation for the 23-month period commencing December 2010 through December 2012, for a total amount of \$22,500.00 (the “**County’s Back Rent Obligation**”), and (ii) AOC’s Back Rent and Utilities Obligation will be applied as an offset to County’s Back Rent Obligation. County shall pay AOC within 45 days after full execution of this Sublease \$12,317.68, the County’s Back Rent Obligation of \$22,500.00, less AOC’s Back Rent and Utilities of Obligation of \$10,182.32.

4. **Use of Premises.** Sublease Premises will be used as office space. Any other legal use must be approved in advance, in writing, by AOC.

5. **Delivery of Premises.** The Parties acknowledge and agree that County has already accepted delivery of, and has been in possession of the Sublease Premises since at least the Commencement Date.
6. **Warranty by AOC.** AOC warrants to County that Master Lease has not been amended or modified except as expressly set forth in this Sublease; that AOC is not now, and as of the commencement of the Initial Term of this Sublease will not be, in default or breach of any of the provisions of Master Lease; and that AOC has no knowledge of any claim by Master Landlord that AOC is in default or breach of any of the provisions of Master Lease.
7. **Master Lease.** All applicable terms and conditions of Master Lease are incorporated into and made a part of this Sublease as if AOC were the Lessor, County the Lessee, Sublease Premises Master Premises, and the Building, except for the following: Sections 7, 10, 12, 13, 16, 17, 23, 24, and 25. County assumes and agrees to perform the Lessee's obligations under Master Lease other than those identified above during the Initial Term and Extension Term, if any, to the extent that these obligations are applicable to the Sublease Premises. However, the obligation to pay rent as defined in section 6 of Master Lease to Master Landlord will be considered performed by County to the extent and in the amount rent is paid to AOC in accordance with section 3 of this Sublease. County will not commit or suffer any act or omission that will violate any of the provisions of Master Lease. AOC will exercise due diligence in attempting to cause Master Landlord to perform its obligations under Master Lease for the benefit of County. If Master Lease terminates, at the option of Master Landlord, this Sublease will terminate and the parties will be relieved of any further liability or obligation under this Sublease. However, if Master Lease terminates as a result of a default or breach by AOC or County under this Sublease or Master Lease, the defaulting party will be liable to the non-defaulting party for the damage suffered as a result of the termination. Regardless, if Master Lease gives AOC any right to terminate Master Lease in the event of the partial or total damage, destruction, or condemnation of Master Premises or the building or project of which Master Premises are a part, the exercise of this right by AOC will not constitute a default or breach.
8. **Janitorial Services; Maintenance, and Repair.**
 - (a) **Janitorial Services.** The Court will provide and pay for all janitorial services for the Sublease Premises.
 - (b) **Maintenance and Repair.** In addition to the obligation to pay rent, County will reimburse AOC upon receipt of a written invoice for the actual cost of any requested maintenance or repair services provided on or about the Sublease Premises on an individual work order basis.
9. **Utilities.** AOC will pay for all utility services provided to County at the Sublease Premises including electricity, natural gas, water, sewer, and solid waste disposal (the “**Provided Utilities**”) except for telephone and data communication services which County has the right and obligation to obtain and pay for such services for its own account.

with a copy to: Administrative Office of the Courts
Office of Court Construction and Management
Attn: Manager, Real Estate
455 Golden Gate Avenue, 8th floor
San Francisco, CA 94102
Telephone: 415-865-4048
Fax: 415-865-8885

with a second copy to: Superior Court of California, County of Monterey
Attn: Connie Mazzei, Court Executive Officer
240 Church Street
Salinas, CA 93901
Telephone: 831-775-5400
Fax: 831-775-5499

If to County: County of Monterey
Department of Public Works
Attn: Real Property
855 E Laurel Dr Bldg C
Salinas CA 93905-1310
Telephone: (831)755-4859
Fax: (831) 755-4688

With a second copy to: County of Monterey
Department of Public Works
Attn: Architectural Services
168 W Alisal St FL2
Salinas CA 93901-2438
Telephone: (831)755-4800
Fax: (831)755-4958

In addition, all notices relating to termination of the Sublease or an alleged breach or default by AOC must also be sent to:

Administrative Office of the Courts
455 Golden Gate Avenue
San Francisco, CA 94102
Attention: Business Services Manager
Telephone: 415-865-4090
Fax: 415-865-4326

14. Entry. AOC reserves the right to enter the Sublease Premises on reasonable prior written notice to County to inspect the Sublease Premises or the performance by County of the terms and conditions of this Sublease. In an emergency, no notice will be required for entry.

15. **Holding Over.** If, and only if, AOC remains in possession of the Master Premises after the term in hold over in a month-to-month tenancy as provided in section 23 of the Master Lease, and if County desires to remain in possession of the Sublease Premises, then this Sublease shall automatically be extended on a month-to-month basis at the monthly rent applicable to the last month of the Initial Term, subject to termination immediately upon termination of AOC's right to possession of the Master Premises. If AOC elects to terminate its month-to-month tenancy, AOC will give County thirty (30) days prior written notice thereof, but if Master Landlord elects to terminate AOC's month-to-month tenancy, then AOC will endeavor to give County notice of that termination as soon as possible after AOC receives notice thereof from Master Landlord. In no event may this provision be construed or interpreted as giving the County any rights whatsoever to the Sublease Premises or the Master Premises after (a) the end of the term of the Master Lease if AOC does not hold over pursuant to section 23 of the Master Lease, or (b) the end of any month-to-month hold over tenancy of the AOC pursuant to section 23 of the Master Lease, as the case may be. All other terms and conditions shall remain in full force and effect.

16. **Entire Agreement.** This Sublease sets forth all the agreements between AOC and County concerning the Sublease Premises, and there are no other agreements either oral or written other than as set forth in this Sublease.

IN WITNESS WHEREOF, the parties have executed this Sublease as of the date first above written.

APPROVED AS TO FORM:

Administrative Office of the Courts,
Office of the General Counsel

By: Charles R. Martel
Name: Charles R. Martel
Title: Attorney
Date: 6-12-2013

AOC: JUDICIAL COUNCIL OF CALIFORNIA, ADMINISTRATIVE OFFICE OF THE COURTS

By: Grant S. Walker
Name: Grant S. Walker
Title: Business Services Manager
Date: 6/13/13

APPROVED AS TO FORM:

County of Monterey
Office of the County Counsel

By: Jesse J. Avila
Name: Jesse J. Avila
Title: Deputy County Counsel
Date: 10/29/2012

COUNTY: COUNTY OF MONTEREY, a political subdivision of the State of California

By: Michael R. Depp
Name: Michael R. Depp
Title: **CONTRACTS/PURCHASING OFFICER**
COUNTY OF MONTEREY
Date: 1-29-13

Reviewed as to fiscal provisions

[Signature]
Auditor-Controller
County of Monterey 1-28-13

EXHIBIT A

Master Lease

[INTENTIONALLY LEFT BLANK]



**Judicial Council of California
Administrative Office of the Courts
Office of Court Construction and Management
455 Golden Gate Avenue, San Francisco, CA 94102-3688**

FIRST AMENDMENT TO LEASE AGREEMENT

This First Amendment to Lease Agreement (First Amendment) is made and entered into on the 03 day of May, 2011, by and between Courthouse Square, a General Partnership, and the Judicial Council of California, Administrative Office of the Courts, for the benefit of the Superior Court of California, County of Monterey, collectively referred to in this First Amendment as the "Parties":

RECITALS

- A. Courthouse Square, a General Partnership (Lessor), and the Judicial Council of California, Administrative Office of the Courts (Lessee) previously entered into a Lease Agreement dated December 1, 2010 (Lease Agreement), pursuant to which Lessee leased a portion of the building located at 118 West Gabilan Street, Salinas, CA 93901. A copy of the Lease Agreement is attached hereto as Exhibit "A."
- B. The Parties now desire to amend the Lease Agreement to extend the term of the Lease Agreement, add an additional option to extend the Lease Agreement in the future, and increase the rent amount.

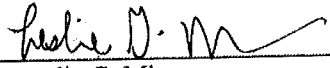
NOW, THEREFORE, for good and valuable consideration, the Parties agree as follows:

AGREEMENT

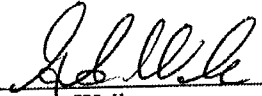
- 1. Paragraph Five of the Lease (Term), is hereby amended to extend the term of Lessee's tenancy for a period of eight (8) months to and including January 31, 2012.

2. Paragraph Five of the Lease (Term) is further amended to provide that Lessee shall have an option to further extend the term of the Lease for a one (1) year period from February 1, 2012, through January 31, 2013.
3. Paragraph Six of the Lease (Rent), is hereby amended to provide that commencing on June 1, 2011, Lessee shall pay to Lessor in arrears on the last day of each month, the sum of Six Thousand Eight Hundred Dollars (\$6,800.00).
4. This First Amendment shall not diminish, modify, or otherwise affect any other duty or obligations of the Parties with respect to the Lease, and except as modified by the terms of this amendment, all rights, duties, and obligations of the Parties shall remain in full force and effect as provided for in the Lease.


APPROVED AS TO FORM:
Administrative Office of the Courts,
Office of the General Counsel

By: 
Name: Leslie G. Miessner
Title: Supervising Attorney
Date: 5/16/11

JUDICIAL COUNCIL OF CALIFORNIA,
ADMINISTRATIVE OFFICE OF THE
COURTS

By: 
Name: Grant Walker
Title: Senior Manager, Business Services
Date: 5/18/11

LESSOR:

By: 
Name: Dennis P. Howell
Title: Partner
Date: 5/23/11



**Judicial Council of California
Administrative Office of the Courts
Office of Court Construction and Management
455 Golden Gate Avenue, San Francisco, CA 94102-3688**

LEASE AGREEMENT

- 1. Parties.** This Lease ("Lease") dated December 1, 2010, is made by and between the Judicial Council of California, Administrative Office of the Courts, (the "Lessee") and Courthouse Square, a General Partnership (the "Lessor"), for the benefit of the Superior Court of California, County of Monterey ("Court"). Lessee and Lessor will hereinafter be collectively referred to as the "Parties" or individually as a "Party".
- 2. Property.** Lessor is the record owner of that certain parcel of real property located in the State of California, County of Monterey, City of Salinas (the "Property"), and the building located on it (the "Building") with a street address of 118 West Gabilan Street, Salinas, CA 93901.
- 3. Lease of Premises.** Lessor hereby leases to Lessee, and Lessee leases from Lessor, that portion of the Building generally described as follows: approximately 5,781 square feet of space as shown on the floor plan attached hereto as Exhibit "A" and incorporated herein, together with all improvements therein or to be provided by Lessor under the terms of this Lease ("Premises").
- 4. Common Area.** Lessee will also have non-exclusive rights to use all areas and facilities outside the Premises and within the exterior boundary line of the Property that are for the general non-exclusive use of Lessor, Lessee, and other tenants of the Property including parking areas, loading and unloading zones, trash areas, roadways, walkways, driveways, and landscaped areas (the "Common Area").
- 5. Term.** This Lease will be effective upon the date of its execution, but its term (the "Initial Term") will commence on December 1, 2010 ("Commencement Date") and end on May 31, 2011 ("Expiration Date") subject to early termination, early occupancy or options to extend. Lessee will have the right to extend its tenancy beyond the Initial Term for one (1) additional successive optional renewal terms of one (1) year on the same terms, covenants and conditions (except as to Section 6, Rent) as are contained in this Lease ("Renewal Term"). Lessee will exercise each option, if at all, by giving written notice to Lessor not less than thirty (30) days prior to the expiration of the then current term.

6. **Rent.** Lessee will pay to Lessor in arrears on the last day of each month, beginning on the last day of the first full month following the Commencement Date (the "First Rent Payment Date") the sum of Six Thousand Five Hundred Dollars (\$6,500.00). Rent for any partial month will be prorated based on the actual number of days of the month.

7. **Use.** The Premises will be primarily used by the Court for additional courtroom, judge's chambers, storage and administrative space, or any other legal use which is reasonably comparable thereto.

8. **Alterations.** Lessee will not make or allow any alterations, installations, additions, or improvements in or to the Premises (collectively, "Alterations") other than non-structural alterations within the Premises which do not adversely affect any of the Building's systems without Lessor's prior consent, which will not be unreasonably withheld, conditioned or delayed.

9. **Intentionally Omitted.**

10. **Utilities.** Lessee will provide, or cause to be provided, and pay for all utility services, including, but not limited to, water, natural gas, electrical, refuse collection and sewer service, as may be required in the maintenance, operation and use of the Premises.

11. **Repairs and Maintenance.** Lessor will, at Lessor's sole expense, repair and maintain in good order and condition (reasonable wear and tear excepted) the structural portions of the Building, the Common Area and all Building systems and equipment, and the non-structural portions of the Premises including all Alterations and fixtures pursuant to Exhibit B.

12. **Compliance with Laws.** Lessor warrants and represents that the Premises, the improvements in the Premises and the Property comply with all applicable Federal, State and local laws, regulations, ordinances, codes and orders including the Americans with Disabilities Act and similar State and local laws addressing accessibility by individuals with disabilities, regardless of the use to which Lessee will put the Premises.

13. **Real Property Taxes.** Lessor will, during the Initial Term and any Renewal Term, make payment of all real property taxes and general and special assessments levied against the Property and the Premises which it has the duty to pay within the time allowed by the taxing authorities in order to avoid penalty.

14. **Hazardous Substances.** Lessee agrees that it will not use, generate, store or dispose of any Hazardous Material (defined herein) on, under, about or within the Property in violation of any law or regulation, except that Lessee may use small quantities of common chemicals customarily used in an office. Lessor represents, warrants and agrees that (a) neither Lessor nor, to Lessor's knowledge, any third party has

used, generated, stored or disposed of, or permitted the use, generation, storage or disposal of, any Hazardous Material on, under, about or within the Property in violation of any law or regulation, and (b) Lessor will not, and will not permit any third party to use, generate, store or dispose of any Hazardous Material on, under, about or within the Property in violation of any law or regulation. As used in this Section, "Hazardous Material" will mean petroleum or any petroleum product, asbestos, any substance known by the State of California to cause cancer and/or reproductive toxicity, and/or any substance, chemical or waste that is identified as hazardous, toxic or dangerous in any applicable federal, state or local law or regulation.

15. Indemnification. Lessor and Lessee each agree to indemnify, defend and hold the other harmless from and against any and all liability, penalties, losses, damages, costs, expenses, causes of action, claims, or judgments (including reasonable attorneys' fees and costs) which arise out of the ownership, use or occupancy of the Premises, as the case may be, or misrepresentations in this Lease by the indemnifying party. This indemnity does not apply to any claims arising from the negligence or intentional misconduct of the indemnified party. The indemnity obligations under this paragraph will survive termination of this Lease.

16. Insurance.

16.1. Lessor Insurance. Lessor agrees at all times during the term and during any extension thereof, to purchase and keep in force the following policy(ies) of insurance:

(a) Property (Physical Damage) insurance covering loss or damage to the Property by reason of fire (extended coverage), flood, and those perils included within the classification of all risks insurance in an amount equal to the full replacement value of the Building;

(b) Commercial general liability insurance covering premises liability, blanket contractual liability, including Lessor's indemnity under this Lease with a minimum limit \$2,000,000 per occurrence with a \$4,000,000 aggregate; and

(c) Such other coverages as required by law, as Lessor deems customary and necessary for the Property, Building and Common Areas, or as may be required by Lessor's lender having a first lien on the Property, if applicable.

Each of these policies will name the Judicial Council of California; Administrative Office of the Courts; and the Superior Court of California, County of Monterey and their respective officers, agents, and employees as Additional Insureds with the same coverage as the principal insured.

16.2. Lessee Insurance. Lessor acknowledges and accepts that Lessee does not maintain commercial insurance coverage for property, general liability or motor vehicle claims, but instead self-insures.

17. Damage and Destruction. If the Premises are, in whole or in part, damaged or destroyed then: (a) if wholly damaged or destroyed so that all of the Premises are rendered unusable for the purpose intended herein then upon either party's election and notice to the other party, which notice must be delivered within thirty (30) days of such damage or destruction, this Lease shall then terminate and Lessee shall be liable for the rent only up to the time of such destruction; but (b) if only partially damaged or destroyed and still usable for the purpose intended herein (or if neither party shall elect to terminate this Lease pursuant to (a) above), Lessor shall, within a reasonable time, repair the Premises with a proportional abatement of rent from the time of such destruction until the Premises are again as fully usable by Lessee as they were before such damage or destruction. If partially damaged or destroyed within three (3) months prior to the expiration of the Initial Term or any Renewal Term, then Lessor or Lessee may elect to terminate this Lease and Lessee shall be liable for rent only up to the time of such damage or destruction. A decision as to whether destroyed Premises are still usable for the purpose intended shall be reasonably made jointly by the parties and, if they cannot agree, by a mediator reasonably acceptable to both parties. The Parties waive the provisions of California Civil Code sections 1932(2) and 1933(4).

18. Eminent Domain. If all or any portion of the Premises are condemned or are transferred in lieu of condemnation, Lessor or Lessee may, upon written notice given within sixty (60) days after the taking or transfer, terminate this Lease. Lessor shall be entitled to all compensation that may be paid in connection with the taking except for any portion specifically awarded to Lessee for moving expenses, fixtures, or equipment.

19. Default and Remedies.

19.1. Default. After expiration of the applicable grace period, each of the following will constitute an event of default under this Lease:

(a) Lessee's failure to pay any amount in full when it is due under the Lease following fifteen (15) days written notice from Lessor to Lessee, provided, however, if Lessee is unable to pay any rent because of the State of California's failure to timely approve and adopt a State budget, no breach or event of default will be deemed to have occurred provided Lessee promptly pays any previously due and unpaid rent upon approval and adoption of the State budget.

(b) Lessee's failure to observe or perform any other provision of this Lease, or the breach of any of Lessee's representation or warranty hereunder, if such failure or breach continues for thirty (30) days after written notice from Lessor of the failure or breach specifying in reasonably sufficient detail the nature of the failure or

breach; but if the default is such that it is capable of being cured, but cannot be completely cured within the thirty (30) day period, Lessee will not have defaulted if Lessee begins to cure within the thirty (30) day period and diligently performs the cure to completion.

(c) Lessor's failure to comply with any term, condition or covenant of this Lease will constitute an event of default by Lessor under the Lease if the failure continues for thirty (30) days after the giving of written notice thereof by Lessee to Lessor. If the required performance cannot be completed within thirty (30) days, Lessor's failure to perform will constitute an event of default under the Lease unless Lessor undertakes to cure the failure within thirty (30) days and diligently performs the cure to completion.

19.2. Lessor's Remedies. Upon the occurrence of an event of default by Lessee, Lessor, in addition to any other rights or remedies available to Lessor at law or in equity, will have the right to terminate this Lease by giving Lessee written notice thereof and to recover from Lessee the aggregate sum of (a) the worth at the time of award of any unpaid rent which had been earned at the time of such termination, (b) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss Lessee proves could have been reasonably avoided, and (c) any other amount necessary to compensate Lessor for all the detriment proximately caused by Lessee's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom. Under no circumstances shall the rent be accelerated such that any rent that falls due in future rental periods becomes immediately due and payable. The "worth at the time of award" is computed by allowing interest at the rate of ten percent (10%) per annum.

19.3. Lessee's Remedies. Upon the occurrence of an event of default by Lessor, Lessee, in addition to any other rights or remedies available to Lessee at law or in equity, will have the right to elect to terminate the Lease, or to cure any default by Lessor following the thirty (30) day notice and cure period and to deduct the cost of such cure from rent due hereunder upon presentation of an accounting of such costs to Lessor.

20. Quiet Enjoyment. Lessor represents and warrants that Lessor has legal right to possession of the Premises and the power and the right to enter into this Lease and that Lessee, upon the faithful performance of all of the terms, conditions and obligations of Lessee contained in this Lease, will peaceably and quietly hold and enjoy the Premises upon the terms, covenants and conditions set forth in this Lease throughout the term of this Lease and any extensions thereof.

21. Surrender. Lessee will, after the last day of the term of any extension thereof or upon any earlier termination of such term, surrender and yield up to Lessor the Premises

in good order, condition and state of repair, reasonable wear and tear and damage by fire or other casualty excepted.

22. Authority. If Lessor is a corporation, general or limited partnership or individual owner, each individual executing this Lease on behalf of said corporation, partnership or individual represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of said corporation, in accordance with bylaws of said corporation, or as a partner or individual is authorized to execute this Lease and that this Lease is binding upon said corporation and/or partnership or individual.

23. Holding Over. Any holding over by Lessee after the expiration of the Initial Term (if not extended) or the last Renewal Term exercised will be deemed a month-to-month tenancy upon the same terms and conditions as set forth in this Lease.

24. Notices. Every notice required by this Lease shall be delivered either by (i) personal delivery (including delivery by an overnight courier service which obtains confirmation of receipt) or (ii) postage prepaid return receipt requested certified mail addressed to the Party for whom intended at the addresses given below. A Party may change its address by written notice to the other Party.

In addition, all notices relating to termination of the Lease or an alleged breach or default by Lessee must also be sent to:

If to Lessor: Courthouse Square
240 Westgate Drive
Watsonville, CA
Telephone: 831-722-2444
Fax: 831-722-6153

If to Lessee: Administrative Office of the Courts
Office of Court Construction and Management
Attn: Portfolio Administration Analyst
455 Golden Gate Avenue
San Francisco, CA 94102-3688
Telephone: 415-865-5334

With a copy to: Administrative Office of the Courts
Office of Court Construction and Management
Attn: Eunice Calvert-Banks
Manager, Real Estate
455 Golden Gate Avenue
San Francisco, CA 94102-3688
Telephone: 415-865-3688

Administrative Office of the Courts
Office of Court Construction and Management
Attn: Senior Manager, Business Services
455 Golden Gate Avenue
San Francisco, CA 94102-3688
Telephone: 415-865-4090
Fax: 415-865-4326

All notices and correspondence to Lessee must reference the address of the Premises and the name of the entity occupying the Premises.

25. DOJ and DMV Requirements. Notwithstanding anything in this Lease to the contrary, Lessor must comply with background check and clearance requirements set forth in the policies, procedures, practices, as revised, of the California Department of Justice ("DOJ") and the California Department of Motor Vehicles ("DMV") with respect to any employee or representative of Lessor or Lessor's vendors who may have physical access to any area in the Premises which is either connected to, or contains records from, the any DOJ criminal computer database, including, without limitation, the California Law Enforcement Telecommunications System (CLETS) and the Criminal Offender Record Information (CORI), or the DMV computer database (collectively the "Databases"). Lessor will coordinate with the Court regarding any necessary background checks and clearances which may be required by the DOJ or the DMV, and if necessary, the Court will conduct the background checks and notify Lessor if the employee is approved to have access to areas in the Premises which are either connected to, or contain records from, the Databases, or with the Court's written consent, Lessor may conduct any necessary background checks in lieu of the Court, and provide to the Court, if requested by the Court, suitable documentation evidencing Lessor's completion of any necessary background checks.

26. Miscellaneous.

26.1. Waivers; Amendments. Any waiver of any right under this Lease must be in writing and signed by the waiving party. This Lease may be modified only in writing and only if signed by the parties at the time of the modification.

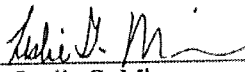
26.2. **Binding on Successors.** The terms and conditions herein contained will apply to and bind the heirs, successors in interest, executors, administrators, representatives and assigns of all the Parties hereto.

26.3. **Entire Lease; Severability.** This Lease is the entire understanding between the parties relating to the subjects it covers. Any agreement or representations respecting the Premises or their leasing by Lessor to Lessee not expressly set forth in this instrument are void. The invalidity of any provision in this Lease as determined by a court of competent jurisdiction will in no way affect the validity of any other provision hereof.


26.4. **Governing Law.** This Lease will be governed and construed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the parties hereto have executed this Lease at the place and/or the dates specified below their respective signature.

APPROVED AS TO FORM:
Administrative Office of the Courts,
Office of the General Counsel

By: 
Name: Leslie G. Miessner
Title: Supervising Attorney
Date: 12/6/10

**JUDICIAL COUNCIL OF CALIFORNIA,
ADMINISTRATIVE OFFICE OF THE
COURTS**

By: 
Name: Grant Walker
Title: Senior Manager, Business Services
Date: 12/19/10

LESSOR:

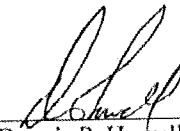
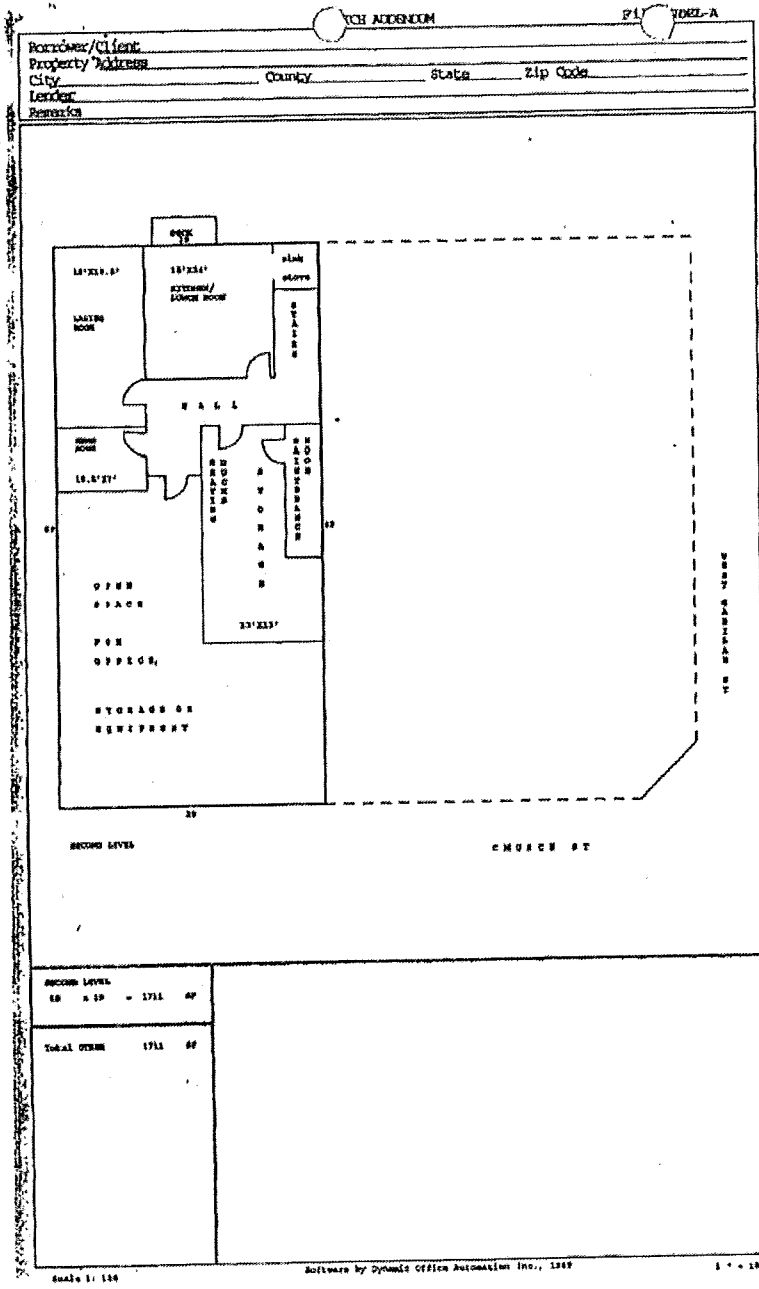
By: 
Name: Dennis P. Howell
Title: Partner
Date: 12/20/10

EXHIBIT "A"

Premises
(See attached)

A-1

A-12



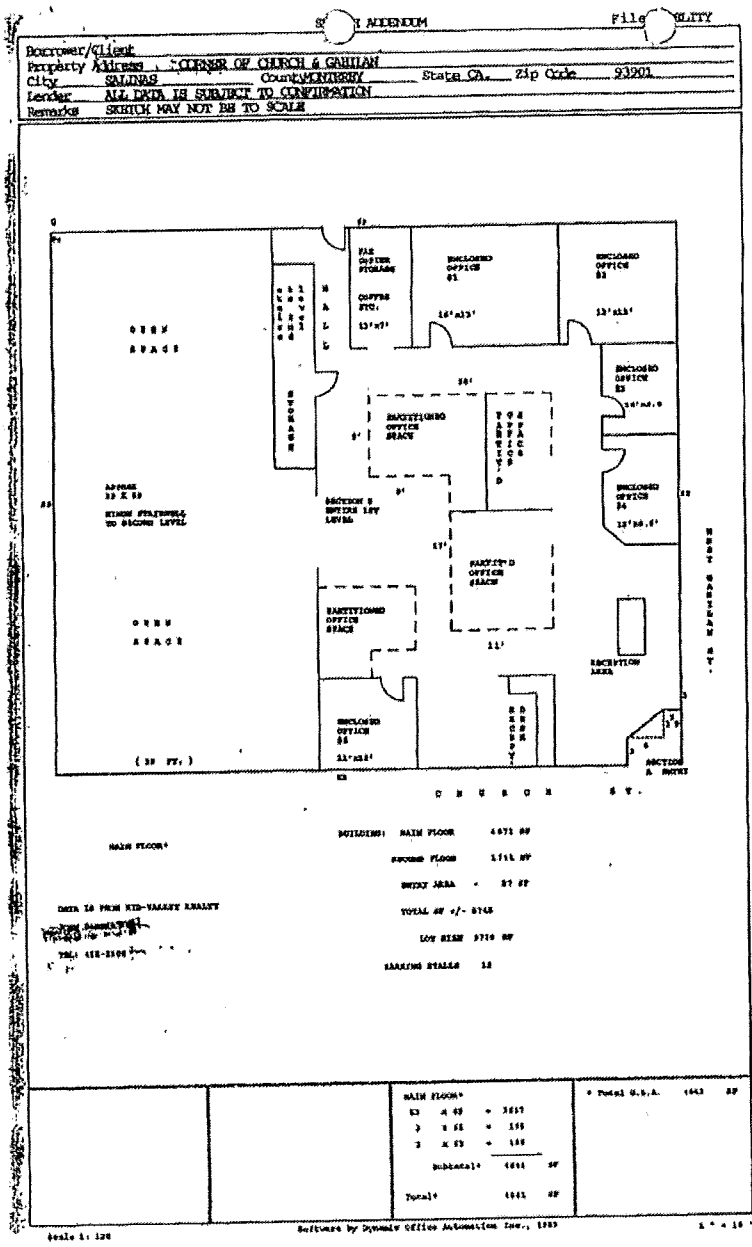


Exhibit B
(see attached)

B-1

A-15

EXHIBIT B

SUMMARY OF SERVICES AND UTILITIES

The following is a summary of service and utility responsibilities of LESSOR and LESSEE:

	N/A	Lessor	Lessee	Frequency
Paper supplies, dispensers and waste containers (Premises & rest rooms)			X	
Light bulbs & fluorescent light tubes & starters			X	
Ballasts & transformers for fluorescent lights, light switches and electrical outlets		X		
Heating & air conditioning control switches		X		
Janitorial service for interior of premises (dust, waste removal, vacuum, mop, cleaning)			X	
Janitorial service for exterior of premises and common areas		X		
Carpet			X	
Gas			X	
Electric			X	
Water			X	
Window washing – interior			X	
Landscaping and gardening		X		
Drapes, blinds, window shades			X	
Kitchen appliances		X		
Refuse, rubbish and garbage disposal			X	
Pest control – not a result of lessees conduct		X		

EXHIBIT B

Letter Agreement

MONTEREY COUNTY

RESOURCE MANAGEMENT AGENCY, Wayne K. Tanda, P.E., Director

168 W. Alisal St., 2nd Floor
Salinas, CA 93901



(831) 755-4879
Fax: (831) 757-5877

October 18, 2010

Grant Walker
Senior Manager, Business Services
Administrative Offices of the Courts
455 Golden Gate Avenue, 8th Floor
San Francisco, CA 94102-3688

Dear Mr. Walker:

The purpose of this letter is to propose a temporary agreement between the Administrative Office of the Courts (hereinafter "AOC") and the County of Monterey for the premises located at 118 West Gabilan Street, Salinas to address immediate needs of the local court.

The County of Monterey (hereinafter "County") leases property from Courthouse Square, a General Partnership (hereinafter "Owner"), at 118 West Gabilan Street, Salinas, California for use by the local courts to operate an additional court room facility. The premises are 5,781 square feet. The lease is currently in holdover status on a month-to-month tenancy, and the current monthly rent amount is \$8,253.85, plus utilities. Notice to terminate this lease has been given effective October 15, 2010; however, based on discussions with the AOC and the local court on October 5th, the County of Monterey rescinded its termination of the lease to allow the Court to continue its operations there for a period of time, pending successful negotiations with the owner. The AOC has notified the County of its intention to negotiate a lease directly with the Owner.

The AOC and the local court have identified the need for additional space after the court has consolidated its operations into the North Wing of the Salinas Courthouse on October 12, 2010. This is due to the passage of SB 56, through which Monterey County was allocated an additional judge. As this allocation occurred subsequent to the commencement of the renovations for the North Wing of the Salinas Courthouse, the need for an additional courtroom was not contemplated in the renovation. The County has offered to maintain its lease at the 118 West Gabilan Street premises through November 30, 2010 to allow AOC and the local court to negotiate their own lease with the Owner.

The Owner has been advised of the AOC's intent to directly enter into a lease agreement with the Owner commencing December 1, 2010. The current lease will remain in holdover status in the name of the County in the months of October and November to allow the AOC time to negotiate its own lease to be effective December 1, 2010. The utilities will also remain in the name of the County through November 30, 2010.

October 18, 2010
Page 2 of 2

The County maintains offices at the premises for operations related to the court functions, and the AOC has requested that the County contribute to the monthly rental obligations. Effective November 1, 2010, the County is able and willing to contribute the sum of \$900 per month towards the total lease expense. The AOC would be responsible for the remainder of the monthly expenses.


For the month of October, the County will make the rental payment in the amount of \$8,253.85 and pay the utilities bill. The proposal is for the AOC to reimburse the County on a pro rata basis, that is, to reimburse the County for one half of the lease costs, totaling \$4,126.93, plus one-half of the utilities.

For the month of November, 2010, the County will make the rental payment in the amount of \$6,500 directly to the Owner and pay the utilities bill. The AOC will reimburse the County for the month of November in the amount of \$5,600 (\$6,500 monthly rental amount less the \$900 County contribution), plus utilities. The rental rate of \$6,500 effective November 1 is based on the assumption that the AOC will successfully negotiate a six month lease with the Owner effective December 1, 2010.

Effective December 1, 2010, the County will pay to the AOC the sum of \$900 per month as a subtenant. The details of this arrangement will be reduced to writing in the near future.

Thank you in advance for your anticipated timely response.

Sincerely,


Wayne Tanda
Monterey County Director of Resources Management Agency

By acknowledging this letter, the AOC is committing to pay to the County as follows. For the month of October, the AOC will reimburse the County one half of the rent, as well as one-half of the utilities. For the month of November, 2010, the AOC will reimburse the County the full monthly rent, less the \$900 County contribution, plus utilities. The AOC will immediately commence negotiations with the Owner to enter into a lease effective December 1, 2010.

Date: 10/22/10


Grant Walker, Senior Manager, Business Services

EXHIBIT C

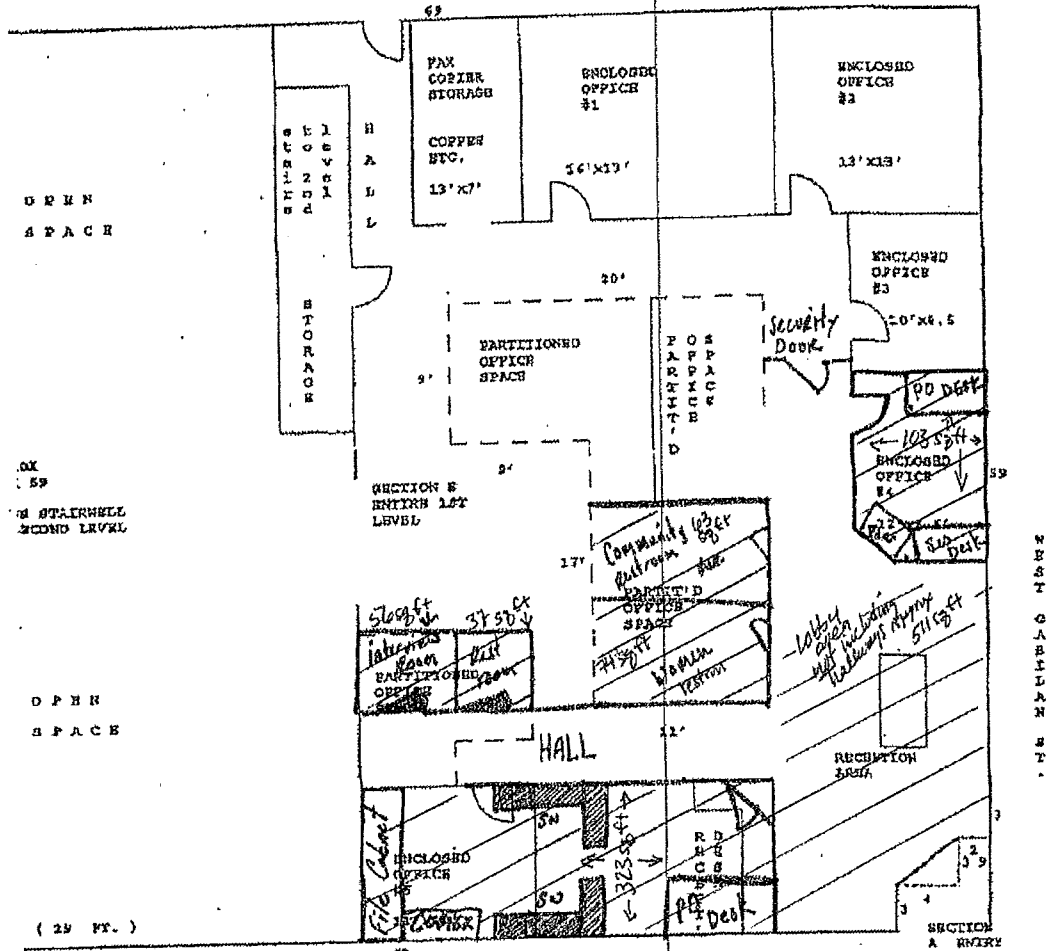
Drawing of Sublease Premises

02/09/00 04:17PM HP LASERJET FAX P.01 File RELIETY

ST H ADDENDUM

ADDRESS: CORNER OF CHURCH & GABRIAN
 LINAS County MONTEREY State CA Zip Code 93901

ALL DATA IS SUBJECT TO CONFIRMATION
 WHICH MAY NOT BE TO SCALE





Monterey County

Board Order

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066

Agreement No.: A-12385

Upon motion of Supervisor Salinas, seconded by Supervisor Potter, and carried by those members present, the Board of Supervisors hereby:

- a. Approved and authorized the Contracts/Purchasing Officer to execute a Sublease Agreement with the Administrative Office of the Courts for the lease period through January 31, 2013, for 1,100 square feet of general office space at 118 West Gabilan Street, Salinas, California, for use by the Health Department Behavioral Health Division and Probation Department;
- b. Ratified the October 18, 2010 "letter agreement" between the Resource Management Agency Director and the Senior Manager of the State of Administrative Office of the Courts, relating to 118 West Gabilan Street, Salinas, California;
- c. Authorized the Auditor-Controller to make lease payments of \$900.00 per month, and in accordance with the terms of the Sublease Agreement; and
- d. Authorized the Auditor-Controller to make within 45 days of lease execution a one-time payment of \$12,317.68 to the Administrative Office of the Courts for the difference in its back rent obligations offset by the Administrative Office of the Courts' share of back rent and utilities in accordance with the terms of the Sublease Agreement.

PASSED AND ADOPTED on this 8th day of January 2013, by the following vote, to wit:

AYES: Supervisors Armenta, Calcagno, Salinas, Potter, and Parker

NOES: None

ABSENT: None

I, Gail T. Borkowski, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 76 for the meeting on January 8, 2013.

Dated: January 9, 2013
File Number: A 12-230

Gail T. Borkowski, Clerk of the Board of Supervisors
County of Monterey, State of California

By *Denise Hancock*
Deputy