

**Before the Board of Supervisors in and for the  
County of Monterey, State of California**

**Agreement No: A-11637**

- a. Approve and authorize the Contracts/Purchasing Officer to )  
execute a two (2) year Standard Lease Agreement, effective )  
January 1, 2010, with LIFE Foundation Monterey, LLC, a )  
California limited liability company, at 1000 South Main )  
Street, Suites 205, 302, and 313 in Salinas, California, for )  
7,955 rentable square feet for use by the Department of Social )  
and Employment Services; )
- b. Direct the Auditor-Controller to make lease payments in the )  
amount of \$13,841.70 per month and in accordance with the )  
terms of the Standard Lease Agreement; and )
- c. Authorize the optional extension of the Standard Lease )  
Agreement for an additional second and third term at two )  
years each under the same terms and conditions if deemed by )  
the Contracts/Purchasing Officer to be in the best interest of )  
the County. )

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

- a. Approved and authorized the Contracts/Purchasing Officer to execute a two (2) year Standard Lease Agreement, effective January 1, 2010, with LIFE Foundation Monterey, LLC, a California limited liability company, at 1000 South Main Street, Suites 205, 302, and 313 in Salinas, California, for 7,955 rentable square feet for use by the Department of Social and Employment Services;
- b. Directed the Auditor-Controller to make lease payments in the amount of \$13,841.70 per month and in accordance with the terms of the Standard Lease Agreement; and
- c. Authorized the optional extension of the Standard Lease Agreement for an additional second and third term at two years each under the same terms and conditions if deemed by the Contracts/Purchasing Officer to be in the best interest of the County.

PASSED AND ADOPTED this 9<sup>th</sup> day of February, 2010, by the following vote, to wit:

AYES: Supervisors Armenta, Salinas, Calcagno, Parker, Potter  
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 75 for the meeting on February 9, 2010.

Dated: February 22, 2010

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

By *Gail T. Borkowski*  
Deputy

**MONTEREY COUNTY BOARD OF SUPERVISORS**

<b>MEETING:</b> February 9, 2010 – Consent	<b>AGENDA NO.:</b>
<b>SUBJECT:</b> a. Approve and authorize the Contracts/Purchasing Officer to execute a two (2) year Standard Lease Agreement, effective January 1, 2010, with LIFE Foundation Monterey, LLC, a California limited liability company, at 1000 South Main Street, Suites 205, 302, and 313 in Salinas, California, for 7,955 rentable square feet for use by the Department of Social and Employment Services;	
b. Direct the Auditor-Controller to make lease payments in the amount of \$13,841.70 per month and in accordance with the terms of the Standard Lease Agreement; and	
c. Authorize the optional extension of the Standard Lease Agreement for an additional second and third term at two years each under the same terms and conditions if deemed by the Contracts/Purchasing Officer to be in the best interest of the County.	
<b>DEPARTMENT:</b> RMA – Public Works	

**RECOMMENDATIONS:**

It is recommended that the Board of Supervisors:

- a. Approve and authorize the Contracts/Purchasing Officer to execute a two (2) year Standard Lease Agreement, effective January 1, 2010, with LIFE Foundation Monterey, LLC, a California limited liability company, at 1000 South Main Street, Suites 205, 302, and 313 in Salinas, California, for 7,955 rentable square feet for use by the Department of Social and Employment Services;
- b. Direct the Auditor-Controller to make lease payments in the amount of \$13,841.70 per month and in accordance with the terms of the Standard Lease Agreement; and
- c. Authorize the optional extension of the Standard Lease Agreement for an additional second and third term at two years each under the same terms and conditions if deemed by the Contracts/Purchasing Officer to be in the best interest of the County.

**SUMMARY/DISCUSSION:**

Approval of this Standard Lease Agreement (Agreement) will provide the Department of Social and Employment Services (DSES) with approximately 7,955 additional rentable square feet at the Quadrangle Building. The lease term commences January 1, 2010, and expires on December 31, 2012. Commencement rent is \$13,841.70 per month. The Agreement provides for two, two-year-extension options under the same terms and conditions and be subject to a 2% to 5% Consumer Price Index annual adjustment. A "Termination by County" clause (without penalty) is incorporated in the Agreement. The identified facility continues to offer convenient proximity and access to a majority of DSES customers.

The need for the additional work space is essential to accommodate the additional 37 staff positions approved by your Board on December 15, 2009. The increased staffing will provide the much needed resource to serve the substantial growth in the number of families applying for Food Stamps and Medi-Cal. Also the legislative changes to the In-Home Supportive Services (IHSS) program present a number of new mandates and activities to prevent improper use of the program requiring not only new staff with office space needs, but a need for a larger space in which to conduct mandated orientations for all current and new providers.

The Department of Public Works found it advantageous for DSES to take on the additional space via a new separate short term lease agreement as opposed to amending the current 20 year DSES Master Lease that the Board approved in June of 2007 due to the expeditious DSES occupancy time schedule. A separate lease provides flexibility to the County for future lease negotiations in regards to the Master Lease including, but not limited to, amending the lease terms to more closely reflect current economic conditions and to provide for desired increases in facility improvements and modifications.

**OTHER AGENCY INVOLVEMENT:**

The Department of Social and Employment Services concurs with the proposed Agreement. County Counsel, Auditor-Controller, and Contracts/Purchasing have reviewed and approved the Agreement as to form, and fiscal provisions respectively.

**FINANCING:**

There is no additional impact to the General Fund. Sufficient funds are available in the FY 2009-10 Department of Social and Employment Services (DSES) SOC005, Unit 8262, Fund 001. The first year leasing cost will amount to \$166,100.40 including property assessments, insurances, maintenance, repair, janitorial, patrolled security, and utility costs. The ongoing occupation of the leased premises and future extensions of the Agreement will be based on the continued availability of funding from DSES. Future extensions of the lease will also be subject to a 2% to 5% Consumer Price Index increase at the end of each year.

Prepared by:

Approved by:

\_\_\_\_\_  
Gordon S. Siebert, P.E. (831)784-5643  
Architectural Service Manager

\_\_\_\_\_  
Yazdan T. Emrani, P.E.  
Director of Public Works

Dated: February 1, 2010

Attachments: Board Order; Standard Lease Agreement (and on file with the Clerk of the Board); Location Map

# COUNTY OF MONTEREY

## STANDARD LEASE AGREEMENT



LEASED PREMISES:	<b>1000 South Main Street, Suites 205, 302, and 313 , Salinas, CA 93901</b>
DEPARTMENT:	<b>Department of Social and Employment Services</b>
LESSOR:	<b>LIFE Foundation Monterey, LLC c/o MCM Diversified 777 North First Street, Suite 600 San Jose, CA 95112</b>

# COUNTY OF MONTEREY STANDARD LEASE AGREEMENT

## PREAMBLE

THIS LEASE ("Lease") is made by and between the LIFE Foundation Monterey, LLC ("LESSOR") and the COUNTY OF MONTEREY, ("LESSEE"), C/O Real Property Specialist, 855 East Laurel Drive, Building C, Salinas, CA, 93905. LESSOR and LESSEE hereby agree as follows:

## ARTICLE 1 - PREMISES

1.1 **Description:** LESSOR hereby leases to LESSEE and LESSEE hereby leases from LESSOR, upon the terms and conditions herein set forth, that certain real property and its appurtenances, situated at 1000 South Main Street, Suites 205, 302, and 313, Salinas, CA 93901 and described as follows: General offices consisting of approximately 7,955 rentable square feet of space, (the "Premises"), as designated in Exhibit A1 (Suites 205 and 302 comprised of approximately 4,750 rentable square feet), Exhibit A2 (Suite 313 comprised of approximately 3,205 rentable square feet), which are attached and incorporated herein. "Rentable square feet" shall be computed by measuring to the inside finish of the permanent outer building walls, to the office side of corridors and/or other permanent partitions, and to the center of partitions that separate the Premises from adjoining rentable space. If the Premises constitutes only a portion of the building or complex, the Premises represents one hundred percent (100%) of the total rentable space.

1.2 **Non-Exclusive and Exclusive Use Areas:** LESSEE shall also have the non-exclusive right to use, in common with other tenants in the building, any and all of the following areas which may be appurtenant to the Premises: Common entrances, lobbies, elevators, stairways and access ways, loading and unloading areas, visitor parking areas, ramps, drives, platforms, restrooms, and common walkways and sidewalks necessary for access to the Premises.

1.3 **Parking Areas:** The parking areas appurtenant to the Premises include 1,381 spaces in the lots adjacent to the Quadrangle Building and Valley Center Shopping Area. LESSOR shall retain the right to assign parking area and number of spaces available for LESSEE'S use.

1.4 **Compliance with the "Americans with Disabilities Act of 1990" (ADA):** LESSOR shall ensure that the Premises and the non-exclusive areas of the building as described in Article 1.2 are in compliance with the Americans with Disabilities Act of 1990 ("ADA"), as amended, and, if necessary, within a reasonable time after the Commencement Date, shall modify the same to comply with the Act and the regulations promulgated to implement the ADA.

1.5 **Compliance with "No Smoking Law" (2003 Assembly Bill 846):** LESSOR shall use its best efforts to ensure that the Premises and the non-exclusive areas of the Building as described in Article 1.2 are in compliance with Government Code Title 1, Division 7, Chapter 32 (commencing with section 7596), as amended, and, if necessary, within a reasonable time after the Commencement Date, shall modify the same to comply with the law and the regulations promulgated to implement 2003 Assembly Bill 846.

1.6 **Statement of Seismic Adequacy:** LESSEE shall provide the statement described in Exhibit B with respect to seismic adequacy clearance.

## ARTICLE 2 - TERM

2.1 **Lease Term:** The term of this Lease (the "Lease Term") shall be two (2) years, commencing on January 1, 2010 ("Lease Commencement Date"), and ending December 31, 2012, with such rights of termination and extension of the Lease Term as are hereinafter set forth.

2.2 Extended Term: LESSEE shall have the option to extend the Lease Term for two (2) additional two (2) year periods on the same terms and conditions. LESSEE shall exercise such option no later than one hundred and twenty (120) days prior to the last day of the Lease Term by written notice to LESSOR of LESSEE'S intent to exercise this option to extend this Lease. **In the event that LESSEE does not notify LESSOR of its intent to vacate the Premises no later than 120 days prior to the last day of the Lease Term in writing, the Lease term shall be extended by two (2) years.**

### ARTICLE 3 – RENT

In consideration of the continuing right of use, quiet enjoyment and possession of the Premises, LESSEE shall pay to LESSOR as monthly rent for the Premises the initial sum of **Thirteen Thousand, Eight Hundred and Forty-One Dollars and 70/100 (\$13,841.70)** payable on or before the first day of each month. LESSEE shall commence rental payments as specified in Article 2.1 ("Rent Commencement Date"). If the Rent Commencement Date is other than the first day of a calendar month, then the rent for that month shall be prorated on a daily basis, based on a thirty (30) day month. Rent shall be payable to LESSOR at the address specified in Article 6 or at such other address as LESSOR may from time to time designate in writing. In addition, LESSEE shall contract and pay directly to its vendors for its responsibilities as outlined in Exhibits D and E. *[Initial monthly rent is computed as follows: \$1.74 per square foot per month]*

### ARTICLE 4 – COST OF LIVING ADJUSTMENT

At the end of each one-year period of the Lease Term or any one-year period of any Extended Term, the monthly rent shall be adjusted to reflect any increase in the Cost of Living Index. The increase shall be calculated on the basis of the U.S. Department of Labor Consumer Price Indexes, all urban consumers for the San Francisco-Oakland-San Jose area. The monthly base rent shall be increased at the end of each year by the percentage increase in said index in the twelve (12) calendar month period preceding such adjustment, based on the most recent publication of the index prior to the adjustment date, provided that the maximum increase on any anniversary date is not to exceed five percent (5%), and the minimum increase is not to be less than two percent (2%).

### ARTICLE 5 - TERMINATION BY COUNTY

Notwithstanding any other provisions of this Lease, LESSEE, at its sole option, may terminate this Lease upon one hundred twenty (120) 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. 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 County of Monterey. 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.

### ARTICLE 6 - NOTICES

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

To LESSOR: LIFE Foundation Monterey, LLC  
c/o MCM Diversified  
777 North First Street, Suite 600  
San Jose, CA 95112

To LESSEE: County of Monterey  
Department of Public Works  
C/O Real Property Specialist  
855 East Laurel Drive, Building C  
Salinas, CA 93905

Rent payments shall be made to (need not be sent certified): LIFE Foundation Monterey, LLC **File 1364**  
810 West Olympic  
Boulevard, Pasadena, CA 91199-1364.

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

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

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

#### **ARTICLE 7 - PREMISE IMPROVEMENTS**

7.1 **Premise Improvements:** [INTENTIONALLY LEFT BLANK]

7.2 **Cost of Premise Improvements:** [INTENTIONALLY LEFT BLANK]

7.3 **Future Premise Improvements:** LESSEE and LESSOR shall agree upon the actual dollar amount and specifications of future improvements needed to be done to the Premise, on behalf of LESSEE by LESSOR, prior to commencement. LESSOR and LESSEE acknowledge that the responsibility of said improvement costs will be subject to negotiation between both parties.

7.4 **Premise Improvement Warranties:** LESSOR warrants to LESSEE that all materials and equipment furnished by LESSOR in its improvement of the Premises shall be new unless otherwise specified in the Premise Improvement Agreement or other written agreement by LESSOR and LESSEE, and that all of LESSOR'S work to be performed under the Premise Improvement Agreement shall be of good and workmanlike quality, free from faults and defects, and in accordance with the final requirements of the Premise Improvement Agreement. Any of LESSOR'S work not conforming to the above standards shall be considered defective.

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

#### **ARTICLE 8 - NOTICE OF COMPLETION**

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

### **ARTICLE 9 - PUBLIC WORKS LAWS**

Under Section 1720.2 of the California Labor Code, any construction contract to improve the space to be leased by the County of Monterey for government services may be considered a 'public work' if certain conditions are met. If applicable, LESSOR shall comply with provisions of law governing public works including, without limitation, Labor Code sections 1773, 1773.2, 1773.3, 1773.8, 1775 (payment of prevailing wages), 1776 (payroll records), and 1777.5 (employment of apprentices), all as periodically amended.

### **ARTICLE 10 - PRIOR TENANCY**

It shall be LESSOR'S responsibility to remove any prior Lessee (non-County of Monterey entity) in the Premises.

### **ARTICLE 11 - USE**

11.1 **Use:** LESSEE shall use the Premises for general office space purposes and for no other purpose without first having obtained LESSOR'S advanced written consent.

11.2 **Compliance with Laws:** LESSOR represents and warrants to LESSEE that, to the best of LESSOR'S knowledge, the construction (including all LESSOR-constructed Premise Improvements), the current and proposed uses, and the operation of the Premises and the non-exclusive areas of the building as described in Article 1.2 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 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 demised premises prior to LESSEE'S occupancy of the demised premises or which result from LESSOR'S acts or omissions or which occur on any portion of LESSOR'S property not occupied by LESSEE, unless caused by LESSEE, its agents, employees, invitees or guests. LESSOR warrants, to the best of LESSOR'S actual knowledge, that at the time of execution of this Lease there are no known areas on LESSOR'S property where hazardous or toxic materials or substances (including asbestos or PCBs) have been used, stored, or deposited. LESSOR will comply with all applicable laws concerning the handling and removal of any hazardous materials, including asbestos or PCB containing materials.

11.4 **Environmental Hazards:** LESSOR hereby warrants and guarantees that the Premises and the non-exclusive areas of the Building as described in Article 1.2 will be maintained in compliance with all applicable environmental laws and regulations and agrees to survey, test, and abate as applicable and in accordance with Environmental Protection Agency, "EPA" guidelines. In the event that asbestos, lead, toxic mold spores or PCBs are found in the Premises, such materials will be remediated forthwith. A qualified industrial hygienist approved by LESSOR and LESSEE shall perform all testing with the test results/reports forwarded to LESSOR and LESSEE upon completion. LESSOR further agrees to contract with a qualified remedial contractor to provide remedial services as specified in Exhibit H on an as needed basis. LESSOR specifically agrees that any costs related to abatement of Environmental Hazards shall be the LESSOR'S responsibility unless caused by LESSEE, its agents, employees, invitees or guests.

11.5 **Acceptance of Premises:** By entry hereunder, LESSEE accepts the Premises as being in good and sanitary order, condition and repair.



## **ARTICLE 12 - SIGNS AND FIXTURES**

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

## **ARTICLE 13 - SERVICES AND UTILITIES**

Services and utilities shall be furnished and the cost borne as outlined in Exhibit D. In the event of failure by LESSOR to furnish, in a satisfactory manner, any of the services and utilities to the Premises and the non-exclusive areas of the Building as described in Article 1.2 for which LESSOR is responsible, LESSEE may furnish the same if LESSOR has not undertaken to correct such failure within **five (5) days** after written notice, and, in addition to any other remedy LESSEE may have, may deduct the amount thereof, including LESSEE'S service costs, from rent or other remuneration due LESSOR hereunder. Such LESSEE'S right to furnish the same will take in consideration situations beyond the LESSOR'S control in which event a reasonable amount of time given the circumstances will be permitted for the provision or correction of service after written notice by LESSEE. As stated in Exhibit D, the term "adequate" shall mean sufficient enough to not impair the professional working environment, health or safety 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 so as to not impair the professional working environment, health or safety of the occupants and or invitees of the Premises. The services and utilities to be furnished by LESSOR in Exhibit D shall be for normal office use associated with LESSEE'S use of the Premises. The term "normal office use" shall mean activities that are typically found in office buildings in the area by users who conduct administrative, professional and office functions that are consistent with the zoning for which the Building is located. Normal office hours for the Building shall be **6:00 am to 6:00 pm**, Monday through Friday, excluding recognized County Holidays. In the event that LESSEE should require additional services and utilities after-hours, other than as stated above, LESSEE shall pay LESSOR for the cost of such additional services or utilities needed within **thirty (30) days** of invoice by LESSOR. LESSOR and LESSEE acknowledge that HVAC units for the Building will not be in operation after normal office hours unless mutually agreed to in writing.

## **ARTICLE 14 - REPAIR AND MAINTENANCE**

14.1 **LESSOR and LESSEE Obligations:** The respective repair and maintenance responsibilities of LESSOR and LESSEE are set forth in Exhibit E, Summary of Repair and Maintenance Responsibilities, which by this reference is incorporated herein. 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 so as to not impair the professional working environment, health or safety 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 required as a direct result of negligent acts or omissions of LESSEE, its agents, employees, or invitees.

14.3 **Failure of LESSOR to Make Repairs:** If LESSOR fails to maintain the Premises and the non-exclusive areas of the Building as described in Article 1.2 or to make the repairs required in this article in a satisfactory manner within a reasonable time, but in no event later than **five (5) days** after written notification from LESSEE, LESSEE may perform such maintenance or make such repairs at its expense and deduct the reasonable cost thereof from the rent due hereunder. LESSEE'S right to such performance will take in consideration situations beyond the LESSOR'S control in which event a reasonable amount of time given the circumstances will be permitted for performance or repairs after written notice by LESSEE.

LESSOR agrees to perform all emergency repairs involving the Premises and the non-exclusive areas of the building as described in Article 1.2 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 I to perform emergency repair to protect health and safety of persons or public property or to save the building's integrity.

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

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

#### **ARTICLE 15 - SERVICE AND REPAIR COMPANIES**

Within ten (10) days after occupancy of the Premises by LESSEE, LESSOR shall give LESSEE a list (see Exhibit I) of the names, addresses and telephone numbers of agencies or persons convenient to LESSEE as local sources of services 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.

#### **ARTICLE 16 - ALTERATIONS, MECHANICS' LIENS**

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

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

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

#### **ARTICLE 17 - ASSIGNMENT AND SUBLETTING**

LESSEE shall not assign or sublet all or any portion of the Premises without the prior written consent of LESSOR, which consent shall not be unreasonably withheld. Subletting shall be subject to use or uses stated in Article 11.

#### **ARTICLE 18 - ENTRY BY LESSOR**

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

### **ARTICLE 19 - INSURANCE AND INDEMNIFICATION**

LESSEE, during the term hereof, 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 demised Premises and arising out of the use of the demised Premises and the non-exclusive areas of the building as described in Article 1.2 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 terms hereof, shall indemnify, defend and save harmless the LESSEE from and against any and all claims and demands whether for injuries to persons or loss of life, or damage to property, arising out of acts or omissions of the LESSOR.

LESSOR agrees that it will keep insured against loss or damage by fire, to at least eighty percent (80%) of the full fair insurable value thereof, the building on the demised Premises or of which the demised premises are a part.

### **ARTICLE 20 - WAIVERS OF SUBROGATION**

In the event the damages exceed the amount of available property insurance, LESSOR and LESSEE each hereby waive any right of recovery against the other due to loss of or damage to the property of either LESSOR or LESSEE when such loss of or damage to property arises out of the acts of God or any of the property perils whether or not such perils have been insured, self-insured or non-insured.

### **ARTICLE 21 - DESTRUCTION**

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

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

If such casualty shall render more than ten percent (10%) of such floor space unusable but not constitute total destruction, LESSOR shall forthwith give notice to LESSEE of the specific number of days required to repair the same. If LESSOR under such circumstances shall not give such notice within fifteen (15) calendar days after such destruction, or if such notice shall specify that such repairs will require more than one hundred fifty (150) 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%), LESSOR shall have the option to terminate this Lease.

If LESSEE remains in possession of the Premises though partially destroyed, the rent for said Premises as herein provided, during restoration, shall be reduced by the same ratio as the usable square feet LESSEE is thus precluded from occupying, bears to the total usable square feet in the Premises. "Usable square feet" shall mean actual inside dimensions and shall not include public corridors, stairwells, elevators, and rest rooms.

## **ARTICLE 22 - DEFAULT BY LESSEE**

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

- a. A default in the payment of rent when such default continues for a period of thirty (30) days after written notice, or
- b. LESSEE fails to faithfully perform or observe any other covenant or undertaking required under this Lease and such failure continues for a period of thirty (30) days after written notice thereof, or
- c. LESSEE is adjudicated bankrupt, or
- d. LESSEE'S lease interest is sold under execution of judgment.

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

## **ARTICLE 23 - DEFAULT BY LESSOR**

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

23.2 **Remedies:** If LESSOR fails to cure a prospective default within the time periods outlined above, LESSEE shall have the option to cure the default or to terminate this Lease, in addition to any other remedies at law not inconsistent herewith. Should LESSEE elect to cure the default itself, all costs associated with such cure, including reasonable attorneys' fees (if any), shall be reimbursed by LESSOR to LESSEE within thirty (30) days of receipt of LESSEE'S invoice for said costs. However, upon LESSOR'S failure to so reimburse or, at LESSEE'S option, said costs shall be held from rent due hereunder. If LESSOR'S default hereunder prevents LESSEE'S use of the Premises, there shall be an abatement of rental payments for the period of such non-use.

## **ARTICLE 24 - CONDEMNATION**

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

## **ARTICLE 25 - HOLDING OVER**

Subject to Article 2.2 which shall control, if LESSEE, with LESSOR'S written consent, remains in possession of the Premises after the Lease Term or any Extended Term, this Lease shall automatically be extended on a two month-to-two month basis at the monthly rent applicable to the last month of the Lease Term or Extended Term, subject to termination upon sixty (60) days' written notice by either party. All other terms and conditions shall remain in full force and effect.

#### **ARTICLE 26 - WAIVER**

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

#### **ARTICLE 27 - QUIET POSSESSION**

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

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

#### **ARTICLE 29 - ESTOPPEL CERTIFICATE**

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

#### **ARTICLE 30 - MISCELLANEOUS PROVISIONS**

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

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

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

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

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

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

31.7 Payments: Payments due hereunder from LESSOR to LESSEE or from LESSEE to LESSOR shall be made when due. Unless beyond the reasonable control of either party, any payments that are not made within thirty (30) days of when due shall bear interest on the outstanding principal amount thereof, for each day, at a rate per annum equal to the Prime Rate (the rate of interest publicly announced by The Bank of New York as its prime rate or prime lending rate) plus 2% from the initial due date for such payments.

30.8 Confidentiality of Lessee's Services/Clients/Records: 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, and 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.

#### ARTICLE 31 - MAJOR APPLIANCES

Installation of major appliances such as vending machines, refrigerators, stoves, etc., must be approved by LESSOR prior to installation. The LESSOR will grant installation approval for new appliances only. Such approval shall not be unreasonably withheld. No vending machines shall be placed around the exterior of the building.

#### ARTICLE 32 - EXPENSE STOP

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LESSEE: (County of Monterey)

By: \_\_\_\_\_

Title: Contracts/Purchasing Officer

Date: 3-2-10

APPROVED AS TO FORM: (County Counsel)

By: \_\_\_\_\_

Title: Deputy Assistant County Counsel

Date: 1-26-10

LESSOR: (LIFE Foundation Monterey, LLC)

By: \_\_\_\_\_

Title: Executive Director

Date: 1/22/10

**EXHIBIT A1**

**DESCRIPTION OF PREMISES**

**1000 South Main Street, Suites 205 and 302, Salinas, CA**

**EXHIBIT A2**

**DESCRIPTION OF PREMISES**

**1000 South Main Street, Suite 313, Salinas, CA**



## EXHIBIT B

### STATEMENT OF SEISMIC ADEQUACY

Statement of seismic adequacy provided in the DSES 2007 Master Lease to be attached as Exhibit B.

**EXHIBIT C**

**PREMISE IMPROVEMENT SPECIFICATIONS**

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## 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 per schedule attached as Exhibit F, "Custodial Service Specifications"		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 as indicated in Exhibit F		x	
Professionally clean existing drapes, blinds, and window shades as indicated in Exhibit F		x	
Professionally clean interior windows as indicated in Exhibit F		x	
Professionally clean exterior windows as indicated in Exhibit F		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		x	
Provide adequate electric utility service		x	
Provide adequate water utility service		x	
Provide adequate telephone and data service (including connection charges)			x

## EXHIBIT E

### SUMMARY OF REPAIR AND MAINTENANCE RESPONSIBILITIES

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

	N/A	LESSOR	LESSEE
Common Areas		x	
Foundations 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	
Interior Walls		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 LESSOR pays for installation labor only and LESSEE pays for moving office furniture and equipment and carpet, VCT or linoleum materials unless otherwise agreed to in writing)		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 direct result of negligent acts or omissions of LESSEE, its agents, employees, 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

### CUSTODIAL SERVICE SPECIFICATIONS (Page 1 of 3)

<b>DAILY SERVICE (Monday through Friday)</b>
<b>A. General Cleaning</b>
1. Empty wastebaskets; replace liners, place trash in dumpster
2. Sweep outside Premises entrances
3. Remove graffiti from any interior walls
<b>B. Floor and Carpet Care (including stairways)</b>
1. Sweep and dust mop hard surface floors with treated mop
2. Vacuum carpeted floors and entry mats
3. Damp mop all spills on hard surfaces
4. Remove gum/candy from carpet/floors
<b>C. Window Cleaning</b>
1. Clean entry door and lobby glass, inside and outside
2. Clean interior partitions and counter glass
3. Clean interior /exterior door glass
<b>D. Restroom Cleaning (including non-exclusive areas of the building )</b>
1. Empty waste containers
2. Sweep and wet mop floors
3. Restock dispensers with the proper product (common area to have extra service performed in mid-morning and mid-afternoon, M-F )
4. Clean and disinfect all restroom fixtures (common area to have extra service performed in mid-morning and mid-afternoon, M-F )
5. Unstop urinals, toilets and sinks (Notify LESSOR of necessary repairs.) (common area only)
6. Clean restroom mirrors and glass
7. Replenish air fresheners in all restrooms (common area only and as needed)
8. Remove graffiti from interior walls
9. Damp wipe all walls and partitions (as needed)
10. Clean around all door knobs and push plates
<b>E. Dusting</b>
1. Tops of all filing cabinets (only if cleared off and with notice posted by office worker)
2. Tops of desks where cleared (only if cleared off and with posted notice by office worker)
3. Table tops and counters where cleared

**CUSTODIAL SERVICE SPECIFICATIONS (Page 2 of 3)**

<b>WEEKLY SERVICE (Fridays)</b>
<b>A. General Cleaning</b>
1. Remove fingerprints from doors, walls, and light switches
2. Remove marks/clean door kick plates
3. Wash wastebaskets/trash receptacles inside and out
4. Wash all handrails
5. Clean around door knobs/push plates
<b>B. Floor and Carpet Care (including stairways)</b>
1. Damp mop all hard surface floors
2. Buff all hard surface floors using a high speed buffing machine
3. Spot clean all carpeted floors
<b>C. Restroom Cleaning</b>
1. Scrub all sinks with abrasive cleaner
2. Scrub inside toilets and urinals with acid-type bowl cleaner
<b>D. Dusting</b>
1. All windows and door sills
2. Ledges, baseboards, and partitions
3. All chairs
4. Remove cobwebs from ceilings, corners and crevices, etc.
<b>BI-WEEKLY SERVICES (Fridays)</b>
Dry shampoo all carpeted areas.
<b>MONTHLY SERVICE (Last Weekend of the Month)</b>
<b>A. Floor and Carpet Care</b>
1. Scrub and refinish all hard surface floors using an acrylic finish
2. Edge out all carpet areas (areas that are out of reach during normal vacuuming)
<b>B. Restroom Cleaning (including non-exclusive areas of the building)</b>
1. Wash all walls and partitions
<b>C. Dusting</b>
1. Vacuum all upholstered furniture
2. Clean all blinds, drapes and window shades
<b>D. Additional requirements specific to Premises</b>
1. Shampoo all upholstered furniture

**CUSTODIAL SERVICE SPECIFICATIONS (Page 3 of 3)**

<b>QUARTERLY SERVICES (January, April, July, October)</b>
A. General Cleaning
1. Wash exterior of all desks, filing cabinets, and tables
B. Floor and Carpet Care
1. Shampoo all carpeted areas using bonnet method
2. Strip and refinish all hard surface floors using an acrylic finish
C. Window Cleaning
1. Wash inside and outside windows
D. Dusting
1. High dust all light fixtures, HVAC vents and surface/ledges above six (6) feet.
<b>BI-ANNUAL SERVICES (April and October)</b>
A. Restroom Cleaning (including non-exclusive areas of the building)
1. Machine scrub restroom floors (porcelain tile floors)
<b>ANNUAL SERVICES</b>
A. Floor and Carpet Care
1. Steam/Extraction clean all carpeted areas

**\* LESSOR and LESSEE agree that it may be necessary to modify the foregoing Custodial Service Specifications to better meet facility needs. Such modification shall be with mutual written consent. LESSOR and LESSEE acknowledge that additional costs may apply.**

**EXHIBIT G**

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

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## EXHIBIT H

### REMEDIAL CONTRACTOR SPECIFICATIONS

#### A. Scope of Services

Remedial Contractor to provide treatment, cleanup, and damage restoration of:

- Water and/or sewage
- Mold contamination
- Fire and smoke damage
- Hazardous materials within the license and certification capabilities of the Remedial Contractor
- Human bodily fluids, including but not limited to blood, vomitus, urine, feces, and saliva
- Routine sanitation cleanup

#### B. Work Standards

All work must be done in accordance with the California Health and Safety Code, California Occupational Safety and Health Act (OSHA), and other applicable laws and regulations. The Remedial 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 I

## SERVICE CONTACT LIST (Page 1 of 2)

Back Up Generator

Carpenter

Ceiling Tile

Electrical

Electronic Gates and Garage Doors

Elevator

Elevator Phone

Exterior Door and Hardware

Flooring

Fire Sprinkler System

Fire Extinguisher Servicing

Fire Alarm

Heating & Air Conditioner

Industrial Hygienist

Interior Door and Hardware

Janitorial

Landscape Maintenance

Light Bulbs and Fluorescent Tubes

Locksmith

**Service Contact List (Page 2 of 2)**

**Painting**

**Pest Control**

**Parking Lot Repair**

**Parking Lot Sweeping**

**Patrolled Security**

**Plumbing**

**Remedial Contractor**

**Roofing System**

**Roof Gutters and Downspouts**

**Security Alarm Company**

**Sewer and Drain Cleaning**

**Utility (Gas & Electric)**

**Utility (Telephone)**

**Utility (Water)**

**Waste Disposal & Recycle**

**Window Replacement and Repair**

**Window Cleaning**