

COUNTY OF MONTEREY

STANDARD LEASE AGREEMENT



LEASED PREMISES:	<u>1127 Baldwin Street</u> <u>Salinas, California 93906</u>
DEPARTMENT:	<u>Social Services, FC&S</u>
LESSOR:	<u>Magna Plantare, Inc</u> <u>P.O. Box 2414</u> <u>Salinas, California 93902</u>

COUNTY OF MONTEREY STANDARD LEASE AGREEMENT

PREAMBLE

THIS LEASE ("Lease") is made by and between **Magna Plantare, Inc.**, a California Corporation ("LESSOR") and the **COUNTY OF MONTEREY**, a political subdivision of the State of California ("LESSEE") (sometimes collectively referred to as "the parties"), for the **Department of Social Services** as of the last date opposite the respective signatures below, and effective as of the "Commencement Date" specified at Section 2.1 "Lease Term" below.

LESSOR and LESSEE hereby agree as follows:

Whereas, the parties understand and agree that the terms and conditions of this Lease, which shall be effective as of the "Commencement Date" specified in Section 2.1 below, shall supersede the terms and conditions of the 2004 "Standard Lease Agreement" dated August 17, 2004 (Agreement No. A-09932), approved by LESSEE on August 24, 2004, executed by LESSEE on August 25, 2004, and amended on or about November 28, 2006, effective as of September 1, 2006 pursuant to the 2006 "Amendment 1 of Lease Agreement" and renewed on or about February 13, 2009, effective as of September 1, 2008 pursuant to the 2008-2009 "Renewal of Lease Agreement" which renewed Agreement No. A-09932 through August 31, 2010 (hereafter, collectively referred to as "Agreement No. A-09932").

Whereas, the parties understand and agree that the 2004 "Standard Lease Agreement", as amended pursuant to the 2006 "Amendment 1 of Lease Agreement" and renewed pursuant to the 2008-2009 "Renewal of Lease Agreement" currently in holdover status pursuant to ARTICLE 25 – HOLDING OVER of the 2004 "Standard Lease Agreement" (Agreement No. A-09932) shall continue through and including the last day prior to the "Commencement Date" and shall be terminated as of the "Commencement Date" specified in Section 2.1 below.

Whereas, LESSOR hereby agrees to waive any and all additional rent which may be payable to LESSOR during the Lease period for the 2004 Standard Lease Agreement, as amended pursuant to the 2006 "Amendment 1 of Lease Agreement", and renewed pursuant to the 2008-2009 "Renewal of Lease Agreement" pursuant to ARTICLE 4 – COST OF LIVING ADJUSTMENT (Agreement No. A-09932).

Whereas, the parties understand and agree that the monthly rent of \$2,048.99 per month, set pursuant to the 2008-2009 "Renewal of Lease Agreement" (Agreement No. A-09932) shall apply during the holdover status period through and including the last day prior to the "Commencement Date".

Whereas, the parties understand and agree that terms and conditions of Agreement No. A-09932 as amended and renewed shall be terminated and superseded by the terms and conditions of this Lease which shall be effective as of the "Commencement Date" specified in Section 2.1 below.

Whereas, the parties understand and agree the following Lease Exhibits are incorporated by this reference; **EXHIBIT A-1** DESCRIPTION OF THE PREMISES, **EXHIBIT A-2** PARKING PLAN, **EXHIBIT B** STATEMENT OF SEISMIC ADEQUACY, **EXHIBIT B-1** EVIDENCE OF CONSTRUCTION, **EXHIBIT C-1** PREMISE IMPROVEMENTS, **EXHIBIT C-2** PREMISE IMPROVEMENT PLANS, CONSTRUCTION SCHEDULE, AND SPECIFICATIONS, **EXHIBIT C-5** REMEDIATION CONTRACTOR SPECIFICATIONS, **EXHIBIT C-6** COUNTY OF MONTEREY INFORMATION TECHNOLOGY CABLING STANDARDS, **EXHIBIT D** SUMMARY OF SERVICES AND UTILITIES, **EXHIBIT E** SERVICE CONTACT LIST, **EXHIBIT F** PROPOSITION 65 WARNING.

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, a portion of that certain real property and its appurtenances, situated at **1127 Baldwin St Salinas, California 93906** (the "Building") and described as follows: General offices consisting of approximately 1,790 rentable square feet of space, located on the 1st floor of the Building, as designated in **EXHIBIT A1 – DESCRIPTION OF PREMISES - Current Basic Floor Plan**, attached and Incorporated by this reference (hereinafter, "the Premises"). The term "rentable square feet" shall mean the "Rentable Area" of the Premises as calculated pursuant to the Building Owners and Managers Association International's Office Buildings: Standard Methods of Measurement (ANSI/BOMA Z65.1, 2010). The Premises constitute **1,790** square feet of a 3,884 square foot Building. The Premises constitute (46%) of the total rentable space of the Building.

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

1.3 **Parking Areas:** LESSEE shall be provided thirteen (13) nonexclusive parking spaces in the parking area adjacent to the building, in which the Premises are a part of, at no cost to LESSEE throughout the Lease Term (defined below). Exclusive and nonexclusive parking areas to be further designated in **EXHIBIT A2 – PARKING PLAN**, attached and Incorporated by this reference. LESSOR, at LESSOR'S expense may need to post parking signage if deemed necessary for LESSEE'S use of the Premises.

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

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

1.6 **Statement of Seismic Adequacy:** Prior to the Commencement Date specified in Section 2.1 below, LESSOR shall provide either **1)** If the Premises are contained in a building constructed on or before December 31, 1972, or one of which has undergone major structural renovation since January 1, 1973, the LESSOR shall obtain a Statement of Seismic Adequacy from its licensed structural engineer and it shall be attached to this Lease as **EXHIBIT B – STATEMENT OF SEISMIC ADEQUACY**, which is attached and incorporated herein by this reference. Or, **2)** If the Premises are contained in a building constructed on or after January 1, 1973, LESSOR shall provide LESSEE with official documentation evidencing the Construction Date from the respective Municipality's, or Political Subdivision's Building Department with jurisdiction over the Premises at the time of construction. If the Premises are contained in a building constructed on or after January 1, 1973, official documentation from said Municipality or Political Subdivision of the State of California shall be attached as **EXHIBIT B-1 – EVIDENCE OF CONSTRUCTION**, and incorporated by this reference. The Parties understand and agree that the Statement of Seismic Adequacy, or Evidence of Construction is a condition precedent to the occupancy of the Premises and that failure to obtain said Statement of Seismic Adequacy by a licensed structural engineer, or a functional equivalent by a licensed design professional acceptable to the County, or Evidence of

Construction, prior to occupancy shall render this Lease null and void.

1.7 Area of the Premises:

LESSOR shall have the rentable square feet of the Premises measured as described in ARTICLE – 1 Premises, Section 1.1 Description by a licensed, independent architect mutually selected by LESSEE and LESSOR (the “Architect”). LESSEE’S Architect shall prepare an Exhibit entitled “Description of the Premises” to be incorporated into this Lease as EXHIBIT A-1.

1.8 Right of First Refusal: LESSEE shall have the right of first refusal to lease any additional suites in the Building which may become available during the initial term or any extended term of this Lease. LESSEE will have up to but not more than thirty (30) days to accept or reject this additional space in writing. LESSOR shall grant LESSEE up to sixty (60) days from notification of LESSEE’S intent to lease additional space, to obtain approval from the Monterey County Board of Supervisors.

1.9 Items to be Completed within Sixty (60) days of Lease Commencement Date: Within Sixty (60) days of the Lease Commencement Date, LESSOR, at LESSOR’S sole cost and expense, shall complete the following:

- a. Replace chipped exterior security windows.
- b. All HVAC ducts to be thoroughly cleaned, and free of dirt and dust.
- c. All ceiling tiles that are damaged or discolored are to be replaced.
- d. All carpet in the Premises is to be replaced with carpet tiles Voltage #928 Mineral selected by the LESSEE.

1.9.1 Construction Period: LESSEE shall vacate the Premises during construction period. The timing of the construction period will be mutually agreed to by LESSOR and LESSEE prior to the construction period commencing. Construction period shall be three (3) calendar days. Should the construction period exceed three (3) calendar days, monthly rent shall be prorated on a daily basis, and credited to LESSEE for each day exceeding the three (3) day period.

ARTICLE 2 - TERM

2.1 Lease Term: The term of this Lease (the "Lease Term") shall be **Five (5) years**, commencing on **September 1, 2016** ("Lease Commencement Date"), and ending **August 31, 2021** or **five (5) years** from said Lease Commencement Date, whichever is later (the “Stated Expiration Date”), with such rights of termination and extension of the Lease Term as are hereinafter set forth. In the event that the Premises are not delivered within thirty 30 days from the date first noted in this Section 2.1 Lease Term, or Premise Improvements are not certified as complete within thirty 30 days from the agreed-upon schedule outlined in Exhibit C-2 (attached and incorporated by this reference) for construction of Premise Improvements, County may terminate this agreement. Within thirty (30) days of the occurrence of the Lease Commencement Date, if said date differs from the date specified in this Section 2.1 Lease Term, LESSEE and LESSOR shall execute a written Amendment to Section 2.1 of this Lease confirming the actual Lease Commencement Date and the Stated Expiration Date for this Lease.

2.2 Extended Term: Upon completion of the initial Lease Term, the LESSEE may renew the Lease for the **First extended three (3) year** term (“First Extended Term”), and upon the expiration of the First Extended Term, the LESSEE may renew the Lease for a **Second extended Three (3) year** term (“Second Extended Term”), in each case by giving LESSOR advance written notice of its intent to renew Ninety (90) days prior to expiration of the initial Lease Term or First Extended Term, as applicable.

2.3 **Monthly Rent Limit:** LESSOR and LESSEE agree that the monthly rent in the initial term or any extended term shall be no more than Ninety Five percent (95%) of the then current market "Gross Lease" rents for [general office, and Short Term Children's Shelter] space in the Salinas, California area. As it pertains to this Lease, "Gross Lease" shall mean that the LESSOR will be responsible to pay for the general maintenance and repair, elevator maintenance and repair, property taxes and assessments, insurances (Real Property and lessor's risk liability), utilities and Common Area expenses out of the monthly rent paid by the LESSEE for the Premises and LESSEE shall not pay any additional rent therefor. In the event that LESSOR and LESSEE are unable to agree upon the then current market Gross Lease rents for the Premises within thirty (30) days of LESSEE'S delivery of its intent to renew this Lease as described in ARTICLE 2.2, LESSOR and LESSEE shall submit the determination of the then current market Gross Lease rent to arbitration.

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 **Two Thousand Forty Eight Dollars (\$2,048)** ("Monthly Rent"), payable on or before the first day of each month. Subject to the immediately following paragraph, LESSEE shall commence rental payments upon occupancy ("Rent Commencement Date"). If the Rent Commencement Date is other than the first day of a calendar month, then the Monthly Rent for that month shall be prorated on a daily basis, based on a thirty (30) day month. Monthly Rent shall be payable to LESSOR at the address specified in ARTICLE 6 – NOTICES or at such other address as LESSOR may from time to time designate in writing. Monthly Rent is inclusive of, among other things, LESSEE'S share of real estate taxes, assessments, insurances (Real Property and lessor's risk liability), and Monterey Regional Water Pollution Control Agency (MRWPCA) fee for the Premises.

ARTICLE 4 – ANNUAL RENT ADJUSTMENT

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ARTICLE 5 - TERMINATION BY COUNTY

Notwithstanding any other provisions of this Lease, LESSEE, at its sole option, may terminate this Lease upon sixty (60) days written notice, solely on the condition that funds have not been budgeted for leasing of the property described herein. Such termination shall be without penalty to LESSEE. Such right of termination shall not be construed so as to permit LESSEE to terminate this Lease in order to lease other premises for a similar purpose within the City of Salinas. LESSEE represents that its intent is not to exercise its rights under this ARTICLE unless financial conditions prevent the Monterey County Board of Supervisors from budgeting funds for this Lease.

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, sent certified, postage prepaid, and addressed as follows:

To LESSOR:	Magna Plantare, Inc. P.O. Box 2414 Salinas, California 93902 C/O Chris Burnett (831)594-9632 Burnett1214@gmail.com _____	To LESSEE:	County of Monterey Department of Public Works, Real Property c/o Real Property Specialist 855 East Laurel Drive, Building C Salinas, California 93905 Phone: 831-755-8912 Fax 831-755-4688 Email: fulgonibg@co.monterey.ca.us
Copy to:	_____ _____ _____ _____ _____	Copy to:	Department of Social Services C/O Kim Petty, Administrative Services Officer 1000 S. Main St Suite 304 Salinas, California 93901 PettyK@co.monterey.ca.us 831-755-4492

Rent payments to LESSOR shall be made to (need not be sent certified) **Magna Plantare, Inc.**, at the address listed above.

Any notice or correspondence shall be deemed delivered upon personal delivery or five (5) days after notice is mailed. Correspondence other than notices may be given by phone, regular mail, email or facsimile. Any correspondence sent by facsimile shall also be sent by United States mail if requested by either party. By written notice to the other, either party may change its own mailing address or correspondence information.

LESSOR or LESSOR’S designated property management company shall be available to LESSEE by phone during regular business hours, and for emergencies after hours and weekends. LESSOR or LESSOR’S designated property management company shall subscribe to a 24-hour, 7 days a week emergency answering service that maintains contact phone numbers of key personnel or maintenance/service companies in event of an emergency. Emergency answering service phone number for LESSOR is **831-594-9632**.

LESSEE shall be available to LESSOR, by phone during regular business hours, and for emergencies after hours and on weekends. LESSEE shall subscribe to a 24-hour, 7 days a week emergency answering service that maintains contact phone numbers of key personnel or maintenance/service companies in event of an emergency. Emergency answering service phone number for LESSEE is 831-212-0378 (Public Works Facilities after hours “on call” staff).

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

ARTICLE 7 - PREMISE IMPROVEMENTS

7.1 ***Premise Improvements:*** If requested by LESSEE at any time during the Lease Term or any Extended Term, LESSOR shall construct improvements to and make installations in the Premises (collectively "Premise Improvements") in accordance with plans and specifications to be approved by LESSEE and LESSOR ("Plans and Specifications"), and in accordance with those provisions which describe construction, set forth in **EXHIBIT C-1 - PREMISE IMPROVEMENT, EXHIBIT C-2 – PREMISE IMPROVEMENT PLANS, CONSTRUCTION SCHEDULE, AND SPECIFICATIONS, EXHIBIT C-5 – REMEDIATION CONTRACTOR SPECIFICATIONS AND EXHIBIT C-6 – COUNTY OF MONTEREY INFORMATION TECHNOLOGY CABLING STANDARDS** attached and incorporated by this reference.

7.2 ***Cost of Premise Improvements:*** If requested by LESSEE at any time during the Lease Term or any Extended Term, LESSOR shall provide, as an allowance to LESSEE for Premise Improvements to be constructed by LESSOR, at LESSOR'S sole cost and expense, an amount up to, but which shall not exceed, **\$12,000 ("Premise Improvement Allowance")**.

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

7.3 ***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 Plans and Specifications, and that all of LESSOR'S work to be performed under the Plans and Specifications shall be of good and workmanlike quality, free from faults and defects, and in accordance with the final requirements of **EXHIBIT C-2 - PREMISE IMPROVEMENT PLANS, CONSTRUCTION SCHEDULE, AND SPECIFICATIONS**. 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, promptly, unconditionally and at LESSOR'S sole cost and expense, make any repair, replacement, correction or other alteration of any nature necessary by virtue of any defective construction of the Premises or defective materials used therein. Thereafter, LESSOR shall promptly make or cause to be made all repairs, replacements, corrections or alterations, at no expense to LESSEE, to correct latent defects in the Premises.

ARTICLE 8 - NOTICE OF COMPLETION

If applicable, LESSOR will ensure that a properly prepared Notice of Completion is filed with the County Clerk-Recorder's Office on all construction and remodeling work performed as a result of this Lease. The Notice of Completion form is to be filed within ten (10) working days after the LESSOR and the LESSEE have concurred that the construction is complete. LESSOR shall forward a copy of the recorded Notice of Completion to LESSEE within five (5) days of recordation.

ARTICLE 9 - PUBLIC WORKS LAWS

Pursuant to California Labor Code Section 1720.2, any construction work done under private contract to improve the space to be leased by the County of Monterey for government services may be considered a 'public work' when all of the following conditions exist: a) The construction contract is between private

persons. (b) The property subject to the construction contract is privately owned, but upon completion of the construction work, more than 50 percent of the assignable square feet of the property is leased to the state or a political subdivision for its use. (c) Either of the following conditions exist: (1) The lease agreement between the Lessor and the state or political subdivision, as lessee, was entered into prior to the construction contract. (2) The construction work is performed according to plans, specifications, or criteria furnished by the state or political subdivision, and the lease agreement between the Lessor and the state or political subdivision, as lessee, is entered into during, or upon completion of, the construction work.

If applicable, LESSOR shall comply with provisions of law governing public works including, without limitation, California Labor Code Sections 1773, 1773.2, 1773.3, 1773.8, 1775 (payment of prevailing wages), 1776 (payroll records), and 1777.5 (employment of apprentices) as may be amended from time to time.

ARTICLE 10 - TIME LIMIT AND PRIOR TENANCY

It shall be LESSOR'S responsibility to remove any prior LESSEE in the Premises at LESSOR'S sole cost and expense.

ARTICLE 11 - USE

11.1 **Use:** LESSEE shall use the Premises for [Family reception] space. LESSEE may alter said use to any lawful purpose, upon the written consent of LESSOR, which consent shall not be unreasonably withheld.

11.2 **Compliance with Laws:** LESSOR represents and warrants to LESSEE that, to the best of LESSOR'S knowledge, the construction (including all LESSOR-constructed Premise Improvements), the current and proposed uses, and the operation of the Premises and the Common Areas are in full compliance with applicable building and seismic codes, environmental, zoning and land use laws, and other applicable local, state and federal laws, regulations and ordinances. LESSOR absolves LESSEE of legal or other responsibility for any code violations or other deviations from applicable local, state and federal laws, regulations and ordinances as may be listed above. Said absolution excludes LESSEE installed improvements to the Premises such as phone/data cabling, support equipment, trade fixtures, and any other equipment installed by LESSEE and used to meet LESSEE'S operational needs.

11.3 **Hazardous Substances:** LESSEE shall have no liability or responsibility for toxic or hazardous materials or substances in existence on the Premises or which result from LESSOR'S acts or omissions or which occur on any portion of LESSOR'S property not occupied by LESSEE, in each case unless, and only to the extent, caused by LESSEE. LESSOR will comply with all applicable laws concerning the handling and removal of any hazardous materials, including asbestos or polychlorinated biphenyl (PCB) containing materials. LESSOR warrants, to the best of LESSOR'S actual knowledge, that at the time of execution of this Lease, there are no known areas on LESSOR'S property where hazardous or toxic materials or substances (including asbestos or PCBs) have been used, stored, or deposited. Nothing in this Lease shall be taken as LESSEE'S assumption of any duty or liability not otherwise imposed by law.

11.4 **Environmental Hazards – Remediation Contractor Specifications:** LESSOR hereby warrants and guarantees that the Premises and Common Areas will be maintained free of all Environmental Hazards (including hazards related to asbestos, leads, toxic mold spores or PCBs) and agrees to survey, test, and abate as applicable and in accordance with Environmental Protection Agency (“EPA”) guidelines. A qualified industrial hygienist approved by LESSOR and LESSEE shall perform all testing and development of an abatement work plan as deemed necessary, with the test results/reports/plans forwarded to LESSOR and LESSEE upon completion. LESSOR further agrees to contract with a qualified remediation contractor to provide remediation services as specified in **EXHIBIT C-5 – REMEDIATION CONTRACTOR SPECIFICATIONS** on an as needed basis. LESSOR specifically agrees that any costs related to abatement of Environmental Hazards shall be the LESSOR'S

responsibility unless, and only to the extent, caused by LESSEE.

LESSEE shall immediately notify LESSOR of any suspected appearance of toxic mold spores and of any conditions (such as excessive moisture) that may lead to the appearance of toxic mold spores, and LESSOR agrees to investigate same.

LESSEE may request that LESSOR hire a qualified industrial hygienist, approved by LESSOR and LESSEE, to perform indoor air quality testing/surveying for the Premises and the Common Areas of the building as described in ARTICLE 1.2 with the understanding that if test results reveal that unacceptable levels (as determined by EPA guidelines) of Environmental Hazards are not present, LESSEE will reimburse LESSOR the cost of the testing within thirty (30) days of receipt of invoice from LESSOR. By providing for and requesting air quality testing, LESSOR'S duties and obligations are not diminished and LESSEE does not assume or agree to share in LESSOR'S duties and obligations with respect to maintenance of the Premises.

ARTICLE 12 - SIGNS AND FIXTURES

LESSEE may place such signs and advertisements upon the Premises as LESSEE may desire, subject to compliance with applicable law and approval by the LESSOR which consent shall not be unreasonably withheld provided, however, that at the expiration of the term hereof or any renewal or extension of this Lease, LESSEE will remove said signs and will repair any damage caused by such removal. Any trade fixtures, equipment, furniture, demountable walls, and other movable personal property installed in the Premises by and at the expense of the LESSEE shall remain the property of the LESSEE, and the LESSOR agrees that the LESSEE shall have the right at any time, and from time to time, to remove any and all of its trade fixtures, equipment and other movable personal property which it may have stored or installed in the Premises, provided that LESSEE repairs any damage caused by such removal. LESSEE'S right to remove property described in the immediately foregoing sentence shall become an obligation of LESSEE at the expiration or earlier termination of the Lease Term. The LESSOR agrees not to mortgage or pledge the LESSEE'S trade fixtures, equipment and other property owned by LESSEE.

ARTICLE 13 - SERVICES AND UTILITIES

Services and utilities for the Premises shall be furnished and the cost borne as outlined in **EXHIBIT D – SUMMARY OF SERVICES AND UTILITIES** attached and incorporated by this reference. In the event of failure by LESSOR to furnish, in a satisfactory manner, any of the services and utilities to the Premises for which LESSOR is responsible or to the Common Areas, LESSEE may furnish the same if LESSOR has not undertaken to correct such failure within fifteen (15) days after written notice, and, in addition to any other remedy LESSEE may have, LESSEE may deduct the amount thereof, including LESSEE'S service costs, from rent or other remuneration due LESSOR hereunder. As stated in **EXHIBIT D**, the term "adequate" shall mean sufficient enough to ensure the health, safety and general well-being of the occupants or invitees of the Premises; the term "deemed necessary" shall mean that LESSOR and LESSEE are in agreement that appropriate action needs to be taken to ensure the health, safety and general well-being of the occupants and or invitees of the Premises.

ARTICLE 14 - REPAIR AND MAINTENANCE

14.1 ***LESSOR and LESSEE Obligations:*** The respective repair and maintenance responsibilities of LESSOR and LESSEE are set forth in **EXHIBIT D – SUMMARY OF SERVICES AND UTILITIES**, attached and incorporated by this reference. As stated in **EXHIBIT D**, the term "deemed necessary" shall mean that LESSOR and LESSEE are in agreement that appropriate action needs to be taken to ensure the health, safety and general well-being of the occupants and or invitees of the Premises.

14.2 ***Negligent Acts or Omissions of LESSEE:*** Notwithstanding the foregoing, LESSEE will pay to LESSOR the reasonable cost of any repairs or maintenance to the extent required as a direct result of the negligence or willful misconduct of LESSEE.

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

LESSOR agrees to perform all emergency repairs involving the Premises and the Common Areas with the utmost urgency. An emergency repair is a repair that is necessary in order to protect health and safety of persons or public property or to save the building's integrity. LESSEE agrees to make a diligent effort to contact LESSOR before it uses responsible judgment to contact the appropriate vendor identified in **EXHIBIT E – SERVICE CONTACT LIST** attached hereto and incorporated by this reference, to perform emergency repair to protect health and safety of persons or public property or to save the building's integrity.

14.4 ***LESSOR/LESSEE Obligations in Applying Noxious Substances:*** LESSOR, its officers, employees, and agents shall not apply or install any substance as part of any building construction, remodel, renovation, maintenance or repair which would cause an injurious, unsafe or hazardous condition to occupied spaces without prior notification of the LESSEE. Prior notification and approval shall be made at least forty eight (48) hours prior to the desired application or installation time to the LESSEE as identified under ARTICLE 6. Also, a Product Safety Data Sheet shall be furnished by the proposed applicator or installer to the LESSEE. Examples of such substances or materials may include, but are not limited to, the following:

- a. Termite Control Materials
- b. Pesticides
- c. Paint (excluding routine minor touch up in the common areas)
- d. Water Treatment Chemicals
- e. Carpeting, Pressed Wood Products, Insulation, Plastics and Glues
- f. Texture and Joint Compounds
- g. Roofing Material
- h. Construction Cleaning Solutions
- i. Any other substance that is or could be construed as hazardous (excluding common janitorial cleaning supplies)

In the event of any building construction, remodel, renovation, maintenance or repair to the Premises or other areas to the building which the Premises is a part of, LESSOR, to the best of LESSOR'S ability, shall exercise precautionary and protective measures to ensure the health, safety and general wellbeing of the occupants and or invitees of the Premises. Examples of precautionary and protective measures may include, but may not be limited to:

- a. Isolating or disconnecting heating ventilation and air-conditioning (HVAC) systems.
- b. Performing work on the weekends and/or outside normal business hours.
- c. Installing appropriate plastic containment systems for egress and egress to and from the building construction, remodel, renovation, maintenance or repair area.
- d. Using a HEPA vacuum to clean up dust and debris from the Premises after work is done.
- e. Compliance with U.S. Department of Labor, Occupational Safety and Health Administration (OSHA) and State of California, Department of Industrial Relations, Division of Occupational Safety and Health (Cal/OSHA) regulations as may be amended from time to time.

No activities shall be taken (or failed to be taken) that would violate any Federal or California

Occupational Safety and Health Administration (OSHA) standards as may be amended from time to time.

ARTICLE 15 - SERVICE COMPANIES

Within ten (10) days after occupancy of the Premises by LESSEE, LESSOR shall give LESSEE a list (see **EXHIBIT E**) of the names, addresses and telephone numbers of an agencies or persons convenient to LESSEE as a local source of service with regard to LESSOR'S responsibilities under **EXHIBIT D** this Lease. If LESSOR fails to provide such list, LESSEE may choose service companies as needed and without penalty from LESSOR, and shall have the right to offset the cost of such services as provided in ARTICLE 14.3.

ARTICLE 16 - ALTERATIONS, MECHANICS' LIENS

16.1 ***Alterations:*** Except for the Premise Improvements, no 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:*** Upon termination of this Lease, LESSEE shall return the Premises in the same condition as when delivered to LESSEE, reasonable wear and tear, and damage by casualty or condemnation, 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 such party.

ARTICLE 17 - ASSIGNMENT AND SUBLETTING

LESSEE may assign or sublet all or any portion of the Premises for uses compatible with those permitted in this Agreement. LESSEE shall provide prior written notice to LESSOR of its intent to sublet or assign, no less than thirty (30) days prior to entering into any agreement to sublet or assign any portion of the Premises.

ARTICLE 18 - ENTRY BY LESSOR

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

ARTICLE 19 - INSURANCE AND INDEMNIFICATION

LESSEE, during the term hereof, shall indemnify and hold harmless the LESSOR from and against any and all claims and demands whether for injuries to persons or loss of life, or damage to property, occurring within the Premises and to the extent arising out of the use of the Premises by the LESSEE, excepting however, such claims and demands whether for injuries to persons or loss of life, or damage to property, caused by acts or omissions of the LESSOR.

LESSEE shall maintain public liability and property damage coverage or program of self-insurance with liability limits of not less than \$1,000,000 for injury or death to one or more persons and property damage

limits of not less than \$50,000 per occurrence insuring against all liability of LESSEE and its authorized representatives arising out of and in connection with LESSEE'S use or occupancy of the Premises.

LESSOR, during the term hereof, shall indemnify, defend and hold harmless the LESSEE from and against any and all claims and demands whether for injuries to persons or loss of life, or damage to property, to the extent arising out of acts or omissions of the LESSOR, excepting however, such claims and demands whether for injuries to persons or loss of life, or damage to property, to the extent caused by acts or omissions of the LESSEE.

LESSOR agrees that it will keep insured against loss or damage by fire, at full replacement value, the Building, which insurance shall be, at a minimum, comparable to the coverage and amounts of insurance that are carried by reasonably prudent landlords of comparable buildings in the city of which the Premises is located.

ARTICLE 20 – CONFIDENTIALITY OF LESSEE'S SERVICES/CLIENTS

LESSOR recognizes and understands that LESSEE'S services, identity of clients, and records relate to a confidential relationship between the LESSEE and its clients, and LESSOR agrees that, in its interaction with LESSEE, its clients and records, whether through itself, its employees, or its agents, it will maintain such confidences as might become available to it and not release or divulge such confidential identities, information, or records; provided that all such confidential items are maintained in a locked environment and that any confidential items are shredded prior to disposing of them in trash receptacles. **LESSOR and LESSEE shall consider the entire Premises a locked environment.** LESSOR and its agents shall exercise all possible care to preserve and maintain the confidentiality of any records and information, consistent with state and federal privacy laws relating to private and medical information. This includes protection of the identity of patients, clients, and users of the Premises.

ARTICLE 21 - DESTRUCTION

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

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

If such casualty shall render more than ten percent (10%) of such floor space unusable but not constitute total destruction, LESSOR shall forthwith give notice to LESSEE of the specific number of days required to repair the same. If LESSOR under such circumstances shall not give such notice within fifteen (15) calendar days after such destruction, or if such notice shall specify that such repairs will require more than ninety (90) days to complete from the date such notice is given, LESSEE, in either such event, at its option, may terminate this Lease.

In the event of any such destruction other than total, where LESSEE has not terminated the Lease as herein provided, LESSOR shall diligently prosecute the repair of the Premises and, in any event, if said repairs are not completed within thirty (30) calendar days from the work commencement date, for destruction aggregating ten percent (10%) or less of the floor space, or within the period specified herein in connection with partial destruction aggregating more than ten percent (10%), LESSEE shall have the option to terminate this Lease. LESSEE shall assist LESSOR with obtaining all applicable building permits if necessary.

LESSOR and LESSEE understand that, in circumstances for which a building permit is required, work cannot commence before a building permit is obtained. Time deadlines set forth herein shall not commence before required permits are issued. LESSOR warrants to diligently pursue issuance of said permits.

If LESSEE remains in occupancy of the Premises though partially destroyed, the rent for said Premises as herein provided, during restoration, shall be reduced by the same ratio as the rentable square feet LESSEE is precluded from occupying, as bears to the total "rentable square feet" of the Premises as designated in Exhibit A1 and as defined in Article 1, Section 1.1 Description. The term "rentable square feet" shall be defined and measured from the outside finished surface of permanent outer building walls and to the center of the existing interior or common walls.

ARTICLE 22 - DEFAULT BY LESSEE

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

- a. A default in the payment of rent or other obligation when such default continues for a period of thirty (30) days after written notice from LESSOR to LESSEE of such default, or
- b. LESSEE fails to faithfully perform or observe any other covenant or undertaking required under this Lease and such failure continues for a period of thirty (30) days after written notice thereof from LESSOR to LESSEE of such default or, if such default is not reasonably curable within such thirty (30) day period, LESSEE fails to commence to cure such default within such thirty (30) day period and thereafter diligently pursue such cure to completion, or
- c. LESSEE is adjudicated bankrupt, or
- d. LESSEE'S lease interest is sold under execution of judgment.

22.2 ***Remedies:*** If LESSEE fails to cure a default within the time frames outlined above, LESSOR shall have the option to cure the default and terminate this Lease, in addition to any other remedies at law not inconsistent herewith. Should LESSOR elect to cure the default, all reasonable costs associated with such cure, including reasonable attorneys' fees incurred and awarded as a result of any legal action or proceeding brought to enforce or interpret this Lease Agreement (if any), shall be reimbursed by LESSEE to LESSOR, as additional rent, within thirty (30) days of receipt of LESSOR'S invoice for said costs which shall be accompanied by invoice and receipts to document LESSOR'S cost to cure said default, and by any Court Order awarding reasonable attorney's fees incurred to cure said default.

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 default within the time periods outlined above, LESSEE shall have the option to cure the default, if curable, or to terminate this Lease, in addition to any other remedies at law not inconsistent herewith. Should LESSEE elect to cure the default, all reasonable costs associated with such cure, including reasonable attorneys' fees incurred and awarded as a result of any legal action or proceeding brought to enforce or interpret this Lease Agreement (if any), shall be reimbursed by LESSOR to LESSEE

within thirty (30) days of receipt of LESSEE'S invoice for said costs which shall be accompanied by invoice and receipts to document LESSOR'S cost to cure said default, and by any Court Order awarding reasonable attorney's fees incurred to cure said default. However, upon LESSOR'S failure to so reimburse LESSEE within thirty (30) days of receipt of LESEE'S invoice for said costs, at LESSEE'S option, said costs shall be deducted from rent due hereunder. If LESSOR'S default hereunder prevents LESSEE'S use of 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 rentable area of the Premises taken bears to the rentable area of the Premises before the taking.

ARTICLE 25 - HOLDING OVER

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

ARTICLE 26 - WAIVER

Any waiver of any term or condition of this Lease must be in writing and signed by LESSEE and LESSOR. The waiver by LESSOR or LESSEE of any term, covenant or condition herein contained shall not be deemed to be a waiver of any other term, covenant or condition, nor shall either party consent to any breach of any term, covenant or condition, nor shall either party be deemed to constitute or imply its consent to any subsequent breach of the same or other term, covenant or condition herein contained.

ARTICLE 27 - QUIET POSSESSION

LESSEE shall at all times during the term of this Lease peaceably and quietly have, hold and enjoy the Premises, without suit, trouble or hindrance from LESSOR or any person claiming any interest in this Lease Agreement under LESSOR, subject to the terms of this Lease. LESSOR, to the best of LESSOR'S ability, shall also be responsible for ensuring that all other tenants in the building or complex do not interfere with the quiet enjoyment of the LESSEE.

ARTICLE 28 - SUBORDINATION

This Lease shall be subject and subordinated to the lien of any mortgages and deeds of trust which are hereafter placed against the LESSOR'S interest or estate in the property provided that the mortgagor or beneficiary under such mortgage or deed of trust shall agree in writing that, in the event of a foreclosure of same or of any other such action or proceeding for the enforcement thereof, or of any sale thereunder, this Lease shall not be barred, terminated, cut off, or foreclosed, nor will the rights and possession of LESSEE hereunder be disturbed if LESSEE shall not then be in default under the terms of this Lease, and LESSEE shall attorn to the purchaser at such foreclosure, sale or other action or proceeding. The

foregoing subordination shall be effective without the necessity of having any further instruments executed by LESSEE, but LESSEE shall nonetheless execute, 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 **Amendment:** This Lease may be amended or modified only by an instrument in writing signed by LESSEE and LESSOR.

30.2 **Time is of the Essence:** Time is of the essence of in each and all of the provisions of this Lease.

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

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

30.5 **Authority:** Any individual executing this Lease on behalf of LESSEE or LESSOR represents and warrants hereby that he or she has the requisite authority to enter into this Lease on behalf of such party and bind the party to the terms and conditions of this Lease.

30.6 **Interpretation of Conflicting Provisions:** In the event of any conflict or inconsistency between the provisions of this Lease and the provisions of any addendum or exhibit attached hereto, the provisions of this Lease shall prevail and control.

30.7 **Successors and Assigns:** This Lease and the rights, privileges, duties, and obligations of LESSEE and LESSOR under this lease, to the extent assignable or delegable, shall be binding upon and inure to the benefit of the parties and their respective successor, permitted assigns, and heirs.

30.8 **Headings:** The headings in this Lease are for convenience only and shall not be used to interpret the terms of this Lease.

30.9 **Governing Law:** This Lease shall be governed by and interpreted under the laws of the State of California.

30.10 **Construction of Lease:** LESSEE and LESSOR agree that each party has fully participated in the review and revision of this Lease and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Lease or any amendment to this Lease.

30.11 **Counterparts:** This Lease may be executed in two (2) or more counterparts, each of which shall be

deemed an original, but all of which together shall constitute one (1) and the same Lease

30.12 ***Integration:*** This Lease, including the exhibits and addenda, represents the entire agreement between LESSEE and LESSOR with respect to the subject matter of this Lease and shall supersede all prior negotiations, representations or agreements, either written or oral, between LESSEE and LESSOR as of the effective date of this Lease, which is the date that LESSEE signs this Lease.

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

ARTICLE 31 - MAJOR APPLIANCES

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

ARTICLE 32 – PROPERTY TAX EXEMPTION

LESSOR will cooperate with LESSEE and do all acts reasonably necessary and appropriate to secure and maintain tax exemption of the Premises pursuant to ARTICLE XIII, Section 3 of the California Constitution. LESSOR will apply the amount of any reduction of tax resulting from such exemption either in the form of a cash payment or of rental credit to LESSEE as soon as possible after LESSOR receives the benefit of tax exemption.

If such exemption is granted for a fiscal year which is, in whole or in part, after the date of expiration or earlier termination date of this Lease, then, with respect to that portion of such fiscal year which is after the expiration of the term of this Lease, LESSOR will pay LESSEE the amount of such reduction of tax in cash.

ARTICLE 33 - PUBLIC TRANSPORTATION

LESSOR and LESSEE shall cooperate to make public transportation (bus service) available to the site in which the Premises are a part of. The service level of this public transportation will be sufficient to service the employees who will work at the site as well as LESSEE'S clients and customers who need access by public conveyance to and from the site.

ARTICLE 34 – ALTERNATE ENERGY

LESSOR and LESSEE agree to work together to explore options to install solar and/or other alternate energy options and enhancements to the Premises. In the event any alternate energy enhancement creates a tax deduction, PG&E rebate or any other form of monetary credit to LESSOR, LESSOR further agrees to pass to LESSEE said monetary credit to defray LESSEE'S operational cost for the Premises as identified in **EXHIBIT D** of this Lease.

ARTICLE 35 - PROPOSITION 65 WARNING

If applicable to the Premises which are the subject of this Lease, LESSOR AND LESSEE agree to post the **CALIFORNIA PROPOSITION 65 WARNING** on the Premises in substantially the same form as follows set forth in **EXHIBIT F - CALIFORNIA PROPOSITION 65 WARNING** attached and incorporated by this reference.

LESSEE: (County of Monterey)

By: _____
Michael R. Derr

Title: Contracts/Purchasing Officer

Date: _____

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

By: _____
Mary Grace Perry

Title: Deputy County Counsel

Date: _____

LESSOR: (Magna Plantare, Inc.)

By: _____
Chris Burnett

Name: Chris Burnett

Title: President

Date: _____
7/26/16

& By: _____
Kelly L Cobb

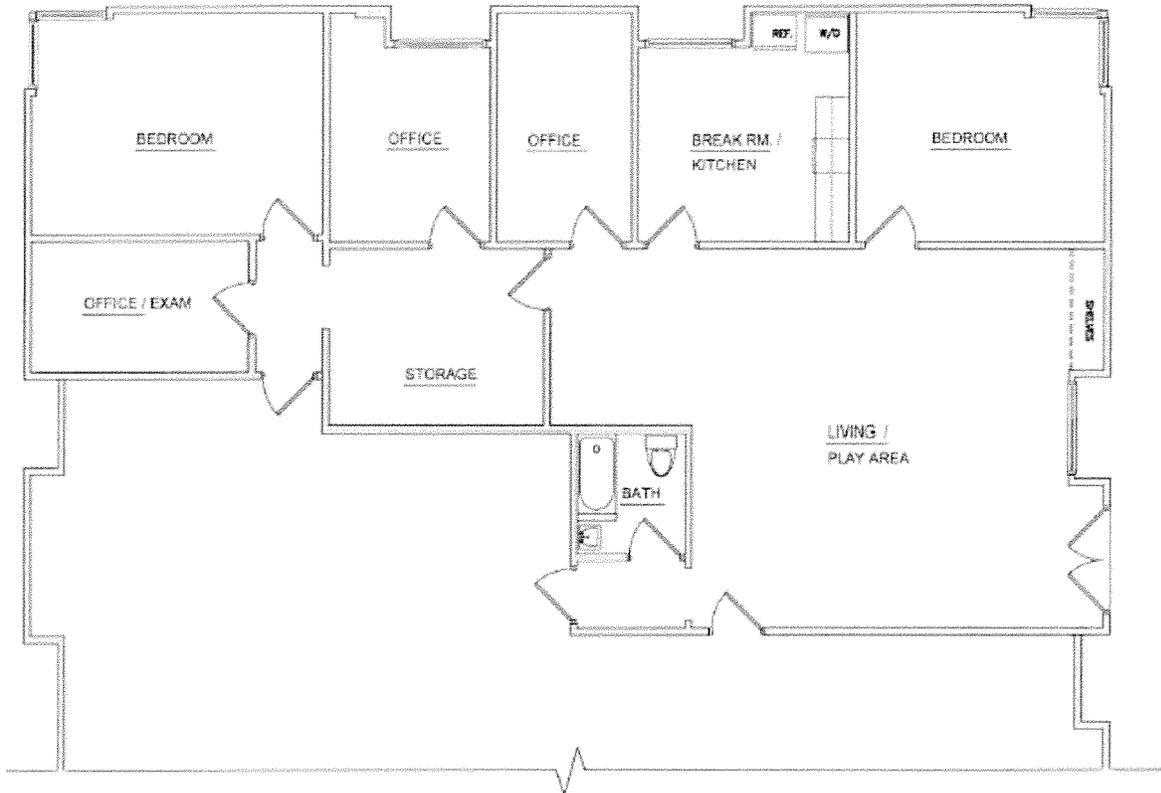
Name: _____
Kelly L Cobb

Title: _____
(Secretary, Assistant Secretary, CFO, or Assistant Treasurer)

Date: _____
8/1/16

EXHIBIT A - 1

DESCRIPTION OF THE PREMISES



AREA = 1790 SQ.FT.

EXISTING FLOOR PLAN

SCALE: 1/8"=1'-0"

EXHIBIT A - 2

PARKING PLAN



EXHIBIT B

STATEMENT OF SEISMIC ADEQUACY
(Article 1, Section 1.6)

Construction/renovation of the Building containing the Premises occurred on _____ (date).
Construction/renovation plans have been determined to be in compliance with all building codes
applicable to seismic safety.

I declare under penalty of perjury of the laws of the State of California that the foregoing Statement
of Seismic Adequacy is true and correct.

Executed this ____ day of _____, 20__ at _____, California, County of
Monterey.

LESSOR: _____

By: _____

Name: _____

Title: _____

Date: _____

LESSOR's Licensed Structural Engineer:

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT B - 1

EVIDENCE OF CONSTRUCTION



Page 1

City of Salinas Commercial Permit Research
1121 BALDWIN ST #A
Issuance Date: 12/1/2015

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

Assessor Parcel Number: 003272001000 Zoning MAF

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

DATE	DESCRIPTION	CASE NO
------	-------------	---------

Planning Projects on Record:

PROJECT_NO	APPLIED	APPROVED	EXPIRED	DESCRIPTION
------------	---------	----------	---------	-------------

Building Permit(s) on Record:

PERMIT NO.	ISSUED	FINALED	EXPIRED	DESCRIPTION
85-B297	04/24/1985	11/21/1985		4 NEW OFFICE BUILDINGS-SHELL ONLY
86-B115	02/27/1986	04/24/1986		INTERIOR REMODEL
86-B473	05/15/1986	06/30/1986		INTERIOR REMODEL
87-B406	06/01/1987		02/24/1989	SHEETROCK AND SUSPENDED CEILING FOR UNLEASED SPACE,NOT FOR
88-B053	02/03/1988	11/11/1988		INTERIOR REMODEL

EXHIBIT C - 1

PREMISE IMPROVEMENTS

1. Premise Improvements:

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

Premise Improvements are generally described as follows:

- (a) Replace chipped exterior security windows.
 - (b) All HVAC ducts to be thoroughly cleaned, and free of dirt and dust.
 - (c) All ceiling tiles that are damaged or discolored are to be replaced.
 - (d) All carpet in the Premises is to be replaced with carpet tiles Voltage #928 Mineral selected by the LESSEE.
- b. LESSOR shall commence construction of the Premises Improvement work at the earliest opportunity. Cost and schedule of Premise Improvement work shall be approved by LESSOR and LESSEE prior to commencement.
 - c. LESSOR shall diligently pursue construction of approved Premises Improvement work and deliver the Premises to LESSEE in a condition suitable for occupancy no later than a date certain, that will be mutually established by LESSOR and LESSEE on or before the date LESSOR'S contractor commences construction of the Premise Improvements.

2. Construction Plans and Specifications, Change Orders and Delay:

- a. LESSOR shall provide for LESSEE'S approval the complete and detailed proposed Plans and Specifications for the Premises Improvements, the design of which shall conform to LESSEE'S approved program for use of the Premises.
- b. LESSEE shall provide LESSOR with written notice of its approval or disapproval of the Plans and Specifications within five (5) business days after receipt of such Plans and Specifications. If LESSEE disapproves the Plans and Specifications, LESSEE shall describe the reasons for its disapproval in reasonable detail in LESSEE'S notice of disapproval. LESSOR shall revise the Plans and Specifications to satisfy the issues giving rise to LESSEE'S disapproval and submit the revised Plans and Specification to LESSEE as provided in clause 2.a of this Exhibit C.
- c. During construction, LESSOR and LESSEE'S Representative (as defined below) shall confer periodically regarding the progress of the work and the approximate cost of the work completed. LESSEE'S Representative may request changes, modifications or alterations to the Plans and Specifications by written change order delivered to LESSOR, but no such change shall be made without the written approval of LESSOR, which approval shall not be unreasonably withheld. LESSOR shall approve or deny each LESSEE change order within four (4) business days, and LESSOR shall also provide to LESSEE'S Representative, by written notice to LESSEE, an estimate of the maximum cost of each change order within five (5) business days after the delivery of the change order to LESSOR. No work based upon a change order shall be undertaken unless and until LESSEE'S Representative shall

have approved (by notice to LESSOR) LESSOR'S cost estimate.

- d. If LESSOR determines that a change proposed by LESSEE will delay completion of the construction beyond the period allocated for such construction, LESSOR shall, within four (4) business days, notify LESSEE'S Representative of the estimated length of the delay caused by LESSEE'S request. LESSEE'S Representative shall advise LESSOR within two (2) business days after receipt of such notice as to whether LESSOR shall proceed with requested change, modification or alteration. LESSOR shall not make the requested change to the Plans and Specifications without LESSEE'S approval of any proposed time extensions.
 - e. If LESSOR requires that LESSEE clarify or refine the Plans and Specifications, then LESSEE'S Representative shall meet with LESSOR for the purpose of clarifying or refining the Plans and Specifications within two (2) business days after LESSEE'S receipt of LESSOR'S request therefore. No such clarification or refinement shall be deemed to be a change order.
 - f. If LESSOR determines that the Plans and Specifications must be changed as a result of omissions or errors in the Plans and Specifications, then LESSOR shall, prepare and submit to LESSEE revised Plans and Specifications correcting any such omission or error. LESSEE shall approve or disapprove such revised Plans and Specifications within two (2) business days after receipt and shall not unreasonably withhold its approval.
 - g. LESSOR shall not be responsible for any delays in the time for completion of construction resulting from LESSEE'S delay. For purposes herein, LESSEE'S delay in the completion of the construction of the Premise Improvements are delays that may arise solely as a result of: (1) LESSEE'S failure to comply with its obligations set forth in subsection b, d, e, or f, above, within the time specified; (2) any change directed by LESSEE after notification to LESSEE that the change will delay completion of the construction as provided in subsection d, above; or (3) extra time required to obtain any long lead items specified by LESSEE. For purposes herein, an item shall be considered a long lead item if LESSOR notifies LESSEE within fifteen (15) business days after receipt of LESSEE'S approval of the Plans and Specifications that such item is not readily available or readily installable after the same is requested by LESSEE.
3. Approval of Plans by Public Authorities: Following LESSEE'S approval of the Plans and Specifications, LESSOR shall obtain approval of the Plans and Specifications for the Premises from all appropriate governmental agencies, and a copy of the Plans and Specifications, as approved by such governmental agencies, shall be dated and initialed by both LESSOR and LESSEE. LESSOR shall exercise due diligence in obtaining any such approval. LESSEE shall cooperate with LESSOR in obtaining all such approvals, and in this regard, LESSEE shall approve all revisions and changes to the Plans and specifications reasonably required by any governmental agency, with due diligence and without delays.
4. Quality of Work: All work performed hereunder shall be done in a good and workmanlike manner, free from faults and defects and in accordance with the Plans and Specifications. All materials and equipment installed in the Premise Improvements shall be new unless otherwise specified in the Plans and Specifications.
5. LESSEE'S Access during Construction: LESSEE'S representative, agents, consultants and contractors ("LESSEE'S Representatives") shall have access to the Premises during the construction of the Premise Improvements for activities and purposes related to construction of the Premises or preparation of the Premises for occupancy. LESSEE'S Representatives on the Premises during construction shall cooperate with LESSOR'S contractor and not delay in any way the performance by LESSOR'S contractors or LESSOR'S representatives of any work (including but not limited to the construction of Premise Improvements).
6. Acceptance of Premises:
- a. At any time during the construction of the Premise Improvements, LESSEE may reject any work that does not conform to the Plans and Specifications or does not meet good and workmanlike standards as reasonably interpreted by and at the sole discretion of the LESSEE.

- b. Within five (5) business days after LESSOR delivers to LESSEE a list of work items remaining to be done or corrected and notifies LESSEE that the Premise Improvements are ready for inspection by LESSEE'S representative, LESSEE shall deliver to LESSOR a list of items that LESSEE shall have reasonably determined that LESSOR must complete or correct prior to LESSEE'S acceptance of possession in order for the work to conform to the Plans and Specifications. LESSOR shall immediately commence to complete or correct the items listed by LESSEE, except those it contends are not justified. If LESSEE fails to deliver such a list within the five (5) business day period, LESSEE shall be deemed to have accepted the Premises subject to completion of the corrections on LESSOR'S list of corrections and to have approved the construction.
 - c. Acceptance by LESSEE shall not be unreasonably withheld.
- 7. Notices: All notices required or permitted hereunder shall be in writing and shall be delivered as indicated in ARTICLE 6 of the Lease to which this Exhibit is attached.
 - 8. Notice of Non-Responsibility: LESSOR may post such notices of non-responsibility for payment to LESSEE contracted vendors as it reasonably deems appropriate in or around the Premises during the construction provided for herein.
 - 9. Responsibility for Damage: If LESSEE installs equipment in the Premises prior to completion of the work hereunder, LESSEE shall bear the risk of loss to such equipment other than loss that is a result of negligence or willful misconduct by LESSOR, its agents or contractors.
 - 10. Telecommunications/Data: Premise Improvements may include the installation of necessary telecommunications/data processing linkages, and alarm systems. Specification for telecommunications/data processing linkages and alarm systems will be developed and provided by the Monterey County Information Technology Department as specified in **EXHIBIT C-6 – COUNTY OF MONTEREY INFORMATION TECHNOLOGY CABLING STANDARDS** attached and incorporated by this reference.

EXHIBIT C – 2

PREMISE IMPROVEMENT PLANS, CONSTRUCTION SCHEDULE, AND SPECIFICATIONS

Construction shall take place on the days Tuesday, Wednesday, and Thursday. Work is not anticipated to last for more than Three (3) Days. All Premise Improvements shall be completed before April 30, 2016, and the specific week will be mutually agreed to between LESSOR and LESSEE prior to commencement of construction.

- a. Security Windows shall be wire mesh, equal or better quality as existing.
- b. All HVAC ducts to be thoroughly cleaned, and free of dirt and dust.
- c. All ceiling tiles that are damaged or discolored are to be replaced equivalent of existing.
- d. All carpet in the Premises is to be replaced with carpet tiles (Voltage #928 Mineral).

EXHIBIT C - 5

REMEDIATION CONTRACTOR SPECIFICATIONS

A. Scope of Services

Remediation Contractor to provide treatment, cleanup, damage restoration and any other necessary remediation of:

- Water and/or sewage damage
- Mold, asbestos, lead, and polychlorinated biphenyl (PCB) contamination
- Fire and smoke damage
- Hazardous materials within the license and certification capabilities of the Remediation Contractor
- Human bodily fluids, including but not limited to blood, vomit, urine, feces, and saliva
- Routine sanitation cleanup

B. Work Standards

All work must be done in accordance with the California Health and Safety Code, California Occupational Safety and Health Act (OSHA), and other applicable laws and regulations. The Remediation Contractor must take all care to ensure that work proceeds under the highest standards of safety and prudence, and in compliance with all applicable laws as may be amended from time to time.

EXHIBIT C - 6

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

This document is to be used as a guide for voice and data cabling in all Monterey County facilities with the exception of Natividad Medical Center. Some of the requirements are dependent on specifications that are specific to a particular job and this information will be made available as necessary.

1. The cable plant shall be star configured, unshielded twisted pair (UTP) system capable of supporting data rates of 350 MBPS.
2. All riser and closet-to-closet voice wiring shall be unshielded twisted pair PVC rated, Outside Plant (OSP) rated for underground use, Riser rated, or Plenum rated as required by local Fire Marshall, and shall be EIA/TIA 568, 569 and TSB-36 Category 3 certified cable. This cable shall be tested for opens, shorts and reversals.
3. All riser and closet-to-closet data wiring shall be color coded tight tube 62.5/125 multimode fiber optic cable PVC, Outside Plant, Riser or Plenum rated as required by specific project specifications or the local Fire Marshall.
4. Only existing communications closets may be used for the termination of voice and data cable. Additional cable consolidation points and intermediate distribution frames will be added only with prior approval from the Monterey County Telecommunications Department.
5. All fiber optic cable shall be terminated on ST or SC connections as required by specific project specifications.
6. All fiber optic cable shall be installed in appropriate fiber optic interduct PVC, Outside Plant, Riser or Plenum rated as required by specific project specifications or the local Fire Marshall.
7. All Fiber optic cable shall be terminated in the equipment rooms in approved fiber optic LIU cabinets Leviton Part # 5R330-OAB or the equivalent with sufficient density to accommodate all fiber optic cable as specified in the project specifications.
8. The cable plant shall meet EIA/TIA-568 "Commercial Building Telecommunications Wiring Standard" and the maximum length of any UTP data drop SHALL NOT exceed 100 meters (322 feet) including patch cables and future jumper cables.
9. All data drop cabling shall be EIA/TIA 568, 569 and TSB-36 Category 5 enhanced certified (5E) cable.
10. All data drop cabling shall be 4 pair unshielded twisted pair, PVC rated, (Outside Plant (OSP) rated for underground use) (Plenum rated as required by local Fire Marshall), and Category 5 enhanced certified cable.
11. Approved cable supplier: Belden enhanced Data Twist CAT-5 #1700A (Blue color for data-1 Black color for data-2 unless otherwise requested) or its equivalent or data and Belden CAT-5 #1583A (Grey color for voice-1 White color for voice-2 unless otherwise requested) or its equivalent for voice.
12. All wiring closet data connecting hardware shall be EIA/TIA TSB-40 Category 5 enhanced certified cable.

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13. All wiring closet data connecting hardware shall be modular jack panels with RJ45 jacks on the front and 110 style insulation displacement connectors (IDC) for termination of the drop cable on the back.
14. The modular information outlets shall be housed in a four or six position wall plate.
15. The modular information outlet shall have an identification display and each outlet shall have the assigned specific identification number in the sequence assigned by an appropriate representative of Monterey County ITD displayed on it.
16. All modular jacks shall be eight position jacks with the pin/pair assignments utilizing EIA/TIA T568B.
17. Approved information outlet supplier: Leviton 5G108-R*5 (Orange color for data-1 Black color for data-2 unless otherwise requested) for data and Leviton 41108-R*5 (Ivory color for voice-1 White color for voice-2 unless otherwise requested) for voice.
18. Approved wall plate supplier: Leviton 41080-4IP (single-gang 4 port), 41080-6IP (single-gang 6 port), 42080-4IP (dual-gang 4 port), and 42080-6IP (dual-gang 6 port).
19. Approved surface plate supplier: Leviton 41089-4IP 4 port surface plates permanently attached to the appropriate surface.
20. The patch panel shall be Category 5 enhanced, 8-position modular jack panel with circuit board construction in all IC/MC locations. The 8-position modular jack patch panel shall be with wall mounted or rack mounted with cable management panels.
21. The patch panel shall meet EIA/TIA TSB-40 standards.
22. The patch panel shall be configured for 48 ports maximum or as requested.
23. Approved supplier for patch panels: Leviton #5G484-B48.
24. Approved supplier for vertical wire manager: Panduit #WMP-1 and horizontal wire managers: Panduit #MVPVC45 and #MVPVS45 or approved equivalent.
25. All wiring closet voice connecting hardware shall be EIA/TIA TSB-40 Category 5 compliant.
26. All wiring closet voice connecting hardware shall be wall mounting 66 M150 connecting hardware for termination of drop cable. These blocks should be attached to the wall using Homaco 50M series wall racks and 89B brackets.
27. All data station drop cables shall be tested from the outlet device to the patch panel. Each wire/pair shall be tested at both ends.
28. Testing shall be made utilizing a hand cable tester meeting EIA/TIA 568 standards; all testing equipment shall be calibrated annually and shall have a dated certificate.
29. Printed test results shall be assembled and delivered to county's representative.
30. Test results for each 4 pair; UTP cable must be submitted with identification to match labels on all patch panels and 8 position modular jacks.

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31. All voice cables shall be tested for continuity, grounds, split pairs, polarity, shorts between wires, and shorts between pairs.

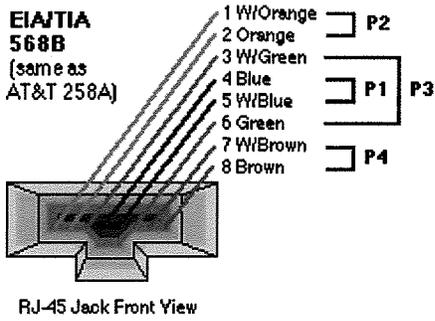


EXHIBIT D

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 G, "Custodial Services 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 G		X	
Professionally clean existing drapes, blinds, and window shades as indicated in Exhibit F		X	
Professionally clean interior windows as indicated in Exhibit G		X	
Professionally clean exterior windows as indicated in Exhibit G		X	
Provide adequate pest control for the interior of the Premises		X	
Provide adequate pest control for exterior of Premises		X	
Provide adequate landscape maintenance and gardening (including landscape irrigation system and associated water supply and service)		X	
Provide adequate parking lot area sweeping		X	
Provide adequate refuse, rubbish, garbage, and recyclable (paper, plastic, and aluminum, if available) disposal and pick up service		X	
Provide adequate fire sprinkler systems testing		X	
Provide adequate fire alarm systems monitoring		X	
Provide adequate intrusion/security alarm systems monitoring			X
Provide adequate patrolled security guard service (to common area only, from 6 am to 9 pm M-F, and 7 am to 4 pm on Sat.) (Subject to change with mutual written consent)	X		
Provide adequate heating, ventilation & air conditioning (HVAC) systems filter replacements, unit inspections, unit lubrications and record keeping pursuant to the California Code of Regulations, Title 8, Section 5142		X	
Provide adequate servicing of uninterrupted power source (UPS)	X		
Provide adequate servicing of back up generator	X		
Provide adequate gas utility service as per ARTICLE 13		X	
Provide adequate electric utility service as per ARTICLE 13		X	
Provide adequate water utility service as per ARTICLE 13		X	
Provide adequate telephone and data service (including connection charges)			X

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

EXHIBIT D

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 LESSEE pays for moving office furniture and equipment).		X	
Base and/or Moldings (including replacement if deemed necessary)		X	
Appliances (excluding common area)			X
Communication Systems (data/telephone cabling, connections and equipment)			X

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

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

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

EXHIBIT E

SERVICE CONTACT LIST

Item	Contact	Number
Cabinets/Millwork	Chris Burnett	831-594-9632
Ceiling Tile	Chris Burnett	831-594-9632
Electrical	Brent Johnston	831-595-8604
Exterior Door and Hardware	Chris Burnett	831-594-9632
Flooring	Custom Floor Covering (tim)	831-214-3915
Fire Sprinkler System	A&B Fire	831-422-4404
Fire Extinguisher Servicing	A&B Fire	831-422-4404
Fire Alarm	A&B Fire	831-422-4404
Heating & Air Conditioner	Advanced Air (Dave)	831-521-5894
Interior Door and Hardware	Chris Burnett	831-594-9632
Janitorial for common areas		
Janitorial for the Premises		
Landscape Maintenance	Master Landscapes	831-663-2531
Light Bulbs & Fluorescent Tubes	Chris Burnett	831-594-9632
Locksmith	Davids Locksmith	831-809-9252
Painting	Chris Burnett	831-594-9632
Pest Control	Western Exterminator	831-757-6226
Parking Lot Repair	Boyds Asphalt	831-754-1224
Parking Lot Sweeping		
Plumbing	Carrger Plumbing (Tom)	831-262-2121
Remediation of Env. Hazards	Chris Burnett	831-594-9633
Roofing System	Williams roofing	831-758-2749
Roof Gutters & Downspouts	Williams roofing	831-758-2749
Sewer & Drain Cleaning	Roto rooter	831-422-0055
Tree Trimming & Removal	Master Landscapes	831-663-2531
Utility (Gas & Electric)	PG&E	1800-PGE-5000
Utility (Telephone)		
Utility (Water)	Cal Water	831-757-3644
Waste Disposal & Recycle	Republic Services	831-775-3850
Window Replacement & Repair	Ted Pontons Glass –John	831-758-0609
Window Cleaning	Covenant Windows	831-655-8439

EXHIBIT F

PROPOSITION 65 WARNING

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

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

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

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

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

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