

**AMENDMENT NO. 1 TO COUNTY OF MONTEREY STANDARD LEASE
AGREEMENT
FOR 713 LA GUARDIA STREET, SALINAS, CALIFORNIA 93905**

This Amendment No. 1 to County of Monterey Standard Lease Agreement is made effective and entered into as of this 27th day of March, 2001, by and between Caputo Associates, 1530 A Parkmoor Avenue, San Jose, California 96128, hereinafter referred to as LESSOR and the County of Monterey, hereinafter referred to as LESSEE.

RECITALS:

A. The parties have previously entered into a County of Monterey Standard Lease Agreement dated January 3, 2001, (the "Lease Agreement") whereby LESSOR leases to LESSEE that certain property located at 713 La Guardia, Salinas, California 93905, and is constructing Premise Improvements in accordance with plans and specifications approved by LESSEE and LESSOR and in accordance with Exhibit "C" to the Lease Agreement ("Premise Improvement Agreement").

B. Exhibit "C" of the Lease Agreement specifically identifies the installation of necessary telecommunications/data processing linkages and alarm systems as work to be accomplished separately by LESSEE. However, if done separately, the extensive scope of these installations will cause unavoidable delays in the completion of the LESSOR'S Premise Improvements and occupancy by LESSEE.

C. In order to meet the occupancy requirements of LESSEE and to avoid unnecessary interference and delay to LESSOR'S Premise Improvement work, the parties desire to amend the provisions of the Lease Agreement to add, at LESSEE'S request, the installation of certain telecommunications/data processing linkages and alarm systems to the Premise Improvements to be completed by LESSOR.

D. The parties also have ascertained that there may be certain additional costs for the Premise Improvements, due primarily to changes in the scope of some such improvements as requested by LESSEE and unanticipated governmental requirements, and wish to amend the Lease Agreement to provide for LESSEE'S payment of such additional costs.

THE PARTIES HEREBY MUTUALLY AGREE AS FOLLOWS:

1. Unless otherwise stated, all capitalized terms used herein shall have the meanings set forth in the Lease Agreement.

2. LESSOR agrees to construct additional Premise Improvements and make installations as necessary to provide for telecommunications/data processing linkages in the Premises as described in Exhibit "A" attached hereto and made a part hereof (the "Additional Premise Improvements"), the total cost of which, excluding the cost of the LJM switch, shall not exceed Two Hundred Forty Thousand Dollars (\$240,000). LESSEE will be responsible for providing LESSOR with detailed plans and specifications for the installation of the Additional Premise Improvements within ten (10) days after the date of this Amendment No. 1 to Real Property Lease Agreement. Any changes in the scope of the Additional Premise Improvements must be approved in writing by

LESSOR, and to the extent any such changes will cause the total cost of the Additional Premise Improvements to exceed \$240,000, LESSEE agrees to pay such additional cost as specified in Paragraph 3 below. In the event LESSEE is at any time in breach of the Lease Agreement prior to the completion of the Additional Premise Improvements, LESSOR may, in addition to all other rights or remedies to which LESSOR may be entitled, suspend or terminate such work and LESSEE shall be obligated to immediately pay to LESSOR, upon written demand, the reasonable cost of the Additional Premise Improvements completed as of the date of such demand.

3. The cost of the Additional Premise Improvements will not be included as part of either the Allowance or the Amortized Costs described in Article 7 of the Lease Agreement, but will be paid for separately by LESSEE in accordance with the terms of this Amendment No. 1. Notwithstanding any provisions for payment of the costs of Premise Improvements contained in Article 7 of the Lease Agreement, LESSEE agrees that, within five (5) business days after issuance of a temporary certificate of occupancy as to the approved Additional Premise Improvements or substantial completion of the Additional Premise Improvements, whichever occurs earlier, and presentation by LESSOR of an invoice or request with a reasonably detailed breakdown of the costs incurred, LESSEE shall pay to LESSOR the full costs of the Additional Premise Improvements. If LESSEE fails to pay LESSOR the costs of the Additional Premise Improvements within the time specified above, interest shall thereafter accrue on the unpaid amount until paid at the rate of ten percent (10%) per annum. If LESSEE fails to pay the cost of the Additional Premise Improvements within thirty (30) days after receipt of LESSOR'S invoice and breakdown, such failure shall constitute a default under the Lease Agreement.

4. LESSOR shall use good faith efforts to complete the Additional Premise Improvements by the Lease Commencement Date, but in no event shall the lack of completion of the Additional Premise Improvements permit LESSEE to withhold rent or payment of Amortized Costs, or claim any deduction or offset whatsoever against LESSOR, nor shall it result in the deferral of the Lease Commencement Date or excuse LESSEE from the performance of any obligation required of LESSEE under the Lease Agreement.

5. The Additional Premise Improvements shall be as designed, planned, selected, and/or specified by LESSEE or LESSEE'S representatives, and LESSOR shall have no responsibility or liability for the design, planning, selection, or specifications of or for the Additional Premise Improvements. LESSOR agrees to cause the Additional Premise Improvements to be installed in accordance with the plans and specifications for such improvements as approved by LESSEE. NOTWITHSTANDING ANY PROVISION OF THE LEASE AGREEMENT, AND ONLY EXCEPT AS MAY OTHERWISE BE EXPRESSLY SET FORTH HEREIN, LESSOR MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, WRITTEN OR ORAL, STATUTORY OR OTHERWISE, TO LESSEE AS TO THE QUALITY OR FITNESS OF THE ADDITIONAL PREMISE IMPROVEMENTS, INCLUDING BUT NOT LIMITED TO ANY WARRANTY OF THE FITNESS OF THE IMPROVEMENTS FOR A PARTICULAR PURPOSE OR FOR LESSEE'S INTENDED USE. IN NO EVENT SHALL LESSOR BE LIABLE FOR THE SUITABILITY OF THE ADDITIONAL PREMISE IMPROVEMENTS FOR LESSEE'S BUSINESS, OR FOR ANY LOST PROFITS, LOST REVENUES, INCIDENTAL OR CONSEQUENTIAL DAMAGES, OR COSTS OF REPLACEMENT RESULTING FROM, OR CLAIMED TO RESULT FROM, ANY DEFICIENCIES OR DEFECTS IN THE ADDITIONAL PREMISE IMPROVEMENTS, OR FROM THE DESIGN, PLANNING, SELECTION, SPECIFICATIONS, OR CONSTRUCTION OF THE ADDITIONAL PREMISE IMPROVEMENTS. LESSOR shall, upon the completion of the Additional Premise Improvements

and payment therefor by LESSEE, assign to LESSEE any and all warranties and warranty rights of LESSOR in and to the Additional Premise Improvements, including but not limited to any contractor warranties and warranties as to equipment or materials incorporated into the Additional Premise Improvements.

6. To the extent the total cost of the Premise Improvements pursuant to the Lease Agreement exceeds the combined Allowance and Amortized Costs as described in Article 7 of the Lease Agreement (not including the costs of the Additional Premise Improvements described hereinabove) due to increased costs of local governmental plan checks, miscellaneous LESSEE-required changes, or for unanticipated costs of bathroom floor preparation in the Premises (collectively, "Excess Costs"), LESSEE agrees that, within five (5) business days after substantial completion of the Premise Improvements, including the work to which the Excess Costs relate, and presentation by LESSOR of an invoice or request with a reasonably detailed breakdown of the Excess Costs, LESSEE shall pay to LESSOR the full amount of the Excess Costs. Unless LESSOR has obtained LESSEE'S prior written approval, the Excess Cost shall not exceed Thirty Thousand Dollars (\$30,000). If LESSEE fails to pay LESSOR the Excess Costs within the time specified above, interest shall thereafter accrue on the unpaid amount until paid at the rate of ten percent (10%) per annum. If LESSEE fails to pay the Excess Costs within thirty (30) days after receipt of LESSOR'S invoice and/or breakdown, such failure shall constitute a default under the Lease Agreement.

7. Notices to parties in connection with the provisions of the Lease Agreement and this Amendment may be given by personal service or by U.S. Mail addressed as shown below.

8. The undersigned expressly warrant and represent that each of them is duly authorized to execute this Amendment No. 1 to County of Monterey Standard Lease Agreement on behalf of the party for which they are signing, and that this Amendment No. 1 to County of Monterey Standard Lease Agreement will bind such party when it has been fully executed and delivered.

Executed this 30th day of March, 2001.

LESSEE

COUNTY OF MONTEREY
855 E. Laurel Drive, Building C
Salinas, CA 93905

By: [Signature]
Purchasing Manager
Date: [Signature] 3/30/01

APPROVED AS TO FORM:

By: [Signature]
Deputy County Counsel
Date March 29, 2001

LESSOR

CAPUTO ASSOCIATES
1530 A Parkmoor Avenue
San Jose, CA 95128

By: [Signature]
Lessor's Representative
Date: 3/30/01