

May 7, 2013

Board of Supervisors
330 Fair Lane
Placerville, CA 95667

Dear Board of Supervisors,

Per the Public Records Act, I am requesting the following:

In regards to the Logan Building, the lemon that just keeps on giving:

Documentation regarding the County's original purchase of the building and its subsequent sale to the Abels

Full disclosure of any conflicts of interest concerning this property, the 130 month Lease or any other element, for example between Fackrell, Kingston, Sweeney or the Abels.

Documents' supporting that "Due Diligence" was exercised in the search for a new location and support for the reason to vacate the existing Placerville Drive location.

Minutes of the recent Special Meeting held by the Mental Health Commission where the move was approved.

Documentation addressing the source of funds indicated in the Property "A-nay-l-sis", I think they meant "Analysis," should the several "reimbursement" sources indicated, not perform as expected, See Document # 13-0517F.

A written warranty from Staff (CAO's Office) that all the facts, elements and conclusions that have been given to the Board of Supervisors to consider regarding this suggested move from 670 Placerville Drive to 768 Pleasant Valley are correct, not in any way biased, incomplete or misleading, and that no one has been influenced, or tried to influence anyone to work towards a specific outcome.

Thank you,

Sue Taylor
P. O. Box 961
Camino, CA 95709

5-7-13
S. Taylor
13-0517 G 1 of 33
23

LEASE

670 PLACERVILLE DRIVE
MENTAL HEALTH FACILITY

THIS LEASE (this "Lease") is made as of May 7, 2013 (the "Effective Date"), by and between Golden Plaza I, a California Limited Liability Company ("Lessor") and the County of El Dorado ("Lessee"), a political subdivision of the State of California, upon the following terms and conditions:

SECTION 1: BASIC LEASE PROVISIONS.

These Basic Lease Provisions set forth the basic terms of this Lease. In the event of any inconsistency between the terms set forth in these Provisions and any other provision of this Lease, the Basic Lease Provisions shall prevail.

1.1	<u>Lessee:</u>	Name: EL DORADO COUNTY Address for Notices: Chief Administrative Office Attention: Facilities Manager 330 Fair Lane Placerville CA 95667
1.2	<u>Lessor:</u>	Name: Golden Plaza I, a California Limited Liability Company Address for Notices: Golden Plaza 1, LLC P.O. Box 188321 Sacramento, CA 95818
1.3	<u>Premises:</u>	Office building consisting approximately <u>14,001</u> rentable square feet of area and sixty (60) parking stalls. The Premises are more fully described in <u>Exhibit A</u> , attached hereto and made a part hereof by reference.
1.4	<u>Property:</u>	The property contains that certain multi-story office building ("Building") where the Premises are located and the surrounding parking areas, located at 670 Placerville Drive, Placerville, California.
1.5	<u>Term:</u>	Ten (10) Years and Five (5) months from Commencement Date... Commencement Date: June 1 st , 2013. Option to Extend: Two (2) 5-year options, as more specifically described in <u>Section 4</u> .
1.6	<u>Rent:</u>	Monthly Rent Monthly PSF Rent, Modified Gross (See 3.2) \$18,761.34 \$1.34 Rent shall increase by 2.5% on an annual basis during the Term. Rent increases shall be effective on the first day of the month following completion of twelve (12) consecutive months of paid rent.

Deleted: El Dorado County Lease
768 Pleasant Valley - Draft

#23 5-7-13
B. M. Quinn

		Lessee shall be responsible for electrical and janitorial costs.
1.7	Security Deposit:	None.
1.8	Permitted Use:	General office space use, including government operations or uses related thereto.
1.9	Definitions:	All capitalized terms used in this Lease shall have the meanings specified in this Section 1 or in Section 42 or in any Addendum to this Lease.
1.10	Exhibits:	The following Exhibits are attached to this Lease and incorporated herein by this reference: Exhibit A: Premises Exhibit B: Tenant Improvement Work Exhibit B-1: Space plan and specification list from DesignTech dated December 21, 2012 Exhibit B-2: Tenant Improvement Construction Schedule Exhibit C: Termination Fee Schedule Exhibit D: Rules and Regulations
1.11	Addendum:	Attached Yes <u> X </u>

Deleted: _____

SECTION 2: PREMISES AND COMMON AREAS

2.1 **Premises.** Lessor hereby leases the Premises to Lessee and Lessee hereby leases from Lessor the Premises, as outlined on the floor plan in Exhibit A, attached hereto and incorporated herein by reference. The Premises shall include the Tenant Improvement Work specified in Exhibit B and Exhibit B-1 attached hereto and incorporated herein by reference.

2.2

2.3 **Common Areas.** Lessee shall have the nonexclusive right to use the Common Areas, subject to reasonable rules and regulations for the management, safety, care, and cleanliness of the grounds, the parking and unloading of vehicles and the preservation of good order, as well as for the convenience of other occupants or tenants of the Building. Lessee's rights are subject to Lessor's right to make changes to the Common Areas or the use of such Common Areas which Lessor deems reasonable, perform maintenance and repairs and otherwise use the Common Areas as Lessor may deem appropriate in its reasonable judgment. Notwithstanding the foregoing, in no event shall Lessor's activities pursuant to this section interfere with Lessee's access to or use of the Premises.

2.4 **Delivery of Possession.** Lessor shall deliver to Lessee possession of the Premises, with the Tenant Improvements Substantially Complete, in accordance with the terms set forth in Exhibit B, Exhibit B-1, and free and clear of all other tenants and occupancies. Lessor shall deliver the Premises in a clean condition on the Commencement Date, and warrants that the existing electrical, plumbing, fire sprinkler, lighting, heating, ventilating and air conditioning systems ("HVAC"), and all other items which the Lessor is obligated to construct shall be in good operating condition on said date, that the structural elements of the roof, bearing walls and foundation of the Premises shall be free of material defects, and that the Premises do not contain hazardous levels of any mold or fungi defined as toxic under applicable state or federal law.

2.5 **Compliance with Laws.** Lessor warrants that the Lessor is delivering the Premises, including the Tenant Improvements, and the Property in compliance with all applicable local, state, and federal laws, including, without limitation, the American Disabilities Act ("Applicable Requirements"). If

the Premises or Property do not comply with Applicable Requirements, Lessee shall have the right to terminate this Lease as provided in Section 14.

2.5.1 If the Applicable Requirements are hereafter changed so as to require during the Lease Term the construction, alteration, or retrofit of the Premises, the remediation of any hazardous substance, or the reinforcement or other physical modification of the Premises, Lessor shall be solely responsible for the cost of such work, except where such work is triggered by Lessee as a result of an actual or proposed use or change in use or modification to the Premises.

2.5.2 Lessor shall, at its own cost and expense, be responsible for compliance with existing federal, state and local statutes, codes and ordinances, including the American Disabilities Act ("ADA") and Title 24 requirements in the construction, alteration, or other physical modifications on the Building and the Property, including the Tenant Improvements. During the Term and any extension, Lessor shall be responsible for any repairs, improvements, retrofits, or upgrades to the interior and exterior of the Building, the Premises, and the Property that are required to comply with the Applicable Requirements, including the evaluation, installation, and costs arising from changes necessary to bring the Property and the Building up to ADA accessibility standards due to changes in the Applicable Requirements after Lease commencement. Lessor shall defend and indemnify Lessee for any claims, liability, costs, or damages associated with Lessor's failure to comply with the ADA requirements. If Lessee makes any alterations or improvements to the interior of the Premises after the Commencement Date, Lessee shall, at its sole cost and expense, be responsible for insuring that any alterations or improvements to the Premises made by Lessee comply with Applicable Requirements.

2.6 Vehicle Parking. Lessee shall be entitled to use the number of parking stalls specified in Section 1.3 above. Parking shall be free for the initial and extended term(s) of the Lease. Parking areas shall have appropriate and adequate overhead lighting.

2.7 Quiet Possession. So long as Lessee is not in Default, Lessee shall be entitled to quietly have, hold, and enjoy the Premises during the Term, subject to Lessor's rights under this Lease.

2.8 Use of Premises. Lessee shall use the Premises for the purpose of conducting business and activities permitted by law, including any government operations or uses related thereto. The parties agree that Lessee may use the Premises for public meetings, provided such meetings are conducted in a safe and professional manner and not unreasonably disturb any other tenants in the Building. Lessor shall have the right from time to time to promulgate rules and regulations and amendments thereto for the safety, cleanliness and care of the Building in which the Premises are located. Upon delivery of a copy of such rules and regulations or upon receiving written notice of such rules and regulations together with a copy thereof, Lessee will comply with the rules and regulations. Lessor shall make reasonable efforts to enforce any such rules and regulations uniformly against all tenants in the Building. No such rules and regulations shall require Lessee to pay additional rent under this Lease.

2.9 Changes to Property. Except for the Premises, Lessor reserves the right to make or allow permanent or temporary changes or replacements to the Property during the Term. Lessor's activities may require the temporary alteration of means of ingress and egress to the Property and the installation of scaffolding and other temporary structures while the work is in progress. Such work shall be performed in a manner reasonably designed to minimize interference with Lessee's conduct of business from the Premises. Notwithstanding the foregoing, Lessor shall not block Lessee's ingress and egress of the Premises.

2.10 The parties agree that this Lease is subject to the effect of any covenants, conditions, restrictions, easements, mortgages or deeds of trusts, ground leases, right of way of record, and any other matters or documents of record ("Restrictions"). Lessee agrees that as to its leasehold estate, Lessee will conform to the Restrictions which may now or hereafter encumber the Property. This Lease is subordinate to the Restrictions and any amendments or modifications thereto.

SECTION 3: RENT.

3.1 Base Rent. Base Rent shall be paid in advance on or before the first day of each calendar month. If the Commencement Date is a day other than the first day of a month, then the first and last monthly

installment of Lessee's monthly installment of rent shall be prorated on the basis of a thirty (30) day month. Rent shall be paid in accordance with the monthly rent schedule specified below:

June 1 st , 2013 through May 31 st , 2014	\$18,761.34
June 1 st , 2014 through May 31 st , 2015	\$19,230.37
June 1 st , 2015 through May 31 st , 2016	\$19,711.13
June 1 st , 2016 through May 31 st , 2017	\$20,203.91
June 1 st , 2017 through May 31 st , 2018	\$20,709.01
June 1 st , 2018 through May 31 st , 2019	\$21,226.73
June 1 st , 2019 through May 31 st , 2020	\$21,757.40
June 1 st , 2020 through May 31 st , 2021	\$22,301.34
June 1 st , 2021 through May 31 st , 2022	\$22,858.87
June 1 st , 2022 through October 31 st , 2023	\$23,430.34

3.2 **Operating Expense Increase.** Lessee shall pay to Lessor during the term hereof, in addition to the Base Rent, Lessee's Share of the amount by which all Operating Expenses for each Comparison Year exceeds the amount of all Operating Expenses for the Base Year, such excess being hereinafter referred to as the "Operating Expense Increase", in accordance with the following provisions:

Deleted: ¶

(a) "Base Year" Shall be the first 12 months of the Lease.

(b) "Comparison Year" Is defined as each calendar year during the term of this Lease subsequent to the Base Year. Lessee's Share of the Operating Expense Increase for the first and last Comparison Years of the Lease Term shall be prorated according to that portion of such Comparison Year as to which Lessee is responsible for a share of such increase.

(c) The following costs relating to the ownership and operation of the Property, calculated as if the Project was at least fully occupied, are defined as "Operating Expenses":

(i) Costs relating to the operation, repair, and maintenance in neat, clean, safe, good order and condition, but not the replacement (see subparagraph (g)) of the following:

(aa) The Common Areas, including their surfaces, coverings, decorative items, carpets, drapes and window coverings, and including parking areas, loading and unloading areas, trash areas, roadways, sidewalks, walkways, stairways, parkways, driveways, landscaped areas, striping, bumpers, irrigation systems, Common Area Lighting facilities, building exteriors and roofs, fences and gates;

(bb) All heating, air conditioning, plumbing, electrical systems, life safety equipment, communication systems and other equipment used in common by, or for the benefit of, tenants or occupants of the Project, including elevators and escalators, tenant directories, fire detection systems including sprinkler system maintenance and repair.

(cc) All other areas and improvements that are within the exterior boundaries of the Project but outside of the Premises and/or any other space occupied by a tenant.

(ii) The cost of trash disposal, janitorial and security services, pest control services, and the costs of any environmental inspections;

(iii) The cost of any other service to be provided by Lessor that is elsewhere

in this Lease stated to be an "Operating Expense";

(iv) The cost of the premiums for the Insurance policies maintained by Lessor pursuant to paragraph 11 and any deductible portion of an insured loss concerning the Building or the Common Areas;

(v) The amount of the Real Property Taxes payable by Lessor pursuant to paragraph 9.7;

(vi) The cost of water, sewer, gas, electricity-, and other publicly mandated services not separately metered;

(vii) Labor, salaries, and applicable fringe benefits and costs, materials, supplies and tools, used in maintaining and/or cleaning the Project and accounting and management fees allributable to the operation of the Project;

(viii) The cost of any capital improvement to the Building or the Project not covered under the provisions of Paragraph 2.3 provided; however, that Lessor shall allocate the cost of any such capital improvement over a 10 year period and Lessee shall not be required to pay more than Lessee's Share of 1/120th of the cost of such Capital Expenditure in any given month;

(ix) The cost to replace equipment or improvements that have a useful life for accounting purposes of 5 years or less.

(x) Reserves set aside for maintenance, repair and/or replacement of Common Area Improvements and equipment.

(d) Any item of Operating Expense that is specifically attributable to the Premises, the Building or to any other building in the Project or to the operation, repair and maintenance thereof, shall be allocated entirely to such Premises, Building, or other building. However, any such item that is not specifically attributable to the Building or to the Common Area or any other building or to the operation, repair and maintenance thereof, shall be equitably allocated by Lessor to all buildings in the Project.

(e) The inclusion of the Improvements, facilities and services set forth in Subparagraph 3.2(c) shall not be deemed to impose an obligation upon Lessor to either have said Improvements or facilities or to provide those services unless the Project already has the same, Lessor already provides the services, or Lessor has agreed elsewhere in this Lease to provide the same or some of them.

(f) Lessee's Share of Operating Expense Increase is payable monthly on the same day as the Base Rent is due hereunder. The amount of such payments shall be based on Lessor's estimate of the Operating Expense Expenses within 60 days after the anniversary of the Lease (but not more than once each year) Lessor shall deliver to Lessee a reasonably detailed statement showing Lessee's Share of the actual Common Area Operating Expenses for the preceding year. If Lessee's payments during such Year exceed Lessee's Share, Lessee shall credit the amount of such over-payment against Lessee's future payments. If Lessee's payments during such Year were less than Lessee's Share, Lessee shall pay to Lessor the amount of the deficiency within 10 days after delivery by Lessor to Lessee of said statement. Lessor and Lessee shall forthwith adjust between them by cash payment any balance determined to exist with respect to that portion of the last Comparison Year for which Lessee is responsible as to Operating Expense Increases, notwithstanding that the Lease term may have terminated before the end of such Comparison Year.

(g) Operating Expenses shall not include any expenses paid by any tenant directly to third parties, or as to which Lessor is otherwise reimbursed by any third party, other tenant, or by insurance proceeds.

SECTION 4: OPTIONS TO EXTEND.

Provided Lessee is not in Default as of the date of exercise or the commencement of the renewal term, Lessee shall be entitled to two (2) options (each, an "***Option***") to extend the term of the Lease for a period of five (5) years (each, an "***Option Term***"), on the same terms and conditions of the Lease, except that (a) the Rent at the beginning of each Option Term shall be the greater of the rental rate then being paid or 100% of the current fair market rate for the Premise. Such Option shall be exercised (if at all) by Lessee giving irrevocable written notice to Lessor at least six (6) months prior to the expiration of the Term, or the

first Option Term, as applicable. The Options shall be personal to the Lessee signing this Lease ("Original Lessee").

The prevailing market rental rate for the first year of each Option shall be determined in the following manner, which shall reflect the prevailing market rent for comparable space within the Property and comparable first-class office buildings in Placer county and El Dorado County as of the date of commencement of the relevant Option. Prevailing market rental rate shall be determined taking into account all relevant factors, including (to the extent relevant) (which shall be part of the determination of the rental rate), Lessee improvement obligations, moving allowances, and leasing commissions and costs. The term "comparable leases" shall not include leases entered into under special circumstances affecting the economics of the tenancies, including following the exercise of options to lease space at other than then current prevailing market rate, or the sublease of space by a sublessor not primarily in the business of leasing space similar to the Premises. Prior to the date which is five (5) months before the expiration of the Term, and assuming that Lessee has properly exercised its option to renew, Lessor shall give Lessee notice of Lessor's proposed prevailing market rental value for the Premises. Lessee shall give Lessor written notice within thirty (30) days thereafter as to whether or not Lessee agrees with Lessor's proposed prevailing market rental value. If Lessee disagrees with Lessor's proposed prevailing market rental value, the parties shall negotiate in good faith to resolve their differences for a period of thirty (30) days. Upon the expiration of such thirty day period, if the parties are not in agreement as to such fair market rental value, then either party may initiate appraisal to determine the fair market rental value by giving written notice to the other party, such notice containing the name of an appraiser appointed by such initiating party. Within fifteen (15) days thereafter, the party receiving such notice shall appoint its own appraiser and give written notice thereof to the initiating party. If the second appraiser is not appointed within such fifteen day period, then the appraiser selected by the initiating party shall determine the fair market rental value of the Premises, and such appraisal shall be binding upon the parties. If the second appraiser is timely appointed, then the two appraisers shall confer and attempt to agree on the prevailing market rental value. If the two appraisers are unable to agree, but the higher appraisal is no more than ten percent (10%) higher than the lower appraisal, then the prevailing market rental value shall be the average of the two appraisals. If the higher appraisal is more than ten percent (10%) greater than the lower appraisal, the two appraisers shall together select a third appraiser who shall also determine the prevailing market rental value. If three appraisers are ultimately appointed and any two appraisers agree on the prevailing market rental value, the value agreed upon by the two appraisers shall be the prevailing market rental value. If the three appraisers all determine different prevailing market rental values, then the prevailing market rental value shall be the average of the two closest appraisals. Lessee's exercise of any option(s) shall be subject to approval by Lessee's Board of Supervisors.

Rent shall increase on the first day of the second year of each Option Term, and on each anniversary thereof throughout each Option Term by \$0.05 per rentable square foot per month. All appraisers shall be members of the MAI and shall have at least ten (10) years' experience appraising similar property in the CBD (Central Business District) sub-market of Sacramento. Each party shall bear the cost of the appraiser appointed by such party, and the parties shall share equally in the cost of the third appraiser, if appointed.

SECTION 5: RIGHT OF FIRST OFFER.

5.1 Subject to the rights of existing Lessees and occupants in the Building (collectively, the "Prior Rights Holders"), Lessee is hereby granted the rights set forth below in this Section ("First Offer Rights"). From the third (3rd) through the seventh (7th) year of the Term, in the event that Lessor from time to time intends to accept an offer (a "Lease Offer") to lease available space on the Building, Lessee shall have the right to lease all, but not less than all of space that is the subject of the Lease Offer (the "First Offer Space"). The rights granted pursuant to this Section 5 shall be personal to the Original Lessee.

5.2 Notice. When from time to time Lessor shall desire to offer any First Offer Space for lease to third parties other than the Prior Rights Holders, then Lessor shall give Lessee written notice (an "Availability Notice") of the availability or scheduled availability of such First Offer Space for lease and Lessor's proposed rental rate(s) for the Rent for each year of the proposed lease (based on the prevailing fair market value) and other economic terms for such First Offer Space ("Lessor's Proposed Economic Terms"). The First Offer Space described in Lessor's Availability Notice is hereinafter referred to as an "Available

Space." Lessor's Proposed Economic Terms will represent Lessor's good faith determination of the prevailing market terms for the Available Space.

5.3 Lessee's Election. Within fifteen (15) business days after receipt of the Availability Notice, Lessee must give Lessor written notice pursuant to which Lessee shall elect to either: (i) lease all and not less than all of the Available Space identified by Lessor on Lessor's Proposed Economic Terms; or (ii) refuse to lease the Available Space. If Lessee timely elects not to lease the Available Space, Lessor may thereafter elect to lease the Available Space to any third party.

5.4 Terms. If Lessee elects to lease all such Available Space (any Available Space as to which Lessee shall exercise its right of First Offer shall hereafter be referred to as the "Subject Space"), then the Subject Space shall be included in the Premises for the remaining balance of the Term and shall be leased to Lessee pursuant to the provisions of this Lease.

5.5 Lease Amendments. Promptly after Lessee's exercise of its rights under this Section, the parties shall agree upon and execute an amendment (in form and substance reasonably satisfactory to Lessor and Lessee) to this Lease memorializing the terms and conditions upon which the First Offer Space in question shall be added to the Premises.

5.6 Termination or Suspension of First Offer Rights. In the event Lessee fails to give Lessor timely notice of Lessee's election to lease any First Offer Space covered by an Availability Notice, then Lessor shall be free to market such First Offer Space for lease by third parties. The suspension of Lessee's First Offer Rights with respect to any one First Offer Space shall have no effect on Lessee's First Offer Rights to any other First Offer Spaces not included in Lessor's Availability Notice.

5.7 Lessee's First Offer Rights shall be suspended with respect to any First Offer Space which would become available during the last twelve (12) months of the initial Term, unless and until such time as Lessee shall have exercised an option to extend the Term beyond the expiration of such twelve (12) month period.

SECTION 6: SIGNAGE. Lessor shall provide the following sign identity rights, to be installed at Lessee's sole cost and expense: (a) in a mutually acceptable location on the Property; and (b) in the most prominent position or "top billing" on the Building's monument sign(s); excepting however, the existing monument sign in which case Lessee will have "top billing" to the extent that such is not already occupied by another tenant..

SECTION 7: ALTERATIONS AND IMPROVEMENTS.

7.1 Lessor Improvements. Lessor, at its sole cost and expense, shall construct and provide the Tenant Improvements as described in Exhibit B and Exhibit B-1 as well as ADA upgrades as required. Lessor shall require all permitted Tenant Improvements work to be performed at prevailing wage pursuant to California Labor Code Section 1720.2, as may be amended from time to time.

7.2 Lessee Alterations. Lessee shall not make any alterations to the interior of the Premises without the prior written consent of Lessor, which consent shall not be unreasonably withheld. Lessee, at its own cost, may install in the Premises the equipment needed for telecommunication system and computer terminals including, but not limited to, the following: (a) telephone and/or cable; (b) key system units; (c) intercom system; (d) security system. Upon termination of the Lease, Lessee shall have the right to remove from the Premises such equipment installed by Lessee.

7.3 All alterations, improvements, additions, or fixtures, or other trade fixtures not permanently affixed to realty, that may be made or installed upon the Premises by either of the parties and that in any manner are attached to the floors, walls, or ceilings, shall be the property of the Lessor, and at the termination of this Lease, shall remain upon and be surrendered with the Premises as part of the Premises, provided, however, Lessee may remove trade fixtures, if Lessee repairs any damage to the Premises caused

by such removal. However, any floor covering that may be cemented or otherwise affixed to the floor of the Premises shall be and become property of Lessor.

8 REPAIR AND MAINTENANCE.

8.1 Lessor shall at its sole cost and expense, maintain and repair, throughout the initial and extended term(s) of the Lease, or cause to be maintained and repaired, in good working order, repair, and condition:

8.1.1 Systems and Equipment of the Building and Property;

8.1.2 Foundation, exterior, windows, walls, stairs, elevators, structural components, and roof of the Building;

8.1.3 Common Areas.

Lessor shall have ten (10) days after notice from Lessee to perform its obligations hereunder, except Lessor shall perform its obligations immediately if the nature of the problem presents a material hazard or emergency as determined by Lessee. Any notice or demand concerning a material hazard or emergency may be made orally, by telephone or otherwise, provided that written confirmation is given within two (2) days after the oral notice or demand is made.

8.2 If Lessor does not perform its obligations within the time limitations provided herein, Lessee, after notice to Lessor, may perform the obligations and has the right to be reimbursed for the sum Lessee actually and reasonably expends (including charges for use of Lessee's employees and equipment) in the performance of Lessor's obligations. If Lessor does not reimburse Lessee within ten (10) days after demand from Lessee, Lessee shall have the right to withhold from future rent due the sum Lessee has expended until Lessee is reimbursed in full. Lessor shall also be liable for interruption or interference in Lessee's business, or for any other damages (whether direct or consequential), and rent shall be abated, on account of Lessor's failure to perform its maintenance and repair obligations as set forth above.

8.3 Lessee shall contract directly with its janitorial vendor for replacing light bulbs in the Premises.

9 BUILDING SERVICES, UTILITIES, TAXES AND ASSESSMENTS.

9.1 Lessor shall furnish the Premises with the following services, in addition to any services as may be specified in the Lease Addendum:

9.1.1 Heating, ventilation, and air conditioning ("***HVAC***") for the comfortable occupancy of Premises for general office purposes, subject to any energy conservation or other regulations which may be applicable from time to time. Lessor shall change the HVAC filters and clean the HVAC vents as necessary..

9.1.2 Electrical current for routine lighting and the operation of general office machines such as personal computers, copy machines, printers, office equipment and home appliances that may be utilized in the Lessee's Wellness Center in the Premises.

9.1.3 Water for restrooms, dishwashers, and other reasonable office uses.

9.1.4 Right of access to, from and within the Building (including a pathway to the Premises) for the installation and operation of Lessee's telecommunication systems, including but not limited to voice, video, data, and any other telecommunication services provided over wire, fiber optic, microwave, wireless, and any other transmission systems, for part or all of Lessee's telecommunications to, from and within the Building and Premises.

9.2 Lessee shall have the option, at its sole cost and expense, to install and operate a satellite antenna dish and cables thereto on the roof of Lessor's building at no charge. At Lessee's option and sole cost, Lessee may contract with the local provider Cable TV services for Lessee's use.

9.3 Lessee agrees to reasonably cooperate with Lessor, and to abide by all regulations and requirements which Lessor may prescribe for the proper functioning and protection of the Building's elevator, HVAC, electrical, and plumbing systems.

9.4 Unless due to any fault on the part of Lessee, its employees or agents, Lessee's obligation to pay rent shall abate proportionately during any period in which Lessee's access to, or use of, all or any portion of the Premises for their intended purpose is so impaired that Lessee cannot, and actually does not, use all or such portion of the Premise for a period in excess of five (5) consecutive business days; the rent abatement in such case to commence as of the sixth (6th) business day. Lessee shall give Lessor notice of any such interruption of access, use, or service prior to Lessee ceasing to use all or any portion of the Premises.

9.5 Should Lessee request, and should Lessor provide, additional building services during the Lease Term, Lessee agrees to pay the expense of such additional services as mutually agreed upon by both parties. All costs for such additional services shall be prorated among all lessees in the Building then requesting comparable additional services during such time periods.

9.6 In the event that building services provided by Lessor under the Lease as set forth in Paragraph 9.8 are discontinued due to Lessor's failure to pay, Lessee shall have the option to assume payment for such building services, in which event Lessee will be entitled to a rent credit equal to the amount thus paid by Lessee, which shall be applied against the first installments of rent due under the Lease until the obligation is fully satisfied.

9.7 Lessor shall pay all real property taxes, special taxes and assessments on or attributable to the Premises.

9.8 Building Services. Lessor shall also be solely responsible for the cost of providing the following services to the Property and Premises:

- (i) Building and Liability insurance
- (ii) Real property taxes
- (iii) Snow removal
- (iv) Water
- (v) Sewer
- (vi) Landscaping
- (vii) Pest control/extermination
- (viii) Replacement light fixtures
- (ix) HVAC filters

Lessee shall be responsible for providing janitorial services to the Premises. Lessee shall contract directly with its janitorial vendor for installation, removal, or replacement of light bulbs in the Premises.

10 ASSIGNMENT AND SUBLETTING.

10.1 Restriction on Assignment and Subletting. Lessee shall be permitted to assign or sublease all or a portion of the Premises. This Lease shall not be assigned by either party without the written consent of the other party, which consent shall not be unreasonably withheld; provided however, Lessor may reasonably disapprove of an Assignee if such provides less financial security to Lessor. The party requesting assignment or subletting ("Transfer") of the Lease shall provide the other party with prior written notice of the proposed Transfer containing the items specified in Section 10.2 below. Within ten (10) business days after receipt of the Transfer notice, the other party shall notify the requesting party of its

election to (a) approve the requested Transfer or (b) disapprove the requested Transfer, which disapproval shall specify the reasons for such disapproval.

Notwithstanding the foregoing, no consent shall be required for an assignment or sublet to any Lessee agencies, departments, affiliates, or contractors.

10.2 Documentation Required. The Transfer notice shall be accompanied by each of the following:

- 10.2.1 A copy of all proposed Transfer documents.
- 10.2.2 A statement setting forth the name, address and telephone number of the transferee, and all principal owners of the transferee.
- 10.2.3 Current financial information regarding the proposed transferee, including a statement of financial condition.
- 10.2.4 For any sublease, a description of the portion of the Premises to be sublet.
- 10.2.5 Any other information reasonably required by the party in order to determine the financial responsibility, character, and reputation of the proposed transferee, nature of such transferee's business, or proposed use of the Building or portion thereof.

10.3 In the event of any transfer by any Lessor of its interest, Lessor shall be automatically relieved from all liability accruing from and after the date of the transfer or conveyance, but shall not be released from the obligation to indemnify Lessee for acts or omission occurring prior to the transfer unless so released by Lessee in writing. Upon any conveyance of title to the Property, the grantee or transferee shall be deemed to have assumed Lessor's obligations to be performed under this Lease from and after the date of such conveyance.

11 INSURANCE

11.1 Prior to Commencement Date, Lessor shall furnish to Lessee proof of a policy of insurance issued by an insurance company that is acceptable and satisfactory to Lessee's Risk Manager and documentation evidencing that Lessor maintains insurance that meets the following requirements:

- A. Commercial General Liability insurance of not less than \$1,000,000 combined single limit per occurrence for bodily injury and property damage and a \$2,000,000 aggregate limit.
- B. Workers' Compensation and Employers' Liability Insurance covering all employees of Lessor as required by law in the State of California.
- C. Property insurance on real property covered by this Lease under a standard "all Risk" policy." The policy shall insure for not less than ninety percent (90%) of the replacement value of the property.
- D. The certificate of insurance must include a provision stating that insurer will not cancel insured's coverage without thirty (30) days written notice to Lessee.

11.2 Lessor shall maintain the required insurance in effect at all times during the Term of this Lease. In the event said insurance expires at any time during the Term, Lessor agrees to provide at least

thirty (30) days prior to said expiration date, a new certificate of insurance evidencing insurance coverage as provided for herein for not less than the remainder of the Term of the Lease, or for a period not less than one (1) year. New certificates of insurance are subject to the approval of the Lessee

12 DAMAGE OR DESTRUCTION; EMINENT DOMAIN

12.1 Damage or Destruction. If any part of the Premises or the Property is damaged by fire, Hazardous Substance Condition, or other casualty and the damage affects Lessee's use or occupancy of the Premises, Lessee shall give prompt notice to Lessor, and Lessor shall repair such damage with reasonable diligence except to the extent that such damage is caused by Lessee. Except as provided herein, Lessor shall, at its sole cost and expense, restore or repair the Premises diligently and to their condition immediately prior to the damage. If such casualty occurs and a portion of the Premises is still usable by Lessee, the rent shall be abated and prorated on a square footage basis of usable space until the Premises are restored to their original condition.

12.1.1 In the event of damage or destruction or Hazardous Substance Condition to the Premises or the Property as referenced above and a portion of the Premises is still usable, the rent payable by Lessee for the period required for the repair or remediation of such damage shall be abated and prorated on a square footage basis of usable space until the Premises are restored to their original condition immediately prior to the damage.

12.1.2 If Lessor is obligated to repair or restore the Premises and does not commence, in a substantial and meaningful way, such repair, remediation, or restoration of the Premises within 90 days after such obligation shall accrue, Lessee may at any time prior to the commencement of such repair or restoration give written notice to Lessor and to any Lenders, of which Lessee has actual notice, of Lessee's election to terminate the Lease on a date not less than 60 days following the giving of such notice. If Lessee gives such notice and repair or restoration is not commenced within 30 days thereafter, this Lease shall terminate as of the date specified in said notice. If the repair or restoration is commenced within such 30 days, this Lease shall continue in full force and effect. "Commence" shall mean the beginning of the actual work on the Premises or the application of permits for such.

12.1.3 Exceptions to Obligation to Rebuild. Notwithstanding the above, this Lease may be terminated by Lessor in any of the following situations:

12.1.3.1 If substantial alteration or reconstruction of the Property or Premises is required as a result of the damage, to an extent exceeding forty percent (40%) of the full insurable value thereof.

12.1.3.2 If the damage to the Property or Premises is caused by the gross negligence or willful misconduct of Lessee, its employees or agents.

12.1.3.3 If existing laws do not permit the Premises to be restored to substantially the same condition as they were in immediately before the destruction.

12.1.3.4 If the damage occurs during the last six (6) months of the Lease Term and the repair, reconstruction, or restoration of the Premises will take more than six (6) months to complete.

Any such election to terminate this Lease shall be exercised by notice to Lessee delivered within 60 days after the occurrence of the event of casualty causing such damage. The notice shall specify the date of termination, which shall be at least sixty (60) days after such notice is given. If Lessor gives such notice of termination, this Lease shall terminate as of the date specified, and all rent shall be prorated to the later of the date of termination or Lessee's vacation of the Premises.

12.1.4 Lessee's Right to Terminate. If the Premises are rendered unusable for the conduct of Lessee's business by reason of such damage, Lessor shall give Lessee a reasonable estimate of the time required for repair within 45 days after the date of damage. If Lessor reasonably estimates that the time needed for repair will extend more than nine (9) months after the date of damage, then Lessee shall have the right to terminate this Lease by giving written notice within fifteen (15) days after receipt of Lessor's estimate. The termination shall be effective ten (10) days after the date such notice of termination is given.

12.2 Eminent Domain. If the Building or Premises, or such portion thereof shall be taken for public or quasi-public purpose by any lawful power or authority by exercise of the right of appropriation, condemnation, or eminent domain, or sold to prevent such taking, provided the intended use of the Premises is negated by the taking, either party shall have the right to terminate this Lease effective as of the date possession is required to be surrendered to said authority.

12.2.1 Lessee shall not assert any claim against Lessor or the taking authority for any compensation because of such taking and Lessor shall be entitled to receive the entire amount of any award without deduction for any estate or interest of Lessee. However, Lessee shall not be precluded from claiming from the condemning authority any compensation to which Lessee may otherwise lawfully be entitled in respect to personal property or fixtures belonging to Lessee, or for relocating to new space, or for the unamortized portion of any Tenant Improvements installed in the Premises to the extent they were paid for by Lessee or for the loss of goodwill.

12.2.2 In the event of taking of less than the entire Premises, Lessee may elect to terminate the Lease by giving thirty (30) days written advanced notice to Lessor. If Lessee does not so elect, Lessor shall promptly proceed to restore the Premises (including the Tenant Improvements and any Lessee's alterations) to substantially their same condition prior to such partial taking and a proportionate allowance shall be made to Lessee for the rent corresponding to the time during which, and to the part of the Premises of which Lessee shall be so deprived on account of such taking and restoration. Notwithstanding the foregoing, if the costs of restoration exceed the portion of the condemnation award allocated to restoration costs, Lessor may elect to terminate this Lease unless Lessee elects to pay such excess.

13 INDEMNITY

13.1 Lessee shall defend, indemnify and hold Lessor harmless from and against any and all losses, damages, claims, suits, liability, costs, including reasonable attorney's fees, for any damage to property or death or injury to any person occurring in, on, or about the Premises, or any part thereof, caused by, arising out of, or in connection with the performance under this Lease by Lessee, its invitees, officers, agents and employees, except to the extent such damage or injury is caused in whole or in part by the negligence or willful misconduct of Lessor, its employees, agents or contractor.

13.2 Lessor shall defend, indemnify and hold Lessee harmless from and against any and all losses, damages, claims, suits, costs, and liability for damages of every name, kind and description, including including reasonable attorney's fees, incurred, brought for, or on account of any damages to property or injuries to or death of any person, or any economic or consequential losses which are claimed to or in any way caused by, arise out of, or are connected with the operations, acts, omissions, or performance under this Lease by Lessor, its employees, agents or contractors, except to the extent such damage or injury is caused by the sole or active negligence of Lessee, its officers and employees.

SECTION 14. DEFAULT

14.1 The occurrence of any one or more of the following shall be deemed a default by Lessee, or as and where the context allows, by Lessor:

14.1.1 Abandonment or Vacation of Premises. Abandonment or vacation of the Premises by Lessee, together with the non-payment of rent, for a continuous period in excess of 30 consecutive days.

14.1.2 Nonpayment of Rent. Lessee's failure to pay rent when due, if the failure continues for ten (10) days after written notice has been given to Lessee.

14.1.3 Other Obligations. Except as otherwise expressly provided in this Lease, the failure to perform any other material provision or obligation under this Lease if the failure to perform is not cured within thirty (30) days after written notice has been given to the defaulting party. The time to cure may be extended at the discretion of the party giving notice. Any extension of time to cure must be in writing, prepared by the party in default for signature by the party giving notice and must specify the reason(s) for the extension and the date on which the extension of time to cure expires.

14.2 Notice given under this Section 14 shall specify the alleged default and applicable lease provisions, and shall demand that the defaulting party perform the provisions of this Lease or pay the rent that is in arrears, as the case may be, within the applicable period of time. No such notice shall be deemed a forfeiture or a termination of this Lease unless the party giving notice so elects in the notice, or the party giving notice so elects in a subsequent written notice after the time to cure has expired. .

SECTION 15: REMEDIES UPON DEFAULT.

15.1 Termination. In the event of a default, and failure to cure in a timely manner, either party may elect to terminate this Lease or can cure the default at the defaulting party's cost. The election to terminate may be stated in any notice served upon the defaulting party.

15.2 Any sum paid by the non-defaulting party to cure the default shall be due within ten (10) days of notice of such sum, and if paid at a later date shall bear interest at the maximum rate permitted by law. Lessee shall have the right to withhold from future rent due the sum Lessee has expended until Lessee is reimbursed in full for the sum and interest on it.

15.3 Remedies Cumulative. All rights, privileges and elections of remedies are cumulative and, to the extent permitted by law, are in addition to and do not in any manner limit other remedies set forth in other sections of this Lease.

SECTION 16: TERMINATION.

16.1 This Lease may be terminated upon the occurrence of one or more of the following:

- (a) The failure to remedy any default or breach of any material provision of this Lease.
- (c) Damage or destruction, or condemnation of the Premises as specified in Section 12.
- (d) In the case of bankruptcy, voluntary or involuntary, or insolvency of either party.

Deleted:

16.2 Termination for Lack of Funding. Lessee's business operations are funded by federal, state, county, local ("Funding Sources"). Notwithstanding any provisions in this Lease, if during the Term of the Lease, the Funding Sources reduce, eliminate, withhold, or make unavailable to Lessee sufficient funds to meet the obligations of this Lease, Lessee shall have the right to terminate this Lease upon one hundred-eighty (180) days written notice of such termination to Lessor.

If Lessee terminates the Lease due to lack of funding during the first sixty (60) months of the Lease, Lessee shall pay to Lessor a penalty equal to Lessor's unamortized out-of-pocket costs for free rent, Lessee's broker's leasing commissions, and a rent penalty equal to one hundred fifty thousand dollars (\$150,000.00) straight lined over the first sixty (60) months of the Lease ("Termination Penalty"). The termination penalty shall only apply if Lessee terminates the Lease in the first sixty (60) months of the initial Lease Term. If Lessee terminates the Lease due to lack of funding after the first sixty (60) months of the Lease, there shall be no penalty or further financial obligations. The Termination Penalty schedule is attached to this Lease as Exhibit C.

SECTION 17: SUBORDINATION AND ATTORNMENT.

17.1 Subordination. At the election of the Lessor or any first mortgagee with a lien on the property or any ground lessor with respect to the property, this Lease shall be subject to and subordinate to the lien of any mortgage or deed of trust which may now exist or hereafter be executed for which the Building, land, ground leases or underlying leases, or Lessor's interest or estate in any said items is specified as security. If requested by Lessor, Lessee agrees to execute and deliver to Lessor, within 10 business days after written demand therefor, and in the form requested by Lessor or such further instruments confirming the subordination of this Lease to the lien of any such mortgage or deed trust as may be requested by Lessor or any Lender from time to time. Any failure or refusal of Lessee to execute such instrument, which incorporates Lessee's reasonable changes, within 10 business days, shall constitute a default. However, Lessor agrees that as a condition to any subordination of this Lease to any future mortgage, deed of trust or ground lease, Lessee shall first receive a subordination, attornment and non-disturbance agreement from such lender or ground lessor on commercially reasonable terms.

17.2 Attornment. In the event of the foreclosure of any mortgage or cancellation, Lessee, at the request of the then successor to the Lessor following such event, shall attorn to and recognize the successor (herein referred to as the "**Successor Lessor**"), as Lessor under this Lease. Lessee agrees to execute and deliver at any time upon request of any Lender or purchaser, and the successors of either, any instrument reasonably requested to further evidence such attornment.

17.3 Non-Disturbance Protection. Notwithstanding anything to the contrary contained herein, Lessee's obligations to subordinate its rights hereunder to any future mortgage or to attorn to any future lender shall be conditioned upon Lessor's obtaining from the Lender (upon request from Lessee) a non-disturbance agreement in such other commercially reasonable form as may be acceptable to Lessor's lender providing in substance that: (i) so long as Lessee is not in default under this Lease, Lessee's tenancy will not be disturbed, nor its rights under this Lease affected by, any default under such mortgage nor shall Lessee be named as a defendant in any foreclosure proceeding (unless the Lender is legally required to do so), (ii) any Successor Lessor shall assume the obligations of Lessor under this Lease accruing thereafter, and (iii) the non-disturbance agreement shall be binding upon and inure to the benefit of the successors or assigns of the parties thereto.

SECTION 18. INTENTIONALLY LEFT BLANK

SECTION 19. ENTRY & ACCESS.

19.1 Lessor and its agents or representatives may enter the Premises only in case of emergencies or required maintenance and/or repairs of the Premises. Any inspection, entry or access to the Premises shall be coordinated through Lessee's management or personnel and with no less than 24 hours prior notice except in case of emergencies. Access to the Premises will be under supervision and accompanied at all times by Lessee's employees. All work shall be done as expeditiously as reasonably feasible so as to cause as little interference to Lessee as reasonably possible. Lessor shall at all times have a key to all doors providing entry to the Premises, but excluding Lessee's vaults, safes, files, or security rooms, as to which Lessee shall provide Lessor with supervised access for the purpose of Lessor performing its obligations under the Lease.

19.2 Lessee shall have access 24 hours per day, 7 days per week, 52 weeks per year to the Premises, the Building and parking facilities.

SECTION 18: RELOCATION. Lessor shall not have the right to relocate Lessee under any circumstances.**SECTION 21 SURRENDER OF PREMISES.**

Deleted: .1

21.1 Upon the expiration or earlier termination of this Lease, Lessee shall surrender the Premises in the same condition as when received, reasonable and ordinary wear and tear excepted. Lessee, at its own expense, shall perform all necessary restoration made necessary by the removal of Lessee's personal property or alterations in the Premises, at or prior to the expiration or termination of this Lease.

21.2 Lessor may elect to retain or dispose of, in any manner, any personal property or alterations in the Premises made by Lessee that Lessee does not remove from the Premises upon expiration or earlier termination of the Term, provided, however, that in the event of an early termination, Lessee shall have thirty (30) days to remove its personal property from the Premises.

Hold Over. Should Lessee holdover following the termination of the Lease Term or any extension thereof, the lease shall be converted to a month to month tenancy subject to Ninety (90) days written notice of termination by Lessor. The rent to be paid during such Holdover Period shall be 125 percent of the Base Rent paid at the termination period of the Lease.

SECTION 19: MOLD; AIR QUALITY. Lessor warrants and represents that the Premises are free of toxic mold. Lessor, at its sole cost and expense, shall remove, mitigate or remediate any such toxic mold that Lessee identifies during the initial and extended term(s) of the Lease except to the extent that the mold is caused by Lessee .

SECTION 20: HAZARDOUS MATERIALS. Lessor hereby represents and warrants that to Lessor's actual knowledge that as of the date hereof there are no Hazardous Materials on or under the Premises or Property and that Lessor has received no written notice stating that any portion of the Property is in violation of any Hazardous Material laws. Removal or remediation of any Hazardous Materials which existed on the Premises or Property prior to Lessee's occupancy or not caused by the gross negligence or willful acts or omissions of Lessee, its employees or agents shall be the sole obligation of Lessor. Lessor shall indemnify, defend and hold harmless Lessee, its employees or agents, from and against any and all losses, liability, claims, lawsuits, damages, destruction of property, or injuries incurred by Lessee in connection with or as the result of the presence, use, or disposal of any Hazardous Materials in or about the Premises or Property.

SECTION 21: LESSEE EXCLUSIONS. Lessor shall not lease any portion of the Property and lessee shall not sublease any portion of the Property to the following types of Lessees: marijuana dispensaries, tattoo parlors, and/or any business that serves alcoholic beverages.

SECTION 22: AUTHORITY. Each of the persons executing this Lease on behalf of any entity warrants and represents that he or she has been duly authorized to do so by the entity on whose behalf he or she executes this Lease and that said entity will thereby be obligated to perform the terms of this Lease.

SECTION 23: ENTIRE AGREEMENT. This Lease constitutes the entire understanding of the parties with respect to the Premises and supersedes all

prior or contemporaneous understandings and agreements relating to the subject matter thereof. There are no other promises, covenants, understandings, agreements, representations, or warranties with respect to the subject matter of this Lease except as expressly set forth herein or in any instrument executed concurrently herewith.

SECTION 24: AMENDMENTS. This Lease may not be modified or amended except pursuant to a written instrument duly executed by all of the parties hereto.

SECTION 25: FURTHER ASSURANCES. From time to time, either party, at the request of the other party, and without further consideration, shall execute and deliver further instruments and take such other actions as the requesting party may reasonably require to complete more effectively the transactions contemplated by this Agreement.

SECTION 26: NO THIRD PARTY BENEFITS. This Lease is made and entered into for the sole benefit and protection of the parties hereto, and the parties do not intend to create any rights or benefits under this Lease for any person who is not a party to this Lease, other than a Lender and the Indemnified Parties.

SECTION 27: WAIVER. The waiver by any party of any term, covenant, agreement or condition herein contained shall be effective only if in writing and shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant, agreement or condition herein contained, nor shall any custom or practice which may develop between the parties in the administration of this Lease be construed to waive or to lessen the right of any party to insist upon the performance by the other party in strict accordance with all of the terms, covenants, agreements and conditions of this Lease.

SECTION 28: FORCE MAJEURE. Whether or not any specific provision of this Lease expressly excepts delays caused by Force Majeure, neither Lessee nor Lessor shall be chargeable with, or be liable or responsible to the otherwise chargeable, liable or responsible party for, anything or in any amount for any failure to perform or delay in performing caused by Force Majeure, provided that nothing herein shall affect or relieve Lessee's obligation to pay rent under this Lease. Any such failure or delay due to Force Majeure shall not be deemed a breach of or default in the performance of this Lease by either Lessee or Lessor. Notwithstanding the foregoing, those provisions of this Lease that exclude specifically Force Majeure events shall govern and control over this Section 30.

SECTION 29: TIME OF THE ESSENCE. Time is of the essence with respect to the performance of this Lease.

SECTION 30: ESTOPPEL CERTIFICATE. Lessee, shall at any time, and from time to time, upon twenty (20) business days' prior written notice from Lessor, execute, acknowledge and deliver to Lessor an Estoppel Certificate. Any Estoppel Certificate may be relied upon by any Lender or any prospective lender with respect to, or any prospective purchaser of any interest in, the Property. Any failure or refusal by Lessee to execute and return a requested Estoppel Certificate

within the time period specified in this Section 32 (without additional time, despite any other provision of this Lease) shall constitute a default.

SECTION 31: NOTICES. All notices, requests, demands or other communications required or desired to be given hereunder, to be legally binding, shall be in writing and may be served either personally (including service by any commercial messenger or courier service), by registered or certified United States mail, return receipt requested, with all postage and fees fully prepaid, via facsimile or electronically. Any written notice must be addressed to the respective addresses set forth in Section 1.1 and 1.2 above, or to such other address as the party to whom the notice is addressed has theretofore specified in a notice served upon the other party in accordance with the requirements hereof. All notices shall be effective upon actual delivery to the addressee, as evidenced by the return receipt if service is by mail, except in the case of a party that has relocated and has not served upon the other party a notice of a new address for service of notices as specified above, or in the case if a party to whom the notice is addressed that refuses to accept delivery of the notice, in either of which cases the notice shall be deemed effective upon the first date of attempted delivery, as indicated by the return receipt if the attempted service was by mail, at the last address of which the party attempting to make the service had notice. In addition, a copy of any notice with respect to a default of or claim against Lessor, which is served upon Lessor, shall be sent concurrently to all Lenders of which Lessee has notice.

SECTION 32: GOVERNING LAW. This Lease shall be governed by and construed pursuant to the law of the State of California, without reference to conflicts of laws rules.

SECTION 33: SEVERABILITY. In the event that any provision of this Lease shall be adjudicated to be void, illegal, invalid, or unenforceable, the remaining terms and provisions of this Lease shall remain in full force and effect.

SECTION 34: SUCCESSORS AND ASSIGNS. Subject to all restrictions set forth herein, the terms, covenants, conditions and agreements herein contained shall inure to the benefit of and bind the heirs, successors, legal representatives and assigns of the parties hereto.

SECTION 35: INTERPRETATION. The provisions of this Lease shall be construed, in all cases, according to its fair meaning, and not for or against either party hereto.

SECTION 36: COUNTERPARTS. This Lease may be executed in counterparts, each of which shall be deemed an original including copies sent to a party by facsimile transmission or in portable document format (pdf), but which together shall constitute one and the same instrument.

SECTION 37: DEFINITIONS. In addition to the terms defined in Section 1 of the Lease, the following terms shall have the meanings specified below when used in the Lease:

“Common Areas” means all areas within the exterior boundaries of the Property now or later made available for the general use of Lessor and other persons entitled to occupy floor area in the Property, including the common entrances, lobbies, restrooms, elevators, stairways and accessways, loading docks, ramps, parking stalls or areas, parkways, driveways and roadways, loading and unloading areas, trash areas, landscaped areas in the Property, and the common pipes, conduits,

wires and appurtenant equipment serving the Premises. Any enlargement of or addition to the Common Areas shall be included in the definition of Common Areas.

"Days" means calendar days unless otherwise specifically referred to as business days.

"Estoppel Certificate" means a certificate to be executed by Lessee as together with such additional information as any Lender or prospective purchaser may reasonably require.

"Force Majeure" means fire or other casualty, earthquake, explosion, flood, hurricane, acts of God, enemy or hostile governmental action, civil commotion, war, invasion, terrorist attack, insurrection, rebellion, riots, strikes or lockouts, or any other cause or occurrence beyond the reasonable control of the party obligated to perform.

"Hazardous Materials" means any substance, material, product, chemical, waste, contaminant, or pollutant including but not limited to, asbestos and asbestos-containing materials, urea formaldehyde, radioactive substance, flammable explosives, petroleum including crude oil or any fraction thereof, polychlorinated biphenyls, and all other hazardous substance, materials, waste regulated by existing or future federal, state or local law, ordinance, regulation, code, resolution, administrative or legal decisions, and any common law theory relating to such materials.

"Person" means an individual, trust, partnership, joint venture, association, corporation, and any other legal or business entity.

"Personal Property" means any trade fixtures, furnishings or equipment, and all other personal property contained in the Premises from time to time.

"Property" shall mean the Property described in Section 1.4, including the land, the Building thereon and all roads, plazas, landscaped areas, Common Areas, improvements and other facilities situated on or adjacent to the land, as the same may be modified, altered, reduced or expanded from time to time throughout the Term of this Lease.

"Rules and Regulations" means the requirements set forth in Exhibit D and such reasonable and nondiscriminatory additions, modifications and amendments thereto as Lessor may adopt from time to time for use in the Property.

"Systems and Equipment" means any plant, machinery, transformers, duct work, cable, wires, equipment, facilities, or systems designed to supply heat, ventilation, air conditioning, humidity, or any other services or utilities, or comprising or serving as any component or portion of the electrical, plumbing, sprinkler, or fire/life/safety systems or equipment, or any other mechanical, electrical, electronic, computer or other systems or equipment utilized for the Property or any portion of it except for such improvements installed by Lessee which shall be the sole responsibility of Lessee.

--Signatures Next Page--

DEPARTMENT HEAD CONCURRENCE

By: _____
Name:
Title:
Date:

IN WITNESS WHEREOF, the parties have executed this Lease on the day and year specified above.

"Lessee":


COUNTY OF EL DORADO

By: _____
Name:

By: _____
Name:
Title:
Date:

"Lessor":

GOLDEN PLAZA I, A CALIFORNIA LIMITED LIABILITY COMPANY

By: 
Name: James B. McGuire
Title: Managing Member
Date: May 7, 2013

Attested By:

By: _____
Name:
Title: Clerk of the Board
Date:

Addendum-1

GoldenPlazaDraftLeaseclean42913

Deleted: GoldenPlazaDraftLease
Deleted: 2013.04.20 - Draft Lease - EDC HHS - 670 Piacerville SBK.docx

EXHIBIT A

PREMISES

GoldenPlazaDraftLeaseclean42913

Deleted: GoldenPlazaDraftLease

**Deleted: 2013.04.20 - Draft Lease -
EDC HHS - 670 Placerville SBK.docx**

GoldenPlazaDraftLeaseclean42913

Deleted: GoldenPlazaDraftLease

Deleted: 2013.04.20 - Draft Lease -
EDC HHS - 670 Placerville SBK.docx

EXHIBIT B

TENANT IMPROVEMENTS

SECTION 1

CONSTRUCTION OF TENANT IMPROVEMENTS

1.1 Lessor shall, at its sole cost and expense, construct turn-key tenant improvements in the Premises (the "**Tenant Improvements**") pursuant to mutually agreed upon plans and specifications, inclusive of window coverings (collectively, the "**Plans**"). All costs associated with the design, drawing, permitting and construction of the Tenant Improvements shall be the sole financial responsibility of Lessor. Lessee estimates the Tenant Improvements and ADA improvements will include and/or be similar to those specified on the space plan and specification list from Design Tech dated December 21, 2012, attached hereto and incorporated herein by reference as **Exhibit B and Exhibit B-1.**

Lessor shall select architects and engineers for the purpose of producing construction documents.

1.2 Once the Plans have been approved by both parties, Lessor shall, at its cost and expense, cause the architect and/or engineer (the "Architect") to prepare detailed plans and specifications for the Tenant Improvements ("**Construction Plans**"). Lessee shall approve or reasonably disapprove any draft of the Construction Plans within seven (7) business days after Lessee's receipt thereof, provided, however, that (i) Lessee shall not be entitled to disapprove any portion, component or aspect of the Construction Plans which are consistent with the Plans, and (ii) any disapproval of the Construction Plans by Lessee shall be accompanied by a detailed written explanation of the reasons for Lessee's disapproval. Failure of Lessee to reasonably disapprove any draft of the Construction Plans within said seven (7) business day period shall be deemed to constitute Lessee's approval thereof. The Construction Plans, as approved by Lessor and Lessee, may be referred to herein as the "**Approved Construction Plans**."

22 1.3 Unless specifically noted to the contrary on the Construction Plans, the Tenant Improvements shall be constructed using Building standard specifications and materials as determined by Lessor. Lessor, at its sole cost and expense, shall be responsible for ensuring that all Tenant Improvements and the exterior of the Building are compliant and will be constructed in compliance with current ADA laws and implementing regulations and all other applicable federal, state, and local laws, requirements, ordinances, resolutions, and regulations throughout the initial and extended term(s) of the Lease.

23 1.4 Pursuant to California Labor Code section 1720.2, Lessor shall require all permitted Tenant Improvement work to be performed at prevailing wage.

SECTION 2

**RETENTION OF CONTRACTOR;
WARRANTIES AND GUARANTIES**

2.1 Lessor hereby assigns to Lessee all warranties and guaranties by the contractor who constructs the Tenant Improvements (the "**Contractor**") relating to the Tenant Improvements.

2.2 The Contractor shall be selected pursuant to a competitive bidding process as may be required by law

Exhibit B

1

El Dorado County 670 Placerville Drive – draft

SECTION 3

LESSEE'S COVENANTS

Lessee shall, at no cost to Lessee, cooperate with Lessor and the space planner or architect to cause a Notice of Completion to be recorded in the office of the Recorder of the County of in accordance with Section 3093 of the Civil Code of the State of California or any successor statute upon completion of construction of the Tenant Improvements.

SECTION 4

COMPLETION OF THE TENANT IMPROVEMENTS

4.1 Within ten (10) business days after the Construction Plans are approved, Lessor shall provide to Lessee a construction schedule for completion of the Tenant Improvements in accordance with the Approved Construction Plans. Said construction schedule will be appended hereto and incorporated herein by reference as Exhibit B-2. 4.2 For purposes of this Lease, "Substantial Completion" of the Tenant Improvements in the Premises shall occur upon the completion of construction of the Tenant Improvements pursuant to the Approved Construction Plans, together with issuance of appropriate certificate of occupancy, with the exception of any punch list items and any Lessee fixtures, work-stations, built-in furniture, or equipment to be installed by Lessee.

SECTION 5

MISCELLANEOUS

5.1 Lessee's Entry Into the Premises Prior to Substantial Completion. Provided that Lessee and its agents do not interfere with Contractor's work in the Building and the Premises, Contractor shall allow Lessee and Lessee's contractors, subcontractors, laborers, materialmen and suppliers access to the Premises for a period of three (3) weeks prior to Substantial Completion of the Tenant Improvements for the purpose of Lessee installing communication lines, moveable work stations and other personal property. Prior to Lessee's entry, Lessee shall submit a schedule to Lessor and Contractor, for their reasonable approval, which schedule shall detail the timing and purpose of Lessee's entry.

5.2 The Tenant Improvements shall be performed before or after normal business hours. Lessee's business hours are 7:00 am through 6:00 pm Monday through Friday. The Tenant Improvements shall be performed in multiple stages to minimize disruption to Lessee's business operations. Lessee and Lessor shall work cooperatively to schedule and accommodate performance of the Tenant Improvements. Lessee shall be responsible for the relocation of Lessee's furniture, fixtures and equipment to accommodate the performance of the Tenant Improvements.

5.3 Lessee's Representative. Lessee has designated Russ Fackrell, Facilities Manager, or designee as its sole representative with respect to the matters set forth in this Exhibit B and any attachments thereto, who, until further notice to Lessor, shall have full authority and responsibility to act on behalf of the Lessee as required in this Work Letter.

5.4 Lessor's Representative. Prior to the commencement of construction, Lessor shall designate its representative with respect to the matters set forth in this Exhibit, who, until further notice to

Lessee, shall have full authority and responsibility to act on behalf of the Lessor as required in this Exhibit.

Exhibit B

3

El Dorado County 670 Placerville Drive – draft

EXHIBIT B-1

DesignTech Space Plan and Specification List

Exhibit B-1

| El Dorado County 670 Placerville Drive - draftGoldenPlazaDraftLeaseclean42913

Deleted: GoldenPlazaDraftLease

Deleted: 2013.04.20 - Draft Lease -
EDC HHS - 670 Placerville SBK.docx

EXHIBIT B-2

TENANT IMPROVEMENT CONSTRUCTION SCHEDULE

Exhibit B-2

| El Dorado County 670 Placerville Drive Lease - draft~~GoldenPlazaDraftLeaseclean42013~~

Deleted: GoldenPlazaDraftLease

Deleted: 2013.04.20 - Draft Lease -
EDC HHS - 670 Placerville SBK.docx

EXHIBIT C
TERMINATION FEE SCHEDULE

Addendum -1

EXHIBIT E

RULES AND REGULATIONS

These Rules and Regulations are in addition to the terms, covenants, agreements and conditions of any lease of space in the Property. In the event these Rules and Regulations conflict with any provision of the Lease, the Lease shall control. Lessor reserves the right to modify and make such other and reasonable Rules and Regulations as, in its judgment, may from time to time be needed for safety and security, for care and cleanliness of the Property and for the preservation of good order therein. Lessee agrees to abide by all such Rules and Regulations hereinabove stated and any additional rules and regulations which are adopted. Lessee shall be responsible for the observance of all the foregoing Rules and Regulations by Lessee's employees, agents, or contractors. Lessor may waive any one or more of these Rules and Regulations for the benefit of Lessee or any other occupant of the Property, but no such waiver by Lessor shall be construed as a waiver of such Rules and Regulations in favor of Lessee or any other occupant, nor prevent Lessor from thereafter enforcing any such Rules and Regulations against any or all of the occupants of the Property, including Lessee.

1. **Signs/Advertising.** No sign, placard, picture, advertisement, name or notice shall be installed or displayed on any part of the outside or inside of the Property without the prior written consent of Lessor. Lessor shall have the right to remove, at Lessee's expense and without notice, any sign installed or displayed in violation of this rule.
2. **No Obstructions.** Lessee shall not obstruct any sidewalks, halls, exits, entrances, elevators, stairways or other passageways of the Property. Neither Lessee nor any employee or invitee of Lessee shall go upon the roof of the Property without Lessor's consent. Lessee shall not have the right to maintain displays of or to sell merchandise in the Common Areas or to use Common Areas in any manner, which would interfere with the rights of other Lessees to use and access Common Areas.
3. **Directory.** The directory of the Property, if any, will be provided exclusively for the display of the name and location of Lessees only, and Lessor reserves the right to exclude any other names therefrom.
4. **Keys.** Lessor will furnish Lessee, free of charge, with two keys for each lock in the Premises. Lessor may make a reasonable charge for any additional keys. Lessee, upon the termination of its tenancy, shall deliver to Lessor the keys of all doors which have been furnished to Lessee, and in the event of loss of any keys so furnished, shall pay Lessor therefor.
5. **Alarms.** If Lessee requires telephonic, burglar alarm or similar services, it shall first obtain Lessor's approval thereof, which shall not be unreasonably withheld by Lessor, and Lessee shall comply with all of Lessor's instructions in their installation.
6. **Floor Loading.** Lessee shall not place a load upon any floor of the Premises which exceeds the load per square foot, which such floor was designed to carry and which is allowed by law. Business machines and mechanical equipment belonging to Lessee which cause noise or vibration that may be transmitted to the structure of the Property or to any space therein to such

Addendum -2

a degree as to be objectionable to Lessor or to any other occupant of the Property, shall be placed and maintained by Lessee, at Lessee's expense, on vibration eliminators or other devices sufficient to eliminate noise or vibration.

7. Flammable; Toxic Material. Lessee shall not use or keep in the Premises any kerosene, gasoline or inflammable or combustible fluid or material except in those limited quantities necessary for the operation or maintenance of office equipment, and then only in such a manner as to ensure the safety of the Premises. Lessee shall not use or permit to be used in the Premises any foul or noxious gas or substance, or permit or allow the Premises to be occupied or used in a manner offensive or objectionable to Lessor or other occupant of the Property by reason of noise, odors or vibrations, nor shall Lessee bring into or keep in or about the Premises any birds or animals, except seeing-eye dogs when accompanied by their masters.
9. Lessee Security. Lessee shall close and lock the doors of the Premises and must observe care and caution that all water faucets or water apparatus are entirely shut off before Lessee and its employees leave the Premises each day. Lessee assumes any and all responsibility for protecting the Premises from theft, robbery and pilferage, which includes keeping doors locked and other means of entry to the Premises closed.
10. Lavatories. The toilet rooms, toilets, urinals, wash basins and other apparatus shall not be used for any purpose other than that for which they were constructed, and no foreign substance of any kind whatsoever shall be thrown therein. The expense of any breakage, stoppage or damage resulting from the violation of this rule shall be borne by Lessee if and to the extent caused by Lessee or its employees or agents.
11. Damage. Lessee shall not mark, drive nails, screw or drill into the partitions, woodwork or plaster or in any way deface the Premises or any part thereof, except to install decorative wall hangings. Lessee shall not cut or bore holes for wires. Lessee shall not affix any floor covering to the floor of the Premises in any manner except as approved by Lessor. Lessee shall repair any damage resulting from noncompliance with this rule. If Lessee fails to repair in an expeditious manner any and all damage caused, then Lessor may (but shall not be obligated to) contract for the performance of the repair work, which work shall be billed to Lessee and shall be payable by Lessee to Lessor within 10 days after Lessee's receipt of the billing.
12. Vending Machines. Lessee shall not install, maintain or operate upon the Premises any vending machine without the written consent of Lessor.
13. Refuse. Lessee shall store all its trash and garbage within its Premises. Lessee shall not place in any trash box or receptacle any material which cannot be disposed of in the ordinary and customary manner of trash and garbage disposal.
14. Storage. Except as specifically permitted in the Basic Lease Provisions, the Premises shall not be used for the storage of merchandise held for sale to the general public, nor for lodging, nor for manufacturing of any kind. No cooking shall be done or permitted by Lessee in the Premises, except that use by Lessee of equipment for brewing coffee, tea, hot chocolate and similar beverages shall be permitted, and the use of a microwave oven shall be permitted, so long as such equipment and use is in accordance with all recommendations of the manufacturer thereof and all applicable federal, state, county and city laws, codes, ordinances, rules and regulations.
15. Safety Compliance. Lessee shall comply with all safety, fire protection and evacuation procedures and regulations established by Lessor and any governmental agency.

Addendum -3



Fwd: MHC Special Meeting

1 message

Jim Mitrisin - El Dorado County <jim.mitrisin@edcgov.us>
 To: EDC COB <edc.cob@edcgov.us>

Mon, May 6, 2013 at 11:30 AM

Please add as comment for item 23 for tomorrow. Thank you.

Jim Mitrisin
 Clerk of the Board of Supervisors
 County of El Dorado
 Ph. 530.621.5390 Main
 Ph. 530.621.5592 Direct
 Email jim.mitrisin@edcgov.us

----- Forwarded message -----

From: **Theresa Daly** <theresa.daly@edcgov.us>
 Date: Mon, May 6, 2013 at 11:25 AM
 Subject: Fwd: MHC Special Meeting
 To: James Mitrisin <jim.mitrisin@edcgov.us>

This should be attached to the agenda item. Thanks.

----- Forwarded message -----

From: **Janet Walker-Conroy** <jan.wconroy@edcgov.us>
 Date: Fri, May 3, 2013 at 11:59 AM
 Subject: MHC Special Meeting
 To: The BOSTWO <bostwo@edcgov.us>, The BOSFIVE <bosfive@edcgov.us>, The BOSONE <bosone@edcgov.us>, The BOSFOUR <bosfour@edcgov.us>, The BOSTHREE <bostthree@edcgov.us>, Theresa Daly <teri.daly@edcgov.us>
 Cc: Russell Fackrell <russell.fackrell@edcgov.us>, Donald Ashton <don.ashton@edcgov.us>

Don and I want to advise you that the Mental Health Commission voted 7
 - 1 with one abstention to support the recommendation of staff
 regarding the lease for Mental Health (Item 23).

NOTICE: This e-mail and any files transmitted with it may contain confidential information, and are intended solely for the use of the individual or entity to whom they are addressed.

Any retransmission, dissemination or other use of the information by persons other than the intended recipient or entity is prohibited. If you receive this e-mail in error please contact the sender by return e-mail and delete the material from your system. Thank you.

—
 Teri Daly
 Chief Administrative Officer

County of El Dorado
 PH: 530-621-5530

NOTICE: This e-mail and any files transmitted with it may contain confidential information, and are intended solely for the use of the individual or entity to whom they are addressed.

Any retransmission, dissemination or other use of the information by persons other than the intended recipient or entity is prohibited.

If you receive this e-mail in error please contact the sender by return e-mail and delete the material from your system. Thank you.

NOTICE: This e-mail and any files transmitted with it may contain confidential information, and are intended solely for the use of the individual or entity to whom they are addressed.

Any retransmission, dissemination or other use of the information by persons other than the intended recipient or entity is prohibited.

If you receive this e-mail in error please contact the sender by return e-mail and delete the material from your system.

Thank you.