

LEASE AGREEMENT BETWEEN
THE CITY OF SALINAS AND
SALINAS VALLEY TOURISM & VISTORS
BUREAU
1A Station Place



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LEASE AGREEMENT

1A Station Place (Freight Building), Salinas, California

THIS LEASE AGREEMENT ("Lease") is made and entered into this 20th day of June 2017, by and between the **City of Salinas**, a California charter city and municipal corporation, hereinafter called the "City," and Salinas Valley Tourism and Visitors Bureau, Inc., ("SVTVB") California not-for-profit Corporation, hereinafter called "Tenant."

RECITALS

WHEREAS, the City is the owner of that real property defined and described in Exhibit A at 1 Station Place, APN 002-710-033-000, (the "Property") and the improvements thereon known as the known as the "Freight Building," consisting of approximately 5,122 square feet, located at 1 Station Place in the City of Salinas, California, County of Monterey which Exhibit A is attached hereto and incorporated herein by reference; and

WHEREAS, the Freight Building was originally built in 1879 to be a warehouse for the storage of rail deliveries awaiting transfer to their final destination, and the City undertook a complete restoration of the building that was completed in 2014; and

WHEREAS, the Freight Building consisting of 5,122 square feet of improvements at 1 Station Place, is now prepared for tenant improvements and re-purposing consistent with the development of the City's Intermodal Transportation Center that consist of approximately 1,453 square feet of private office space, 566 square feet of shared common meeting and restroom space, and leaves 3,103 square feet of the Freight Building and exterior decking that surrounds the building open for future uses or future shared uses with the Tenant as described in Exhibit B; and

WHEREAS, consistent with the California Government Codes Sections 15334.3, 15337 and 15364.52 as they relate to tourism, the Tenant currently operates the "California Welcome Center" subject to the applicable rules, regulations and privileges afforded to it by the State of California located at a commercial shopping center located at 1214 N. Davis Road in Salinas; and

WHEREAS, the Board of the SVTVB, in an effort to improve the viability and visibility of the Welcome Center, desires to relocate it from the shopping center to the Freight Building, and desires to lease from the City the 1,453 square feet of office space planned (1A Station Place), as tenant improvements and share the 566 square feet of common space with a future tenant(s) of the vacant space (to be determined) which space is described in Exhibit B and is hereafter to as the "Leased Premises"; and

WHEREAS, to relocate the Welcome Center to the Freight Building, the State authorities require a firm commitment from the City that confirms its desire to fund and complete the tenant improvements, and lease said improved spaces to the Tenant, and this relocation is therefore contingent upon having an executed Lease, receiving State approval for the move, and a sufficient funding commitment from the City to complete the tenant improvements; and

WHEREAS, the City agrees that bringing the Welcome Center to the Freight Building is a benefit to the City, and desires to lease a portion of the Freight Building to the Tenant for the term hereinafter provided and the Tenant desires to accept such Lease upon the terms and subject to the conditions contained herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth in this Lease, the parties agree as follows:

AGREEMENT

1. PREMISES. The City hereby leases to the Tenant and the Tenant hereby leases from the City, upon the terms and conditions herein set forth, that certain real property and its appurtenances, situated at 1A Station Place, **Salinas, CA 93901** and described more particularly in Exhibit B, which is attached to and incorporated herein by reference. The Tenant shall accept the Leased Premises “as-is, where-is” following an inspection of the premises and execution of the “Acceptance of the Leased Premises” provided in Exhibit C to this Agreement.

2. TENANT IMPROVEMENTS. Prior to the commencement of the Lease, the City as Landlord, is committed to completing the tenant improvements to the Leased Premises within Freight Building consistent with the conceptual description provided in Exhibit B, to accommodate the relocation of the Welcome Center. It will commence the completion of said construction drawings and initiate said work within thirty (30) days of receiving written approval from the State (or delegate) authority that governs the establishment of Welcome Centers and upon receipt of the State’s agreement to relocate the Salinas Welcome Center to the Freight Building upon its completion. The City will endeavor to complete said work diligently and if possible without interruption until its completion.

3. TERM. This Lease shall be for a term of two (2) years, commencing on the date the Tenant Improvements are completed (“Commencement Date”) and successfully pass the required inspection(s) that deem the Leased Premises to be safe for occupancy, to be performed by the Building Official and/or their delegate(s) that are anticipated to occur on or before November 1, 2017, (“Commencement Date”), and ending two (2) years or twenty-four months after that date estimated to be by or before October 31, 2019 (the “Initial Term”), unless terminated earlier, pursuant to the provision of this Lease. The Commencement Date is the same date as the date the Tenant signs and executes Acceptance of the Leased Premises provided in Exhibit C.

The Tenant may request a renewal of the Lease for up to and not exceeding ten-years total, in two-year increments, by submitting a written request to the City at least sixty (60) days prior to the expiration of the Initial Term and each two-year term extension, commencing after that original date. The terms and conditions of a renewed lease shall be subject to the City’s written consent and the negotiation of the parties to this Lease.

Upon the expiration or the earlier termination of this Lease, Tenant shall peaceably vacate the Leased Premises and any and all improvements located thereon and deliver the same to the City in at least as good a condition as they were delivered to Tenant on the Commencement Date, reasonable wear and tear and casualty excepted.

Any holding over after the expiration of the term, or any renewal thereof, with or without the consent, express or implied, of the City, shall be construed to be a tenancy from month to month, and shall otherwise be on the terms and conditions herein specified, as far as applicable. This Lease may only be extended upon then mutual written agreement of the parties.

4. TERMINATION FOR CAUSE. In addition to all other remedies available to the City under the law or in equity, and consistent with Section 18 of this Lease (“Default and Re-Entry”), this Lease may be terminated by the City as provided herein below:

(i). Failure to Pay Rent. The Tenant shall fail to pay Rent within thirty (30) days following written notice from City that the Rent is overdue; or

(ii). Tenant’s Failure to Perform. The City, in its sole discretion, determines that in accordance with Section 6 of this Lease, Tenant has failed in the performance or compliance with any of the covenants, agreements, terms or conditions contained in this Lease and such failure continues for a period of thirty (30) days after written notice thereof or, in the case such failure cannot with due diligence be cured within such period of thirty (30) days or such reasonable time as may be required to cure such default, but in no event to exceed sixty (60) days.

Effect of Termination. In the event that this Lease is terminated by the City, the Tenant shall immediately abandon the Leased Premises and deliver the same to City and all obligations and duties of the Tenant hereunder shall immediately cease.

Rights and Remedies Not Exclusive. The rights and remedy of the City and Tenant provided under this Section are not exclusive and are in addition to any other rights and remedies provided by law or appearing in any other section of this Agreement

5. **RENT.** Commencing on the Commencement Date and continuing through the entire term of this Lease, Tenant shall pay to the City, as rent, the amount of one thousand seven hundred and fifty dollars (\$1,750.00) per month ("Rent") for the use and the possession of the Premises. If pursuant to Section 3 "Term" this Lease is extended, a new rental rate will be negotiated during the sixty-day notice period. Rent shall be adjusted according to the percentage change to the cost of living during the prior twenty-four month period for all urban consumers in the greater San Francisco-Oakland-San Jose area, not to exceed 10% per term extension, and not to exceed the current market rate for rent in the downtown.

6. **USE.** Tenant shall use the Leased Premises for office spaces consistent with the legal definitions and general standards set-forth by the State of California as a "Welcome Center." Tenant may alter said use to any lawful purpose, upon the written consent of the City, which consent shall not be unreasonably withheld.

Parking Area: Tenant's employees are to use the parking areas provided on the Property (Exhibit A) and shall not encroach upon other private and/or public parking areas not so designated for general public parking use.

7. **COMPLIANCE WITH LAWS.** Tenant shall comply with all statutes, ordinances, regulations, and requirements of all governmental entities, both federal and state and county or municipal relating to Tenant's use and occupancy of the Premises whether those statutes, ordinances, regulations, and requirements are now in force or are subsequently enacted.

8. **TAXES AND ASSESSMENTS.** This Lease may create a taxable possessory interest, the timely payment of which, together with any other taxes or assessments imposed against Tenant or the activities of Tenant shall be paid by Tenant before they become delinquent. The City shall be responsible for the payment of all real property assessments imposed on the Property and/or Leased Premises by any improvement district or special taxing authority. During the lease term, all real estate taxes for the Property and Leased Premises shall be paid by the City.

9. **UTILITIES.** The Tenant shall pay, and hold the City free and harmless from, all charges for the furnishing of gas, water, electricity, telephone service, garbage pickup and disposal, and other public utilities to the Leased Premises during the term of this Lease.

10. **ALTERATIONS AND IMPROVEMENTS.** Prior to occupancy, Tenant acknowledges personal inspection of the Leased Premises and of the surrounding areas and evaluation of the extent to which the physical condition of the Leased Premises and of the surrounding area will or may affect the operation of the Leased Premises. By signing the "Acceptance" provided in Exhibit C and attached hereto, the Tenant has completed its evaluation, and accepts the Leased Premises in "As-is, Where-is" condition, subject only to those alterations as provided and described in Section 2 above ("Tenant Improvements") the City shall clean and refurbish the interior of the Premises to reasonable standards prior to the Commencement Date. Tenant shall, at its sole cost and expense, make any and all alterations necessary to use the Leased Premises for Tenant's business purposes. The City has made no other representations or warranties as to the condition of the Leased Premises or to its fitness for the uses intended by the Tenant. Tenant shall make no demand upon the City for any improvements, rehabilitation, repairs or alterations of the Leased Premises other than those Tenant Improvements as provided in Section 2 above.

Any alterations, remodeling or utility installations by Tenant during the term of the Lease shall be performed

only upon the City's written approval and shall be done in a good and workmanlike manner, with good and sufficient materials, and in compliance with all applicable laws, regulations, and building codes. All improvements, alterations and fixtures (including, but not limited to, trade fixtures as that term is defined in Civil Code Section 1019) made or placed in or on the Leased Premises by Tenant during the term of this Lease shall be owned and insured by Tenant, and such improvements, alterations, and fixtures may be depreciated for income tax purposes by Tenant, provided that Tenant removes, at its sole expense, such improvements, alterations, and fixtures at or prior to the expiration or sooner termination of this Lease and restores the Leased Premises to their original condition as nearly as practicable. In the event that Tenant does not so remove such improvements, alterations, and fixtures, they shall become the property of the City for no further consideration of any kind, and Tenant shall execute any documents that may be required to convey its interest in such improvements, alterations and fixtures to the City.

11. **MAINTENANCE AND REPAIRS.** The City shall keep in good repair the common spaces, exterior walls, roofs, parking lot, sidewalks, and heating and cooling system, excluding all windows, doors, glazing, and landscaping of the building. Except as provided in the preceding sentence, Tenant, at its sole cost, shall keep and maintain the Leased Premises and every part thereof, both inside and outside, including all windows, doors, glazing, and landscaping clean and in good repair, and including, but not limited to, the repair of all appurtenances to the same condition or better as when received, damages by fire, act of God, or by the elements excepted, and to remove all of Tenant's signs from the Leased Premises upon termination or expiration of this agreement. Further, Tenant shall provide its own custodial services for said Leased Premises.

12. **INDEMNIFICATION.** Tenant shall defend, hold harmless, and indemnify City and its officers, officials, employees, and volunteers from and against any and all liability, loss, damage, expense, and costs (including without limitation costs and fees of litigation) of every nature arising out of or in connection with this Lease, Tenant's performance of work hereunder, or Tenant's failure to comply with any of its obligations contained in this Lease, except such loss or damage which was caused by the sole negligence or willful misconduct of the City.

13. **INSURANCE.** Tenant shall, at its own cost and expense, maintain the insurance specified and required at Exhibit D hereto.

14. **HAZARDOUS SUBSTANCES.** Tenant shall not use any portion of the building or parking lot for the storage or use of flammable or hazardous substances. The City understands and acknowledges that vehicles parked at the parking spaces will use hazardous substances in order to operate, including gasoline and oil. Tenant shall be solely responsible for the clean-up and remediation of any spill or discharge or any hazardous substances including, but not limited to, gasoline and oil from such vehicles. As required by law, Tenant shall immediately notify the City in writing of any material release of hazardous substances and of any hazardous substances that have come to be located on or beneath the Leased Premises.

15. **ENTRY AND INSPECTION.** The City shall have the right to enter the Leased Premises at all reasonable times for the purpose of inspection, posting notices, or other lawful purposes.

16. **REMOVAL OF PERSONAL PROPERTY; RESTORATION OF PROPERTY.** At the expiration or the earlier termination of this Lease, Tenant shall at its sole cost and expense remove all items of personal property and all improvements placed in the Leased Premises by Tenant and shall clean the Leased Premises such that the same is restored to at least as good as condition as it was at the time of commencement of this Lease.

17. **ASSIGNMENT AND SUBLETTING.** Tenant shall not encumber, assign, or otherwise transfer this Lease, any right or interest in this Lease, or any right or interest in the Leased Premises or any improvements that may now or hereafter be constructed or installed on the Leased Premises to any other person or entity without first obtaining the express written consent of the City. The Tenant shall ensure that the terms and the conditions of this Lease are incorporated into the terms and the conditions of any sublease or assignment, including the sublease from the Tenant.

18. **DEFAULT AND REENTRY.** Consistent with Section 4 of this Lease ("Termination for Cause"), in the

event of any breach of any obligation to be performed by Tenant hereunder, including non-payment of rent, which is not cured within thirty (30) days of the date upon which notice of such breach is given to Tenant, or upon the abandonment or vacation of the Leased Premises by Tenant, the City, in addition to any other rights or remedies as may be provided by law, shall have the right to terminate this Lease, immediately reenter the Premises, without notice, and remove all persons and property from the Premises.

19. **FORCE MAJEURE.** If either party is unable to perform its duties under this Lease due to acts of God, strikes, lockouts, labor disputes, inability to obtain labor, governmental restrictions, regulations or controls, civil commotion, fire or other casualty, emergency, or any other cause beyond the reasonable control of the party, such non-performing party shall be excused from performance by the other party, and shall not be in breach of this Lease, for a period equal to any such prevention, delay or stoppage.

20. **SUCCESSORS AND ASSIGNS.** Except as otherwise provided for herein, the parties expressly agree that, subject to the terms of this Lease, all terms and conditions of this Lease shall extend to and be binding upon or inure to the benefit of the heirs, executors, administrators, personal representative, assigns and successors in interest of both the respective parties hereto.

21. **ENTIRE AGREEMENT.** This Lease expresses the whole contract between the parties, there being no representations, warranties, or other understandings not here expressly set forth or provided. This Lease may be executed in duplicate, each of which when so executed and delivered shall be deemed an original, but such duplicate together shall constitute but one and the same instrument.

22. **AMENDMENTS.** This Lease may be amended at any time and from time to time, provided that no amendment to this Lease shall be legally enforceable against the City or Tenant unless it is in writing, executed and acknowledged by both parties.

23. **NOTICES.** All notices herein provided to be given, or which may be given, by either party to the other, shall be deemed to have been given fully, when made in writing and personally delivered as shown below, or deposited in the United States mail, certified, return receipt requested, postage prepaid, and addressed as follows:

City: City of Salinas
200 Lincoln Avenue
Salinas, CA 93901
Attn: City Manager

Tenant: Salinas Valley Tourism & Visitors Bureau
Craig Kaufman, Executive Director
8001 San Miguel Canyon Road
Salinas CA 93907

w/copy to: City Attorney

24. **WARRANTY OF TITLE.** The City warrants and represents that it has the sole and the exclusive title to the Property and Leased Premises such that it may enter into this Lease. The City further warrants and represents that the execution, delivery, or performance of this Lease will not conflict with or violation any other agreements by which the City is bound, or any law, rules, regulation, or ordinance by which the City is bound.

25. **NON-DISCRIMINATION IN USE AND AVAILABILITY.** Tenant shall not discriminate on the basis of a person's place of residence, their race, religion, color, national origin, age, physical or mental handicap or disability, medical condition, marital status, sex, or sexual orientation, against any participant in, recipient of, or applicant for any services or programs provided by at the Leased Premises. Tenant shall comply with all applicable federal, state, and local laws, policies, rules, and requirements related to equal opportunity and non-discrimination in the provision of any services or programs offered at the Leased Premises.

26. **ACCIDENT REPORTS.** Tenant shall immediately report to the City in writing any accident causing or reasonably estimated to have caused more than one thousand dollars (\$1,000) worth of property damage or any serious injury to person or to property that occurs on or in connection with the Leased Premises. This written report

shall contain the names and addresses of the parties involved, a statement of the circumstances, the date and the hour, the names and the addresses of any witnesses, photos, and any other pertinent information.

27. **AMERICANS WITH DISABILITIES ACT AND TITLE 24 COMPLIANCE.** Prior to occupancy, City shall ensure and shall be responsible for ensuring that all building improvements and other improvements on the Leased Premises are compliant with the Americans with Disabilities Act and Title 24 of the California Code of Regulations and Tenant shall be solely responsible for making any repairs or improvements necessary to bring such buildings, structures, and other facilities into compliance. Consistent with the provisions of Section 8 of this agreement, (Alterations and Improvements), the Tenant shall be responsible for compliance with the Americans with Disabilities Act and Title 24 of the California Code of Regulations for those changes to the Leased Premises occurring after occupancy by the Tenant.

28. **SIGNS AND ADVERTISING.** Tenant shall not place or erect any temporary or permanent signs or advertising upon the Leased Premises which will cause damage or which will otherwise alter the physical structure of any structure or building located on the Leased Premises. The placement or erection of any sign or advertising upon the Leased Premises shall be in accordance with the requirements of the Salinas City Code in effect at the time such sign is proposed to be placed or erected.

29. **LIENS AND ENCUMBRANCES.** Tenant shall keep the Leased Premises free and clear of any liens or encumbrances of any kind whatsoever created by Tenant or any of its acts or omissions.

30. **JURISDICTION.** This Lease shall be administered and interpreted under the laws of the State of California. Jurisdiction of litigation arising from this Lease shall be in the State of California, in the County of Monterey, or in the appropriate federal court with jurisdiction over the matter. In case suit shall be brought to interpret or to enforce this Lease, or because of the breach of any other covenant or provision herein contained, the prevailing party in such action shall be entitled to recover their reasonable attorney fees in addition to such costs as may be allowed by the court. City's attorney fees, if awarded, shall be calculated at the market rate.

31. **COUNTERPARTS.** This Lease may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute a single agreement.

32. **FURTHER ASSURANCES.** Both parties agree to take whatever action may be necessary to perform their respective and their mutual obligations under this Lease.

33. **RIGHTS AND OBLIGATIONS UNDER THIS LEASE.** By entering into this Lease, the Parties do not intend to create any obligations express or implied other than those set out herein; further, this Lease shall not create any rights in any party not a signatory hereto.

34. **INVALIDITY.** The invalidity or unenforceability of any provisions of this Lease shall not affect the validity or enforceability of any other provision of this Lease, which shall remain in full force and effect.

35. **SURVIVAL.** In no way shall the insurance requirements herein limit Tenant's indemnification obligations hereunder, and Tenant's indemnification obligations shall survive termination of this Lease.

IN WITNESS WHEREOF, the undersigned, as authorized representatives of the parties, have entered into this Lease as of the date first written above.

CITY OF SALINAS

SALINAS VALLEY TOURISM AND VISTORS BUREAU

Ray E. Corpuz, Jr., City Manager

By: Craig Kaufman
Its: Executive Director

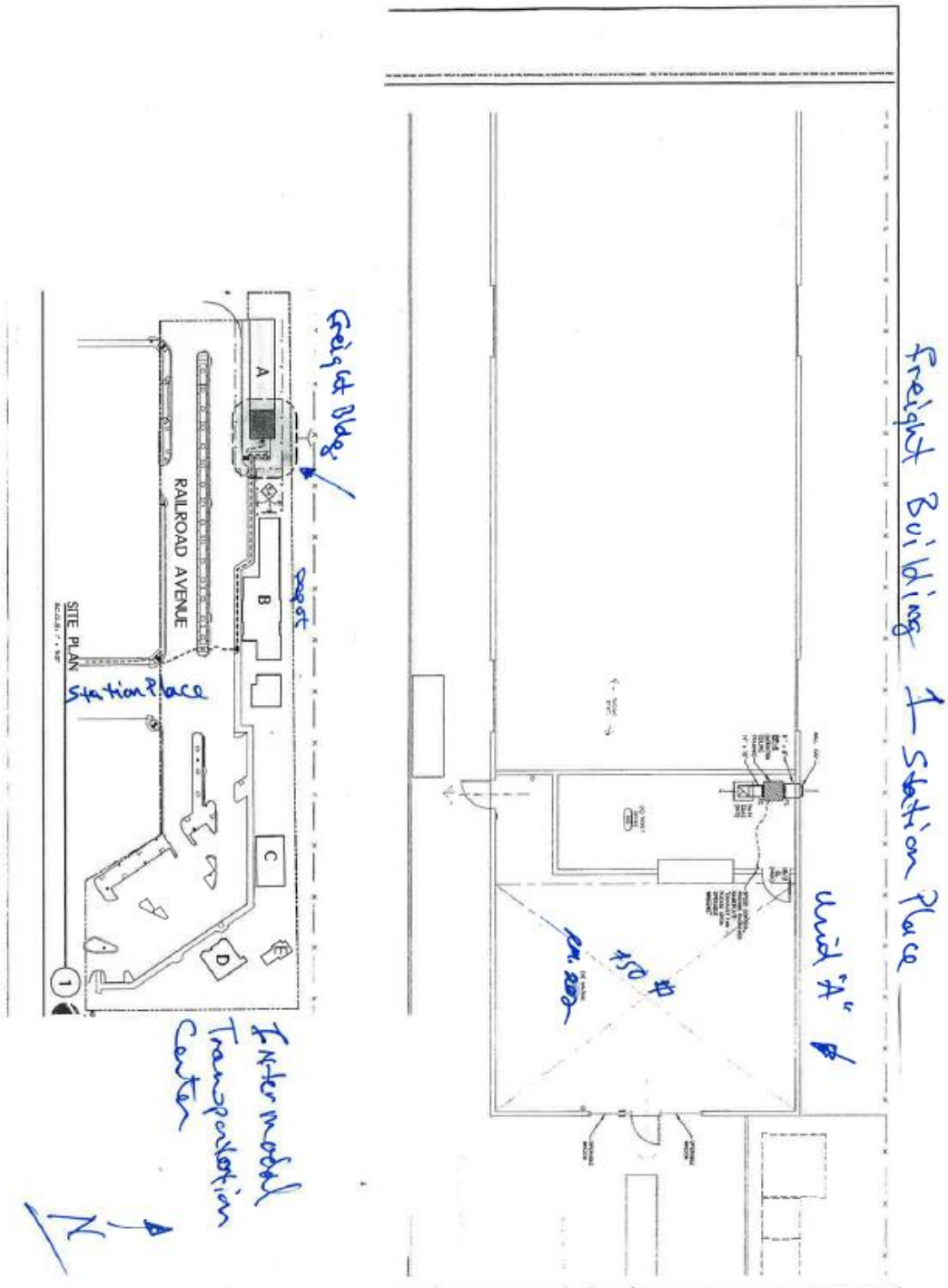
APPROVED AS FORM:

Christopher A. Callihan, City Attorney

ATTEST:

Patricia M. Barajas, City Clerk

EXHIBIT A: Property 1A Station Place (as is)



THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF SALINAS, COUNTY OF MONTEREY, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

That certain real property, situate in the City of Salinas, Monterey County, California being a portion of that certain 25.67 acre tract of land described in deed from Eugene Sherwood, et al, to the Southern Pacific Railroad Company dated October 9, 1872, and recorded in Vol. M of Deeds at page 34, records of said County, and all of that certain tract of land described in deed from A.W. Branch to Southern Pacific Railroad Company dated August 31, 1872 and recorded in Vol. L of Deeds at page 439, records of said county, described as follows:

Beginning at a 1" diameter iron pipe at the intersection of the easterly line of Palmetto Street, as shown on Map of Salinas City, filed in Vol. 1 of Cities and Towns at page 36, records of said county, with the southerly boundary of said 25.67 acre tract of land and running thence along said southerly boundary,

1) N 65° 36' W, 37.50 feet to intersection with the centerline of said Palmetto Street, thence leave said southerly boundary and along the extension northerly of said centerline,

2) N 24° 23' 38" E, 113.47 feet; thence leave said centerline extension,

3) N 65° 36' W, 37.50 feet; thence

4) N 24° 23' 38" E, 53.14 feet to a 1" diameter iron pipe; thence along a line parallel to and 25 feet southerly from, measured at a right angle, the main line of the Southern Pacific Railroad Company track,

5) S 66° 30' 04" E, 928.84 feet to the intersection with the westerly line of North Main Street, a City street; thence leave said parallel line and along the line of said North Main Street,

6) S 24° 22' 41" W, 25.00 feet to a 1" diameter iron pipe at the intersection of said street line with the northerly line of that certain tract of land described in Final Judgment of Condemnation, City of Salinas vs. Southern Pacific Transportation Company, dated October 16, 1975 and recorded in Reel 1009, Page 241, Official Records of said county; thence leave said street line and along said line of condemnation,

7) N 66° 30' 04" W, 30.00 feet to a 1" diameter iron pipe; thence continuing along said condemnation line, to and along the easterly line of Parcel A, as shown on map filed in Vol. 14 of Parcel maps at page 84, records of said county,

8) S 27° 31' 00" W, 250.77 feet to a 3/4" diameter iron pipe, LS 3509; thence continuing along said parcel boundary,

9) N 65° 40' 09" W, 105.03 feet; thence

10) N 9° 50' 45" W, 116.16 feet to a 1" diameter steel bar at the most westerly corner of said Parcel A, in the southerly boundary of said 25.67 acre tract of land; thence along said southerly boundary,

11) N 65° 37' 57" W, 137.69 feet to a 2" diameter iron pipe in the easterly line of Station Place (shown as Natividad Street of said Map of Salinas City); thence continuing along said southerly boundary,

12) N 65° 41' 51" W, 100.00 feet to the westerly line of said Station Place; thence continuing along said southerly boundary,

13) N 65° 36' W, 402.01 feet to intersection with said easterly line of Palmetto Street thence along said street line,

14) S 24° 23' 38" W, 1.00 feet to the point of beginning.

Excepting therefrom Parcel III above described, all minerals and mineral rights, interests, and royalties, including, without limiting, the generality thereof, oil, gas and other hydrocarbon substances, as well as metallic or other solid minerals, in and under the property; however, Grantor or its successors and assigns,

shall not have the right for any purposes whatsoever to enter upon, into or through the surface of the property in connection therewith, as reserved in the Deed from Southern Pacific Transportation Company, a Delaware corporation recorded September 27, 1997 in Reel 3424, Page 120, Official records.

APN: 002-171-033 , 002-171-035

EXHIBIT B: Leased Premises (w/Proposed Tenant Improvements)

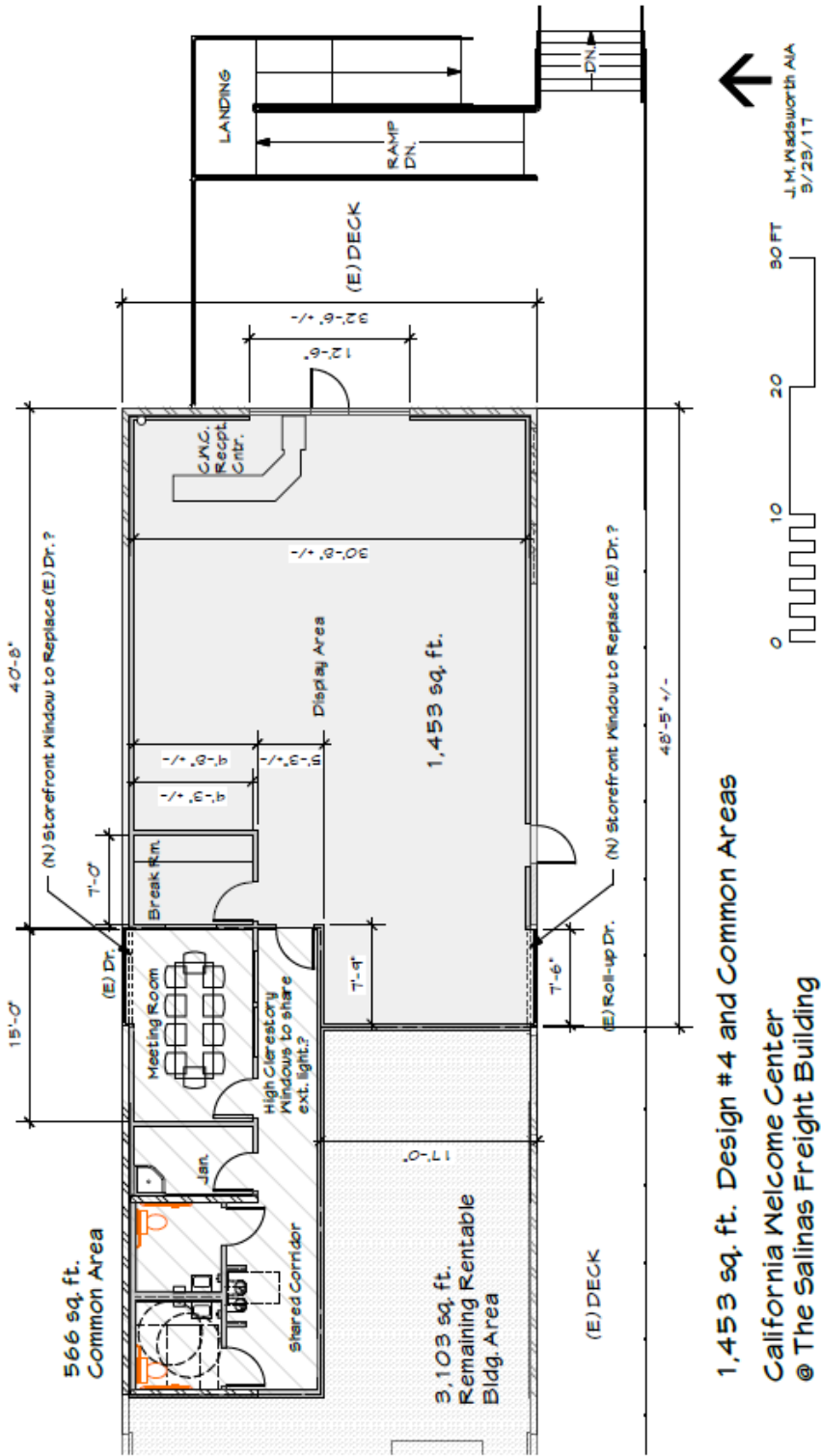


EXHIBIT C

ACCEPTANCE OF THE LEASED PREMISES

I Craig Kaufman, the Executive Director, representing Salinas Valley Tourism and Visitors Bureau have inspected the offices and common grounds at 1A Station Place, Salinas California, owned by the City of Salinas. I have determined that this building and property will be suitable for my business practices, and I hereby accept the Leased Premises in "as-is, where-is" condition.

Signature: _____ Date _____

The Date of the duly authorized signature above is the same date to be used as the Lease "Commencement Date," and initiates those rights and privileges afforded to it by the Lease, as described in Section 3 of the Lease "Term".

EXHIBIT D

INSURANCE REQUIREMENTS

Tenant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to the Leased Premises and the Property which may arise from or in connection with the performance of the work hereunder and the results of that work by the Tenant, his agents, representatives, employees or subcontractors.

MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as:

1. **Commercial General Liability** (CGL): Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than **\$2,000,000** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (**ISO CG 25 03 or 25 04**) or the general aggregate limit shall be twice the required occurrence limit.
2. **Automobile Liability**: ISO Form Number CA 00 01 covering any auto (Code 1), or if Tenant has no owned autos, hired, (Code 8) and non-owned autos (Code 9), with limit no less than **\$1,000,000** per accident for bodily injury and property damage.
3. **Workers' Compensation**: as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than **\$1,000,000** per accident for bodily injury or disease.
4. **Property insurance**: against all risks of loss to any tenant personal property, improvements, or betterments at full replacement cost with no coinsurance penalty provision.

If the Tenant maintains **broader coverage and/or** higher limits than the minimums shown above, the Entity requires and shall be entitled to **the broader coverage and/or** the higher limits maintained by the Tenant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the Entity.

Other Insurance Provisions

The insurance policies are to contain, or be endorsed to contain, the following provisions:

Additional Insured Status

The Entity, its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Tenant including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Tenant's insurance (at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of **both** CG 20 10, **CG 20 26, CG 20 33, or CG 20 38**; and CG 20 37 if a later edition is used).

Primary Coverage

For any claims related to this contract, the Tenant's insurance coverage shall be primary coverage at least as broad as **ISO CG 20 01 04 13** as respects the Entity, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the Entity, its officers, officials, employees, or volunteers shall be excess of the Tenant's insurance and shall not contribute with it.

Notice of Cancellation

Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the Entity.

Waiver of Subrogation

Tenant hereby grants to Entity a waiver of any right to subrogation which any insurer of said Tenant may acquire against the Entity by virtue of the payment of any loss under such insurance. Tenant agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the Entity has received a waiver of subrogation endorsement from the insurer.

Self-Insured Retentions

Self-insured retentions must be declared to and approved by the Entity. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or Entity.

Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the Entity.

Verification of Coverage

Tenant shall furnish the Entity with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the Entity before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Tenant's obligation to provide them. The Entity reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.