

## ADDENDUM TO COMMERCIAL LEASE AGREEMENT

THIS ADDENDUM TO COMMERCIAL LEASE AGREEMENT is attached and made a part thereof to the Commercial Lease Agreement, dated, for reference purposes only, August 9, 2019, (the “**Lease**”) entered into by and between CASETRONIC ENGINEERING GROUP, a California corporation (“**Landlord**”) and the CITY OF MILPITAS, a municipal corporation (“**Tenant**”).

1. Tenant Improvements. Tenant shall complete improvements to the Premises according to Tenant’s approved plans and specifications. Except as noted below, all tenant improvements will be the property of Landlord upon Lease termination, and will be surrendered in their AS-IS condition.
  - a. Tenant improvements are anticipated to include:
    - i. Retrofitting existing wall between warehouse and office space to be full height with 1 hr. fire rating;
    - ii. Installation of range/oven and hood in the breakroom (range and oven to be property of Tenant after termination or expiration of the Lease);
    - iii. Conversion of one toilet to include an ADA compliant shower;
    - iv. Installation of one operable window in the Building;
    - v. Minimal addition and removal of walls and doors;
    - vi. Installation and/or modification of the existing HVAC system;
    - vii. Construction of firefighter sleeping quarters; and
    - viii. Repair and/or remediation of existing code violations pursuant to Attachment 1 hereto.
  - b. Tenant shall perform all tenant improvements at its sole cost and expense, except that the costs associated with Item 1, Item 2, and Item 3 shown on Attachment 1 shall be divided equally between Landlord and Tenant.
2. Tenant’s Parking. Tenant’s parking shall include the right to park fire engines on and within the Premises, and the unimpeded ingress and egress of same to and from the Premises. The specifications for fire engine ingress and egress to and from the Premises are set forth in Attachment 2. Landlord shall cause all tenants, occupants, guests and invitees of the building in which the Premises is located (the “**Building**”) to maintain free and unimpeded Tenant’s means of ingress and egress to and from the Premises. Landlord’s duties under this Section shall include, but not be limited to, relocating the mobile home currently parked near the Premises and relocating the assigned parking area for delivery vehicles.

3. Landlord's Compliance with Laws. Landlord shall comply with (or cause to be complied with) all requirements applicable to the Building, including, without limitation, any requirements imposed on the Building due to its use as a temporary fire station.
4. Insurance. Tenant may satisfy the insurance requirements set forth in Lease Section 29 through a risk pool or self-insurance.

# ATTACHMENT 1

## REMEDATION OF CODE VIOLATIONS

Item No.	Issue	Reason	Action	Responsible party	Estimated Cost
1	Condensate drain from RTUs was routed to the roof drain	Code Violation	Reroute the 3 ton RTUs condensate piping to the sink in the janitor room	50/50 Split	\$ 1,200
2	HVAC duct insulation is damaged	Maintenance	Repair damaged duct insulations to prevent condensation above ceiling	50/50 Split	\$ 300
3	Sink and associated plumbing was installed without permit and not to code	Code Violation/ unpermitted work	Remove sink and associated plumbing located near the electrical room and replace counter	50/50 Split	\$1,500
<b>ESTIMATED TOTAL REPAIR COST</b>					<b>\$3,000</b>
4	A seismic gas shutoff valve is not provided for the gas line	Code Violation	Install seismic automatic shutoff valve on the natural gas line before the gas meter to meet the state of California code	City	
5	Electrical panels indexes are outdated	Maintenance	Update all electrical panels indexes	City	
6	Exterior lighting fixtures needs to be cleaned and maintained	Maintenance	Maintain and repair all exterior lighting	City	
7	The 3 ton RTUs are beyond Estimated Unit life. It is recommended to be replaced	Maintenance	Instead of Replacement, the City recommend to service the units instead.	City	
8	Existing wall and coffee break area were removed to create reception area	Unpermitted work	City to keep the current layout and apply for permit	City	
9	Woman restroom was modify to be smaller and hallway was created	Unpermitted work	Remove existing wall and eliminate the hallway. Put everything back to the original condition that was permitted	City	
10	Conference room added	Unpermitted work	City to keep the current conference room and apply for permit	City	
11	Additional door was added and wall were	Unpermitted work	Remove unpermitted wall and door to match the	City	

	created between breakroom and kitchen area		original condition that was permitted		
12	RTUs are not provided with seismic restraints	Code Violation	Provide existing RTU with seismic restraint to the meet the state of California Code	Not required at this time	
13	Electrical room and the adjacent room do not have ventilation system	Code Violation	Install new 2 ton wall mounted DX Split unit in the electrical room	Not Required at this time	

ATTACHMENT 2

PARKING REQUIREMENTS

