

FIRST AMENDMENT TO REAL PROPERTY LEASE

This First Amendment to Lease Agreement ("First Amendment") is entered into as of the date appearing above the signature lines hereunder by and between Transportation Agency for Monterey County, LESSOR, and P&S Real Estate Co., a California General Partnership, LESSEE.

RECITALS

A. LESSOR and LESSEE entered into that certain "Real Property Lease" dated June 13, 2014 ("Lease"), for the raw land located in the City of Sand City, encompassing an approximate area of 7,800 square feet represented by a Fifty (50) foot encroachment into the railroad right-of-way for an approximate length of One Hundred Fifty-Six (156) feet ("Property").

B. The initial term under the Lease was for three (3) years beginning July 1, 2014 and ending June 30, 2017.

C. Paragraph 2 of the Lease provides LESSEE an option to extend its lease the Property for additional three (3) year periods up to eight (8) times.

D. LESSEE has given written notice to LESSOR of its intent to exercise its option to renew the Lease for an additional three-year period.

E. The parties wish to amend the Lease to extend the term for an additional three (3) years.

TERMS

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Term.** Section 2 of the Lease shall be amended to read as follows:

"2. **Term.** The original term shall be extended for an additional three (3) years beginning July 1, 2017 and ending June 30, 2020, unless sooner terminated as provided in the Lease. If LESSOR intends to continue to offer the Property for lease, LESSEE is granted an option to lease the Property for another three (3) year term. So long as LESSOR continues to offer the Property for lease, and provided that LESSEE is not in default of the Lease, LESSEE shall have the option to renew this Lease, up to seven (7) more times for additional three-year periods. If LESSEE intends to exercise its option to renew the lease for any of the option periods, LESSEE shall give written notice to LESSOR of its intent to exercise such option at least sixty (60) days prior to the expiration of the Term, as such is described in the Lease, or any applicable option period."

2. **Rent.** Section 4 of the Lease shall be amended to read as follows:

“Effective July 1, 2017, LESSEE agrees to pay LESSOR a monthly payment of Eleven point forty cents (\$0.1140) per square feet based on 7,800 square feet rented (the sum of Eight Hundred Eighty-Eight Dollars and Eighty-Six Cents (\$888.86)). Rent shall increase at a rate of three percent (3%) annually for each year of such term, cumulative and compounded. Rental rates for nine (9) years, based upon the formula described herein, have been calculated and is attached hereto as Attachment A. Thereafter, the rental is subject to negotiation by the parties during the period that LESSEE has to exercise its option and renew the LEASE prior to its expiration. If the parties do not agree to renewal and the rental at least sixty (60) days prior to expiration of the Lease or any option period, LESSOR may offer the Property for lease to another party at the same or a higher rental amount than it offered to LESSEE.”

3. Except as herein set forth, the parties confirm that all provisions of the Lease remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment to Real Property Lease as of the date written below.

Dated: _____, 2017

TRANSPORTATION AGENCY FOR MONTEREY COUNTY, LESSOR:

BY: _____

Executive Director

P & S REAL ESTATE CO., LESSEE
A California General Partnership

By: _____
Peter E. Blackstock, General Partner

Approved as to form:

Kay Reeman 6/8/17
TAMC Counsel

Attachment A

P & S Real Estate Co.

3% increase per year

Year	Monthly Rent	Per Square Foot
17/18	\$ 888.86	\$ 0.1140
18/19	\$ 915.52	\$ 0.1174
19/20	\$ 942.99	\$ 0.1209
20/21	\$ 971.28	\$ 0.1245
21/22	\$ 1,000.42	\$ 0.1283
22/23	\$ 1,030.43	\$ 0.1321
23/24	\$ 1,061.34	\$ 0.1361
24/25	\$ 1,093.18	\$ 0.1402
25/26	\$ 1,125.98	\$ 0.1444

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RECITALS

A. LESSOR and LESSEE entered into that certain "Real Property Lease" dated June 13, 2014 ("Lease"), for the raw land located in the City of Sand City, encompassing an approximate area of 12,800 square feet represented by a Fifty (50) foot encroachment into the railroad right-of-way for an approximate length of Two Hundred Fifty-Six (256) feet (hereinafter, the "Property").

B. The initial term under the Lease was for three (3) years beginning July 1, 2014 and ending June 30, 2017.

C. Paragraph 2 of the Lease provides LESSEE an option to lease the Property for additional three (3) year periods up to eight (8) times.

D. LESSEE has given written notice to LESSOR of its intent to exercise its option to renew the Lease for an additional three-year period.

E. The parties wish to amend the Lease to extend the term for an additional three (3) years.

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2. **Rent.** Section 4 of the Lease shall be amended to read as follows:

"Effective July 1, 2017, LESSEE agrees to pay LESSOR a monthly payment of Eleven point forty cents (\$0.1140) per square feet based on 12,800 square feet rented (the sum of One Thousand Four Hundred Fifty-Eight Dollars and Seventy-Nine Cents (\$1,458.79)). Rent shall increase at a rate of three percent (3%) annually for each year of such term, cumulative and compounded. Rental rates for nine (9) years, based upon the formula described herein, have been calculated and is attached hereto as Attachment A. Thereafter, the rental is subject to negotiation by the parties during the period that LESSEE has to exercise its option and renew the LEASE prior to its expiration. If the parties do not agree to renewal and the rental at least sixty (60) days prior to expiration of the Lease or any option period, LESSOR may offer the Property for lease to another party at the same or a higher rental amount than it offered to LESSEE."

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TRANSPORTATION AGENCY FOR MONTEREY COUNTY, LESSOR:

BY: _____

Executive Director

P & S REAL ESTATE CO., LESSEE
A California General Partnership

By: _____
Peter E. Blackstock, General Partner

Approved as to form:

Kay Reemass 6/8/17
TAMC Counsel

Attachment A

P & S Real Estate Co.

3% increase per year

Year	Monthly Rent	Per Square Foot
17/18	\$ 1,458.79	\$ 0.1140
18/19	\$ 1,502.55	\$ 0.1174
19/20	\$ 1,547.63	\$ 0.1209
20/21	\$ 1,594.06	\$ 0.1245
21/22	\$ 1,641.88	\$ 0.1283
22/23	\$ 1,691.14	\$ 0.1321
23/24	\$ 1,741.87	\$ 0.1361
24/25	\$ 1,794.13	\$ 0.1402
25/26	\$ 1,847.95	\$ 0.1444