

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS  
ACTION AGENDA SUMMARY

DEPT: Health Services Agency *max*

BOARD AGENDA # \*B-12

Urgent  Routine

AGENDA DATE December 21, 2010

CEO Concurs with Recommendation YES  NO   
(Information Attached)

4/5 Vote Required YES  NO

SUBJECT:

Authorization to Enter into an Agreement between the Stanislaus County Health Services Agency and the Parent Resource Center for use of Modular Office Space at 530 South Santa Cruz Avenue in Modesto to the Parent Resource Center Subject to the Master Agreement for Use of the Site with Gallo/G-3 Enterprises

STAFF RECOMMENDATIONS:

Authorize the County Purchasing Agent to execute a one-year, automatically renewing agreement on behalf of the Health Services Agency for use of a modular facility of 2,160 square feet to the Parent Resource Center to provide community services at a rental cost of one dollar per year subject to the terms, conditions and approval of the master ground lease for use of the site with Gallo Glass Company.

FISCAL IMPACT:

On March 1, 2003, Stanislaus County entered into an License Agreement with Gallo Glass Company for use of property located at 530 South Santa Cruz Avenue in Modesto (APN: 035-037-038) for the purpose of siting two modular buildings. One 2,160 square foot modular building was used as an office for a Multi-Disciplinary Child Abuse Investigation Team (named the "CAIRE Center"); the other equal sized modular building as a substation office for the Stanislaus County Sheriff's Airport District Office.

(Continued on Page 2)

BOARD ACTION AS FOLLOWS:

No. 2010-776

On motion of Supervisor Chiesa, Seconded by Supervisor O'Brien

and approved by the following vote,

Ayes: Supervisors: O'Brien, Chiesa, Monteith, DeMartini, and Chairman Grover

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1)  Approved as recommended

2)  Denied

3)  Approved as amended

4)  Other:

MOTION:

*Christine Ferraro*

ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

Authorization to Enter into an Agreement between the Stanislaus County Health Services Agency and the Parent Resource Center for use of Modular Office Space at 530 South Santa Cruz Avenue in Modesto to the Parent Resource Center Subject to the Master Agreement for Use of the Site with Gallo/G3 Enterprises

Page 2

**FISCAL IMPACT (Continued):**

The original License Agreement renews automatically each year subject to a 120-day termination notice by either Stanislaus County or Gallo Glass Company. The License Agreement sets a rental rate of one dollar per year.

The Board of Supervisors authorized the expenditure of \$110,600 on May 14, 2002 (Item B-19) for the cost of the building, furniture, fixtures and telephone equipment from appropriations and corresponding revenues with the Community Services Agency Fiscal year 2001-2002 budget. The revenues were a set aside of prior year foster care savings reinvested in Child Welfare Services program innovations. The annual operational cost of the modular space occupied by the CAIRE Center has been paid through the annual Child Welfare Services Allocation. The Sheriff's Airport District substation portion of the facility was paid from the Plant Acquisition Budget, and the Sheriff's operational costs are included in the Sheriff's annual operating budget.

The CAIRE Center relocated with opening of the Family Justice Center at 1625 I Street in Modesto on October 22, 2010, vacating the modular space it occupied at 530 South Santa Cruz Avenue. The Sheriff's Airport District substation continues to occupy the second modular facility on the site.

The proposed agreement for use of the former CAIRE Center space on Santa Cruz Avenue to the Parent Resource Center (PRC) would provide a community service benefit. The Parent Resource Center provides support to parents through in-home volunteer mentoring and on-site parenting education classes to decrease the risk of child abuse, neglect and family violence. The Parent Resource Center operates with a small professional staff and numerous closely supervised volunteers and receives funding from community sources, including grants, foundations, local businesses, service clubs, private contributions and fund-raising events. The PRC is a private, non-profit (§501c3) and is a United Way of Stanislaus County Member Agency.

Stanislaus County Health Services Agency has an existing relationship with the Parent Resource Center to provide accessible neighborhood based services as part of the Health Services Agency "Healthy Birth Outcomes" program, funded by the Children and Families Commission. The objectives of this program include improving the rate of full term births, reducing the rate of low birth-weight babies, improving timely immunizations and improving insurance coverage rates. If the Board of Supervisors approves this recommendation, the Health Services Agency will amend the Scope of Work budget in its Independent Contractor Services Agreement with the Parent Resource Center to reflect the reduction in the reimbursable rent allowance. This agreement will further enable the Parent Resource Center to provide for the health and welfare of children and families in the Airport District pursuant to the objectives of the existing partnership with

Authorization to Enter into an Agreement between the Stanislaus County Health Services Agency and the Parent Resource Center for use of Modular Office Space at 530 South Santa Cruz Avenue in Modesto to the Parent Resource Center Subject to the Master Agreement for Use of the Site with Gallo/G3 Enterprises

Page 3

the Health Services Agency and the Board of Supervisors' priority of A Healthy Community.

The agreement would provide the space in as "as is" condition at a cost of one dollar per year. Operational cost of the space, including utilities, janitorial, data and telecommunications would be paid by the Parent Resource Center. Stanislaus County would remain responsible for major building maintenance, but would have the option to terminate the lease should the County Chief Executive Officer determine that the cost of repair to the building(s) would exceed the merits of the lease. The proposed Agreement would also be subject to the terms and conditions of the original License Agreement for use of the site and approval of the Gallo Glass Company.

No other potential use of the space by Stanislaus County has been identified nor approved by the property Licensor.

#### **DISCUSSION:**

On October 22, 2010 the Multi-Disciplinary Child Abuse Investigation Team (named the "CAIRE Center") relocated from a modular building at 530 South Santa Cruz Avenue in Modesto to the newly opened Family Justice Center at 1625 I Street in Modesto. County and Gallo Glass Company staff received a request from the Parent Resource Center to use the space as an Airport District office to provide parenting mentoring, education and volunteer services in this area of the community where great need exists.

The Parent Resource Center is a private, non-profit (§501c3) service established in 1993 by volunteers after this function was reduced from the County's Public Health budget. The program is funded by grants, foundations and contributions from business, service clubs and individuals. The PRC is a Member Agency of the United Way of Stanislaus County.

Use of the vacated CAIRE Center space will enable the Parent Resource Center to continue its work to assist parents of children at risk, another vital component in a continuum of services to help prevent child abuse and neglect in our community. The space is adjacent to the Sheriff's Airport District substation; both occupying modular buildings located on property owned and Licensed for use by the County through the generosity of the Gallo Glass Company.

This proposed sublease would allow the Parent Resource Center to occupy the space "as is" for a rent of one dollar annually. The lease would commence on January 1, 2011 for a term of one year, however the lease would automatically renew each year until terminated by notice from either the County or the PRC. The PRC would be responsible for the cost of operations, including utilities, telephone, data, janitorial and other costs. Stanislaus County would be responsible for major maintenance to the building and the

Authorization to Enter into an Agreement between the Stanislaus County Health Services Agency and the Parent Resource Center for use of Modular Office Space at 530 South Santa Cruz Avenue in Modesto to the Parent Resource Center Subject to the Master Agreement for Use of the Site with Gallo/G3 Enterprises  
Page 4

common areas; but would retain the right to terminate the lease should the cost of repairs be determined to exceed the value of providing the space to the community by the County's Chief Executive Officer. The PRC would indemnify, hold harmless and insure the County and Gallo Glass Company for its use of the space; and its use would be subject to the terms and conditions of the property License Agreement dated March 1, 2003. Execution of the Agreement would be further contingent upon approval of the Gallo Glass Company.

**POLICY ISSUE:**

Approval of this sublease supports the Board of Supervisors' priorities to provide A Safe Community, A Healthy Community and Effective Partnerships.

**STAFFING IMPACT:**

Existing staff will administer this Agreement.

**CONTACT**

Mary Ann Lee, Managing Director, 209-558-7163.

## MEMORANDUM OF UNDERSTANDING FOR USE OF SPACE

### SUMMARY:

**Effective date:** January 1, 2011

**Sublandlord:**  
Stanislaus County Health Services Agency

**Subtenant:**  
Parent Resource Center

**Address of Sublandlord:**  
Attn: Purchasing Agent  
1010 10<sup>th</sup> Street, Suite 5400  
Modesto, CA 95354

**Address of Subtenant:**  
811 5<sup>th</sup> Street  
Modesto, CA 95351

**Premises Address:** 530 South Santa Cruz Avenue, Modesto, CA

**Premises Sq. Ft.:** 2,160 square feet

**Term:** One (1) year commencing at 12:01 am 1/1/2011 to 11:59 p.m. on 12/31/2011

**Basic Rent:** \$1.00 per year

**Termination date:** December 31, 2011

**Permitted Use:** Office space for counseling use

This agreement for use of space ("Agreement") is entered as of July 1, 2010 by and between **Stanislaus County Health Services Agency** ("HSA") and **Parent Resource Center**, a California non-profit corporation, ("Subtenant"). HSA and Subtenant may collectively be referred to as the "Parties."

**WHEREAS**, Stanislaus County entered into a lease agreement dated March 1, 2003 between the Stanislaus County and Gallo Glass Company, Inc., a Nevada corporation authorized to conduct business in California ("Landlord") for a term ending on March 1, 2008 and automatically renewing for one-year periods thereafter (the "Master Lease Agreement"); and

**WHEREAS**, Stanislaus County, HSA, and Subtenant wish to enter into this Agreement for the Use of Space ("Agreement").

**NOW, THEREFORE**, the Parties agree as follows:

**PREMISES:** Sublessor hereby subleases a portion of the County-owned modular facility located on property owned and occupied by Landlord upon the premises located at: 530 South Santa Cruz Avenue, Modesto, CA (the "Premises") to Subtenant. Subtenant's occupancy of the Premises shall also include shared use of the parking area and patio/decking area.

**SUBLEASE TERM:** The Agreement for Use of Space will begin on January 1, 2011 and will end on December 31, 2011 ("Sublease Term"). Thereafter, this Agreement will automatically renew for successive one (1) year periods. Either party may cancel this lease upon sixty (60) days prior written notice to the other party.

**LEASE PAYMENTS:** Subtenant agrees to pay to Stanislaus County as rent for office space located within the Premises the amount of \$1.00 ("Rent") per year due and payable on upon the execution of this Sublease to: Stanislaus County Purchasing Agent, 1010 10<sup>th</sup> Street, Suite 5400, Modesto, CA 95354 and the payment clearly marked sublease rent for 530 S Santa Cruz Avenue, Modesto. Utilities shall be paid by the Subtenant separate of rent payments as described in the "Utilities" section of this agreement.

**LATE CHARGES:** If any amount under this Sublease is more than 5 days late, Subtenant agrees to pay a late fee of \$25.00.

**UTILITIES:** Stanislaus County shall pay for the furnishing of gas, electric, sewer and water service which may be used in or upon the premises during the term of this Lease or any extension or holdover period. Subtenant shall promptly reimburse Stanislaus County for its proportionate share of such expenses upon receipt of an invoice from Stanislaus County..

Subtenant shall pay for the furnishing of telephone, data and janitorial services which may be used in or upon the premises during the term of this Lease, or any extension or holdover period, provided that Tenant has contracted directly with the utility companies.

**USE OF PREMISES:** Subtenant may use the premises for the purpose of office space and client counseling. Subtenant shall not use or permit the premises to be used for any other purpose or purposes without first obtaining the written consent of Stanislaus County, which consent shall not be withheld unreasonably.

**MAINTENANCE:**

1. Stanislaus County Obligations: Stanislaus County shall, at the County's own expense, keep and maintain in good repair and working order and promptly make repairs to and perform maintenance upon and replace as needed: (i) the structural elements of the Premises, including without limitation, all permanent exterior and interior walls, floors and ceilings, roof, concealed plumbing, stairways, concealed electrical systems and telephone intrabuilding network cable (ii) mechanical (including HVAC), electrical, plumbing and fire/life safety systems serving the Premises (iii) the Common Areas; and (iv) exterior windows of the Premises. Stanislaus County, at its sole cost and expense, shall also perform all maintenance and repairs to the Premises, and shall keep the Premises in good condition and repair, reasonable wear and tear excepted. Provided, however, that Stanislaus County may terminate this Lease should it decide that the cost of repair does not merit the continuance of this use of County space Agreement. Subtenant shall be given notice by Stanislaus County of said decision and notice shall provide Subtenant adequate time to make other arrangements. Any repairs or building modifications made by or on behalf of the Subtenant shall first be approved in writing by Stanislaus County and made in accordance with all applicable laws.

2. **Subtenant Obligations:** Excluding normal wear and tear, and, excluding heating and cooling equipment, Subtenant shall, at Subtenant's sole expense, be responsible for the cost of repairing any area damaged by Subtenant or Subtenant's agents, employees, invitees and visitors and the repair of low voltage electronic, phone and data cabling and related equipment that is installed by or for the exclusive benefit of Subtenant. All repairs and replacements shall: (a) be made and performed by contractors or mechanics approved by Stanislaus County, which consent shall not be unreasonably withheld or delayed, (b) be at least equal in quality, value and utility to the original work or installation, (c) be in accordance with all laws.

**ENTRY:** Subtenant shall permit Stanislaus County, or an authorized agent of Stanislaus County, free access to the premises at all reasonable times for the purpose of inspection or for making necessary improvements or repairs.

**CAL/OSHA INSPECTIONS:** If the Premises is cited by CAL/OSHA, Landlord and/or Stanislaus County shall be required to abate said citations. Provided, however, that Stanislaus County may terminate this Lease should it decide that abatement cost does not merit the continuance of this Lease. Subtenant shall be given notice by Stanislaus County of said decision and notice shall provide Subtenant adequate time to make other arrangements.

**HOLDING OVER:** In case Tenant holds over beyond the end of the term of this Lease, with the consent expressed or implied of Landlord, such tenancy shall be from month to month only, subject to the terms and conditions of this Agreement, but shall not be deemed to be a renewal. The rent to be paid in a hold over situation shall be at the rate provided in the terms of this Agreement.

**JANITORIAL SERVICES:** Tenant shall furnish janitorial service as is necessary on the premises.

**ALTERATIONS:** The parties agree not to make any alterations in or on the premises without first securing the written consent of the other party, and further agree to make such alterations only at such time that is agreeable to the other party.

**BUSINESS TAXES:** Subtenant shall pay all business taxes in respect of the business carried on in or upon the Premises.

**QUIET ENJOYMENT:** Subtenant shall be entitled to quiet enjoyment of the premises, and neither Sublessor nor Stanislaus County will interfere with that right, as long as Subtenant pays the rent in a timely manner and performs all other obligations under this Sublease. Subtenant acknowledges that Subtenant, per this Agreement, shall share use of the property with the Landlord (currently for parking purposes) and Stanislaus County (currently the Sheriff's Airport District Substation).

**POSSESSION AND SURRENDER OF PREMISES:** Subtenant shall be entitled to possession of the Premises on the first day of the Sublease Term. At the expiration of the Agreement, Subtenant shall peaceably surrender the Premises to Stanislaus County or County's agent in good condition, as it was at the commencement of the Agreement, reasonable wear and tear excepted.

**CONDITION OF PREMISES:** Subtenant or Subtenant's agent has inspected the Premises, the fixtures, the grounds, building and improvements (including but not limited to the electrical, HVAC and fire sprinkler systems, security, environmental aspects, and compliance with the requirements

of the Americans with Disabilities Act) and acknowledges that the Premises are in good and acceptable condition and suitable for Subtenant's intended use. If at any time during the term of this Sublease, in Subtenant's opinion, the conditions change, Subtenant shall promptly provide reasonable notice to Stanislaus County.

**OBLIGATIONS UNDER MASTER LEASE:** Subtenant acknowledges the receipt of a copy of the Master Lease, as attached hereto as Exhibit A. Subtenant agrees that all terms and conditions of the Master Lease are hereby incorporated into this Agreement except for those provisions of the Master Lease that are directly contradicted by this Agreement, in which event the terms of this Agreement shall control over the Master Lease. Furthermore, the Subtenant will comply with the terms therein and will avoid actions or inactions that would constitute a breach or default of Stanislaus County's obligations in the Master Lease.

**SEVERABILITY:** If any part or parts of this Agreement shall be held unenforceable for any reason, the remainder of this Agreement shall continue in full force and effect. If any provision of this Agreement is deemed invalid or unenforceable by any court of competent jurisdiction, and if limiting such provision would make the provision valid, then such provision shall be deemed to be construed as so limited.

**BINDING EFFECT:** The covenants and conditions contained in the Agreement shall apply to and bind the parties and the heirs, legal representatives, successors and permitted assigns of the Parties.

**ENTIRE AGREEMENT:** This Agreement constitutes the entire agreement between the Parties and supersedes any prior understanding or representation of any kind preceding the date of this Agreement. There are no other promises, conditions, understandings or other agreements, whether oral or written, relating to the subject matter of this Agreement. This Agreement may be modified in writing and must be signed by both Parties.

**GOVERNING LAW:** This Agreement shall be governed by and construed in accordance with the laws of the State of California.

**NOTICE:** Any and all notices, demands or other communications required or desired to be given hereunder by any party shall be in writing and shall be validly given or made to the other party in person, by the United States mail, certified or registered, postage prepaid, return receipt requested, or by fax or email. If such notice, demand or other communication is given by mail; such notice shall be conclusively deemed given five days after deposit thereof in the United States mail.

**Contact Information:**

<b>For Stanislaus County:</b>	<b>For Subtenant:</b>
Stanislaus County Purchasing Agent	Parent Resource Center
1010 10 <sup>th</sup> Street, Suite 5400	811 5 <sup>th</sup> Street
Modesto, CA 95354	Modesto, CA 95351
<b>-and-</b>	
Stanislaus County Health Services Agency	
830 B Scenic Drive	
Modesto, CA 95350-6131	



**WAIVER:** The failure of either party to enforce any provisions of this Agreement shall not be deemed a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Agreement. The acceptance of rent by Stanislaus County or Landlord does not waive Stanislaus County's right to enforce any provisions of this Agreement.

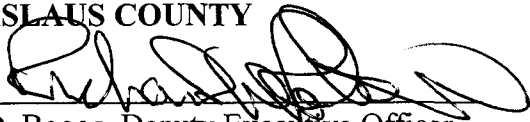
**LEGAL FEES:** In the event of any legal action by the parties arising out of this Agreement, the losing party shall pay the prevailing party reasonable attorneys' fees and costs in addition to all other relief.

**ADDITIONAL PROVISIONS** (Specify "none" if there are no additional provisions)

1. Subtenant must provide Stanislaus County with proof of professional and general liability insurance.
2. Subtenant must provide Stanislaus County with proof of a current business license.
3. Subtenant agrees to hold Stanislaus County and Landlord harmless for safety of subtenant when on premises outside Stanislaus County's normal business hours.
4. Subtenant agrees to hold Stanislaus County and Landlord harmless for theft or loss of any personal items left at premises after normal business hours.
5. Excluding normal wear and tear, Stanislaus County shall be responsible for repair of any damages to the Premises caused by the Subtenant's agents, employees or visitors including the building exclusive and non-exclusive building and site areas.
6. Any repairs or building modifications made by or on behalf of the Subtenant shall first be approved in writing by Stanislaus County and made in accordance with all applicable laws.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the day and year first above written.

**STANISLAUS COUNTY**

By:   
Keith D. Boggs, Deputy Executive Officer,  
Interim GSA Director/Purchasing Agent

Date: 12/23/10

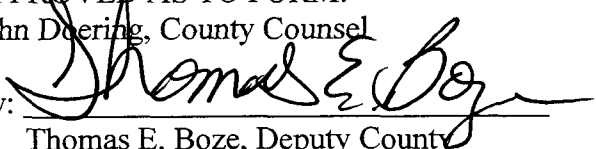
**PARENT RESOURCE CENTER**

By:   
Leah Sylvestre, MBA, Executive Director

Date: 12-13-10

APPROVED AS TO FORM:

John Doering, County Counsel

By:   
Thomas E. Boze, Deputy County  
Counsel

**COUNTY SPONSORING AGENCY:  
STANISLAUS COUNTY  
HEALTH SERVICES AGENCY**

By: Mary Ann Lee  
Mary Ann Lee, Managing Director

Date: 12/8/10

**LANDLORD APPROVAL OF  
SUBLEASE:  
GALLO GLASS COMPANY, INC.**

By: [Signature]

Name: ANTHONY L. YOUNG

Title: TREASURER

Date: 12-13-10

## LICENSE AGREEMENT

This License agreement is made and entered into in the City of Modesto, State of California, on the 1<sup>st</sup> day of March, 2003 by and between the COUNTY OF STANISLAUS, a political subdivision of the State of California and a body corporate and politic, hereinafter referred to as "Licensee", and GALLO GLASS COMPANY, a Nevada corporation, hereinafter referred to as "Licensor", for and in consideration of the Premises, and the mutual promises, covenants, and agreements as are hereinafter set forth.

1. Premises: Licensor hereby licenses to Licensee and Licensee hereby licenses from Licensor, that certain premise in the County of Stanislaus, more particularly described as the Lots 12 and 13 of Block 2 of Sierra Subdivision, a portion of Stanislaus County APN 035-37-38, as depicted on attached Exhibit A, hereinafter referred to as the "Premises". Licensor and Licensor's officers, directors, employees, contractors, agents, successors and assigns shall have the right for ingress and egress across the Premises for access to the parking lot adjacent to the Premises.
2. Payment: Licensee agrees to pay Licensor for the premises during the term hereof, the sum of One Dollar (\$1.00) per year payable upon the execution of this License. Future rental payments will be due upon the anniversary date of any agreement.
3. Term: The term of this License shall be for the period of five (5) years commencing on March 1, 2003 and terminating on March 1, 2008, unless terminated as outlined in paragraph 26. This License shall automatically renew for one (1) year periods after the initial term unless terminated by either party by giving written notice at least 120-days prior to termination of the then current term.
4. Utilities: Licensee shall pay for the furnishing of all utilities which may be used in or upon the Premises during the term of this License, or any extension or holdover period thereof.
5. Use of the Premises: Licensee's use of the Premises is for the purpose of placing two (2) modular buildings to be used by the Stanislaus County Sheriff Department, and the Stanislaus County Multi-Disciplinary Child Abuse Investigation Team to conduct interviews and forensic medical examinations on victims of child abuse and parking up to 16 vehicles related to Licensee's use of the Premises. Licensee shall not use or permit said Premises to be used for any other purpose or purposes without first obtaining the written consent of Licensor, which consent shall not be unreasonably withheld.

6. Compliance with Law: Licensee, at Licensee's expense, shall comply promptly with all applicable statutes, ordinances, rules, regulations, orders, covenants and restrictions of record, and requirements (including but not limited to any requirements of the Americans with Disabilities Act) mandated during the term or any part of the term hereof, relating to the use by Licensee of the Premises. Licensee shall not use or permit the use of Premises in any manner that will tend to create waste or a nuisance, raise the cost of property insurance on the Premises, or inhibit Licensor's use of Licensor's property.
7. Maintenance: Licensee shall keep in good repair and maintain at his own expense the entire Premises, including but not limited to the modular units and the asphalt and fences. Licensor shall maintain sidewalks outside of the fenced area, parking lot lighting and perimeter landscaping.
8. Janitorial Services: Licensee shall furnish janitorial service for the Premises.
9. Improvements: Licensor shall be responsible for providing water and sewer connections to the Premises for hook-up to the modular buildings and electrical service connection for the modular buildings. Licensor shall install a new man-gate on the Santa Cruz Ave. fence allowing ingress and egress to the parking lot north of the Premises and shall secure the current man-gate at the corner of Oregon and Santa Cruz to prevent its use. Licensee shall be responsible for all other improvements to the Premises required for the modular buildings to be installed and for Licensee's use of the Premises. Improvements shall include but not be limited to all required land use entitlements and permits, utility hook ups, foundations, fences, decking, ramps and any other costs associated with the placement of the buildings on the Premises. Licensee shall be responsible for painting and restriping the parking areas surrounding the modular buildings to be used by Licensee.
10. Notices: Notices desired or required to be given by this License or by any law now or hereinafter in effect, may be given by enclosing the same in a sealed envelope addressed to the party for whom intended and by depositing such envelope, with postage prepaid, in the United States Post Office or any substation thereof, or any public letter box, and any such notice and the envelope containing the same shall be addressed to Licensor as follows:

Gallo Glass Company  
Attn: Real Estate Dept.  
P. O. Box 1230  
Modesto, CA 95353

or such other place as may be hereinafter be designated in writing by Licensor and the notices and envelopes containing the same to the Licensee shall be addressed as follows:

Stanislaus County Purchasing Agent  
1010 10<sup>th</sup> Street Place Suite 5400  
Modesto, CA 95354  
P. O. Box 3229  
Modesto, CA 95353

11. No Assignment and Successors: Licensee may not assign any of its rights, or sublicense any portion of the Premises, to any third party. Each and all of the terms and agreements herein contained shall be binding upon and shall inure to the benefit of the successors in interest of Licensor.
12. Trade Fixtures: Licensee shall install such fixtures, equipment, and personal property as may be necessary and convenient for its operation. Such furniture, equipment, and personal property may be removed at any time during Licensee's tenancy or within a reasonable time thereafter, and shall not damage or deface the Premises, and if the Premises shall be so damaged, Licensee shall repair such damage at its own expense.
13. Liability Insurance: Licensee, at Licensee's expense, shall obtain and keep in force during the term of this License a policy of General Liability Insurance naming Licensor as an additional insured and insuring Licensee and Licensor against any liability arising out of the use, occupancy or maintenance of the Premises and all other appurtenant thereto. Such insurance shall be in an amount not less than \$2,000,000 per occurrence naming Licensor as additional insured on such policy. Upon written notice from Licensor to Licensee, said policy amount shall be increased as reasonable during the term or any extensions to reflect coverage requirements of Licensor's insurance carrier. The policy shall contain a cross-liability endorsement and insure performance by Licensee of the indemnity provisions of this License. The limits of the insurance, however, shall not limit the liability of Licensee hereunder.
14. Workers' Compensation and Employer's Liability Insurance: Licensee shall, at Licensee's expense, obtain and keep in force at all times workers' compensation insurance having limits not less than those required by state law, if applicable, and covering all persons employed by Licensee in the conduct of its operations on the Premises (including the all states endorsement coverage in the amount of at least One Million Dollars (\$1,000,000)). Licensor acknowledges that Licensee is self-insured with respect to Workers Compensation Insurance.

15. Waiver of Rights and Subrogation: Licensor and Licensee agree that in the event of loss due to any of the perils for which they have agreed to provide insurance, that each party shall look solely to its insurance for recovery. Licensor and Licensee hereby grant to each other on behalf of any insurer providing insurance to either of them with respect to the Premises, a waiver of any right to subrogation which any insurer of one party may acquire against the other by virtue of payment of any loss under such insurance.
16. Licensor's Indemnification: Licensor shall be liable for, and shall indemnify, defend, protect and hold Licensee and Licensee's officers, directors, employees, and agents, (collectively, "Licensee's Indemnified Parties") harmless from and against, any and all claims, damages, judgments, suits, causes of action, losses, liabilities and expenses, including attorneys' fees and court costs (collectively, "Indemnified Claims"), to the extent arising or resulting from (i) any act or omission of Licensor or any of Licensor's agents, employees, contractors, or invitees (collectively, "Licensor's Parties"); (ii) the use of the Premises and conduct of Licensor's business by Licensor or any Licensor Parties, or any other activity, work or thing done, permitted or suffered by Licensor or any Licensor's Parties, in or about the Premises; and (iii) any default by Licensor of any obligations on Licensor's part to be performed under the terms of this License. In any case any action or proceeding is brought against Licensee or any Licensee's Indemnified Parties by reason of any such Indemnified Claims, Licensor, upon notice from Licensee, shall defend the same at Licensor's expense by counsel approved in writing by Licensee, which approval shall not be unreasonably withheld.
18. Licensee's Indemnification: Licensee shall be liable for, and shall indemnify, defend, protect and hold Licensor and Licensor's officers, directors, employees, agents, affiliates, successors and assigns (collectively, "Licensor's Indemnified Parties") harmless from and against, any and all claims, damages, judgments, suits, causes of action, losses, liabilities and expenses, including attorneys' fees and court costs (collectively, "Indemnified Claims"), to the extent arising or resulting from (i) any act or omission of Licensee or any of Licensee's agents, employees, contractors, clients, or invitees (collectively, "Licensee's Parties"); (ii) the use of the Premises and conduct of Licensee's business by Licensee or any Licensee Parties, or any other activity, work or thing done, permitted or suffered by Licensee or any Licensee's Parties, in or about the Premises; and (iii) any default by Licensee of any obligations on Licensee's part to be performed under the terms of this License. In case any action or proceeding is brought against Licensor or any Licensor Indemnified Parties by reason of any such Indemnified Claims, Licensee, upon notice from Licensor, shall defend the same at Licensee's expense by counsel approved in writing by Licensor, which approval shall not be unreasonably withheld.

19. Real Property Taxes. Licenser shall pay the real property tax applicable to the Premises, except that Licensee shall pay to Licenser upon demand the entirety of any increase in real property taxes assessed by reason of additional improvements placed upon the Premises by Licensee or at Licensee's request.
20. Personal Property Taxes: Licensee shall pay prior to delinquency all taxes, if any, assessed against and levied upon the, trade fixtures, furnishings, equipment and all other personal property of Licensee contained in the Premises or elsewhere. If such taxes are imposed, Licensee when possible, shall cause trade fixtures, furnishings, equipment, Licensee installations and all other personal property of Licensee to be assessed and billed separately from the real property of Licenser.
21. Environmental Laws: Licensee shall at all times comply with all applicable Environmental Laws (as hereinafter defined). Without limiting the generality of the foregoing, Licensee shall procure and maintain in effect at all times during the term, extended term(s) and any holdover period any permits and licenses required by any Environmental Laws for Licensee's operations on or about the Premises. Environmental Laws shall mean all present and future federal, state and local laws, statutes, ordinances, regulations, rules, judicial and administrative orders and decrees, permits, licenses, approvals, authorizations and similar requirements of all federal, state and local governmental agencies or other governmental entities with legal authority pertaining to the protection of human health and safety or the environment.
22. Licensee Release of Hazardous Material: Licensee shall not cause or permit to occur during the term, extended term(s) or any holdover period any Release of a Hazardous Material or any condition of pollution or nuisance on or about the Premises, whether affecting the surface water or ground water, air, the soil, the surface of the Premises, or the subsurface environment. Hazardous Materials shall mean any substance which is or becomes at any time during the term: (i) defined under any Environmental Law as a hazardous substance, hazardous waste, hazardous material, pollutant or contaminant; (ii) a petroleum hydrocarbon, including crude oil or any fraction thereof; (iii) a hazardous, toxic, corrosive, flammable, explosive, infectious, radioactive, carcinogenic or a reproductive toxicant; or (iv) otherwise regulated under any Environmental Laws. Release shall mean any accidental or intentional spilling, leaking, pumping, pouring, emitting, discharging, injection, escaping, leaching, migrating, dumping or disposing into the air, land, surface water, ground water or the environment (including without limitation the abandonment or discarding of receptacles containing any Hazardous Materials). Prior to or upon the date Licensee ceases to occupy the Premises, Licensee shall have removed from the Premises all Hazardous Materials introduced onto or permitted on the Premises by Licensee. In the event any Release of a Hazardous Material to the environment, or any condition of pollution or nuisance, occurs on or about or beneath the Premises during the term,

extended term(s) or any holdover period as a result of any act or omission of Licensee or Licensee's employees, agents, contractors, invitees or guests, Licensee shall promptly undertake remedial measures as required to clean up, abate or otherwise respond to the Release, pollution or nuisance in accordance with applicable Environmental Laws Release at Licensee's sole cost.

Notwithstanding the above, Licensee may use (i) small quantities of common chemicals such as adhesives, lubricants, and cleaning fluids in order to conduct business at the Property and (ii) other Hazardous Substances that are reasonably necessary for the operation of Tenant's business, provided the use, storage and transportation of such materials is strictly in compliance with Environmental Laws.

23. Surrender: Licensee shall surrender the premises to Licensor at the expiration of this License in as good condition as at the commencement of it, excepting reasonable wear and tear.
24. Binding Effect; Choice of Law: Subject to any provisions hereof restricting assignment or subletting by Licensee, this License shall bind the parties, their personal representatives, successors and assigns. This License shall be governed by the laws of the State of California.
25. Security Measures. Licensee hereby acknowledges that the rental payable to Licensor does not include the cost of guard service or other security measures, and that Licensor shall have no obligation whatsoever to provide same. Licensee assumes all responsibility for the protection of Licensee, its agents and invitees from acts of third parties.
26. Reservation of Rights: Licensor reserves to itself the right, from time to time, to grant such other licenses, easements, rights and dedications that Licensor deems necessary or desirable, and to cause the recordation of subdivision maps and restrictions, so long as such easements, rights, dedications, maps and restrictions do not unreasonably interfere with the use or quiet enjoyment of the Premises by Licensee. Licensor reserves the right to enter the Premises for any reason upon reasonable notice to Licensee (or without notice in case of an emergency) and/or to undertake the following all without abatement of rent or liability to Licensee: inspect the Premises and/or the performance by Licensee of the terms and conditions hereof; install, use, maintain, repair, alter, relocate or replace any pipes, conduits, wires, equipment and other facilities (including without limitation, cabling and conduit for telecommunications facilities of any kind) on the Premises; install, maintain and operate conduit cabling within the utility, as well as grant or license rights to third parties, to utilize the foregoing easements or licenses on the Premises; record covenants, conditions and restrictions (CC&Rs) affecting the



Premises which do not unreasonably interfere with Licensee's use of the Premises or impose additional material monetary obligations on Licensee.

IN WITNESS WHEREOF Licensor has executed this License and Licensee, County of Stanislaus, by order of the Board of Supervisors, has caused this License to be executed on its behalf by the County Purchasing Agent on the day, month and year above written.

LICENSOR: Gallo Glass Company

LICENSEE: County of Stanislaus

By: Bell Holmes

By: Patricia DiNoma

Date: 6-30-03

Date: 3-1-2003

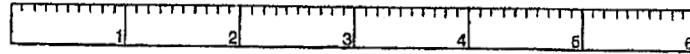
APPROVED AS TO FORM

MICHAEL H. KRAUSNICK

COUNTY COUNSEL

BY: M. H. Krausnick

DATE: 3-1-2003



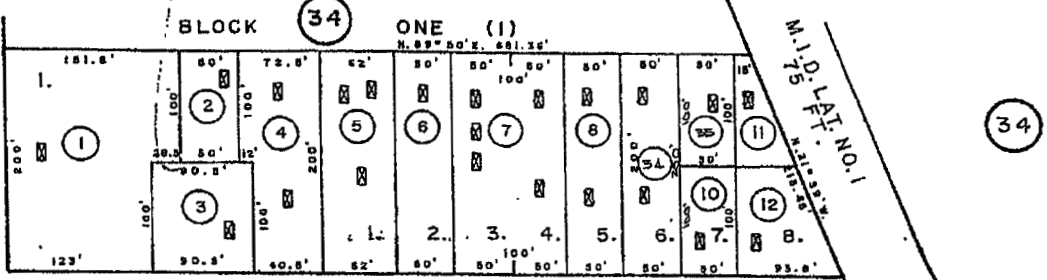
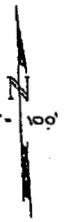
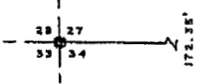
SCALE IN 1/10 OF AN INCH

PORTION W. 1/2 SEC. 34 T. 3 S. R. 9 E. M. D. B. & M.  
SIERRA SUBDIVISION BLOCKS 1 & 2  
BEING A PORTION OF THE MODESTO COLONY

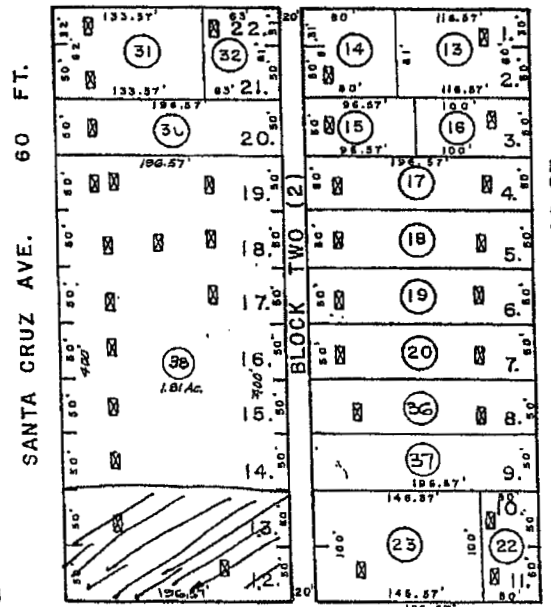
80 20

35-37

THIS MAP FOR  
ASSESSMENT PURPOSES ONLY



CANAL ST. 60 FT.



OREGON DRIVE 60 FT.

SANTA CRUZ AVE. 60 FT.

BENSON AVE. 60 FT.

KERR AVE.

EXHIBIT A

R. M. Vol. II Pg. 15  
ABE-56-69  
From Bk. 145 Pg. 5  
UPDATED 3-2-92 AC.



63,74

35-37