

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

DEPT: Behavioral Health and Recovery Services

BOARD AGENDA # \*B-4

Urgent

Routine

CEO Concurs with Recommendation YES  NO

(Information Attached)

AGENDA DATE April 26, 2011

4/5 Vote Required YES  NO

SUBJECT:

Approval to Enter into a Three-Year Lease Agreement With Robert P. Moody et al for Office Space at 301, 303, 305, and 307 Downey Avenue, Modesto for the Delivery of Mental Health Services

STAFF RECOMMENDATIONS:

1. Authorize the Purchasing Agent, on behalf of Behavioral Health and Recovery Services, to enter into a lease agreement with Robert P. Moody, William N. Moody and Gayle K. Moody for office space at 301,303,305, and 307 Downey Avenue, Modesto.
2. Authorize the Purchasing Agent to sign the lease agreement and related documentation with Robert P. Moody et al.

FISCAL IMPACT:

The base lease rate for this property is \$ .91 per square foot for 7,200 square feet. In addition, Behavioral Health and Recovery Services will pay \$ .0849 per square foot for tenant improvements over the next three years. The total cost of the lease for the remainder of Fiscal Year 2010-2011 is estimated at \$28,653.12. Funding for this lease is included in the Department's approved Fiscal Year 2010-2011 budget. There is no County Cost associated with this lease.

BOARD ACTION AS FOLLOWS:

No. 2011-242

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

and approved by the following vote,

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

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1)  Approved as recommended

2)  Denied

3)  Approved as amended

4)  Other:

MOTION:



ATTEST:

CHRISTINE FERRARO TALLMAN, Clerk

File No.

**DISCUSSION:**

As part of its Fiscal Year 2010-2011 budgeting strategy, Behavioral Health and Recovery Services consolidated two of its Mental Health Services Act (MHSA) programs serving like populations into one service team. The Senior Access and Resource Team and Health/Mental Health Team both serve adults and older adults (60+ years) with significant, ongoing, possibly chronic, health conditions co-occurring with Severe Mental Illness (SMI), as well as functional impairments related to aging. Merging these two programs, along with the non-MHSA Senior Access and Treatment Team enables the Department to increase the number of persons served by restructuring the programs to provide three levels of service to the existing population.

To implement the changes, the programs need to co-locate into larger space. Behavioral Health and Recovery Services worked with the General Services Agency to negotiate a lease with Robert P. Moody, William N. Moody and Gayle K. Moody (collectively, Landlord) for space at 305 Downey Ave. in Modesto. The 7200-square foot property will allow sufficient space for the three service teams along with a large meeting room for group activities. Currently, the space is subdivided into 3 separate offices. To accommodate the merged programs, the Landlord has agreed to install doorways to allow access from all parts of the space. In addition, the Landlord will upgrade an existing bathroom to meet handicap accessibility codes and install a collapsing door in the large conference room so that it can be used by 2 groups simultaneously. The cost of these improvements has been added to the base rent, to be fully repaid over the next three years.

As part of the lease process, the Department contacted the owner of a facility previously leased and subsequently vacated by the Department and determined that facility was insufficient to meet the needs of the merged programs.

**POLICY ISSUE:**

Approval of this agenda item will meet the Board's priorities of A Healthy Community by providing additional access to services for seniors and persons with co-occurring chronic health conditions.

**STAFFING IMPACT:**

There is no staffing associated with this request.

**CONTACT INFORMATION:**

Debra Buckles, Chief, Forensic Services Telephone: 525-6225

4/26/11 B4

**LEASE AGREEMENT**

**LEASE SUMMARY:**

**Lease date:** April 26, 2011

**Landlord:**  
William N. Moody, Robert P. Moody  
and Gayle K. Moody

**Tenant:**  
Stanislaus County

**Address of Landlord:**  
Robert P. Moody  
P.O. Box 4037  
Modesto, CA 95350

**Address of Tenant:**  
Attn: Purchasing Agent  
1010 Tenth Street, Suite 5400  
Modesto, CA 95354

BOARD OF SUPERVISORS  
2011 OCT 12 A 10:41

**Premises Address:** 301, 303, 305, 307 Downey Avenue, Modesto, CA 95354

**Premises Square Footage:** 7,200

**Term:** Three years commencing at 12:01 am 4/26/2011 to 11:59 p.m. on 4/25/2014

**Monthly Basic Rent:** \$6,552.00 (\$0.91 per sq. ft.)

**Tenant Improvements:** \$611.28 per mo. (\$0.0849 per sq. ft.)

**Termination date:** April 5, 2014

**Permitted Use:** Offices for Behavioral Health & Recovery Services

**AGREEMENT:**

This Lease Agreement (the "Lease Agreement") is entered into in the City of Modesto, State of California, on April 26, 2011 between the **COUNTY OF STANISLAUS**, a political subdivision of the State of California, ("Tenant"), and **WILLIAM N. MOODY, ROBERT P. MOODY and GAYLE K. MOODY** (collectively, "Landlord"), in consideration of the premises, and the agreements, terms and conditions set forth, below.

1. **Premises:** Landlord leases to Tenant, and Tenant hires from Landlord, those certain premises in the County of Stanislaus, more particularly described as 301, 303, 305, 307 Downey Avenue, Modesto, CA 95354.
2. **Payment:** Tenant agrees to pay to Landlord for the premises above-described, during the term designated below, \$6,552.00 for rent plus \$611.28 per month for tenant improvements for a total monthly payment of \$7,163.28 payable on the first day of the month following the month for which the obligation accrues.

3. Term: The term of this Lease Agreement shall be for a period of three (3) years commencing at 12:01 A.M. on April 26, 2011 and terminating at 11:59 P.M. on April 25, 2014.
4. Option to Renew: Tenant has the option to renew this Lease Agreement for a period of one (1) year from the expiration of the original term. Tenant shall exercise this option in writing at least one (1) month prior to the termination of the existing lease period. Renewal rental rates will be at the monthly basic rate.
5. Utilities:
  - 5.1 Landlord shall pay for the furnishing of water, sewer and garbage which may be used in or upon the premises during the term of this Lease or any extension or holdover period.
  - 5.2 Tenant shall pay for the furnishing of gas, electricity, telephone and security alarm service 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.
6. Use of the Premises: Tenant may use the premises for the purpose of office for County's Behavioral Health and Recovery Services. Tenant shall not use or permit the premises to be used for any other purpose or purposes without first obtaining the written consent of Landlord, which consent shall not be withheld unreasonably.
7. Maintenance:
  - 7.1. Landlord Representations: Landlord represents to Tenant that (i) the Premises, the Building and all Common Areas (including electrical, heating, ventilating and air conditioning ("HVAC"), mechanical, plumbing, gas and fire/life safety systems in the Building and similar building service systems) comply with all current laws, codes, and ordinances, including the Americans With Disabilities Act; and are in reasonable good working order and condition; (ii) the Building and Premises comply with all covenants, conditions, restrictions and underwriter's requirements; and (iii) the Premises, Building and Common Areas are free of the presence of any Hazardous Materials (as hereinafter defined) and (iv) Landlord has not received any notice from any governmental agency that the Building or the Premises are in violation of any law or regulation. Landlord represents, based upon a professional inspection of the Premises and the Building and the Asbestos Report that the Premises and the Building contain no asbestos containing materials (other than as may be reflected in the Asbestos Report). Landlord shall, prior to Tenant's occupancy, abate, at Landlord's sole cost and expense, all asbestos containing materials to the extent required by law and provide Tenant with an updated report from a licensed California Asbestos contractor to that effect.
  - 7.2. Landlord Obligations: Landlord shall, at Landlord'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 Building, 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 Building (iii) the Common Areas; (iv) exterior windows of the Building; and (v) elevators serving the Building. Landlord, 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. Landlord's repair obligations include, without limitation, repairs to: (1) the floor covering (if such floor covering is carpeting it shall be replaced as needed but not less often than after five (5) years of use); (2) interior partitions; (3) doors; (4) the interior side of demising walls (which shall be repainted as needed but not less often than every five (5) years and (5) signage.

7.2.1 Landlord to provide HVAC: Landlord shall supply cooling, ventilating and heating with capacity to produce the following results effective during Normal Working Hours established by the Lease Agreement and within tolerances normal in comparable office buildings; maintenance of inside space conditions of not greater than 78 degrees Fahrenheit when the outside air temperature is not more than 93 degrees Fahrenheit dry bulb and 70 degrees Fahrenheit wet bulb, and not less than 70 degrees Fahrenheit when the outside air temperature is not lower than 42 degrees Fahrenheit dry bulb. Interior space is designated at a rate of one zone for approximately each 1,000 square feet and one diffuser for each 200 square feet of usable square footage within the Premises. If energy requirements prohibit Landlord from complying with these requirements, Tenant shall not unreasonably withhold its consent to temporary waivers or modifications.

7.2.2. Excluding normal wear and tear, and, excluding heating and cooling equipment, Tenant shall, at Tenant's sole expense, be responsible for the cost of repairing any area damaged by Tenant or Tenant'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 Tenant. All repairs and replacements shall: (a) be made and performed by contractors or mechanics approved by Tenant, 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.

7.3. Entry: Tenant shall permit Landlord, or an authorized agent of landlord, free access to the premises at all reasonable times for the purpose of inspection or for making necessary improvements or repairs.

7.4. Tenant's Right to Repair: If Tenant provides written notice (or oral notice in the event of an emergency such as damage or destruction to or of any portion of

the Building structure and/or the Building systems and/or anything that could cause material disruption to Tenant's business) to Landlord of an event or circumstance which requires the action of Landlord with respect to repair and/or maintenance, and Landlord fails to provide such action within a reasonable period of time, given the circumstances, after the giving of such notice, but in any event not later than five (5) days after the giving of such notice, then Tenant, at its sole option, may either proceed to take the required action (provided, however, that no such notice shall be required in the event of an emergency which threatens life or where there is imminent danger to property or a possibility that a failure to take immediate action could cause a material disruption in Tenant's normal and customary business activities) or may surrender the premises and shall not be liable for any further lease payments under this Lease Agreement. Tenant shall have access to the Building to the extent necessary to perform the work contemplated by this provision. If such action was required under the terms of this Lease Agreement to have been taken by Landlord and was not taken by Landlord within such period (unless such notice was not required as provided above), and Tenant took such required action, then Tenant shall be entitled to prompt reimbursement by Landlord of Tenant's reasonable costs and expenses in having taken such action. If not reimbursed by Landlord within ten (10) days, Tenant shall be entitled to deduct from Basic Rent payable by Tenant under this Lease Agreement the amount set forth in its invoice for such work.

8. Asbestos Notification: In September, 1989, the Governor of California signed AB-1564, an Asbestos Notification law, codified in Section 25915 et seq. of the Health and Safety Code. Health and Safety Code Section 25915(a) states.

Notwithstanding any other provisions of the law, the owner of any building constructed prior to 1979, who knows that the building contains asbestos-containing construction materials, shall provide notice to all employees of that owner working within the building.

Should the Landlord know of any asbestos-containing material, Landlord will notify Tenant within ten (10) days.

If Tenant suspects or has reason to believe that the premises, as described in Section 1, contains asbestos-containing material, Landlord shall within ten (10) days of Tenant's request supply Tenant with an Asbestos Survey Report done by a qualified hazardous material specialist. If Landlord fails to have requested testing done, Tenant shall have the required testing done and all related cost shall be deducted from the lease payment. If test is positive and abatement is necessary, Landlord shall provide the Tenant an Asbestos Abatement Plan within thirty (30) days.

9. Building Ventilation: Premises shall comply with Title 8, Section 5142, California Code of Regulations, "Mechanically Driven Heating, Ventilating and Air Conditioning (HVAC) Systems" to provide minimum building ventilation. Provided, however, that Landlord may terminate this Lease Agreement should it decide that repair expenses, do not

merit the continuance of this Lease Agreement. Tenant shall be given notice by Landlord of said decision and notice shall provide Tenant adequate time to make other arrangements.

10. CAL/OSHA Inspections: If the premises, as described in Section 1, is cited by CAL/OSHA, Landlord shall be required to abate said citations. Provided, however, that Landlord may terminate this Lease Agreement should it decide that abatement cost, do not merit the continuance of this Lease Agreement. Tenant shall be given notice by Landlord of said decision and notice shall provide Tenant adequate time to make other arrangements.
11. Holding Over: In case Tenant holds over beyond the end of the term of this Lease Agreement, 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 Lease 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 Lease Agreement.
12. Janitorial Services: Tenant shall furnish janitorial service as is necessary on the premises.
13. 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.
14. Notices: Notices desired or required to be given by this Lease Agreement or by any law now in effect, or later enacted, may be given by enclosing the Notice in a sealed envelope addressed to the party for whom intended and by depositing such envelope, with postage prepaid, in United State mail. The envelope containing the Notice shall be addressed to Landlord as follows:

**Robert P. Moody**  
**P.O. Box 4037**  
**Modesto, CA 95354**

or other place as may be designated in writing by Landlord and the envelopes containing the Notices to the Tenant shall be addressed as follows:

**Stanislaus County Purchasing Agent**  
**1010 10th Street Place Suite #5400**  
**Modesto, CA 95354**

15. Loss: Landlord agrees that should the demised premises be so badly damaged by fire, incidents of war, earthquake, or other violent action of the elements as to render them wholly unfit for Tenant's occupancy, then this Lease Agreement shall be terminated immediately upon the happening of any such event whereupon Tenant shall surrender the premises and shall not be liable for any further payments. In the event of any lesser damage by any such cause, Landlord shall restore the premises to the condition it was in immediately prior to the event causing the damage, and the

lease payment shall abate in proportion to the area not used by Tenant during the period of restoration. If Landlord should fail to pursue restoration work with reasonable diligence to completion, Tenant, at its sole option may surrender the premises and shall not be liable for any further lease payments under this Lease Agreement.

16. **Successors:** Each and all of the terms and agreements contained in this Lease Agreement shall be binding upon and shall inure to the benefit of the successors in interest of Landlord, and wherever the context permits or requires, the successors in interest to Tenant.
17. **Trade Fixtures:** Tenant 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 Tenant's tenancy or within a reasonable time thereafter, and shall not be considered part of the premises. Removal of the same shall not damage or deface the premises, and if the premises shall be so damaged, Tenant shall repair such damage at its own expense.
18. **Fire and Other Perils Insurance:** The parties agree to be responsible for damage by the perils of fire, extended coverage, and vandalism to those items of real and personal property for which they hold title or for which they have assumed liability to others.
19. **Waiver of Rights of Subrogation:** Landlord and Tenant agree that in the event of loss due to any of the perils for which they have agreed to provide insurance, each party shall look solely to its insurance for recovery. Landlord and Tenant 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 of subrogation which any insurer of one party may acquire against the other by virtue of payment of any loss under such insurance.
20. **Liability Insurance:** Tenant agrees to hold Landlord harmless from loss occurring on the premises and arising out of Tenant's occupancy of the premises. Tenant assumes no liability for any loss caused by the sole negligence of Landlord.
21. **Lack of Funding:** If, during the term of this Lease Agreement, Tenant, Stanislaus County, in its sole discretion, determines that sufficient funds are not available to allow for continuation of this Lease Agreement or current County owned space becomes available, Tenant may terminate this Lease Agreement upon one hundred twenty (120) days written notice to Landlord without further obligation to Landlord, except for payment, either monthly or in full, to Landlord of \$611.28 per mo. (7,200 sq. ft @ \$0.0849 per sq. ft.), for each month remaining in the term of this Lease Agreement, representing the balance due in Tenant Improvements.

**Landlord has read and understands specifically those terms contained in paragraph number 21 listed directly above.**

WAM  
**Landlord's Initials**

AKM  
**Landlord's Initials**

AKM  
**Landlord's Initials**

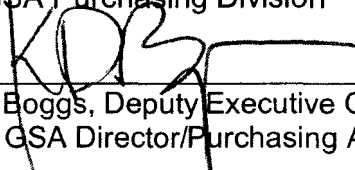


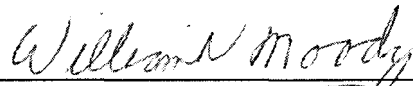
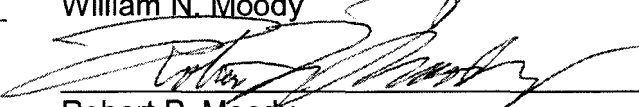
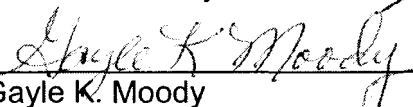
22. Surrender: Tenant shall surrender the premises to Landlord at the expiration of this Lease Agreement in as good a condition as at the commencement of it, excepting reasonable wear and tear, damages and destruction by the elements, or other persons.
23. Subordination and Mortgages:
- 23.1. Subordination and Non-Disturbance. Tenant agrees, at Landlord's option, to subordinate this Lease Agreement to the lien of any mortgages or deeds of trust now or hereafter in force against the building; provided, however, Tenant's obligation to subordinate this Lease Agreement is expressly conditioned upon Tenant receiving a written agreement in the form of Document I in the Supplemental Lease Documents delivered to Landlord concurrently with this Lease Agreement and provided further that no such subordination shall affect any option to extend the Term of this Lease Agreement, right of first offer to lease additional premises, option to purchase or right of first offer to purchase the property which may be included in this Lease Agreement.
- 23.2. Existing Deeds of Trust. The beneficiary under any existing deed of trust affecting the building shall provide a written agreement to tenant in the form of Document I in the Supplemental Lease Documents delivered to Landlord concurrently with this Lease Agreement within thirty (30) days after the execution of this Lease Agreement.
- 23.3. Request for Notice. Landlord acknowledges that Tenant intends to record a Request for Notice with respect to any mortgages or deeds of trust affecting the property in the form of Document II in the Supplemental Lease Documents delivered to Landlord concurrently with this Lease Agreement.
- 23.4. Notice of Default. If any mortgagee or beneficiary under a deed of trust affecting the property gives written notice of its name and address to Tenant by registered mail requesting any such notice with reference to this Section, Tenant agrees to use its best efforts (but without liability for failure to do so) to give such mortgagee a copy of any notice of default served upon Landlord which could permit Tenant to terminate this Lease Agreement and an additional ten (10) days within which to cure such default.
24. Estoppel Certificate: Tenant shall, within thirty (30) days after written request of Landlord, execute, acknowledge and deliver to Landlord or its designee a written statement in the form of Document III in the Supplemental Lease Documents delivered to Landlord concurrently with this Lease Agreement (properly completed) but shall have no other obligation to deliver any other form of estoppel certificate. It is intended that any such statement delivered pursuant to this Section may be relied upon by a prospective purchaser of Landlord's interest or holder of any mortgage upon Landlord's interest in the Premises.
25. Entire Agreement: This Lease Agreement supersedes any and all other agreements, either oral or in writing, between any of the parties herein with respect to the subject


matter hereof and contains all the agreements between the parties with respect to such matter. Each party acknowledges that no representations, inducements, promises or agreements, oral or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not embodied herein, and that no other agreement, statement or promise not contained in this Lease Agreement shall be valid or binding.

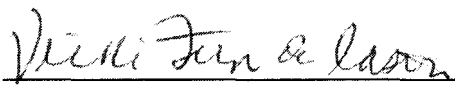
26 Duplicate Counterparts: This Lease Agreement may be executed in duplicate counterparts, each of which shall be deemed a duplicate original.

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

**TENANT**  
**COUNTY OF STANISLAUS**  
GSA Purchasing Division  
By:   
Keith D. Boggs, Deputy Executive Officer,  
Interim GSA Director/Purchasing Agent

**LANDLORD**  
  
William N. Moody  
  
Robert P. Moody  
  
Gayle K. Moody

**APPROVED AS TO CONTENT:**  
**Stanislaus County**  
**Behavioral Health & Recovery Services**  
By:   
Name: Denise C. Hunt  
Title: Director

**APPROVED AS TO FORM**  
**John P. Doering, County Counsel**  
By:   
Vicki Fern deCastro, Deputy County Counsel

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