

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

DEPT: Health Services Agency

BOARD AGENDA #: *B-1

AGENDA DATE: March 8, 2016

SUBJECT:

Approval to Enter into a Lease Agreement with Diamond Hill Properties, LLC for Office Space located at 1424 Mitchell Road, Ceres, to continue operation of the Health Services Agency Women, Infants, and Children Program

BOARD ACTION AS FOLLOWS:

No. 2016-116

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:


ELIZABETH A. KING, Clerk of the Board of Supervisors

File No.

**THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
AGENDA ITEM**

DEPT: Health Services Agency

Urgent

Routine

BOARD AGENDA #: *B-1

AGENDA DATE: March 8, 2016

CEO CONCURRENCE: *pht*

4/5 Vote Required: Yes No

SUBJECT:

Approval to Enter into a Lease Agreement with Diamond Hill Properties, LLC for Office Space located at 1424 Mitchell Road, Ceres, to continue operation of the Health Services Agency Women, Infants, and Children Program

STAFF RECOMMENDATIONS:

1. Authorize the Purchasing Agent, on behalf of the Health Services Agency (HSA) to enter into a five year lease agreement with Diamond Hill Properties, LLC for the existing Women, Infants, and Children (WIC) office space located at 1424 Mitchell Road, Ceres, CA., for a five year term beginning April 1, 2016.
2. Authorize the Purchasing Agent and/or the Managing Director of the Health Services Agency or her designee to sign renewal agreements.

DISCUSSION:

The Women, Infants, and Children (WIC) Supplemental Nutrition Program is funded by the United States Department of Agriculture for pregnant, breastfeeding, and postpartum women, infants 0-12 months, and children under the age of five (5) who are determined to be at nutritional risk. The program provides nutrition education and supplemental food vouchers which participants can exchange for specified foods from vendors. The program also serves as a gateway and an adjunct to ongoing health care, which is essential to the WIC population.

The goals of the WIC Program are:

- 1) decrease the prevalence of low birth weight infants,
- 2) reduce pregnancy complications,
- 3) reduce iron deficiency anemia in women, infants, and children, and
- 4) to promote optimum growth and development of infants and young children.

The Health Services Agency WIC program has provided services, through its current Ceres office location for 5 years. Prior to entering the initial five-year lease in 2010 (Board of Supervisors approved on August 31, 2010 - #2010-545), the WIC program provided services within the same leased premises as HSA's Ceres Medical Office (CMO), but the caseload growth in that area made that space inadequate for meeting program requirements such as confidentiality for interviewing and counseling clients. When WIC co-located with CMO in 1999, the WIC caseload in that area was approximately 1,000, however by 2010 it had grown to 4,000. The current caseload remains at approximately 4,000 clients per month. The current

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space at 1424 Mitchell Road in Ceres, continues to be adequate to meet the needs of this population and its location satisfies the State Department of Public Health requirements related to proximity to clients. While HSA is working on facility master planning needs, the time sensitive nature of this lease term and the anticipation of continued need for this Ceres location causes staff to recommend this lease at this time.

HSA staff worked with the County's General Services Agency to renegotiate renewal terms with the landlord. The amortized tenant improvements from 2010 had been paid in full when the initial lease term expired on November 30, 2015. The proposed five-year lease rate at \$.85 per square foot represents a decrease from \$1.62 per square foot based on the satisfied tenant improvement obligation and the current market. The proposed lease contains an option to renew for an additional five years, at the then mutually agreed upon prevailing fair market value.

POLICY ISSUE:

The Board of Supervisors' authorization is being requested to allow the Purchasing Agent to enter a new five year lease agreement with the landlord for the currently occupied Ceres WIC program office.

FISCAL IMPACT:

The final approved budget for Fiscal Year 2015-2016 for the Health Services Agency/Public Health approved is \$26 million. The annual lease expense will be paid for by the Public Health WIC program through U.S. Department of Agriculture funding and was included in HSA's budget for Fiscal Year 2015-2016. While this proposed lease represents a renewal of the existing occupied space, the lease rate is a decrease as the tenant improvement portion of the initial 5 year lease has been paid in full.

Cost of recommended action:		\$ 30,600
Source(s) of Funding:		
Public Health Fund	\$ 30,600	
Funding Total:		<u>\$ 30,600</u>
Net Cost to County General Fund		<u><u>\$ -</u></u>

Fiscal Year:	2015/2016
Budget Adjustment/Appropriations needed:	No

Fund Balance as of 2/23/16
 PH Fund \$ 11.9M

Approval to Enter into a Lease Agreement with Diamond Hill Properties, LLC for Office Space located at 1424 Mitchell Road, Ceres, to continue operation of the Health Services Agency Women, Infants, and Children Program

BOARD OF SUPERVISORS' PRIORITY:

This recommended action supports the Board of Supervisors' priority of A Healthy Community by providing health education and access to nutritional foods.

STAFFING IMPACT:

There are no staffing impacts related to this lease renewal.

CONTACT PERSON:

Mary Ann Lee, Managing Director, (209) 558-7163

ATTACHMENT(S):

1. Lease Agreement with Diamond Hill Properties, LLC.

LEASE AGREEMENT

LEASE SUMMARY:

Landlord:	Diamond Hill Properties, LLC, a California Limited Liability Company 124 E. Coolidge Avenue Modesto, CA 95350
Tenant:	Stanislaus County Attn: Purchasing Agent 1010 10th Street, Suite 5400 Modesto, California
Leased Premises (Address & APN):	1424 Mitchell Road, Ceres, CA (3,000 square feet) A.P.N. #039-068-008
Permitted Use:	Office space for County's Women, Infant and Children (WIC) Service Program
Term:	60 months
Monthly Basic Rent:	In accordance with table below

AGREEMENT:

This Lease Agreement (the "Lease Agreement") is entered into in the City of Modesto, State of California, on March 8, 2016, between the **COUNTY OF STANISLAUS**, a political subdivision of the State of California, ("Tenant"), and Diamond Hill Properties, LLC, a California Limited Liability Company ("Landlord"), in consideration of the premises, and the agreements, terms and conditions set forth, below.

- Premises:** Landlord leases to Tenant, and Tenant hires from Landlord, those certain premises in the County of Stanislaus, more particularly described as 1424 Mitchell Road, Ceres, California.
- Payment:** Tenant agrees to pay to Landlord for the premises above-described, during the term designated below as set forth in the table below. Payment is due and payable on the first day of the month following the month for which the obligation accrues.

Month	Price per Sq. Ft.
\$2,550.00	\$.85

- Term:** The term of this Lease shall be for a period of 60 months commencing at 12:01 A.M. on April 1, 2016, and terminating at 11:59 P.M. on March 31, 2021.
- Option to Renew:** Tenant has the option to renew this Lease for a period of five (5) years from the expiration of the original term. Tenant shall exercise this option in writing at least six (6) months prior to the termination of the existing lease period. Renewal rental rates shall be at the then-prevailing fair market value as agreed upon by the parties.
- Utilities:**
 - 5.1 Tenant shall pay for the furnishing of water, electricity, sewer and garbage 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.

6. **Use of the Premises:** Tenant may use the premises for the purpose of health services, WIC program administration, and general office use. 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 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 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. **CASP Inspection:** Pursuant to California Civil Code §1938, Landlord certifies that the Premises has undergone inspection by a Certified Access Specialist (CASp), and, that the property has been determined to meet all applicable construction-related accessibility standards pursuant to California Civil Code section 55.53. A true and correct copy of the CASp report has been provided to the Tenant.
12. **Confidentiality of Protected Health Information:** X **CHECK IF APPLICABLE**
For purposes of this section this Agreement, "protected health information" or "PHI" shall have the meaning defined by the Standards for Privacy of Individually Identifiable Health Information, 45 C.F.R. Part 160 and Subparts A and E of Part 164 (the "Privacy Standards") as promulgated by the Department of Health and Human Services ("HHS") pursuant to the Administrative Simplification provisions of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), any applicable amendments pursuant to the Health Information Technology for Economic and Clinical Health (HITECH) Act, (Pub. L No. 111-5), and California law. Tenant agrees to reasonably safeguard PHI from any intentional or unintentional disclosure in violation of the Privacy Standards by implementing appropriate administrative, technical, and physical safeguards to protect the privacy of PHI. Tenant further agrees to implement appropriate administrative, technical and physical safeguards to limit incidental disclosures of PHI, including disclosures to Landlord, its contractors, subcontractors and agents.

The parties agree that neither the Landlord, its contractors, subcontractors or agents shall need access to, nor shall they use or disclose, any PHI of Tenant. In the event, however, PHI is disclosed by Tenant or its agents to Landlord, its contractors, subcontractors or agents, regardless as to whether the disclosure is inadvertent or otherwise, Landlord agrees to take reasonable steps to maintain – and to require its contractors, subcontractors and agents to maintain – the privacy and confidentiality of such PHI. Landlord agrees to promptly notify Tenant upon learning of any disclosure of PHI to Landlord or Landlord's contractors, subcontractors and agents.

The parties agree that the foregoing does not create, and is not intended to create, a "business associate" relationship between the parties as that term is defined by the Privacy Standards.

Landlord has read and understands specifically those terms contained in paragraph number 12 listed directly above.



Landlord's Initials (required only
if paragraph 12 is applicable)

13. **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.
14. **Janitorial Services:** Tenant shall furnish janitorial service as is necessary for the Premises.
15. **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.
16. **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:

**Diamond Hill Properties, LLC, a California Limited Liability Company
124 E. Coolidge Avenue
Modesto, CA 95350**

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**

17. **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.
18. **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.

19. **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.
20. **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.
21. **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.
22. **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.
23. **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.

Landlord has read and understands specifically those terms contained in paragraph 23 listed directly above.


Landlord's Initials

24. **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.
25. **Subordination and Mortgages:**
- 25.1. **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.
- 25.2 **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.

- 25.3 **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.
- 25.4 **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.
26. **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.
27. **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.
28. **Duplicate Counterparts:** This Lease Agreement may be executed in duplicate counterparts, each of which shall be deemed a duplicate original.

[Remainder of page intentionally left blank]

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**

By: 

Keith D. Boggs, Assistant Executive Officer,
GSA Director/Purchasing Agent

**APPROVED AS TO CONTENT:
COUNTY OF STANISLAUS
HEALTH SERVICES AGENCY**

By: 

Mary Ann Lee, Managing Director

**LANDLORD
DIAMOND HILL PROPERTIES LLC,
A LIMITED LIABILITY COMPANY**

By: 

Brett A. Hill

**APPROVED AS TO FORM
John P. Doering, County Counsel**

By: 

Marc Hartley, Deputy County Counsel

SUPPLEMENTAL LEASE DOCUMENTS

For

**STANISLAUS COUNTY
GENERAL SERVICES AGENCY – PURCHASING DIVISION
LEASE AND AGREEMENT**

DEPARTMENT: Health Services Agency as Tenant

LANDLORD: Diamond Hill Properties, LLC, a California Limited Liability Company

Property: 1424 Mitchell Road, Ceres, CA

Document I - Subordination, Nondisturbance and Attornment Agreement

Document II – Request for Notice

Document III – Tenant Estoppel Agreement

Document IV – Memorandum of Lease

Agreement

Therefore, the parties agree as follows:

1. **Subordination.** The lien of the Deed of Trust and all amendments, modifications and extensions thereto shall be and remain at all times a lien on the Property prior and superior to the Lease, except that if Tenant is granted any option to extend the Term of the Lease, right of first offer to lease additional premises or option to purchase the Property or right of first offer to purchase the Property in the Lease, such provisions shall not be affected or diminished by any such subordination..

2. **Definitions of "Transfer of the Property" and "Purchaser".** As used herein, the term "Transfer of the Property" means any transfer of Borrower's interest in the Property by foreclosure, trustee's sale or other action or proceeding for the enforcement of the Deed of Trust or by deed in lieu thereof. The term "Purchaser", as used herein, means any transferee, including Lender, of the interest of Borrower as a result of any such Transfer of the Property and also includes any and all successors and assigns, including Lender, of such transferee.

3. **Nondisturbance.** The enforcement of the Deed of Trust shall not terminate the Lease or disturb Tenant in the possession and use of the leasehold estate created thereby.

4. **Attornment.** Subject to Section 3 above, if any Transfer of the Property should occur, Tenant shall and hereby does attorn to Purchaser, including Lender if it should be the Purchaser, as the landlord under the Lease, and Tenant shall be bound to Purchaser under all of the terms, covenants and conditions of the Lease for the balance of the Lease term and any extensions or renewals of it which may then or later be in effect under any validly exercised extension or renewal option contained in the Lease, all with the same force and effect as if Purchaser had been the original landlord under the Lease. This attornment shall be effective and self-operative without the execution of any further instruments upon Purchaser's succeeding to the interest of the landlord under the Lease.

5. **Lender Not Obligated.** Lender, if it becomes the Purchaser or if it takes possession under the Deed of Trust, and any other Purchaser shall not (a) be liable for any damages or other relief attributable to any act or omission of any prior Landlord under the Lease including Borrower; or (b) be subject to any offset or defense not specifically provided for in the Lease which Tenant may have against any prior landlord under the Lease; or (c) be bound by any prepayment by Tenant of more than one month's installment of rent; or (d) be obligated for any security deposit not actually delivered to Purchaser; or (e) be bound by any modification or amendment of or to the Lease unless the amendment or modification shall have been approved in writing by the Lender.

6. **Notices.** All notices given under this Agreement shall be in writing and shall be given by personal delivery, overnight receipted courier or by registered or certified United States mail, postage prepaid, sent to the party at its address appearing below. Notices shall be effective upon receipt (or on the date when proper delivery is refused). Addresses for notices may be changed by any party by notice to all other parties in accordance with this Section.

To Lender: N/A

To Borrower: N/A

To Tenant: Stanislaus County
Attn: Purchasing Agent
1010 10th Street, Suite 5400
Modesto, CA 95354

7. Miscellaneous Provisions. This Agreement shall inure to the benefit of and be binding upon the parties and their respective successors and assigns. This Agreement is governed by the laws of the State of California without regard to the choice of law rules of that State.

TENANT: STANISLAUS COUNTY,
a body politic and corporate

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

BORROWER:
By: _____

LENDER: [*Insert name of Lender*],

By: _____
Name: _____
Title: _____

DOCUMENT II

REQUEST FOR NOTICE

**RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:**

Stanislaus County
Attn: Purchasing Agent
1010 10th Street
Modesto, California 95354

REQUEST FOR NOTICE

(UNDER SECTION 2924B CIVIL CODE)

In accordance with Section 2924b, Civil Code, request is hereby made that a copy of any Notice of Default and a copy of any Notice of Sale under the Deed of Trust described below:

Date of Recording of Deed of Trust	September 20, 2010
Instrument Number of Deed of Trust	2010-0083805-00
Trustor	Diamond Hill Properties LLC, a California Limited Liability Company
Trustee	
Beneficiary	

be mailed to Stanislaus County, Attn: Purchasing Agent, 1010 10th Street, Suite 5400, Modesto, California 95354.

LENDER:

By: _____

Name: _____

Title:

(ALL SIGNATURES MUST BE ACKNOWLEDGED)

COUNTY OF _____ ss.

On this ____ day of _____, 20__, before me, _____
a Notary Public in and for the State of California, personally appeared _____
_____ personally known to me (or proved on the basis of satisfactory
evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and
acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies),
and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of
which the person(s) acted, executed the instrument.

WITNESS my hand and official seal

Signature _____

My commission expires _____.

DOCUMENT III
TENANT ESTOPPEL CERTIFICATE

To: Stanislaus County
1010 10th Street, Suite 5400
Modesto, CA 95354
Attn: Keith D. Boggs

Re: Date of Certificate: March 10, 2016
Lease Dated: April 1, 2016
Current Landlord: Diamond Hill Properties, LLC, a California Limited Liability Company
Located at: 1424 Mitchell Road, Ceres, CA
Commencement Date of Term: April 1, 2016
Expiration Date: March 31, 2021
Rent: \$2,550/mo. (\$.85/sq. ft.)

Stanislaus County ("Tenant") hereby certifies that as of the date hereof:

1. Tenant is the present owner and holder of the tenant's interest under the lease described above, as it may be amended to date (the "Lease"). The Lease covers the premises described above (the "Premises") in the building (the "Building") at the address set forth above.

2. (a) A true, correct and complete copy of the Lease (including all modifications, amendments, supplements, side letters, addenda and riders of and to it) is attached to this Certificate as Exhibit A.

(b) The current Rent is set forth above.

(c) The term of the Lease commenced on the Commencement Date set forth above and will expire on the Expiration Date set forth above, including any presently exercised option or renewal term. Tenant has no option or right to renew, extend or cancel the Lease, or to lease additional space in the Premises or Building, or to use any parking other than that specified in the Lease.

(d) Except as specified in the Lease, Tenant has no option or preferential right to purchase all or any part of the Premises (or the land of which the Premises are a part).

(e) Tenant has made no agreement with Landlord or any agent, representative or employee of Landlord concerning free rent, partial rent, rebate of rental payments or any other similar rent concession except as expressly set forth in the Lease.

3. (a) The Lease constitutes the entire agreement between Tenant and Landlord with respect to the Premises, has not been modified changed, altered or amended and is in full force

(e) Tenant has made no agreement with Landlord or any agent, representative or employee of Landlord concerning free rent, partial rent, rebate of rental payments or any other similar rent concession except as expressly set forth in the Lease.

3. (a) The Lease constitutes the entire agreement between Tenant and Landlord with respect to the Premises, has not been modified changed, altered or amended and is in full force and effect. There are no other agreements, written or oral, which affect Tenant's occupancy of the Premises.

(b) To the knowledge of Tenant, Tenant has not given Landlord written notice of a material default under the Lease which has not been cured.

(b) The interest of Tenant in the Lease has not been assigned or encumbered. Tenant is not entitled to any credit against any rent or other charge or rent concession under the Lease except as set forth in the Lease. No rental payments have been made more than one month in advance.

4. All contributions required to be paid by Landlord to date for improvements to the Premises have been paid in full and all of Landlord's obligations with respect to tenant improvements have been fully performed.

IN WITNESS WHEREOF, the Tenant has executed this Tenant Estoppel Certificate as of the day set forth above.

STANISLAUS COUNTY

By: _____


Keith D. Boggs, Assistant Executive Officer,
GSA Director/Purchasing Agent

EXHIBIT "A"

That certain real property located in the City of Ceres, County of Stanislaus, State of California, legally described as follow:

Parcel 8 as shown on that certain Parcel Map recorded August 29, 2005, in Book 53 of Parcel Maps, Page 94, Stanislaus County Records.

DOCUMENT IV

MEMORANDUM OF LEASE

**RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:**

Stanislaus County
Attn: Purchasing Agent
1010 10th Street, Suite 5400
Modesto, CA 95354

This document is recorded for the benefit of Stanislaus County and recording is exempt from recording fees pursuant to California Government Code Section 27383. This transaction is exempt from documentary transfer tax pursuant to California Revenue and Taxation Code Section 11922.

MEMORANDUM OF LEASE

This Memorandum of Lease ("Memorandum") is made and entered into by and between Diamond Hill Properties, LLC, a California Limited Liability Company (the "Landlord"), and Stanislaus County, a public body corporate and politic duly organized and existing under the laws of the State of California (the "Tenant") who agree as follows:

Landlord and Tenant hereby enter a Lease (the "Lease") of certain property in the County of Stanislaus, State of California known as 1424 Mitchell Road, Ceres, California for a term commencing on April 1, 2016, and ending on a date 60 months after the commencement date, unless such term is extended or sooner terminated pursuant to the terms and conditions set forth in a certain unrecorded Lease between Landlord and Tenant dated April 1, 2016.

Tenant has the option to extend the term of the Lease for a period of five (5) years, subject to the terms and conditions of the Lease.

This Memorandum has been prepared for the purpose of giving notice of the Lease and of its terms, covenants, and conditions, and for no other purposes. The provisions of this Memorandum shall not in any way change or affect the provisions of the Lease, the terms of which remain in full force and effect.

Dated: March 10, 2016

[SIGNATURES SET FORTH ON NEXT PAGE

ALL SIGNATURES MUST BE ACKNOWLEDGED]

CALIFORNIA ALL- PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached and not the truthfulness, accuracy, or validity of that document.

State of California)

County of Stanislaus)

On March 10, 2016 before me, Jami Wright, Notary
(Here insert name and title of the officer)

personally appeared Keith D. Boggs
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/~~she~~/they executed the same in his/~~her~~/their authorized capacity(ies), and that by his/~~her~~/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Jami Wright
Notary Public Signature

(Notary Public Seal)

ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED DOCUMENT
Memorandum of Lease
(Title or description of attached document)

Document IV
(Title or description of attached document continued)

Number of Pages 1 Document Date _____

CAPACITY CLAIMED BY THE SIGNER

Individual (s)

Corporate Officer
Assistant CEO
(Title)

Partner(s)

Attorney-in-Fact

Trustee(s)

Other _____

INSTRUCTIONS FOR COMPLETING THIS FORM

This form complies with current California statutes regarding notary wording and, if needed, should be completed and attached to the document. Acknowledgments from other states may be completed for documents being sent to that state so long as the wording does not require the California notary to violate California notary law.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. he/she/they- is /are) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
 - ❖ Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
 - ❖ Indicate title or type of attached document, number of pages and date.
 - ❖ Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document with a staple.

**LANDLORD:
DIAMOND HILL PROPERTIES, LLC
A CALIFORNIA LIMITED LIABILITY
COMPANY**

**TENANT:
STANISLAUS COUNTY**

By: [Signature]
Brett A. Hill

By: [Signature]
Keith D. Boggs, Assistant Executive
Officer, GSA Director, Purchasing Agent

State of California }
 } SS.
County of Stanislaus }

On this 12 day of November, 2015, before me, Marissa Ribera,
Notary Public, personally appeared Diamond Hill Properties, LLC, a California Limited Liability
Company who proved to me on the basis of satisfactory evidence to be the persons whose names
are subscribed to the within instrument and acknowledged to me that they executed the same in
their capacity and that by their signatures on the instrument the persons or entity upon behalf of
which the persons acted, executed the instrument.

I certify UNDER PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

[Signature]
Notary's Signature



State of California }
 } SS.
County of Stanislaus }

On this ~~10~~ day of March, 2016, before me, Jami Wright, Notary Public,
personally appeared Keith D. Boggs, who proved to me on the basis of satisfactory evidence to
be the person whose name is subscribed to the within instrument and acknowledged to me that
he/she executed the same in his/her capacity and that by his/her signature on the instrument the
person or entity upon behalf of which the person acted, executed the instrument.

I certify UNDER PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

[Signature]
Notary's Signature

