

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

DEPT: Community Services Agency

BOARD AGENDA #: *B-2

AGENDA DATE: July 19, 2016

SUBJECT:

Approval to Enter into a 10-Year Lease Agreement with Leroy Del Don III for Space at 101 West Las Palmas Avenue, Patterson, CA, to Continue West Side Program Services and Related Actions for the Community Services Agency, Alliance Worknet and Health Services Agency

BOARD ACTION AS FOLLOWS:

No. 2016-369

On motion of Supervisor Chiesa, Seconded by Supervisor Withrow
and approved by the following vote,

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

Noes: Supervisors: None

Excused or Absent: Supervisors: DeMartini

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: Community Services Agency
Urgent Routine

BOARD AGENDA #: *B-2

AGENDA DATE: July 19, 2016

CEO CONCURRENCE: 

4/5 Vote Required: Yes No

SUBJECT:

Approval to Enter into a 10-Year Lease Agreement with Leroy Del Don III for Space at 101 West Las Palmas Avenue, Patterson, CA, to Continue West Side Program Services and Related Actions for the Community Services Agency, Alliance Worknet and Health Services Agency

STAFF RECOMMENDATIONS:

1. Authorize the Purchasing Agent, on behalf of the Community Services Agency (CSA) to negotiate and execute a 10-year lease agreement with tenant improvements amortized over 10 years with Leroy Del Don III, for 15,300 square feet of space in property located at 101 West Las Palmas Avenue, Patterson, CA for the Community Services Agency, Alliance Worknet and Health Services Agency.
2. Authorize the Purchasing Agent and/or the Director of the Community Services Agency or her designee to negotiate, execute, and sign subleases, amendments or renewal agreements within the property to non-profit organizations.

DISCUSSION:

On March 15, 2011 the Board authorized the Community Services Agency to open the West County Service (WCS) Center at 66 N. El Circulo Drive in Patterson for the co-location of County Services with Alliance Worknet (AW), Health Services Agency Women, Infants and Children (WIC) Program. CSA currently assigns seven staff to this location and they provide CalWORKs, CalFresh, Medi-Cal and Welfare-to-Work services. The AW operates a Career Resource Center (CRC) in compliance with the Workforce Innovation and Opportunity Act (WIOA) and currently has two full time staff working there with five customer work stations available in the WCS Center. AW provides a variety of job search and job readiness services at the Center, with daily hours from 8:00-4:30, Monday through Friday. The WIC Program provides nutrition counseling and education classes with up to four staff reporting to work at the WCS Center. Additionally, Learning Quest has joined the Center with six staff members who provide adult literacy and high school equivalency test preparation services.

The current location has very limited space at approximately 2,000 square feet and since it opened in 2011, the demand for social, educational and workforce services in the West Side of Stanislaus County continues to grow and current customer needs have outgrown the building's capacity.

WIC locations, including moves, require State approval which is based on space and proximity to caseload. As has been done in past WIC location moves, the HSA has this approval process underway. The HSA has operated the WIC program under contract with the State for

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more than 25 years. The current contract term is from 10/01/2015 through 9/30/2019. Staff reasonably anticipates an on-going community need, as well as a continued contractual opportunity for the Health Services Agency (HSA) to provide WIC services throughout the term of the proposed lease.

The WIC Program is currently serving 1,691 participants at the WCS Center on a monthly basis and the classroom where the nutrition education classes are held does not provide adequate space for the participants. The WIC Program has identified approximately 2,350 eligible participants within the Patterson area and the larger space for additional staff will allow for growth and the ability to accommodate a larger caseload.

Limited office space at the current location has resulted in two CSA staff members who work on continuing Temporary Assistance for Needy Families (TANF)/Medi-Cal/CalFresh cases sharing one office and two Welfare-to-Work staff members sharing one office. Due to confidentiality requirements, customer interviews must be staggered to allow one staff at a time to conduct interviews, decreasing by half the number of interviews that could be accomplished per day. The availability of additional interview offices would allow CSA to increase the number of CalWORKs, CalFresh and Medi-Cal applications processed for West Side County residents. As a result, fewer West Side customers would have to travel to Modesto or Turlock to receive services. Welfare-to-Work continues to be focused on in-person engagement to identify and address barriers to employment including mental health, substance abuse, domestic violence, housing challenges, as well as skill development (literacy, job training, etc.). CSA is required to do extensive in-person appraisals and assessments. This new location will provide an opportunity to partner with other community organizations to remove employment barriers, including increasing access to a new fatherhood program. The Statewide Automated Welfare System (SAWS) Consortium-IV (C-IV) plans to release a mobile application for CalFresh and Medi-Cal programs in the coming months that is compatible with both Android and iPhones in an effort to get more services online vs. inline.

The AW served 1,850 WIOA customers at the Patterson location in 2015 and is estimating that number would increase with the expansion of workstations from 5 to 10 due to the additional space available at the new proposed Patterson location.

Learning Quest has also seen an increased demand for adult literacy and high school equivalency preparation services on the County's West Side and would be able to better accommodate additional customers in a larger location.

In addition to the County partners' need for additional space, the Center for Human Services (CHS) has expressed an interest in partnering with the County to sub-lease space to provide Welfare-to-Work and substance abuse services to the residents in the County's West Side.

CHS currently leases space and operates the Patterson Family Resource Center, located at 118 N. Second Street, Suite D, Patterson with approximately 2,745 sq. ft. Services at this location include mental health and substance abuse counseling (funded by Behavioral Health and Recovery Services (BHRS)), utility assistance (Community Development Block Grant funded), CalFresh enrollment (CSA funded), Promotora Outreach (BHRS), and a variety of

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family strengthening activities funded through the Children and Families Commission and CSA.

CHS has an additional location where they provide Welfare to Work activities through a contract with Alliance Worknet. The location is 1,800 sq. ft. and is located at 11 Plaza Building, Suite B, Patterson.

CHS is also experiencing space challenges in both of their locations, as services have expanded in the past year. The Affordable Care Act (ACA) has expanded access to mental health and CHS expects increased access to substance abuse services in the near future. CHS Welfare to Work services has also grown and they are in need of more group space.

CHS leases a combined 4,545 square feet of space in the Patterson area and they are interested in consolidating some of their services and co-locating with the County. This would provide families with a one-stop shop for County and CHS services. It would also streamline communication between the County, CHS providers and ultimately allow for more efficient and effective service delivery. CHS estimates needing 5,000-7,000 sq. ft. in the new facility, depending on space configuration.

CSA and CHS currently lease a combined total 7,205 square feet over three locations.

The following is a summary of the current WCS Center lease that will expire September 15, 2016 for the 66 N. El Circulo Drive facility:

	Lease Term	Number of Months	Square Feet	Monthly Lease Amount	Price per Square Foot
Original Lease	March 16, 2011 – March 15, 2014	36	2,660	\$2,394 – year 1 plus the lesser of CPI or 3% annually	\$0.90
Lease Agreement	March 16, 2014 – March 15, 2016	24	2,660	\$2,500.40	\$0.94
Lease Agreement	March 16, 2016 – September 15, 2016	6	2,660	\$2,580.00	\$0.97

On July 29, 2015 the General Services Agency (GSA) issued Request for Quote (RFQ) #15-47-SG to seek a new location for services in Patterson. The RFQ Scope of Work requested the following features:

- Total size of 15,000 to 20,000 square feet;
- Proximity to bus routes;
- Space to accommodate five classroom/training or resource rooms, one of which may serve as a conference room;

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- At least eight private offices;
- Adequate lobby and waiting room space to accommodate 50-60 customers at any given time;
- One break room with kitchenette area, outlets for microwave, refrigerator;
- Adequate open space to accommodate 25 - 30 cubicles at least 6'x8' in size;
- Minimum two sets of restrooms, one for employees, one for customers;
- Well-lit (parking area and interior) and safely accessible by staff;
- ADA compliance;
- Wire and cable necessary to support hardware and software to be used by the County (specifications will be provided prior to finalization of lease); and
- Adequate parking for up to 60 staff and clients.

The RFQ closed on August 14, 2015 and only one proposal was received from Brekke Real Estate, Inc., for property located at 101 West Palmas Avenue in Patterson, CA.

On December 15, 2015 staff from HSA, CSA, AW, GSA and CHS met with a representative of Brekke Real Estate and toured the facility and determined this is the preferred site. This site was selected taking into consideration a number of factors:

- Available square footage met the program and increased customer service needs of the departments;
- Extent of renovation needed; and
- Accessibility to public transportation and major thoroughfares.

Based on this site tour the County Departments recommend the following:

- Pursue relocating County services on the West Side;
- Negotiate a ten year lease with the landlord with options to extend;
- Co-locate and sublease space to the Center for Human Services (CHS);
- Have an air sampling of the property to establish a base line before occupancy;
- Request that the landlord perform a CASp inspection to identify any outstanding ADA issues;
- Request the landlord provide a list of property improvements (i.e. parking, ADA improvements) that they were planning on making;
- Identify building improvements that are necessary (i.e. customer entrance and reception window remodel and parking lot improvements);
- Notify the landlord that WIC and CHS are interested in some or possibly all of the cubicles that are currently left in the building.

CSA contacted Brekke Real Estate and asked them to submit estimated costs for the following three lease rent and tenant improvements (TI) amortization options: 1) a 10 year lease with TI amortized over ten years with a 2.0% annum increase; 2) a 10 year lease with TI amortized over five years with a 2.0% annum increase; and 3) a 5 year lease with TI amortized over five years with a 2.0% annum increase.

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Option #1 is a proposed 10-year lease that amortizes \$479,160 of TI costs over a period of ten years. The monthly lease rate is estimated to be \$18,707 per month or \$1.22 per square foot. The \$18,707 per month rate includes TI of \$3,993 per month or \$.26 per square foot and a base rental rate of \$14,714 per month or \$.96 per square foot, for a total first year cost of \$224,484. Years two through nine will increase annually by a base rent escalator of 2.0% per year. Should the lease be terminated prior to the end of the 10th year CSA will pay off the outstanding TI balance. The financial terms of the lease can be absorbed within the Agency's long range budget forecast.

Option #1: 10-Year Lease with Tenant Improvements Amortized over Ten Years

Period	Tenant Improvements (TI)		Total Proposed Rent		Base Monthly Rent	
	Month	Sq. Ft	Month	Sq. Ft	Month	Sq. Ft
Year 1	\$ 3,993.00	\$ 0.26	\$18,707.00	\$1.223	\$14,714.00	\$0.9617
Year 2	\$ 3,993.00	\$ 0.26	\$18,962.00	\$1.239	\$14,969.00	\$0.9784
Year 3	\$ 3,993.00	\$ 0.26	\$19,222.00	\$1.256	\$15,229.00	\$0.9954
Year 4	\$ 3,993.00	\$ 0.26	\$19,488.00	\$1.274	\$15,495.00	\$1.0127
Year 5	\$ 3,993.00	\$ 0.26	\$19,759.00	\$1.291	\$15,766.00	\$1.0304
Year 6	\$ 3,993.00	\$ 0.26	\$20,035.00	\$1.309	\$16,042.00	\$1.0485
Year 7	\$ 3,993.00	\$ 0.26	\$20,317.00	\$1.328	\$16,324.00	\$1.0669
Year 8	\$ 3,993.00	\$ 0.26	\$20,604.00	\$1.347	\$16,611.00	\$1.0857
Year 9	\$ 3,993.00	\$ 0.26	\$20,897.00	\$1.366	\$16,904.00	\$1.1048
Year 10	\$ 3,993.00	\$ 0.26	\$21,196.00	\$1.385	\$17,203.00	\$1.1244
Total TI Costs	\$479,160				Total Base Rent Costs	\$1,911,084

The cumulative cost of Option #1 10-year lease and TI amortized over ten years is \$2,390,244.

Option #2 is a proposed 10-year lease that amortizes \$421,320 of TI costs over a period of five years. The monthly lease rate is estimated to be \$21,736 per month or \$1.42 per square foot. The \$21,736 per month rate includes TI of \$7,022 per month or \$.46 per square foot and a base rental rate of \$14,714 per month or \$.96 per square foot, for a total first year cost of \$260,832. Years two through nine will increase annually by a base rent escalator of 2.0% per year. Should the lease be terminated prior to the end of the 5th year CSA will pay off the outstanding TI balance. The financial terms of the lease can be absorbed within the Agency's long range budget forecast.

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Option #2: 10-Year Lease with Tenant Improvements Amortized over Five Years

Period	Tenant Improvements (TI)		Total Proposed Rent		Base Monthly Rent	
	Month	Sq. Ft	Month	Sq. Ft	Month	Sq. Ft
Year 1	\$ 7,022	\$ 0.46	\$21,736	\$1.421	\$14,714.00	\$0.9617
Year 2	\$ 7,022	\$ 0.46	\$21,990	\$1.437	\$14,969.00	\$0.9784
Year 3	\$ 7,022	\$ 0.46	\$22,250	\$1.454	\$15,229.00	\$0.9954
Year 4	\$ 7,022	\$ 0.46	\$22,788	\$1.472	\$15,495.00	\$1.0127
Year 5	\$ 7,022	\$ 0.46	\$22,788	\$1.489	\$15,766.00	\$1.0304
Year 6			\$16,042	\$1.048	\$16,042.00	\$1.0485
Year 7			\$16,324	\$1.067	\$16,324.00	\$1.0669
Year 8			\$16,610	\$1.086	\$16,611.00	\$1.0857
Year 9			\$16,904	\$1.105	\$16,904.00	\$1.1048
Year 10			\$17,203	\$1.124	\$17,203.00	\$1.1244
Total TI Costs	\$421,320				Total Base Rent Costs	\$1,911,084

The cumulative cost of Option #2 10-year lease and TI amortized over five years is \$2,332,404.

Option #3 is a proposed 5-year lease that amortizes \$421,320 of TI costs over a period of five years. The monthly lease rate is estimated to be \$22,904 per month or \$1.497 per square foot. The \$22,904 per month rate includes TI of \$7,022 per month or \$.46 per square foot and a base rental rate of \$15,882 per month or \$1.038 per square foot, for a total first year cost of \$274,848. Years two through four will increase annually by a base rent escalator of 2.0% per year. Should the lease be terminated prior to the end of the 5th year CSA will pay off the outstanding TI balance. The financial terms of the lease can be absorbed within the Agency's long range budget forecast.

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Option #3: 5-Year Lease with Tenant Improvements Amortized over Five Years

Period	Tenant Improvements (TI)		Total Proposed Rent		Base Monthly Rent	
	Month	Sq. Ft	Month	Sq. Ft	Month	Sq. Ft
Year 1	\$7,022.	\$.46	\$22,904	\$1.497	\$15,882	\$1.038
Year 2	\$7,022.	\$.46	\$23,156	\$1.513	\$16,135	\$1.054
Year 3	\$7,022.	\$.46	\$23,415	\$1.530	\$16,393	\$1.071
Year 4	\$7,022.	\$.46	\$23,679	\$1.548	\$16,658	\$1.089
Year 5	\$7,022.	\$.46	\$23,948	\$1.565	\$16,927	\$1.106
Total TI Costs	\$421,320				Total Base Rent Costs	\$983,940

The cumulative cost of Option #3 5-year lease and TI amortized over five years is \$1,405,260.

The space utilization for the proposed new location is the following: Community Services Agency (CSA) 46%; Alliance Worknet (AW) 8%, Health Services Agency (HSA) Women, Infants and Children (WIC) 12% and Center for Human Services (CHS) 34%.

The estimated total start-up cost to relocate to 101 West Las Palmas is \$322,500 in Fiscal Year 2016-2017. These one-time start-up costs are for the installation of telecommunications, furnishings and equipment needs. Start-up costs will be allocated to the partner agencies. In addition to the annual lease cost and one-time start-up costs, increased operating costs for Fiscal Year 2016-2017 are estimated to be \$133,693 for janitorial services, utilities and security. Each agency will fund their share of the site costs based on the square footage of the space they occupy and CSA will review space allocation on an annual basis.

The following table shows the estimated total annual ongoing costs and funding sources for the 101 West Las Palmas Facility:

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West Las Palmas Estimated Square Footage and Annual Lease, and Utilities Costs

Lease Year	AWN	CHS	CSA	HSA	Total Budget Estimate
% Occupied Square Feet (Sq.Ft.)	7.72%	34.22%	45.53%	12.53%	100%
Occupied Sq.Ft	1,181	5,235	6,967	1,917	15,300
Year 1	27,651	122,560	163,097	44,869	\$358,177
Year 2	27,887	123,607	164,490	45,253	\$361,237
Year 3	28,128	124,674	165,911	45,644	\$364,357
Year 4	28,374	125,766	167,364	46,043	\$367,547
Year 5	28,625	126,879	168,845	46,451	\$370,800
Year 6	28,881	128,012	170,353	46,866	\$374,112
Year 7	29,142	129,170	171,894	47,290	\$377,496
Year 8	29,408	130,349	173,462	47,721	\$380,940
Year 9	29,679	131,552	175,063	48,162	\$384,456
Year 10	29,956	132,780	176,697	48,611	\$388,044
TOTAL	\$287,731	\$1,275,349	\$1,697,176	\$466,910	\$3,727,166

The Community Services Agency is recommending approval of Lease Option #1 because it provides the building partners the least expensive monthly rent costs and the price per square foot rates best reflect the current market value for comparable square footage buildings in the area. As recommended, CSA and GSA would finalize negotiations on the recommended 10-year lease with TI amortized over 10 years for the 15,300 square feet of space at 101 Las Palmas Ave, Patterson CA.

If Lease Option #1 recommendation is approved, occupancy of this space is estimated to occur after September 1, 2016 through August 31, 2026.

Appropriations and estimated revenue to support operating costs for the duration of the 10-ten year lease agreement with TI amortized over 10 years will be included with each Department's future budget submissions.

Time-Sensitive Facility Needs

The County is currently in a long-range master planning and facility review for the Community Services Agency and the partner agencies at the Community Services Facility. However, there

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are time-sensitive facility needs that need to be addressed as the Master Planning efforts are underway and before results are presented to the Board of Supervisors. The recommended lease contains a lack of funding clause that will allow the County to terminate the lease agreement upon 120 days' notice if sufficient funding doesn't materialize over the 10-year lease period or if County-owned space becomes available. At such time, CSA and the partner agencies would be required to pay off the outstanding TI balance. Additionally, the space could also be sublet by the County to other non-profit organizations that support the County in delivering human services programs, if circumstances warranted with consent of the Landlord.

POLICY ISSUE:

County policy requires the Board of Supervisors' approval to allow the Purchasing Agent to enter a new lease agreement for where the total compensation exceeds \$100,000. The cumulative total for lease option #1 over the lease term will be \$2,390,244 which exceeds the \$100,000 threshold and requires Board approval. Approval of the time-sensitive lease and the Board of Supervisors' authorization is also being requested to allow the Purchasing Agent to negotiate a sub-lease with Center for Human Services.

FISCAL IMPACT:

The total proposed budget for Fiscal Year 2016-2017 for all of the Community Services Agency is \$338,825,736 and includes funding for the relocation of the West County Service Center. Existing appropriations and estimated revenue to support the services in Patterson are available in each participating County Department's Fiscal Year 2016-2017 budget.

The total monthly lease rate of the recommended lease option #1 is estimated to be \$18,707 per month or \$1.223 per square foot. This includes TI of \$3,993 per month or \$.26 per square foot and a base rental rate of \$14,714 per month or \$.963 per square foot with a base rent escalator of 2.0% per year. Over the 10-year period the CHS sublease agreement will contribute \$1,275,349 and the County Departments will contribute \$2,451,817 million. Annual costs for Year One of the 10-year lease are expected to be \$358,177 of which County Departments' portion will be \$235,617. The amounts to be paid by each County Department are outlined in the chart below. There is no additional cost to the County General Fund as a result of relocating West County Service Center.

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Cost of recommended action: \$ 235,617

Source(s) of Funding:

Community Services Agency Rent and Utilities	\$ 163,097
Alliance Worknet Rent and Utilities	27,651
Women, Infants and Children Rent and Utilities	44,869

Funding Total: \$ 235,617

Net Cost to County General Fund \$ -

Fiscal Year:

2016/2017
No

Budget Adjustment/Appropriations needed:

Fund Balance as of N/A

BOARD OF SUPERVISORS' PRIORITY:

Approval of the requested actions supports the Board of Supervisors' priorities of A Healthy Community, Effective Partnerships and Efficient Delivery of Public Services by allowing CSA Alliance Worknet, the Health Services Agency and other non-profit organizations to maintain existing customer services currently provided in the community of Patterson that will build a shared vision of multiple agencies by locating multiple services in one location.

STAFFING IMPACT:

Existing General Services Agency and Community Services Agency staff will assist with project management and the coordination of this project.

CONTACT PERSON:

Kathryn M. Harwell, Community Services Agency Director (209) 558-2500

ATTACHMENT(S):

Lease Agreement

LEASE AGREEMENT

LEASE SUMMARY:

Landlord:	Leroy Del Don III, as Trustee of The V Farming Trust dated April 1, 2013 P.O. Box 1412 Patterson, CA 95363
Tenant:	Stanislaus County Attn: Purchasing Agent 1010 10th Street, Suite 5400 Modesto, California
Leased Premises (Address & APN):	101 W. Las Palmas Avenue Patterson, CA 95363 (15,300 sq. ft.) A.P.N. # 131-002-006
Permitted Use:	Office and Storage Space for Alliance Worknet, Health Services Agency, Woman and Infant Children and Community Services Agency
Tenant Improvements:	\$ 3,993.00 per mo. (\$.26 per sq. ft./mo.)
Project:	
Tenant's Share of Project:	100%
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 _____, 2016, between the COUNTY OF STANISLAUS, a political subdivision of the State of California, ("Tenant"), and Leroy Del Don III, as Trustee of The V Farming Trust dated April 11, 2013, a Corporate Trust ("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 15,300 square feet of office and storage space located at 101 W. Las Palmas Ave., Patterson, CA (Lease Premises Address).

2. **Payment:**
 - (a) **Base Rent.**
 - (1) Tenant agrees to pay the Landlord a base amount for the premises during the term of the Lease as indicated in the below table.

 - (b) **Tenant Improvements:**
 - (1) In addition to the Base Rent payment as set forth above, Tenant shall reimburse the Landlord for actual costs necessarily incurred by the Landlord for construction of Tenant Improvements as substantiated by the Itemized statement required in Exhibit A and related supporting documentation as requested by the Tenant.

 - (2) Tenant shall pay to Landlord an amount not to exceed \$ 479,179.00 as reimbursement for the actual costs of Tenant Improvements. In no event shall

Landlord be reimbursed an amount in excess of actual Tenant Improvement costs, nor in excess of the amount of \$479,190.00, whichever is less. This amount shall be divided equally over the first 120 months of the Lease. Tenant shall pay a monthly amount as indicated in the below table.

(3) In the event that Tenant terminates the Lease as provided herein, Tenant agrees to pay Landlord in accordance with Section 23.

(c) Tenant agrees to pay to Landlord for the premises above-described, during the term designated below as set forth in the table below. Tenant's obligation to pay "Rent" shall be prorated in the first and last months of the term of this Lease based upon the portion of the month during which Tenant occupies the Premises. Payment is due and payable on the first day of the month following the month for which the obligation accrues.

Period	Tenant Improvements	\$Base Monthly Rent	Total Monthly Payment
Year 1	\$3,993.00/mo (\$.26/sq. ft.)	\$14,714.00/mo (\$.9617/sq. ft.)	\$18,707.00
Year 2	\$3,993.00/mo (\$.26/sq. ft.)	\$14,969.00/mo (\$.9784/sq. ft.)	\$18,962.00
Year 3	\$3,993.00/mo (\$.26/sq. ft.)	\$15,229.00/mo (\$.9954/sq. ft.)	\$19,222.00
Year 4	\$3,993.00/mo (\$.26/sq. ft.)	\$15,495.00/mo (\$1.0127/sq. ft.)	\$19,488.00
Year 5	\$3,993.00/mo (\$.26/sq. ft.)	\$15,766.00/mo (\$1.0304/sq. ft.)	\$19,759.00
Year 6	\$3,993.00/mo (\$.26/sq. ft.)	\$16,042.00/mo (\$1.0485/sq. ft.)	\$20,035.00
Year 7	\$3,993.00/mo (\$.26/sq. ft.)	\$16,324.00/mo (\$1.0669 /sq. ft.)	\$20,317.00
Year 8	\$3,993.00/mo (\$.26/sq. ft.)	\$16,611.00/mo (\$1.0857/sq. ft.)	\$20,604.00
Year 9	\$3,993.00/mo (\$.26/sq. ft.)	\$16,904.00/mo (\$1.1048/sq. ft.)	\$20,897.00
Year 10	\$3,993.00/mo (\$.26/sq. ft.)	\$17,203.00/mo (\$1.1244/sq. ft.)	\$21,196.00

3. Term:

(a) **Commencement Date.** The term ("Term") of this Lease shall commence the date Tenant accepts the Premises (the "Commencement Date") as specified in a letter-of-acceptance ("Letter of Acceptance") delivered by Tenant to the Landlord following Landlord's notification to Tenant that the Premises are "Ready for Occupancy," as described in the following section.

(b) **Ready For Occupancy.** The Premises shall be deemed to be "Ready for Occupancy" when (i) construction of the Tenant Improvements (as defined in Exhibit "B") has been Substantially Completed in accordance with the Approved Working Drawings (as defined in Exhibit "B") subject only to the completion of items the non-completion of which does not interfere with Tenant's use and enjoyment of the Premises; (ii) any certificates or

governmental approvals and permits required for Tenant to occupy the Premises for the uses specified herein have been obtained; (iii) Building services are available to the Premises; (iv) all work in the Common Area has been Substantially Completed; and (v) Landlord has notified Tenant of satisfaction of the foregoing requirements and has scheduled a walk-through inspection of the Premises by Tenant's Lease Administrator and by representatives of the occupying Tenant Department.

(c) **Acceptance of Premises By Tenant.** During Tenant's initial walk-through inspection of the Premises, which shall not be scheduled by Landlord until the Premises are otherwise "Ready for Occupancy" as specified in the preceding section, Tenant's Lease Administrator shall compile and deliver to Landlord a list of any deficiencies noted in the condition of the Premises. Landlord shall correct such deficiencies within thirty (30) days following receipt of such list. At the discretion of Tenant's Lease Administrator, Tenant may issue its Letter of Acceptance to Landlord notwithstanding noted deficiencies, and the Premises may be occupied by Tenant as of the date of the initial walk-through inspection; provided, however, that such acceptance shall not relieve Landlord of its obligation to correct such noted deficiencies within thirty (30) days thereafter. If, however, Tenant's Lease Administrator reasonably determines that the noted deficiencies warrant a postponement of acceptance, Tenant may refuse to issue its Letter of Acceptance of the Premises until such time as all such deficiencies have been corrected to the satisfaction of Tenant's Lease Administrator. Tenant's acceptance of the Premises shall not constitute acceptance of latent defects in the construction or operating systems of the Premises.

(d) **Term.** 10 year initial term.

(e) **Move In Option.** After completion of tenant improvements by Landlord and acceptance of the tenant improvements by the Tenant, and prior to the date of occupancy, the Tenant may "move in" to the premises to complete tenant equipment, furnishing and infrastructure setup prior to start of operations.

4. **Option to Renew:** Tenant has the option to renew this Lease for a period of two (2) years from the expiration of the original term. Tenant shall exercise this option in writing at least two (2) 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.

5. **Utilities:**

5.1 Tenant shall pay for the furnishing of all of utilities 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 County services including Alliance Worknet, Health Services Agency Women and Infant Children (H.S.A.-WIC), Community Services Agency (CSA) human services programs, program administration, and general office use. Tenant may sublease to other non-profit organizations that support the County in delivering human services programs. 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, to its actual knowledge and without further inquiry, represents to Tenant that as of the date first written above (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 applicable laws, codes, and ordinances in effect at the time such improvements were first installed or constructed, including the Americans With Disabilities Act ("ADA") except maybe for certain regulations under ADA that have come into effect thereafter and that may involve modifications to certain improvements which Landlord has not yet been required to complete by the governmental agencies with jurisdiction over such matters; and are in reasonable good working order and condition; (ii) the Building and Premises comply with all covenants, conditions, restrictions and fire insurance 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, to its actual knowledge and without further inquiry, represents, based upon a professional inspection of the Premises and the Asbestos Report (as defined below) that the Premises 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 (the "Asbestos 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) pest control service. 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 and misuse or damage caused by Tenant 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. **Tenant's Obligations:** Except for Landlord's obligation as stated in paragraph 7.2 above, and 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 damage 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) business days after the giving of such notice, then Tenant, at its sole option, may 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). If Landlord fails to (i) commence action within thirty (30) days after the receiving of such notice, and (ii) diligently and in good faith continue such action to completion, Tenant 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, except if such citation(s) relate(s) to Tenant's use or occupancy of the Premises. 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 on or before the Commencement Date the property shall 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.

Landlord has read and understands specifically those terms contained in paragraph 11 listed directly above.

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Landlord's Initials

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Landlord's Initials

12. **Confidentiality of Protected Health Information:** _____ **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 by written notice or agreement 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 routine janitorial service for the interior space used by the Tenant at the Premises. Janitorial services shall include cleaning of restrooms, vacuuming, emptying trash receptacles, dusting, and other items as deemed necessary by the Tenant.
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, except for alterations to the Premises by Landlord as required under this Lease. Any other request for consent to make alterations shall be accompanied by a dimensioned, or reasonably detailed, plan and specifications.
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:

**Leroy Del Don III,
P.O. Box 1412
Patterson, CA 95363**

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 promptly 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 any damages, claims, losses, injuries, costs of suit, litigation expenses, and attorney's fees, arising out of arising out of, or in connection with, Tenant's use or 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 that will accommodate the Permitted Use, 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 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 23 listed directly above.

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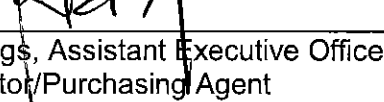
24. **Surrender:** Tenant shall surrender the Premises to Landlord at the expiration of this Lease Agreement in as good a condition as at the commencement of it, excepting reasonable wear and tear, damages and destruction by the elements, or other persons.
25. **Subordination and Mortgages:**

- 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.


(signatures on the next page)

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.

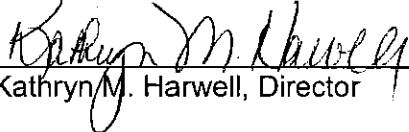
**TENANT
COUNTY OF STANISLAUS**

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

**LANDLORD ^{DOV}
DON LEROY DEL III, TRUSTEE**


(Landlord's Name)

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

By: 
Kathryn M. Harwell, Director

**APPROVED AS TO FORM
JOHN P. DOERING, COUNTY COUNSEL**

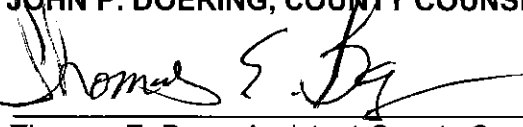
By: 
Thomas E. Boze, Assistant County Counsel

EXHIBIT A
REIMBURSEMENT OF TENANT IMPROVEMENT COSTS
(Intentionally Left Blank)

EXHIBIT B

TENANT IMPROVEMENT

This Tenant Improvement Agreement shall set forth the terms and conditions relating to the construction of the tenant improvements in the Premises.

All references herein to Paragraphs or Sections of the "Lease" shall mean the relevant portion of that certain Lease to which this Tenant Improvement Agreement is attached as Exhibit "B" and of which it forms a part.

1. WORKING DRAWINGS FOR THE TENANT IMPROVEMENTS. Landlord shall, at its sole cost and expense, and subject to reimbursement as hereinafter set forth, construct the improvements in the Premises (the "Tenant Improvements") pursuant to those certain blueprints, floor and space plans, and specifications (collectively, the "Approved Working Drawings") prepared by Landlord's architect and approved in writing by Tenant. Landlord shall make no changes or modifications to the Approved Working Drawings without the prior written consent of Tenant, which consent may be withheld if such change or modification would directly or indirectly delay the "Substantial Completion," as that term is defined in Section 2.2 of this Exhibit "B", of the Premises or increase the cost of designing or constructing the Tenant Improvements. Upon the County's receipt of Approved Working Drawing, the cost of any changes desired and made by the Landlord shall be borne by the Landlord.

2. CONSTRUCTION PLANS. Landlord shall retain an architect or space planner (the "Architect") to prepare construction drawings and engineering consultants (the "Engineers") to prepare all engineering plans relating to the structural, mechanical, electrical, plumbing, HVAC, life safety, and sprinkler work of the Tenant Improvements in a form which is complete to allow subcontractors to perform the work and to obtain all applicable permits (collectively, the "Construction Plans"). The Construction Plans shall substantially conform to the Approved Working Drawings and shall comply with the drawing format and specifications as determined by Landlord, and shall be subject to Tenant's approval. Landlord and Architect shall verify, in the field, the dimensions and conditions as shown on the relevant portions of the Base Building Plans attached hereto as Appendix A, and Landlord and Architect shall be solely responsible for the same, and Tenant shall have no responsibility in connection therewith. Tenant's review of the Construction Plans as set forth in this Section 2, shall be for the sole purpose of ensuring that the floor plan and specifications therein are in substantial conformance with the Approved Working Drawings and Exhibit D- Specifications and shall not imply Tenant's review, or obligate Landlord to review, the same, for quality, design, Code compliance or other like matters. Accordingly, notwithstanding that any Construction Plans are reviewed by Tenant or its agents and consultants, and notwithstanding any advice or assistance which may be rendered to Landlord by Tenant or Tenant's agents or consultants, Tenant shall have no liability whatsoever in connection therewith and shall not be responsible for any omissions or errors contained in the Construction Plans, and Landlord's waiver and indemnity set forth in this Lease shall specifically apply to the Construction Plans. However, Landlord shall likewise be liable to Tenant, and shall be responsible to correct, any omissions or errors in the Construction Documents.

2.1 Final Space Plan. Prior to execution of the Lease by Tenant, Landlord and the Architect shall prepare the final space plan for Tenant Improvements in the Premises (, the "Final Space Plan"), which Final Space Plan shall be in substantial conformance with Approved Working Drawings and Exhibit D - Specifications and include a layout and designation of all offices, rooms and other partitioning, their intended use, and equipment to be contained therein, and shall deliver the Final Space Plan Tenant for Tenant's approval.

2.2 Permits. The Construction Plans shall be approved by Tenant (the "Approved Construction Plans ") prior to the commencement of the construction of the Tenant Improvements. Landlord shall immediately submit the Approved Construction Plans to the appropriate municipal authorities for all applicable building permits necessary to commence and fully complete the construction of the Tenant Improvements (the "Permits"). Landlord hereby agrees that neither Tenant nor Tenant's agents or consultants shall be responsible for obtaining any building permit or certificate of occupancy for the Premises and that the obtaining of the same shall be Landlord's responsibility; provided however that Tenant shall, in any event, cooperate with Landlord in executing permit applications and performing other ministerial acts reasonably necessary to enable Landlord to obtain any such permit in a timely manner or certificate of occupancy. No changes, modifications or alterations in the Approved Construction Plans may be made without the prior written consent of Tenant, provided that Tenant may withhold its consent, in its sole discretion, to any change in the Approved Construction Plans if such change would directly or indirectly delay the "Substantial Completion" of the Premises. In the event the municipal authorities require a material change, or changes, to the Construction Plans as a condition for issuance of a building permit and Landlord, in its sole but reasonable discretion, determines that the cost to make such change(s) are unacceptable under the terms of this Lease, then Landlord shall promptly notify Tenant in writing of the issue (including estimated cost of such change(s)) and the parties shall diligently and in good faith endeavor to reach a satisfactory resolution. If the parties fail to reach such a resolution within thirty (30) days after Tenant has received Landlord's notice, Landlord may cancel this Lease without penalty upon written notice to Tenant in which case this Lease Agreement shall automatically become null and void and of no further force or effect and neither party shall be liable for any obligations under this Lease Agreement. For purposes of this Lease, "Substantial Completion" of the Premises shall occur upon the completion of construction of the Tenant Improvements in the Premises pursuant to the Approved Construction Plans , with the exception of any punch list items and any County fixtures, work-stations, built-in furniture, or equipment to be installed by County.

2.3 Tenant shall use its best, good faith, efforts and all due diligence to cooperate with the Architect, the Engineers, and Landlord to complete all phases of the Construction Plans and the permitting process and to receive the permits, and approval of the "Construction Costs," as set forth in Section 5 below, as soon as possible after the execution of the Lease, and, in that regard , shall meet with Landlord on a scheduled basis to be determined by Tenant, to discuss Landlord's progress in connection with the same. Upon Tenant's execution of this Lease, Landlord shall provide Tenant with a construction schedule including time projections for planning, entitlement process, related preparation and construction of the Tenant Improvements.

3. LANDLORD COVENANTS. Landlord recognizes, understands and covenants that any and all improvements shall be undertaken according to Exhibit "D", Tenant's Specifications for Improvements, attached hereto and made a part of the Lease.

3.1 Landlord recognizes, understands and covenants that improvements contemplated herein may be subject to the provisions contained in the California Labor Code (commencing with Section 1720) relating to general prevailing wage rates and other pertinent provisions therein.

3.2 Landlord shall comply and stay current with all applicable building standards, which may change from time to time, including but not limited to, the Americans with Disabilities Act of 1990 and any regulations issued pursuant thereto in providing improvements contemplated herein.

3.3 Landlord recognizes, understands and covenants that improvements contemplated herein may be subject to provisions contained in the California Public Contracting Code relating to bidding and other pertinent provisions therein.

4. CONSTRUCTION. Landlord shall diligently pursue the planning, entitlement process, related preparation and construction of the Tenant Improvements. Landlord shall provide Tenant with periodic written progress reports, which reports shall contain, without limitation, updated information relative to permit approvals and construction.

4.1 Landlord shall notify Tenant, in writing, forthwith when such planning, entitlement process, related preparation and construction of the Tenant Improvements have been completed, a Certificate of Occupancy has been issued by the City of, or if no new Certificate of Occupancy is required, then upon acceptance of the improvements by the City of Patterson upon final inspection, all required permits have been obtained and electrical power has been turned on. Within ten (10) days thereafter, Tenant shall schedule and conduct a "job walk" with Landlord for the purpose of accepting the Premises for occupancy. Tenant shall accept the Premises if the improvements are Substantially Complete and the Premises are available for useful occupancy, as hereinafter defined. Tenant reserves the right to determine if the Premises are Substantially Complete and available for useful occupancy.

4.2 In addition, immediately after the Substantial Completion of the Premises, Landlord shall have prepared and delivered to the Tenant (1) a complete set of "As-Built" drawings showing every detail, latent or otherwise, of such improvements, including but not limited to electrical circuitry and plumbing, and (2) the same complete set of "As-Built" drawings on a computer disk in a CADD format.

5. CONSTRUCTION COSTS. Prior to Tenant's execution of this Lease, Landlord shall provide Tenant an itemized cost breakdown of the construction costs of the Tenant Improvements, attached hereto and made a part hereof as Exhibit A. The total costs of all the Tenant Improvements subject to reimbursement to Landlord from Tenant, including but not limited to fixtures, equipment, architectural fees and permits, and as reflected in the cost breakdowns, shall not exceed the sum of \$ 359,663.00 which sum represents Landlord's estimate of such Tenant Improvement costs as shown on Exhibit A (the "TI Cost"), including a contingency amount of \$49,510.00. The TI Costs shall be amortized over the Lease Term and paid by Tenant to Landlord in equal monthly installment together with Base Monthly Rent as stated in Section 2.(c) of this Lease.

5.1 Upon completion of the Tenant improvements and within fourteen (14) days of Substantial Completion and acceptance of the Premises by Tenant, Landlord shall provide Tenant with an itemized statement, similar to the cost breakdown form attached as Addendum 1, of the actual costs of the Tenant Improvements incurred by Landlord, accompanied by vendor, contractor, subcontractor, material man invoices if requested by the Tenant along with request for reimbursement of actual costs incurred.

6. MISCELLANEOUS.

6.1 Tenant's Entry Prior to Substantial Completion. Provided that Tenant and its agents do not interfere with Landlord's work in the Premises, Landlord shall allow Tenant access to the Premises prior to the Substantial Completion of the Premises for the purpose of Tenant installing other standard equipment or fixtures (including Tenant's data and telephone equipment) in the Premises. Prior to Tenant's entry into the Premises as permitted by the terms of this Section, Tenant shall submit a schedule to Landlord, for approval, which

schedule shall detail the timing and purpose of Tenant's entry. Tenant shall hold Landlord harmless from and indemnify, protect and defend Landlord against any loss or damage to the Premises and against injury to any persons caused by Tenant's actions pursuant to this Section.

6.2 Tenant's Representative. Tenant has designated its Assistant Tenant Executive Officer/EDA as its sole representative with respect to the matters set forth in this Tenant Improvement Agreement, who, until further notice to Landlord, shall have full authority and responsibility to act on behalf of the Tenant as required in this Tenant Improvement Agreement.

6.3 Landlord's Representative. Landlord has designated as its sole representative with respect to the matters set forth in this Tenant Improvement Agreement, who, until further notice to Tenant, shall have full authority and responsibility to act on behalf of the Landlord as required in this Tenant Improvement Agreement.

6.4 Tenant's Agents. All subcontractors, laborers, materialmen, and suppliers retained directly by Tenant shall conduct their activities in and around the Premises, in a harmonious relationship with all other subcontractors, laborers, materialmen and suppliers at the Premises.

6.5 Time of the Essence in this Tenant Improvement Agreement. Unless otherwise indicated, all references herein to a "number of days" shall mean and refer to calendar days. In all instances where Tenant is required to approve, if no written notice of approval is given within the stated time period, at the end of such period the item shall automatically be deemed not approved.

6.6 Landlord's Lease Default. Notwithstanding anything to the contrary contained in this Lease, if an event of a material default by Landlord of this Tenant Improvement Agreement, and said default has occurred at any time on or before the Substantial Completion of the Premises, then (i) in addition to all other rights and remedies granted to Tenant pursuant to the Lease, Tenant shall have the right to cause Landlord to cease the construction of the Tenant Improvements and (ii) all other obligations of Tenant under the terms of this Tenant Improvement Agreement shall be forgiven until such time as such default is cured pursuant to the terms of the Lease or this Tenant Improvement Agreement.

EXHIBIT C
PROJECT SCHEDULE
(Intentionally Left Blank)

EXHIBIT D
TENANT'S SPECIFICATIONS

Based on discussions with the representative of the Landlord, the Tenant has requested the following improvements to the Premises:

- 1) Design and construct a new emergency exit from the building to the parking lot on West side of building by railroad tracks.
- 2) Design and construct existing emergency exit on South side of building on West Las Palmas Ave.
- 3) Design and construct one women's restroom with 2-3 stalls for staff and is ADA compliance with at least two sinks. (Combines small conference room kitchen and existing restroom at east end of the Premises).
- 4) Design and construct a hallway in the room identified as (CHS family classroom) to allow access to men's restroom for staff.
- 5) Paint over wood paneling to lighten up the rooms. Paint color (one) to be selected by Tenant.
- 6) Design and construct a reception area in the lobby that is customer friendly and provides physical separation from the office area for the safety and security of staff.
- 7) Install new secure 6 foot chain link fencing around the water tower at the Northwest portion of the building to prevent trespassing.
- 8) Parking lot paving and striping of approximately 40-50 parking spots near ramp to lobby for CSA, Alliance and partner agencies portion of the building.
- 9) Design and construct a raised floor and create an office in the old entrance area off of West Las Palmas Ave. on the South side of the building.
- 10) Tenants are interested in using the cubicles that are currently in the building.
- 11) In the area identified for (Northwest portion of the building) removing one wall to create a larger lobby area.
- 12) All Tenant improvements made by Landlord shall comply with current Federal, State and Local building codes, fire marshal inspections and ADA requirements.
- 13) Tenant has included as Appendix A, rough drawings of areas where tenant improvements are requested.

SUPPLEMENTAL LEASE DOCUMENTS

For

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

DEPARTMENT: COMMUNITY SERVICES AGENCY

**LANDLORD: LEROY DEL DON III, AS TRUSTEE OF THE V FARMING TRUST
DATED APRIL 11, 2013**

PROPERTY: 101 W. LAS PALMAS AVENUE, PATTERSON, CA 95363

**Document I - Subordination, Nondisturbance and Attornment Agreement
(This is applicable only when a mortgage is on the property, at which time
form must be completed signed and notarized).**

**Document II – Request for Notice (This is applicable only when a
mortgage is on the property, at which time form must be completed signed
and notarized).**

Document III – Tenant Estoppel Agreement

Document IV – Memorandum of Lease

DOCUMENT I

**SUBORDINATION, NONDISTURBANCE
AND ATTORNMENT AGREEMENT**

AND WHEN RECORDED MAIL TO:)

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

Space above for Recorder's Use

**SUBORDINATION, NONDISTURBANCE
AND ATTORNMENT AGREEMENT**

NOTICE: THIS SUBORDINATION, NONDISTURBANCE AND ATTORNMENT AGREEMENT RESULTS IN YOUR LEASEHOLD ESTATE BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.

This Subordination, Nondisturbance and Attornment Agreement ("Agreement") is entered into as of the 19 day of July, 2016, by and among Stanislaus County, a body politic and corporate ("Tenant"), Leroy Del Don III, as Trustee of the V Farming Trust dated April 11, 2013, (individually and collectively, "Borrower") and Rabobank, N.A. ("Lender").

Factual Background

A. Borrower owns certain real property more particularly described in the attached Exhibit A. The term "Property" herein means that real property together with all improvements (the "Improvements") located on it.

B. Lender has made or agreed to make a loan to Borrower. The Loan is or will be secured by a deed of trust or mortgage encumbering the Property (the "Deed of Trust").

C. Tenant and Borrower (as "Landlord") entered into a lease dated as of July 19, 2016, (the "Lease") under which Borrower leased to Tenant a portion of the Improvements located within the Property and more particularly described in the Lease (the "Premises").

D. Tenant is willing to agree to subordinate certain of Tenant's rights under the Lease to the lien of the Deed of Trust and to attorn to Lender on the terms and conditions of this Agreement. Tenant is willing to agree to such subordination and attornment and other conditions, provided that Lender agrees to a nondisturbance provision, all as set forth more fully below.

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: Rabobank, N.A.
Real Estate Industries Group
3800 Concourse, Suite 350
Ontario, CA 91764
Attn: Mr. Jim Milhiser, VP, Sr. Relationship Manager

To Borrower: Leroy Del Don III
P.O. Box 1412
Patterson, CA 95363

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.

(ALL SIGNATURES MUST BE ACKNOWLEDGED)

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.

TENANT: STANISLAUS COUNTY,
a body politic and corporate

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

BORROWER: Leroy Del Don III



Leroy Del Don III

LENDER: Rabobank, N.A.

By: _____
Jim Milhiser, VP, Sr. Relationship Manager

All signatures must be acknowledged.

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 }
 } SS.
County of Stanislaus }

On this ___ day of _____, 2016, before me, _____, Notary Public, personally appeared LEROY DEL DON III 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 executed the same in his capacity and that by his 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.

Notary's Signature

My commission expires _____

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 }
 } SS.
County of Stanislaus }

On this ___ day of _____, 2016, before me, _____, Notary Public, personally appeared JIM MILHISER 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 executed the same in his capacity and that by his 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.

Notary's Signature

My commission expires _____

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 }
 } SS.
County of Stanislaus }

On this ___ day of _____, 2016, before me, _____,
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 she executed the same in her capacity and that by 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.

Notary's Signature

My commission expires _____

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: _____

Instrument Number of Deed of Trust: _____

Trustor: Leroy Del Don III, as Trustee of The V Farming Trust dated April 11, 2103

Trustee: _____

Beneficiary: Rabobank, N.A.

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

LENDER: RABOBANK, N.A.

By: _____

Name: Jim Milhiser

Title: VP, Sr. Relationship Manager

(ALL SIGNATURES MUST BE ACKNOWLEDGED)

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.

COUNTY OF _____ ss.

On this ____ day of _____, 20__, before me, _____ a Notary Public in and for the State of California, personally appeared Jim Milhiser 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: Rabobank, N.A.
3800 Concourse, Suite 350
Ontario, CA 91764
Attn: Mr. Jim Milhiser, VP, Sr. Relationship Manager

Re: Date of Certificate: _____
Lease Dated: July 19, 2016
Current Landlord: Leroy Del Don III, as Trustee of The V Farming Trust
Dated April 1, 2013
Located at: 101 W. Las Palmas Avenue, Patterson, CA 95363
Lease Commencement Date: (Contingent upon Acceptance)
Expiration Date: (Contingent upon Acceptance)
Current Rent: \$14,714.00/mo. (\$.9617/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

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.]

(c) 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

(ALL SIGNATURES MUST BE ACKNOWLEDDED)

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 }
 } SS.
County of Stanislaus }

On this ___ day of _____, 2016, before me, _____,
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 she executed the same in her capacity and that by 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.

Notary's Signature

My commission expires _____

DOCUMENT IV
MEMORANDUM OF LEASE

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

Stanislaus County 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 Leroy Del Don III, as Trustee of The V Farming Trust dated April 11, 2013, (individually and collectively, 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 101 W. Las Palmas Avenue, Patterson, CA 95363, California and more fully described on Exhibit A attached hereto, for a term commencing on the date Tenant accepts the Premises (the "Commencement Date") as specified in a letter-of-acceptance ("Letter of Acceptance") delivered by Tenant to the Landlord following Landlord's notification to Tenant that the Premises are "Ready for Occupancy," and ending on a date ten (10) years 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 as of _____, 2016.

Tenant has the option to extend the term of the Lease for two (2), five (5)-year terms, 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.

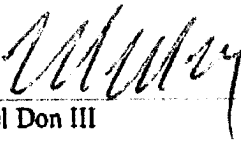
Dated: _____, 2016.

[SIGNATURES SET FORTH ON NEXT PAGE]

ALL SIGNATURES MUST BE ACKNOWLEDGED]

LANDLORD: Leroy Del Don III

TENANT:
STANISLAUS COUNTY


Leroy Del Don III

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

All signatures must be acknowledged.

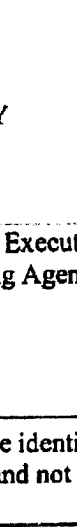
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California }
 } SS.
County of Stanislaus }

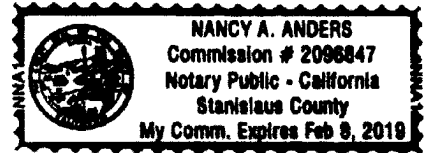
On this 13 day of July, 2016, before me, Nancy A. Anders, Notary Public, personally appeared Leroy Del Don III who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity and that by his 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.


Notary's Signature

My commission expires February 8, 2019



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 }
 } SS.
County of Stanislaus }

On this ___ day of _____, 2016, before me, _____, Notary Public, personally appeared _____ 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 executed the same in his capacity and that by his 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.

Notary's Signature

My commission expires _____

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 }
 } SS.
County of Stanislaus }

On this ____ day of _____, 2016, before me, _____,
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 she executed the same in her capacity and that by 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.

Notary's Signature

My commission expires _____

Escrow No.: 13-51129354-KH
Locate No.: CACTI7750-7750-4511-0051129354
Title No.: 13-51129354-MG

EXHIBIT "A"

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF PATTERSON, COUNTY OF STANISLAUS, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

PARCEL ONE:

All of Lots R and S, as shown on the Map of the Town of Patterson, as per Map filed December 13, 1909, in Vol. 4 of Maps, Page 39, Stanislaus County Records.

EXCEPTING THEREFROM all that portion conveyed to The City of Patterson, by Deed recorded July 21, 1997, as document No. 97-0055305-00, Stanislaus County Records.

PARCEL TWO:

That portion of Section 30, Township 5 South, Range 8 East, Mount Diablo Base and Meridian, described as follows:

Beginning at the most Southerly corner of Block R, as shown on the Map of the Town of Patterson, as per Map filed December 13, 1909 in Vol. 4 of Maps, Page 39, Stanislaus County Records, with said point lying on the Northwesterly right of way line of an 80 foot wide road known as Las Palmas Avenue; and proceeding thence South 59° 59' 54" West along said right of way line, a distance of 74.88 feet to a point that is 25 feet from the centerline of the main railroad track of the Southern Pacific Transportation Company; thence leaving last said right of way line and proceeding North 30° 00' 00" West along a line 25 feet from and parallel with said main line, a distance of 255.23 feet; thence North 60° 17' 43" East, a distance of 74.73 feet to a point on the Southwesterly line of the above mentioned Block R; thence South 30° 02' 03" East, along said Block line, a distance of 254.84 feet to the true point of beginning.

EXCEPTING THEREFROM all minerals and mineral rights, interests, and royalties, including without limiting the generality thereof, oil, gas and other hydrocarbon substances, as well as metallic or other solid minerals, in and under the property as reserved in Deed recorded July 21, 1992, as Document No. 068230, Stanislaus County Records.

APN: 131-002-006