

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

DEPT: Chief Executive Office

BOARD AGENDA #: *B-9

AGENDA DATE: October 25, 2016

SUBJECT:

Approval to Enter Into a New Lease Agreement with Larry Brown dba Common Grounds Café and Catering at the Stanislaus County Health Services Agency

BOARD ACTION AS FOLLOWS:

No. 2016-534

On motion of Supervisor Withrow, Seconded by Supervisor O'Brien
and approved by the following vote,

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

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) Approved as recommended

2) Denied

3) Approved as amended

4) Other:

MOTION:

ATTEST: 
ELIZABETH A. KING, Clerk of the Board of Supervisors

File No.

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

DEPT: Chief Executive Office
Urgent Routine

BOARD AGENDA #: *B-9

AGENDA DATE: October 25, 2016

CEO CONCURRENCE: 

4/5 Vote Required: Yes No

SUBJECT:

Approval to Enter Into a New Lease Agreement with Larry Brown dba Common Grounds Café and Catering at the Stanislaus County Health Services Agency

STAFF RECOMMENDATIONS:

1. Approve a New Lease Agreement by a four-fifths vote with Larry Brown dba Common Grounds Café and Catering, for the provision of cafeteria services at the Stanislaus County Health Services Agency.
2. Authorize the Chief Operations Officer to sign the Lease Agreement, future amendments and related documentation with Larry Brown dba Common Grounds Café.

DISCUSSION:

The Health Services Agency (HSA) Central Unit, located at 830 Scenic Drive in Modesto, California, is customarily used by the HSA Programs for Specialty Clinics, California Children's Services, Childhood Health and Disability Prevention and Human Resources. The Central Unit also contains cafeteria space, which has been occupied by Larry Brown dba Common Grounds Café.

The original Lease Agreement ("Lease") for the Central Unit cafeteria space was dated October 1, 2008, and was between the County of Stanislaus ("Lessor") and Linda Lewis, dba Common Grounds Café ("Lessee"). Sometime prior to 2012, the originally-named Lessee (Lewis) transferred her interests in the café, including her interests in the Lease, to Larry Brown ("Brown"). In January 12, 2012, the County affirmed its consent to that transfer by entering into an agreement with "Larry Brown, Proprietor/Lessee" regarding the allocation of responsibility for payment of property taxes between the County and the Common Grounds Café.

On June 12, 2016, a flooding incident occurred at the Health Services Agency Central Unit, requiring the closure of the entire Central Unit including the Common Grounds Café. In reviewing paperwork related to damage claims arising from the flooding incident, County staff concluded it would be in the best interest of the County to negotiate and execute a new Lease Agreement prior to reopening the Common Grounds Café.

Given the ultimate use and disposition of the HSA Central Unit has not yet been decided, the new Lease Agreement contains clauses that provide for the termination of the Lease if further flooding or other incidents occur that render the Central Unit uninhabitable. Similarly, the new

Approval to Enter Into a New Lease Agreement with Larry Brown dba Common Grounds Café and Catering at the Stanislaus County Health Services Agency

Lease Agreement allows Mr. Brown to terminate the Lease Agreement if his business does not remain viable in light of the revised occupancy and uses of the Central Unit.

The new Lease Agreement also accomplishes the following:

- Clearly delineates what equipment in the cafeteria belongs to Mr. Brown and what equipment belongs to the County.
- Confines the uses of the cafeteria to uses by Mr. Brown and his staff and precludes the use of Mr. Brown's equipment by HSA or other County employees or departments.
- Refines the voucher system previously put in place by which HSA volunteers are provided with coffee from the Common Grounds Café.
- Identifies hours of operation between 5 a.m. and 9 p.m. Monday through Friday with weekend use permitted with advance notice.
- Allows the provision of catering services from the cafeteria kitchen.
- Requires Mr. Brown to transmit annual Certificates of Insurance evidencing the existence of all required insurance.

Staff is now recommending that the Board of Supervisors approve by a four-fifths vote the execution of the new Lease Agreement with Larry Brown dba Common Grounds Café and Catering.

POLICY ISSUE:

The Board of Supervisors' approval is necessary by a four-fifths vote to approve the lease or sale of County property according to Stanislaus County Code 4.24.010 Lease of Real Property, pursuant to the provisions of California Government Code Section 25526 — 25537.

Government Code section 25536 requires the Board of Supervisors by a four-fifths vote, entering into leases, or concession or managerial contracts involving leasing or subleasing all or any part of county-owned, leased, or managed property devoted to or held for ultimate use for airport, vehicle parking, fairground, beach, park, amusement, recreation, or employee cafeteria purposes, or industrial or commercial development incidental thereto or not inconsistent therewith without compliance with this article. In addition, the board of supervisors may sell or lease all or any part of county-owned property without compliance with this article if the county repurchases or leases back the property as part of the same transaction.

FISCAL IMPACT:

The recommended Lease Agreement with Larry Brown dba Common Grounds Café and Catering includes a minimum base rent of \$100 per month, combined with the obligation to honor 600 \$1 food/beverage vouchers each month for volunteers. HSA is not obligated to issue any vouchers, but guarantees a minimum purchase of \$100 in vouchers from the tenant each month. The initial lease term is anticipated to commence on November 1, 2016 and

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terminate one year thereafter unless renewed. The initial lease term may be extended by mutual consent of the County and Mr. Brown.

Although minimal revenue will be generated from the lease of the cafeteria, the recommended lease requires Mr. Brown to accept the premises as is and to keep in good order, condition and repair the leased premises including all grease traps and, at his own expense, to keep the leased premises in a safe and clean condition. The new Lease Agreement further requires Mr. Brown to pay all costs associated with equipment maintenance and regulatory inspections of the leased premises including but not limited to cost of equipment replacement, the cost of labor, insurance, and applicable taxes which are necessary and/or appropriate to operate and manage the leased premises.

The Health Services Agency 2015-2016 Adopted Final Budget includes sufficient appropriations and estimated revenue to support this Lease Agreement. There is no impact to the County General Fund.

BOARD OF SUPERVISORS' PRIORITY:

Approval of the new Lease Agreement supports the Board of Supervisors priority of A Healthy Community, Effective Partnerships and Efficient Delivery of Public Services by providing cafeteria services to Health Services Agency customers and staff.

STAFFING IMPACT:

Existing staff from the Health Services Agency and General Services Agency are available to support the cafeteria lease. In the future, if the workload demand increases, the Agencies will analyze available options and return to the Board of Supervisors for consideration of any necessary staffing changes.

CONTACT PERSON:

Patricia Hill Thomas (209) 525-6333

ATTACHMENT(S):

A. Lease Agreement

SHORT-FORM COMMERCIAL LEASE AGREEMENT

THIS SHORT-FORM COMMERCIAL LEASE AGREEMENT (the "**Lease**") is made and entered into as of November 1, 2016 ("**Effective Date**") (see section 27.01 below), by and between County of Stanislaus ("**Landlord**") and Larry Brown, dba Common Grounds Cafe ("**Tenant**"). The Landlord and Tenant together may be referred to as the "**Parties**".

1. Basic Lease Information.

1.01 "**Commencement Date**" means November 1, 2016.

1.02 "**Building**" means the property located at 830 Scenic Drive, Modesto, County of Stanislaus, State of California, of which the Premises (defined below) are a portion thereof.

1.03 "**Premises**" means that portion of the Building consisting of the ground floor kitchen of approximately 750 square feet. The kitchen adjoins a public dining area that is not a part of the Premises. Attached hereto as Exhibit A and incorporated herein is a diagram of the ground floor of the Building on which an area is labeled "Cafeteria." Within the Cafeteria, which is approximately 1,650 square feet, the dining area is approximately 900 sq. ft., and the kitchen Premises is about 750 sq. ft. Tenant understands that County staff may use the dining area and vending machines and microwave ovens located therein as a break room whether or not they make a purchase from Tenant.

1.04 "**Access**". Access to the Premises shall initially be through the rear loading dock area. When and if the front entrance to the Central Unit is once again operational, access to the Premises by the general public will occur through the front entrance, whereas access to the Premises by Tenant personnel may occur either through the rear or the front entrance. If tenant requires access to the Premises during the business hours enunciated below and the entry Gate is closed, Tenant may call security and ask the guard on duty to open the gate to allow Tenant to access his entry point in the back. Security will then reclose the gate.

1.05 "**Base Rent**". Tenant shall pay Landlord \$100 per month. In addition, Tenant agrees to honor the Health Services Agency voucher system whereby the Health Services Agency shall issue up to six hundred \$1 vouchers per month. Given the changed condition of the HSA Central Unit and the corresponding reduction in volunteer staff, the HSA is not obligated to issue any vouchers, but guarantees a minimum purchase of \$100 in vouchers from Tenant each month. Each voucher shall be redeemable toward any food or beverage item offered by the Common Grounds Café and shall expire at the end of the calendar month in which it was issued. All vouchers shall be distributed by Landlord. Landlord will change the color of the voucher each month, so that the same color voucher is not distributed in two consecutive months. Landlord may distribute vouchers to its volunteers or anyone else in its sole discretion. If Landlord determines, in its sole discretion, to terminate its voucher program, the parties will renegotiate the amount of Base Rent.

1.06 "**Term**": The Term shall commence on the Commencement Date and, unless terminated early in accordance with this Lease, end on the last day of the twelfth full calendar month following the Commencement Date (the "**Termination Date**"). The Term may be extended by mutual consent of the Parties, each in its sole discretion.

1.07 **"Permitted Use"**: The Premises are leased to the Tenant for the following Permitted Uses:

1.07.1 For Tenant's catering business from Monday through Friday, 5:00 a.m. to 9:00 p.m., and, subject to three business days' prior notification to Landlord, on Saturdays and Sundays from 5:00 a.m. to 9:00 p.m.

1.07.2 For Tenant's preparation of and retail sale of coffee, sandwiches, and other foods ("**Permitted Items**") to Building tenants, employees, patients, visitors, etc., with Tenant keeping and maintaining the Premises open for retail sales Monday through Friday (excluding County holidays and any days when the Building is closed) 7:00 a.m. to 2:00 p.m. (the "**Required Use**"). Tenant's failure to conduct the Required Use throughout the term of this Lease is a breach of this Lease. With Landlord's approval (in Landlord's sole discretion), Tenant may, as a Permitted Use (not a Required Use), prepare and conduct retail sales of Permitted Items during other times.

1.08 **"Prohibited Use"**: The Premises (including Tenant's Property and Landlord's Property) shall not be used for the following purposes:

1.08.1 Non-Tenant personnel shall not use the Premises for food preparation purposes, including without limitation the reheating of food items in microwave ovens. Further, Tenant shall not use the Premises to prepare, heat, or serve any food or drink not supplied or sold by Tenant, including without limitation the reheating of any non-Tenant sold food items in microwave ovens.

1.08.2 Included in Landlord's Property (defined below) is an ice maker. The ice produced by the ice maker shall be Tenant's property and shall be used solely by Tenant for Tenant's purposes including Permitted Uses. The ice maker shall not be available for Landlord or other agency use.

1.09 **"Parking"**: Tenant is allocated one parking spot adjacent to the back loading dock in front of a sign that says "dietary parking only."

1.10 **"Prior Lease"** means that certain Lease Agreement, dated October 1, 2008 for the Premises, including all supplements, amendments and modifications. Effective as of the Commencement Date, the Prior Lease is terminated and superseded by this Lease, except that any voucher issued for the month which includes the Commencement Date shall remain effective until the end of that month, and the following Prior Lease provisions shall survive: Section 15 (Indemnification), Section 17 (Taxes), and Section 19 (Compliance With Laws). Without limiting the foregoing, Tenant waives and relinquishes any right to any security deposit paid under the Prior Lease.

1.11 **"Tenant's Property"** means those fixtures, equipment, and other moveable property listed on Exhibit B attached hereto and incorporated herein. Tenant shall be responsible for operating, maintaining, repairing and (as necessary) replacing all Tenant's Property. Tenant must remove all Tenant's Property upon the expiration or other termination of this Lease.

1.12 **“Landlord’s Property”** means those fixtures, equipment, or other moveable property listed in Exhibit C attached hereto and incorporated herein. Landlord shall be responsible for repairing and replacement of Landlord’s Property as provided in Section 9.02. All Landlord’s Property shall remain on the Premises upon the expiration or other termination of this Lease.

1.13 **“Notice Address(es)”**:

Landlord:	Tenant:
Stanislaus County Health Services Agency	Common Grounds Café
Attention: Managing Director	c/o Larry Brown
P.O. Box 3271	6617 Lander Ave.
Modesto, CA 95353	Hilmar, CA 95324

Notices delivered to officials other than those listed above will have no legal effect.

1.14 **“Security Deposit”**: N/A

2. Lease Grant. Effective as of the Commencement Date, Landlord hereby leases the Premises to Tenant, and Tenant hereby leases the Premises from Landlord. Tenant shall also have non-exclusive use of adjoining Building common areas for purposes reasonably related to the Permitted Use.

3. Condition of Premises. Tenant is leasing the Premises and Landlord’s Property on an “As-Is,” “WHERE-IS” and “WITH ALL FAULTS” basis. Tenant acknowledges that, except as expressly provided in Section 9.02, Landlord shall not be obligated to provide or pay for any improvement work, maintenance, repairs or other services related to the Premises or Landlord’s Property. Tenant also acknowledges that Landlord has made no representation or warranty regarding the condition of the Premises or of Landlord’s Property. Tenant has inspected and hereby approves the condition of the Premises and the condition of Landlord’s Property.

3.01 Notwithstanding the above, Landlord agrees to perform the following, limited improvements to the Premises within 15 days of the Commencement Date.

3.01.1 Cleaning and repair any vending machine lines related to the soda fountain machine (included in [Tenant]’s Property).

3.01.2 Cleaning all walk-in refrigerators and freezers (included in Landlord’s Equipment) and removal and disposal of any food items therein.

3.01.3 Effect repairs on any other equipment owned by Landlord or Tenant that was damaged as a result of the extended closure of the Premises in the wake of the flooding incident that occurred in June, 2016.

3.01.4 Facilitating the transmittal on behalf of Tenant daily retail food specials to other occupants or visitors of the Building, such as by the provisioning of a signage area in Building common areas upon which Tenant may post signs or the transmittal by County of e-mails to interested parties.

4. Rent. Tenant shall pay Landlord, without any setoff or deduction, unless expressly set forth in this Lease, all Base Rent and any other amount due under this Lease (together, "**Rent**") due for the Term. Base Rent shall be due and payable in advance on the tenth day of each calendar month without notice or demand. All other Rent shall be due and payable by Tenant on or before 30 days after billing by Landlord. If any Rent is not received by Landlord within five days after the due date, then, without any requirement for notice to Tenant, Tenant shall immediately pay Landlord a one-time late charge equal to 10% of such overdue amount. The Parties hereby agree that such late charge represents a fair and reasonable estimate of the costs Landlord will incur by reason of such late payment. Acceptance of such late charge by Landlord shall in no event constitute a waiver of Tenant's default with respect to such overdue amount, nor prevent the exercise of any of the other rights and remedies granted hereunder. Landlord's acceptance of less than the correct amount of Rent shall be considered a payment on account of the earliest Rent due. Rent for any partial month during the Term shall be prorated. No endorsement or statement on a check or letter accompanying payment shall be considered an accord and satisfaction. Tenant's covenant to pay Rent is independent of every other covenant in this Lease.

5. Compliance with Laws; Use.

5.01 The Premises shall be used for the Permitted Uses and for no other use whatsoever.

5.02 Tenant shall not be entitled to on-site parking for employees or invitees.

5.03 All Tenant personnel shall be neat, clean and courteous, and Tenant shall not permit its agents, servants or employees to conduct business in a loud, noisy, boisterous, offensive or objectionable manner or to disrupt, harass or annoy any other Building users or occupants.

5.04 Tenant shall not keep animals in the Premises, nor use or permit the use of the Premises in a manner that is unlawful, creates damage, waste or a nuisance, or that disturbs occupants of or causes damage to neighboring premises or properties.

5.05 If any emergency arises in or about the Premises, Tenant shall promptly take whatever remedial action may be appropriate and feasible and promptly notify Landlord, or the Modesto Police Department or emergency services of the existence of such emergency and the remedial action taken.

5.06 Tenant shall comply with all statutes, codes, ordinances, orders, rules and regulations of any municipal or governmental entity whether in effect now or later, including the Americans with Disabilities Act ("**Law(s)**"), regarding the operation of Tenant's business and the use, condition, configuration and occupancy of the Premises. Without limiting the foregoing, Tenant shall not bring or permit anyone else to bring onto the Premises any product, substance, or waste which is or consists of: (i) toxic, corrosive, inflammable or ignitable; (ii) petroleum products, crude oil (or any fraction thereof) and their derivatives; (iii) explosives, asbestos, radioactive materials, hazardous wastes, toxic substances or related hazardous materials; and (iv) substances which now or in the future are defined by applicable local, State or federal law as "hazardous substances," "hazardous materials," "hazardous wastes," "pollutants," "reproductive toxins," "carcinogens" or "toxic substances," or regulated under applicable local, state or federal law.

6. Nondiscrimination. During the term of this Lease, Tenant shall not unlawfully discriminate in violation of any federal, state or local law, rule or regulation against any employee, applicant for employment or person receiving services under this Lease because of race, religion, color, national origin, ancestry, physical or mental handicap, medical condition, marital status, age, political affiliation, sex or sexual orientation. Tenant shall comply with the provisions of the Fair Employment and Housing Act (Government Code, sections 12900, et seq.) and the applicable regulations promulgated thereunder in the California Code of Regulations. Tenant shall also abide by the Federal Civil Rights Act of 1964 (P.L. 88-352) and all amendments thereto and all administrative rules and regulations issued pursuant to said act. Tenant further agrees to abide by the County of Stanislaus' nondiscrimination policy.

7. Utilities. Landlord shall pay for all utilities, including water, gas, heat, light, electricity, power, internet, security, trash disposal, cleaning and pest control services supplied to the Premises. There shall be no abatement of Rent and Landlord shall not be liable in any respect whatsoever for the inadequacy, stoppage, interruption or discontinuance of any utility or service due to riot, strike, labor dispute, breakdown, accident, repair or other cause beyond Landlord's reasonable control or in cooperation with governmental request or directions. Landlord makes no representation or warranty regarding the availability of any utility to the Premises, or the adequacy of any existing hookups and connections.

8. Permits and Licenses. Any licenses, certificates or permits required by the federal, state, county or municipal governments for required for Tenant to occupy, operate, or maintain the Premises or operate its business from the Premises must be procured by Tenant and be valid on the Effective Date. Further, during the term of this Lease, Tenant must maintain such licenses, certificates and permits in full force and effect.

9. Repairs and Alterations.

9.01 Tenant shall, at its sole cost and expense, perform all maintenance and repairs to the Premises that are not Landlord's express responsibility under this Lease, and keep the Premises and Tenant's Property in good condition and repair, reasonable wear and tear excepted. Without limiting the foregoing, Tenant shall reimburse Landlord for the cost of repairing damage to the Premises or Landlord's Property caused by the negligent acts of Tenant, its members, principals, partners, officers, directors, employees, agents and invitees (the "**Tenant Related Parties**") and their respective contractors and vendors. If Tenant fails to make any required repairs to the Premises or Landlord's Property for more than 15 days after notice from Landlord (although notice shall not be required in an emergency), Landlord may make the repairs, and Tenant shall pay the reasonable cost thereof.

9.02 Subject to Section 9.01, Landlord shall keep and maintain in good repair and working order and perform maintenance upon the structural elements of the Premises, and perform any required maintenance and repairs of Landlord's Property. However, Landlord shall have no liability or responsibility for any such matters unless and until it receives written notice from Tenant, expressly identifying the required actions. Additionally, Landlord shall not be required to perform maintenance or repairs on any Landlord's Property which is worn out, or under circumstances where typically prudent owners or operators of similar property under similar circumstances would replace (not repair) the property. Landlord shall have no liability or responsibility for replacing any such Landlord's Property. Tenant hereby waives any and all rights under and benefits of California Civil Code Section 1932 subsection 1, and Sections 1941 and 1942, or any similar or successor Laws now or hereinafter in effect.

9.03 Tenant shall not make alterations, repairs, additions or improvements (collectively referred to as "**Alterations**") without first obtaining the written consent of Landlord in each instance, which consent shall not be unreasonably withheld or delayed. Prior to starting work, Tenant shall furnish Landlord with Landlord-approved plans and specifications; names of contractors reasonably acceptable to Landlord; required permits and approvals; evidence of contractor's and subcontractor's insurance in amounts reasonably required by Landlord and naming Landlord as an additional insured; and any security for performance in amounts reasonably required by Landlord. Changes to the plans and specifications must also be submitted to Landlord for its approval. Alterations shall be constructed in a good and workmanlike manner using materials of a quality reasonably approved by Landlord. Tenant shall reimburse Landlord for any sums paid by Landlord for third party examination of Tenant's plans and specifications. Upon completion, Tenant shall furnish "as-built" plans for Alterations, completion affidavits and full and final waivers of lien. Landlord's approval of an Alteration shall not be deemed a representation by Landlord that the Alteration complies with Law.

10. Ownership of Leasehold Improvements and Landlord's Property. All improvements in and to the Premises, including Alterations and utility hookups and connections installed by Tenant (collectively, "**Leasehold Improvements**") and Landlord's Property, shall remain upon the Premises at the end of the Term without compensation to Tenant; provided that Landlord, by written notice to Tenant at least 30 days prior to the Termination Date, may require Tenant, at its expense, to remove any Leasehold Improvement made on account of Tenant's occupancy or after the Commencement Date. If Tenant fails to perform its obligations in a timely manner, Landlord may perform such work at Tenant's expense.

11. Entry by Landlord. Landlord may enter the Premises to inspect, show or clean the Premises or to perform or facilitate the performance of repairs, alterations or additions to the Premises, or to show the Premises to prospective purchasers, tenants, lenders, or others. Except in emergencies or to provide services, Landlord shall provide Tenant with reasonable prior verbal notice of entry and shall use reasonable efforts to minimize any interference with Tenant's use of the Premises. Entry by Landlord shall not constitute a constructive eviction or entitle Tenant to an abatement or reduction of Rent.

12. Assignment and Subletting. Tenant shall not assign, sublease, transfer or encumber any interest in this Lease or allow any third party to use any portion of the Premises (collectively or individually, a "**Transfer**") without the prior written consent of Landlord. Tenant hereby waives the provisions of California Civil Code Section 1995.310, or any similar or successor Laws, now or hereinafter in effect, and all other remedies, including, without limitation, any right at law or equity to terminate this Lease, on its own behalf and, to the extent permitted under all applicable Laws, on behalf of the proposed transferee. Any Transfer in violation of this Section shall, at Landlord's option, be deemed a Default by Tenant as described in Section 20, and shall be voidable by Landlord. In no event shall any Transfer, including a Permitted Transfer, release or relieve Tenant from any obligation under this Lease.

13. Liens. Although liens may not properly attach to the Premises or Landlord's Property (as Landlord is a public entity), Tenant shall not permit mechanics' or other liens to be placed upon the Property, Premises or Tenant's leasehold interest in connection with any work or service done or purportedly done by or for the benefit of Tenant or its transferees. Tenant shall give Landlord notice at least 15 days prior to the commencement of any work in the Premises to afford Landlord the opportunity, where applicable, to post and record notices of non-responsibility. Tenant, within 10 days of notice from Landlord, shall fully discharge any lien

(or purported lien) by settlement, by bonding or by insuring over the lien in the manner prescribed by the applicable lien Law and, if Tenant fails to do so, Tenant shall be deemed in Default under this Lease and, in addition to any other remedies available to Landlord as a result of such Default by Tenant, Landlord, at its option, may bond, insure over or otherwise discharge the lien. Tenant shall reimburse Landlord for any amount paid by Landlord, including, without limitation, reasonable attorneys' fees.

14. Taxes.

14.01 Payment of Taxes, Etc. Tenant shall pay to the public authorities charged with the collection before delinquency all taxes, bonds, assessments, permit, inspection, and license fees, and other public charges of whatever nature that are assessed against Tenant's possessory interest in the Premises (including without limitation sales and use taxes), or arise from Tenant's occupancy, use, or possession of the Premises, or any interests therein (including but not limited to taxes on, or which shall be measured by, any rents or rental income, whether paid in money or otherwise), and all other amounts that are due or paid by Tenant, during the Term of this Lease.

14.02 Proof of Payment. Tenant shall furnish to Landlord, within 30 days after the last date when any amount must be paid by Tenant as provided in this Section, official receipts, if such receipts are then available to Tenant, of the appropriate public authority, or other proof satisfactory to Landlord, evidencing payment.

14.03 Tenant's Right to Contest. Tenant may contest the validity or amount of any amount payable under this Section provided Landlord, the Premises and (if applicable) Landlord's Property are protected from any claim or lien by an adequate surety bond or other appropriate security.

15. Indemnity and Waiver of Claims. Except to the extent caused by the sole active negligence or willful misconduct of Landlord or any Landlord Related Parties (defined below), Tenant shall indemnify, defend and hold Landlord and Landlord Related Parties harmless against and from all liabilities, obligations, damages, penalties, claims, actions, costs, charges and expenses, including, without limitation, reasonable attorneys' fees and other professional fees (if and to the extent permitted by Law) (collectively referred to as "**Losses**"), which may be imposed upon, incurred by or asserted against Landlord or any of the Landlord Related Parties by any third party and arising out of or in connection with any damage or injury occurring in the Premises or any acts or omissions (including violations of Law) of Tenant, the Tenant Related Parties or any of Tenant's transferees, contractors or licensees. Except to the extent caused by the sole active negligence or willful misconduct of Landlord or any Landlord Related Parties, Tenant hereby waives all claims against and releases Landlord and its trustees, members, principals, beneficiaries, partners, officers, directors, employees, Mortgagees (defined in Section 24) and agents (the "**Landlord Related Parties**") from all claims for any injury to or death of persons, damage to property or business loss in any manner related to (a) strikes, acts of God, shortages of labor or materials, war, terrorist acts, civil disturbances and other causes beyond the reasonable control of the performing party ("**Force Majeure**") (b) acts of third parties, (c) the bursting or leaking of any tank, water closet, drain or other pipe, (d) the inadequacy or failure of any security or protective services, personnel or equipment, (e) Landlord's failure to comply with any of its obligations under this Lease, or any (f) any matter not within the reasonable control of Landlord.

16. Insurance.

16.01 Landlord's Insurance. Landlord shall keep the Premises and Landlord's Property (excluding Tenant's Property) insured against losses by fire and other perils to the extent covered within Landlord's insurance policies. Tenant shall reimburse Landlord for any such losses caused by, or arising out of Tenant's use, occupancy or operation of the Premises and not covered under Landlord's Insurance policies, including deductible amounts. Tenant further agrees to reimburse Landlord for any such losses caused by, or arising out of Tenant's negligence, or any other use, occupancy or operation of the Premises for which the Tenant may be held legally obligated to pay.

16.02 Tenant's Insurance. Tenant shall maintain the following insurance ("**Tenant's Insurance**"): (a) Commercial General Liability Insurance applicable to the Premises and its appurtenances providing, on an occurrence basis, a minimum combined single limit of at least **\$1,000,000** per occurrence and **\$2,000,000** aggregate; (b) Property Insurance with a replacement cost endorsement covering all of Tenant's business and trade fixtures, equipment, movable partitions, furniture, merchandise and other personal property (including without limitation Tenant's Property) within the Premises, excluding Landlord's Property, and any Leasehold Improvements benefit of Tenant; (c) Workers' Compensation Insurance in amounts required by Law; and (d) Employers Liability Coverage of at least \$1,000,000.00 per occurrence. Any company writing Tenant's Insurance shall have an A.M. Best rating of not less than **A-,VIII**. All Commercial General Liability Insurance policies shall name as additional insureds Landlord (or its successors and assignees), its Supervisors, officers, employees, and agents, and other designees of Landlord and its successors as the interest of such designees shall appear. In addition, Landlord shall be named as a loss payee with respect to Property Insurance on the Leasehold Improvements. All policies of Tenant's Insurance shall contain endorsements that the insurer(s) shall give Landlord and its designees at least 30 days' advance written notice of any cancellation, termination, material change or lapse of insurance. Tenant shall provide Landlord with certificates of insurance evidencing Tenant's Insurance prior to the Commencement Date, and thereafter as necessary to assure that Landlord always has current certificates evidencing Tenant's

17. **Subrogation**. Landlord and Tenant hereby waive and shall cause their respective insurance carriers to waive any and all rights of recovery, claims, actions or causes of action against the other for any loss or damage with respect to Tenant's Property, Leasehold Improvements, the Premises, or any contents thereof, including rights, claims, actions and causes of action based on negligence, which loss or damage is (or would have been, had the insurance required by this Lease been carried) covered by insurance. For the purposes of this waiver, any deductible with respect to a party's insurance shall be deemed covered by and recoverable by such party under valid and collectable policies of insurance.

18. Casualty Damage.

18.01 If all or any portion of the Premises becomes untenable by fire or other casualty to the Premises (collectively a "**Casualty**"), Landlord, with reasonable promptness, shall cause a general contractor selected by Landlord to provide Landlord and Tenant with a written estimate of the amount of time required using standard working methods to Substantially Complete the repair and restoration of the Premises ("**Completion Estimate**"). If the Completion Estimate indicates that the Premises cannot be made tenantable within 30 days from the date the repair is started, then either party shall have the right to terminate this Lease

upon written notice to the other within 10 days after receipt of the Completion Estimate. In addition, Landlord, by notice to Tenant within 90 days after the date of the Casualty, shall have the right to terminate this Lease if: (i) any Mortgagee requires that the insurance proceeds be applied to the payment of the mortgage debt; or (ii) a material uninsured loss to the Premises occurs.

18.02 If this Lease is not terminated, Landlord shall promptly and diligently, subject to reasonable delays for insurance adjustment or other matters beyond Landlord's reasonable control, restore the Premises. Such restoration shall be to substantially the same condition that existed prior to the Casualty, except for modifications required by Law. Upon notice from Landlord, Tenant shall assign or endorse over to Landlord (or to any party designated by Landlord) all property insurance proceeds payable to Tenant under Tenant's Insurance with respect to any Leasehold Improvements performed by or for the benefit of Tenant; provided if the estimated cost to repair such Leasehold Improvements exceeds the amount of insurance proceeds received by Landlord from Tenant's insurance carrier, Tenant shall pay Landlord such excess prior to Landlord's commencement of repairs. In no event shall Landlord be required to spend more for the restoration than the proceeds received by Landlord, whether insurance proceeds or proceeds from Tenant.

18.03 Landlord shall not be liable for any inconvenience to Tenant, or injury to Tenant's business resulting in any way from the Casualty or the repair thereof. Provided that Tenant is not in Default, during any period of time that all or a material portion of the Premises is rendered untenable as a result of a Casualty, the Rent shall abate for the portion of the Premises that is untenable and not used by Tenant.

18.04 If all or any portion of the Building other than the Premises becomes untenable by fire, other casualty, or any other cause beyond Landlord's reasonable control, Landlord shall have no liability or obligation to repair or rebuild non-Premises portions of the Building. Further, Landlord shall no liability to Tenant, other than potential rent abatement, for any restricted access to the Premises or diminished use of the Premises caused by the casualty or other cause. Any such rent abatement shall be based solely on the extent to which the casualty or other cause prevents tenant from conduct its regular business operations on the Premises. However, if Landlord reasonably determines that the casualty or other cause will result in materially restricted access to the Premises or materially diminished use of the Premises for at least 30 days, and provides written notice thereof to Tenant, or if the casualty or other cause results in materially restricted access to the Premises or materially diminished use of the Premises for at least 30 days, then either party shall have the right to terminate this Lease upon written notice to the other within 10 days after the earlier of Landlord's written notice or the end of the 30-day period.

18.05 The provisions of this Lease, including this Section, constitute an express agreement between Landlord and Tenant with respect to any and all damage to, or destruction of, all or any part of the Premises or Building, and any Laws, including, without limitation, California Civil Code Sections 1932(2) and 1933(4), with respect to any rights or obligations concerning damage or destruction in the absence of an express agreement between the parties, and any similar or successor Laws now or hereinafter in effect, shall have no application to this Lease or any damage or destruction to all or any part of the Premises or Building.

19. Condemnation. Either party may terminate this Lease if any material part of the Premises, or any part of the Building which in the judgement of Landlord makes any of the Premises untenable, is adjudged uninhabitable for any reason or is taken or condemned for any public or quasi-public use under Law, by eminent domain or private purchase in lieu thereof (a "**Taking**"). The terminating party shall provide written notice of termination to the other party within 15 days after it first receives notice of the Taking, unless, due to health and safety concerns, such notice period is infeasible. The termination shall be effective as of the effective date of any order granting possession to, or vesting legal title in, the condemning authority, or as of the date the Premises is adjudged by the Landlord to be uninhabitable. If this Lease is not terminated, Rent shall remain unchanged.

20. Events of Default. In addition to any other default specifically described in this Lease, each of the following occurrences shall be a "**Default**": (a) Tenant's failure to pay any portion of Rent when due, if the failure continues for three days after written notice to Tenant ("**Monetary Default**"); (b) Tenant's failure to perform the Required Use for any three consecutive business days, or for five days within any ten-business day period; (c) Tenant's failure (other than a Monetary Default) to comply with any term, provision, condition or covenant of this Lease, if the failure is not cured within ten days after written notice to Tenant provided, however, if Tenant's failure to comply cannot reasonably be cured within ten days, Tenant shall be allowed additional time (not to exceed 30 days) as is reasonably necessary to cure the failure so long as Tenant begins the cure within 10 days and diligently pursues the cure to completion; (d) Tenant permits a Transfer without Landlord's required approval or otherwise in violation of Section 12 of this Lease; (e) Tenant or any Guarantor becomes insolvent, makes a transfer in fraud of creditors, makes an assignment for the benefit of creditors, admits in writing its inability to pay its debts when due or forfeits or loses its right to conduct business; (f) the leasehold estate is taken by process or operation of Law; or (g) Tenant is in default beyond any notice and cure period under any other lease or agreement with Landlord. All notices sent under this Section shall be in satisfaction of, and not in addition to, notice required by Law.

21. Remedies.

21.01 Upon the occurrence of any Default under this Lease, whether enumerated in Section 20 or not, Landlord shall have the option to pursue any one or more of the following remedies without any notice (except as expressly prescribed herein) or demand whatsoever (and without limiting the generality of the foregoing, Tenant hereby specifically waives notice and demand for payment of Rent or other obligations, except for those notices specifically required pursuant to the terms of Section 20 or this Section 21, and waives any and all other notices or demand requirements imposed by applicable law):

- (a) Terminate this Lease and Tenant's right to possession of the Premises and recover from Tenant an award of damages equal to the sum of the following: (i) the worth at the time of award of the unpaid Rent which had been earned at the time of termination; (ii) the worth at the time of award of the amount by which the unpaid Rent which would have been earned after termination until the time of award exceeds the amount of such Rent loss that Tenant affirmatively proves could have been reasonably avoided; (iii) the worth at the time of award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the amount of such Rent loss that Tenant affirmatively proves could be reasonably avoided; (iv) any other amount necessary to compensate Landlord for all the detriment either proximately caused by Tenant's failure to

perform Tenant's obligations under this Lease or which in the ordinary course of things would be likely to result therefrom; and (v) all such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time under applicable law.

- (b) Employ the remedy described in California Civil Code Section 1951.4 (Landlord may continue this Lease in effect after Tenant's breach and abandonment and recover Rent as it becomes due, if Tenant has the right to sublet or assign, subject only to reasonable limitations); or
- (c) Notwithstanding Landlord's exercise of the remedy described in California Civil Code Section 1951.4 in respect of an event or events of default, at such time thereafter as Landlord may elect in writing, to terminate this Lease and Tenant's right to possession of the Premises and recover an award of damages as provided above in Section 21.01(a).

21.02 The subsequent acceptance of Rent hereunder by Landlord shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease, other than the failure of Tenant to pay the particular Rent so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such Rent. No waiver by Landlord of any breach hereof shall be effective unless such waiver is in writing and signed by Landlord.

21.03 TENANT HEREBY WAIVES ANY AND ALL RIGHTS CONFERRED BY OF CALIFORNIA CIVIL CODE SECTION 3275 AND BY CALIFORNIA CODE OF CIVIL PROCEDURE SECTIONS 1174 (c) AND 1179 AND ANY AND ALL OTHER LAWS AND RULES OF LAW FROM TIME TO TIME IN EFFECT DURING THE LEASE TERM PROVIDING THAT TENANT SHALL HAVE ANY RIGHT TO REDEEM, REINSTATE OR RESTORE THIS LEASE FOLLOWING ITS TERMINATION BY REASON OF TENANT'S BREACH. TENANT ALSO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO TRIAL BY JURY IN ANY LITIGATION ARISING OUT OF OR RELATING TO THIS LEASE.

21.04 No right or remedy herein conferred upon or reserved to Landlord is intended to be exclusive of any other right or remedy, and each and every right and remedy shall be cumulative and in addition to any other right or remedy given hereunder or now or hereafter existing by agreement, applicable law or in equity. In addition to other remedies provided in this Lease, Landlord shall be entitled, to the extent permitted by applicable law, to injunctive relief, or to a decree compelling performance of any of the covenants, agreements, conditions or provisions of this Lease, or to any other remedy allowed to Landlord at law or in equity. Forbearance by Landlord to enforce one or more of the remedies herein provided upon an event of default shall not be deemed or construed to constitute a waiver of such default.

21.05 If Tenant is in Default of any of its non-monetary obligations under the Lease, Landlord shall have the right to perform such obligations. Tenant shall reimburse Landlord for the cost of such performance upon demand.

21.06 This Section shall be enforceable to the maximum extent such enforcement is not prohibited by applicable law, and the unenforceability of any portion thereof shall not thereby render unenforceable any other portion.

22. Limitation of Liability. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS LEASE, THE LIABILITY OF LANDLORD (AND OF ANY SUCCESSOR LANDLORD) SHALL BE LIMITED TO THE INTEREST OF LANDLORD IN THE PREMISES. TENANT SHALL LOOK SOLELY TO LANDLORD'S INTEREST IN THE PREMISES FOR THE RECOVERY OF ANY JUDGMENT OR AWARD AGAINST LANDLORD OR ANY LANDLORD RELATED PARTY. NEITHER LANDLORD NOR ANY LANDLORD RELATED PARTY SHALL BE PERSONALLY LIABLE FOR ANY JUDGMENT OR DEFICIENCY, AND IN NO EVENT SHALL LANDLORD OR ANY LANDLORD RELATED PARTY BE LIABLE TO TENANT FOR ANY LOST PROFIT, DAMAGE TO OR LOSS OF BUSINESS OR ANY FORM OF SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGE. BEFORE FILING SUIT FOR AN ALLEGED DEFAULT BY LANDLORD, TENANT SHALL GIVE LANDLORD AND THE MORTGAGEE(S) WHOM TENANT HAS BEEN NOTIFIED HOLD MORTGAGES (DEFINED IN SECTION 24 BELOW), NOTICE AND REASONABLE TIME TO CURE THE ALLEGED DEFAULT.

23. Holding Over. If Tenant fails to surrender all or any part of the Premises at the termination of this Lease, occupancy of the Premises after termination shall be that of a tenancy at sufferance. Tenant's occupancy shall be subject to all the terms and provisions of this Lease, and Tenant shall pay an amount (on a per month basis without reduction for partial months during the holdover) equal to 125% of the sum of the Rent due for the period immediately preceding the holdover. No holdover by Tenant or payment by Tenant after the termination of this Lease shall be construed to extend the Term or prevent Landlord from immediate recovery of possession of the Premises by summary proceedings or otherwise. If Landlord is unable to deliver possession of the Premises to a new tenant or to perform improvements for a new tenant as a result of Tenant's holdover and Tenant fails to vacate the Premises within 15 days after notice from Landlord, Tenant shall be liable for all damages that Landlord suffers from the holdover.

24. Subordination to Mortgages; Non-Disturbance; Estoppel Certificate. Tenant accepts this Lease subject and subordinate to any mortgage(s), deed(s) of trust, ground lease(s) or other lien(s) now or subsequently arising upon the Premises or the Property, and to renewals, modifications, refinancings and extensions thereof (collectively referred to as a "**Mortgage**"). The party having the benefit of a Mortgage shall be referred to as a "**Mortgagee**". This clause shall be self-operative, but upon request from a Mortgagee, Tenant shall execute a commercially reasonable subordination agreement in favor of the Mortgagee, provided that no such subordination agreement shall modify Tenant's rights or obligations under this Lease. As an alternative, a Mortgagee shall have the right at any time to subordinate its Mortgage to this Lease. Upon request, Tenant, without charge, shall attorn to any successor to Landlord's interest in this Lease. Tenant party shall, within 10 days after receipt of a written request from Landlord, execute and deliver a commercially reasonable estoppel certificate to those parties as are reasonably requested by Landlord (including a Mortgagee or prospective purchaser). Without limitation, such estoppel certificate may include a certification as to the status of this Lease, the existence of any defaults and the amount of Rent that is due and payable.

25. Notice. All demands, approvals, consents or notices (collectively referred to as a "**notice**") shall be in writing and delivered by hand, sent by registered or certified mail with return receipt requested, or sent by overnight or same day courier service at the party's respective Notice Address(es) set forth in Section 1. Each notice shall be deemed to have been received on the earlier to occur of actual delivery or the date on which delivery is refused, or, if Tenant has vacated the Premises or any other Notice Address of Tenant without providing

a new Notice Address, three days after notice is deposited in the U.S. mail or with a courier service in the manner described above. Either party may, at any time, change its Notice Address (other than to a post office box address) by giving the other party written notice of the new address.

26. Surrender of Premises. At the termination of this Lease or Tenant's right of possession, Tenant shall remove Tenant's Property from the Premises, and quit and surrender the Premises to Landlord, broom clean, and in good order, condition and repair, ordinary wear and tear and damage which Landlord is obligated to repair hereunder excepted. If Tenant fails to remove any of Tenant's Property within two days after termination of this Lease or Tenant's right to possession, Landlord, at Tenant's sole cost and expense, shall be entitled (but not obligated) to remove and store Tenant's Property. Landlord shall not be responsible for the value, preservation or safekeeping of Tenant's Property. Tenant shall pay Landlord, upon demand, the expenses and storage charges incurred. If Tenant fails to remove Tenant's Property from the Premises or storage, within 30 days after notice, Landlord may deem all or any part of Tenant's Property to be abandoned and title to Tenant's Property shall vest in Landlord.

27. Miscellaneous.

27.01 This Lease is expressly subject to approval by the Stanislaus County Board of Supervisors. Landlord shall have no liability or responsibility hereunder unless and until that approval is obtained.

27.02 This Lease shall be interpreted and enforced in accordance with the Laws of the State of California and Landlord and Tenant hereby irrevocably consent to the jurisdiction and proper venue of such state. If any term or provision of this Lease shall to any extent be void or unenforceable, the remainder of this Lease shall not be affected. If there is more than one Tenant or if Tenant is comprised of more than one party or entity, the obligations imposed upon Tenant shall be joint and several obligations of all the parties and entities, and requests or demands from any one person or entity comprising Tenant shall be deemed to have been made by all such persons or entities. Notices to any one person or entity shall be deemed to have been given to all persons and entities. Tenant represents and warrants to Landlord that each individual executing this Lease on behalf of Tenant is authorized to do so on behalf of Tenant. Each party warrants and represents that in executing this Agreement, it has received independent legal advice from its attorneys or the opportunity to seek such advice.

27.03 This Lease may be modified, amended, changed, added to or subtracted from by the mutual consent of the Parties hereto if such amendment or change is in written form and executed with the same formalities as this Lease and attached to the original Lease to maintain continuity. Either party's failure to declare a default immediately upon its occurrence, or delay in taking action for a default, shall not constitute a waiver of the default, nor shall it constitute an estoppel.

27.04 Both parties hereto in the performance of this Lease will be acting in an independent capacity and not as agents, employees, partners or joint venturers with one another. Tenant is not an employee or Landlord for the purpose of this Lease and is not entitled to any of the rights, benefits, or privileges of Landlord's employees, including but not limited to, medical, unemployment, or workers' compensation insurance. Tenant shall be SOLELY responsible for hiring, training, and managing all of its own employees.

Neither Landlord or its officers, agents, or employees shall have any control over the conduct of Tenant except as herein set forth, and Tenant expressly agrees not to represent that Tenant is in any manner an agent, servant, or employee of Landlord, it being understood that Tenant is as to Landlord a wholly independent contractor and that Tenant's obligations to Landlord are solely such as are prescribed by this Lease.

27.05 If either party institutes a suit against the other for violation of or to enforce any covenant, term or condition of this Lease, the prevailing party shall be entitled to reimbursement of all of its costs and expenses, including, without limitation, reasonable attorneys' fees.

27.06 Landlord shall have the right to transfer and assign, in whole or in part, all of its rights and obligations under this Lease and in the Premises. Upon transfer Landlord shall be released from any further obligations hereunder and Tenant agrees to look solely to the successor in interest of Landlord for the performance of such obligations, provided that, any successor pursuant to a voluntary, third party transfer (but not as part of an involuntary transfer resulting from a foreclosure or deed in lieu thereof) shall have assumed Landlord's obligations under this Lease.

27.07 Tenant may peacefully have, hold and enjoy the Premises, subject to the terms of this Lease, provided Tenant pays the Rent and fully performs all of its covenants and agreements. This covenant shall be binding upon Landlord and its successors only during its or their respective periods of ownership of the Premises.

27.08 Landlord excepts and reserves exclusively to itself any and all rights not specifically granted to Tenant under this Lease. This Lease constitutes the entire agreement between the parties and supersedes all prior agreements and understandings related to the Premises, including all lease proposals, letters of intent and other documents. Neither party is relying upon any warranty, statement or representation not contained in this Lease. This Lease may be modified only by a written agreement signed by an authorized representative of Landlord and Tenant.

27.09 The Premises have not been inspected by a Certified Access Specialist (CASp), as defined in California Civil Code Section 55.52.

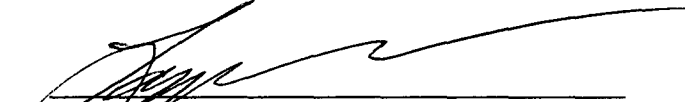
27.10 Tenant represents and warrants that it is not a party with whom Landlord is prohibited from doing business pursuant to the regulations of the Office of Foreign Assets Control ("OFAC") of the U.S. Department of the Treasury, including those parties named on OFAC's Specially Designated Nationals and Blocked Persons List. Tenant is currently in compliance with, and shall at all times during the lease term remain in compliance with, the regulations of OFAC and any other governmental requirement relating thereto. TENANT SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS LANDLORD FROM AND AGAINST ANY AND ALL CLAIMS, DAMAGES, LOSSES, RISKS, LIABILITIES AND EXPENSES (INCLUDING ATTORNEYS' FEES AND COSTS) INCURRED BY LANDLORD ARISING FROM OR RELATED TO ANY BREACH OF THE FOREGOING. Tenant's indemnity obligations under this Section shall survive the expiration or earlier termination of this Lease. Any breach under this Section constitutes a material breach of this Lease, and entitles Landlord to take any and all remedies available under this Lease, or at law or in equity.

Landlord and Tenant have executed this Lease as of the day and year first above written.

Landlord
County of Stanislaus

Tenant
Common Grounds Cafe


By: Patricia Hill Thomas
Chief Operations Officer


By: Larry Brown

APPROVED AS TO CONTENT:
Health Services Agency


By: Mary Ann Lee
Managing Director

APPROVED AS TO FORM:

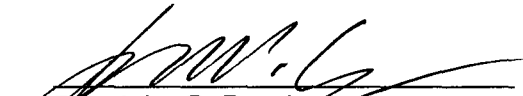

By: John P. Doering
Stanislaus County Counsel

Exhibit A

Building Ground Floor and Premises *[Need to confirm exactly what is the "Premises"]*

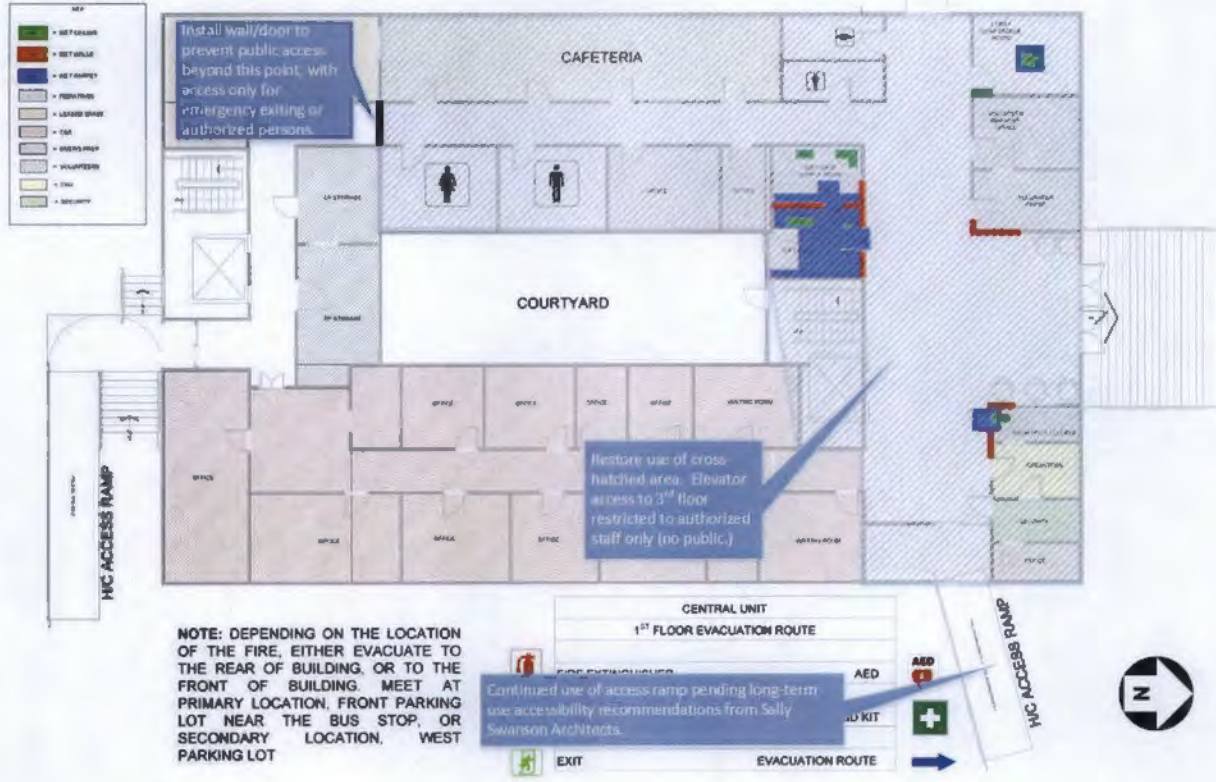


Exhibit B

Tenant's Property

Common Grounds Café & Catering

List of Equipment Owned

September 23, 2016

Hobart Meat cutter model 1612
Hobart 60qt mixer model H6001
7 Metal Storage Racks
1 Beverage Air Sandwich Prep Station 2 door fridge
1 nuova simonelli panini press
1 beverage air under counter 2 door fridge
1 beverage air under counter 1 door fridge
1 Rancilio Classe 8 Espresso Machine 2 station
1 North Star Espresso Cart
2 VFA Espresso Grinders
2 Bunn Coffee Grinders
2 Bunn Coffee Brewers
1 8ft Salad Bar
1 Sobe Display Fridge
1 glass pastry display case
1 payment kiosk
1 sharp point of sale terminal
1 first data fd130 terminal
1 blendtec blender
1 three compartment sink
1 Bunn Icee machine
1 Curtis coffee Brewer

Exhibit C

Landlord's Property

HSA PHYSICAL INVENTORY - 2016
Dietary-8340

* Spot Check Items

Org	Location	Tag #	Description	Date in Service	Serial #	Cost	Oracle Asset#	Comments
1418340	back kit	34173	REFRIGERATOR, WALK IN HOBART	01/05/08		2,054.00	24243	Part of Building
1418340	back kit	34180	REFRIGERATOR, WALK IN HOBART	12/31/09		2,054.00	24244	Part of Building
1418340	all around kit	39817	SHELVING	02/02/74		1,018.00	24384	
1418340	right side kit	37057	BROILER, GAS	12/31/76		1,229.00	24368	
1418340	back right side kit	60518	FREEZER, WALK IN HOBART	09/31/78		1,800.00	24373	Part of Building
1418340	right side front kit	84178	DISHWASHER	03/31/81		1,036.00	24242	
1418340	right side kit	64173	ICE MACHINE, CAT# G000803W, MODEL# 000867404	08/19/00		2,744.51	24445	
1418340	middle kit	84188	CONVEYOR TRAY BELT, COUNTER TOP	07/01/65		16,815.00	24450	
1418340	middle cafe	84300	DOOR, CAFETERIA FOLDING	06/26/03		3,971.00	24240	Part of Building
1418340	back kit	84807	STEAMER, VULCAN CONVECTION 26797	01/31/85		4,832.00	24440	
1418340	front right side kit	00298HSA	DISH MACHINE, STERO	07/01/05		27,412.00	24444	
1418340	front right side kit	00273HSA	GARBAGE DISPOSAL, SALVAJOR COMM#	10/10/95	22259	1,115.83	24443	
1418340	back right side kit	00274HSA	AIR HANDLER WHEEL (MARS AIR DOOR)	09/05/02		1,068.00	24230	
1418340	all around kit	00324HSA	WIRE SHELVING, 8 SHELVES, NOT ON WHEELS	02/29/80		2,810.00	24374	
1418340	middle kit	00325HSA	RE-SURFACE MAIN HOOD IN DIETARY	03/31/82		4,838.00	24455	
1418340	water heater	00874HSA	WATER HEATER, CHROMOMITE INSTANT FLOW	05/05/15	BR-30 L/120-P	1,430.00	318528	
1418340	kit	HSA307	REMODEL, DIETARY-RELOCATE DUCT WORK IN WALL/CEILING	07/01/05		12,408.00	24241	Part of Building
1418340	back left side kit	#535	STEAM KETTLES, GROEN MFG (3)	12/31/82	27218 / 6170 / 271188	1,200.00	24452	
1418340	left side kit	SGH29	PIZZA OVEN, MONTAGUE 68815 (NOT TAGGABLE)	03/31/84		3,479.00	24454	

5/9/2018 4:20 PM

S:\Finance\H.S.A. Financial\Food Assets\Inventory\FY16\Preliminary Inventory Listing\Fund 1401 Inventory

1 of 2