

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

DEPT: Chief Executive Office

BOARD AGENDA: 6.B.6
AGENDA DATE: January 23, 2018

SUBJECT:

Approval of a Project to Relocate the Chief Executive Office, Human Resources Division to the First Floor of 10th Street Place and to Execute a Lease with the City-County Improvements and Financing Agency

BOARD ACTION AS FOLLOWS:

RESOLUTION NO. 2018-0054

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

Ayes: Supervisors: Olsen, Chiesa, Withrow, Monteith, and Chairman DeMartini _____


Noes: Supervisors: None _____

Excused or Absent: Supervisors: None _____

Abstaining: Supervisor: None _____

- 1) Approved as recommended
- 2) Denied
- 3) Approved as amended
- 4) Other:

MOTION: This Item was removed from the consent calendar for discussion and consideration.

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

BOARD AGENDA:6.B.6
AGENDA DATE: January 23, 2018

CONSENT:

CEO CONCURRENCE: YES

4/5 Vote Required: Yes

SUBJECT:

Approval of a Project to Relocate the Chief Executive Office, Human Resources Division to the First Floor of 10th Street Place and to Execute a Lease with the City-County Improvements and Financing Agency

STAFF RECOMMENDATION:

1. Approve proceeding with a project to relocate the Chief Executive Office, Human Resource's Division of the Chief Executive Office to vacant space on the first floor of 1010 10th Street in Modesto California for an estimated total **project** cost of \$578,500.
2. Approve the plans and specifications for the recommended remodel project portion of the proposed project and authorize the Chief Operations Officer to issue a Notice Inviting Bids, and set a bid due date for the project.
3. Authorize the Chief Operations Officer to negotiate and execute a lease agreement for 5,729 square feet of office space on the ground floor of 1010 10th Street Place in Modesto California at an estimated annual total lease cost of \$112,752, with the City-County Capital Improvements and Financing Agency.
4. Authorize the use of \$107,135 in Public Facilities Fees and \$67,865 in existing Plant Acquisition budgeted funds as a part of the total proposed project budget to purchase furnishings for the space, in an amount not to exceed \$175,000 and direct the Auditor Control to transfer funds from Service and Supplies into Fixed Assets, as detailed in the Budget Journal, which is attached.

DISCUSSION:

Recruitment and retention of qualified potential employees continues to be a challenge for the County. With the skills shortage pushing competitive salaries higher in the private sector, and in some cases with comparable counties, counter offers and incentives lure candidates away even if they are in the process of a Stanislaus County recruitment. Recruiting and then landing a skilled candidate has been especially difficult for hard to fill positions.

The County is actively making efforts to rebrand and market its employee recruitment services. This rebranding effort aligns with the County's mission and vision, focusing on designing a new experience for hiring employees as well as retaining staff. The

desired outcome is that Stanislaus County will be perceived and seen as a top employer of choice for job applicants looking for employment opportunities.

In support of this effort, this capital project will:

- Highlight and promote the meaningful benefits of being a Stanislaus County employee as well as more clearly market who we are as an agency;
- Assist the County with being competitive and attracting the right candidates; Provide ongoing marketing strategies, employment recruitment tools, and improvement of existing processes;
- Expedite hiring speed, while providing an overall improvement in the candidate's hiring experience, and attract a higher talent pool for County job openings; and
- Help to ensure professional growth and development opportunities are provided to existing County employees, critically shifting the County towards a more robust focus on succession planning efforts.

Several new and priority initiatives approved by the Board of Supervisors have resulted in increased staff assigned to the Chief Executive Office. These additions are assigned to Human Resources and the Focus on Prevention Initiative. The increased staffing has highlighted the need to acquire additional space at 1010 10th Street (10th Street Place). Space constraints have become a significant factor for County and City departments operating at 10th Street Place, which was opened approximately 20 years ago and deemed to be at capacity upon opening.

Moving the Chief Executive Office Human Resources Division (CEO-HR) to the first floor of 10th Street Place will allow the Chief Executive Office to meet this critical business need while also providing an opportunity to help fulfill many of the goals of the rebranding effort. Planning for this recommended project has been underway and reported on various occasions to the Board of Supervisors as these initiatives and plans have been developed.

When completed, this space will house CEO-HR staff in a central location, increasing customer ease of access and staff efficiency. Additionally, the space will include dual store-front recruitment and employee development centers, significantly increasing CEO-HR's ability to fulfill its mission to gather and grow the most talented and prepared workforce to meet the needs of a blossoming county, in the short term and for the future.

On November 3, 2017, 5,729 square feet of office space became available on the first floor of 10th Street Place. The space is owned by the City-County Capital Improvements and Financing Agency (10th Street Place JPA), and had been leased since the opening of 10th Street Place to the Department of Workforce Development,

known at the time of the lease as the Department of Employment and Training. Opportunity Stanislaus was subleasing 841 square feet of this first floor space.

The now vacant space is ideal for the CEO-HR Division. If approved, the County will relocate its CEO-HR staff from the Chief Executive Office located on the 6th Floor to the first floor of 10th Street Place. The first floor space, which is located at the building's 11th Street entrance, will provide a higher profile location to market the benefits and potential career paths necessary to attract the most qualified candidates to the County. The space will also include a large training room, interview rooms and adequate office space for the entire CEO-HR Division to be located in one central location. By relocating the CEO-HR Division, all new and existing CEO staff will be accommodated as well.

To effectively relocate the CEO-HR Division, some remodeling will be needed to the vacant first floor space as well as furnishings and equipment. In order to advance this needed project, SKW Architects was retained to design and develop plans and specifications. The proposed project will include a new secure entrance, minimal internal reconfiguration, and paint and flooring replacement wiring for technology and furnishings.

POLICY ISSUE:

The Board of Supervisors has the authority to approve County leases and to approve plans and specifications.

FISCAL IMPACT:

Lease and Space Costs: The 5,729 square feet of first floor office space at 10th Street Place is estimated to cost \$1.25 per square foot per month for a base lease cost of \$7,162 monthly. This cost includes \$1.00 per square foot for rent, and an additional \$0.25 per square foot for facility operational costs (including common areas). The proposed lease is for up to a ten-year term. This is a flat gross lease with no annual cost increase to the County for the entire term. The County can terminate the lease at any time during the 10 year proposed period.

In addition, the County will be responsible for paying its share of utilities and janitorial cost for this space. This expected cost is an additional \$0.39 per square foot. The total estimated monthly cost associated for the leased space, with utilities and janitorial is \$9,396 or \$112,752 annually. For the remainder of Fiscal Year 2017-2018 the costs associated with this space will be paid for out of previously approved funds in the Plant Acquisition Budget.

Projected Overall Project Cost: The current estimated total project cost before bidding is \$578,500 and is itemized in the chart below:

Category	Cost
Project Administration	\$67,000
Base Construction Cost*	\$265,000
Construction Alternates*	\$45,000

Construction Contingency*	\$26,500
Furnishings**	\$175,000
Total	\$578,500

*Remodel: The Architect's estimate to renovate the space is \$336,500, which includes \$265,000 for construction, \$45,000 in project alternatives and \$26,500 in construction contingency.

**Furnishings: Additionally, \$175,000 in furnishings will be needed. Due to lengthy lead times from furniture and equipment vendors to deliver this project by this summer, it is recommended that \$107,135 of Public Facilities Fees and \$67,865 in existing CEO Plant Acquisition Budget be authorized for this purpose in an amount not to exceed \$175,000. The Public Facilities Fees Committee met on January 18, 2018 and approved the use of these funds.

After the purchase of the furnishings, the remaining project budget of \$403,500 will also be funded using previously approved funds in the Plant Acquisition Budget. Staff will return to the Board of Supervisors at a later date with a recommendation to award a construction contract and establish the final project budget.

BOARD OF SUPERVISORS' PRIORITY:

The recommended actions are consistent with the Boards Priority of *Delivering Efficient Public Services and Infrastructure* by approving a project to relocate the Chief Executive Office, Human Resources Division to the first floor of 10th Street Place and to execute a lease with the City-County Capital Improvements and Financing Agency.

STAFFING IMPACT:

This project will be successfully delivered by the Chief Operations Officer, Capital Projects team and the Human Resources Team.

CONTACT PERSON:

Patricia Hill Thomas, Chief Operations Officer, Telephone: (209) 525-6333

ATTACHMENT(S):

1. Budget Journal
2. Tenant Improvement Floor Plan
3. PFF Letter of Approval

Database
Balance Type
Data Access Set

FMSDBPRD.CO.STANISLAUS.CA.US.PROD
Budget
County of Stanislaus

DO NOT CHANGE
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DO NOT CHANGE

Ledger
Budget
Category
Source
Currency
Period
Batch Name
Journal Name
Journal Description
Journal Reference
Organization
Chart Of Accounts

* List - Text County of Stanislaus
List - Text LEGAL BUDGET
* List - Text Budget - Upload
* List - Text CEO Plant Acq Funds/PFF Unds
* List - Text USD
List - Text JAN-18
Text
Text CEO 100914
Text Transfer from PFF/Trasfer from Service an
Text 1.23.18 Bos HR Lease Item
List - Text Stanislaus Budget Org
Text Accounting Flexfield

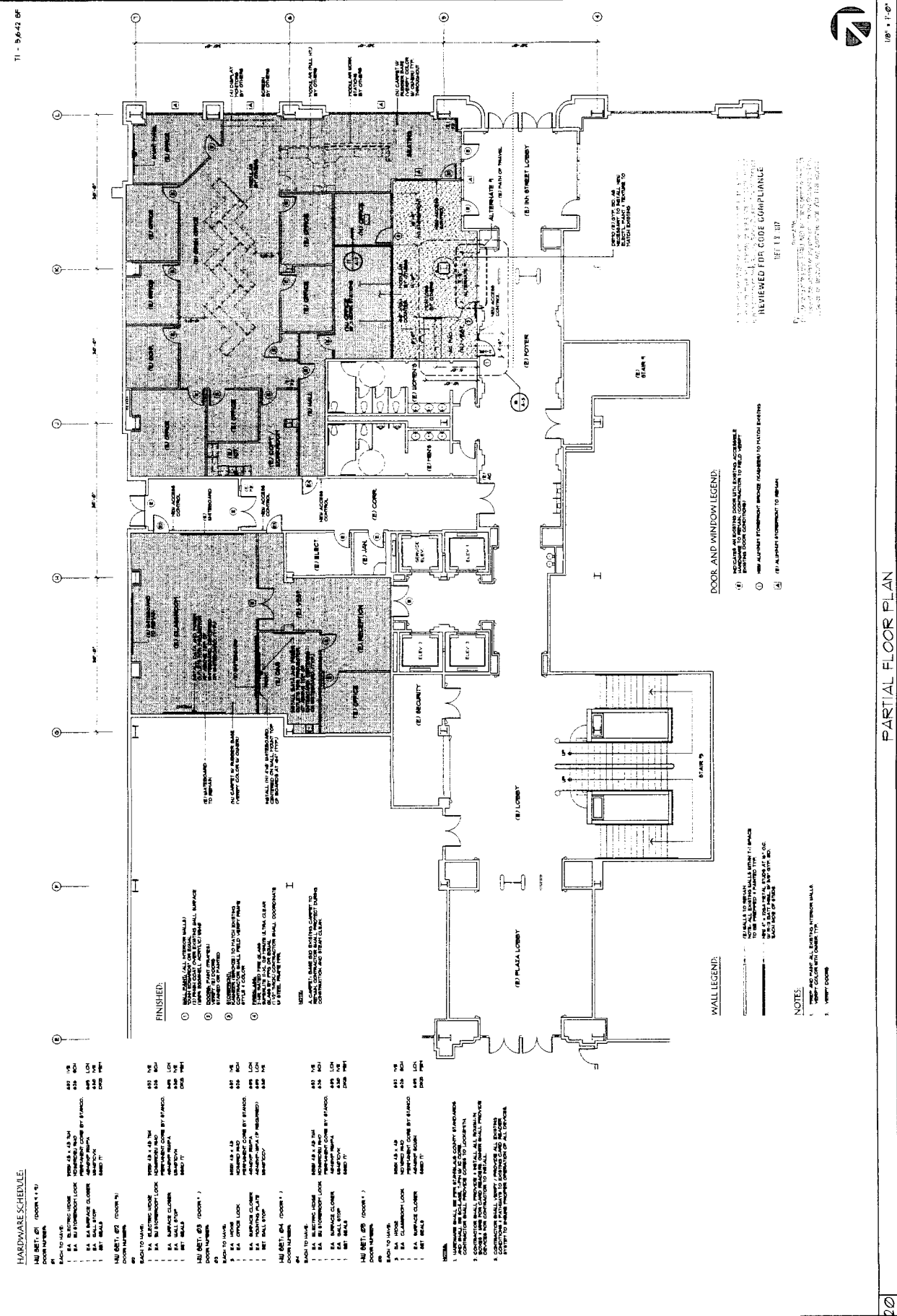
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Upl	Fund (4 char)	Org (7 char)	Account (9 char)	Prj. Project (7 char)	Location (6 char)	Misc. (5 char)	Other (5 char)	Debit and Appropriations ref'd ref revenue Number	Credit ref appropriations and ref revenue Number	Line Description Text	
Rb	0100	0016031	61830	0000000	000000	000000	000000	00000		67865 Major Alterations and Re	
Rb	0100	0016031	84760	0000000	000000	000000	000000	175000		Office Furniture	
Rb	0100	0016031	46615	0000000	000000	000000	000000		107135	PFF Transfers In	
Rb	2408	0061230	85850	0000000	000000	000000	000000	73874		2003 Other Facilities PFF	
Rb	6408	0064100	85850	0000000	000000	000000	000000	33261		1990 Other Facilities PFF	
Totals:									282135	175000	

Tip: This is not the end of the Template. Unprotect the sheet and insert as many rows as needed.

Explanation: Establish \$175k appropriations in CEO Pl Acq office furniture for relocation of HR to 1st floor of 10th St bldg. \$68k is being reclassified from repairs & maint and \$107k is an increase to the overall \$175k appropriations in office furniture. \$107k revenue is trnsfd from PFF.

Requesting Department		CEO	Date Entry	Auditors Office Only	
Andrew Johnson	Becky Meredith			Kashmir Gill	
Prepared by	Supervisor's Approval		Keyed by	Prepared By	Approved By
Date	Date		Date	Date	Date



HARDWARE SCHEDULE

NO.	DESCRIPTION	QTY	UNIT
101	DOOR TO HALL	1	DOOR
102	DOOR TO HALL	1	DOOR
103	DOOR TO HALL	1	DOOR
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105	DOOR TO HALL	1	DOOR
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200	DOOR TO HALL	1	DOOR

DOOR AND WINDOW LEGEND:

- ① EXISTING DOOR
- ② NEW DOOR
- ③ EXISTING WINDOW
- ④ NEW WINDOW
- ⑤ EXISTING GLASS PARTITION
- ⑥ NEW GLASS PARTITION
- ⑦ EXISTING PARTITION
- ⑧ NEW PARTITION

WALL LEGEND:

- ① EXISTING WALL
- ② NEW WALL
- ③ EXISTING PARTITION
- ④ NEW PARTITION
- ⑤ EXISTING GLASS PARTITION
- ⑥ NEW GLASS PARTITION

NOTES:

1. ALL NEW WALLS SHALL BE 1/2" GYPSUM BOARD ON 2" X 4" STUDS AT 16" O.C. FINISH WITH 1/2" DRYWALL AT 8" O.C. PAINT AS NOTED.
2. ALL NEW PARTITIONS SHALL BE 1/2" GYPSUM BOARD ON 2" X 4" STUDS AT 16" O.C. FINISH WITH 1/2" DRYWALL AT 8" O.C. PAINT AS NOTED.
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10. ALL NEW GLASS PARTITIONS SHALL BE 1/2" GYPSUM BOARD ON 2" X 4" STUDS AT 16" O.C. FINISH WITH 1/2" DRYWALL AT 8" O.C. PAINT AS NOTED.

PARTIAL FLOOR PLAN



CHIEF EXECUTIVE OFFICE

Jody L. Hayes
Chief Executive Officer

Patricia Hill Thomas
Chief Operations Officer/
Assistant Executive Officer

Keith D. Boggs
Assistant Executive Officer

Patrice M. Dietrich
Assistant Executive Officer

MEMO

DATE: January 19, 2018

TO: Tamara Thomas, Human Resources Director
Keith Boggs, Assistant Executive Officer

FROM: Tim Fedorchak, Sr. Management Consultant, Capital Projects
Public Facilities Fees Committee Chair 

SUBJECT: Public Facilities Fees (PFF) Committee Approval – Chief Executive Office Human Resources Facilities Expansion Project

At its meeting on January 18, 2018, the Public Facilities Fees Committee determined that the request by the Chief Executive Office in the amount of \$107,135 (liquidate balance of Fund 6408/Other Facilities for \$33,261.70 and the remaining balance of the request for \$73,874 from Fund 2408/Other Facilities) for the Human Resources Facilities Expansion project is a legitimate use of Public Facilities Fees (PFF) funds.

The PFF Committee provides oversight of the funds; however, the ultimate authority for use of the funds lies with the Board of Supervisors. It is the Department's responsibility to make the request of the Board of Supervisors for approval to use the funds. This may be done through either a stand-alone agenda item or inclusion in the quarterly budget process.

Once your Department has taken the request to the Board, please provide a copy of this letter to me as the Chairman of the PFF Committee and to Christopher Barnes in the Auditor's Office with the date your request went before the Board of Supervisors and the BOS Agenda Item Number (below) in order to facilitate reconciliation of funds expended. When preparing standard journals for transfers out of PFF funds, include the Board Action Number in the "Line Description" column of the standard journal for tracking purposes.

Thank you.

TF:ss

cc: Christopher Barnes, Auditor's Office

BOS Date _____

Agenda Item Number _____
(i.e. *B-1 or by using the action number on the item 2015-118)

LEASE AGREEMENT

LEASE SUMMARY:

Landlord:	City-County Capital Improvements and Financing Agency, a Joint Powers Agency between the City of Modesto and the County of Stanislaus
Tenant:	Stanislaus County Attn: Purchasing Agent 1010 10th Street, Suite 5400 Modesto, California
Leased Premises (Address and SF):	5729 sq. ft. Portion of ground floor at 1010 10 th Street Modesto, CA 95354
Common Area	None
Parking Rights	None
Permitted Use:	Office
Tenant Improvements:	Tenant's responsibility at Tenant's sole cost
Project:	10 th Street Place Project
Monthly Basic Rent:	In accordance with table in Section 2 below

AGREEMENT:

This Lease Agreement (the "Lease Agreement") is entered into in the City of Modesto, State of California, as of February 1, 2018, between the **COUNTY OF STANISLAUS**, a political subdivision of the State of California, ("Tenant"), and **THE CITY-COUNTY CAPITAL IMPROVEMENTS AND FINANCING AGENCY, A JOINT POWERS AGENCY BETWEEN THE CITY OF MODESTO AND THE COUNTY OF STANISLAUS** ("Landlord").

- Premises:** Landlord leases to Tenant, and Tenant hires from Landlord, those certain Premises in the County of Stanislaus, more particularly described as 5729 square feet of space ("Premises") located on the ground floor of the building located at 1010 10th Street ("Building"). The location of the Premises is depicted on the Map of Premises attached hereto as Exhibit "A". No right to use the common area of the Building, and no parking spaces or parking rights, are included in this Lease Agreement.
- Payment:** For the term of this Lease Agreement, Tenant agrees to pay Rent and operating expenses, without adjustment, to Landlord as set forth in the table below. Payment is due and payable in advance on the first day of the month for which the obligation accrues.

Monthly Base Rent Payment	Price per Sq. Ft.
\$5,729.00	\$1.00
\$1,432.25	\$0.25 /sf operating expense
\$7,161.25	TOTAL MONTHLY PAYMENT

- Term:** The term of this Lease Agreement ("Term") shall be for a period of ten (10) years, commencing at 12:01 A.M. on February 1, 2018 and terminating at 11:59 P.M. on January 31, 2028.
- Option to Renew:** Tenant has one option to renew the Term of this Lease Agreement for a period of five (5) years from the expiration of the original Term, provided that Tenant is not in default of this Lease Agreement at the time of exercise of the option or as of the end of the original Term. Tenant shall exercise this option by delivery to Landlord of a written notice of exercise of the option not less than 90 days prior

to the end of the original Term. Renewal rental rates shall be at the then-prevailing fair market rental value as agreed upon by the parties. If the parties are unable to agree upon the then prevailing fair market rental value of the Premises, the fair market rental value shall be determined by an appraisal of the fair market rental value conducted by an appraiser who is mutually acceptable to both parties. Each party shall pay half the cost of such appraisal.

5. Utilities and Services:

5.1. REA: Landlord and the Modesto Redevelopment Agency ("RDA") entered into a Reciprocal Easement, Operation and Maintenance Agreement with Restrictions and Covenants (JPA Building) dated August 17, 2001 ("REA"), which was recorded in the office of the County Recorder as Document #2001-0099731-00. The REA governs the respective rights and obligations of Landlord and the Successor Agency to the RDA with respect to the Building. Tenant acknowledges that it has received a copy of the REA. This Lease Agreement is subject to the terms of the REA, and Landlord and Tenant shall each comply with the requirements of the REA as they pertain to the Premises and this Lease Agreement.

5.2. Utilities and Services Provided by Landlord: Landlord shall provide and pay for the furnishing of the utilities and services as set forth in the REA, except as set forth in paragraph 5.3 below.

5.3. Utilities and Services provided by Tenant. Tenant shall install and pay for its own tenant improvements and furniture, fixtures and equipment, and shall pay for all data, telecommunications, cable television, interior security and utilities which are separately metered to the Premises. Tenant shall obtain and pay for its own janitorial services to the Premises.

6. Use of the Premises:

6.1. Approved Use: Tenant may use the Premises for office use. Tenant shall not use or permit the Premises to be used for any other purpose or purposes without first obtaining the written consent of Landlord, which consent shall not be withheld unreasonably.

6.2. Compliance with Laws: Tenant shall, at Tenant's expense, comply with all applicable statutes, ordinances, rules, regulations, orders, covenants and restrictions of record, and requirements of any fire insurance underwriters or rating bureaus, now in effect or which may hereafter become in effect. Tenant shall conduct its business in a lawful manner and shall not use or permit the use of the Premises or Common Area in any manner that will tend to create waste or nuisance or tend to disturb other occupants of the Office Building Project. Tenant shall, at its sole cost, comply with all prevailing wage and public contracting laws in connection with the construction and installation of the tenant improvements. Tenant shall be responsible, at its sole cost, for compliance with all Americans with Disabilities Act and other accessibility requirements with respect to the tenant improvements.

6.3. Hazardous Substances: Tenant agrees that any and all handling, transportation, storage, treatment, disposal or use of Hazardous Substances shall be in accordance with the REA and all applicable laws.

7. Maintenance:

7.1. "As Is": Tenant accepts the Premises in their "as is" condition. Tenant acknowledges that it has had full opportunity to inspect and evaluate the Premises prior to the date of this Lease Agreement.

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, stairways; (ii) mechanical (including HVAC), electrical, plumbing,

fire/life safety, data/telecommunication and security systems serving the Building; (iii) the Common Areas; (iv) exterior windows of the Building; (v) elevators serving the Building; and (vi) the Landlord's maintenance responsibilities under the REA.

7.3. Landlord to provide HVAC: Landlord shall supply cooling, ventilating and heating with capacity effective during normal working hours and within tolerances normal in comparable office buildings.

7.4. Tenant Obligations. Tenant shall be responsible for maintaining, replacing and repairing the interior of the Premises in good condition and repair including but not limited to painting, replacing carpeting; replacing bulbs and maintaining, repairing or replacing any improvements that are owned or installed by Tenant.

7.5. Damage Caused by Tenant. Excluding normal wear and tear, and, excluding heating and cooling equipment, Tenant shall, at Tenant's sole expense, be responsible for the cost of repairing any area damaged by Tenant or Tenant's agents, employees, invitees and visitors and the repair of low voltage electronic, phone and data cabling and related equipment that is installed by or for the exclusive benefit of Tenant. All repairs and replacements shall: (a) be made and performed by contractors or mechanics hired or obtained by Tenant, (b) be at least equal in quality, value and utility to the original work or installation, (c) be in accordance with all laws.

7.6. Tenant's Right to Repair: If Tenant provides written notice (or oral notice in the event of an emergency such as damage or destruction to or of any portion of the Building structure and/or the Building systems and/or anything that could cause material disruption to Tenant's business) to Landlord of an event or circumstance which requires the action of Landlord with respect to repair and/or maintenance, and Landlord fails to provide such action within a reasonable period of time, given the circumstances, after the giving of such notice, but in any event not later than five (5) days after the giving of such notice, then Tenant, at its sole option, may either proceed to take the required action (provided, however, that no such notice shall be required in the event of an emergency which threatens life or where there is imminent danger to property or a possibility that a failure to take immediate action could cause a material disruption in Tenant's normal and customary business activities) or may surrender the Premises and shall not be liable for any further lease payments under this Lease Agreement. Tenant shall have access to the Building to the extent necessary to perform the work contemplated by this provision. If such action was required under the terms of this Lease Agreement to have been taken by Landlord and was not taken by Landlord within such period (unless such notice was not required as provided above), and Tenant took such required action, then Tenant shall be entitled to prompt reimbursement by Landlord of Tenant's reasonable costs and expenses in having taken such action within thirty (30) days after Tenant's submission to Landlord of a detailed written description of the work with copies of contractor invoices and other backup information. If not reimbursed by Landlord within thirty (30) days of such submission, Tenant shall be entitled to deduct from Basic Rent payable by Tenant under this Lease Agreement the reasonable costs and expenses set forth in its invoice for such work.

7.7. Building Ventilation: The 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.

8. Entry: Landlord and its agents may enter the Premises at any reasonable time, and immediately in the case of emergency, for the purpose of inspecting the Premises; supplying any service to be provided by Landlord to Tenant; making necessary alterations, additions, or repairs; performing Tenant's obligations when Tenant has failed to do so after written notice from Landlord; placing on the Premises for sale or for lease signs; and responding to an emergency. Landlord shall have the right to use any means Landlord

deems necessary and proper to enter the Premises in an emergency. Any entry into the Premises obtained by Landlord in accordance with this Paragraph shall not be a forcible or unlawful entry into the Premises, or an eviction, actual or constructive, of Tenant from the Premises.

9. CASP Inspection: Landlord states that the Premises have not been inspected by a Certified Access Specialist (CASp). This notice is provided by Landlord:

“A Certified Access Specialist (CASp) can inspect the subject Premises and determine whether the subject Premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject Premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject Premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of the construction-related accessibility standards within the Premises.”

Notwithstanding anything to the contrary in this Lease Agreement, (a) Tenant may elect at any time to perform a CASp inspection of the Premises at Tenant’s expense; (b) any CASp inspection of the Common Areas shall be at Landlord’s expense; (c) any repairs or modifications necessary to correct violations of construction-related accessibility standards within the Premises are the responsibility of Tenant at Tenant’s sole cost; and (d) any repairs or modifications necessary to correct violations of construction-related accessibility standards within the Common Areas are the responsibility of Landlord at Landlord’s sole cost.

10. 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.

11. Trade Fixtures and Alterations:

11.1 Tenant Improvements. Tenant shall install such tenant improvements to the Premises as Tenant requires for its use of the Premises. Tenant shall be responsible for all costs of such tenant improvements. Prior to undertaking any tenant improvements, Tenant shall submit to Landlord for Landlord’s reasonable approval a copy of the proposed plans and specifications. All tenant improvement work shall be performed in accordance with applicable laws and building codes by a licensed contractor.

11.2 Trade Fixtures: Tenant shall install such fixtures, equipment, and personal property as may be necessary and convenient for its operation. Such furniture, equipment, and personal property may be removed at any time during Tenant’s tenancy or within a reasonable time thereafter, and shall not be considered part of the Premises. Removal of the same shall not damage or deface the Premises, and if the Premises shall be so damaged, Tenant shall repair such damage at its own expense.

11.3. Alterations: Tenant is authorized to make modifications and alterations to the Premises, provided all work is performed in accordance with applicable laws and building codes by a licensed contractor.

12. Insurance and Indemnification:

12.1. Landlord’s Insurance: Landlord shall at all times during the Term hereof maintain in effect a policy or policies of insurance as set forth in the REA.

12.2. Tenant's Insurance: Tenant shall, at Tenant's expense, obtain and keep in force during the Term of this Lease Agreement: (i) general liability insurance providing coverage for liability for bodily injury, personal injury, death and damage to property with limits of at least One Million Dollars (\$1,000,000.00); and (ii) fire and all-risk property damage insurance, insuring Tenant's interest in the Premises, including equipment and fixtures located on the Premises, for full replacement cost. Tenant may obtain its insurance through the CSAC Insurance Pool.

12.3. Additional Insured Endorsement: Where available, each policy of insurance required to be carried by Tenant pursuant to this Lease Agreement shall name Landlord, the City of Modesto, and the Successor Agency to the RDA as additional insureds; be primary insurance that provides that the insurer shall be liable for the full amount of the loss without the right of contribution from any other insurance coverage of Landlord; be in a form satisfactory to Landlord; and provide that the policy shall not be subject to cancellation, lapse or change, except after at least thirty (30) days' prior written notice to Landlord.

12.4. Waiver of Subrogation: Tenant and Landlord each hereby release and relieve the other, and waive their entire right of recovery against the other, for direct or consequential loss or damage arising out of or incident to the perils covered by property insurance carried, whether due to the negligence of Landlord or Tenant or their agents, employees, contractors and/or invitees. If necessary, all policies of property insurance required under this Lease Agreement shall be endorsed to so provide.

12.5. Tenant's Indemnification: Tenant shall indemnify, defend and hold Landlord, the City of Modesto, the Successor Agency to the RDA and their officers, employees and agents harmless from all liability, penalties, losses, damages, costs, expenses, causes of action, claims or judgments ("Claims") which arise from the negligence or willful misconduct of Tenant or Tenant's employees or contractors with respect to its activities and responsibilities under this Lease Agreement. The provisions of this Paragraph shall survive the expiration or sooner termination of this Lease Agreement.

12.6. Landlord's Indemnification: Landlord shall indemnify, defend and hold Tenant and Tenant's officers and employees harmless from all Claims which arise from the negligence or willful misconduct of Landlord or Landlord's employees or contractors with respect to its activities and responsibilities under this Lease Agreement. The provisions of this Paragraph shall survive the expiration or sooner termination of this Lease Agreement.

13. Loss: Landlord agrees that should the 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.
14. Lack of Funding: If, during the term of this Lease Agreement, Tenant, in its sole discretion, determines that sufficient funds are not available to allow for continuation of this Lease Agreement or current County owned space becomes available, Tenant may terminate this Lease Agreement upon one hundred twenty (120) days written notice to Landlord without further obligation to Landlord.
15. 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.

16. Subordination: This Lease Agreement is subordinate to any lien or bond now or hereafter in force against the building.
17. 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), or such other form of estoppel certificate reasonably requested by Landlord. 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.
18. Assignment: Tenant may sublet or assign all or any part of the Premises with the prior approval of the City Manager of the City of Modesto and the County's Chief Executive Officer on behalf of Landlord. No such prior approval is required for any sublease to a government agency or a nonprofit corporation. Any sublease shall not relieve the Tenant of the obligations under this Lease Agreement.
19. 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 States mail. The envelope containing the Notice shall be addressed to Landlord as follows:

**City-County Capital Improvements and Financing Agency
Attn: City Manager and County Chief Executive Officer
1010 10th Street
Modesto, CA 95354**

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

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

20. 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.
21. Duplicate Counterparts: This Lease Agreement may be executed in duplicate counterparts, each of which shall be deemed a duplicate original.
22. Default: Each of the following shall constitute an event of default under this Lease Agreement (each shall be considered an "Event of Default"): (i) Any party's failure to make any payment required under this Lease Agreement when due; (ii) the failure of any party to perform any of the covenants, conditions, or provisions of this Lease Agreement, except the requirement to make payments to Landlord under this Lease Agreement, where this failure continues for a period of thirty (30) days after written notice to the nonperforming party; provided, however, if the nature of the failure reasonably requires more than thirty (30) days to cure, the party failing to perform shall not be deemed to be in default if it commences to cure within the thirty (30) day period and thereafter diligently continues this cure to completion; or (iii) the vacation or abandonment of the Premises by Tenant. Upon the occurrence of an Event of Default, Landlord may avail itself of any rights and remedies available to Landlord in law or equity.

23. Non-Discrimination: In the performance of this Lease, the Parties shall not discriminate, harass, or allow harassment against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical or mental disability including perception of disability, medical condition, genetic information, pregnancy related condition, marital status, gender/sex, sexual orientation, gender identity, gender expression, age (over 40), political affiliation or belief, or military and veteran status. Parties shall insure that the evaluation and treatment of its employees and applicants for employment are free from such discrimination and harassment. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Parties shall comply with the provisions of the Fair Employment and Housing Act (Government Code Section 12990 (a-f) et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made apart hereof as if set forth in full. Parties shall give written notice of the obligations under this clause to any labor organizations with which they have a collective bargaining or other Agreement. Further, parties shall post in conspicuous places available to employees and applicants for employment, notices setting forth the provisions of this Section.

24. General Provisions:

24.1. Authority: Landlord hereby appoints and designates the JPA's Maintenance Director as the agent of Landlord with authority to make decisions and act on behalf of Landlord with respect to matters pertaining to the implementation of Lease Agreement. Tenant hereby appoints and designates the Director of Employment and Training as the agent of Tenant with full authority to make decisions and act on behalf of Tenant with respect to matters pertaining to this Lease Agreement.

24.2. Entire Agreement: This Lease Agreement constitutes the entire agreement between Landlord and Tenant, and there are no agreements or representations between the parties except as expressed in this Lease Agreement. If any provision of this Lease Agreement is held by a court of competent jurisdiction to be either invalid or unenforceable, the remaining provisions of this Lease Agreement shall remain in effect unimpaired. Time is of the essence under this Lease Agreement. This Lease Agreement shall be governed by California law. Any litigation concerning this Lease Agreement between the parties shall be initiated in a court having jurisdiction and venue in Stanislaus County, California. No provision of this Lease Agreement shall be interpreted against a party by virtue of that party having drafted it.

24.3. Waiver: No waiver by Landlord or Tenant of any provisions in this Lease Agreement shall be deemed a waiver of any other provision of this Lease Agreement. A party's consent to or approval of any act by the other party shall not waive the necessity for that party's consent to or approval of any subsequent act by the other party. Landlord's acceptance of Rent shall not be a waiver of any preceding breach of Tenant, regardless of Landlord's knowledge of the preceding breach at the time of acceptance of the Rent.

24.4. 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.

IN WITNESS WHEREOF, this Lease Agreement is executed as of the date and year first set forth above.

SIGNATURE PAGE ATTACHED

TENANT


COUNTY OF STANISLAUS

By: 

Patricia Hill Thomas
Chief Operations Officer


LANDLORD

**CITY-COUNTY CAPITAL IMPROVEMENTS
AND FINANCING AGENCY, A JOINT POWERS
AGENCY BETWEEN THE CITY OF MODESTO
AND THE COUNTY OF STANISLAUS**

By: 

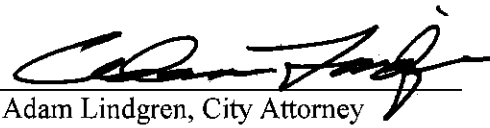
Jason Roberts, Facility Manager

APPROVED AS TO FORM
FOR COUNTY

By: 

Thomas E. Boze, Assistant County Counsel

APPROVED AS TO FORM FOR MEMBERS OF JPA

By: 

Adam Lindgren, City Attorney
(Counsel for the City ~~to the~~ JPA)