

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

DEPT: Behavioral Health & Recovery Services

BOARD AGENDA: 5.B.2  
AGENDA DATE: April 29, 2025

**SUBJECT:**

Approval of a Seven-Year Lease Agreement Amendment With Scenic Properties, LLC, for Office Space located at 500 N. 9th St., Buildings A and B, Modesto for Use by Behavioral Health and Recovery Services for the Retroactive Term of February 1, 2025, through January 31, 2032

**BOARD ACTION AS FOLLOWS:**

**RESOLUTION NO. 2025-0192**

On motion of Supervisor Chiesa Seconded by Supervisor Grewal  
and approved by the following vote,  
Ayes: Supervisors: Chiesa, Withrow, Grewal, C. Condit, and Chairman B. Condit  
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: Kelly Rodriguez  
KELLY RODRIGUEZ, Assistant Clerk of the Board of Supervisors

File No.

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

DEPT: Behavioral Health & Recovery Services

BOARD AGENDA:5.B.2  
AGENDA DATE: April 29, 2025

CONSENT: ☒

CEO CONCURRENCE: YES

4/5 Vote Required: No

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**SUBJECT:**

Approval of a Seven-Year Lease Agreement Amendment With Scenic Properties, LLC, for Office Space located at 500 N. 9th St., Buildings A and B, Modesto for Use by Behavioral Health and Recovery Services for the Retroactive Term of February 1, 2025, through January 31, 2032

**STAFF RECOMMENDATION:**

1. Approve a seven-year lease agreement, through a second amendment, for approximately 22,712 square feet of office space located at 500 N. 9<sup>th</sup> Street Buildings A and B, Modesto, between Stanislaus County and Scenic Properties, LLC, for use by Behavioral Health and Recovery Services retroactively for the new term of February 1, 2025, through January 31, 2032, for a total lease cost of \$3,278,719.
2. Authorize the General Services Agency Director/Purchasing Agent, or designee, to sign and execute the lease agreement second amendment with Scenic Properties LLC for office space located at 500 N. 9<sup>th</sup> Street, Buildings A and B, in Modesto, CA, for the retroactive term of February 1, 2025, through January 31, 2032.
3. Authorize the General Services Agency Director/Purchasing Agent or designee to negotiate and sign amendments to the lease agreement throughout the term of the agreement, consistent with the Purchasing Policy and within budget authority.

**DISCUSSION:**

As the contracted Behavioral Health Plan (BHP) with the State of California, Behavioral Health and Recovery Services (BHRS) administers Stanislaus County's behavioral health services, providing integrated mental health services to adults and older adults with a serious mental illness (SMI) and to children and youth with a serious emotional disturbance (SED). BHRS also provides substance use disorder (SUD) services for adults and adolescents, supportive services, prevention and early intervention services, and serves as Stanislaus County's Public Guardian.

In an effort to address barriers that inhibit access to behavioral health treatment services for Stanislaus County residents, BHRS and its contracted community-based organizations have historically provided services at multiple sites throughout the County. Over the years, BHRS has expanded both the number and size of its programs, and the acquisition of clinical and therapeutic space for delivering treatment services has become a challenge. Additionally, the unique licensing requirements for many

behavioral health facilities create a challenging environment to navigate when siting new programs or relocating existing ones.

BHRS has operated core adult system of care treatment programs from the office space located at 500 N. 9<sup>th</sup> Street in Modesto, CA, since 2018. The property consists of two buildings and is approximately 22,712 square feet and is leased from Scenic Properties, LLC. The current lease was executed by the GSA Director/Purchasing Agent in October 2018. The original lease was for a term of five years, commencing on November 1, 2018. Under the lease terms, the County had an option to extend the lease for one year. In September 2023, the County executed the final option on the lease. The lease expired on October 31, 2024. The Department has been on a month-to-month lease with no holdover penalty since the lease expired.

The Department has an interest in continuing to occupy these office spaces and has negotiated new terms with the landlord for an amendment to extend the term retroactively from February 1, 2025, through January 31, 2032. Under the terms of the lease, the landlord is responsible for all maintenance, including structural elements of the building, heating, ventilation, and air conditioning, common area maintenance, roof repair, and mechanical systems. The County is responsible for the installation and maintenance of its computer network, low-voltage data lines, and any equipment installed by the County for its sole use. This includes non-structural interior elements of the building, any damage caused by the County, and the cost of utilities serving the County's premises.

Due to a late start in lease renewal negotiations, a prolonged negotiation process, and unexpected competing priorities, the Department was delayed in bringing this lease forward for approval. The Department seeks retroactive approval of the lease amendment for the new term of February 1, 2025, through January 31, 2032. The monthly lease rate will increase retroactively from \$31,343 per month to \$35,658, with the Department having incurred an additional \$12,945 for the three-month retroactive period. In the future, the Department will begin negotiations earlier in the lease agreement to prevent the lease from expiring during negotiations and avoid seeking retroactive approval.

#### **POLICY ISSUE:**

Contracts above \$200,000 require approval by the Board of Supervisors, regardless of the procurement method. Such approval may be obtained through a department agenda item or the quarterly Contract Summary Sheet process managed by the General Services Agency. (Board Resolution 2024-0347; California Government Code §25502.5).

#### **FISCAL IMPACT:**

The recommended lease amendment will retroactively extend the lease term from February 1, 2025, through January 31, 2032, and the monthly lease rate from \$31,343 to \$35,658 per month with a 3% annual increase thereafter. The table below displays the estimated monthly and yearly lease costs, totaling \$3,278,719, by lease term year.

Period	Monthly Rent <sup>1</sup>	Annual <sup>1</sup>
February 1, 2025 through January 31, 2026	\$ 35,658	\$ 427,894
February 1, 2026 through January 31, 2027	36,728	440,730
February 1, 2027 through January 31, 2028	37,829	453,952
February 1, 2028 through January 31, 2029	38,964	467,571
February 1, 2029 through January 31, 2030	40,133	481,598
February 1, 2030 through January 31, 2031	41,337	496,046
February 1, 2031 through January 31, 2032	42,577	510,928
<b>Total</b>		<b>\$ 3,278,719</b>

<sup>1</sup> Figures are rounded for display purposes.

BHRS receives various state and federal funds to support the delivery of behavioral health services and community support, as well as to enhance administrative functions and infrastructure. Existing appropriations and estimated revenue in the Department budget of the 2025 Adopted Budget are sufficient to cover the lease. There is no impact to County General Fund.

#### **BOARD OF SUPERVISORS' PRIORITY:**

These recommended actions are consistent with the Board's priority of *Supporting a Healthy Community* by providing accessible behavioral health services to the community.

#### **STAFFING IMPACT:**

There is no additional staffing impact associated with these recommended actions. This lease will be successfully managed by existing staff in the General Services Agency in collaboration with staff from BHRS.

#### **CONTACT PERSON:**

Cody Nelson, Real Estate Program Manager	(209) 525-4380
Ruben Imperial	(209) 525-6222
Behavioral Health Director	

#### **ATTACHMENT(S):**

1. Proposed Second Amendment to Lease
2. 500 N. 9th St 2018 Lease
3. First Amendment to Lease
4. Levine Act

## SECOND AMENDMENT TO LEASE

**THIS SECOND AMENDMENT TO LEASE** ("Second Amendment"), dated as of \_\_\_\_\_, 2025, for reference purposes only, is made by and between Scenic Properties, LLC, a California limited liability company ("Landlord"), and the County of Stanislaus, a political subdivision of the State of California ("Tenant"), who agree as follows:

**1. Background.** This Second Amendment is made with reference to the following facts and objectives:

(a) Landlord and Tenant entered into that certain written Lease, dated October 25, 2018 ("Existing Lease"), by which Landlord leased to Tenant commercial space identified as 500 N. 9<sup>th</sup> Street, Buildings A and B, Modesto California, consisting of approximately 22,712 square feet (the "Premises") as more particularly described in the Existing Lease. The term of the Existing Lease will expire on October 31, 2023.

(b) Landlord and Tenant entered into that certain written First Amendment to Lease dated October 31, 2023 ("First Amendment") to extend the term of the Existing Lease from November 1, 2023 to October 31, 2024 and to modify the Rent in accordance with the terms and conditions of the First Amendment. As used herein, the Existing Lease and the First Amendment are collectively referred to herein as the "Lease."

(c) The Lease expired on October 31, 2024. Tenant has continued to occupy the Premises and pay Rent pursuant to the holdover provisions in the Existing Lease.

(d) Landlord and Tenant desire to, among other things, extend the term of the Lease and modify the rent, subject to the terms and conditions set forth in this Second Amendment. All terms capitalized but not defined in this First Amendment shall have the meanings given them in the Existing Lease. The Existing Lease, as modified by this First Amendment, shall be referred to herein as the "Lease".

**2. Extension of Term.** The Term of the Lease is hereby extended for seven (7) years, commencing February 1, 2025 and expiring January 31, 2032 (the "Second Extension Term"), on the terms and conditions set forth in the Lease, as amended.

**3. Rent.**

(a) During the Second Extension Term, the monthly Rent shall be payable in accordance with the following schedule:

<u>Period</u>	<u>Monthly Rent</u>
February 1, 2025 – January 31, 2026 \$1.57/sf per month	\$35,657.80

4. **Annual Rent Increase.** On February 1, 2026 and annually thereafter (each an "Adjustment Date"), Rent shall be increased by 3% over the Rent paid prior to the Adjustment Date.

5. **Maintenance.** Paragraph 7.3 of the Existing Lease shall be deleted in its entirety and replaced with the following:

7.3 (a) **Landlord's Obligation:** 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 the following: the interior structural and non-structural elements of the Buildings. All repairs and replacements shall be at least equal in quality, value and utility to the original work or installation, and be in accordance with all laws.

(b) **Tenant's Obligation:** Tenant shall, at Tenant's own expense, keep and maintain in good repair and working orders and promptly make repairs to and perform maintenance on and replace as needed the following: (1) any area damaged by Tenant or Tenant's agents, employees, invitees and visitors; and (2) 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 be at least equal in quality, value and utility to the original work or installation, and be in accordance with all laws.

6. **No Third-Party Beneficiaries.** This Second Amendment is for the sole and exclusive benefit of Landlord and Tenant and their respective permitted successors and assigns, as applicable, and no third party is intended to, or shall have, any rights hereunder.

7. **Successors and Assigns.** Except as otherwise provided in the Lease, this Second Amendment shall be binding upon and inure to the benefit of the parties hereto, the heirs, and the permitted successors, transferees and assigns.

8. **Conflict.** If any conflict exists between the terms or provisions of the Existing Lease and the terms or provisions of this Second Amendment, the terms and provisions of this Second Amendment shall govern and control. If any term or provision of this Second Amendment or any application of this Second Amendment shall be held invalid or unenforceable, the remaining provisions in this Second Amendment and any application of its terms and provision shall remain valid and enforceable under this Second Amendment, the Lease, or California law.

9. **Lease in Full Force.** As amended by this Second Amendment, the Lease shall remain in full force and effect and is ratified by Landlord and Tenant, and no further changes or modifications are hereby made. Tenant represents and warrants to Landlord that (a) both Landlord and Tenant have fulfilled all of their respective obligations under the Lease now due and owing, and there are no uncured defaults or events of default of either party with respect to the Lease; (b) there currently exists no dispute (or any threatened dispute) between Landlord and Tenant with respect to the Lease and there are no delinquent payments under the Lease; and (c) there are no facts or circumstances which with the giving of notice or lapse of an applicable cure period, or both, would constitute a breach or default under the Lease.

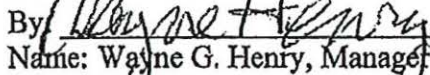
**10. Entire Agreement.** The Lease, as amended, contains the entire agreement of the parties hereto, and supersedes any prior written or oral agreements between them concerning the subject matter contained herein. The provisions of the Lease, as amended, may be modified at any time by written agreement of the parties. Any such written agreement shall be ineffective to modify the Lease in any respect unless in writing and signed by the parties against whom enforcement of the modification or discharge is sought.

**11. Counterparts, Electronic Signature.** This Second Amendment may be executed and delivered in counterparts, each of which when executed and delivered shall be deemed to be an original, but such counterparts shall together constitute one document. Further, this Second Amendment may be executed by facsimile or electronic signature, and any such facsimile or electronic signature by any Party hereto shall be deemed to be an original signature and shall be binding on such Party to the same extent as if such facsimile or electronic signature were an original signature.

IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment as of the date set for the above.

**LANDLORD:**

SCENIC PROPERTIES, LLC, a California  
limited liability company

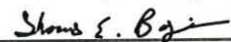
By:   
Name: Wayne G. Henry, Manager

**TENANT:**

STANISLAUS COUNTY, a political  
subdivision of the State of California

\_\_\_\_\_  
GSA Director/Purchasing Agent

APPROVED AS TO FORM:  
Thomas Boze, County Counsel

By:   
Thomas Boze (Feb 19, 2025 12:00 PST)

APPROVED AS TO CONTENT:  
Stanislaus County Behavioral Health and  
Recovery Services

By: 



## LEASE AGREEMENT

### LEASE SUMMARY:

**Lease date:** October 25, 2018

**Landlord:**  
Scenic Properties, LLC

**Tenant:**  
Stanislaus County

**Address of Landlord:**  
PO Box 5221  
Modesto, CA 95352

**Address of Tenant:**  
1010 10<sup>th</sup> Street, Suite 5400  
Modesto, CA 95354

**Premises Address:** 500 N. 9<sup>th</sup> Street, Bldgs A & B, Modesto, CA

**Premises Square Footage:** 11,302 (Bldg A) and 11,410 (Bldg B) for total of 22,712

**Term:** Five (5) years

**Monthly Basic Rent:** "Refer to paragraph 3; term below"

**Termination date:** October 31, 2023

**Permitted Use:** Office space

### AGREEMENT:

This *Lease Agreement* ("**Lease Agreement**") is made and entered into in the City of Modesto, State of California, on October 29, 2018 by and between the **COUNTY OF STANISLAUS**, a political subdivision of the State of California, ("**Tenant**"), and **SCENIC PROPERTIES, LLC**, a California limited liability company ("**Landlord**"), in consideration of the mutual premises, and the agreements, terms and conditions set forth, below.

1. **Premises:** Landlord leases to Tenant, and Tenant hires from Landlord, those certain premises in the County of Stanislaus, more particularly described as 500 N. 9<sup>th</sup> Street, Building A and Building B (each a "**Building**" and collectively the "**Buildings**"), Modesto, California ("**Premises**").
2. **Payment:** Tenant agrees to pay to Landlord for the Premises above-described, during the term designated below, for rent payable on the first day of the month following the month for which the obligation accrues.
3. **Term:** The term of this Lease Agreement shall be for a period of five (5) years commencing at 12:01 A.M. on November 1, 2018 and terminating at 11:59 P.M. on October 31, 2023. The five (5) year term shall be as follows:

Year 1: \$1.31 per sq.ft. per month = \$29,752.72

Year 2: \$1.32 per sq.ft. per month = \$29,979.84

Year 3: \$1.33 per sq.ft. per month = \$30,206.96

Year 4: \$1.34 per sq.ft. per month = \$30,434.08

Year 5: \$1.35 per sq.ft. per month = \$30,661.20



4. Option to Renew: Tenant has the option to renew this Lease Agreement for a period of one year from the expiration of the original term at a rate mutually agreeable to the parties. Tenant shall exercise this option in writing at least one (1) month prior to the termination of the existing lease period. If during said one (1) month period Landlord and Tenant are unable to mutually agree upon rent for the renewal term, then this Lease Agreement shall terminate on July 31, 2023.

5. Utilities:

5.1 During the term of this Lease Agreement or any extension or holdover period, Landlord shall pay for the hook-up or facilities that provide water, sewer, and garbage for the Premises and Tenant shall pay for the monthly charges for such utilities which may be used in or upon the Premises.

5.2 Tenant shall also pay for the furnishing of electric, telephone, and/or internet service which may be used in or upon the Premises during the term of this Lease Agreement, or any extension or holdover period, provided that Tenant has contracted directly with the utility companies.

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

7. Maintenance:

7.1. Landlord Representations: Landlord represents to Tenant that (i) the Premises (including the Buildings and any common areas, electrical, heating, ventilating and air conditioning ["HVAC"], mechanical, plumbing, gas and fire/life safety systems in the Building and similar building service systems) comply with all current laws, codes, and ordinances, including the Americans With Disabilities Act, and are in reasonable good working order and condition; (ii) the Buildings and Premises comply with all covenants, conditions, restrictions, and insurance underwriter's requirements; and (iii) the Premises, Buildings, and any common areas are free of the presence of any Hazardous Materials and (iv) Landlord has not received any notice from any governmental agency that the Buildings or the Premises are in violation of any law or regulation. Landlord represents, based upon a professional inspection of the Premises and the Buildings and the Asbestos Report that the Premises and the Buildings contain no asbestos containing materials (other than as may be reflected in the Asbestos Report). Landlord shall, prior to Tenant's occupancy, abate, at Landlord's sole cost and expense, all asbestos containing materials to the extent required by law and provide Tenant with an updated report from a licensed California Asbestos contractor to that effect.

7.2. Landlord Obligations: Landlord shall, at Landlord's own expense, keep and maintain in good repair and working order and promptly make repairs to and perform maintenance upon and replace as needed the following: (1) the structural elements of the Buildings, including without limitation, all permanent exterior and interior walls, floors and ceilings, roof, concealed plumbing, stairways, and concealed electrical systems and telephone intra-building network cable; (2) mechanical (including HVAC), electrical, plumbing, and fire/life safety systems serving the Buildings; (3) any common areas; (4) exterior windows of the Buildings; and (5) elevators serving the Buildings, if any.



Notwithstanding the preceding, Landlord shall not be responsible to make repairs or replacements to any of the preceding if they are damaged by Tenant or Tenant's agents, employees, invitees and visitors.

7.2.1 Floor Covering: Landlord's repair obligations include the floor covering if such floor covering is carpeting it shall be replaced as needed but not less often than after five (5) years of use.

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

7.3. Tenant's Obligation: Tenant shall, at Tenant'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 the following: (1) the interior, non-structural elements of the Buildings; (2) any area damaged by Tenant or Tenant's agents, employees, invitees and visitors; and, (3) the repair of low voltage electronic, phone and data cabling and related equipment that is installed by or for the exclusive benefit of Tenant. All repairs and replacements shall: (a) be made and performed by contractors or mechanics approved by Landlord, which consent shall not be unreasonably withheld or delayed, (b) be at least equal in quality, value and utility to the original work or installation, (c) be in accordance with all laws.

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

7.5. 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 Buildings structure and/or the Buildings 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 Buildings to the extent necessary to perform the work



contemplated by this provision. If such action was required under the terms of this Lease Agreement to have been taken by Landlord and was not taken by Landlord within such period (unless such notice was not required as provided above), and Tenant took such required action, then Tenant shall be entitled to prompt reimbursement by Landlord of Tenant's reasonable costs and expenses in having taken such action. If not reimbursed by Landlord within ten (10) days, Tenant shall be entitled to deduct from monthly Basic Rent payable by Tenant under this Lease Agreement the amount set forth in its invoice for such work.

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

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

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

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

9. Building Ventilation: Premises shall comply with Title 8, Section 5142, California Code of Regulations, "Mechanically Driven Heating, Ventilating and Air Conditioning (HVAC) Systems" to provide minimum building ventilation; *provided, however*, that Landlord may terminate this Lease Agreement should it decide that repair expenses, do not merit the continuance of this Lease Agreement. Tenant shall be given notice by Landlord of said decision and notice shall provide Tenant adequate time to make other arrangements.
10. CAL/OSHA Inspections: If the Premises are cited by CAL/OSHA, Landlord shall be required to abate said citations; *provided, however*, that Landlord may terminate this Lease Agreement should it decide that abatement cost, do not merit the continuance of this Lease Agreement. Tenant shall be given notice by Landlord of said decision and notice shall provide Tenant adequate time to make other arrangements.
11. Holding Over: In case Tenant holds over beyond the end of the term of this Lease Agreement, with the consent expressed or implied of Landlord, such tenancy shall be from month to month only, subject to the terms and conditions of this Lease Agreement, but shall not be deemed to be a renewal. The rent to be paid in a hold over situation shall be at the rate provided in the terms of this Lease Agreement.
12. Janitorial Services: Tenant shall furnish janitorial service as is necessary on the Premises.



13. **Alterations:** The parties agree not to make any alterations in or on the Premises without first securing the written consent of the other party, and further agree to make such alterations only at such time that is agreeable to the other party.
14. **Notices:** Notices desired or required to be given by this Lease Agreement or by any law now in effect or later enacted may be given by enclosing the notice in a sealed envelope addressed to the party for whom intended and by depositing such envelope, with postage prepaid, in United State mail. The envelope containing the notice shall be addressed to the parties as follows:

**TO LANDLORD AT:**  
Scenic Properties, LLC  
PO Box 5221  
Modesto, CA 95352

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

or other place as may be designated in writing by either party.

15. **Loss:** Landlord agrees that should the demised Premises be so badly damaged by fire, incidents of war, earthquake, or other violent action of the elements as to render them wholly unfit for Tenant's occupancy, then this Lease Agreement shall be terminated immediately upon the happening of any such event whereupon Tenant shall surrender the Premises and shall not be liable for any further payments. In the event of any lesser damage by any such cause, Landlord shall restore the Premises to the condition it was in immediately prior to the event causing the damage, and the lease payment shall abate in proportion to the area not used by Tenant during the period of restoration. If Landlord should fail to pursue restoration work with reasonable diligence to completion, Tenant, at its sole option may surrender the Premises and shall not be liable for any further lease payments under this Lease Agreement.
16. **Assignment/Successors:** Tenant shall not assign this Lease Agreement without the prior written consent of Landlord, which consent shall not be unreasonably withheld. Each and all of the terms and agreements contained in this Lease Agreement shall be binding upon and shall inure to the benefit of the successors in interest of Landlord, and wherever the context permits or requires, the successors in interest to Tenant.
17. **Trade Fixtures:** Tenant shall install such fixtures, equipment, and personal property as may be necessary and convenient for its operation. Such furniture, equipment, and personal property may be removed at any time during Tenant's tenancy or within a reasonable time thereafter, and shall not be considered part of the Premises. Removal of the same shall not damage or deface the Premises, and if the Premises shall be so damaged, Tenant shall repair such damage at its own expense.
18. **Fire and Other Perils Insurance:** The parties agree to be responsible for damage by the perils of fire, extended coverage, and vandalism to those items of real and personal property for which they hold title or for which they have assumed liability to others.
19. **Waiver of Rights of Subrogation:** Landlord and Tenant agree that in the event of loss due to any of the perils for which they have agreed to provide insurance, each party shall look solely to its insurance for recovery. Landlord and Tenant grant to each other on behalf of any insurer providing insurance to either of them with respect to the Premises, a waiver of any right of subrogation which any insurer of one party may acquire against the other by virtue of payment of any loss under such insurance.



20. Indemnity: Tenant agrees to and shall indemnify, defend, and hold Landlord harmless from and against any claims, damages, lawsuits, and liabilities, losses occurring on the Premises and arising out of Tenant's occupancy of the Premises. Tenant assumes no liability for any loss caused by the sole negligence of Landlord.
21. Lack of Funding: If, during the term of this Lease Agreement, Tenant, Stanislaus County, in its sole discretion, determines that sufficient funds are not available to allow for continuation of this Lease Agreement or current County owned space becomes available, Tenant may terminate this Lease Agreement upon one hundred twenty (120) days written notice to Landlord without further obligation to Landlord.

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

  
\_\_\_\_\_  
Landlord's Initials

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

this Section may be relied upon by a prospective purchaser of Landlord's interest or holder of any mortgage upon Landlord's interest in the Premises.

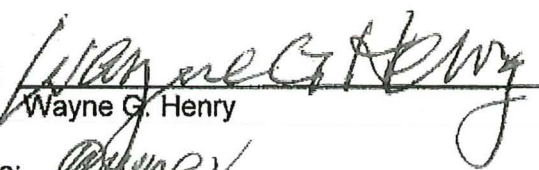
25. Entire Agreement: This Lease Agreement supersedes any and all other agreements, either oral or in writing, between any of the parties herein with respect to the subject matter hereof and contains all the agreements between the parties with respect to such matter. Each party acknowledges that no representations, inducements, promises or agreements, oral or otherwise, have been made by any party, or anyone acting on behalf of any parties, which are not embodied herein, and that no other agreement, statement or promise not contained in this Lease Agreement shall be valid or binding. The invalidity of any provision of this Lease Agreement as determined by a court of competent jurisdiction shall in no way affect the validity of any other provision of this Lease. This Lease Agreement may not be amended, waived or discharged except by an instrument in writing, executed by the party against whom enforcement of such amendment, waiver, or discharge is sought.
26. Time is of the Essence: Landlord and Tenant agree that time is of the essence in this Lease Agreement.
27. Duplicate Counterparts: This Lease Agreement may be executed in duplicate counterparts, each of which shall be deemed a duplicate original.

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

**TENANT**  
**COUNTY OF STANISLAUS**  
GSA Purchasing Division

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

**LANDLORD**  
**SCENIC PROPERTIES, LLC**

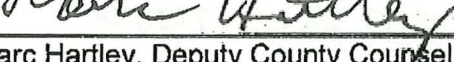
By:   
Wayne G. Henry

Title:   
Owner

**APPROVED AS TO CONTENT:**  
**Stanislaus County**  
**Behavioral Health & Recovery Services**

By:   
Rick DeGette, MA, MFT, Director

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

By:   
Marc Hartley, Deputy County Counsel

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## FIRST AMENDMENT TO LEASE

THIS FIRST AMENDMENT TO LEASE ("First Amendment"), dated as of October 31<sup>st</sup>, 2023, for reference purposes only, is made by and between Scenic Properties, LLC, a California limited liability company ("Landlord"), and the County of Stanislaus, a political subdivision of the State of California ("Tenant"), who agree as follows:

1. **Background.** This First Amendment is made with reference to the following facts and objectives:

(a) Landlord and Tenant entered into that certain written Lease, dated October 25, 2018 ("Existing Lease"), by which Landlord leased to Tenant commercial space identified as 500 N. 9<sup>th</sup> Street, Buildings A and B, Modesto California, consisting of approximately 22,712 square feet (the "Premises") as more particularly described in the Existing Lease. The term of the Existing Lease will expire on October 31, 2023.

(b) The Existing Lease granted Tenant the option to renew the Existing Lease for a period of one year from the expiration of the original term, and Tenant exercised said option, conditioned upon the approval of this First Amendment by the Board of Supervisors. The Board of Supervisors approved this First Amendment on 10/31/2023.

(c) Landlord and Tenant desire to, among other things, extend the term of the Existing Lease and modify the rent, subject to the terms and conditions set forth in this First Amendment. All terms capitalized but not defined in this First Amendment shall have the meanings given them in the Existing Lease. The Existing Lease, as modified by this First Amendment, shall be referred to herein as the "Lease".

2. **Extension of Term.** The Term is hereby extended for twelve (12) full calendar months, commencing November 1, 2023 and expiring October 31, 2024 (the "Extension Term"), on the terms and conditions set forth in the Lease. The Extension Term, together with the term of the Existing Lease, is referred to collectively herein as the "Term."

### 3. **Rent.**

(a) During the Extension Term, the monthly Rent shall be payable in accordance with the following schedule:

<u>Period</u>	<u>Monthly Rent</u>
November 1, 2023 – October 31, 2024 \$1.38/sf per month	\$31,342.56

4. **CASp.** Pursuant to California Civil Code Section 1938, Landlord hereby notifies Tenant that as of the date of this Lease, the Premises has not undergone inspection by a "Certified Access Specialist" ("CASp") to determine whether the Premises meet all applicable construction-related accessibility standards under California Civil Code Section 55.53. Landlord hereby



discloses pursuant to California Civil Code Section 1938 as follows: "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 construction-related accessibility standards within the premises."

5. **No Third-Party Beneficiaries.** This First Amendment is for the sole and exclusive benefit of Landlord and Tenant and their respective permitted successors and assigns, as applicable, and no third party is intended to, or shall have, any rights hereunder.

6. **Successors and Assigns.** Except as otherwise provided in the Lease, this First Amendment shall be binding upon and inure to the benefit of the parties hereto, the heirs, and the permitted successors, transferees and assigns.

7. **Conflict.** If any conflict exists between the terms or provisions of the Existing Lease and the terms or provisions of this First Amendment, the terms and provisions of this First Amendment shall govern and control. If any term or provision of this First Amendment or any application of this First Amendment shall be held invalid or unenforceable, the remaining provisions in this First Amendment and any application of its terms and provision shall remain valid and enforceable under this First Amendment, the Lease, or California law.

8. **Lease in Full Force.** As amended by this First Amendment, the Lease shall remain in full force and effect and is ratified by Landlord and Tenant, and no further changes or modifications are hereby made. Tenant represents and warrants to Landlord that (a) both Landlord and Tenant have fulfilled all of their respective obligations under the Lease now due and owing, and there are no uncured defaults or events of default of either party with respect to the Lease; (b) there currently exists no dispute (or any threatened dispute) between Landlord and Tenant with respect to the Lease and there are no delinquent payments under the Lease; and (c) there are no facts or circumstances which with the giving of notice or lapse of an applicable cure period, or both, would constitute a breach or default under the Lease.

9. **Entire Agreement.** This First Amendment contains the entire agreement of the parties hereto, and supersedes any prior written or oral agreements between them concerning the subject matter contained herein. The provisions of this First Amendment may be modified at any time by written agreement of the parties. Any such written agreement shall be ineffective to modify this First Amendment in any respect unless in writing and signed by the parties against whom enforcement of the modification or discharge is sought.

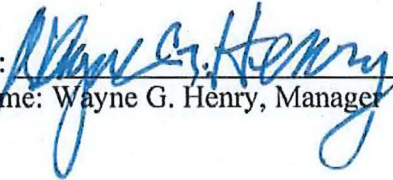
10. **Levine Act Disclosure.** Concurrent with the execution of this First Amendment, Landlord shall sign the Levine Act Disclosure Statement attached hereto.

**11. Counterparts, Electronic Signature.** This First Amendment may be executed and delivered in counterparts, each of which when executed and delivered shall be deemed to be an original, but such counterparts shall together constitute one document. Further, this First Amendment may be executed by facsimile or electronic signature, and any such facsimile or electronic signature by any Party hereto shall be deemed to be an original signature and shall be binding on such Party to the same extent as if such facsimile or electronic signature were an original signature.

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment as of the date set for the above.

**LANDLORD:**

SCENIC PROPERTIES, LLC, a California  
limited liability company


By:   
Name: Wayne G. Henry, Manager

**TENANT:**

STANISLAUS COUNTY, a political  
subdivision of the State of California

  
GSA Director/Purchasing Agent

APPROVED AS TO FORM:  
Thomas Boze, County Counsel

By:   
Thomas Boze (Oct 23, 2023 11:47 PDT)

APPROVED AS TO CONTENT:  
Stanislaus County Behavioral Health and  
Recovery Services

By:   
Kevin Panyanouvong, LCSW for Tony Vartan (Oct 24, 2023 14:35 PDT)

**CAMPAIGN CONTRIBUTION/LEVINE ACT DISCLOSURE STATEMENT**

Government Code section 84308, part of the "Levine Act", prohibits County "Officers" from participating in any action related to a license, permit or other entitlement if such member receives political contributions totaling more than \$250 within the twelve months prior to the initiation of proceeding, during the pendency of the proceeding, and twelve months following the date of final decision on the entitlement. During the pendency of the proceeding and for twelve months following final decision on the entitlement, a "Party" or "Participant" as defined in section 84308, is prohibited from contributing more than \$250 to an "Officer".

Section 84308(a)(4) of the Levine Act defines an "officer" as follows: "Officer" means any elected or appointed officer of an agency, any alternate to an elected or appointed officer of an agency, and any candidate for elective office in an agency. The term "officer" is further defined 2 Cal. Code Regs. Section 18438.1, which states:

An officer of an agency includes only those persons who make, participate in making, or in any way attempt to use their official position to influence a decision in the license, permit, or entitlement for use proceeding, or who exercise authority or budgetary control over the agency of officers who may do so, and:

- (1) Serve in an elected position, including an official appointed to an elected position due to an interim vacancy or an election otherwise canceled because the official was the sole candidate for the position;
- (2) Serve as a member of a board or commission;
- (3) Serve as the chief executive of a state agency, or county, city or district of any kind; or
- (4) Have decision making authority with respect to the proceeding involving a license, permit, or other entitlement for use and is also a candidate for elected office or has been a candidate for elective office in the 12 months prior to the proceeding.

A list of Stanislaus County Board Members can be found online at: <https://www.stanvote.com/pdf/elected-officials-list.pdf>. The party making this certification is responsible for determining whether a recipient of a political contribution is a County "Officer".

1. Have you, your company, or any agent on behalf of you or your company, made any political contributions of more than \$250 to any County officer, in the twelve (12) months preceding the date of the submission of your proposals or the anticipated date of any Board action related to this contract?

☐ YES ☒ NO

- If YES, please identify the person(s) or agent(s) making the contribution:

\_\_\_\_\_

- If YES, please identify the County Officer receiving the contribution:

\_\_\_\_\_

2. Do you, or your company, or any agent on behalf of you or your company, anticipate or plan to make any political contribution of more than \$250 to any County Officer in the twelve (12) months following any Board action related to this contract? ☐ YES ☒ NO

- If YES, please identify the person(s) or agent(s) making the contribution:

\_\_\_\_\_

- If YES, please identify the County Officer receiving the contribution:

\_\_\_\_\_

Answering YES to either of the questions above does not preclude Stanislaus County from awarding the relevant entitlement to you or preclude Stanislaus County from taking subsequent action on the entitlement.



I HEREBY CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE FOREGOING IS TRUE AND CORRECT.

Signature: <i>Wayne Hwang</i>	Date Signed: <i>3/20/25</i>
Print Name:	
Title: <i>OWNER</i>	
Company: <i>Scenic Properties</i>	

For Internal Purposes Only (If Applicable)

Application Number:	Application Title:
Application Address:	Application APN:
RFP/ Bid Number:	RFP/Bid Title: