

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

DEPT: Behavioral Health And Recovery Services

BOARD AGENDA # *B-4

Urgent Routine

AGENDA DATE September 17, 2013

CEO Concurs with Recommendation YES NO
(Information Attached)

4/5 Vote Required YES NO

SUBJECT:

Approval to Enter into a Six Month Lease Agreement for Space at 1444 Florida Avenue, Across from Doctors Medical Center for the Operation of a Short Term Crisis Intervention Program to Operate Until the Psychiatric Health Facility is Completed in March, 2014

STAFF RECOMMENDATIONS:

1. Authorize the Purchasing Agent, on behalf of Behavioral Health and Recovery Services, to enter into a six-month lease agreement with 1444 Florida Avenue, LLC, Triple L Investments, LLC and 4701 Stoddard, LLC for office space at 1444 Florida Ave. in Modesto for Crisis Intervention Services effective September 10, 2013.
2. Authorize the Purchasing Agent and the Behavioral Health Director to sign the lease agreement and related documentation with 1444 Florida Avenue, LLC, Triple L Investments, LLC and 4701 Stoddard, LLC

(Continued on Page 2)

FISCAL IMPACT:

Behavioral Health and Recovery Services (BHRS) currently contracts with Doctors Medical Center/Doctors Behavioral Health Center (DMC/DBHC) and hospitals in other counties for acute in-patient psychiatric beds. The county cost of these services for Fiscal Year 2012-2013 was approximately \$9.8 million, based on an average daily census of 32 beds at DBHC and 7.8 beds in out-of-county placements. Several factors have contributed to a substantial increase in the county cost:

(Continued on Page 2)

BOARD ACTION AS FOLLOWS:

No. 2013-467

On motion of Supervisor Withrow, Seconded by Supervisor O'Brien

and approved by the following vote,

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

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: CHRISTINE FERRARO TALLMAN, Clerk

File No.

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STAFF RECOMMENDATIONS: (Continued)

3. Authorize the Behavioral Health and Recovery Services to operate a Crisis Intervention Program located at 1444 Florida Ave effective October 1, 2013 through February 28, 2014.
4. Authorize the use of \$370,000 of the Behavioral Health and Recovery Services Committed Fund Balance for Capital Acquisition by a 4/5 vote of the Board of Supervisors.
5. Direct the Auditor-Controller to increase appropriations in the Mental Health Services budget in the amount of \$370,000 to be funded from existing funds previously set aside from the proceeds of the sale of Stanislaus Behavioral Health Center as identified in the budget journal.

FISCAL IMPACT: (Continued)

a dramatic increase in bed usage, an increase in the rate paid to the hospitals, and a larger portion of uninsured patients for which the County has 100% responsibility.

On November 13, 2012, the Board of Supervisors approved the Behavioral Health Strategic Plan for 24/7 Secure Mental Health Services. The plan identified three goals to address the increased need for psychiatric hospitalizations in Stanislaus County, including assessing opportunities for creating a community crisis stabilization service to avoid hospitalization when possible.

A Crisis Intervention Program (CIP) is a temporary lower cost solution to a crisis stabilization program. In order to appropriately care for consumers who may not require the highest level of inpatient services and ease the overwhelming burden on the DMC Emergency Department, the CIP is proposed to be located in space on Florida Avenue, across the street from DMC. The base lease rate for this property is \$ 1.75 per square foot for 1800 square feet of medical office space and 300 square feet of common use space for a total of 2100 square feet. The cost of the lease for six months will be \$22,050. The remaining \$347,950 in the budget request will be used for staffing and furnishings for the CIP. Funding for the recommended CIP is available from the proceeds of the 2007 sale of the Stanislaus Behavioral Health Center to DMC with no impact to the County General Fund. Currently \$3,757,043 remains from the sale proceeds and can only be used by approval of the Board of Supervisors.

According to Senate Bill 82, the *Investment in Mental Health Wellness Act of 2013*, 70% of individuals taken to emergency rooms for psychiatric care can be stabilized and transferred to a less intensive level of care, thus avoiding a costly acute care admission. For the period October 1, 2013 through February 28, 2014, the Department estimates

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that 2 admissions per day can be avoided through services provided at the CIP for a savings of \$919,968.

Total Estimated Savings	\$919,968
Total Daily Savings	\$ 6,093
Cost of Operating a Crisis Intervention Program	\$370,000
Recoupment Period	60.7 days

DISCUSSION:

Since early 2012, Stanislaus County has experienced a dramatic increase in acute psychiatric in-patient admissions. This increase impacts capacity and creates financial burdens for the County. Behavioral Health and Recovery Services (BHRS) holds the responsibility for the total costs for the Uninsured and Forensic patients. Thus, recent increases in uninsured admissions are of significant concern.

History

Effective October 31, 2007, Stanislaus County sold its 67-bed inpatient acute psychiatric facility, Stanislaus Behavioral Health Center, to Doctors Medical Center of Modesto (DMC), a Tenet Healthcarè affiliate. The Center subsequently became known as Doctors Behavioral Health Center (DBHC). At that time, the County entered into a Provider Agreement with DMC for the purchase of 35 beds on a daily basis for County patients, defined as: Medi-Cal adult beneficiaries of Stanislaus County, adult indigent uninsured residents of Stanislaus County, and "restoration to competency" patients. That agreement was terminated on December 31, 2009, and a new agreement was effective January 1, 2010 through June 30, 2012. The current agreement, effective July 1, 2012 through June 30, 2013 and extended through September 30, 2013, reserves up to 25 in-patient acute psychiatric beds on a daily basis. Additionally, County patients may be placed in other, out of County facilities for a variety of reasons: lack of capacity at DBHC; patient not suitable for treatment at DBHC; or patient is under 21 years of age. Those patients who are the County's responsibility may be placed in a secure facility only upon assessment by County staff; local hospitals do not have the authority to direct the admission of a County patient.

In Stanislaus County, one level of acute care presently exists for short-term acute stays – DBHC. DBHC is considered an Acute In-patient Psychiatric Unit that is part of a general acute care hospital – DMC. Within the County, there are no free-standing Acute Psychiatric Hospitals, no Psychiatric Health Facilities (PHF), no sub-acute Mental Health Rehabilitation Centers (MHRC) or Institutes for Mental Diseases (IMD). There is one privately operated sub-acute Skilled Nursing Facility (SNF) in Modesto currently; however, it is not an IMD as its operating structure allows for less than 50% psychiatric

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care. There are no County-owned/operated facilities for acute or sub-acute in-patient psychiatric care.

The historical average of in-patient beds (local and out of county beds) used by patients under the County's responsibility has been 19 per day; however, since January 2012 the daily census has been over 40 per day, of which on average 54% are uninsured. The corresponding impact to the community overall has been no available beds at DBHC and long waits in local hospital emergency departments. This has challenged the community's ability to place consumers in local, appropriate, and cost effective levels of care. The most significant increase to in-patient admissions is with the uninsured population, especially consumers new to the mental health system.

Strategic Planning Efforts

During calendar year 2012, the Chief Executive Office (CEO), BHRS, DMC, and other stakeholders met and began a new working relationship that focused on the capacity issues and growing need for psychiatric in-patient services. This group identified both short and long-term issues related to the need for secure 24/7 mental health services and programs that surround such services. The result of this effort is a Strategic Plan that addresses in-patient needs and identifies systems issues surrounding 24/7 secure mental health services that could assist in avoiding hospitalization and reduce recidivism. The Strategic Plan, adopted by the Board of Supervisors on November 13, 2012, recommended a continuum of care with three main goals:

- Develop recommendations for increased capacity to provide in-patient 24/7 care, including but not limited to, options that will provide less costly alternatives when appropriate;
- Assess opportunities for creating a community crisis stabilization service to avoid hospitalization when possible; and
- Develop aftercare strategies as an element of a behavioral health continuum of care around in-patient services.

The centerpiece of the continuum is the development of a County-owned 16-bed Psychiatric Health Facility (PHF) to provide a lower cost option for hospitalizations for certain county patients who do not require the DBHC level of care, to help mitigate the County's costs for services needed. The PHF will allow for patients to be placed in a lower level of care alternative and provide additional psychiatric capacity to the community. The County is currently in the process of remodeling an existing vacant residential facility at the Stanislaus Recovery Center location at 1904 Richland Avenue in Ceres, with an anticipated operational date of March 1, 2014. Implementation of the third goal began on January 29, 2103, when the Board of Supervisors approved an expansion to the Department's Mental Health Services Act programs that included

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enhanced aftercare services as well as a hospital discharge team to help mitigate readmissions.

The remaining goal is development of a Crisis Stabilization Unit (CSU) to avoid hospitalizations. A CSU provides up to 23 hours of supervised outpatient services to enable an individual in crisis to stabilize and hopefully avoid admission to a psychiatric facility. As part of its Fiscal Year 2013-2014 budget process, the State created the *Investment in Mental Health Wellness Act of 2013*. Funding through this Act is to be used to increase capacity for client assistance and services in crisis intervention, crisis stabilization, crisis residential treatment, rehabilitative mental health services and mobile crisis support teams. Appropriations will be made through a competitive process. Once the guidelines have been issued, the Department plans to submit a proposal to develop a CSU Unit adjacent to the new PHF.

In the interim, the Department is proposing to operate a temporary Crisis Intervention Program (CIP) across Florida Avenue from DMC. A CIP also provides a supervised outpatient service, but is not required to have the same level of staffing as a CSU and is therefore a less costly alternative. Due to the lower staffing levels, medications that may help the individual stabilize quickly cannot be administered. The Department's existing Crisis Emergency Response Team will also be temporarily relocated to this location to staff the CIP and be closer to the DMC Emergency Room. By locating the CIP adjacent to the DMC Emergency Department, clinical staff is able to transport individuals, who may otherwise have been admitted to a psychiatric hospital, across the street in an effort to stabilize them and provide professional as well as peer support. A meeting between BHRS Executive Staff and DMC Emergency Room and Executive staff was held on August 19, 2013 to discuss the proposed program. At the conclusion of the meeting, the Emergency Room medical staff was fully supportive of the proposed CIP.

BHRS and General Services Agency staff has negotiated a six-month lease with the landlords for the property at 1444 Florida Ave in Modesto. Once the PHF opens in March 2014, the CIP will move to available space at the Stanislaus Recovery Center site. The CIP will remain until a CSU can be developed. All equipment purchased for the temporary CIP will be transferred to the permanent CIP/CSU in March 2014.

POLICY ISSUES:

Approval of the recommended actions supports the Board's priorities of A Safe Community, A Healthy Community, and Efficient Delivery of Public Services by ensuring County patients have access to the appropriate level of care as needed with regard to 24/7 secure mental health services.

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STAFFING IMPACT:

Existing BHRS staff will be relocated to the leased site to administer the proposed program. Additionally, the Department anticipates the need to hire extra help Behavioral Health Specialists and Clinical Services Technicians to support the program on a 24/7 basis.

CONTACT:

Madelyn Schlaepfer, Behavioral Health Director, 209 525-6225.

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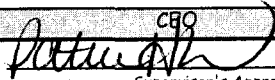
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Explanation: Set up appropriations for Crisis Intervention Program for FY 2013-2014.

Requesting Department		Data Entry		Auditors' Office Only	
Jennifer Figueroa	 Supervisor's Approval 9/13/13 Date	Keyed by	Prepared By	Approved By	8/28/13
Prepared by		Date	Date	Date	Date

9/17/13
B-4

LEASE AGREEMENT

LEASE SUMMARY:

Lease date: September 17, 2013

Landlord:
1444 Florida Avenue, LLC (50%)
Triple L Investments, LLC (45%)
4701 Stoddard LLC (5%)

Tenant:
Stanislaus County

Address of Landlord:
c/o Centerra Capital
P.O. Box 3324
Modesto, CA 95353

Address of Tenant:
1010 10th Street, Suite 5400
Modesto, CA 95354

Premises Address: 1444 Florida Avenue, Suite 100, Modesto, CA (APN: 119-006-040)

Premises Square Footage: 1,800 sq. ft. plus approx. 300 sq. ft. Common Area (2,100 sq ft total)

Term: Six (6) months

Monthly Basic Rent: \$3,675 (2,100 sq. ft. @ \$1.75/sq. ft.)

Termination date: March 16, 2014

Permitted Use: Client counseling

AGREEMENT:

This Lease Agreement (the "Lease Agreement") is entered into in the City of Modesto, State of California, on September 17, 2013 between the **COUNTY OF STANISLAUS**, a political subdivision of the State of California, ("Tenant"), and **1444 FLORIDA AVENUE, LLC, TRIPLE L INVESTMENTS, LLC and 4701 STODDARD LLC** (collectively, "Landlord"), in consideration of the premises, and the agreements, terms and conditions set forth, below.

1. **Premises:** Landlord leases to Tenant, and Tenant hires from Landlord, a portion of those certain premises in the County of Stanislaus, more particularly described as 1444 Florida Avenue, Suite 100, Modesto, California.
2. **Payment:** Tenant agrees to pay to Landlord for the Premises above-described, during the term designated below, \$3,150.00 (1,800 sq. ft. @ \$1.75/sq. ft.) per month for rent plus \$525 (300 sq. ft. @ 1.75/sq ft) per month for use of the Common Area, for a total of \$3,675.00 per month 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 six (6) months commencing at 12:01 A.M. on September 17, 2013 and terminating at 11:59 P.M. on March 16, 2014.
4. **Option to Renew:** This section has been intentionally omitted.
5. **Utilities:**
 - 5.1 Landlord shall pay for the furnishing of taxes and insurance, and maintenance of Common Areas and landscape which may be used in or upon the Premises during the term of this Lease Agreement or any extension or holdover period.

5.2 Tenant shall pay for the furnishing of water, sewer, garbage, gas, and electric 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 client counseling. 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.

Tenant shall not permit any activity or conduct by its employees, clients or guests, in, on or about the Premises which will in any way obstruct or interfere with the rights or operations of other tenants or occupants in the Building. Further, Tenant shall not use or allow the Premises to be used in any way which would cause, maintain or permit any nuisance in, on or about the Premises. If, in the reasonable discretion of Landlord, Tenant violates this use restriction, Landlord shall advise the County immediately. If no reasonable resolution or accommodation can be reached, the parties agree that the Landlord will allow the Tenant to relocate to comparable premises owned by Landlord at 1524 McHenry Avenue in Modesto at the same lease rate and terms as set forth in this Lease Agreement, after serving due notice of Landlord's intention to require such relocation. At a minimum, a 10-day notice period shall be provided to allow for the orderly relocation should that be required.

7. Maintenance:

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

7.2. Landlord Obligations: Landlord shall, at Landlord's own expense, keep and maintain in good repair and working order and promptly make repairs to and perform maintenance upon and replace as needed: (1) the structural elements of the Building, including without limitation, all permanent exterior and interior walls, floors and ceilings, roof, concealed plumbing, stairways, concealed electrical systems and telephone intrabuilding network cable and pest control service; (2) mechanical (including HVAC), electrical, plumbing and fire/life safety systems serving the Building; (3) the Common Areas; (4) exterior windows of the Building; and (5) elevators serving the Building. Landlord, at its sole cost and expense, shall also perform all maintenance and repairs to the Premises, and shall keep the Premises in good condition and repair, reasonable wear and tear excepted. Landlord's repair obligations include, without limitation,

repairs to: (1) the floor covering (if such floor covering is carpeting it shall be replaced as needed but not less often than after five (5) years of use); (2) interior partitions; (3) doors; (4) the interior side of demising walls (which shall be repainted as needed but not less often than every five (5) years and (5) signage.

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

7.2.2. Excluding normal wear and tear, and, excluding heating and cooling equipment, Tenant shall, at Tenant's sole expense, be responsible for the cost of repairing any area damaged by Tenant or Tenant's agents, employees, invitees and visitors and the repair of low voltage electronic, phone and data cabling and related equipment that is installed by or for the exclusive benefit of Tenant. All repairs and replacements shall: (a) be made and performed by contractors or mechanics approved by Tenant, which consent shall not be unreasonably withheld or delayed, (b) be at least equal in quality, value and utility to the original work or installation, (c) be in accordance with all laws.

7.3. Entry: Tenant shall permit Landlord, or an authorized agent of landlord, free access to the Premises at all reasonable times for the purpose of inspection or for making necessary improvements or repairs. Additionally, Tenant shall permit Landlord, or an authorized agent of the Landlord, access to the Premises at all reasonable times with prior notice for the purpose of showing the facility to prospective renters, with the exception of rooms occupied by Tenant's clients receiving treatment services.

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

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

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

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

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

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

9. Building Ventilation: Premises shall comply with Title 8, Section 5142, California Code of Regulations, "Mechanically Driven Heating, Ventilating and Air Conditioning (HVAC) Systems" to provide minimum building ventilation. Provided, however, that Landlord may terminate this Lease Agreement should it decide that repair expenses, do not merit the continuance of this Lease Agreement. Tenant shall be given notice by Landlord of said decision and notice shall provide Tenant adequate time to make other arrangements.
10. CAL/OSHA Inspections: If the Premises is cited by CAL/OSHA, Landlord shall be required to abate said citations. Provided, however, that Landlord may terminate this Lease Agreement should it decide that abatement cost, do not merit the continuance of this Lease Agreement. Tenant shall be given notice by Landlord of said decision and notice shall provide Tenant adequate time to make other arrangements.
11. CASP Inspection: Pursuant to California Civil Code §1938, Landlord certifies that the leased Premises have undergone inspection by a Certified Access Specialist (CASp), and, that the property has been determined to meet all applicable construction-related accessibility standards pursuant to California Civil Code section 55.53. A true and correct copy of the CASp report has been provided to the Tenant.

12. Confidentiality of Protected Health Information: XX **CHECK IF APPLICABLE**
For purposes of this section this Agreement, "protected health information" or "PHI" shall have the meaning defined by the Standards for Privacy of Individually Identifiable Health Information, 45 C.F.R. Part 160 and Subparts A and E of Part 164 (the "Privacy Standards") as promulgated by the Department of Health and Human Services ("HHS") pursuant to the Administrative Simplification provisions of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), any applicable amendments pursuant to the Health Information Technology for Economic and Clinical Health (HITECH) Act, (Pub. L No. 111-5), and California law. Tenant agrees to reasonably safeguard PHI from any intentional or unintentional

disclosure in violation of the Privacy Standards by implementing appropriate administrative, technical, and physical safeguards to protect the privacy of PHI. Tenant further agrees to implement appropriate administrative, technical and physical safeguards to limit incidental disclosures of PHI, including disclosures to Landlord, its contractors, subcontractors and agents.

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

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

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



Landlord's Initials



Landlord's Initials



Landlord's Initials

13. Holding Over: In case Tenant holds over beyond the end of the term of this Lease Agreement, with the consent expressed or implied of Landlord, such tenancy shall be from month to month only, subject to the terms and conditions of this Lease Agreement, but shall not be deemed to be a renewal. The rent to be paid in a hold over situation shall be at the rate provided in the terms of this Lease Agreement.
14. Janitorial Services: Tenant shall furnish janitorial service as is necessary on the Premises.
15. Alterations: The parties agree not to make any alterations in or on the Premises without first securing the written consent of the other party, and further agree to make such alterations only at such time that is agreeable to the other party.
16. Notices: Notices desired or required to be given by this Lease Agreement or by any law now in effect, or later enacted, may be given by enclosing the Notice in a sealed envelope addressed to the party for whom intended and by depositing such envelope, with postage prepaid, in United State mail. The envelope containing the Notice shall be addressed to Landlord as follows:

**c/o Centerra Capital
P.O. Box 3324
Modesto, CA 95353**

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

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

17. **Loss:** Landlord agrees that should the demised Premises be so badly damaged by fire, incidents of war, earthquake, or other violent action of the elements as to render them wholly unfit for Tenant's occupancy, then this Lease Agreement shall be terminated immediately upon the happening of any such event whereupon Tenant shall surrender the Premises and shall not be liable for any further payments. In the event of any lesser damage by any such cause, Landlord shall restore the Premises to the condition it was in immediately prior to the event causing the damage, and the lease payment shall abate in proportion to the area not used by Tenant during the period of restoration. If Landlord should fail to pursue restoration work with reasonable diligence to completion, Tenant, at its sole option may surrender the Premises and shall not be liable for any further lease payments under this Lease Agreement.
18. **Successors:** Each and all of the terms and agreements contained in this Lease Agreement shall be binding upon and shall inure to the benefit of the successors in interest of Landlord, and wherever the context permits or requires, the successors in interest to Tenant.
19. **Trade Fixtures:** Tenant shall install such fixtures, equipment, and personal property as may be necessary and convenient for its operation. Such furniture, equipment, and personal property may be removed at any time during Tenant's tenancy or within a reasonable time thereafter, and shall not be considered part of the Premises. Removal of the same shall not damage or deface the Premises, and if the Premises shall be so damaged, Tenant shall repair such damage at its own expense.
20. **Fire and Other Perils Insurance:** The parties agree to be responsible for damage by the perils of fire, extended coverage, and vandalism to those items of real and personal property for which they hold title or for which they have assumed liability to others.
21. **Waiver of Rights of Subrogation:** Landlord and Tenant agree that in the event of loss due to any of the perils for which they have agreed to provide insurance, each party shall look solely to its insurance for recovery. Landlord and Tenant grant to each other on behalf of any insurer providing insurance to either of them with respect to the Premises, a waiver of any right of subrogation which any insurer of one party may acquire against the other by virtue of payment of any loss under such insurance.
22. **Liability Insurance:** Tenant agrees to hold Landlord harmless from loss occurring on the Premises and arising out of Tenant's occupancy of the Premises. Tenant assumes no liability for any loss caused by the sole negligence of Landlord.
23. **Lack of Funding:** If, during the term of this Lease Agreement, Tenant, Stanislaus County, in its sole discretion, determines that sufficient funds are not available to allow for continuation of this Lease Agreement or current County owned space becomes available, Tenant may terminate this Lease Agreement upon sixty (60) days written notice to Landlord without further obligation to Landlord.

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



Landlord's Initials



Landlord's Initials



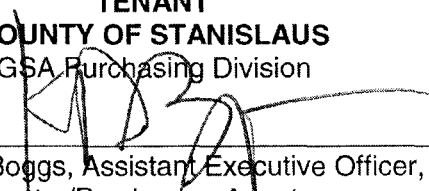
Landlord's Initials

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

- 25. Subordination and Mortgages: This section has been intentionally omitted.
- 26. Estoppel Certificate: This section has been intentionally omitted.
- 27. Entire Agreement: This Lease Agreement supersedes any and all other agreements, either oral or in writing, between any of the parties herein with respect to the subject matter hereof and contains all the agreements between the parties with respect to such matter. Each party acknowledges that no representations, inducements, promises or agreements, oral or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not embodied herein, and that no other agreement, statement or promise not contained in this Lease Agreement shall be valid or binding.
- 28. Duplicate Counterparts: This Lease Agreement may be executed in duplicate counterparts, each of which shall be deemed a duplicate original.


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

APPROVED: BOS Agenda # 2013-467
 DATED: September 10, 2013
17,


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

By: 
 Madelyn Schlaepfer, Director


APPROVED AS TO FORM
John P. Doering, County Counsel

By: 
 Deirdre E. McGrath, Deputy County Counsel

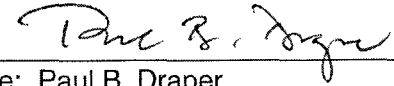
LANDLORD
1444 FLORIDA AVENUE, LLC (50%)

By: 
 Name: William R. Jackson
 Title: Manager

LANDLORD
TRIPLE L INVESTMENTS, LLC (45%)

By: 
 Name: William R. Jackson
 Title: Manager

LANDLORD
4701 STODDARD, LLC (5%)

By: 
 Name: Paul B. Draper
 Title: Manager