

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

DEPT: Community Services Agency/Alliance Worknet

BOARD AGENDA # *B-6

Urgent

Routine

AGENDA DATE November 17, 2015

CEO Concurs with Recommendation YES NO

4/5 Vote Required YES NO

(Information Attached)

SUBJECT:

Approval to Enter into a 14-Month Lease Agreement with Kay Tayler Investments III, LLC at 101 Lander Avenue in Turlock for the Community Services Agency and Alliance Worknet

STAFF RECOMMENDATIONS:

1. Authorize the Purchasing Agent, on behalf of the Community Services Agency and the Alliance Worknet, to enter into a 14-month lease agreement with Kay Tayler Investments III, LLC at 101 Lander Avenue in Turlock retroactive to November 1, 2015.
2. Authorize the Purchasing Agent to sign the lease agreement and related documentation with Kay Tayler Investments III, LLC at 101 Lander Avenue in Turlock.

FISCAL IMPACT:

As requested, the monthly lease cost for the 101 Lander Avenue space is \$20,500 per month for the period of November 1, 2015 through December 31, 2016. The total cost of the lease for 14 months is \$287,000. Appropriations and estimated revenue are currently included in 2015-2016 Adopted Final Budget approved by the Board of Supervisors on September 15, 2015, for both the Community Services Agency (CSA) and the Alliance Worknet.

(Continued on Page 2)

BOARD ACTION AS FOLLOWS:

No. 2015-567

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

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

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) X Approved as recommended

2) _____ Denied

3) _____ Approved as amended

4) _____ Other:

MOTION:

Christine Ferraro

ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

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FISCAL IMPACT: (Continued)

All operating costs are eligible for State and Federal reimbursement through CalWORKs, CalFresh, Medi-Cal and Alliance Worknet's Workforce Innovation Opportunity Act (WIOA) funding. The required maintenance of effort (MOE) is included in the CSA budget; there is no additional cost to the County's General Fund associated with the Turlock lease.

Appropriations and estimated revenue for future years will be included in the Alliance Worknet (AW) and the Community Services Agency budget requests to the Board.

Fiscal Year	Months	Monthly Lease Amount	Cost per Fiscal Year
November 2015 to June 2016	8	\$20,500	\$164,000
July 2016 to December 2016	6	\$20,500	\$123,000
Total	14	\$20,500	\$287,000

DISCUSSION:

In 1998, the Community Services Agency (CSA) was asked by the City of Turlock to explore the possibility of expanding the amount of services provided in the community. With an estimated 15% of CSA customers living in the southern portion of the County, there was an opportunity for CSA to serve a significant portion of the County population. The Department worked closely with the City of Turlock to establish a location most convenient to CSA customers. The Turlock office, located at 101 Lander Avenue (formerly First Interstate Bank), opened on January 7, 2002 and includes 15,400 square feet. The County's original lease with the Denis Family which was approved by the Board on February 6, 2001 was for ten years beginning November 1, 2001 and terminating October 31, 2011. The lease was amended two additional times extending the lease to its current end date of October 31, 2015.

On May 6, 2015 and June 16, 2015 the General Services Agency, Community Services Agency and representatives of the Denis Family met to begin discussing another extension of the existing lease.

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In August 2015 the Community Services Agency was notified that the 101 Lander Avenue location was sold by the Denis Family and that a new landlord, Kay Tayler Investments III, LLC had acquired the property. Since the sale of the property the County has been operating on a month to month basis with the new landlord, during which time CSA, General Services Agency Purchasing Department and the new landlord worked to finalize a new lease.

In 2007, the Alliance Worknet opened and operated a separate Career Resource Center in the State Employment Development Department (EDD) office on Broadway Street in Turlock until the State EDD reorganization of unemployment insurance services in 2013 caused the closure of this site. Alliance Worknet's new WIOA funding now requires "One-Stop" Career Resource Centers to be established again.

The staff working at the 101 Lander Turlock site includes AW and CSA staff as well as partner agency staff. CSA currently assigns 50 staff at the 101 Lander Turlock site and Alliance Worknet has two staff and two partner agency staff members from Learning Quest and ASPIRAnet. These partner agencies provide High School Equivalency Test preparation and Adult Basic Education services and workforce development services to CSA Welfare to Work customers on a daily basis. The Turlock site outcomes for the period July 2014 through June 2015 include the following:

- 2,663 customers made 9,386 visits to the Alliance Worknet Resource Center on Broadway Street in Turlock (2012-2013 data is the last available before the closure of the One-Stop Career Resource Center.)
- From July 2014 to June 2015, 764 County residents registered with a Turlock zip code made 1,940 visits to another One-Stop Career Resource Centers in Modesto, Patterson or Oakdale. This data showing the needed service demand of Turlock residents helped support the decision to open another site in Turlock.

On average 138 clients come into the Turlock office on a daily basis: in Fiscal Year 2014-2015, a total of 33,137 clients were seen. As of September 2015, the Turlock office has the following open cases:

- 1,958 CalWorks cash aid customers;
- 8,277 CalFresh recipients; and
- 20,720 Medi-Cal recipients

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The following is a comparison of the lease that expired October 31, 2015 to the recommended 14-month lease term of the 101 Lander Avenue site:

	Lease Term	Number of Months	Monthly Lease Amount	Price per Square Foot
Original	November 1, 2001 – October 31, 2011	120	\$19,404	\$1.26
Amendment #1	November 1, 2011 – October 31, 2014	36	\$19,404	\$1.26
Amendment #2	November 1, 2014 – October 31, 2015	12	\$19,404	\$1.26
Proposed	November 1, 2015 – December 31, 2016	14	\$20,500	\$1.33

Kay Tayler Investments III, LLC plan to pursue other business options for the 101 Lander Avenue location. This 14-month lease will provide the Departments the time necessary to negotiate and execute a lease to include tenant improvements, at a new location in Turlock.

At this time staff recommends approval to enter into a new lease with Kay Tayler Investments III, LLC retroactively to November 1, 2015.

The two-story design of the current Turlock location at 101 Lander Avenue does not allow Alliance Worknet to expand the space to become a WIOA required “One Stop” Career Resource Center. In addition, the usable square footage of the Lander Avenue lobby does not provide for separate client and staff areas resulting in concerns related to safety and client confidentiality. One of Alliance Worknet’s Fiscal Year 2015-2016 Final Budget Objectives was to open a new “One-Stop” Career Resource Center in Turlock to provide services to area customers by June 30, 2016.

On May 19, 2015 the General Services Agency issued RFQ #15-25-SS to seek a new location for services in Turlock. The RFQ Scope of Work requested the following features:

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- Approximately 12,000 to 20,000 total square feet
- Proximity to bus routes
- Space to accommodate:
 - 1 classroom/training room
 - 2 standard conference rooms
 - 5 to 6 private offices
 - 40 6'x8' cubicles
 - 1 lobby/waiting room area and reception services for approximately 30 customers
 - 1 break room
 - 4 restrooms
 - 1 computer/data/phone room and storage.
- ADA compliance
- Well-lit and safely accessible parking lot for a minimum of 80 staff and customers
- Wire and cable necessary to support hardware and software to be used by the County (specifications will be provided prior to finalization of lease)

The RFQ closed on May 27, 2015 and only two proposals were received.

The following is a summary of the two proposals received

Bids	Location	Total Square Footage	Estimated Monthly Lease Cost	Proposal
Exit Realty Consultants	130 & 138 Regis, Turlock	9,500	\$8,550 + TIs	\$.75 - .90 per Sq/Ft. includes garbage, sewer & water, no Triple Net + Tenant Improvements (TIs)
Berkshire Hathaway Commercial Property Group (Turlock Town Center)	751, 775 & 783-787 N. Golden State Blvd., Turlock	17,500	\$23,275 + TIs	\$1.00 per Sq/Ft. includes gas, electric, garbage, sewer & water plus Triple Net of \$0.33 per Sq/Ft. + Tenant Improvements (TIs)

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After conducting site visits at each location both Departments determined that the Turlock Town Center location on North Golden State Blvd. is the preferred site. This site was selected taking into consideration a number of factors:

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

The 130 and 138 Regis Turlock locations were not selected because they did not have sufficient square footage to support the co-location of Alliance Worknet's One-Stop Resource Center and CSA's existing programs.

Negotiations are under way for a new lease at the Golden State Blvd location that will allow both Departments the ability to operate fully, including Alliance Worknet's required One-Stop Career Resource Center.

The Community Services Agency, Alliance Worknet and General Services Agency will return to the Board of Supervisors for consideration of the new lease and will provide detailed information regarding the new lease, tenant improvements and one time start-up costs necessary to open the new larger Turlock site which will include office furnishing, Electronic Data Processing (EDP) and telecommunications equipment.

POLICY ISSUES:

Approval of the requested actions supports the Board of Supervisors' priorities of A Healthy Community, A Safe Community, Effective Partnerships and Efficient Delivery of Public Services by allowing CSA and Alliance Worknet to maintain existing customer services currently provided in the community while preparing for a new site that will meet the long term objectives and projected customer service needs of both agencies.

STAFFING IMPACT:

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

CONTACT:

Kathryn Harwell, Community Services Agency Director	(209) 558-2500
Kristen Santos, Alliance Worknet Director	(209) 558-2100

LEASE AGREEMENT

LEASE SUMMARY:

Landlord:	Kay Tayler Investments III, LLC 4719 Quail Lakes Drive Suite G PMB #523 Stockton CA 95207
Tenant:	Stanislaus County Attn: Purchasing Agent 1010 10th Street, Suite 5400 Modesto, California
Leased Premises (Address & APN):	101 Lander Avenue Turlock, CA 95380 (APN/Parcel ID: 050-020-042)
Permitted Use:	Community Services Agency (CSA) human services programs, program administration, and general office use
Monthly Basic Rent:	In accordance with table below

AGREEMENT:

This Lease Agreement (the "Lease Agreement") is entered into in the City of Modesto, State of California, on November 1, 2015 between the County of Stanislaus, a political subdivision of the State of California, ("Tenant"), and Kay Tayler Investments III, LLC ("Landlord"), in consideration of the premises, and the agreements, terms and conditions set forth, below.

1. Premises: Landlord leases to Tenant, and Tenant hires from Landlord, those certain premises in the County of Stanislaus, more particularly described as 101 Lander Avenue, Turlock, CA 95380.
2. Payment: Tenant agrees to pay to Landlord for the premises above-described, during the term designated below as set forth in the table below. Payment is due and payable on the first day of the month following the month for which the obligation accrues.

Month	Price per Sq. Ft.
\$20,500.00	\$1.33

3. Term: The term of this Lease shall be for a period of fourteen (14) months commencing at 12:01 A.M. on November 1, 2015, and terminating at 11:59 P.M. on December 31, 2016.
4. Option to Renew: None.
5. Utilities:
 - 5.1 Landlord shall pay for the furnishing of none of the utilities which may be used in or upon the premises during the term of this Lease or any extension or holdover period
 - 5.2 Tenant shall pay for the furnishing of all utilities which may be used in or upon the premises during the term of this Lease, or any extension or holdover period, provided that Tenant has contracted directly with the utility companies.

6. Use of the Premises: Tenant may use the premises for the purpose of Community Services Agency (CSA) human services programs, program administration, and general 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.
7. Maintenance:
 - 7.1. Landlord Representations: NONE
 - 7.2. Landlord Obligations: Landlord shall, at Landlord's own expense, keep and maintain in good repair and working order and promptly make repairs to and perform maintenance upon and replace as needed: (i) the structural elements of the Building, including without limitation, all permanent exterior and interior walls, floors and ceilings, roof, concealed plumbing, stairways, concealed electrical systems and telephone intrabuilding network cable (ii) mechanical (including HVAC), electrical, plumbing and fire/life safety systems serving the Building (iii) the Common Areas; (iv) exterior windows of the Building; and (v) 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 existing cooling, ventilating and heating system in good working order.
 - 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.
- 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. 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..

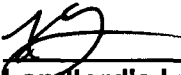
9. Building Ventilation: As Is.
10. CAL/OSHA Inspections: If the Premises is cited by CAL/OSHA, Landlord shall be required to abate said citations. Provided, however, that Landlord may terminate this Lease Agreement should it decide that abatement cost, do not merit the continuance of this Lease Agreement. 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 Premises have not undergone inspection by a Certified Access Specialist (CASp)., and, Landlord makes no representation that the property has been determined to meet all applicable construction-related accessibility standards pursuant to California Civil Code section 55.53. No CASp report has been provided to the Tenant.

12. Confidentiality of Protected Health Information: X **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 (required only if paragraph 12 is applicable)

13. Holding Over: In case Tenant holds over beyond the end of the term of this Lease Agreement, with the consent expressed or implied of Landlord, such tenancy shall be from month to month only, subject to the terms and conditions of this Lease Agreement, but shall not be deemed to be a renewal. The rent to be paid in a hold over situation shall be 105% the rate provided in the terms of this Lease Agreement.
14. Janitorial Services: Tenant shall furnish janitorial service as is necessary for 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:

**Kay Tayler Investments III, LLC
4719 Quail Lakes Drive
Suite G PMB #523
Stockton CA 95207**

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 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 23 listed directly above.




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:
- 25.1. Subordination and Non-Disturbance. Tenant agrees, at Landlord's option, to subordinate this Lease Agreement to the lien of any mortgages or deeds of trust now or hereafter in force against the building; provided, however, Tenant's obligation to subordinate this Lease Agreement is expressly conditioned upon Tenant receiving a written agreement in the form of Document I in the Supplemental Lease Documents delivered to Landlord concurrently with this Lease Agreement and provided further that no such subordination shall affect any option to extend the Term of this Lease Agreement, right of first offer to lease additional Premises, option to purchase or right of first offer to purchase the property which may be included in this Lease Agreement.
- 25.2 Existing Deeds of Trust. The beneficiary under any existing deed of trust affecting the building shall provide a written agreement to tenant in the form of Document I in the Supplemental Lease Documents delivered to Landlord concurrently with this Lease Agreement within thirty (30) days after the execution of this Lease Agreement.
- 25.3 Request for Notice. Landlord acknowledges that Tenant intends to record a Request for Notice with respect to any mortgages or deeds of trust affecting the property in the form of Document II in the Supplemental Lease Documents delivered to Landlord concurrently with this Lease Agreement.
- 25.4 Notice of Default. If any mortgagee or beneficiary under a deed of trust affecting the property gives written notice of its name and address to Tenant by registered mail requesting any such notice with reference to this Section, Tenant agrees to use its best efforts (but without liability for failure to do so) to give such mortgagee a copy of any notice of default served upon Landlord which could permit Tenant to terminate this Lease Agreement and an additional ten (10) days within which to cure such default.
26. Estoppel Certificate: Tenant shall, within thirty (30) days after written request of Landlord, execute, acknowledge and deliver to Landlord or its designee a written statement in the form of Document III in the Supplemental Lease Documents delivered to Landlord concurrently with this Lease Agreement (properly completed) but shall have no other obligation to deliver any other form of estoppel certificate. It is intended that any such statement delivered pursuant to this Section may be relied upon by a prospective purchaser of Landlord's interest or holder of any mortgage upon Landlord's interest in the Premises.

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

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

**TENANT
COUNTY OF STANISLAUS**

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

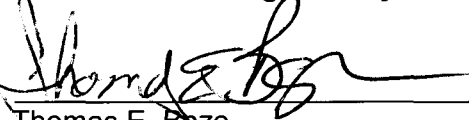
**LANDLORD
KAY TAYLER INVESTMENTS III, LLC**


 Xavier Santana
 President/Managing Director

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

By: 
 Kathryn Harwell
 Community Services Agency Director

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

By: 
 Thomas E. Boze
 Assistant County Counsel

SUPPLEMENTAL LEASE DOCUMENTS

For

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

DEPARTMENT: Community Services Agency

LANDLORD: Kay Tayler Investments III, LLC, a California Limited Liability Company

Property: 101 Lander Avenue, Turlock, CA 95380

Document I - Subordination, Nondisturbance and Attornment Agreement

Document II – Request for Notice

Document III – Tenant Estoppel Agreement

Document IV – Memorandum of Lease

DOCUMENT I

**SUBORDINATION, NONDISTURBANCE
AND ATTORNMENMENT AGREEMENT**

AND WHEN RECORDED MAIL TO:)
)
Stanislaus County)
Attn: Purchasing Agent)
1010 10th Street, Suite 5400)
Modesto, CA 95354)

Space above for Recorder's Use

**SUBORDINATION, NONDISTURBANCE
AND ATTORNMENMENT AGREEMENT**

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

This Subordination, Nondisturbance and Attornment Agreement (“Agreement”) is entered into as of the 1 day of November, 2015 by and among Stanislaus County, a body politic and corporate (“Tenant”), Kay Tayler Investments III, LLC, a California Limited Liability Company (individually and collectively, “Borrower”) and Denis Family Properties, a California Limited Partnership, (“Lender”).

Factual Background

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

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

C. Tenant and Borrower (as “Landlord”) entered into a lease dated as of November 1, 2015, (the “Lease”) under which Borrower leased to Tenant a portion of the Improvements located within the Property and more particularly described in the Lease (the “Premises”).

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

Agreement

Therefore, the parties agree as follows:

1. Subordination. The lien of the Deed of Trust and all amendments, modifications and extensions thereto shall be and remain at all times a lien on the Property prior and superior to the Lease, except that if Tenant is granted any option to extend the Term of the Lease, right of first offer to lease additional premises or option to purchase the Property or right of first offer to purchase the Property in the Lease, such provisions shall not be affected or diminished by any such subordination..

2. Definitions of "Transfer of the Property" and "Purchaser". As used herein, the term "Transfer of the Property" means any transfer of Borrower's interest in the Property by foreclosure, trustee's sale or other action or proceeding for the enforcement of the Deed of Trust or by deed in lieu thereof. The term "Purchaser", as used herein, means any transferee, including Lender, of the interest of Borrower as a result of any such Transfer of the Property and also includes any and all successors and assigns, including Lender, of such transferee.

3. Nondisturbance. The enforcement of the Deed of Trust shall not terminate the Lease or disturb Tenant in the possession and use of the leasehold estate created thereby.

4. Attornment. Subject to Section 3 above, if any Transfer of the Property should occur, Tenant shall and hereby does attorn to Purchaser, including Lender if it should be the Purchaser, as the landlord under the Lease, and Tenant shall be bound to Purchaser under all of the terms, covenants and conditions of the Lease for the balance of the Lease term and any extensions or renewals of it which may then or later be in effect under any validly exercised extension or renewal option contained in the Lease, all with the same force and effect as if Purchaser had been the original landlord under the Lease. This attornment shall be effective and self-operative without the execution of any further instruments upon Purchaser's succeeding to the interest of the landlord under the Lease.

5. Lender Not Obligated. Lender, if it becomes the Purchaser or if it takes possession under the Deed of Trust, and any other Purchaser shall not (a) be liable for any damages or other relief attributable to any act or omission of any prior Landlord under the Lease including Borrower; or (b) be subject to any offset or defense not specifically provided for in the Lease which Tenant may have against any prior landlord under the Lease; or (c) be bound by any prepayment by Tenant of more than one month's installment of rent; or (d) be obligated for any security deposit not actually delivered to Purchaser; or (e) be bound by any modification or amendment of or to the Lease unless the amendment or modification shall have been approved in writing by the Lender.

6. Notices. All notices given under this Agreement shall be in writing and shall be given by personal delivery, overnight receipted courier or by registered or certified United States mail, postage prepaid, sent to the party at its address appearing below. Notices shall be effective upon receipt (or on the date when proper delivery is refused). Addresses for notices may be changed by any party by notice to all other parties in accordance with this Section.

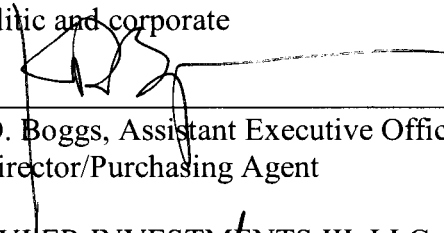
To Lender: Denis Family Properties, a California Limited Partnership
311 South First Street
Turlock, CA 95380

To Borrower: Kay Tayler Investments III, LLC
4643 Quail Lakes Drive, Suite 101
Stockton, CA 95207

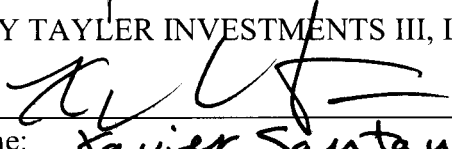
To Tenant: Stanislaus County
Attn: Purchasing Agent
1010 10th Street, Suite 5400
Modesto, CA 95354

7. Miscellaneous Provisions. This Agreement shall inure to the benefit of and be binding upon the parties and their respective successors and assigns. This Agreement is governed by the laws of the State of California without regard to the choice of law rules of that State.

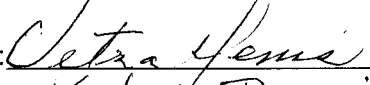
TENANT: STANISLAUS COUNTY,
a body politic and corporate

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

BORROWER: KAY TAYLER INVESTMENTS III, LLC

By: 
Name: Xavier Santana
Title: President

LENDER: DENIS FAMILY PROPERTIES, A CALIFORNIA
LIMITED PARTNERSHIP

By: 
Name: Ketra Deni's
Title: President

DOCUMENT II

REQUEST FOR NOTICE

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

Stanislaus County
Attn: Purchasing Agent
1010 10th Street
Modesto, California 95354

REQUEST FOR NOTICE

(UNDER SECTION 2924B CIVIL CODE)

In accordance with Section 2924b, Civil Code, request is hereby made that a copy of any Notice of Default and a copy of any Notice of Sale under the Deed of Trust described below:

Date of Recording of Deed of Trust	July 31, 2015
Instrument Number of Deed of Trust	2015-0060668-00
Trustor	Kay Tayler Investments III, LLC, a California Limited Liability Company
Trustee	
Beneficiary	

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

LENDER: DENIS FAMILY PROPERTIES, A
CALIFORNIA LIMITED PARTNERSHIP

By: *Vetra Denis*

Name: *Vetra DENIS*

Title: *President*

(ALL SIGNATURES MUST BE ACKNOWLEDGED)

SEE ATTACHMENT

COUNTY OF STANISLAUS ss.

On this 04 day of NOVEMBER, 2015, before me, MARK A. KLEINGARTNER
a Notary Public in and for the State of California, personally appeared VETRA
DENIS personally known to me (or proved on the basis of satisfactory
evidence) to be the person(s) whose name(s) is/~~are~~ subscribed to the within instrument and
acknowledged to me that ~~he/she/they~~ executed the same in ~~his/her/their~~ authorized capacity(ies),
and that by ~~his/her/their~~ signature(s) on the instrument the person(s), or the entity upon behalf of
which the person(s) acted, executed the instrument.

WITNESS my hand and official seal

Signature: _____

My commission expires _____

10.17.2017



SEE ATTACHMENT

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

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

State of California)
County of STANISLAUS)

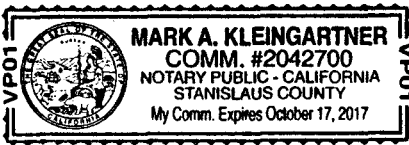
On 11.04.2015 before me, MARK A. KLEINGARTNER/NOTARY PUBLIC,
Date Here Insert Name and Title of the Officer

personally appeared VETRA DENIS
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature [Handwritten Signature]
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document COUNTY LEASE Document Date: 11.04.2015
Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: VETRA DENIS
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____

Signer's Name: _____
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____

Signer Is Representing: CA

Signer Is Representing: _____

DOCUMENT III

TENANT ESTOPPEL CERTIFICATE

To: Denis Family Properties, a California Limited Partnership
311 South First Street
Turlock, CA 95380

Re: Date of Certificate: November 1, 2015
Lease Dated: November 1, 2015
Current Landlord: Kay Tayler Investments III, LLC
Located at: 101 Lander Ave.
Turlock, CA 95380

Lease Commencement Date: November 1, 2015
Expiration Date: December 31, 2016
Current Rent: \$20,500.00/month (\$1.33/sq.ft.)

Stanislaus County (“Tenant”) hereby certifies that as of the date hereof:

1. Tenant is the present owner and holder of the tenant’s interest under the lease described above, as it may be amended to date (the “Lease”). The Lease covers the premises described above (the “Premises”) in the building (the “Building”) at the address set forth above.

2. (a) A true, correct and complete copy of the Lease (including all modifications, amendments, supplements, side letters, addenda and riders of and to it) is attached to this Certificate as Exhibit A.

(b) The current Rent is set forth above.

(c) The term of the Lease commenced on the Commencement Date set forth above and will expire on the Expiration Date set forth above, including any presently exercised option or renewal term. Tenant has no option or right to renew, extend or cancel the Lease, or to lease additional space in the Premises or Building, or to use any parking other than that specified in the Lease.

(d) Except as specified in the Lease, Tenant has no option or preferential right to purchase all or any part of the Premises (or the land of which the Premises are a part).

(e) Tenant has made no agreement with Landlord or any agent, representative or employee of Landlord concerning free rent, partial rent, rebate of rental payments or any other similar rent concession except as expressly set forth in the Lease.

3. (a) The Lease constitutes the entire agreement between Tenant and Landlord with respect to the Premises, has not been modified changed, altered or amended and is in full force

and effect. There are no other agreements, written or oral, which affect Tenant's occupancy of the Premises.

[(b) To the knowledge of Tenant, Tenant has not given Landlord written notice of a material default under the Lease which has not been cured.]

(b) The interest of Tenant in the Lease has not been assigned or encumbered. Tenant is not entitled to any credit against any rent or other charge or rent concession under the Lease except as set forth in the Lease. No rental payments have been made more than one month in advance.

4. All contributions required to be paid by Landlord to date for improvements to the Premises have been paid in full and all of Landlord's obligations with respect to tenant improvements have been fully performed.

IN WITNESS WHEREOF, the Tenant has executed this Tenant Estoppel Certificate as of the day set forth above.

STANISLAUS COUNTY

By: _____

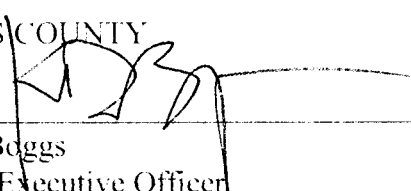

Keith D. Boggs
Assistant Executive Officer
GSA Director Purchasing Agent

EXHIBIT A
LEGAL DESCRIPTION

For APN/Parcel ID: 050-020-042

The land referred to herein below is situated in the City of Turlock, County of Stanislaus, State of California and is described as follows:

The West 37 feet of the East 197 feet of the South 118 feet of block 400 of the City of Turlock, according to the official map thereof, filed in the Office of the Recorder of Stanislaus County, California on February 6, 1920, in Volume 9 of Maps, at Page 25.

DOCUMENT IV
MEMORANDUM OF LEASE

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

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

This document is recorded for the benefit of Stanislaus County and recording is exempt from recording fees pursuant to California Government Code Section 27383. This transaction is exempt from documentary transfer tax pursuant to California Revenue and Taxation Code Section 11922.

MEMORANDUM OF LEASE

This Memorandum of Lease ("Memorandum") is made and entered into by and between Kay Tayler Investments III, LLC ("Landlord"), and Stanislaus County, a public body corporate and politic duly organized and existing under the laws of the State of California (the "Tenant") who agree as follows:

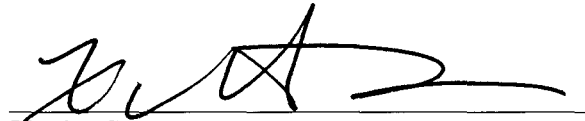
Landlord and Tenant hereby enter a Lease (the "Lease") of certain property in the County of Stanislaus, State of California known as 1010 Lander Ave., Turlock, California and more fully described on Exhibit A attached hereto, for a term commencing on November 1, 2015, and ending on a date fourteen (14) months after the commencement date, unless such term is extended or sooner terminated pursuant to the terms and conditions set forth in a certain unrecorded Lease between Landlord and Tenant dated as of November 1, 2015.

This Memorandum has been prepared for the purpose of giving notice of the Lease and of its terms, covenants, and conditions, and for no other purposes. The provisions of this Memorandum shall not in any way change or affect the provisions of the Lease, the terms of which remain in full force and effect.

Dated: November 18, 2015.


[SIGNATURES SET FORTH ON NEXT PAGE]

LANDLORD:
KAY TAYLER INVESTMENTS III, LLC



Xavier Santana
President/Managing Director

TENANT:
STANISLAUS COUNTY

By: 

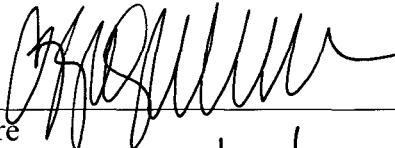
Keith D. Boggs
Assistant Executive Officer,
GSA Director/Purchasing Agent

State of California }
 } SS.
County of Stanislaus }

On this 30th day of October, 2015, before me, Cassandra A. Greenlee, Notary Public, personally appeared XAVIER SANTANA who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity and that by his signature on the instrument the person or entity upon behalf of which the person acted, executed the instrument.

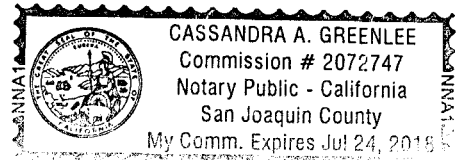
I certify UNDER PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Notary's Signature

My commission expires 7/24/2019



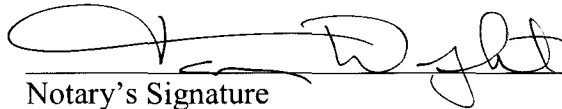
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State of California }
 } SS.
County of Stanislaus }

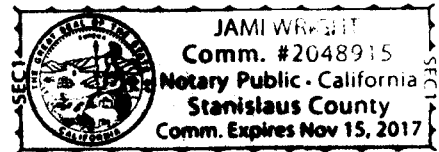
On this 18 day of November, 2015, before me, Jami Wright,
Notary Public, personally appeared KEITH D. BOGGS, who proved to me on the basis of
satisfactory evidence to be the person whose name is subscribed to the within instrument and
acknowledged to me that she executed the same in her capacity and that by her signature on the
instrument the person or entity upon behalf of which the person acted, executed the instrument.

I certify UNDER PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Notary's Signature



My commission expires Nov 15, 2017

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