

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

DEPT: Alliance Worknet

BOARD AGENDA # \*B-10

Urgent

Routine

YES  NO   
(Information Attached)

AGENDA DATE February 9, 2016

CEO Concurs with Recommendation

4/5 Vote Required YES  NO

SUBJECT:

Approval to Enter into a Lease Agreement with Alex Klabanos for Office Space at 1405 West F Street in Oakdale to Continue Operation of the East County Service Center and Related Actions

STAFF RECOMMENDATIONS:

1. Authorize the Purchasing Agent, on behalf of Alliance Worknet (AW), to enter into a lease agreement with Alex Klabanos for office space located at 1405 West F Street in Oakdale for a five year term in the amount of \$505,680 with the option to renegotiate and renew the agreement at the end of the term, to continue operation of the East County Service Center.
2. Authorize the Purchasing Agent to sign amendments to the lease and exercise the additional five year renewal option.

Continued on next page

FISCAL IMPACT:

There is a fiscal impact anticipated in that the rent cost will rise from \$7,500 to \$8,428 per month, for a total increase of \$11,136 per year. Alliance Worknet (AW) will continue to oversee the allocation of costs to appropriate partner agencies based on square footage occupied. The anticipated lease cost for the initial five year term of the agreement effective February 01, 2016 to January 31, 2021 is \$101,136 per year for a total of \$505,680. There is a tenant option to renew clause that would allow the County to extend the lease for up to five additional years, at a rate to be negotiated at the end of the first five year term. Appropriations for the lease have been included in the Department's Adopted Final Budget.

BOARD ACTION AS FOLLOWS:

No. 2016-83

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

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

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) X Approved as recommended

2) \_\_\_\_\_ Denied

3) \_\_\_\_\_ Approved as amended

4) \_\_\_\_\_ Other:

MOTION:

ATTEST:

  
CHRISTINE FERRARO TALLMAN, Clerk

File No.

Approval to Enter into a Lease Agreement with Alex Klabanos for Office Space at 1405 West F Street in Oakdale to Continue Operation of the East County Service Center and Related Actions

**STAFF RECOMMENDATIONS (CONTINUED):**

3. Authorize the Director of the Alliance Worknet or her designee to negotiate, enter into and sign agreements and contracts to allocate lease and operating costs for the facility to various county and non-county partners, including Community Services Agency (CSA), Health Services Agency/Women Infants Children Program (HSA/WIC) the Center for Human Services (CHS) and Learning Quest Stanislaus Literacy Center (LQ/SLC) based on square footage occupied.
4. Authorize the Director of the Alliance Worknet (AW) or her designee to manage the facility, enter into agreements for janitorial and other services under the auspices and within the guidelines of Stanislaus County General Services Agency (GSA) negotiated agreements and Board of Supervisors' approved policies.

**DISCUSSION:**

In August 2008 the Board of Supervisors approved the opening of the East County Service Center in Oakdale at 1405 West F Street. Since that time, the Alliance Worknet (AW), the Community Services Agency (CSA), and Health Services Agency Women Infants and Children Program (HSA/WIC) have evolved together to offer a variety of services to the communities in East Stanislaus County. Since 2013, two community based organizations, the Center for Human Services (CHS) and Learning Quest Stanislaus Literacy Center (LQ/SLC), have also offered their services at the East County Service Center.

In 2012 the Alliance Worknet (AW) with the General Services Agency's (GSA) support negotiated a lease that expanded County occupation to the full 8,600 square feet of the facility to allow for the increase of Community Services Agency (CSA) personnel at the site. Costs were reallocated based on then current square footage use. With some adjustments due to personnel changes in Fiscal Year 2013-2014, the cost allocation was revised and has remained unchanged since. Current percentages are as follows: Alliance Worknet (AW) Workforce Innovation and Opportunity Act (WIOA) 14.8%; Alliance Worknet (AW) Welfare to Work (WtW) 13.1%; Community Services Agency (CSA) 33.6%; Health Services Agency Women Infants Children (HSA/WIC) 38.5%. These percentages will change with the addition of community partners at the signing of the new lease.

The lease agreement with Mr. Klabanos ended on June 30, 2015. Negotiations with the landlord began in March of 2015 and the negotiation extended beyond the term of the original agreement. General Services Agency (GSA) came to terms with Mr. Klabanos on December 17, 2015. The draft lease was submitted for County Counsel review during the first week of January 2016. The County has continued occupying the space on a month-to-month basis until this time. The terms of the new agreement offer an increase in the monthly cost, from \$7,500 to \$8,428 per month. This represents an \$.11 per square foot increase from \$.87 to \$.98. The anticipated lease cost for the initial five year term of the agreement from February 1, 2016 to January 31, 2021 is \$101,136 per year for a total of \$505,680. There is a tenant option to renew clause that would allow the County to extend the term for up to an additional five year term at a renegotiated cost.

## Approval to Enter into a Lease Agreement with Alex Klabanos for Office Space at 1405 West F Street in Oakdale to Continue Operation of the East County Service Center and Related Actions

### Workforce Innovation and Opportunity Act (WIOA) Impact

The Workforce Investment and Opportunity Act (WIOA) was signed into law in 2014 and replaced the Workforce Investment Act (WIA) of 1998. The change in law is intended to give state and local areas the flexibility to collaborate across other workforce and educational systems in an effort to better address the employment and skills needs of current employees, job seekers and employers.

Locally, WIOA affects Alliance Worknet who currently operates one-stop career centers and provides adult and youth career services. All of these services, including the services Alliance Worknet provides at the East County Service Center, will need to be procured through in the future.

To stay compliant with the WIOA, one-stop career centers and youth and adult career services must be procured using a competitive process by July 1, 2017. The vendor(s) who receive the contracts will be required to continue to provide the same services in the same locations throughout the County in which Alliance Worknet is located. In the interim, Alliance Worknet will continue to provide one-stop career centers and youth and adult career services to ensure immediate compliance with WIOA. Entering into the recommended lease at 1405 West F Street in Oakdale to continue operation of the East County Service Center is one component to providing these vital services to the County.

### **POLICY ISSUE:**

The recommendations support Board priorities of a Strong Local Economy through providing access to labor market information and assistance with career development to East County residents; Efficient Delivery of Public Services by offering a variety of services to common customers in the East County area; and Effective Partnerships by co-locating various agencies' personnel, promoting interaction and interdependence.

### **CONTACT PERSON:**

Kristen Santos, Director, 209-558-2113

Approval to Enter into a Lease Agreement with Alex Klabanos for Office Space at 1405 West F Street in Oakdale to Continue Operation of the East County Service Center and Related Actions

**ATTACHMENT(S):**

- A. AW Lease Agreement # P13545 (8 pages)
- B. Supplemental Lease Documents (I-IV)
  - Document I (3 pages)
  - Document II (2 pages)
  - Document III (2 pages)
  - Document IV (3 pages)
- C. Exhibit A (1 page)

**ATTACHMENT**

**A**

## LEASE AGREEMENT

### LEASE SUMMARY:

<b>Landlord:</b>	Alex Klabanos 3321 McHenry Avenue, Suite H Modesto, CA 95350
<b>Tenant:</b>	Stanislaus County Attn: Purchasing Agent 1010 10th Street, Suite 5400 Modesto, California
<b>Leased Premises (Address &amp; APN):</b>	1405 W. F Street Oakdale, CA 95361 (including 36 parking spaces) (APN: 063-018-017-000)
<b>Permitted Use:</b>	County Office Space
<b>Monthly Basic Rent:</b>	\$8,428.00 per mo. (\$0.98 per sq. ft.)
<b>Term:</b>	Five (5) Years
<b>Commencement Date:</b>	February 1, 2016, 12:01 A.M
<b>Termination Date:</b>	January 31, 2021, 11:59 P.M

### AGREEMENT:

This Lease Agreement (the "Lease Agreement") is entered into in the City of Modesto, State of California, on February 1, 2016 between the COUNTY OF STANISLAUS, a political subdivision of the State of California, ("Tenant"), and Alex Klabanos ("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 8,600 square feet of office space located at 1405 W. F Street, Oakdale, CA and the use of 36 parking spaces in the paved parking lot.
2. Payment: Tenant agrees to pay to Landlord for the Premises above-described, during the term designated below, \$8,428.00 per month 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 60 months commencing at 12:01 A.M. on February 1, 2016, and terminating at 11:59 P.M. on January 31, 2021.
4. Option to Renew: Tenant has the option to renew this Lease Agreement on the same terms, for a period of five (5) years from the expiration of the original term. Tenant shall exercise these options in writing at least one (1) month prior to the termination of the existing lease period. Renewal rental rates will be negotiated by both parties.

5. Utilities:

5.1 Landlord shall pay for the furnishing of water, sewer and garbage removal 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 gas, electric and telephone 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 County offices. 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, 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.

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 Premises has undergone inspection by a Certified Access Specialist (CASp). Landlord shall have any necessary repairs as recommended by such CASp report completed within sixty (60) days of Lease execution. A true and correct copy of the 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.**

*A.K.*

**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 at 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:

**Alex Klabanos  
3321 McHenry Avenue, Suite H  
Modesto, CA 95350**

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**

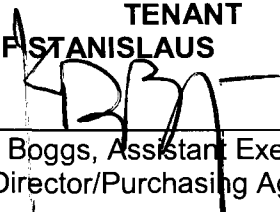
24. Surrender: Tenant shall surrender the Premises to Landlord at the expiration of this Lease Agreement in as good a condition as at the commencement of it, excepting reasonable wear and tear, damages and destruction by the elements, or other persons.
25. Subordination and Mortgages:
  - 25.1. Subordination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

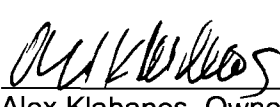
no such subordination shall affect any option to extend the Term of this Lease Agreement, right of first offer to lease additional Premises, option to purchase or right of first offer to purchase the property which may be included in this Lease Agreement.

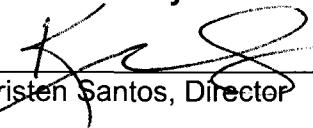
- 25.2 Existing Deeds of Trust. The beneficiary under any existing deed of trust affecting the building shall provide a written agreement to tenant in the form of Document I in the Supplemental Lease Documents delivered to Landlord concurrently with this Lease Agreement within thirty (30) days after 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.

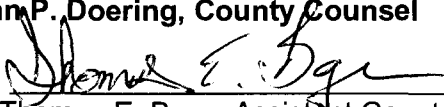
*[Remainder of page intentionally left blank]*

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**  
By:   
Alex Klabanos, Owner

**APPROVED AS TO CONTENT:**  
**Stanislaus County Alliance WorkNet**  
By:   
Kristen Santos, Director

**APPROVED AS TO FORM**  
**John P. Doering, County Counsel**  
By:   
Thomas E. Boze, Assistant County Counsel

**ATTACHMENT**

**B**

**SUPPLEMENTAL LEASE DOCUMENTS**

**For**

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

**DEPARTMENT: Alliance WorkNet as Tenant**

**LANDLORD: Alex Klabanos**

**1405 W F Street, Oakdale, CA**

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Document I - Subordination, Nondisturbance and Attornment Agreement (This document will be applicable when a Mortgage is on the Property)

Document II – Request for Notice (This document will be applicable when a Mortgage is on the Property)

Document III – Tenant Estoppel Agreement

Document IV – Memorandum of Lease





## 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: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

To Borrower: Alex Klabanos  
3321 McHenry Avenue, Suite H  
Modesto, CA 95350

To Tenant: Stanislaus County  
Attn: Purchasing Agent  
1010 10<sup>th</sup> Street  
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:  
\_\_\_\_\_  
Alex Klabanos, Owner

LENDER: *[Insert name of Lender]*,

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

(ALL SIGNATURES MUST BE ACKNOWLEDGED)

**DOCUMENT II**

**REQUEST FOR NOTICE**

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

Stanislaus County  
Attn: Purchasing Agent  
1010 10<sup>th</sup> Street, Suite 5400  
Modesto, California 95354

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**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

Instrument Number of Deed of Trust

Trustor

Trustee

Beneficiary

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

LENDER:

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title:

**(ALL SIGNATURES MUST BE ACKNOWLEDGED)**

COUNTY OF \_\_\_\_\_ ss.

On this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, before me, \_\_\_\_\_  
a Notary Public in and for the State of California, personally appeared \_\_\_\_\_  
\_\_\_\_\_ 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 \_\_\_\_\_.

**DOCUMENT III**

**TENANT ESTOPPEL CERTIFICATE**

To: Stanislaus County  
1010 10<sup>th</sup> Street, Suite 5400  
Modesto, CA 95354

Re: Date of Certificate: 2/11/16  
Lease Dated: February 1, 2016  
Current Landlord: Alex Klabanos  
Located at: 1405 W F Street  
Premises: Oakdale, CA  
Commencement of Term: February 1, 2016  
Expiration Date: January 31, 2021  
Current Rent: \$8,428.00

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

(ALL SIGNATURES MUST BE ACKNOWLEDGED)

**DOCUMENT IV**

**MEMORANDUM OF LEASE**

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

Stanislaus County  
Attn: Purchasing Agent  
1010 10<sup>th</sup> 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.

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**MEMORANDUM OF LEASE**

This Memorandum of Lease ("Memorandum") is made and entered into by and between ALEX KLABANOS (the "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 1405 W F Street, Oakdale, California (more particularly described in the attached Exhibit A) for a term commencing on February 1, 2016, and ending on a date five (5) years 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 February 1, 2016.

Tenant has the option to extend the term of the Lease for a period of five (5) years, subject to the terms and conditions of the Lease.

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: 2/11/16

[SIGNATURES SET FORTH ON NEXT PAGE]







**ATTACHMENT**

**C**

EXHIBIT A

The real property in the City of Oakdale/Oakdale Irrigation District, County of Stanislaus, State of California, described as:

PARCEL 1 AS SHOWN AND DESIGNATED ON THAT CERTAIN PARCEL MAP FILED IN THE OFFICE OF THE RECORDER OF STANISLAUS COUNTY, CALIFORNIA, ON MAY 10, 1983 IN VOLUME 34 OF PARCEL MAPS, AT PAGE 5 AND BEING A PORTION OF SECTION 15, TOWNSHIP 2 SOUTH, RANGE 10 EAST, MOUNT DIABLO BASE AND MERIDIAN.

APN: 063-018-017-000