

BUILDING SPACE LEASE

Location of Leased Premises: DSH - Napa 2100 Napa Vallejo Highway Napa, CA 94558	Lease No.: L-1410 Napa County Lease No. 240308B
Agency: California Department of State Hospitals Real Property No. 793 SPI Number: 319	Lessee: Napa County

This Lease Agreement, hereinafter referred to as "Lease", dated for reference purposes only, April 9, 2024, by and between the State of California at the direction of the Department of State Hospitals (DSH) and Napa State Hospital (DSH-Napa), acting by and through the Director of the Department of General Services (DGS), hereinafter collectively referred to as "State", and Napa County, a political subdivision of the State of California, hereinafter referred to as "Lessee". State and Lessee may also be referred to as "Party" or "Parties".

RECITALS

WHEREAS, pursuant to Section 14670(a)(1) of the Government Code, the DGS with the consent of the State agency concerned, may Lease real property owned by the State for a period not to exceed 5 years; and

WHEREAS, DSH has under its jurisdiction certain real property located at 2100 Napa Vallejo Highway, County of Napa, State of California, commonly referred to as the Napa State Hospital (DSH-Napa); and

WHEREAS, Lessee desires to lease from State three (3) houses and two (2) garages located on the Property in an area known as "The Avenues", with related employee parking and for operation of Fresh Start for the purpose of providing supported housing to individuals with mental disabilities; and

WHEREAS, Title II of the Federal American's with Disabilities ACT requires States to place persons with mental disabilities in community settings rather than institutions when the States treatment professionals determine that community placement is appropriate; and

WHEREAS, it is in the best interests of the State that such a lease be consummated between the State and LESSEE on the terms and conditions contained herein;

NOW THEREFORE, it is mutually agreed between the parties as follows:

Section 1:	Site Specific Provisions
Section 2:	Building Specific Provisions
Section 3:	Standard Provisions

SECTION 1 –SITE SPECIFIC PROVISIONS

WITNESSETH:

**PROPERTY
DESCRIPTION**

1. State does hereby Lease to Lessee, and Lessee hereby hires from State, upon the terms, agreements, and conditions hereinafter set forth, those certain premises located with the DSH – Napa, 2100 Napa Vallejo Highway, Napa, California, County of Napa, and more particularly described as follows:

Residence 1, Building 190, consisting of approximately 2,160 sf;
Residence 2, Building 189, consisting of approximately 2,160 sf;
Residence 3, Building 188 consisting of approximately 2,000 sf;
Garage space 1 consisting of approximately 185 sf; and
Garage space 2 consisting of approximately 395 sf
for a total of approximately 6,900 gross square feet of building spaces, hereinafter referred to as “Premises”.

USE

2. Lessee agrees to use the Premises during the term of this Lease for operation of Fresh Start as supported housing for persons transitioning from a higher level of care. Facility staff shall meet applicable state licensing and certification standards. Use of the Premises shall comply with all applicable laws. Lessee may contract with a vendor for the operation of the program.

The operation within the Premises will be the function and total responsibility of Lessee, and Lessee will abide by any rules and regulation established by the Hospital Administrator of DSH-Napa.

Any future amendments to the program in keeping with the intent of this “USE” paragraph shall be made by prior written consent of the Hospital Administrator and the express written approval of the Health and Human Services Agency (HHSA). The revised program description, and future Hospital-approved program changes shall be kept in the DSH-Napa Administrator’s Office, and a copy sent to DGS at the address in the “Notices” clause.

TERM

3. The term of this Lease shall be for five (5) years, commencing October 1, 2024, and ending September 30, 2029, with such rights of termination as are hereinafter expressly set forth.

**RENT
PAYMENTS/ IN-
LIEU BENEFIT**

4. State has determined the monthly “Fair Market Rent” for each Residence throughout the Term of this Lease for the use and rental by Lessee of the Premises to be \$0.85 per square foot, subject to the annual escalation described herein below, for a total of:

Five Thousand eight hundred sixty-five and no/100 Dollars (\$5,865.00)

State acknowledges Lessee’s significant contribution to the Department of State Hospitals, NSH, and to the Premises, together known as “Lessee’s Contribution”, as outlined below, as outlined in the attached Exhibit B.

Lessee manages and maintains three homes on the Premises for 10 to 13 adults with mental health disorders. Individuals placed in these homes would otherwise be housed in institutions for mental illness, or homeless.

Lessee’s Contribution is funding this program via the Mental Health Services Act, other County funding streams, and a portion of clients’ Social Security / State Disability income.

SECTION 1 –SITE SPECIFIC PROVISIONS**RENT
PAYMENTS/ IN-
LIEU BENEFIT
(CONT)**

In exchange for Lessee's contributions and in recognition of the In-Lieu Credit to which Lessee is entitled as a result of said contributions, monthly rent to be paid by Lessee under this Lease shall be adjusted and reduced to the amounts identified below. The revised monthly rent amounts reflect the Parties' agreement that rent shall increase annually by three percent (3%) on each anniversary date as follows (rounded to the nearest dollar):

Start Date		End Date	Revised Monthly Rent
Initial Term			
October 1, 2024	to	September 30, 2025	\$1,240.00
October 1, 2025	to	September 30, 2026	\$1,277.00
October 1, 2026	to	September 30, 2027	\$1,316.00
October 1, 2027	to	September 30, 2028	\$1,355.00
October 1, 2028	to	September 30, 2029	\$1,396.00

Lessee's payments shall display State's Lease Number L-1410 and shall be mailed to the following address:

Department of General Services
Attn: Accounts Receivable - (L-1410)
P. O. Box 989053
West Sacramento, CA 95798-9053

Lessee acknowledges that rent and past due rent shall be due and payable to State whether or not an actual invoice is sent by State or received by Lessee.

If at any time during the term of this Lease, State shall discover that Lessee has failed to provide their contribution as defined in Exhibit "B", said failure shall constitute a forfeiture by Lessee of said "In-Lieu Credit".

Upon written notice by State of forfeiture, Lessee shall pay a monthly rent equivalent to the "Fair Market Rent" identified above, or the profit made by Lessee during the term of the Lease, whichever amount is determined to be greater.

UTILITIES

5. Lessee at Lessee's sole cost and expense, during the term of this Lease and shall pay State monthly in arrears for utility usage as follows:

Gas and Electricity: Four Hundred and NO/100 (\$400.00),
Water: One Hundred and NO/100 (\$100.00),
Garbage: One Hundred and NO/100 (\$100.00), based on county garbage rates

Total Utilities per month: Six Hundred and NO/100 (\$600.00)

Utility payments shall be made payable to:

Department of State Hospitals Napa
Attention: Fiscal Officer
2100 Napa Vallejo Highway
Napa, California 94558-6293

State shall not be liable to Lessee or third parties for failure to provide electricity due to rolling blackouts or other causes beyond State's control. Lessee shall comply with energy conservation measures, Governor's Executive Orders, other orders required by law, or reasonably required by State as the result of a crisis of any kind. In the event any utility service to the building is interrupted, State shall use its best efforts to restore such utility service within 24 hours.

SECTION 1 –SITE SPECIFIC PROVISIONS**EARLY
TERMINATION**

6. State and Lessee agree that either party may terminate this Lease for any reason, and at any time during the term hereof by giving written notice to the other party, ninety (90) days prior to the date when such termination shall become effective. If Lessee fails to complete its move out within the notice period and remains on the Premises, additional rent shall be paid and prorated based on a 30-day month, and on the actual number of days Lessee occupies the Premises following the effective date of termination. State reserves the right to terminate the Lease immediately if safety and security are at risk and mutual resolution cannot be agreed upon.

Notice of termination must be given in accordance with the "Notices" provisions of this Lease.

NOTICES

7. All notices or other communications required or permitted hereunder shall be in writing, with Lease Number L-1410 referenced, and sent by overnight courier, registered mail, certified mail or postage prepaid mail to the addresses set forth below. All such notices shall be deemed received on the date of delivery receipt or rejection to the address of the person to receive such notice if received Monday through Friday during business hours, so long as such day is not a State or Federal holiday or Saturday or Sunday then such notice shall be effective on the following business day.

To LESSEE:

Napa County Public Works

Attn: Rents and Leases

1195 Third Street, Suite 101

Napa, CA 94559

Telephone: (707) 253-4351

Email: Andrea.Salter@countyofnapa.org

To the STATE:

DGS-Real Estate Services Division

Lease Management (L-1410)

Street Address:

707 Third Street, Fifth Floor

West Sacramento, CA 95605

Telephone (916) 375-4172

LeaseManagement@dgs.ca.gov

U.S. Postal Service:

PO Box 989052

W. Sac, CA 94798-9052

To the STATE:

DSH-Napa State Hospital

Attn: General Services

2100 Napa Vallejo Highway

Napa, CA 94558-6293

Telephone: (707) 253-5610

Email: Jed.Urot@dsh.ca.gov

DSH-Headquarters

Facility Planning

1215 O Street

Sacramento, CA 95814

Phone: (916) 651-3214

Notice of change of address or telephone number shall be given by written notice in the manner described in this section. Lessee is obligated to notice all State offices listed above and the failure to provide notice to all State offices shall constitute a lack of notice. Nothing contained herein shall preclude the giving of any such notice by personal service.

SECTION 1 –SITE SPECIFIC PROVISIONS**HOLDING OVER
& LEASE
RENEWAL**

8. Any holding over by Lessee after expiration or termination shall not be considered as a renewal or extension of this Lease. The occupancy of the Premises after the expiration or termination of this Lease shall constitute a month-to-month tenancy, and all other terms and conditions of this Lease shall continue in full force and effect; provided, however, that said holdover tenancy shall be subject, at the State's sole discretion, to a rent increase of three percent (3%) of the ending rent, rounded to the nearest dollar, payable monthly in advance. Said month-to-month tenancy shall be otherwise subject to all the terms and conditions of this Lease insofar as applicable.

State offers and Lessee accepts no assurance that the Premises or any other comparable space or facilities at the site described herein will be made available to Lessee beyond the term stated above or as said term is reduced as provided herein.

**PROPERTY
INSPECTIONS**

9. Lessee has visited and inspected the Premises and it is agreed that the area described herein is only approximate in size and State does not hereby warrant or guarantee the actual area included hereunder.

**ACCESS TO
PREMISES**

10. Only Lessee, its properly qualified and authorized agents, employees, contractors, and Permitted Users shall have the right of ingress to and egress from said Premises.

**DAMAGE AND
DESTRUCTION**

11. (a) Partial Damage – Insured. If the Premises or the Buildings are damaged by a risk covered under fire and extended coverage insurance insuring State, then State shall restore such damage provided insurance proceeds are available to State to pay the entire cost of restoration, and provided such restoration by State can be completed within eight (8) months after the commencement of work in the opinion of the licensed architect or engineer appointed by State. In such event this Lease shall continue in full force and effect, except that Lessee shall, so long as the damage is not due to the act or omission of Lessee, be entitled to an equitable reduction of Rent based upon the extent to which the damage or restoration efforts materially interfere with Lessee's use of the Premises.

(b) Partial Damage – Uninsured. If the Premises or the Building are damaged by a risk not covered by such insurance or if the insurance proceeds available to State are less than eighty percent (80%) of the cost of restoration, or if the restoration cannot be completed within eight (8) months after the commencement of work in the opinion of the licensed architect or engineer appointed by the State, then State shall have the option to either (a) repair or restore such damage, this Lease continuing in full force and effect, with the Rent reduced based upon the extent to which the damage or restoration efforts materially interfere with Lessee's use of the Premises, or (b) give notice to Lessee at any time within ninety (90) days after such damage terminating this Lease as of the date to be specified in such notice. If such notice is given, this Lease shall expire and any interest of Lessee in the Premises shall terminate on the date specified in such notice. The Rent during the period prior to the termination shall be reduced based upon the extent to which the damage or restoration efforts materially interfere with Lessee's use of the Premises and paid up through the date of termination.

SECTION 1 –SITE SPECIFIC PROVISIONS**DAMAGE AND
DESTRUCTION
(CONT)**

(c) Total Destruction. If the Premises are totally destroyed or in State's judgment the Premises cannot be restored as required herein under applicable laws and regulations, notwithstanding the availability of insurance proceeds, this Lease shall be terminated effective as of the date of the damage.

(d) Obligation. Any restoration by State pursuant to sub paragraphs (a) and (b) above shall be commenced as soon as reasonably possible after the date of damage and prosecuted diligently to completion at the earliest possible date. State shall not be required to carry insurance of any kind on Lessee's property and shall not be required to repair any injury or damage thereto by fire or other causes, or to make any restoration or replacement of any paneling, decorations, partitions, ceilings, floor coverings, office fixtures or any other improvements or property installed in the Premises by or at the direct or indirect expense of Lessee.

Lessee shall have no claim against State for any loss suffered by reason of any such damage, destruction, repair or restoration. Notwithstanding anything to the contrary contained in this section, State shall not have any obligation to repair, reconstruct or restore the Premises with respect to damage or destruction as described in this section occurring during the last twelve months of the term.

(e) Waiver by Lessee. Lessee shall have no right to terminate this Lease as a result of any statutory provisions now or hereafter in effect pertaining to the damage and destruction of the Premises or Building, except as expressly provided herein, and Lessee expressly waives the provisions of California Civil Code Section 1932(2) and 1933(4) with respect to any damage or destruction of the Premises.

End of Section 1

SECTION 2 – BUILDING SPECIFIC PROVISIONS

1. RIGHT TO ENTER.

During the term of this Lease, there shall be and is hereby expressly reserved to State and to its agencies, contractors, agents, employees, representatives or licensees, the right at any and all times, and any and all places, to temporarily enter upon said Premises for survey, inspection, or any other lawful State purposes.

2. REGULATION BY STATE.

(a) State shall have the full power and right to determine and regulate the operations of Lessee insofar as they affect the operations, safety, and effective use of State activities conducted at the same location.

(b) All contractors, agents, employees, representatives, or licensees of Lessee shall be subject to the rules and regulations of State as they relate to conduct on the grounds, security, and general use of facilities. Lessee will conduct its operations in such a manner so as to minimize any interference with the activities associated with the building.

(c) Lessee will comply with all building rules and regulations adopted by said authorities in charge. No article or material deemed by said authorities in charge to be considered as contraband shall be brought onto said real property. Contraband includes, but not limited to, alcoholic beverages, possession or use of firearms, explosives or edged weapons, and restricted controlled substances.

Any willful violation of said rules and regulations are grounds for immediate termination of the Lease.

3. HOUSEHOLD APPLIANCES.

Lessee accepts the responsibility for maintaining the following State-owned appliances: gas-stove and dish washer.

These appliances are in good condition and working order. Repairs and/or replacement

of these household appliances caused by operation failure will be at the sole cost and expense of the Lessee, replaced items will become Lessee's property. The electric clothes washer, dryer, and refrigerator shall be purchased and maintained by Lessee.

4. DISPOSITION OF LESSEE'S PERSONAL PROPERTY.

(a) During the term of this Lease, all personal property placed in, upon, or under the Premises by Lessee shall remain the property of Lessee and shall be removed by Lessee, at its sole cost and expense upon expiration or termination of Lessee's tenancy.

(b) Should Lessee fail to remove said equipment and personal property upon expiration or termination of the Lease, State may do so at the risk and cost of Lessee. Upon written demand by State, Lessee shall immediately pay all costs and expenses of the removal of Lessee's personal property and equipment.

(c) Lessee may, however, with written consent of State, abandon in place any of Lessee's equipment and personal property, whereupon, as abandoned, title to said improvements will vest in State.

(d) Upon termination of this Lease for any cause, Lessee shall remove any and all of Lessee's equipment and personal property and restore the entire Premises to its condition prior to the execution of this Lease, except however, State may approve, in writing, any deviation from this requirement.

5. LEASE MODIFICATION FEES.

An administration fee may be assessed for any action originated by Lessee requiring lease administration or technical review staff work by State which result in an amendment to, or assignment of this Lease. To initiate such services, Lessee must submit a written request to State. The administration fee will

SECTION 2 – BUILDING SPECIFIC PROVISIONS

be assessed at the prevailing rate in effect at the time the request is received.

6. ALTERATIONS AND IMPROVEMENTS.

Lessee shall not make changes, alterations, or post signs to the Premises without the consent of State in writing. No alterations to the Premises or construction of improvements shall be permitted until State has approved the complete plans and specifications for the project and scheduled a State inspector for the construction phase. The plans shall be prepared by an architect registered by the State of California.

Request for alterations or improvements shall not be unreasonably denied, provided submitted project plans comply with existing certification standards.

Lessee shall, at the time of the request, specify if it desires to retain ownership and/or possession of the alteration, addition, or improvement.

Should alterations and repairs be approved by State, Lessee shall not suffer or permit any mechanics' or other liens (or claims thereof) to be filed against the Premises or Lessee's leasehold interest therein or hereunder by reason of work, labor, services, or materials holding the Premises or any part thereof through or under Lessee.

State shall have the right at all reasonable times to post and keep posted on the Premises any notices that State may deem necessary or advisable for the protection of State, and Premises from mechanics' liens.

If any such liens or claims thereof shall at any time be filed against the Premises, Lessee shall cause the same to be discharged of record within forty-five (45) days after the filing date.

In making any excavation or installation of equipment on the Premises or easement areas, Lessee shall make the same in such manner as will cause the least injury to the surface of the ground around such excavation and/or construction and shall

replace the earth so removed by it and restore the surface of the ground and any improvement thereon to as near the same condition as they were prior to such excavation as is practicable.

7. REPAIR AND MAINTENANCE.

During the Lease term, Lessee shall be responsible for all interior maintenance including painting, replacement or boarding up of broken windows, or any other repairs needed due to consumer destruction such as plugged toilets/sinks, carpet cleaning.

(a) Should Lessee fail to promptly complete repairs as needed, State shall have the right to enter upon the Premises and complete the repairs on an emergency basis at Lessee's expense.

(b) Lessee shall promptly repair or correct any damage by Lessee's employees, contractors or "Program" participants, except damage arising from a willful or negligent act of the State's agents, employees or invitees.

(c) Lessee shall designate in writing to State a representative who shall be responsible for the day-to-day operation, maintenance, cleanliness and general order of the Premises.

State's Responsibility:

- Maintain structural components including the roofing, plumbing (leading to and within the houses), electrical wiring (leading to and within the houses) heating, air conditioning if so equipped, furnaces, exterior plaster, attached porch, and rain gutters.
- Upon inspections by DSH-Napa, and only if needed, replace basic flooring and carpeting worn out through normal wear and tear based on a ten (10) year life for paint; and twenty (20) year life for flooring and carpet.

SECTION 2 – BUILDING SPECIFIC PROVISIONS

- Maintain exterior locks to the Premises. State shall charge Lessee for labor and material if the damage was due to consumer destruction.

- Make emergency repairs at Lessee's expense if requested by Lessee. Emergency repairs performed by DSH-Napa to the Premises will be invoiced to Lessee on a cost recovery basis at cost plus fifteen percent (15%).

8. CONDITION OF PREMISES.

(a) Lessee is aware of the current condition of the Premises and accepts the Premises in "as is" condition. Lessee accepts the Premises as being in average condition and repair, unless otherwise specified herein, and agrees that on the last day of the term, or sooner termination of this Lease, to surrender up to State the Premises, with any appurtenances or improvements therein, in the same condition as when received, reasonable use and wear thereof and damage by act of Nature, excepted.

(b) By acceptance of this Lease, Lessee is hereby notified and informed that the leased structure may contain Asbestos, Lead-Based Paint, Mold, or may have seismic deficiencies. Lessee acknowledges that Lessee is renting and accepting said structure in its "as is" condition and shall hold harmless the State of California; its officers, agents and employees from any liability which may occur to any real or personal property or persons by the presence of any of the above-mentioned conditions currently in or on the Premises.

9. LESSEE'S SECURITY.

Lessee shall be responsible for the security of the Premises and all persons within the property of the Lessee. In the event of a serious security emergency, the State shall cooperate with the staff of Lessee, but such assistance shall not interfere with the State's normal program.

10. MEDICAL.

No medical support will be provided by State. Necessary emergency or surgical care of Lessee's employees will be the sole responsibility of Lessee. As used herein, this is intended to mean that Lessee shall be liable for any and all medical and or surgical care costs for Lessee's employees served by Lessee's program.

11. EMERGENCY PREPAREDNESS.

Lessee agrees to be responsible for maintaining an emergency preparedness program for Lessee. Lessee shall not rely on State to provide food or supplies during a local or area wide disaster. State will, if time and material allow, assist Lessee during a disaster.

12. LANDSCAPE.

DSH-Napa will provide limited landscaping services which will include tree trimming as needed, front lawn mowing, and bushes trimmed outside the Premises fences. State shall not provide further landscaping services or replace plants, trees, or shrubs.

Lessee is responsible for all landscaping services to areas within the fenced areas, except for tree trimming. Lessee shall take care to protect landscaping elements from damage.

13. LESSEE GUARANTEES.

Lessee hereby guarantees, for the term of this Lease any and all work or services performed by Lessee or Lessee's properly qualified or authorized agents, employees, and contractors, in order to accomplish the installation and/or maintenance of the facilities.

14. KEYS.

Keys to the Premises provided to Lessee by State will remain in the sole possession of Lessee.

SECTION 2 – BUILDING SPECIFIC PROVISIONS

Keys to the building are NOT to be issued to anyone not directly employed by Lessee. Lessee will provide DSH-Napa a list of all employees who have been issued a key.

Vendors that provide services to Lessee, such as custodial and pest control companies, shall not receive keys. The work shall be performed during regular business hours, with Lessee present at the time services are provided.

Lessee may not reproduce any keys without first obtaining prior written consent of DSH-Napa Chief of Plant Operations. Lessee's key list shall be immediately updated upon staff changes and provided to DSH-Napa. Lessee shall pay for lost keys at State's labor and materials bill rate.

15. CUSTODIAL.

Lessee shall have or hire custodial services sufficient to maintain the interior in a clean and well maintained condition.

Trash shall be properly disposed of in the building's central trash collection facility provided by State.

16. TELEPHONE.

Lessee shall provide for separate telephone installation and service at Lessee's sole cost and expense.

17. PARKING.

Lessee's employees shall have non-exclusive use of the non-reserved automobile parking areas, driveways, and footway spaces with DSH-Napa, other tenants, their guests and invitees, subject to rules and regulations thereof as prescribed from time to time by State.

State reserves the right to designate parking areas within reasonable proximity to the Premises for Lessee's agents and employees. Parking is not allowed directly in front of the houses where there is no curb or sidewalk.

End of Section 2

SECTION 3 – STANDARD PROVISIONS

1. PERMITS AND APPROVALS.

State and Lessee agree that Lessee's ability to use the Premises is dependent upon Lessee obtaining all of the certificates, permits, licenses, and other approvals that may be required from any third party. State will cooperate with Lessee, at no expense to State, in Lessee's effort to obtain such approvals in connection with said permits, licenses or other approvals.

2. DEFAULT.

Lessee shall make all payments to the State without deduction (except for offsets explicitly allowed hereunder), default or delay. In the event of the failure of Lessee to do so, or in the event of a breach of any of the other terms, covenants or conditions herein contained on the part of Lessee or State to be kept and performed, and if such default continues for a period of thirty (30) days after receipt of written notice from the non-defaulting party to the defaulting party of such default, this Lease may, at the non-defaulting party's sole discretion, be terminated.

Notwithstanding the foregoing, if a non-monetary default may not be reasonably cured within such thirty (30) day period and the defaulting party commences to cure such default within the thirty (30) day period, the time to cure may be extended through a writing signed by both parties, to a time frame and deadline mutually agreeable to the parties. So long as the defaulting party diligently prosecutes the cure to completion under the mutually agreed upon extended deadline, then this Lease may not be terminated under this Clause. However, if the defaulting party operates with unreasonable delay in curing the default or otherwise does not cure within the mutually agreed upon time frame, the non-defaulting party may terminate immediately.

In the event of termination of this Lease due to a Lessee default, it shall be lawful for State to reenter into and upon the Lease Area and every part thereof and to remove

and store at Lessee's expense all property there from and to repossess and occupy the Lease Area. In the event State terminates this Lease pursuant to this Clause, State shall not be required to pay Lessee any sum or sums whatsoever.

3. COMPLIANCE WITH LAWS.

Lessee shall at its sole cost and expense comply with all the statutes, laws, ordinances and regulations of all municipal, state and federal authorities now in force or which may hereafter be in force pertaining to the Premises and use of the Premises as provided by this Lease.

4. FAILURE TO PERFORM.

In the event of the failure, neglect, or refusal of Lessee to do, or perform work, or any part thereof, or any act or thing in this Lease provided to be done and performed by Lessee, State will, at its option, have the right to do and perform the same, and Lessee hereby covenants and agrees to pay State the cost thereof on demand.

5. ASSIGNMENT, SUBLETTING & CHANGE IN USE.

Lessee shall not transfer or assign ("assign" shall include any transfer of any ownership interest in the Lease by Lessee or by any partner, principal, or controlling stockholder, as the case may be, from the original Lessee) this Lease, and shall not sublet, license, permit or suffer any use of the Premises or any part thereof without first obtaining the written consent of the State, which consent is at the sole discretion of the State.

6. RIGHTS RESERVED BY STATE.

(a) State reserves the right to use the real property involved (not including real property installed, erected or constructed by Lessee) in any manner, including but not limited to the right to construct, place, maintain, use, operate, repair, replace, alter and move pipelines, conduits, culverts, ducts, fences, poles, electrical energy,

SECTION 3 – STANDARD PROVISIONS

power and communication lines, roads, bridges, subways, sidewalks, to grant easements over, across, upon and under said real property, and the continuous right of ingress to and egress from any portion or portions of said real property in such manner as not to create any unreasonable interference with the exercise of the rights granted to Lessee.

(b) Any grant herein contained is subject to all valid and existing contracts, leases, licenses, easements, encumbrances and claims of title which may affect said facility.

(c) No priority or other rights will attach to the use of any space in State's building or on said facility.

7. ACTS OF NATURE.

If any of Lessee's improvements or equipment are destroyed by acts of nature, Lessee may replace them with improvements or equipment of the same general type that meets or exceeds the technical specifications of the original equipment, which occupies no more physical space and that consumes no more electrical power. Lessee shall immediately notify State of such items and the date the replacement is completed.

8. HAZARDOUS SUBSTANCE.

Lessee agrees that it shall comply with all laws, federal, state, or local, existing during the term of this Lease pertaining to the use, storage, transportation, and disposal of any hazardous substance as that term is defined in such applicable law.

(a) In the event State or any of its affiliates, successors, principals, employees, or agents should incur any liability, cost, or expense, including attorney's fees and costs, as a result of the Lessee's illegal use, storage, transportation, or disposal of any hazardous substance, including any petroleum derivative, Lessee shall indemnify, defend, and hold harmless any of these individuals against such liability.

(b) Where Lessee is found to be in breach of this Paragraph due to the issuance of a government order directing Lessee to cease and desist any illegal action in connection with a hazardous substance, or to remediate a contaminated condition caused by Lessee or any person acting under Lessee's direct control and authority, Lessee shall be responsible for all costs and expenses of complying with such order, including any and all expenses imposed on or incurred by STATE in connection with or in response to such government order.

9. VACATING THE PREMISES.

Lessee shall, on the last day of said term or sooner termination of this Lease, peaceably and quietly leave, surrender, and yield up to State, the Premises in good order, condition, and repair, reasonable use and wear thereof and damage by acts of nature, excepted.

Lessee will coordinate its move-out with the Building Manager's office to complete a walkthrough and return keys, key cards, or any other State provided items.

10. AUDIT.

Lessee agrees that the Department of General Services, California State Auditor, or their designated representative shall have the right to review and to copy any of Lessee's non-redacted records and supporting documentation pertaining to the performance of this Lease. In the event State discovers any irregularities in Lessee's revenue statements Lessee shall bear all costs associated with said audit.

Lessee agrees to maintain such records for possible audit for a minimum of three (3) years after final payment. Lessee agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records.

SECTION 3 – STANDARD PROVISIONS

Further, Lessee agrees to include in any sublease a similar right of the State to audit records and interview Sublessee related to any performance of this Lease.

State may audit Lessee's accounting books at any time upon reasonable request. Further to the extent Lessee provides State with proprietary information, the State will hold it in the strictest confidence, and will return it when it is no longer necessary to support any audit exceptions.

Lessee understands the State is subject to the Public Records Act.

11. RECOVERY OF LEGAL FEES.

If action is brought by State for the recovery of any rent due under the provisions hereof or for any breach hereof, or to restrain the breach of any agreement contained herein, or for the recovery of possession of said Premises, or to protect any rights given to State against Lessee, and if State will prevail in such action, Lessee shall pay to State such amount in attorney's fees in said action as the court shall determine to be reasonable, which shall be fixed by the court as part of the costs of said action.

12. AMERICANS WITH DISABILITIES ACT; UNRUH CIVIL RIGHTS ACT; DISABLED PERSONS ACT.

Lessee shall comply with all federal requirements established under 28 Code of Regulations, Part 36, Americans with Disabilities Act, and with all California State requirements established under Civil Code section 51 et seq., Unruh Civil Rights Act and Civil Code section 54 et seq., Disabled Persons Act, in order to make programs accessible to all participants and to provide equally effective communications.

By signing this Lease, Lessee assures State it complies with the Federal and State statutes described above, prohibiting discrimination on the basis of disability. Lessee also assures State it complies with any applicable regulations and guidelines

issued pursuant to the Federal and State statutes described above.

13. TAXES AND ASSESSMENTS.

Lessee agrees to pay all lawful taxes, assessments or charges that at any time may be levied upon any interest in this Lease. It is understood that this Lease may create a possessory interest subject to property taxation and Lessee may be subject to the payment of property taxes levied on such interest.

14. NON-DISCRIMINATION.

In the performance of this Lease, Lessee shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability (including HIV and AIDS), mental disability, medical condition, age (over 40), marital status, sex, sexual orientation, use of family care leave, or any other Federal, State or local laws. Lessee shall ensure that the evaluation and treatment of its employees and applicants for employment are free from such discrimination and harassment.

Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

Lessee shall comply with the provisions of the Fair Employment and Housing Act (Government Code (GC) Section 12990 (a-f) et seq.) and the applicable regulations promulgated there under (California Code of Regulations, Title 2, Section 7285 et seq.).

The applicable regulations of the Fair Employment and Housing Commission implementing GC Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Lease by reference

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and made a part thereof as if set forth in full. Lessee shall give written notice of its obligations under this clause to any labor organizations with which they have collective bargaining or other agreement.

Further, Lessee shall post in conspicuous places available to employees and applicants for employment, notices to be provided by State setting forth the provisions of this Fair Employment Practices Section. (GC, Section 12920-12994).

REMEDIES FOR WILLFUL VIOLATIONS:

(1) State may determine a willful violation of the Fair Employment Practices provision to have occurred upon the receipt of a final judgment having that effect from a court in an action to which Lessee was a party, or upon receipt of a written notice from the Fair Employment Practices Commission that it has investigated and determined that Lessee has violated the Fair Employment Practices Act and has issued an order pursuant to the appropriate provisions of the GC.

(2) State will have the right to terminate this Lease and any loss or damage sustained by State by reason thereof will be borne and paid for by Lessee.

15. INSURANCE.

Prior to, or at Lease execution, Lessee shall furnish to State a certificate of insurance, along with all policy endorsements, with the State's Lease Number L-1410 indicated on the face of said certificate or endorsements, issued to State with evidence of insurance as follows:

COMMERCIAL GENERAL LIABILITY

Lessee shall maintain general liability coverage with limits of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate annually for bodily injury and property damage liability combined and Fire Legal Liability of at least \$500,000.

The policy shall include coverage for liabilities arising out of Premises, operations, independent contractors, products, completed operations, personal & advertising injury, and liability assumed under an insured contract.

The policy must include State of California, their officers, agents, and employees as additional insureds, but only insofar as the operations under the Lease are concerned. The additional insured endorsement must be provided with the certificate of insurance.

AUTOMOBILE LIABILITY

Lessee shall maintain motor vehicle liability with limits of not less than \$1,000,000 per accident for bodily injury and property damage. The State of California and Department of General Services are to be additional insureds with respect to liability arising out of all vehicles owned, hired and non-owned. The additional insured endorsement must be provided with the certificate of insurance.

WORKERS' COMPENSATION

Lessee shall maintain statutory workers' compensation and employer's liability coverage for all its employees who will be engaged in the performance of the Lease, including special coverage extensions where applicable. Employer's liability limits of \$1,000,000 shall be required, and the policy shall include a waiver of subrogation in favor of the State of California. The waiver of subrogation endorsement must be provided with the certificate of insurance.

GENERAL REQUIREMENTS

Lessee shall ensure that the following general requirements are met:

a. Insurance Companies must be acceptable to Department of General Services, Office of Risk and Insurance Management.

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b. Coverage needs to be in-force for complete term of this Lease. If insurance expires during the term of the Lease, a new certificate must be received by State within thirty (30) days of the expiration date of the existing policy. This new insurance must still meet the terms of the original contract.

c. Lessee shall notify State within five business days of Lessee's receipt of any notice of cancellation or non-renewal of any insurance required by this lease.

d. Lessee is responsible for any deductible or self-insured retention contained within the insurance program.

e. In the event Lessee fails to keep in effect at all times the specified insurance coverage, State may, in addition to any other remedies it may have, terminate this Lease upon the occurrence of such event, subject to the provisions of this Lease.

f. Any insurance required to be carried shall be primary, and not excess, to any other insurance carried by State.

g. If Lessee is self-insured in whole or in part as to any of the above-described types and levels of coverage, Lessee shall provide State with written acknowledgment of this fact at the time of the execution of this Lease. State may require financial information to justify Lessee's self-insured status. If, at any time after the execution of this Lease, Lessee abandons its self-insured status, Lessee shall immediately notify State of this fact and shall comply with all of the terms and conditions of this Insurance clause pertaining to policies of insurance in regard to those types and levels of insurance.

It is agreed that State shall not be liable for the payment of any premiums or assessments on the required insurance coverage.

16. FIRE AND CASUALTY DAMAGES.

State will not keep improvements which are constructed or installed by Lessee under the provisions of this Lease insured against fire or casualty, and Lessee shall make no claim of any nature against State by reason of any damage to the business or property of Lessee in the event of damage or destruction by fire or other cause, arising other than from or out of negligence or willful misconduct of agents or employees of State in the course of their employment.

17. HOLD HARMLESS INDEMNIFICATION.

This Lease is made upon the express condition that the State of California is to be free from all liability and claims for damages by reason of any injury to any person or persons, including Lessee, or property of any kind whatsoever and to whomsoever belonging, including Lessee, from any cause or causes whatsoever while in, upon, or in any way connected with the Premises during the term of this Lease or any occupancy hereunder, holdover periods or any other occupancy of the Premises by Lessee, except those arising out of the sole negligence or willful misconduct of State, its employees, agents, and invitees.

Lessee agrees to defend, indemnify, and save harmless State from all liability, loss, cost or obligation on account of or arising out of any such injury or loss, however occurring.

18. LOSSES.

State will not be responsible for losses or damage to personal property, equipment or materials of Lessee and all losses shall be reported to State immediately upon discovery.

19. DEBT LIABILITY DISCLAIMER.

State, including but not limited to the State's General Fund or any special self-insurance programs, is not liable for any debts, liabilities, settlements, liens or any other obligations of Lessee or its heirs,

SECTION 3 – STANDARD PROVISIONS

successors or assigns. State, its agencies, departments and divisions will not be liable for, and will be held harmless by Lessee for any claims or damages associated with any contract, tort, action or inaction, error in judgment, act of negligence, intentional tort, mistakes, or other acts taken or not taken by Lessee, its employees, agents, invitees, guests or anyone acting in concert with or on behalf of Lessee. State has no obligation to defend or undertake the defense on behalf of Lessee or its heirs, successors or assigns.

20. RELOCATION.

(a) In the event State terminates this Lease pursuant to its terms, Lessee acknowledges and agrees that it has no claim against State for Relocation Payments, Relocation Advisory Assistance, or costs pursuant to the Government Code sections 7260 et seq., or any regulations implementing or interpreting such sections. Lessee further agrees that it has no claim in either law or equity against State for damages or other relief should the Lease be terminated pursuant to its terms, and waives any such claims it may have.

(b) In the event subleasing, under the terms of this Lease, is permitted, Lessee shall incorporate this Paragraph into the sublease. Failure to do so may obligate Lessee for damages and costs resulting from claims for relocation payments by sublessee.

(c) The location of the Premises to be used by Lessee for the purpose of this Lease may be changed as required by State in the event of circumstances arising to warrant such a change.

Lessee agrees to accept another functionally equivalent location within the facility grounds within which to operate under the same general provisions of this Lease. In the event the new quarters are different in size from the present quarters, there shall be an adjustment in rental rate on

a proportionate square footage basis at the discretion of State.

In the event State is unable to relocate Lessee within the facility grounds, State, upon reasonable notice, may require Lessee to leave State premises. Reasonable notice is defined herein as to be at least thirty (30) days.

21. SMOKING RESTRICTIONS.

Per Government Code 7597, Smoking shall not be allowed inside any building, or within 20 feet of any entrance or operable window of any building.

Lessee, its employees, invitees, or patrons shall compensate and reimburse State the cost of damage and destruction of any such fire caused by Lessee, its employees, invitees, contractors, or patrons, including State's out-of-pocket expenses for same.

22. RECORDING.

Lessee shall not record this Lease or a short form memorandum thereof. Any such recordation will, at the option of State, constitute a non-curable default by Lessee hereunder.

23. AUTHORITY TO CONTRACT.

(a) If Lessee is a public, private or non-profit corporation, each individual executing this Lease on behalf of said Lessee shall provide evidence, which is acceptable to State, that he/she is duly authorized to execute and deliver this Lease on behalf of said Lessee in accordance with a duly adopted resolution of the Board of Directors or in accordance with the Bylaws of said Board, and that this Lease is binding upon said Board of Directors in accordance with its terms.

24. PARTNERSHIP DISCLAIMER.

Lessee its agents and employees shall act in an independent capacity and not as officers or employees of State. Nothing

SECTION 3 – STANDARD PROVISIONS

herein contained will be construed as constituting the parties herein as partners.

25. MINERAL RIGHTS.

Lessee agrees not to interfere, in any way, with the interests of any person or persons that may presently, or in the future, hold oil, gas, or other mineral interests upon or under said Premises; nor shall Lessee, in any way, interfere with the rights of ingress and egress of said interest holders.

26. CEQA.

Any physical changes made to the improvements by Lessee or its agents shall comply with the California Environmental Quality Act (CEQA).

27. BANKRUPTCY.

In no event shall this Lease or the leasehold estate become an asset of Lessee in bankruptcy, receivership or other judicial proceedings. Lessee shall be in default under this Lease and the provisions of the "Default" Paragraph hereof shall apply in the event of any of the following: (a) Lessee becomes insolvent or makes an assignment for the benefit of creditors; (b) a petition in bankruptcy is filed by or against Lessee; (c) a writ of execution is levied against this Lease or the leasehold estate; (d) Lessee abandons or vacates or does not continuously occupy or safeguard the Premises.

28. AMENDMENTS AND MODIFICATIONS.

No amendment, modification, or supplement to this Lease shall be binding on either party unless it is in writing and signed by the party to be bound by the modification.

29. MUTUAL CONSENT.

Notwithstanding anything herein contained to the contrary, this Lease may be terminated and the provisions of the Lease may be altered, changed, or amended by mutual consent of the parties hereto in writing.

30. FORCE MAJEURE.

If either Lessee or State will be delayed or prevented from the performance of any act required hereunder by reason of acts of Nature, governmental restrictions, regulations or controls (except those reasonably foreseeable in connection with the uses contemplated by this Lease) or other cause without fault and beyond the control of the party obligated (except financial inability), performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. Nothing in this Paragraph shall excuse Lessee from prompt payment of any rent, taxes, insurance or any other charge required of Lessee, except as may be expressly provided in this Lease.

31. WAIVER.

If State waives the performance of any term, covenant or condition contained in this Lease, such waiver shall not be deemed to be a waiver of that or any subsequent term, covenant or condition.

Failure by State to enforce any terms, covenants or conditions of this Lease for any length of time shall not be deemed to waive or decrease State's right to insist thereafter upon strict performance by Lessee.

Waiver by State of any term, covenant, or condition contained in this Lease may only be made by a written document properly signed by an authorized State representative.

32. ENTIRE AGREEMENT.

This Lease and its exhibits constitute the entire agreement between State and Lessee. No prior written or prior, contemporaneous or subsequent oral promises or representations shall be binding.

SECTION 3 – STANDARD PROVISIONS

33. PARAGRAPH HEADINGS.

All Paragraph headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Lease.

34. SEVERABILITY.

If any term, covenant, condition, or provision of this Lease or any application thereof, to any extent, is found invalid, void, or unenforceable by a court of competent jurisdiction, the remainder of this Lease will not be affected thereby, and will be valid and enforceable to the fullest extent permitted by law.

35. EXECUTIVE ORDER N-6-22 – RUSSIA SANCTIONS.

On March 4, 2022, Governor Gavin Newsom issued Executive Order N-6-22 (EO) regarding Economic Sanctions against Russia and Russian entities and individuals. "Economic Sanctions" refers to sanctions imposed by the U.S. government in response to Russia's actions in Ukraine, as well as any sanctions imposed under state law. The EO directs state agencies to terminate contracts with, and to refrain from entering any new contracts with, individuals or entities that are determined to be a target of Economic Sanctions. Accordingly, should the State determine Contractor is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for termination of this agreement. The State shall provide Contractor advance written notice of

such termination, allowing Contractor at least 30 calendar days to provide a written response. Termination shall be at the sole discretion of the State.

36. SEPARATE COUNTERPARTS.

This Lease may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same Agreement. The exchange of copies of this Lease and of signature pages by electronic mail in "portable document format" ("pdf") form or by any other electronic means shall constitute effective execution and delivery of this Lease. In the event the Lease is executed by wet ink signatures, the original signatures shall also be exchanged between the parties via mail, in addition to any exchange via electronic means.

37. SUPERSEDEDURE.

This Lease supersedes and voids any prior license, lease or agreement of any kind between State and Lessee identified in this Lease with regards to the Premises.

38. BINDING.

The terms of this Lease and covenants and agreements herein contained shall apply to and shall bind and inure to the benefit of the heirs, representatives, assigns and successors in interest of the parties hereto.

39. ESSENCE OF TIME.

Time is of the essence for each and all of the provisions, covenants and conditions of this Lease.

End of Section 3

IN WITNESS WHEREOF, this Lease has been executed by the parties hereto as of the date written below.

STATE OF CALIFORNIA
APPROVED:

LESSEE:

DIRECTOR OF DEPARTMENT OF
GENERAL SERVICES

NAPA COUNTY
a Political Subdivision of the State of California

By: _____
Deron Morillas, Assistant Chief
Real Estate Leasing and Planning

By: _____
Joelle Gallagher, Chair of the
Board of Supervisors

APPROVAL RECOMMENDED:

Attest:

STATE OWNED LEASING AND
DEVELOPMENT

By: _____
Neha Hoskins
Clerk of the Board of Supervisors

By: _____
Kimberley Tsumura
Senior Real Estate Officer

Approved as to Form
Office of County Counsel

By:  _____
Deputy County Counsel

CONSENT:

DEPARTMENT OF STATE HOSPITALS
NAPA STATE HOSPITAL

APPROVED BY THE NAPA
COUNTY BOARD OF SUPERVISORS

By: _____
Rebecca Gajeski
Hospital Administrator

Processed By:

Deputy Clerk of the Board

DEPARTMENT OF STATE HOSPITALS
HEADQUARTERS

By: _____
Sean Hammer
Deputy Director
Administrative Services

EXHIBIT A

Floor Plan

