



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: General Services
Department No.: 063
For Agenda Of: 11/14/2006
Placement: Administrative
Estimate Time:
Continued Item: NO
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Director(s) Robert Nisbet, Director (560-1011)
General Services Department
Contact Info: Paddy Langlands, Assistant Director (568-3096)
Support Services Division
SUBJECT: Transitions Mental Health Association Ground Lease
Real Estate Services Folio: 003343
Fifth Supervisorial District

County Counsel Concurrence:

As to form: Yes No N/A

Auditor-Controller Concurrence:

As to form: Yes No N/A

Other Concurrence: Risk Management

As to form: Yes No N/A

Recommended Action(s):

That the Board of Supervisors:

- a.) Determine that the services provided to seriously mentally ill adult clients of Santa Barbara County by Transitions Mental Health Association (TMHA) are necessary to meet the social needs of the County, and that TMHA therefore qualifies for a rent subsidy pursuant to Government Code §26227; and
- b.) Determine that the County-owned unimproved property located at the corner of California and Foster Roads, in the city of Santa Maria, County of Santa Barbara, will not be needed for County purposes in the foreseeable future; and
- c.) Approve the proposed Ground Lease granting TMHA the right to lease the above referenced county-owned unimproved property for the purpose of a farming operation necessary to carry out the provisions of that *Agreement For Services of Independent Contractor* (“Service Contract”) between TMHA and the County/Department of Alcohol, Drug and Mental Health Services approved by your Board on March 22, 2005, and subsequently amended on August 25, 2006 to extend the term through June 30, 2007. The lease includes automatic renewals annually to coincide with the annual renewal of the Service Contract. In no event will TMHA maintain occupancy of the premises beyond the time during which they are providing services under a service contract with the County.

Summary:

The Department of Alcohol, Drug and Mental Health Services provides services to the mentally ill citizens of County of Santa Barbara as mandated by the Welfare and Institutions Code, Section 5600. The County's contract with Transitions Mental Health Association is only one of the providers contracted to provide these services. Recent surveys from clients of the horticultural program known as Transitions Growing Grounds II Farm have proven that the program is of great benefit, and since the initiation of the program, the service contract has been renewed annually. Due to the programs success, it is anticipated that the County's Department of Alcohol, Drug and Mental Health Services will continue to fund it indefinitely. Since this lease no longer meets the criteria for a 12A10, it is necessary to bring the lease agreement to the County Board of Supervisors for approval.

Government Code Section 26227 says that the board of supervisors of a county may contract with other public or private agencies or individuals to operate programs which they determine will serve public purposes. In the furtherance of those programs, the board of supervisors may make available to a public agency, nonprofit corporation, or nonprofit association any real property of the county which is not and, during the time of possession, will not be needed for county purposes, to be used to carry out the programs, upon terms and conditions determined by the board of supervisors to be in the best interests of the county and the general public.

Background:

On August 24, 1999, the County Board of Supervisors approved an *Agreement for Services of Independent Contractor (BC 00-068)* between the County of Santa Barbara, Department of Alcohol, Drug and Mental Health and Transitions Mental Health Association (TMHA) for a term of 3 years to provide a structured, supervised environment to enable seriously mentally ill adult clients of Santa Barbara County to develop and exercise skills promoting independence, meaningful daily activity, and self-esteem. The concept of a horticultural program was proposed and a ground lease of county owned property at the Foster Road Campus was identified and initiated to carry out the program. Based on information from ADMHS staff and the service contract, Office of Real Estate Services staff generated a 3-year lease that was ancillary to and would run concurrently with the service contract.

The 12A10 Ground Lease expired on June 30, 2004, and TMHA has continued the farming operation under the holdover provision in the lease, while negotiations between the County and TMHA for a long term service contract have been ongoing. On March 22, 2005, the County Board of Supervisors approved a 1 year service contract (BC05-145) for the period of July 1, 2004 through June 30, 2005. This service contract was amended to extend the term through June 30, 2007. The Boards approval of the Lease Agreement today will allow the continuance of the lease on a year-to-year basis to run concurrently with the continuance of a service contract.

Fiscal and Facilities Impacts:

Budgeted: Yes No

Fiscal Analysis:

Narrative: There are no fiscal or facilities impacts associated with this item.

Staffing Impact(s):

Legal Positions:
N/A

FTEs:
N/A

Transitions Mental Health Association Ground Lease

Real Estate Services Folio: 003343

Fifth Supervisorial District

11/14/2006

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Special Instructions:

Upon approval and execution of the Ground Lease, the Clerk should distribute as follows:

- | | |
|--|---|
| 1. Original executed document | Official File |
| 2. Dupl. orig. exec. Doc. & Minute Order | Attn: Connie Smith, Office of Real Estate Svcs.,
Courthouse, 2 nd Floor East Wing |
| 3. Copy of exec. Doc. & Minute Order | Attn: Jack Juntunen, ADMHS |

NOTE: Upon receipt of the fully executed duplicate original Ground Lease Agreement, Office of Real Estate Services will copy the document for their file and forward the duplicate original to Transitions Mental Health Association.

Attachments:

Ground Lease Agreement

Authored by: Connie Smith, Office of Real Estate Services.

cc's via Email:

James Broderick, PhD, ADMHS
Jack Juntunen, ADMHS/Contracts Unit
Frank Ricceri, TMHA

Project: Transitions Farm at Foster Road
APN: 111-230-004 (portion of)
Folio: 003343
Agent: CS

GROUND LEASE AGREEMENT
TRANSITIONS FARM AT FOSTER ROAD

THIS GROUND LEASE AGREEMENT (hereinafter "Agreement") is made by and between the

COUNTY OF SANTA BARBARA,
a political subdivision of the State of California,
hereinafter referred to as "COUNTY,"

and

TRANSITIONS MENTAL HEALTH ASSOCIATION,
A California non-profit corporation,
hereinafter referred to as "LESSEE,"

with reference to the following:

WHEREAS, COUNTY is the fee owner of that certain real property located on Foster Road, in the City of Santa Maria, more particularly described as Santa Barbara County Assessor's Parcel number 111-230-004, (hereinafter "Property"). The Property is shown as the diagonally slashed area of Exhibit "A", attached hereto and incorporated herein by this reference; and

WHEREAS, LESSEE and COUNTY, through its Alcohol, Drug, and Mental Health Services Department (ADMHS), entered into an *Agreement for Services of Independent Contractor* (hereinafter "Service Contract") dated August 24, 1999, to provide mental health services to seriously mentally ill adult clients of Santa Barbara County; and

WHEREAS, pursuant to Santa Barbara County Code §12A10, COUNTY and LESSEE entered into a 3-year Lease Agreement (hereinafter "12A10 Lease") for the use of approximately 3 acres of the unimproved portion of the Property (hereinafter "Premises") as shown on Exhibit B, attached hereto and incorporated herein by this reference, on a trial period basis to carry out the obligations of the Service Contract by operating a flower and vegetable farm; and

WHEREAS, COUNTY and LESSEE have entered into a new Service Contract dated March 22, 2005, and subsequently amended that Service Contract on August 25, 2006, to extend the term through June 30, 2007, and would like to continue to lease the Premises for a term to run concurrently with the newly amended Service Contract; and

WHEREAS, California Government Code §26227 allows a board of supervisors of a county to fund programs deemed necessary to meet the social needs of the population of the county and to make available any real property of the county which will not be needed for county purposes during the time of possession, to be used to carry out such programs; and

WHEREAS, COUNTY provides funding in support of LESSEE'S program via the Service Contract dated March 22, 2005, and subsequent "Amendment 2006-2007," and has determined that the Premises will not be needed for county purposes during the time of possession; and

WHEREAS, LESSEE'S operation is consistent with the permitted uses per the City of Santa Maria's zoning of the Property;

NOW, THEREFORE, in consideration of the provisions, covenants, and conditions, contained herein, the parties agree as follows:

1. **ADMINISTRATION AND ENFORCEMENT:** The provisions of this Agreement shall be administered and enforced for the COUNTY by the Director of Alcohol, Drug and Mental Health Services Department, or designee.

2. **LEASED PREMISES/USE:** COUNTY hereby leases to LESSEE and LESSEE hereby takes from COUNTY, the Premises, as shown and described on Exhibit "B", attached hereto and incorporated herein by this reference. LESSEE shall conform to and abide by all rules and regulations as said rules and regulations are set forth in Exhibit "C", attached hereto and incorporated herein by this reference.

The Premises shall be used for vegetable and flower cultivation, pre- and post-harvest handling, flower arranging, retail sales, and community based landscape maintenance purposes only; to provide a structured, supervised environment to enable clients to develop and exercise skills promoting independence, meaningful daily activity, and self-esteem.

LESSEE shall not expand its use of the Premises beyond the scope of this Agreement, nor use the Premises for any other purposes without the expressed written consent of COUNTY'S General Services Department/Office of Real Estate Services.

3. **TERM/ASSIGNMENTS:** The term of this Agreement shall coincide with the term of the Service Contract dated March 22, 2005, and subsequent amendment dated August 25, 2006, extending the term through June 30, 2007, subject to other provisions for termination and extension as herein contained.

On July 1, 2007, and on every July 1 thereafter, the term shall renew automatically concurrent with the renewal of the Service Contract. If the Service Contract is not renewed for any reason, the lease will be terminated.

This Agreement is ancillary to the Service Agreement dated March 22, 2005, therefore LESSEE shall not assign this Agreement or any interest therein, and LESSEE shall not sublet the Premises or any portion thereof. Any attempt to assign and/or sublet shall be void and without legal effect. Should LESSEE attempt to assign or sublet a portion of the Premises, COUNTY may terminate this Agreement at COUNTY'S option without liability therefore.

4. **RENT:** In accordance with Government Code §26227 and the Santa Barbara County Board of Supervisors' determination that the farming operation is a benefit to the community, the Premises are being provided to LESSEE by COUNTY at no cost to LESSEE.

Should, for any reason, the Santa Barbara County Board of Supervisors determine that the services provided by LESSEE are no longer a benefit to the community or should the aforementioned Government Code Section be repealed or replaced such that LESSEE no longer qualifies for the rights granted hereunder, LESSEE shall pay fair market rent for the Premises.

The amount of such fair market rent shall be determined by an independent appraiser, who has been agreed upon by both parties hereto; and shall be determined by the rental value of the land only. Said rent shall be due for the remainder of the term of this Agreement and shall rise 3% per year on the first day of the thirteenth month during which rent payments are due, and annually thereafter. Rent payments shall be made payable to, and delivered to the County of Santa Barbara, General Services Department.

It is the intention of this Agreement that the Premises shall be provided to LESSEE at no cost to the COUNTY.

5. **ACCESS TO THE PREMISES:** LESSEE shall only access the Premises using existing roads. COUNTY shall not be responsible for maintaining access to the Premises and shall not be liable to LESSEE for lack of such access, however, in the event that the Premises becomes inaccessible as a result of natural causes, COUNTY shall, to the extent reasonably necessary, cooperate with LESSEE in restoring access in a timely fashion.

6. **SITE SUITABILITY:** LESSEE has been operating a farm on the Premises for approximately 4 years pursuant to the 12A10 Lease, and has determined that the Premises continue to be suitable for LESSEE'S intended operations. Therefore, LESSEE hereby accepts, by way of executing this Agreement, the Premises, as shown in Exhibit "B" hereof, in its existing condition.

LESSEE ACKNOWLEDGES THAT, EXCEPT AS STATED HEREIN, COUNTY HAS MADE NO REPRESENTATIONS OR WARRANTIES ABOUT THE CONDITION OF THE SITE, OR THE SUITABILITY OF SAME FOR THE INTENDED USE BY LESSEE.

7. **PERMITS, CONSTRUCTION AND IMPROVEMENTS:** In the event LESSEE wishes to alter or improve the Premises, LESSEE shall obtain advance written approval from COUNTY'S General Services Department/Real Property Manager, and the County Architect, then shall apply with the County Planning and Development for any and all necessary permits. Copies of any required Land Use and/or Building Permit(s) shall be delivered to the COUNTY General Services Department/Office of Real Estate Services.

LESSEE shall give COUNTY no less than thirty (30) days written notice prior to the commencement of any work in, on, or about the Premises and shall keep the Premises free and clear of liens for labor and materials.

The requirements relating to construction set forth herein are those of COUNTY as landowner and not as a governmental entity. Nothing in this Agreement shall be construed to entitle LESSEE to undertake construction of additional future improvements without first complying with prior approval and obtaining all permitting required by COUNTY in its governmental capacity.

8. **TITLE:** COUNTY acknowledges that LESSEE has made some improvements to the Premises during the 12A10 Lease term. LESSEE has obtained the following Building Permits #02BDP-00000-00386 for a portable modular office unit and #02BDP-00000-00387 for a portable refrigerated unit, copies of which have been submitted to and filed with the General Services Department/Office of Real Estate Services.

COUNTY recognizes that title to the portable modular office and refrigerated units shall vest with LESSEE. For purposes of this Agreement, LESSEE shall retain title to all equipment, furniture and supplies used by LESSEE in the course of the farming operation.

9. **ABANDONMENT OF PREMISES/DISPOSITION OF PERSONAL PROPERTY:** LESSEE shall not abandon, vacate, or surrender the Premises at any time during the term of this Agreement and if LESSEE does abandon, vacate, or surrender said Premises, any personal property belonging to LESSEE and left on the Premises more than sixty (60) days after such abandonment, vacation or surrender shall be deemed abandoned at the option of the COUNTY. COUNTY at its option shall have the right to dispose of any and all abandoned property. If COUNTY disposes of any or all of the abandoned property, COUNTY shall have the right to recover the costs associated with the disposition. This provision shall also apply to personal property left after the termination or other expiration of this Agreement and any applicable removal periods as described in Section 32, **SURRENDER OF PREMISES.**

10. **CONVEYANCE OF REAL PROPERTY:** COUNTY shall have the right to convey real property interests in the Property and Premises. Said conveyance shall not unduly interfere with LESSEE'S interests herein and LESSEE shall not interfere with any such rights granted by COUNTY. COUNTY shall notify LESSEE before a conveyance of real property interest and furnish LESSEE with information concerning such proposed conveyance.

11. **ENTRY BY COUNTY:** COUNTY may enter upon the Property and Premises at all reasonable times to examine the condition thereof, provide maintenance, post notices or advertising, make such repairs as COUNTY may deem necessary to make, or to inspect for compliance with the rules and regulations applicable.

12. **NONINTERFERENCE:** LESSEE agrees not to use, nor permit those under its control, including, but not limited to, its employees, invitees, agents, contractors and/or charges, to use any portion of the Property, or Premises, in any way which interferes with the use of the Property by COUNTY or other tenants of COUNTY occupying the Property. Such interference shall be deemed a material breach, and LESSEE shall terminate said interference immediately upon notice from COUNTY. In the event LESSEE fails to stop such interference promptly, this Agreement shall terminate at the option of COUNTY.

13. **UTILITIES:** LESSEE, upon obtaining the required permits and approvals, shall have the right to install and maintain the necessary mains and ancillary equipment required to bring utility services to the Premises, at its sole cost and expense. All accounts for such utilities shall name LESSEE as the responsible party. LESSEE shall pay when due all charges for utilities used on the Premises.

14. **MAINTENANCE AND REPAIR:** During the term of this Agreement, LESSEE agrees to keep in good maintenance and repair, at its sole expense, the Premises, including, but not limited to:

A. LESSEE'S portable modular units brought onto the Premises during the 12A10 Lease term, or brought onto the Premises during the term of this Agreement; and

- B. All mechanical equipment, as well as ancillary connections to the equipment, including but not limited to, electrical, gas, and water utility service, vents drains, ducting, and supporting structures brought onto the Premises by LESSEE; and
- C. All chemical sanitation facilities; and
- D. The grounds, landscaping and parking lot.

15. **RECORD KEEPING/AUDITING:** LESSEE shall keep at LESSEE'S office, full and accurate books of account, cash receipts and other pertinent data customarily used in LESSEE'S activities, including without limitation, all data and information relevant to the cost of maintenance and repair of the Premises. LESSEE shall keep such books of account, cash receipts and other pertinent data for a period of not less than four (4) years following the end of each year of the term of this Agreement.

The County shall have the right, upon reasonable notice during the term of this Agreement, and one year after expiration or termination of the term of the Agreement, to examine the books of account, cash receipts, records and other pertinent data showing all transactions related to maintenance and repair, the Reserve Account, as well as normal business done by LESSEE in conjunction with the Agreement. Any such audit(s) or examination(s) will be conducted by the County Auditor or his designee. LESSEE shall fully comply with the County Auditor or his designee in making any such inspections and examinations. If any examination performed by the County Auditor, or one of his designees, discloses a breach by LESSEE in any of its obligations hereunder, said breach shall be cured within thirty (30) days of receipt of written notice from COUNTY of such breach.

16. **INDEMNIFICATION:** LESSEE shall defend, indemnify and save harmless the COUNTY, its officers, agents and employees from any and all claims, demands, damages, costs, expenses (including attorney's fees), judgments or liabilities arising out of this Agreement or occasioned by the performance or attempted performance of the provisions hereof; including, but not limited to, any act or omission to act on the part of the LESSEE or his agents or employees or other independent contractors directly responsible to him; except those claims, demands, damages, costs, expenses (including attorney's fees), judgments or liabilities resulting from the sole negligence or willful misconduct of the COUNTY.

LESSEE shall notify COUNTY immediately in the event of any accident or injury arising out of or in connection with this Agreement.

17. **INSURANCE:** Without limiting the LESSEE'S indemnification of the COUNTY, LESSEE shall procure the following required insurance coverages at its sole cost and expense. All insurance coverages are to be placed with insurers which (1) have a Best's rating of no less than A:VII, and (2) are admitted insurance companies in the State of California. All other insurers require the prior approval of the COUNTY. Such insurance coverage shall be maintained during the term of this Agreement. Failure to comply with the insurance requirements shall place LESSEE in default. Upon request by the COUNTY, LESSEE shall provide a certified copy of any insurance policy to the COUNTY within ten (10) working days.

Workers' Compensation Insurance. Statutory Workers' Compensation and Employers Liability Insurance shall cover all LESSEE'S staff while performing any work incidental to the performance of this Agreement. The policy shall provide that no cancellation, or

expiration or reduction of coverage shall be effective or occur until at least thirty (30) days after receipt of such notice by the COUNTY. In the event LESSEE is self-insured, it shall furnish a copy of Certificate of Consent to Self-Insure issued by the Department of Industrial Relations for the State of California. This provision does not apply if LESSEE has no employees as defined in Labor Code Section 3350 et seq. during the entire period of this Agreement and LESSEE submits a written statement to the COUNTY stating that fact.

General and Automobile Liability Insurance. The general liability insurance shall include bodily injury, property damage and personal injury liability coverage, shall afford coverage for all premises, operations, products and completed operations of LESSEE and shall include contractual liability coverage sufficiently broad so as to include the insurable liability assumed by the LESSEE in the indemnity and hold harmless provisions of the Indemnification Section of this Agreement between COUNTY and LESSEE. The automobile liability insurance shall cover all owned, non-owned and hired motor vehicles that are operated on behalf of LESSEE pursuant to LESSEE'S activities hereunder. LESSEE shall require all subcontractors to be included under its policies or furnish separate certificates and endorsements to meet the standards of these provisions by each subcontractor. COUNTY, its officers, employees, and agents shall be named as Additional Insured status on any policy. A cross liability clause, or equivalent wording, stating that coverage will apply separately to each named or additional insured as if separate policies had been issued to each shall be included in the policies. A copy of the endorsement evidencing that the policy has been changed to reflect the Additional Insured status must be attached to the certificate of insurance. The limit of liability of said policy or policies for general and automobile liability insurance shall not be less than \$1,000,000 per occurrence and \$2,000,000 in aggregate. Any deductible or Self-Insured Retention (SIR) over \$10,000 requires approval by the COUNTY.

Said policy or policies shall include severability of interest or cross liability clause or equivalent wording. Said policy or policies shall contain a provision of the following form:

"Such insurance as is afforded by this policy shall be primary and if the COUNTY has other valid and collectible insurance, that other insurance shall be excess and non-contributory."

If the policy providing liability coverage is on a 'claims-made' form, the LESSEE is required to maintain such coverage for a minimum of three years following completion of the performance of the provisions of this Agreement. Said policy or policies shall provide that the COUNTY shall be given thirty (30) days written notice prior to cancellation or expiration of the policy or reduction in coverage.

LESSEE shall submit to the office of the designated COUNTY representative certificate(s) of insurance documenting the required insurance as specified above prior to this Agreement becoming effective. COUNTY shall maintain current certificate(s) of insurance at all times in the office of the designated COUNTY representative as a condition precedent to any payment under this Agreement. Approval of insurance by COUNTY or acceptance of the certificate of insurance by COUNTY shall not relieve or decrease the extent to which the LESSEE may be held responsible for payment of damages resulting from LESSEE'S services of

operation pursuant to the contract, nor shall it be deemed a waiver of COUNTY'S rights to insurance coverage hereunder.

In the event the LESSEE is not able to comply with the COUNTY'S insurance requirements, COUNTY may, at their sole discretion and at the LESSEE'S expense, provide compliant coverage.

The above insurance requirements are subject to periodic review by COUNTY. The COUNTY'S Risk Manager is authorized to change the above insurance requirements, with the concurrence of COUNTY COUNSEL, to include additional types of insurance coverage or higher coverage limits, provided that such change is reasonable based on changed risk of loss or in light of past claims against the COUNTY or inflation. This option may be exercised during any amendment of the Agreement that results in an increase in the nature of COUNTY'S risk and such change of provisions will be in effect for the term of the amended Agreement. Such change pertaining to types of insurance coverage or higher coverage limits must be made by written amendment to this Agreement. LESSEE agrees to execute any such amendment within thirty (30) days of acceptance of the amendment or modification.

18. **MUTUAL WAIVER OF SUBROGATION RIGHTS:** COUNTY and LESSEE hereby waive any rights each may have against the other on account of any loss or damage suffered by COUNTY or LESSEE, as the case may be, to their respective property, the Premises, its contents, or to other portions of the Premises arising from any risk generally covered by "all risk" property insurance; and the parties each, on behalf of their respective insurance companies insuring the property of either COUNTY or LESSEE against any such loss, waive any right of subrogation that either may have against the other, as the case may be. The foregoing waiver of subrogation shall be offered only so long as any such policy carried by COUNTY will not be invalidated thereby.

19. **NONDISCRIMINATION:** LESSEE shall comply with COUNTY law, rules and regulations regarding nondiscrimination as such are found in the Santa Barbara Code and as such may from time to time be amended. These provisions are incorporated herein as if they were fully set forth.

Noncompliance with provisions of this section shall constitute a material breach of this Agreement and in addition to any other remedies provided by law, COUNTY shall have the right to terminate this Agreement and the interest hereby created without liability therefor. LESSEE shall comply with applicable laws, rules and regulations regarding nondiscrimination.

20. **ENVIRONMENTAL IMPAIRMENT:** LESSEE shall comply with all applicable laws, regulations, rules, and orders regardless of when they become or became effective, including without limitation those relating to construction, grading, signing, health, safety, noise, environmental protection, protection of endangered species, waste disposal, water and air quality, and shall furnish satisfactory evidence of compliance upon request of COUNTY.

Should any discharge, leakage, spillage, emission, or pollution of any type occur upon or from the Property, or Premises, due to LESSEE'S use and occupancy, LESSEE shall clean all property affected to the satisfaction of COUNTY and any governmental body having jurisdiction therefore. LESSEE shall indemnify, hold harmless, and defend COUNTY from and against all liability, claim, cost, and expense (including without limitation any fines, penalties, judgments, litigation costs, attorney's fees, consulting, engineering and construction costs) incurred by COUNTY as a result of LESSEE'S breach of this section, or as a result of any such discharge,

leakage, spillage, negligence, take of an endangered species, emission or pollution due to LESSEE'S use and occupancy, regardless of whether such liability, cost or expense arises during or after the term of this Agreement, and regardless of negligence, active or passive, of COUNTY.

21. **TOXICS**: LESSEE shall not manufacture or generate hazardous wastes on the Premises or Property unless specifically authorized by this Agreement. LESSEE shall be fully responsible for any hazardous wastes, substances or materials as defined under federal, state or local law, regulation, or ordinance that are manufactured, generated, used, placed, disposed, stored, or transported by LESSEE, its agents, employees, or designees on the Premises or Property during the term of this Agreement and shall comply with and be bound by all applicable provisions of such federal, state, or local law, regulation, or ordinance dealing with such wastes, substances, or materials. LESSEE shall notify COUNTY and the appropriate governmental emergency response agency(ies) immediately in the event of any release or threatened release of any such wastes, substances or materials.

22. **COMPLIANCE WITH THE LAW**: LESSEE shall comply with all applicable federal, state, and local laws, rules, and regulations affecting the Premises or Property now or hereafter in effect.

23. **POSSESSORY INTEREST TAXES**: LESSEE acknowledges and agrees that this Agreement may create a possessory interest subject to property taxation and that LESSEE may be subject to the payment of property taxes levied on such interest. LESSEE covenants and agrees to pay all taxes, including possessory interest tax and assessments, which may be levied upon any of LESSEE'S interest in the land.

24. **NOTICES**: Any notice to be given to the parties shall be in writing and shall be served, either personally or by mail, to the following:

COUNTY:

Alcohol, Drug and Mental Health Services
300 North San Antonio Road
Santa Barbara, CA 93110-1316
Attn: James L. Broderick, Ph.D, Director
(805) 681-5220

and

General Services Department/Support Services Division
1105 Santa Barbara Street, 2nd Floor East Wing
Santa Barbara, CA 93101
Attn: Ronn Carlentine, SR/WA, Real Property Mgr.
(805) 568-3070

LESSEE:

Transitions Mental Health Association
P.O. Box 15408
San Luis Obispo, CA 93406

Attn: Jill Bolster-White, Director
(805) 541-5144

or to the parties at such other place as may be designated in writing. Such notices shall be served by depositing them addressed as set out above, postage prepaid, in the U.S. mail, reliable overnight courier, or by personal delivery. The date of mailing, or in the event of personal delivery, the date of delivery shall constitute the date of service.

25. **DEFAULT**: Except as otherwise required herein, should LESSEE at any time be in material default hereunder with respect to any covenant contained herein, COUNTY shall give notice to LESSEE specifying the particulars of the default and LESSEE shall promptly commence remedial action to cure the default. Should such default continue uncured for a period of thirty (30) calendar days from such notice, this Agreement shall terminate at the option of the COUNTY; unless the cure of such default shall reasonably take more than thirty (30) calendar days in which case LESSEE shall proceed with all due speed to cure the default and shall have a reasonable time to effectuate its cure.

26. **REMEDIES**: In the event of a default or breach, either party may exercise any right or remedy at law or in equity which such party may have by reason of such default or breach including but not limited to the following:

A. The nondefaulting party may waive the default or breach in accordance with Section 27, **WAIVER**, herein below.

B. The nondefaulting party may maintain this Agreement in full force and effect and recover whatever monetary loss(es) may have resulted from such default or breach.

C. Where LESSEE is the nondefaulting party, LESSEE may terminate the Agreement and surrender use of the Premises.

D. Where COUNTY is the nondefaulting party, COUNTY may terminate the Agreement and LESSEE shall vacate within 30 days of written notice from COUNTY.

27. **WAIVER**: It is understood and agreed that any waiver, express or implied of any term of this Agreement shall not be a waiver of any subsequent breach of a like kind or of any other provision of this Agreement.

28. **AMENDMENTS**: This Agreement may only be amended by written consent of the parties and such changes shall be binding upon the heirs or successors of the parties.

29. **TERMINATION**: This Agreement shall terminate and all rights of LESSEE shall cease and LESSEE shall quietly and peacefully deliver to COUNTY, possession and interest in the Premises:

A. Upon expiration or earlier termination of the Agreement as provided in Section 3, **TERM/ASSIGNMENTS**; or

B. Upon ninety (90) days written notice from either party; or

C. Upon abandonment of the Premises as provided in Section 9, **ABANDONMENT**; or

E. Upon the failure of LESSEE to satisfy, observe or perform any of the covenants, conditions or reservations set forth in this Agreement and the expiration of the cure period as provided in Section 25, DEFAULT, if applicable; or

F. As provided in Section 30, DESTRUCTION OF PREMISES; or

G. In the event LESSEE is found to be in non-compliance with any of the Contract Documents associated with this Agreement and such non-compliance is not resolved in a timely fashion.

IN NO EVENT SHALL LESSEE MAINTAIN OCCUPANCY OF THE PREMISES BEYOND THE TIME DURING WHICH THEY ARE PROVIDING SERVICES UNDER THE SERVICE CONTRACT.

30. **DESTRUCTION OF PREMISES**: If the Premises are partially or totally destroyed by fire or other casualty, this Agreement, at the option of LESSEE, shall terminate. If LESSEE chooses to terminate the Agreement, then LESSEE shall remove all structures and equipment from the Property and Premises and shall return the Premises to its original condition as near as is practical.

31. **AGENCY DISCLOSURE**: LESSEE acknowledges that the General Services Department, Facilities Services Division of the COUNTY is the agent for the COUNTY exclusively, and is neither the agent for LESSEE nor a dual agent in this transaction.

32. **SURRENDER OF PREMISES**: Upon expiration or termination of this Agreement, LESSEE shall vacate and surrender possession of, and any claim to the Premises, leaving it in good condition, except for ordinary wear and tear.

LESSEE shall remove all their personal property, prior to the expiration or termination of this Agreement.

33. **CAPTIONS**: The title or headings to the sections of this Agreement are not a part of this Agreement, and shall have no effect upon the construction or interpretation of any part hereof.

34. **SEVERABILITY**: If any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal, or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions hereof, and such invalidity, illegality, or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

35. **CERTIFICATION OF SIGNATORY**: The signatories of this Agreement and each of them represent and warrant that they are authorized to execute this Agreement and that no additional signatures are required to bind COUNTY and LESSEE to its terms and conditions or to carry out duties contemplated herein.

36. **CONSTRUCTION**: The parties have negotiated the terms of this Agreement. They have consulted an attorney when they felt the need. The terms of this Agreement reflect this negotiation and the intentions of both parties. These terms shall be interpreted with regard to each party equally.

37. **FACSIMILE SIGNATURES:** In the event that the parties hereto utilize facsimile transmitted documents which include signatures, such documents shall be accepted as if they bore original signatures provided that documents bearing ORIGINAL SIGNATURES are provided within seventy-two (72) hours of transmission of the facsimile, except that funds shall not be released upon facsimile signature nor shall facsimile signed documents be accepted for recordation by the Clerk Recorder of the County.

38. **EXECUTION IN COUNTERPARTS:** This Agreement may be executed in any number of counterparts and each such counterpart shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the parties shall preserve undestroyed, shall together constitute one and the same instrument.

39. **ENTIRE AGREEMENT:** The parties to this Agreement intend that their negotiations, conversations and statements made prior to execution of this Agreement are fully integrated and expressed herein, and no such negotiations, conversations, and statements shall be deemed to create rights or obligations other than those stated herein.

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Project: Transitions Farm @ Foster Road
APN: 111-230-004 (portion of)
Folio: 003343
Agent: CS

IN WITNESS WHEREOF, COUNTY and LESSEE have executed this Agreement by the respective authorized officers as set forth below to be effective as of the date executed by COUNTY.

“COUNTY”
COUNTY OF SANTA BARBARA

ATTEST:
MICHAEL F. BROWN
CLERK OF THE BOARD

Chair, Board of Supervisors

By: _____
Deputy

Date: _____

“LESSEE”
TRANSITIONS MENTAL HEALTH ASSN.

Jill Bolster-White, Director

APPROVED:

James L. Broderick, PhD, Director
Alcohol, Drug and Mental Health Services

APPROVED AS TO FORM:
STEPHEN SHANE STARK
COUNTY COUNSEL

APPROVED AS TO FORM:
ROBERT W. GEIS, CPA
AUDITOR-CONTROLLER

By: _____
Deputy

By: _____
Deputy

APPROVED:

Ronn Carlentine, SR/WA
Real Property Manager

APPROVED AS TO FORM:

Ray Aromatorio, ARM, AIC
Risk Program Administrator

EXHIBIT "C"

RULES and REGULATIONS

1. LESSEE shall notify COUNTY prior to LESSEE'S use of pesticides on the Premises. Said notification to COUNTY shall include information regarding the type of pesticide, amount, application procedure, and date and time when pesticide will be used. COUNTY reserves the right to disapprove use of pesticides at its option.
2. LESSEE shall keep normal hours of operation. Said hours shall be sunrise to sunset, Monday through Saturday.
3. LESSEE shall not remove, or cause damage to COUNTY'S existing or future vegetation, structures, buildings, etc. on the Premises.
4. LESSEE shall control the dust created during farming operations on the Premises.
5. LESSEE shall not allow any person or equipment into those areas designated on Exhibit B as "STAY OUT" areas, as well as the areas not designated as the "Premises."
6. LESSEE shall have the right to use the LESSEE installed water pipelines and valves located in the "STAY OUT" areas shown on Exhibit A. COUNTY reserves the right to have the water pipelines and valves removed by LESSEE if COUNTY determines that it interferes with COUNTY'S operations, or upon expiration and/or termination of this Agreement.