

County of Santa Clara

Facilities and Fleet Department

County Center at Charcot
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October 24, 2022

Ms. Susan Cheu
Vice Chancellor, Business Services
Foothill De Anza Community College District
12345 El Monte Road
Los Altos Hills, CA 94022

RE: Letter of Interest to Ground Lease Real Property at De Anza Community College (Foothill-De Anza Community College District)

Dear Susan :

This letter serves to cancel, supersede, and replace in its entirety the County's Letter of Interest dated June 30, 2022.

Thank you for your continued interest in discussing the potential development by the County of Santa Clara, as ground leasee, of a medical office building (MOB) on the De Anza Community College Campus. The intent is for the County and the Foothill-De Anza Community College District to work together on the planning and construction of a building that will provide outpatient healthcare services to both the college campus population, as well as the surrounding community and residents. Services at the building would include Primary Care, Behavioral Health, and ancillary support services, such as Imaging, Laboratory, and Pharmacy. Dental Services for adults and children will also be considered based on further review and analysis. In addition, the County would develop, in partnership with the District, education/internship programs in the health care profession within the clinic.

This Letter of Interest ("**LOI**") constitutes an expression of the parties' interest in negotiating a potential ground lease. This LOI should not be considered as a commitment to lease, but merely an outline of terms for discussion for a potential lease.

The County of Santa Clara proposes the following basic terms:

1. **LESSEE:** County of Santa Clara, a political subdivision of the State of California ("**County**" or "**Lessee**").
2. **LESSOR:** Foothill-De Anza Community College District ("**District**" or "**Lessor**").

3. **PREMISES:** The ground leased premises shall be in a location on the De Anza campus (APN: 359-01-004) mutually agreed to by the parties ("**Premises**"). The Premises will need to be suitable for the development of an approximately 20,000 to 25,000 square foot two-story medical office building including other needed features such as accessibility to public transit, parking, and possibly power generation through rooftop or parking lot solar photovoltaic system.

4. **INITIAL INSPECTION PERIOD.** Within 180 days from the date of this LOI (the "**Initial Inspection Period**"), the District and County shall use good faith efforts to identify and document a potential location of the Premises. During this time, the County shall also be permitted access to the Premises to perform initial due diligence investigations. Upon the District's request, the County shall enter into a commercially reasonable access agreement for the Premises in connection with this initial diligence period. After agreement on the location of the Premises and within the Initial Inspection Period, the County shall order at the County's sole cost and expense, a survey of the Premises and a title commitment for a leasehold policy of title insurance insuring County's anticipated ground lease interest in the Premises. If the parties have not achieved the foregoing within the Initial Inspection Period, this LOI shall automatically terminate. This LOI may also be terminated at any time by either the District or County upon notice by the terminating party to the other.

5. **USE:** The Premises would be developed by the County and used as a medical office building to provide primary care to the community, including but not limited to pharmacy, lab imaging, dental and ancillary services, with the opportunity for collaboration with educators and providing enrolled students with education and training in health care.

6. **GROUND LEASE AND CONTINGENCIES:** Within 120 days after the expiration of the Initial Inspection Period (the "**GL Execution Period**"), the parties shall use good faith efforts to negotiate and enter into the Ground Lease, which shall include a general site plan of the County's Work. If the parties do not enter into a Ground Lease within the GL Execution Period, this LOI shall automatically terminate.

7. **BINDING OBLIGATIONS:** It is understood that this LOI is a statement of interest only, and other than Section 4 above, neither the District nor County shall be bound by or have any obligations in connection with the transaction described above until such time, if ever, as a Ground Lease or other binding agreement relating to such transaction has been prepared and executed by both parties.

If the foregoing correctly reflects your understanding of our mutual intentions, please execute, and return a copy of this LOI to the undersigned.

Sincerely,
by:



Jeff Draper, jeff.draper@faf.sccgov.org

Director, Facilities and Fleet Department

Agreed and Accepted:

Foothill-De Anza Community College District

By: _____

Its: _____

Date: _____