

LEASE

EMPLOYMENT AND HUMAN SERVICES DEPARTMENT 2600 STANWELL DRIVE, CONCORD, CALIFORNIA

This lease is dated _____, 2015 (the “**Effective Date**”), and is between BALCO PROPERTIES, LTD., LLC, a California limited liability company (the “**Lessor**”), and the COUNTY OF CONTRA COSTA, a political subdivision of the State of California (the “**County**”).

Recitals

- A. Lessor is the owner of real property located at 2600 Stanwell Drive, Concord, California (the “**Property**”), which is more particularly described in Exhibit A-1- Legal Description. The Property has been improved with a 2-story building (the “**Building**”).
- B. Lessor desires to lease to County and County desires to lease from Lessor that portion of the Building known as Suite 210 and Suite 220, which, together, consist of approximately 16,709 square feet of floor space (the “**Premises**”). In addition, Lessor desires to grant to County a right of first refusal to lease that portion of the Building known as Suite 200, which consists of approximately 7,972 square feet of floor space (the “**Expansion Space**”). The locations of the Premises and the Expansion Space are shown on Exhibit A-2 – Floor Plan.
- C. Simultaneous with the execution of this lease, Lessor and County are entering into a work letter that sets forth how tenant improvements in the Premises are to be constructed, who will undertake the construction of the tenant improvements, who will pay for the construction of the tenant improvements, and the time schedule for completion of the construction of the tenant improvements (the “**Work Letter**”). The Work Letter is a part of this lease.

The parties therefore agree as follows:

Agreement

- 1. Lease of Premises. In consideration of the rents and subject to the terms herein set forth, Lessor hereby leases to the County and the County hereby leases from Lessor, the Premises.
- 2. Term. The “**Term**” of this lease is comprised of an Initial Term and, at County’s election, a Renewal Term, each as defined below.
 - a. Initial Term. The “**Initial Term**” is twelve years, which begins on the Commencement Date, as defined in the Work Letter.

b. Renewal Term.

The County has two options (each a “**Renewal Option**”) to renew this lease for a term of five years each (each, a “**Renewal Term**”) upon all the terms and conditions set forth herein.

- i. The County will provide Lessor with written notice of its election to renew the lease at least nine months prior to the end of the Term. But if the County fails to provide such notice, its right to renew the lease will not expire until fifteen working days after the County’s receipt of Lessor’s written demand that the County exercise or forfeit the option to renew.
- ii. Upon the commencement of a Renewal Term, all references to the Term of this lease will be deemed to mean the Term as extended pursuant to this Section.
- iii. If the County exercises the First Renewal Option, the County is entitled to a Renewal Bonus in accordance with Section 7 – Renewal Bonus. No real estate commission will be due for the renewal of the Lease by County.
- iv. The County’s right to renew this Lease is personal to the County and may not be exercised by or assigned to any person or entity that is not governed by the Contra Costa County Board of Supervisors. The County may not exercise its right to renew this Lease if, at the time the County exercises the renewal option, the County is in material default of this Lease after expiration of applicable cure periods.

3. Termination Option. In addition to the County’s right to terminate this lease pursuant to Section 13 of the Work Letter, the County may terminate the lease at the end of the sixth year by providing a written notice of its election to terminate (a “**Termination Notice**”) at least six months prior to the end of the sixth year. If the County elects to terminate the lease, County shall pay Lessor a Termination Fee. The “**Termination Fee**” is equal to the sum of three months of rent, plus the unamortized value of (i) the Real Estate Commission paid to the County and Collier’s pursuant to Section 8 – Real Estate Commission, (ii) the Moving Allowance paid to the County pursuant to Section 6 – Moving Allowance, and (iii) the Tenant Improvements, as defined in the Work Letter, with each component of the Termination Fee being amortized over a six-year term. Upon request, Lessor must provide the County with evidence satisfactory to the County of the cost of the Tenant Improvements.

4. Expansion - Right of First Refusal. During the first two years of this lease, the County has a right of first refusal to lease the Expansion Space from Lessor.

- a. Exercise of Right. If Lessor receives a written offer from a third party offering to lease the Expansion Space (which offer may be in the form of a letter of intent), and the offer is acceptable to Lessor, Lessor will give the County written notice of its

receipt of the offer (the “**ROFR Notice**”). The County will then have ten business days after its receipt of the ROFR Notice to elect, or decline, to lease the Expansion Space under the terms of this lease. If the County fails to elect to lease the Expansion Space within the ten-day response period, or if the County declines to lease the Expansion Space, the County’s right of first refusal to lease the Expansion Space will cease and forever terminate.

b. Work Letter. If the County elects to lease the Expansion Space, Lessor and the County will enter into a work letter that (i) is substantially similar to the Work Letter, and (ii) sets forth how tenant improvements in the Expansion Space are to be constructed, who will construct the tenant improvements, who will pay for the tenant improvements and the time table for completing the construction of the tenant improvements. The work letter applicable to the Expansion Space is the “Supplemental Work Letter.”

c. Effect on Premises and Rent. Upon acceptance of the Expansion Space in accordance with the Supplemental Work Letter, all references to the Premises will be deemed to mean the Premises as expanded by the addition of the Expansion Space pursuant to this Section. In addition, the monthly rent payable by the County will be adjusted in accordance with Section 5 – Rent.

d. Term. The Term is unaffected by the County’s election pursuant to this Section.

5. Rent. The County shall pay rent to Lessor monthly in advance beginning on the Commencement Date. Rent is payable on the first day of each month during the Initial Term and, if applicable, the Renewal Term.

a. Calculation. Monthly rent is calculated by multiplying the number of square feet in the Premises by the rent-per-square-foot set forth below and rounding the result to the nearest \$5.00.

b. Initial Term.

<u>Months</u>	<u>Rent-Per-Square-Foot</u>	<u>Mo. Rent Without Expansion Space</u>
1-48	\$1.375	\$ 22,975
49-96	\$1.475	\$ 24,645
97-144	\$1.575	\$ 26,315

c. Renewal Term.

First Renewal Term

<u>Months</u>	<u>Rent Per Square Foot</u>	<u>Mo. Rent Without Expansion Space</u>
1-60	\$1.625	\$ 27,150

Second Renewal Term

<u>Months</u>	<u>Rent Per Square Foot</u>	<u>Mo. Rent Without Expansion Space</u>
1-60	\$1.675	\$27,990

- d. Fractional Month. Rent for any fractional month is to be prorated and computed on a daily basis with each day's rent equal to one-thirtieth (1/30) of the monthly rent.
- e. Late Payment. The County acknowledges that the late payment of Rent by the County will cause Lessor to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting expenses, and late charges that may be imposed on Lessor by a lender. Accordingly, if Rent is not received by Lessor within ten days after written notice from Lessor to the County that the unpaid Rent is due, then without any requirement for any further notice to the County, the County shall immediately pay to Lessor a one-time late charge equal to 5% of the unpaid Rent. The parties agree that such late charge represents a fair and reasonable estimate of the costs Lessor will incur by reason of such late payment. Acceptance of the late charge by Lessor does not constitute a waiver of the County's default or breach with respect to the overdue amount or prevent the exercise of any other rights and remedies granted hereunder. In addition, any monetary payment due Lessor hereunder, other than late charges, that is not paid within ten days following written notice from Lessor to the County that such payment is due, will bear interest from its due date, as to scheduled payments, or the 31st day after it was due, as to non-scheduled payments. Interest is to be computed at the lesser of 5% per annum and the maximum rate allowed by law.
6. Moving Allowance. Lessor shall pay the County a "**Moving Allowance**." The Moving Allowance is calculated by multiplying the number of square feet in the Premises by \$3.00 and rounding the result to the nearest \$1,000. The Moving Allowance applicable to the Premises, excluding the Expansion Space, is equal to Fifty Thousand Dollars (\$50,000) and is due within fifteen days following the Commencement Date. The Moving Allowance applicable to the Expansion Space is equal to Twenty-Four Thousand Dollars (\$24,000) and is due within fifteen days following the County's occupancy of the Expansion Space.

7. Renewal Bonus. Each time the County exercises a Renewal Option, Lessor shall pay the County a “**Renewal Bonus.**” The Renewal Bonus is calculated by multiplying the number of square feet in the Premises by \$6.00 and rounding the result to the nearest \$1,000. The Renewal Bonus is due on the first day of the Renewal Term.
8. Real Estate Commission. Lessor shall pay the County a “**Real Estate Commission.**” The Real Estate Commission is equal to 2.5% of the rent payable during the Initial Term. The Real Estate Commission that is due to the County prior to the County’s election to lease the Expansion Space is Eighty-Eight Thousand Seven Hundred Twenty-Two Dollars (\$88,722) and is due within fifteen days following the Commencement Date. If the County elects to lease the Expansion Space, Lessor shall pay the County an additional Real Estate Commission, based on the rent payable for the Expansion Space for the remainder of the Initial Term. The Real Estate Commission applicable to the Expansion Space is due within fifteen days following the County’s occupancy of the Expansion Space.

In negotiating this lease, Lessor is represented by Collier’s International (“**Collier’s**”) and the County represents itself. Lessor recognizes and acknowledges that the County is entitled to the Real Estate Commission.

The County warrants to Lessor that County’s contact with Lessor in connection with this lease has been directly with Collier’s. Lessor warrants that no other broker or finder, other than Collier’s and the County, can properly claim a right to a leasing commission or a finder’s fee based upon contacts with the County with respect to the Premises. Lessor and County shall indemnify, defend, protect and hold each other harmless from and against any loss, cost or expense, including, but not limited to, attorneys’ fees and costs, or the payment of a real estate commission to any party, other than Collier’s and County, resulting from any claim for a fee or commission by any broker or finder, in connection with the Premises and this lease.

9. Common Area Improvements. Not later than the end of the twelve-month period that begins on the Commencement Date (the “**Compliance Period**”), Lessor shall do all of the following at a cost of not less than One Hundred Thousand Dollars (\$100,000): (i) Repaint and re-carpet the interior common areas of the Building, including the lobby, (ii) upgrade the Building elevator so that the elevator complies with the requirements of the Americans with Disabilities Act, (iii) upgrade the front entrance to the Building so that it complies with the requirements of the Americans with Disabilities Act, (iv) resurface and re-stripe the parking lot adjacent to the Building, and (v) upgrade the landscaping, which will include replacing dead trees, bushes and grass (together, the “**Common Area Improvements**”). Lessor shall provide the County with evidence of its compliance with this Section 9 no later than thirty days after the end of the Compliance Period. If Lessor fails to comply with this Section 9, the County may offset the monthly rent payable under this lease by an amount equal to the shortfall, if any, between One Hundred Thousand Dollars (\$100,000) and the amount Lessor spent on Common Area Improvements during the Compliance Period. If a shortfall does occur, the County shall offset monthly rent in

approximately equal monthly installments over a twelve-month period. In no event may the offset taken exceed the amount of the shortfall.

10. Parking. Lessor shall provide the County, at no cost, with 100 parking spaces in the parking lot on a non-exclusive and first-come, first-served basis. But if the County elects to lease the Expansion Space, Lessor shall provide the County, at no cost, with an additional 32 parking spaces in the parking lot on a non-exclusive and first-come, first-served basis. In no event may Lessor give exclusive parking privileges to any other tenant of the Building.
11. Use. The County may use the Premises for the purpose of conducting various functions of the County and for any other purpose permitted by law.
12. Full Service Lease. Subject to Section 13 - Additional Rent, this is a full service lease. Lessor shall pay all of the Building's operating costs, including, but not limited to, all maintenance and repairs, real estate taxes, and building insurance. Lessor shall pay for all utilities, including but not limited to, gas and electric service, water, and sewer. In addition, Lessor shall pay for all pest control, janitorial and refuse collection services provided to the Premises.
 - a. Janitorial Services. Janitorial services are to be provided to the Premises Monday through Friday, with the exception of generally recognized holidays. Minimum janitorial services to be provided by Lessor are set forth on Exhibit C – Janitorial Specifications.
 - b. Fire Extinguishers; Smoke Detectors; Strobe Alarms. At no cost to the County, Lessor shall provide fire extinguishers, smoke detectors, and strobe alarms in the Premises as required by current laws, regulations, and the Fire Marshall. Lessor shall maintain, repair and replace the fire extinguishers, smoke detectors, and strobe alarms as needed.
 - c. Parking; Exterior and Interior Lighting; Landscaping. At no cost to the County, Lessor shall maintain the parking lot, parking garage, exterior and interior lighting system, and landscaping in good order, condition and repair.
 - d. Additional Services. If at any time during the Term, the County's Public Works Director or his or her designee (the "**County Representative**") determines that the Premises are in need of maintenance, construction, remodeling or similar service that is beyond Lessor's responsibilities under this lease, following receipt of a written request from the County Representative, Lessor shall perform such service at an agreed-upon cost to the County. In performing the service, Lessor shall consult with the County's Representative and use either licensed insured contractors or employees of Lessor. Lessor shall obtain the County Representative's prior written approval of the scope, terms, and cost of any contracts. The County Representative may, by giving Lessor thirty days prior written notice, change the

level of service, terminate any or all service, or require that a service be performed by a different contractor.

13. Additional Rent. In addition to the rent set forth above, in each year after the First Year, County shall pay Lessor County's Proportionate Share of the Tax Increase. County is not obligated to pay for any other operating expenses incurred or paid by Lessor during the Term.

"First Year" means the twelve-month period beginning July 1, 2015, and ending June 30, 2016.

"Proportionate Share" means the ratio, expressed as a percentage, of the square feet of the Premises to the total square footage of the Building. Excluding the Expansion Space, County's Proportionate Share of the Building is 35.8%. Including the Expansion Space, County's proportionate Share of the Building is 52.9%.

"Real Property Taxes" means and includes all taxes and assessments (amortized over the longest period available to Lessor) levied or assessed upon the Building and the real property upon which it is situated, any state or local business taxes or fees measured by or assessed upon gross rentals or receipts, and other governmental charges, general and special, including, without limitation, assessments for public improvements or benefits, that are, during the Term of this Lease, assessed, levied, and imposed by any governmental authority upon the Building. Real Property Taxes do not include any late fees or penalties, any municipal, county, state or federal net income, estate, succession, inheritance, sales, use or franchise taxes of Lessor or documentary transfer taxes, or tax increases of any kind in connection with the transfer, sale or change in ownership of all or part of the Building during the first five Tax Years of this Lease.

"Tax Increase" means the amount by which Real Property Taxes due for any Tax Year exceed the Real Property Taxes due in the First Year.

"Tax Year" means each twelve-month period after the First Year.

County will pay its proportionate share of any tax increases in connection with the transfer, sale or change of ownership of the Building beginning at the start of the sixth Tax Year of this Lease.

Lessor shall invoice County for any Tax Increase due within ninety days after the end of each Tax Year during the Term. County shall pay the amount so invoiced within fifteen days of receipt of the invoice. County has the right, exercisable upon reasonable prior written notice to Lessor, to inspect Lessor's books and records relating to the amounts charged to County pursuant to this Section 13. County shall cause any such inspection to occur within ninety days of receipt of the annual invoice.

14. Interior Maintenance. The County shall keep and maintain the interior of the Premises in good order, condition and repair. Lessor shall repair any damage to the interior caused

by Lessor's failure to maintain the exterior in good repair, including damage to the interior caused by roof leaks, window leaks, and/or interior and exterior wall leaks.

- a. Locks and Keys; Alarm. The County shall maintain all locks and key systems used in the Premises. The County may install and maintain an interior alarm system.
 - b. Special Events. If the County requires janitorial services following a special event, the County is responsible for the cost of such services. If the County requires the use of the heating, ventilating, and air-conditioning ("HVAC") systems outside their normal operating hours, the County is responsible for the cost of the HVAC incurred by such use. Normal operating hours are Monday through Friday between the hours of 7:00 am and 7:00 pm, excluding County holidays.
 - c. CASp Inspection Disclosure. As of the Effective Date, many parts of the Building (but not the Premises) have undergone inspection by a Certified Access Specialist (CASp) who determined that the Building does not meet all applicable construction-related accessibility standards pursuant to California Civil Code §55.51 et seq. As of the Effective Date, the Premises have not undergone inspection by a Certified Access Specialist (CASp) and the Premises may not comply with all applicable construction-related accessibility standards pursuant to California Civil Code §55.51 et seq. and the Americans with Disabilities Act. Landlord is providing the foregoing disclosure in accordance with California Civil Code Section §1938.
15. Maintenance – Building Operating Systems. At no cost to County, Lessor shall repair and maintain the electrical, lighting, water and plumbing systems, and HVAC systems (together, such systems and equipment are the "Operating Systems") in good order, condition and repair. Lessor shall obtain and maintain all permits related to the Operating Systems.

If one or more Operating Systems fail, the County Representative, will notify Lessor of such failure and Lessor shall use commercially reasonable efforts to correct the problem. The County Representative's notice of an Operating System failure may be delivered to Lessor by telephone or email as follows:

Contact:	Balco Properties
Phone Number:	(510) 763-2911
Email Address:	Mollie.westphall@balcoproperties.com

If Lessor fails to respond within twenty-four hours and fails to diligently pursue the repair of the problem within seventy-two hours after the County Representative's notice, County may attempt to correct the problem. Lessor shall reimburse County for any out-of-pocket costs actually incurred by County in repairing, or attempting to repair, an Operating System upon receipt of County's invoice.

16. Perilous Conditions. If the County Representative becomes aware of a condition on the Premises that, in his or her opinion, substantially and significantly threatens the health

and safety of County employees and/or invitees (a “**Perilous Condition**”), the County Representative will immediately notify Lessor of such Perilous Condition and Lessor shall use best efforts to immediately eliminate the Perilous Condition. The County Representative’s notice of a Perilous Condition may be delivered to Lessor by telephone or email as follows:

Contact: Balco Properties
Phone Number: (510) 763-2911
Email Address: Mollie.westphal@balcoproperties.com

Lessor shall immediately address any condition reasonably constituting an emergency, whether Lessor learns of the condition through County or otherwise.

If Lessor fails to address a Perilous Condition within twenty-four hours after the County Representative’s notice or to immediately address an emergency situation, the County may attempt to resolve the Perilous Condition or emergency situation. Lessor shall reimburse County for any out-of-pocket costs actually incurred by the County in addressing the Perilous Condition or emergency situation promptly upon receipt of County’s invoice.

17. Quiet Enjoyment. Lessor shall warrant and defend County in the quiet enjoyment and possession of the Premises during the Term.
18. Subordination, Non-Disturbance and Attornment. If at any time Lessor has a loan that is secured by a lien of a mortgage or deed of trust encumbering the Building, Lessor shall cause the lender(s) holding such lien to execute and deliver to County a properly executed Subordination, Non-Disturbance and Attornment Agreement that is in substantial conformity with Exhibit B hereto.
19. Assignment and Sublease. The County may not, without the prior written consent of the Lessor, which consent will not be unreasonably withheld or delayed, assign this Lease or sublease the Premises.
20. Alterations; Fixtures and Signs. County may at its sole cost and expense (i) make any lawful and proper minor alterations to the Premises and (ii) attach fixtures and signs (“**County Fixtures**”) in or upon the Premises. The County may erect an exterior monument sign that identifies the County as a tenant of the Building. The sign is to be situated facing Stanwell Drive in a location that is mutually acceptable to Lessor and the County. The sign may not be larger than 4’ x 4’. All alterations and County Fixtures are subject to Lessor’s prior written approval and reasonable conditions, and must comply with existing code requirements. The County is responsible obtaining any necessary approvals from the City of Concord. Any County Fixtures will remain the property of the County and may be removed from the Premises by the County at any time during the Term.

21. Fixture Installation. During the construction of the Tenant Improvements and prior to the Commencement Date, the County may install fixtures, telephones, alarm systems, and other items required to prepare the Premises for County's occupancy and may store furniture, supplies and equipment on the Premises, provided such work and storage can be effected without unduly interfering with Lessor's completion of the Tenant Improvements, final building inspection, or receipt of an occupancy permit. Such work and storage do not constitute occupancy of the Premises.
22. Insurance.
- a. Liability Insurance. Throughout the Term, County shall maintain in full force and effect, at its sole expense, a general self-insurance program covering bodily injury (including death), personal injury, and property damage, including loss of use. County shall provide Lessor with a letter of self-insurance affirming the existence of the aforementioned self-insurance program.
 - b. Self-Insurance Exclusion. County's self-insurance policy does not provide coverage for the negligence, willful misconduct, or other intentional acts, errors or omissions of Lessor, its officers, agents, or employees.
23. Surrender of Premises. On the last day of the Term, or earlier termination of this lease, the County shall peaceably and quietly leave and surrender to Lessor the Premises, along with appurtenances and fixtures at the Premises (except County Fixtures), all in good condition, ordinary wear and tear, damage by casualty, condemnation, acts of God and Lessor's failure to make repairs required of Lessor excepted. The County is not responsible for painting the Premises or for repairing or replacing any floor coverings in the Premises upon the expiration or earlier termination of this lease.
24. Waste, Nuisance. County may not commit, or suffer to be committed, any waste upon the Premises, or any nuisance or other act or thing that may disturb the quiet enjoyment of any other occupant of the Building.
25. Destruction. If damage occurs that causes a partial destruction of the Premises during the Term from any cause and repairs can be made within one hundred twenty days from the date of the damage under the applicable laws and regulations of governmental authorities, Lessor shall repair the damage promptly. Such partial destruction will not void this lease, except that the County will be entitled to a proportionate reduction in rent while such repairs are being made. The proportionate reduction in rent will be calculated by multiplying the monthly rent due under this lease by a fraction, the numerator of which is the number of square feet that are unusable by the County and the denominator of which is the total number of square feet in the Premises.

If repairs cannot be made within one hundred twenty days, County will have the option to terminate the Lease by so notifying the Lessor within thirty days after Lessor reasonably determines, and notifies County in writing of, the estimated time to complete such repairs. As soon as practicable after such damage, Lessor shall diligently and in good

faith determine the estimated time to complete such repairs and immediately notify County in writing. If the County does not terminate this Lease, Lessor shall make the repairs within a reasonable time and Rent will be proportionately reduced as provided in the previous paragraph.

This lease will terminate in the event of a total destruction of the Building or the Premises.

26. Hazardous Material. Lessor warrants to the County that Lessor does not have any knowledge of the presence of Hazardous Material (as defined below) or contamination of the Building or Premises in violation of environmental laws. Lessor shall defend, save, protect and hold the County harmless from any loss arising out of the presence of any Hazardous Material on the Premises that was not brought to the Premises by or at the request of the County, or its agents, contractors, invitees or employees. Lessor acknowledges and agrees that the County has no obligation to clean up or remediate, or contribute to the cost of cleanup or remediation, of any Hazardous Material unless such Hazardous Material is released, discharged or spilled on or about the Premises by the County or any of its agents, employees, contractors, invitees or other representatives. The obligations of this Section shall survive the expiration or earlier termination of this Lease.

“Hazardous Material” means any substance, material or waste, including lead based paint, asbestos and petroleum (including crude oil or any fraction thereof), that is or becomes designated as a hazardous substance, hazardous waste, hazardous material, toxic substance, or toxic material under any federal, state or local law, regulation, or ordinance.

27. Indemnification.

- a. County. The County shall defend, indemnify and hold Lessor harmless from the County's share of any and all claims, costs and liability for any damage, injury or death of or to any person or the property of any person, including attorneys' fees, caused by the willful misconduct or the negligent acts, errors, or omissions of the County, its officers, agents or employees in using the Premises pursuant to this Lease, or the County's performance under this Lease, except to the extent caused or contributed to by (i) the structural, mechanical, or other failure of the Building, and/or (ii) the negligent acts, errors, or omissions of Lessor, its officers, agents, or employees.
- b. Lessor. Lessor shall defend, indemnify and hold the County harmless from Lessor's share of any and all claims, costs and liability for any damage, injury or death of or to any person or the property of any person, including attorneys' fees, caused by the willful misconduct or the negligent acts, errors or omissions of Lessor, its officers, agents, employees, with respect to the Premises, or Lessor's performance under this lease, or the Lessor's performance, delivery or supervision of services at the Building, or by the structural, mechanical or other failure of the Building, except to the extent

caused or contributed to by the negligent acts, errors, or omissions of the County, its officers, agents, or employees.

28. Default.

The occurrence of any of the following events is a default under this lease:

a. County.

- i. The County's failure to pay rent within ten business days after receipt of a written notice of failure (a "Notice") from Lessor to the County; provided, however, that the County will have additional time if its failure to pay rent is due to circumstances beyond its reasonable control, including, without limitation, failure of the County's Board of Supervisors to adopt a budget. In no event may such additional time exceed seventy-five days after receipt of a Notice.
- ii. The County's failure to comply with any other material term or provision of this Lease if such failure is not remedied within thirty days after receipt of a Notice from Lessor to the County specifying the nature of the breach in reasonably sufficient detail; provided, however, if such default cannot reasonably be remedied within such thirty day period, then a default will not be deemed to occur until the occurrence of the County's failure to comply within the period of time that may be reasonably required to remedy the default, up to an aggregate of ninety days, provided the County commences curing such default within thirty days and thereafter diligently proceeds to cure such default.

b. Lessor.

- i. Lessor's failure to complete the Tenant Improvements in accordance with the Construction Schedule attached to the Work Letter.
- ii. Lessor's failure to perform any other obligation under this Lease if such failure is not remedied within thirty days after receipt of a Notice from County to Lessor specifying the nature of the breach.

29. Remedies.

- a. Lessor. Upon the occurrence of a default by the County, Lessor may, after giving the County written notice of the default and in accordance with due process of law, reenter and repossess the Premises and remove all persons and property from the Premises, and pursue any other remedy available at law.

- b. County. Upon the occurrence of a default by Lessor and after any applicable cure period, the County may (i) terminate this lease by giving written notice to Lessor and quit the Premises with no further cost or obligation to the County; (ii) complete, at Lessor's expense, the performance of any required Lessor obligation under this Lease; or (iii) pursue any other remedy available at law.
- i. Termination under this section is effective on the date the notice is deemed effective in accordance with Section 30 – Notices.
- ii. If the County elects to complete the Tenant Improvements or repair or correct any other Lessor default, the County may, at its sole discretion, elect to either deduct the cost thereof from Rent due to Lessor, or invoice Lessor for the cost of repair, which invoice Lessor shall pay in full promptly upon receipt.
30. Notices. Except as provided in Section 14 - Maintenance – Building Operating Systems and Section 15 - Perilous Conditions, any notice required or permitted under this lease must be in writing and delivered by hand, or sent by facsimile with written transmission confirmation, overnight delivery service or registered or certified mail, postage prepaid and directed as follows:

To Lessor: Balco Properties, Ltd., LLC
1624 Franklin Street, Suite 310
Oakland, CA 94612
Facsimile: (510) 763-2922

To County: Contra Costa County
Public Works Department – Real Estate Division
255 Glacier Drive
Martinez, CA 94553
Facsimile: (925) 646-0288

Either party may at any time designate in writing a substitute address for that set forth above and thereafter notices are to be directed to such substituted address. If sent in accordance with this Section, all notices will be deemed effective (i) on the date delivered, if delivered by hand, (ii) upon confirmed facsimile transmission, (iii) the next business day, if sent by overnight courier and (iv) three days after being deposited in the United States Postal System.

31. Successors and Assigns. This lease binds and inures to the benefit of the heirs, successors, and assigns of the parties hereto.
32. Holding Over. Any holding over after the Term of this Lease is a tenancy from month to month and is subject to the terms of this Lease, except the County will pay Rent equal to 110% of the Rent for the period immediately preceding the holdover.

33. Time is of the Essence. In fulfilling all terms and conditions of this lease, time is of the essence.
34. Governing Law. The laws of the State of California govern all matters arising out of this Lease.
35. Severability. In the event that any provision herein contained is held to be invalid or unenforceable in any respect, the validity and enforceability of the remaining provisions of this lease will not in any way be affected or impaired.
36. Lessor's Representation and Warranties. Lessor represents and warrants to the County that Lessor is the owner of the Building, and that the Building is presently zoned to permit its use for the purposes contemplated by this lease. In addition, Lessor represents and warrants that the individuals signing this lease on behalf of Lessor are authorized to do so.

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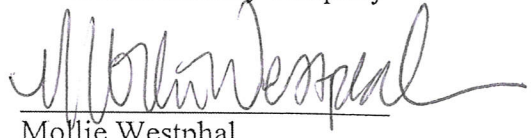
37. Entire Agreement; Construction; Modification. Neither party has relied on any promise or representation not contained in this lease, or the Work Letter. All previous conversations, negotiations, and understandings are of no further force or effect. This lease is not to be construed as if it had been prepared by one of the parties, but rather as if both parties have prepared it. This lease may be modified only by a writing signed by both parties.

The parties are executing this lease on the date set forth in the introductory paragraph.

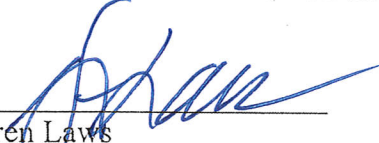
COUNTY OF CONTRA COSTA, a
political subdivision of the State of
California

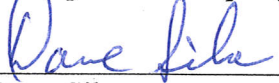
By: _____
Julia R. Bueren
Public Works Director


BALCO PROPERTIES, LTD, LLC, a
California limited liability company

By: 
Mollie Westphal
President

RECOMMENDED FOR APPROVAL:
JULIA R. BUEREN, Public Works Director

By: 
Karen Laws
Principal Real Property Agent

By: 
Dave Silva
Supervisor Real Property Agent

By: 
Graham Westphal
Title: Manager

APPROVED AS TO FORM:
SHARON L. ANDERSON, County Counsel

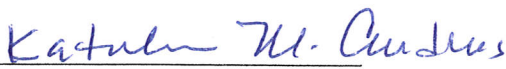
By: 
Kathleen M. Andrus
Deputy County Counsel

EXHIBIT A -1
LEGAL DESCRIPTION

EXHIBIT A-1

LEGAL DESCRIPTION

The property referred to in this Environmental Indemnity is situated in the County of Contra Costa, State of California, and is legally described as follows:

CITY OF CONCORD

PARCEL A AND B OF PARCEL MAP MSC 19-74 FILED NOVEMBER 10, 1976, IN BOOK 50 OF PARCEL MAPS, PAGE 4, CONTRA COSTA COUNTY RECORDS.

EXCEPTING THEREFROM:

AN UNDIVIDED 1/2 INTEREST IN AND TO ALL OIL, GAS, CASINGHEAD GASOLINE AND HYDROCARBONS AND MINERAL SUBSTANCES BELOW A POINT 500 FEET BELOW THE SURFACE OF SAID REAL PROPERTY, TOGETHER WITH THE RIGHT TO TAKE, REMOVE, MINE AND DISPOSE OF SAID OIL, GAS, CASINGHEAD GASOLINE AND OTHER HYDROCARBONS AND MINERALS AS RESERVED IN THE DEED FROM JOHN D. BISSO, ELEANOR, M. BISSO AND LOUIS A BISSO, EACH TO AN UNDIVIDED 1/6 INTEREST; AND GEORGE BISSO, EDITH I. B. FIRPO, LOUISE MINNS AND ROSE CAPERTON, EACH AS TO AN UNDIVIDED 1/8 INTEREST AND RECORDED SEPTEMBER 1, 1971, IN BOOK 6468, OF OFFICIAL RECORDS, AT PAGE 805, CONTRA COSTA COUNTY RECORDS.

APN# 112-270-007-1

EXHIBIT A -2
FLOOR PLAN

mw architects


 mwa architects	revision draw	
	project name	project number
	drawing	file name
WFS AND STAFF DEVELOPMENT - SPACE PLAN	CCC - EMPLOYMENT AND HUMAN SERVICES	201434.00
scale	drawn	checked
1" = 1'	CIA	FIA
	issue date	11/24/14
	amended draw	FILE

EXHIBIT B

Recorded at the request of:
Contra Costa County

Return to:
Contra Costa County
Public Works Department
255 Glacier Drive
Martinez, CA 94553

Assessor's Parcel No. 112-270-007-1

Subordination, Non-Disturbance and Attornment Agreement

This agreement is dated _____, 201_, and is between the County of Contra Costa, a political subdivision of the State of California (the "**Tenant**"), _____, a _____, its successors and assigns (the "**Lender**"), having its principal place of business at _____.

Recitals

- A. Pursuant to a lease dated _____, 2015, (the "**Lease**") between the Tenant and Balco Properties, Ltd, LLC, a California limited liability company (the "**Landlord**"), which Lease has not been recorded, Landlord is leasing to the Tenant certain space in the building located at 2600 Stanwell Drive, Concord, California more fully described in Exhibit A attached hereto and made a part hereof (the "**Property**").
- B. Lender has previously made a loan (the "**Loan**") to Landlord that is secured, in part, by the lien of a mortgage or deed of trust executed and delivered by Landlord to Lender encumbering the Property (the "**Mortgage**") and an assignment of all leases of and rents from the Property.
- C. This agreement is being executed by the parties in accordance with the requirements of Section 17. Subordination, Non-Disturbance and Attornment of the Lease.

NOW, THEREFORE, in consideration of the covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

- 1. Tenant hereby represents, acknowledges and agrees as follows:
 - (a) The term of the Lease commences on _____ and

will terminate on _____.

- (b) The current monthly rent payment under the Lease is set forth in Section 5. Rent of the Lease. No advance rents have been prepaid.
 - (c) The improvements described in the Lease have not been completed or accepted by Tenant.
 - (d) Tenant has not sublet any portion of the leased premises or assigned any of its rights under the Lease.
 - (e) Upon its execution, the Lease will be in full force and effect.
 - (f) All rent payments will be paid as provided under the Lease until Tenant has been otherwise notified by Lender or its successors and assigns.
 - (g) If Lender provides Tenant with Lender's address for notification purposes, Tenant will deliver to Lender a copy of all notices Tenant delivers to or receives from Landlord.
 - (h) Tenant will not look to Lender or its successors or assigns for the return of the security deposit, if any, under the Lease, except to the extent that such funds are delivered to Lender.
2. The Lease and all terms thereof, including, without limitation, any options to purchase, rights of first refusal, and any similar rights, are subject and subordinate to the Mortgage, and to all amendments, modifications, replacements and extensions thereof, to the full extent of the principal, interest, fees, expenses and all other amounts secured thereby.
3. If Lender elects to foreclose the Mortgage, Lender will not join Tenant in summary or foreclosure proceedings unless required by applicable law (and then only to the extent so required) as long as Tenant has not amended the Lease without Lender's prior written consent and is not in default under the Lease.
4. In the event that Lender succeeds to the interest of Landlord under the Lease, there exists no default by Tenant under the Lease, and Tenant has not amended the Lease without Lender's prior written consent, Lender agrees not to disturb or otherwise interfere with Tenant's possession of the leased premises for the unexpired term of the Lease, provided that Lender is not:
- (a) Liable for any act or omission of Landlord or any prior landlord under the Lease;
 - (b) Subject to any offsets or defenses that Tenant might have against Landlord or any prior landlord;

- (c) Bound by any rent that Tenant might have paid for more than the current month to Landlord;
 - (d) Bound by any amendment or modification of the Lease made without Lender's prior written consent; or
 - (e) Liable for any security deposit Tenant might have paid to Landlord, except to the extent Lender has actually received said security deposit.
5. Upon Lender's succeeding to Landlord's interest under the Lease, Tenant covenants and agrees to attorn to Lender or a purchaser at a foreclosure or trustee's sale, to recognize such successor landlord as Tenant's landlord under the Lease, and to be bound by and perform all of the obligations and conditions imposed on Tenant by the Lease. If requested by Lender or any subsequent owner, Tenant shall execute a new lease with Lender, for a term equal to the remaining term of the Lease and otherwise containing the same provisions and covenants of the Lease.
6. Prior to terminating the Lease due to a default by Landlord thereunder, Tenant agrees to notify Lender of such default and give Lender the opportunity to cure such default within thirty days of Lender's receipt of such notice (or, if such default cannot reasonably be cured within such thirty day period, Lender will have such longer time as may be necessary to cure the default provided that Lender commences the cure within such period and diligently pursues the cure thereafter).

[Remainder of Page Intentionally Left Blank]

7. This agreement binds and inures to the benefit of the respective heirs, personal representatives, successors and assigns of the parties hereto.

COUNTY

COUNTY OF CONTRA COSTA, a
political subdivision of the State of
California

By _____
Julia R. Bueren
Public Works Director

Address:

Contra Costa County
Public Works Department
255 Glacier Drive
Martinez, CA 94553
Facsimile: (925) 646-0288
Attention: Real Estate Divison

LENDER

Name of Lender, a

By _____
Name
Title

By _____
Name
Title

Address:

[Attach Notary Forms]

EXHIBIT C

JANITORIAL SPECIFICATIONS

2600 Stanwell Drive, Concord

DAILY SERVICES

1. Dust all desk tops, low file cabinet tops, lamps, and other furniture surfaces.
2. Empty all trash containers throughout the Premises, and replace trash container liners as necessary.
3. Vacuum or spot-vacuum carpets as necessary around entry, doors and heavy traffic areas. Spot-clean carpets as needed.
4. Remove spots and finger marks from glass on entry doors.
5. Replace burned out tubes and light bulbs.

WEEKLY SERVICES

1. Vacuum all carpets thoroughly throughout the Premises.
2. Dust counter tops, cabinets, tables, low-wall partitions, window sills, and telephones. Remove cobwebs.
3. Dust building completely, including mini blinds, if any, and window coverings.
4. Mop all vinyl floor areas weekly and strip, wax and buff when necessary.
5. Clean entry doors and all door hardware.

MONTHLY SERVICES

1. Dust and clean A/C diffusers, air vents and exhaust fans.
2. Dust vertical surfaces (furniture fronts, walls, etc.)
3. Dust all window blinds; damp-wipe window sills.

ONCE YEARLY, IN JUNE

1. Shampoo all carpets.

ONCE YEARLY, IN APRIL

1. Wash windows and glass on both sides.
2. Clean all ventilation grills.
3. Wash and clean all light fixtures, inside and outside.

MISCELLANEOUS

Security: Lock all doors and windows, turn off lights, set night lights and alarm systems before leaving the Premises.