

FIRST AMENDMENT TO LEASE

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

This first amendment to lease is dated May 12, 2015, 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 has been improved with a 2-story building (the “**Building**”).
- B. Lessor and the County are parties to a lease dated February 3, 2015 (the “**Lease**”), under which the County is leasing Suites 210 and 220, consisting of approximately 16,709 rentable square feet, in the Building.
- C. Simultaneous with entering into the Lease, the parties entered into a work letter that sets forth how the improvements to Suites 210 and 220 are to be constructed, who will construct the improvements, who will pay for the improvements, and the time schedule for completing the improvements (the “**Work Letter**”). The Work Letter is a part of the Lease.
- D. The parties desire to amend the Lease to add Suite 101 to the definition of Premises and to adjust the rent and other provisions accordingly.
- E. Simultaneous with execution of this first amendment to lease, Lessor and County are entering into a second work letter that relates to the construction of the improvements to Suite 101 (“**Work Letter No. 2**”). Work Letter No. 2 is a part of the Lease.

The parties therefore agree as follows:

Agreement

- 1. Recitals, paragraph B is deleted in its entirety and replaced by the following:
 - B. Lessor desires to lease to County and County desires to lease from Lessor that portion of the Building known as Suite 101, Suite 210 and Suite 220, which, together, consist of approximately 23,082 square feet of floor space (the “**Premises**”). The locations of the Premises are shown on Exhibit A-2 Floor Plans.
- 2. Section 4 Expansion – Right of First Refusal, is deleted in its entirety.

3. Section 5 RENT, is deleted in its entirety and replaced by the following:

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</u>
1-48	\$1.60	\$ 36,930
49-96	\$1.65	\$ 38,085
97-144	\$1.70	\$ 39,240

c. Renewal Term.

First Renewal Term

<u>Months</u>	<u>Rent Per Square Foot</u>	<u>Mo. Rent</u>
1-60	\$1.75	\$ 40,395

Second Renewal Term

<u>Months</u>	<u>Rent Per Square Foot</u>	<u>Mo. Rent</u>
1-60	\$1.80	\$41,550

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.

4. Section 6 Moving Allowance is deleted in its entirety and replaced by the following:

6. Moving Allowance. Lessor shall pay the County a "**Moving Allowance**." 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.

5. Section 8 Real Estate Commission is deleted in its entirety and replaced by the following:

8. Real Estate Commission. Lessor shall pay the County a "**Real Estate Commission**." 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

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.

6. Section 10 Parking is deleted in its entirety and replaced by the following:

10. Parking. Lessor shall provide the County, at no cost, with 134 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.

7. Section 13 Additional Rent is deleted in its entirety and replaced by the following:

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. County's Proportionate Share of the Building is 35.8%.

"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.

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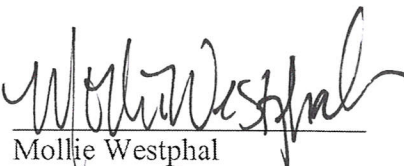
8. All other terms of the Lease remain unchanged.

Landlord and County are causing this first amendment to be executed as of the date set forth in the introductory paragraph.


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

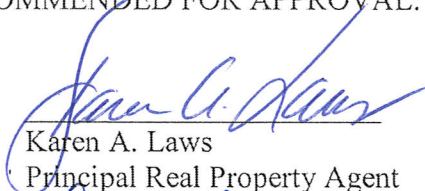
BALCO PROPERTIES, LTD, LLC, a
California limited liability company

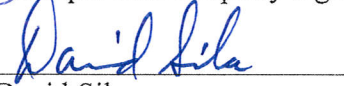
By: _____
Julia R. Bueren
Director of Public Works

By: 
Mollie Westphal
President

RECOMMENDED FOR APPROVAL:

By: 
Graham Westphal
Manager

By: 
Karen A. Laws
Principal Real Property Agent

By: 
David Silva
Supervisor Real Property Agent

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


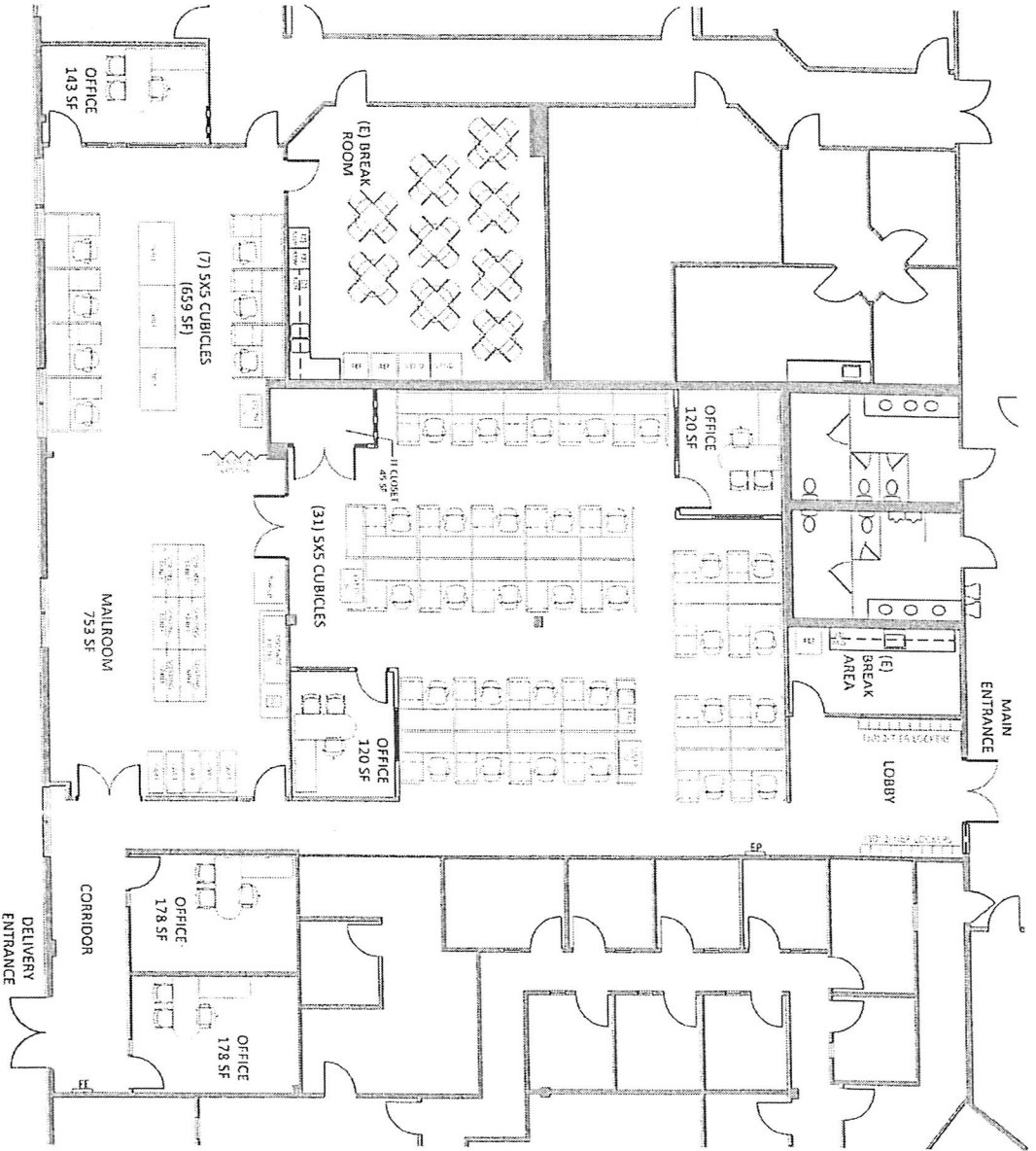
By: 
Kathleen M. Andrus
Deputy County Counsel

EXHIBIT A -2
FLOOR PLAN



mwa architects



project name
CCC - EMPLOYMENT AND HUMAN SERVICES

project number
201434.00

drawing
MAILROOM

file name
FILENAME

revision drawing
SP-3

David Kelly, Public Works - Supervisor of Real Property Assets 3/16/15

scale
1/8" = 1'-0"

drawn
EIA

checked
EIA

issue date
3/13/15

revision drawing
FILE