

SECOND AMENDMENT TO LEASE

HEALTH SERVICES DEPARTMENT
171 Sand Creek Road, Brentwood, California 94513

This second amendment is dated October 1, 2015, and is between SAND CREEK BUSINESS ASSOCIATES I, LLC, a Delaware limited liability company (the "**Landlord**") and the COUNTY OF CONTRA COSTA, a political subdivision of the State of California ("**the Tenant**").

Recitals

- A. The Landlord and the Tenant are parties to a lease dated October 5, 2004, as amended October 22, 2013 (the "**Lease**"). Under the Lease the Tenant is leasing approximately 10,052 square feet in the Sand Creek Business Center located at 171 Sand Creek Road, Building 4, Unit A through Unit E.
- B. The parties amend the Lease to include Unit F and Unit G, consisting of approximately 4,046 square feet, and to adjust the rent and other provisions accordingly.
- C. Simultaneously with the execution of this second amendment, Landlord and The Tenant are entering into a work letter that sets forth how the tenant improvements to Units F and G 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 part of the Lease.

The parties therefore agree as follows:

Agreement

- 1. Capitalized terms not defined in this second amendment have the meanings ascribed to them in the Lease.
- 2. Section 1. Premises is deleted in its entirety and replaced with the following:

Premises. Landlord desires to lease to the Tenant and the Tenant desires to lease from Landlord a portion of the Building consisting of approximately 10,052 square feet of floor space known as Suites A through E (the "**Original Premises**") and approximately 4,046 square feet of floor space known as Suites F and G (the "**Expansion Premises**"). Together, the Original Premises and the Expansion Premises are the "**Premises.**" The Premises is more particularly described in Exhibit A – Floor Plan. The lease of the Premises includes (i) the non-exclusive use of 56 parking stalls, and (ii) non-exclusive use of the Common Area. The "**Common Area**" includes those areas and facilities on the Property, both within and outside the Building, that are available for the common use

and enjoyment of all the Tenants of the Building and is further described on Exhibit A-3 – Common Area.

3. Section 3. Term is deleted in its entirety and replaced with the following:

3.1 **Initial Term.** The initial term of this Lease began on (i) January 15, 2005, with respect to the Original Premises, and (ii) the Start Date, as defined in the Work Letter, with respect to the Expansion Premises. The Initial Term ends on August 31, 2025.

3.2 **Renewal Term.** The Tenant has one option to renew this Lease for a five-year period that begins September 1, 2025 and ends August 31, 2030, upon all the terms and conditions set forth in this Lease. Any reference in this Lease to the “term” of the Lease will be deemed to mean the term as extended pursuant to this Section. The Tenant shall give Landlord written notice of its intent to renew the Lease pursuant to this Section on or before November 30, 2024.

4. Section 4. Rent is deleted in its entirety and replaced with the following:

4.1 **Base Rent.** The Tenant shall pay rent (“**Base Rent**”) to Landlord monthly in advance beginning on the Commencement Date. Rent is payable on the tenth day of each month during the Initial Term in the amounts set forth below:

A. Initial Term - Original Premises.

January 15, 2005 through January 31, 2006	\$16,586.00
February 1, 2006 through January 31, 2007	\$17,084.00
February 1, 2007 through January 31, 2008	\$17,596.00
February 1, 2008 through January 31, 2009	\$18,124.00
February 1, 2009 through January 31, 2010	\$18,667.60
February 1, 2010 through January 31, 2011	\$19,414.30
February 1, 2011 through January 31, 2012	\$20,190.87
February 1, 2012 through January 31, 2013	\$20,998.51
February 1, 2013 through August 31, 2013	\$21,838.45
September 1, 2013 through January 31, 2016	\$13,870.00
February 1, 2016 through January 31, 2019	\$14,675.00
February 1, 2019 through January 31, 2022	\$15,580.00
February 1, 2022 through August 31, 2025	\$16,485.00

Initial Term – Expansion Premises.

Start Date through January 31, 2019	\$ 5,583.00
February 1, 2019 through January 31, 2022	\$ 5,907.00
February 1, 2022 through August 31, 2025	\$ 6,271.00

B. Renewal Term - Premises.

September 1, 2025 through August 31, 2030 \$24,440.00

4.2 **Proration.** Base Rent for any fractional month will be prorated and computed on a daily basis with each day's rent equal to one-thirtieth (1/30) of the monthly Base Rent.

4.3 **Additional Rent.** In addition to the Base Rent set forth above, the Tenant shall pay Landlord the amounts set forth in subsection A through D below (collectively, "**Additional Rent**"). The Tenant shall pay Additional Rent annually or monthly, at Landlord's election, in accordance with Section 4.4-Payment of Additional Rent. For purposes of this Lease, "**Proportionate Share**" means the ratio, expressed as a percentage, of the square footage of the Premises to the total square footage of the Landlord's Property. For the period that begins January 15, 2005 and ends the day immediately preceding the Start Date, the Tenant's Proportionate Share of the Landlord's Property is 26.19%. For the period that begins on the Start Date, the Tenant's Proportionate Share is 36.73%.

A. The Tenant's Proportionate Share of all Operating Expenses, as defined in Paragraph 7, relating to the Landlord's Property.

B. The Tenant's Proportionate Share of all Real Property Taxes, as defined in Paragraph 11, relating to the Landlord's Property.

C. All of the Tenant's obligations for maintaining and repairing the Premises as required by Paragraph 6.

D. All other charges, costs and expenses that the Tenant is required to pay hereunder and all damages, costs and expenses that Landlord incurs by reason of default of the Tenant or failure on the Tenant's part to comply with the terms of this Lease, including attorney's fees and court costs.

In the event of nonpayment by the Tenant of Additional Rent, Landlord has all the rights and remedies with respect thereto as Landlord has for nonpayment of Base Rent.

4.4 **Payment of Additional Rent.** Landlord may elect to be paid Additional Rent (i) annually, within 120 days after the end of a calendar year, when Landlord's actual costs and expenses for the relevant period are known, or (ii) monthly, based on an estimate of what Landlord's actual costs and expenses for the relevant period will be.

A. **Annual Payments.** If Landlord elects to be paid Additional Rent annually, within 120 days after the end of the calendar year, or, if applicable, within 120 days after the end of the Term, Landlord shall (i) calculate the actual Additional

Rent due for the relevant period, based on actual expenses incurred by Landlord, and (ii) invoice the Tenant for any Additional Rent due for the relevant period based on actual expenses incurred by Landlord. The Tenant shall pay the amount so invoiced within 30 days of receipt of the invoice.

B. Monthly Payments. If Landlord elects to be paid Additional Rent monthly, Landlord shall provide the Tenant with a reasonable estimate of the amount of Additional Rent due for the upcoming year (or portion thereof). That amount will be divided by the number of months in the year (or portion thereof) to determine the **"Estimated Monthly Additional Rent."** The Tenant shall pay the Estimated Monthly Additional Rent to Landlord monthly in advance, on the first day of each month. Within 120 days after the end of the calendar year, or, if applicable, within 120 days after the end of the term, Landlord shall (i) calculate the actual Additional Rent due for the relevant period, and (ii) provide the Tenant with a statement that compares the actual expenses incurred by Landlord for the relevant period with the total payments of Estimated Monthly Additional Rent paid by the Tenant during such period (a **"Reconciliation Statement"**). If the Tenant's total payments of Estimated Monthly Additional Rent for the period are less than the amount of actual expenses incurred by Landlord, the Tenant shall pay to Landlord the amount of such deficiency within 30 days after receipt of the Reconciliation Statement. If the Tenant's total payments of Estimated Monthly Additional Rent for such period exceed actual expenses incurred by Landlord for such period, Landlord shall (i) if the lease is still in effect, apply the excess amount against the next payments of Base Rent and Additional Rent due hereunder, and (ii) if the lease has expired or has otherwise been terminated, issue a refund to the Tenant for the excess amount within 30 days after issuance of the Reconciliation Statement.

The Estimated Monthly Additional Rent may be adjusted by Landlord upon 30 days' written notice to the Tenant.

C. Inspection of Books. Whether Landlord elects to receive payments of Additional Rent annually or monthly, the Tenant has the right to inspect and audit Landlord's books and records relating to the amounts charged to the Tenant as Additional Rent, including a reconciliation of Owners' Association Costs, and to set forth specific objections to amounts charged to the Tenant. If the Tenant's inspection and audit reveals the Tenant was overcharged for Additional Rent, Landlord shall remit the amount overcharged to the Tenant with interest at a rate of one percent (1.0 %) per month from the date of overpayment until the date paid to the Tenant in full within 30 days of demand therefor. In addition, if the amount overcharged equals or exceeds seven percent (7%) of the entire Operating Expense, as defined in Paragraph 7, for the relevant period, Landlord shall also pay the reasonable costs of the inspection and audit, in an amount not to exceed \$2,500.00, to the Tenant at the same time that the overcharge is refunded to the Tenant. Landlord shall (i) keep separate and complete books of account covering the CAM Charges and the computation of Additional Rent, and (ii) retain all relevant records for at least two years. The Tenant shall cause any such inspection to occur within twelve months of receipt of the

Reconciliation Statement. The Tenant may not cause such inspection to occur more than once in any twelve month period. In no event may this section be deemed to allow any review of Landlord's records by any subtenant of the Tenant. The Tenant may not withhold payment of the invoice until after the completion of such inspection.

D. Estimated Payments for Original Premises: January 1, 2015 – December 31, 2015. For the period beginning January 1, 2015, and continuing through December 31, 2015, Landlord has elected to be paid estimated payments of Additional Rent monthly and has determined the Estimated Monthly Additional Rent applicable to the Original Premises to be Five Thousand Twenty-Six Dollars (\$5,026.00). Subject to the terms of this lease, the Tenant shall pay such amount to Landlord on the first day of each month beginning January 1, 2015, and continuing through December 31, 2015.

E. Estimated Payments for Expansion Premises: Start Date – December 31, 2015. For the period beginning on the Start Date, and continuing through December 31, 2015, Landlord has elected to be paid estimated payments of Additional Rent monthly and has determined the Estimated Monthly Additional Rent applicable to the Expansion Premises to be Two Thousand Twenty-Three Dollars (\$2,023.00). Subject to the terms of this lease, the Tenant shall pay such amount to Landlord on the first day of each month beginning on the Start, and continuing through December 31, 2015; provided, however, if the Start Date occurs on a day that is not the first day of the month, the Estimated Monthly Additional Rent applicable to the Expansion Premises for the month in which the Start Date occurs will be prorated and computed on a daily basis with each day's Estimated Monthly Additional Rent equal to one-thirtieth (1/30) of Two Thousand Twenty-Three Dollars (\$2,023.00).

4.5 **Late Charge and Interest.** The Tenant hereby acknowledges that late payment by the Tenant to Landlord of Base Rent, Additional Rent (collectively, "Rent"), or other sums due hereunder, will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which will be difficult to ascertain. Accordingly, if any installment of Rent due from the Tenant is not received by Landlord within ten (10) days after its due date and provided that Landlord has provided the Tenant with written notice that Rent is delinquent, then the Tenant shall pay to Landlord a late charge equal to ten percent (10%) of such overdue amount. The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs Landlord may incur by reason of late payment by the Tenant. Acceptance of the late charge by Landlord together with payment of the overdue Rent will cure the default. If any Rent due hereunder remains delinquent for a period in excess of 10 days after its due date, the Tenant shall pay to Landlord, in addition to the late payment, interest in an amount that is equal to the lower of (i) 5% per annum plus then discount rate of the Federal Reserve Bank of San Francisco, and (ii) the highest rate then allowed by law, from the due date until paid in full.

4.6 **Place of Payment.** All payments of Rent are to be paid to Landlord at the address shown in Section 30 – Notices, or to such other person or to such place as Landlord may from time to time designate in writing.

5. Notwithstanding Section 35 - Commission of the Lease, Landlord and the Tenant recognize and acknowledge that in negotiating this second amendment, Landlord is represented by Cardoza Properties, Inc. ("**Cardoza**") and the Tenant represents itself. Landlord further recognizes and acknowledges that the Tenant is entitled to a real estate commission when it represents itself.

The Tenant warrants to Landlord that the Tenant's contact with Landlord in connection with this second amendment has been directly with Cardoza. Landlord warrants that no other broker or finder, other than Cardoza and the Tenant, can properly claim a right to a leasing commission or a finder's fee based upon contacts between the claimant and the Tenant with respect to Landlord or to the Premises. Landlord and the Tenant 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 Cardoza and the Tenant, resulting from any claim for a fee or commission by any broker or finder, in connection with the Premises and this second amendment.

Within thirty days after the Start Date, Landlord will pay the Tenant the sum of Seventeen Thousand Eight Hundred Sixty-Seven and 14/100 Dollars (\$17,867.14).

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All other terms of the Lease remain unchanged.

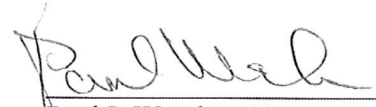
The parties are executing this second amendment on the date set forth in the introductory paragraph.

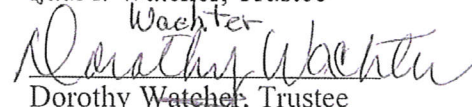
COUNTY OF CONTRA COSTA, a
political subdivision of the State of
California

SAND CREEK BUSINESS
ASSOCIATES I, LLC, a Delaware
limited liability company


By: The Paul and Dorothy Watcher
Living Trust, dated November 28,
1979, as amended May 9, 1997, and
July 30, 2002, its sole member

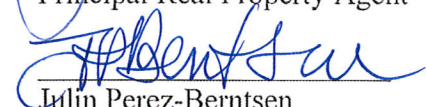
By: _____
Julia R. Bueren
Director of Public Works

By: 
Paul I. Watcher, Trustee

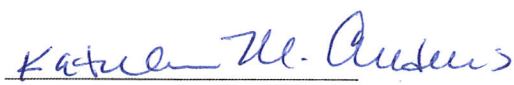
By: 
Dorothy Watcher, Trustee

RECOMMENDED FOR APPROVAL:

By: 
Karen Laws
Principal Real Property Agent

By: 
Julin Perez-Berntsen
Assistant Real Property Agent

APPROVED AS TO FORM
SHARON L. ANDERSON, COUNTY COUNSEL

By: 
Kathleen M. Andrus
Deputy County Counsel