

LEASE

Health Service Department
3024 Willow Pass Road, Suite D
Concord, CA

This lease is dated September 27, 2017 and is between 3052 Willow Pass Road LLC, a California limited liability company ("**Lessor**") and the County of Contra Costa, a political subdivision of the State of California ("**County**").

Recitals

- A. Lessor is the owner of that certain premises located at 3024 Willow Pass Road, Concord, California (the "**Building**").
- B. Lessor desires to lease to County and County desires to lease from Lessor a portion of the Building consisting of approximately 1,463 square feet of floor space known as Suite D (the "**Premises**"), as more particularly described in Exhibit A – Floor Plan, along with the non-exclusive use of 4 parking stalls.

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 County and 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, Renewal Terms, each as defined below.
 - a. Initial Term. The "**Initial Term**" is five years, commencing on December 1, 2017 (the "**Commencement Date**") and ending November 30, 2022.
 - b. Renewal Terms. County has two options to renew this lease for a term of five years for each option (each, a "**Renewal Term**") upon all the terms and conditions set forth herein.
 - i. County will provide Lessor with written notice of its election to renew the Lease thirty days prior to the end of the Term. However, if County fails to provide such notice, its right to renew the Lease will not expire until fifteen working days after County's receipt of Lessor's written demand that 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.
3. Rent. County shall pay rent (“**Rent**”) to Lessor monthly in advance beginning on the Commencement Date. Rent is payable on the tenth day of each month during the Initial Term and, if applicable, the Renewal Terms, in the amounts set forth below:

a. Initial Term.

Months	Monthly Rent
1 - 12	\$2,999
13 - 24	\$3,072
25 - 36	\$3,145
37 - 48	\$3,219
49 - 60	\$3,292

- b. Renewal Term. During the Renewal Term, County shall pay Base Rent in an amount equal to the then-current fair market rental value of the property (the “FMV”). As soon as practicable following delivery of the County’s renewal notice, County and Lessor shall meet and endeavor in good faith to agree on the FMV. If County and Lessor fail to agree within thirty (30) days of delivery of the renewal notice, then Lessor and County shall each appoint an appraiser with at least five (5) years’ full-time commercial real estate appraisal experience in the area to opine as to the FMV of the Premises. Lessor and County shall each bear the cost of their own appraiser. Lessor and County shall request that the appraisers provide written reports setting forth their opinions within fifteen (15) days after being given the assignment. As soon as practicable after receipt of the appraisals, Lessor and County shall meet and, again, endeavor in good faith to agree on the FMV.

If Lessor and County are unable to agree on the FMV within thirty (30) days after receipt of the appraisals, (i) County may rescind the renewal notice, or (ii) with Lessor’s concurrence, County may extend the Initial Term for three (3) months (such extension, the “Extended Initial Term”). County will pay Rent during the Extended Initial Term at the same rate that applied immediately prior to the Extended Initial Term. If at the end of the Extended Initial Term, Lessor and County have failed to agree on the FMV, County may rescind the renewal notice and the lease will expire at the end of the Extended Initial Term.

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 Rent.

4. Additional Rent. In addition to the Rent set forth above, in each year after the Base Year, as defined below, County shall pay Lessor County’s Proportionate Share of the Excess Amount of Relevant Expenses (“**Additional Rent**”). Lessor shall invoice County for any Additional Rent due within ninety days after the end of each calendar year during the

Term. County shall pay the amount so invoiced within thirty 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 as Additional Rent. County shall cause any such inspection to occur within ninety days of receipt of the annual invoice. County may not withhold payment of the invoice until after the completion of such inspection. For purposes of this lease, the following terms have the following meanings:

"Base Year" means calendar year 2017.

"Excess Amount of Relevant Expenses" means the amount by which Relevant Expenses actually paid by Lessor in any calendar year (or portion thereof) exceed the amount Lessor actually paid for Relevant Expenses in the Base Year.

"Proportionate Share" means the ratio, expressed as a percentage, of the square feet of the Premises to the total square footage of the Building. As of the date of this lease, the parties estimate that County's Proportionate Share of the Building is 9.08%.

"Relevant Expenses" means expenses incurred by Lessor for water and refuse collection pursuant to Section 7 of this lease.

5. Tenant Improvements. County, at its sole cost and expense, intends to construct and install the improvements to the Premises that are described on Exhibit B attached hereto (the **"Tenant Improvements"**).
6. Use. County may use the Premises for the purpose of conducting various functions of County and any other purpose permitted by law.
7. Obligation to Pay Utilities and Janitorial. County shall pay for all janitorial, gas and electric services provided to the Premises. Lessor shall pay for all sewer, water and refuse collection services provided to the Premises.
8. Maintenance and Repairs.
 - a. Roof and Exterior of Premises. Lessor shall keep the roof and exterior, including the atrium area, of the Premises in good order, condition, and repair, and shall maintain the structural integrity of the Building, including the exterior doors with locks, key systems and their fixtures, closers and hinges, exterior windows, glass and glazing, used in the Premises. County will key the locks to its premises.
 - b. Interior of Premises. County shall keep and maintain the interior of the Premises in good order, condition and repair, but Lessor shall repair damage to the interior caused by its failure to maintain the exterior in good repair, including damage to the interior caused by roof leaks and/or interior and exterior wall leaks. The County may install and maintain an alarm system, if deemed necessary by County.

- c. Utilities. Lessor shall repair and maintain the electrical, lighting, water and plumbing systems in good order, condition and repair.
 - d. HVAC. Lessor shall maintain and repair the heating, ventilating, and air-conditioning (HVAC) systems.
 - e. Parking; Exterior Lighting; Landscaping. Lessor shall maintain the parking lot, exterior lighting system, and landscaping in good order, condition and repair.
 - f. Services by Lessor. If County determines that the Premises are in need of maintenance, construction, remodeling or similar service that is beyond Lessor's responsibilities under this lease, at County's request, Lessor shall perform such service at County's expense. In performing the service, Lessor shall consult with County and use either licensed insured contractors or employees of Lessor. Lessor shall obtain County's prior written approval of the scope, terms, and cost of any contracts. County may, by giving Lessor thirty (30) 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.
9. Quiet Enjoyment. Provided County is in compliance with the material terms of this lease, Lessor shall warrant and defend County in the quiet enjoyment and possession of the Premises during the Term.
10. 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 Subordination, Non-Disturbance and Attornment Agreement that is in substantial conformity with Exhibit C hereto.
11. Assignment and Sublease. County has the right to assign this lease or sublease the Premises or any part thereof at any time during the Term. Upon the assignment of the lease by County, the County will have no further obligation under the lease.
12. Alterations; Fixtures and Signs. County may (i) make any lawful and proper minor alterations to the Premises and (ii) attach fixtures and signs ("**County Fixtures**") in or upon the Premises. Any County Fixtures will remain the property of County and may be removed from the Premises by County at any time during the Term. County is responsible for the cost of all alterations and County Fixtures. All alterations and County Fixtures are subject to Lessor's approval and must comply with existing code requirements.
13. Prior Possession. Prior to the Commencement Date, County has the right to install fixtures, telephones, alarm systems, and other items required to prepare the Premises for County's occupancy and to store furniture, supplies and equipment, provided such work and storage can be effected without unduly interfering with Lessor's completion of any tenant improvements.

14. 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 does not provide coverage for (i) areas to be maintained by Lessor under this lease, or (ii) negligence, willful misconduct, or other intentional act, error or omission of Lessor, its officers, agents, or employees.

15. Surrender of Premises. On the last day of the Term, or sooner termination of this lease, 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. County is not responsible for painting or for repairing or replacing any floor coverings in the Premises upon the expiration or earlier termination of this lease.

16. 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.

17. Inspection. Lessor, or its proper representative or contractor, may enter the Premises by prior appointment between the hours of 9:00 a.m. and 4:30 p.m., Monday through Friday, holidays excepted, to determine that (i) the Premises is being reasonably cared for, (ii) no waste is being made and that all actions affecting the Premises are done in the manner best calculated to preserve the Premises, and (iii) County is in compliance with the terms and conditions of this lease.

18. Perilous Conditions. If the County's Director of Public Works becomes aware of a perilous 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 Director of Public Works, or his or her designee, will immediately notify Lessor of the Perilous Condition and Lessor shall use best efforts to immediately eliminate the Perilous Condition.

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 (24) hours after County's notice or to immediately address an emergency situation, County may attempt to resolve the Perilous Condition or emergency situation. Lessor shall reimburse County

for any costs incurred by County in addressing the Perilous Condition or emergency situation promptly upon receipt of County's invoice.

19. Destruction. If damage occurs that causes a partial destruction of the Premises during the Term from any cause and repairs can be made within sixty 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 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 Rent by a fraction, the numerator of which is the number of square feet that are unusable by County and the denominator of which is the total number of square feet in the Premises.

If repairs cannot be made in sixty days, County will have the option to terminate the lease or request that Lessor make the repairs within a reasonable time, in which case, Lessor will make the repairs 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.

20. Hazardous Material. Lessor warrants to 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 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 County, its agents, contractors, invitees or employees. Lessor acknowledges and agrees that County has no obligation to clean up or remediate, or contribute to the cost of clean up or remediation, of any Hazardous Material unless such Hazardous Material is released, discharged or spilled on or about the Premises by 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.

21. Indemnification.
- a. County. County shall defend, indemnify and hold Lessor harmless from 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 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 buildings owned or maintained by Lessor,

and/or (ii) the negligent acts, errors, or omissions of Lessor, its officers, agents, or employees.

- b. Lessor. Lessor shall defend, indemnify and hold 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 Premises, or by the structural, mechanical or other failure of buildings owned or maintained by Lessor, except to the extent caused or contributed to by the negligent acts, errors, or omissions of County, its officers, agents, or employees.

22. Default.

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

- a. County.
 - i. County's failure to pay Rent within ten business days after receipt of a written notice of failure (a "**Notice**") from Lessor to County; provided, however, that 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 from receipt of a Notice.
 - ii. 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 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 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 County commences curing such default within thirty days and thereafter diligently proceeds to cure such default.
- b. Lessor. Lessor's failure to perform any 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 in reasonably sufficient detail; provided, however, if such breach cannot reasonably be remedied within such thirty day period, then a default will not be deemed to occur until the occurrence of Lessor's failure to perform within the period of time that may be reasonably required to remedy the breach, up to an aggregate of ninety days, provided Lessor commences curing such breach within thirty days and thereafter diligently proceeds to cure such breach.

23. Remedies.

- a. Lessor. Upon the occurrence of a default by County, Lessor may, after giving 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.
- b. County. Upon the occurrence of a default by Lessor, County may (i) terminate this lease by giving written notice to Lessor and quit the Premises without further cost or obligation to County or (ii) proceed to repair or correct the failure and, at County's option, either deduct the cost thereof from Rent due to Lessor, or invoice Lessor for the cost of repair, which invoice Lessor shall pay promptly upon receipt.

24. Notices. Any notice required or permitted under this lease shall be in writing and sent by overnight delivery service or registered or certified mail, postage prepaid and directed as follows:

To Lessor: Brad Cavanagh
 3052 Willow Pass Road LLC
 1615 Bonanza, Suite 213
 Walnut Creek, CA 94596

To County: Contra Costa County
 Public Works Department
 Attn: Principal Real Property Agent
 255 Glacier Drive
 Martinez, CA 94553

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) the next business day, if sent by overnight courier, or (ii) three days after being deposited in the United States Postal system.

25. Successors and Assigns. This lease binds and inures to the benefit of the heirs, successors, and assigns of the parties hereto.
26. 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.
27. Time is of the Essence. In fulfilling all terms and conditions of this lease, time is of the essence.
28. Governing Law. The laws of the State of California govern all matters arising out of this lease.

29. 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.
30. Recording. The parties shall execute and record a Memorandum of Lease in substantial conformity with Exhibit D, in lieu of recording the entire lease. Upon the expiration or earlier termination of this lease, County shall execute a Memorandum of Lease Termination or Quitclaim Deed discharging any recording made pursuant to this Section 30.

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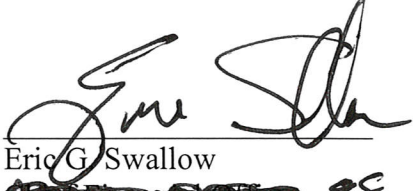
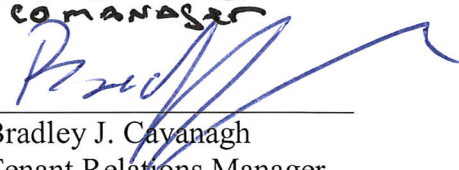
31. Entire Agreement; Construction; Modification. Neither party has relied on any promise or representation not contained in this lease. All previous conversations, negotiations, and understandings are of no further force or effect. This lease is not to be construed as if it had been prepared by one 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.

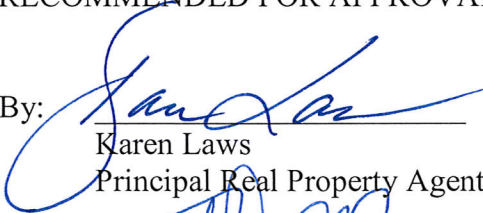
COUNTY OF CONTRA COSTA, a
political subdivision of the State of
California

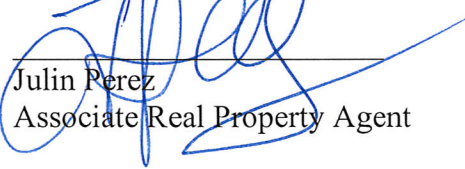
3052 Willow Pass Road LLC, a California
limited liability company

By: _____
Brian Balbas
Interim Director of Public Works

By: 
Eric G. Swallow
~~General Manager~~ 28
comanager
By: 
Bradley J. Cavanagh
Tenant Relations Manager

RECOMMENDED FOR APPROVAL:

By: 
Karen Laws
Principal Real Property Agent

By: 
Julin Perez
Associate Real Property Agent

APPROVED AS TO FORM
SHARON L. ANDERSON, COUNTY COUNSEL

By: 
Kathleen M. Andrus
Deputy County Counsel

Exhibit A- Floor Plan

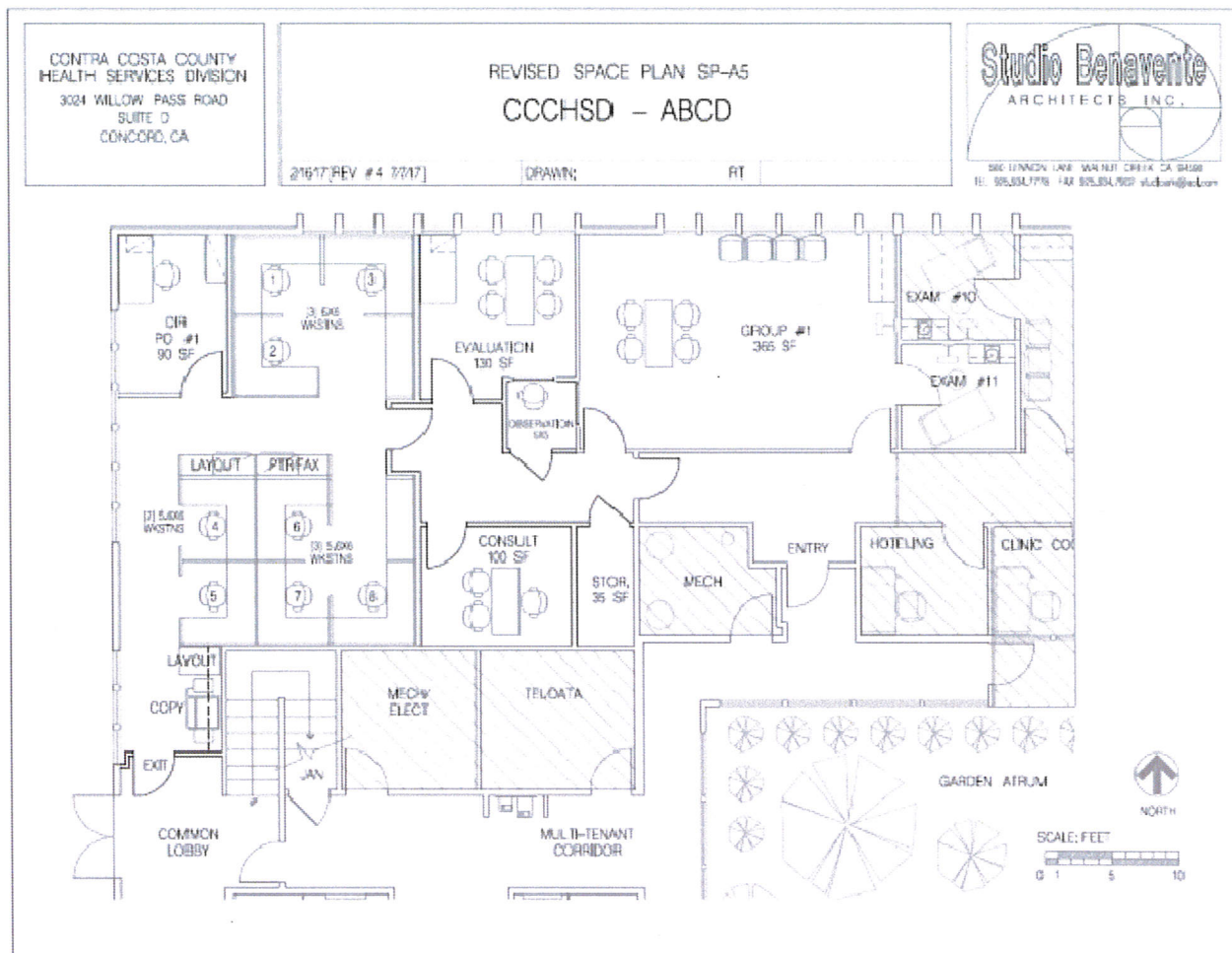


Exhibit B- Tenant Improvements

County shall pay for and provide the following items in the leased Premises, except as noted otherwise:

- All electrical wiring and outlets for County's furniture including workstation, private offices, breakroom, printers/copiers, TV and computer monitors, storerooms, as noted on the Final Plans.
- A minimum of two (2) hard-wall offices (with acoustical batt sound insulation in the walls and with acoustical batt sound installation above the T-bar ceiling, on an as needed basis) with solid-core doors for manager/supervisor as noted on the Final Plans.
- One (1) open area for 5 cubicles including all electrical, telephone and data cabling outlets as noted on the Final Plans.
- One (1) hard-wall area with solid-core doors for 1 evaluation room (with acoustical batt sound insulation in the walls and with acoustical batt sound installation above the T-bar ceiling, on an as needed basis), including all electrical, telephone and data cabling outlets as noted on the Final Plans. The walls of this area shall have windows to provide natural light.
- One (1) hard-wall area with solid-core doors for 1 consultation room (with acoustical batt sound insulation in the walls and with acoustical batt sound installation above the T-bar ceiling, on an as needed basis), including all electrical, telephone and data cabling outlets as noted on the Final Plans.
- One (1) small lockable storage room of approximately 35 square feet with shelving for incoming materials and store valuable items.
- One (1) hard-wall area with solid-core doors for 1 observation room (with acoustical batt sound insulation in the walls and with acoustical batt sound installation above the T-bar ceiling, on an as needed basis), including all electrical, telephone and data cabling outlets as noted on the Final Plans.
- The Premises must meet all federal, state, and local requirements, including provisions for ADA.

- The entire interior of the Premises will be re-painted with colors determined by County. Any new carpet and linoleum will be in colors and patterns as determined by County,
- All cabling services necessary to complete Tenant Improvements, as noted on the Final Plans.
- Key card access control system for all exterior and interior doors as noted on the Final Plans. All electrical wiring for each key card access door will be installed per the Final Plans. Any required door hardware to be coordinated with County's Representative per the Final Plans.
- Emergency doors shall be fail-safe and have internal hinges.
- All electrical wiring at all WIFI AP access points, 120 VAC outlets as needed, break rooms, conference rooms and reception areas as per the Final Plans. All copiers/printers and display monitors will be provided by County. All copier/multi-function printer locations to have 20 amp dedicated circuits.
- All electrical wiring for County scanners, printers, mail sorters and other equipment in the Premises will be installed per the Final Plans.
- Coordinate all keying and door hardware requirements with County's Representative per the Final Plans.