

## WORK LETTER

**CONTRA COSTA COUNTY FIRE PROTECTION DISTRICT  
4005 PORT CHICAGO HIGHWAY, SUITE 250  
CONCORD, CALIFORNIA**

July 11, 2017

This work letter ("**Work Letter**") is part of the lease ("**Lease**") executed concurrently herewith between Seecon Financial & Construction Co., Inc., as landlord ("**Lessor**"), and the Contra Costa County Fire Protection District, as tenant ("**District**"), under which the District is leasing approximately 19,704 square feet of space in the building (the "**Building**") located at 4005 Port Chicago Highway, Suite 250, Concord, as more particularly described in the Lease.

Lessor and District mutually agree as follows:

1. Terms. All capitalized terms not defined herein have the meanings ascribed to them in the Lease. The provisions of this Work Letter supplement the Lease and are specifically subject to the provisions of the Lease. If there is a conflict between the provisions of the Lease and the provisions of this Work Letter, the provisions of the Lease control. Whenever the approval of District is required hereunder, approval is required of the District's Fire Chief or his or her designee (the "**District Representative**").
2. Lessor's Representation and Warranties. Lessor represents and warrants to District that Lessor is the owner of the Building, and the Building is presently zoned to permit its use for the purposes contemplated by this Work Letter and the Lease. In addition, Lessor represents and warrants that the individuals signing this Work Letter on behalf of Lessor are authorized to do so.

Lessor covenants and agrees that it will cause the Substantial Completion Date, as defined below, to occur no later than six months after the Lease and Work Letter have been signed by Lessor and District, and have been approved by Contra Costa County Fire District Board of Supervisors.

3. Base Building Work. Lessor, at Lessor's cost and expense, has constructed the Building shell and core (collectively, the "**Base Building Work**"). The Base Building Work includes, but is not limited to, the following elements of the Building: (a) concrete floors (without floor coverings), (b) finished perimeter walls (including windows, window frames, window blinds, and doors), (c) finished restrooms, (d) closets for telephone and electrical systems (but not the telephone systems themselves), (e) Building mechanical, electrical, and plumbing systems within the Building core only, (f) fire alarms and fire suppression systems on each floor of the Building, (g) all items necessary for the Building to satisfy the provisions of the Americans with Disabilities Act, including, without limitation, washrooms, elevators, drinking fountains, and the parking area, (h) all applicable code items, if required, relating to the other elements of the Base Building

Work, such as exit signs, speakers, fire doors, and any other life-safety support system for each floor, and (i) dry wall and tape of interior columns.

4. Tenant Improvements. Subject to the conditions set forth below, Lessor, at District's sole cost and expense, shall construct and install the improvements to the Premises that are described in the Construction Schedule, as defined below (the "**Tenant Improvements**"), in accordance with (i) the Space Plans, as defined below, (ii) the Construction Schedule, attached hereto as Schedule 3 – Construction Schedule, and (iii) the Final Plans, as defined below. Any other work on the Premises is to be performed at District's expense by District, or, if requested by District, Lessor ("**Tenant's Work**"). The Lessor may not charge an administrative fee in connection with Tenant's Work.

For purposes of this Work Letter, "**Construction Schedule**" means the schedule that (i) has been agreed upon by Lessor and District, (ii) identifies the work to be accomplished to complete the Tenant Improvements and the sequence of that work, and (iii) sets forth the dates by which certain components of the work must be completed.

5. Build Out Allowance. Lessor shall provide District with an allowance in an amount equal to Five Hundred Ninety One Thousand One Hundred Twenty Dollars (\$591,120.00) (the "**Allowance**"). The District may use the Allowance for all fees and costs connected with the Lessor's construction of the Tenant Improvements that are approved by the District Representative, including, but not limited to: hard costs, demolition fees, initial space planning, architect and design fees, contractor and engineering fees, and the cost of plans and permits obtained in connection with the Tenant Improvements. Any portion of the Allowance not required to complete the Tenant Improvements in accordance with the final plans referred to below is the property of the Lessor; provided, however, if the cost of the Tenant Improvements is less than the Allowance, the Rent over the Initial Term will be adjust downward to reflect the actual cost of the Tenant Improvements. To the extent that the actual costs incurred in the construction exceed the Allowance, District will be solely responsible for the excess costs and expenses, and will reimburse Lessor within thirty (30) days after receipt of (i) invoices from Lessor for any such sums, and (ii) evidence that Lessor has paid for the cost or expense that is the subject of the invoice.
6. Contractor. Lessor shall use a competitive bid package approved by the District to select a contractor that is reasonably acceptable to the District (the "**Contractor**") to construct the Tenant Improvements. District acknowledges that WCI, Legion, Metcon and Blueline are acceptable contractors. Upon District's request Lessor shall provide a copy of all proposals and bids related to the construction of the Tenant Improvements to District. Lessor shall permit District to participate in any meetings between Lessor and potential contractors that precede the award of a contract. Lessor shall cause Contractor to obtain all licenses and permits necessary to effect the construction of the Tenant Improvement and, upon completion of Tenant Improvements, any required occupancy permits.

7. Design and Construction. Lessor shall provide all architectural and engineering services necessary to construct the Tenant Improvements. Lessor shall hire and pay for the services of Roberts-Boche' Associates, Inc. ("**Architect**") to provide architectural services for the design and construction of Tenant Improvements. Lessor shall cause the Architect to assist and support District with furniture and equipment plans, as requested by District.

8. Plans.

- a. Except as otherwise provided in this Section 8, prior to the execution of the Lease, Lessor and District approved in writing space plans for the build-out of the Tenant Improvements that were prepared by Lessor or Lessor's designated architect (the "**Space Plans**"). A copy of the Space Plans is attached hereto as Schedule 2.
- b. In the event that Lessor and District enter into the Lease prior to reaching agreement on the Space Plans, Lessor and District shall cooperate in good faith to finalize the Space Plans without delay. District shall fully cooperate by providing Lessor, its architects, engineers, and contractors with timely information and approvals of plans, drawings, and specifications. Any acts by District to delay or otherwise act negligently or in bad faith in approving the Space Plans and/or cooperating with Lessor in the design and construction of the Tenant Improvements will result in a Tenant Delay (as hereinafter defined) under this Work Letter. Upon agreement by Lessor and District on the Space Plans, a true and correct copy will be attached to this Work Letter as Schedule 2.
- c. Subject to the Allowance, Lessor shall pay for all architectural and engineering fees and costs incurred in connection with the Tenant Improvements depicted on the Final Plans, as defined below, including architectural plans required to depict accessibility routes for the Building in general as required to obtain the permits for the Tenant Improvements. Any and all architectural and engineering fees and costs incurred as a result of changes in the Final Plans requested by District will be District's sole responsibility and paid for by District as additional rent within ten (10) days after receipt of invoices from Lessor showing that such additional fees or costs have been incurred.

9. Modifications to the Plans.

- a. Lessor and District acknowledge that the Space Plans may not depict certain structural elements of the Building and/or various elements of the Building systems that may necessitate modifications to the Space Plans and specifications for the Tenant Improvements (collectively "**Structural Modifications**"). Furthermore, any final plans and specifications for the construction of the Tenant Improvements may require modification to account for Applicable Laws and Restrictions. "**Applicable Laws and Restrictions**" means all laws (including, without limitation, the Americans

with Disabilities Act), building codes, ordinances, regulations, title covenants, conditions, and restrictions, and casualty underwriters requirements applicable to the Premises and the Tenant Improvements. Within sixty days after the date of the Lease, Lessor shall cause to be prepared final plans and specifications in substantial conformity with the Space Plans, taking into account (i) Structural Modifications, (ii) the requirements of the Applicable Laws and Restrictions, (iii) other modifications resulting from physical constraints of the Premises, and (iv) modifications requested by District and consented to by Lessor, which consent may not be unreasonably withheld (the “**Final Plans**”). Once completed, the Final Plans will be attached to this Work Letter as Schedule 4.

- b. Any and all modifications of, or amendments to, the Space Plans and the Final Plans (including all working drawings and other supplements thereto, but excluding immaterial field changes and Structural Modifications), are subject to the prior written approval of District. Material "or equal" items or substitute items provided for in the specifications forming part of the Final Plans are subject to the prior written approval of District, which approval may not be unreasonably withheld or delayed. Samples of such “or equal” or substitute materials, together with any additional supplemental information that may be necessary for District's review, are to be submitted to District in a timely manner.
10. Inspections. The District and its representatives may enter the Premises at all reasonable times for the purpose of inspecting the progress of construction of the Tenant Improvements.
11. Compliance with Laws; Standards of Performance. Lessor, at District’s expense but as part of Allowance, shall (i) obtain all approvals, permits and other consents required to commence, perform and complete the Tenant Improvements, and, if applicable, shall deliver a certificate of occupancy to District, and (ii) cause the Tenant Improvements to be constructed in accordance with the following performance standards: the Tenant Improvements are to be constructed by well-trained, adequately supervised workers, in good and workmanlike manner, free from design, material and workmanship defects in accordance with the Final Plans and all Applicable Laws and Restrictions (the “**Performance Standards**”). Lessor warrants that all Tenant Improvements shall be constructed in accordance with the Performance Standards. Notwithstanding anything to the contrary in the Lease or this Work Letter, District’s acceptance of possession of the Premises does not waive this warranty and Lessor shall promptly remedy all violations of the warranty at its sole cost and expense.
12. Completion Notice; Inspection; Substantial Completion Date.
  - a. When Lessor deems construction of the Tenant Improvements to be Substantially Complete, as defined below, Lessor shall tender delivery to District by delivering a “**Completion Notice**” in substantial conformity with Schedule 5. For purposes of

this Work Letter, the phrase “**Substantially Complete**” means (i) construction of the Tenant Improvements has been substantially completed in accordance with the Performance Standards, (ii) there is no incomplete or defective work that unreasonably interferes with District’s use of the Premises, (iii) all necessary government approvals for legal occupancy of the Tenant Improvements have been obtained (including, if applicable, a Certificate of Occupancy), and (iv) all utilities are hooked up and available for use by District in the Premises.

- b. Upon receipt of the Completion Notice, a representative of the District, a representative of Lessor, and the Architect will immediately inspect the Tenant Improvements for the purpose of establishing that the Tenant Improvements are Substantially Complete. Once District and the Architect are satisfied that the Tenant Improvements appear to be Substantially Complete, it shall so indicate by countersigning the Completion Notice. The Premises will be deemed delivered to District on the day that both District and the Architect have countersigned the Completion Notice (the “**Commencement Date**” and the “**Substantial Completion Date**”).

- 13. Delay. The Commencement Date will be delayed by one day for each day of delay in the design or completion of the Tenant Improvements that is caused by a Lessor Delay, as defined below. The Commencement Date will not be delayed due to a District Delay, as defined below. No Lessor Delay, or District Delay, will be deemed to have occurred unless and until the party claiming the delay provides written notice to the other party specifying the action or inaction that constitutes a Lessor Delay, or District Delay, as applicable. If such action or inaction is not cured within one day after receipt of the notice, then a Lessor Delay, or District Delay, as set forth in the notice, will be deemed to have occurred commencing as of the date the notice is received and continuing for the number days the design or completion of the Tenant Improvements is in fact delayed as a direct result of such action, inaction or event.

- a. The term “**Lessor Delay**” means any actual delay in the design of the Final Plans or in the completion of Tenant Improvements that is caused solely by any of the following: (i) Lessor not responding to requests for authorization or approval within the time period reasonably provided for a response to such request or, if no such time is stated, beyond a reasonable time therefore, and (ii) the acts or failures to act, whether willful, negligent, or otherwise, of Lessor, its agents, or contractors, to the extent contrary to the terms hereof.
- b. The term “**District Delay**” means any actual delay in the design and/or completion of Tenant Improvements that is caused solely by any of the following: (i) changes in the Space Plans or the Final Plans requested by District, (ii) the District not furnishing information or giving any approvals or authorizations within the time limits set forth for such performance in this Work Letter, or if no time is set forth for such performance in this Work Letter, then a reasonable time therefor, (iii) the acts or

failures to act, whether willful, negligent, or otherwise, of District, its agents, or contractors, to the extent contrary to the terms hereof, and (iv) tenant's work, as defined below, which delays or interferes with contractor's ability to complete the Tenant Improvements.

14. Punchlist. District has sixty (60) days from the Substantial Completion Date to provide Lessor with a written list of any items that are defective, incomplete, or do not conform to the Final Plans or to Applicable Laws and Restrictions (a "**Punchlist**"). District may augment the Punchlist at any time on or before ten days after the Substantial Completion Date. District's failure to specify any item on the Punchlist, however, does not waive Lessor's obligation to construct the Tenant Improvements in accordance with this Work Letter. Lessor shall remedy all items on the Punchlist as soon as practicable and in any event within thirty days of Lessor receiving the Punchlist. If Lessor fails to remedy all items on the Punchlist within the thirty-day period (exempt as to items, if any, that require more than thirty days to complete), then District may, upon twenty days prior notice to Lessor, complete any Punchlist items and deduct the cost of such work from the Rent next coming due under the Lease in an amount not to exceed twenty-five percent (25%) of the Rent per month for a period not to exceed six months.
15. Tenant's Work.
  - a. Any item of work not shown in the Final Plans, including, for example, telephone and data service or furnishings ("**Tenant's Work**"), may be performed by District through contractors selected by District and approved by Lessor, which approval may not be unreasonably withheld or delayed. Upon a timely request by District, Lessor shall perform the Tenant's Work through contractors selected by Lessor and approved by District. If Lessor performs the Tenant's Work, District shall reimburse Lessor for the full cost thereof upon receipt by District of receipted invoices for work performed or materials supplied. If District performs all or any portion of the Tenant's Work, Lessor shall allow District prompt and reasonable access to the Premises, provided, in Lessor's reasonable opinion, the Tenant's Work can be performed by District without undue interference with the completion of the Tenant Improvements.
  - b. Lessor shall furnish water, electricity, adequate elevator service and HVAC to the Premises during the performance of any of Tenant's Work during normal working hours of the Tenant Improvement project, without charge to District.
16. District's Right to Terminate. District may terminate the Lease and this Work Letter by delivering a written termination notice to Lessor upon the occurrence of any of the following events:
  - a. Lessor fails to execute a construction contract with a general contractor on or before forty-five (45) days after District's approval of the Final Plans.

- b. A permit required for construction of the Tenant Improvements has not been submitted on or before the last day for submission of the permits specified in the Construction Schedule.
- c. Lessor fails to cause construction of the Tenant Improvements to commence on or before forty-five (45) days after receiving all governmental permits to commence construction.
- d. The Substantial Completion Date does not occur on or before the Scheduled Completion Date (as the same may be adjusted for District Delays in accordance with this Work Letter) and Lessor fails to Substantially Complete the Tenant Improvements on or before the thirtieth (30<sup>th</sup>) day after written notice by District to Lessor of its intent to terminate pursuant to this section.

17. Construction Period Insurance.

- a. Throughout the performance of the Tenant Improvements and the Tenant's Work, if the Tenant's Work is performed by Lessor, Lessor shall carry and shall cause all contractors and their subcontractors to carry the insurance set forth below covering all occurrences in or about the Building, and District shall be named as a party insured, together with the Lessor, contractor or subcontractor, as the case may be. If the work is performed by District, District shall cause all contractors and their subcontractors to carry the insurance set forth below covering all occurrences in or about the Building, and Lessor shall be named as a party insured, together with the District, contractor or subcontractor, as the case may be:
  - i. Workers' compensation insurance in statutory limits, along with a waiver of subrogation in favor of Lessor;
  - ii. Lessor: Commercial general liability insurance, including contractual liability, owners and contractors protective liability for a period of one year after substantial completion, with limits of not less than \$2,000,000 per occurrence, in accordance with Section 14 – Insurance of the Lease;
  - iii. Contractors and Subcontractors: Commercial general liability insurance, including contractual liability, owners and contractors protective liability for a period of one year after substantial completion, with limits of not less than \$1,000,000 per person and \$1,000,000 per occurrence;
  - iv. Comprehensive automobile liability in minimum limits of \$500,000 for bodily injury or death to one person and \$1,000,000 for bodily injury or death in any one occurrence and \$500,000 per occurrence for property damage; or combined single limit of \$1,000,000;

- v. Employer's liability insurance in minimum limits of \$1,000,000 per occurrence for bodily injury or disease; and
  - vi. Excess liability insurance over the insurance required by subsections (ii), (iii), (iv), and (v) of this section with combined, minimum coverage of \$2,000,000.
- b. All insurance required by this Section 17 may be carried in whole or in part under a blanket policy (or policies). Lessor agrees to require each contractor and subcontractor to furnish Lessor with evidence reasonably satisfactory to Lessor of the maintenance of the required insurance coverage, with assurances that it will not be cancelled without fifteen days advance written notice to Lessor, and, in the case of blanket insurance, setting forth that the Building and the work with respect thereto is covered by the blanket policy and specifying the amount of coverage relating thereto. Upon the request of the District Representative, Lessor shall provide to the District Representative evidence of the maintenance of the required insurance coverage that is reasonably satisfactory to the District Representative.
18. Risk of Loss.
- a. If the Premises or any portion of the Tenant Improvements or Tenant's Work is damaged or destroyed prior to the Substantial Completion Date, District may terminate the Lease if, in the reasonable opinion of Architect, the Building cannot be restored and the Tenant Improvements Substantially Completed prior to ninety (90) days after the Scheduled Completion Date. If the Lease is terminated pursuant to this section, Lessor shall cause its insurance to pay District an amount that is equal to the cost of constructing the Tenant's Work paid by District prior to the casualty.
  - b. If the Premises or the Tenant Improvements are damaged or destroyed prior to the Substantial Completion Date and the Lease is not terminated pursuant to this section, Lessor shall promptly and diligently cause its contractor to restore the Premises and complete construction of the Tenant Improvements.
19. Pre-Move-In Cleaning. Lessor shall clean and ventilate the Premises immediately prior to District moving into the Premises.
20. Move-In. Lessor shall make available to District on any weekday between the hours of 8:00 a.m. and 6:00 p.m. and, in addition, at District's request either on any three weekends between the hours of 6:00 p.m. on Friday and 8:00 a.m. on Monday or, in lieu of any one weekend, any four nights between the hours of 7:00 p.m. and 8:00 a.m., and the electricity and HVAC that District may reasonably require in connection with District's moving into the Premises. Lessor shall provide a qualified property management employee during District's move-in. District shall provide reasonable security at the Building in the event District moves into the Leased Premises at any time other than Normal Business Hours.



21. Time of the Essence. Time is of the essence in fulfilling all terms and conditions of this Work Letter.

The parties are executing this Work Letter as of the date hereinabove set forth.

CONTRA COSTA COUNTY FIRE  
PROTECTION DISTRICT, a fire protection  
district under the laws of the State of California

By: \_\_\_\_\_  
Jeff Carman  
District Fire Chief

SEECON FINANCIAL &  
CONSTRUCTION CO., INC., a  
California corporation

By: \_\_\_\_\_  
Douglas W. Messner  
Vice President

RECOMMENDED FOR APPROVAL:

By: \_\_\_\_\_  
Karen Laws  
Principal Real Property Agent

By: \_\_\_\_\_  
Dave Silva  
Real Property Agent

By: \_\_\_\_\_  
Albert D. Seeno, Jr.  
President

APPROVED AS TO FORM:  
SHARON L. ANDERSON, COUNTY  
COUNSEL

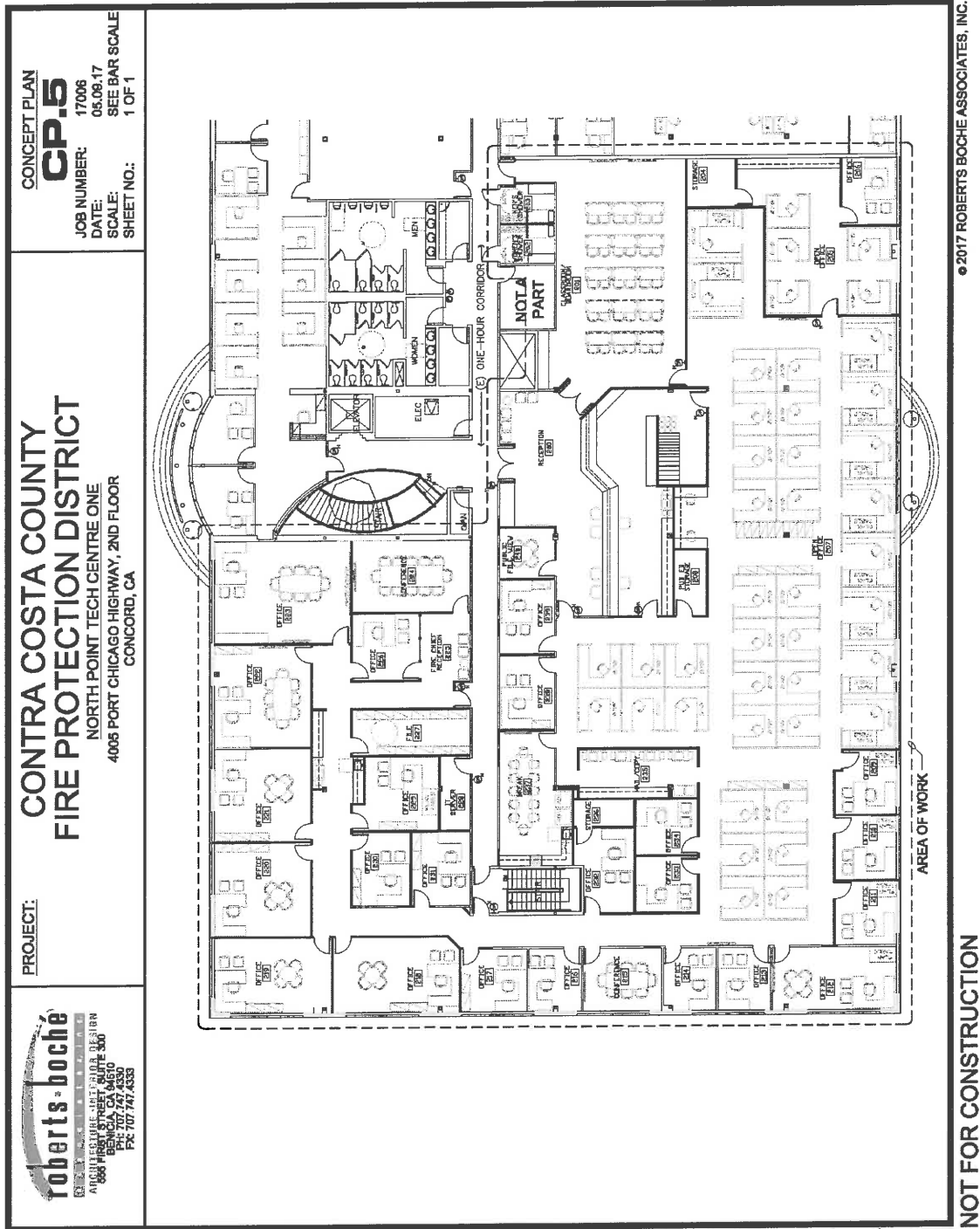
By: \_\_\_\_\_  
Kathleen M. Andrus  
Deputy County Counsel

**SCHEDULE 1**

**INTENTIONALLY DELETED.**

## SCHEDULE 2

### SPACE PLANS



**SCHEDULE 3**

**CONSTRUCTION SCHEDULE**

**SCHEDULE 4**

**FINAL PLANS**

**SCHEDULE 5**

**FORM OF COMPLETION NOTICE**

To: Contra Costa County Fire Protection District

From: Seecon Financial & Construction Co., Inc.

Date:

Re: Completion Notice

This notice is provided in compliance with Section 9 of that certain Work Letter dated \_\_\_\_\_ between Seecon Financial & Construction Co., Inc. and Contra Costa County Fire Protection District (the "Work Letter").

All terms not otherwise defined herein have the meaning ascribed to them in the Work Letter.

Tender by Lessor

Lessor hereby represents that it has completed construction of the Tenant Improvements in substantial conformity with the Final Plans.

Landlord hereby tenders the Premises for delivery to Tenant.

Seecon Financial & Construction Co., Inc.

By: \_\_\_\_\_

Its: \_\_\_\_\_

Certification by Architect

The undersigned, a duly authorized representative of Roberts-Boche' Associates, Inc., hereby represents that (s)he has inspected the Tenant Improvements and determined them to be in substantial conformity with the Final Plans.

Roberts-Boche' Associates, Inc.

By: \_\_\_\_\_

Date: \_\_\_\_\_

Its: \_\_\_\_\_

Certification by Contra Costa County Fire Protection District

The undersigned, a duly authorized representative of Contra Costa County Fire Protection District, hereby represents that the District has caused the Tenant Improvements to be inspected and has determined them to be in substantial conformity with the Final Plans.

Contra Costa County Fire Protection District

By: \_\_\_\_\_

Date: \_\_\_\_\_

Its: \_\_\_\_\_