

LEASE

CONTRA COSTA HEALTH SERVICES
1160 Brickyard Cove Road, Suite 111
Richmond, California

This lease is dated _____ 2018, and is between Cove Investments, 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 1160 Brickyard Cove Road (the “**Building**”).
- B. Lessor desires to lease to County and County desires to lease from Lessor a portion of the Building consisting of approximately 1,340 square feet of floor space known as Suite 111, as more particularly described in Exhibit A – Floor Plan (the “**Premises**”) and five non-exclusive parking spaces.

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 May 1, 2018 (the “**Commencement Date**”) and ending April 30, 2023.
 - b. Renewal Terms. County has two options to renew this lease for a term of two 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

<u>Months</u>	<u>Monthly Rent</u>
1-12	\$3,149
13-24	\$3,216
25-36	\$3,283
37-48	\$3,350
49-60	\$3,417

b. First Renewal Term

<u>Months</u>	<u>Monthly Rent</u>
61-72	\$3,484
73-84	\$3,551

c. Second Renewal Term

<u>Months</u>	<u>Monthly Rent</u>
85-96	\$3,618
97-108	\$3,685

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. Tenant Improvements.

a. Improvements by Lessor. Lessor, at its sole cost and expense, shall cause the following improvements to be made to the Premises prior to the Commencement Date:

- i. The installation of upper and lower cabinetry with electrical outlets for a refrigerator and microwave.
- ii. The installation of a sink in the location designated by the County. The Tenant is responsible for all costs associated with the repair and maintenance

of the sink and its plumbing if problems arise that are caused by inappropriate use of the sink or inappropriate objects going down the drain. The sink must comply with local and state accessibility requirements and must conform to the final plans approved by the County.

- b. Improvements by County. The County, at its sole cost and expense, shall cause the data and telecommunication cabling and signage to be installed in the Premises.
5. Use. County may use the Premises for the purpose of conducting various functions of County and any other purpose permitted by law.
6. No Disorderly Conduct. The County will not permit clients or guests who are visiting the Premises to engage in loud or disruptive behavior that disturbs the quiet enjoyment of other tenants of the Building.
7. Obligation to Pay Utilities and Janitorial. Lessor shall pay for all water, sewer, gas, electricity, janitorial cleaning, 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 of the Premises in good order, condition, and repair, and shall maintain the structural integrity of the Building, including the exterior doors and their fixtures, closers and hinges, glass and glazing, used in the Premises. Lessor is responsible for all locks and key systems used in the 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.
 - c. Janitorial. Lessor shall provide janitorial services, consisting of emptying trash daily, other than weekends and holidays, and vacuuming the carpets in the Premises once a week, in and about the premises and window washing services in a manner consistent with other comparable buildings in the vicinity of the Building.
 - d. Utilities. Lessor shall repair and maintain the electrical, lighting, water and plumbing systems in good order, condition and repair.
 - e. HVAC. Lessor shall maintain and repair the heating, ventilating, and air-conditioning (HVAC) systems.
 - f. Parking; Exterior Lighting. Lessor shall maintain the parking lot and exterior lighting system in good order, condition and repair.

- g. 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. 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 to other county entities only
11. Alterations; Fixtures and Signs.
- a. County Fixtures. Subject to Section 11.b., below, 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.
- b. Installation and Removal of Signs. All signs and graphics of every kind visible in or from public view or corridors, the common areas or the exterior of the Premises (whether located inside or outside the Premises) are subject to Landlord's prior written approval, in Landlord's sole and absolute discretion, and are subject to any applicable governmental laws, ordinances, and regulations. County shall remove all of its signs and graphics upon the termination of this lease. The installation and removal of signs and graphics will be done at County's sole cost and expense and in such manner as to avoid injury or defacement of the Premises or the Building and County shall repair, at County's sole cost and expense, any injury or defacement, including without limitation, discoloration caused by such installation or removal. Any signs installed by County are to be maintained by County in a neat, clean and professional manner, at County's sole cost and expense.
12. Prior Possession. Commencing [REDACTED], County has the right to install fixtures, telephones and other items required to prepare the Premises for County's occupancy and to store furniture, supplies and equipment, provided such work and storage and can be effected without unduly interfering with Lessor's completion of any tenant improvements.
13. 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.
14. 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.
15. 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.
16. 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.
17. 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.

18. 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.

19. 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.

20. 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.

21. 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.

22. 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.
23. 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:	Cove Investment's LLC Lessor's Address
To County:	Contra Costa County Public Works Department Attn: Real Estate Manager 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.

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

29. Real Estate Commission. In negotiating this lease, Lessor is represented by TRI Commercial and the County represents itself. Lessor shall pay a real estate commission to TRI Commercial pursuant to a separate written agreement. Lessor recognizes and acknowledges that the County is entitled to a real estate commission when it represents itself. The County warrants to Lessor that County's contact with Lessor in connection with this Lease has been directly with TRI Commercial.

Lessor shall pay to County a real estate commission in the amount of Nine Thousand Eight Hundred Forty-Nine Dollars (\$9,849) (the "**County Commission**"). Lessor shall pay one-half of the County Commission upon the execution of this lease and the remainder on the Commencement Date.

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30. 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

COVE INVESTMENTS, LLC

By: _____
Brian Balbas
Director of Public Works

By: _____
Name and Title

By: _____
Name and Title

RECOMMENDED FOR APPROVAL:

By: _____
Karen Laws
Principal Real Property Agent

By: _____
Stacey Sinclair
Senior Real Property Agent

APPROVED AS TO FORM
SHARON L. ANDERSON, COUNTY COUNSEL

By: _____
Kathleen M. Andrus
Deputy County Counsel

EXHIBIT A

[Floor Plan]