

## LEASE

2090 Commerce Avenue  
Concord, California

This lease is dated July 1, 2019 (the “**Effective Date**”), and is between the COUNTY OF CONTRA COSTA, a political subdivision of the State of California (“**County**”) and BI-BETT CORPORATION, a California Corporation (“**Lessee**”).

### **Recitals**

- A. The County is the owner of the property located at 2090 Commerce Avenue, Concord, California (the “**Property**”). The Property has been improved with a parking lot and a building that consists of approximately 4,239 square feet (the “**Premises**”).
- B. The County is also the owner of the real property adjacent to the Property (“**Parcel B**”).
- C. The County and Lessee are parties to a lease dated January 1, 2016 (the “**Original Lease**”), under which the Lessee is leasing the Premises for use as a detoxification facility. On December 31, 2018, the parties agreed to extend the term of the Original Lease on a month-to-month basis. The parties now desire to terminate the Original Lease and to enter into this lease, the term of which corresponds to the term of a separate contract between the County and Lessee under which Lessee is operating a detoxification facility for the County at the Premises (the contract in effect on the Effective Date and each renewal of such contract, the “**Service Contract**”).
- D. Simultaneous with the effectiveness of this lease, the Original Lease is terminated.

The parties therefore agree as follows:

### **Agreement**

- 1. Lease of Premises. In consideration of the rents and subject to the terms herein set forth, the County hereby (i) leases to the Lessee and the Lessee hereby leases from the County, the Premises, subject to all easements and encumbrances of record, (ii) grants the Lessee access to the Premises across Parcel B using the driveway shown on Exhibit A, and (iii) grants to Lessee non-exclusive use of twelve parking spaces on the Property.
- 2. Term. The “**Term**” of this lease is one year, commencing on July 1, 2019, and ending June 30, 2020 (the “**Initial Term**”). If the then-current Service Contract is renewed for another year, this lease may be renewed for additional one-year periods, up to an additional four years (each such renewal, a “**Renewal Term**”) upon (i) the mutual consent of the parties, and (ii) the County’s receipt of a renewal notice from Lessee at least sixty days prior to the end of the Term. 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. Early Termination. If the Service Contract is terminated for any reason, the Term of this lease will end upon the earlier to occur of (i) the expiration of the Initial Term or the Renewal Term, as applicable, and (ii) sixty days after the termination of the Service Contract.
4. Rent. Each month during the Term, Lessee shall pay rent to the County in the amounts set forth below, without offset or demand on or before the first day of each month.
  - a. Initial Term. \$2,427 per month commencing July 1, 2019 and ending June 30, 2020.
  - b. First Renewal Term. \$2,427 per month commencing July 1, 2020 and ending June 30, 2021.
  - c. Second Renewal Term. \$2,427 per month commencing July 1, 2021 and ending June 30, 2022.
  - d. Third Renewal Term. \$2,500 per month commencing July 1, 2022 and ending June 30, 2023.
  - e. Fourth Renewal Term. \$2,575 per month commencing July 1, 2023 and ending June 30, 2023.

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.

5. Additional Payment Terms.
  - a. Late Rental Payments: In the event Lessee fails to pay County any amount due under this lease within five (5) days after such amount is due, Lessee shall pay to County a late charge of One Hundred and No/100 Dollars (\$100) per occurrence (the "**Late Charge**"), plus interest on the unpaid balance at a rate of one and one-half percent (1.5%) per month, from the date the payment was due and payable until paid in full. Lessee shall pay all Late Charges as additional rent on or before the date the next installment of rent is due. County and Lessee hereby agree that it is and will be impracticable and extremely difficult to ascertain and fix County's actual damage from any late payments and, thus, that Lessee shall pay as liquidated damages to County the Late Charge specified in this Section, which is the result of the parties' reasonable endeavor to estimate fair average compensation for the late payment (other than attorneys' fees and costs). County's acceptance of the Late Charge as liquidated damages does not constitute a waiver of Lessee's default with respect to the overdue amount or prevent County from exercising any of the rights and remedies available to County under this lease.

- b. Form and Place of Payment: Lessee shall pay all rents and fees in cash or by personal check, certified check, or money order, payable to the County of Contra Costa, by delivering same on or before due date to Contra Costa County, Public Works Department – Real Estate Division, 255 Glacier Drive, Martinez, California 94553, or at such other place as County may designate from time to time.
  - c. Returned Checks: If a check written by Lessee is returned for insufficient funds, County may impose a reasonable service charge in addition to any Late Charge and in addition to any charges imposed by the bank. County may require Lessee to pay rent by certified check or money order if Lessee’s bank or banks have returned one or more personal checks within the preceding twelve (12) month period.
  - d. Definition of Rent: “**Rent**” means all amounts due from Lessee to County under this lease.
6. Use. Except as otherwise provided herein, the Premises may be used by the Lessee only for the operation of a detoxification facility. Lessee may not use the Premises for any other purpose with the prior written consent of the County. Any other use of the Premises without the County’s prior written consent is a default of this lease.
7. Utility Obligations. The Lessee shall pay utility providers directly for all utilities used or consumed on the Premises by Lessee or its subtenants, including, but not limited to gas, water, electricity, garbage disposal, janitorial services, landscaping, and telephone services. Lessee is responsible for the cost of sewer services provided to the Premises (“**Sewer Services**”). The County shall invoice Lessee annually for Sewer Services. Lessee shall pay the invoice within thirty (30) days of receipt.
8. Condition of Premises. Lessee is leasing the Premises in an “as is” physical condition with no warranty, express or implied, on the part of the County as to the condition of the Improvements, the condition of the soil or the geology of the soil.
9. Maintenance and Repairs.
- a. Structure. Throughout the Term of this lease, the Lessee is responsible, at its sole cost and expense, for the routine maintenance of the interior and exterior of the building, excluding the roof, and shall maintain the interior and exterior of the building in a first-class condition. Routine maintenance of the interior and exterior of the building includes, but is not limited to, replacing carpet and tile as needed, painting exterior walls as needed, and keeping all of the following in first-class condition: glass and glazing, doors and their fixtures, closers and hinges, locks and key systems, and the alarm system. All maintenance, repairs, and replacements must be of a quality substantially equal to the original material and workmanship. The Director of Public Works, or his or her designee, is the sole judge of the quality of maintenance.

Any changes in exterior paint colors are subject to the prior written approval of the Director of Public Works. Lessee shall maintain all painted exterior surfaces and surfaces requiring treatment of any kind in first-class condition and repaint or treat as

often as reasonably required in the sole discretion of the County, in order to preserve the structure and to maintain high standards of appearance. Lessee shall not allow any graffiti on the building and shall repair any portion of the building if this occurs.

Upon written notice by the County, Lessee shall perform whatever reasonable maintenance the County deems necessary. If such maintenance is not undertaken by Lessee within thirty (30) days after receipt of written notice, the County has the right to enter upon the Premises and perform such necessary maintenance. If the County performs any routine maintenance on the building pursuant to this Section 9, the Lessee shall pay the County the cost of such maintenance as additional rent, without offset, upon Lessee's receipt of the County's request for reimbursement.

- b. Structure of Building and Roof. The County shall maintain the structural integrity of the building, including but not limited to, the foundation and support columns, and shall keep the roof in good order, condition and repair.
  - c. Trash. Lessee shall use the County-provided enclosures and suitable covered metal receptacles for the short-term accumulation and storage of solid waste, such as rubbish, trash, and garbage.
  - d. Utilities. The Lessee shall repair and maintain the interior electrical, lighting, water and plumbing systems in good order, condition and repair. The County shall provide and pay for major repair or replacement of these systems that is required as a result of normal wear and aging, and not the result of abuse, vandalism, neglect, or Lessee's failure to provide proper maintenance. The County is responsible for maintaining the plumbing system beyond the perimeter of the Premises.
  - e. HVAC. The Lessee shall maintain and repair the heating, ventilating, and air-conditioning (HVAC) systems. The Lessee shall obtain and keep in effect, at its sole cost and expense, a service contract acceptable to the County for the maintenance and repair of the HVAC systems. The contract must provide for maintenance of the HVAC units and components, including motors, belts, damper, drainage systems, and air filters, to occur quarterly. The County shall provide and pay for major repair or replacement of these systems that is required as a result of normal wear and aging, and not a result of abuse, vandalism, neglect, or Lessee's failure to provide proper maintenance.
  - f. Parking; Exterior Lighting. The County shall maintain and repair the landscaping, exterior lighting, pavement and striping of the parking lot.
  - g. Fire Extinguishers. The County has provided fire extinguishers for the Premises in accordance with the direction received from the fire marshal. Lessee shall maintain, repair, and replace the fire extinguishers as needed.
10. Covenant against Liens. Neither Lessee nor Lessor may permit any mechanic's, material man's, or other lien against the Premises, or the property of which the Premises forms a part, in connection with any labor, materials, or services furnished or claimed to have

been furnished. If any such lien is filed against the Premises, or property of which the Premises forms a part, the party charged with causing the lien will cause the same to be discharged, provided however, that either party may contest any such lien, so long as the enforcement thereof is stayed.

11. Taxes. Lessee agrees to pay before delinquency all taxes (including, but not limited to, possessory interest tax), assessments, license fees, and other charges that are levied and assessed upon Lessee's interest in the Premises, or upon Lessee's personal property installed or located in or on the Premises, by Contra Costa County or other legally authorized government authority. Lessee may pay any taxes and assessments under protest, without liability, cost or expense to the Lessor, to contest the amount in good faith.

Payment of taxes, assessments, license fees, or other charges levied and assessed upon Lessee's interest, (i) does not reduce the Rent due to the County under this lease, and (ii) is the liability of the Lessee.

12. Quiet Enjoyment. Provided the Lessee is in compliance with the terms of this lease, the County covenants that the Lessee will peaceably and quietly have, hold, and enjoy the Premises during the Term.
13. Assignment and Sublease. The Lessee may not assign this lease or sublease the Premises or any part thereof at any time during the Term.
14. Alterations and Additions. Lessee may not make any alterations, erect any additional structures, or make any improvements on the Premises without the prior written consent of the Director of Public Works or his or her designee. In the event Lessee makes alterations or constructs additions that violate the conditions contained in this lease (an "**Unauthorized Addition**"), at the County's sole discretion, Lessee shall remove any Unauthorized Addition at Lessee's sole cost and expense. If Lessee is required to remove any Unauthorized Addition, Lessee, at its sole cost and expense, shall restore the Premises to the conditions existing immediately prior to the existence of the Unauthorized Addition, or such other condition designated by the County in its election. If Lessee is not required to remove any Unauthorized Addition, such Unauthorized Additions shall remain on, and be surrendered with, the Premises on expiration or termination of this lease.

If Lessee wishes to make any alterations, erect any additional structures, or make any additional improvements to the Premises as provided in this Section, Lessee may not commence construction until Lessee has the prior written consent of the County. In addition, a Notice of Lessor Non-Responsibility must be posted and recorded by Lessee during construction in accordance with Civil Code Section 3094. Lessee shall mail a copy of such Notice of Lessor Non-Responsibility to Lessor upon filing it with the County Recorder.

15. Insurance.

- a. Liability Insurance. Throughout the Term, the Lessee shall maintain in full force and effect, at its sole expense, a comprehensive general liability or commercial general liability insurance program covering bodily injury (including death), personal injury, and property damage. The limits must be not less than one million dollars per occurrence and two million dollars aggregate. The policy must name the County, its officers, agents and employees, individually and collectively, as additional insureds. The liability insurance maintained by the Lessee must be primary.
- b. Worker's Compensation and Employer's Liability Insurance. The Lessee shall maintain in full force and effect, at its sole expense, (i) statutory California Workers' Compensation coverage including a broad form all-states endorsement, and (ii) employer's liability coverage for not less than one million dollars per occurrence for all employees engaged in services or operations at the Premises.
- c. Evidence of Insurance. Within thirty days of execution of this lease, the Lessee shall provide to the County, on a form approved by the County, an original copy of a Certificate of Insurance. The Certificate of Insurance must certify that the coverage required by this lease has been obtained and remains in force for the period required by this lease.
- d. Notice of Cancellation or Reduction of Coverage. The Lessee shall cause all policies it is required to obtain under the terms of this lease to contain a provision that the County is to receive written notification of any cancellation or reduction in coverage at least thirty days prior to the effective date of such cancellation or reduction. Any such notification is to be sent to the County in accordance with Section 23 - Notices.
- e. Waiver of Subrogation. Except as may be specifically provided elsewhere in this lease, the County and the Lessee hereby each mutually waive any and all rights of recovery from the other in the event of damage to the Premises or any personal property that is caused by acts of God, perils of fire, lightning, and the extended coverage perils, as defined in insurance policies and forms approved for use in the State of California. Each party shall obtain any special endorsements, if required by their insurer, to evidence compliance with this waiver.

16. Surrender of Premises. On the last day of the Term, or sooner termination of this lease, the Lessee shall peaceably and quietly leave and surrender to the County the Premises, along with their appurtenances and fixtures, all in good condition, ordinary wear and tear, damage by casualty, acts of God and circumstances over which the Lessee has no control excepted.

17. Abandonment. The Lessee may not vacate or abandon the Premises at any time during the Term. If the Lessee abandons, vacates, surrenders the Premises, or is dispossessed by process of law, or otherwise, the County may deem any personal property belonging to the Lessee that remains on the Premises to be abandoned.

18. Waste, Nuisance. The Lessee 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 neighborhood in which the Premises is located.
19. No Smoking. Smoking is not permitted in the Premises or anywhere on the Property, including but not limited to the parking lot, sidewalks, building entrances, building corridors, building stairways and building common areas. Lessee's failure to enforce this smoking ban is a default of this lease.
20. No Loitering. Loitering is not permitted anywhere on the Property that is outside the Premises. Lessee shall cause the parking lot, sidewalks and building entrances and exits to be clear of obstruction and to be used exclusively as a means of ingress to, and egress from, the Premises. Lessee's failure to comply with this provision is a default of this lease.
21. Inspection. The County may enter the Premises at any time in an emergency and with 24-hours' notice in a non-emergency 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) the Lessee is in compliance with the terms and conditions of this lease.
22. Destruction. If damage occurs that causes a partial destruction of the Premises during the Term from any cause, the County may, at its option, make repairs within a reasonable time. Partial destruction does not void this lease, except that the Lessee is entitled to a proportionate reduction in Rent while such repairs are being made. The proportionate reduction in Rent is to be calculated by multiplying Rent by a fraction, the numerator of which is the number of square feet that are unusable by the Lessee and the denominator of which is the total number of square feet in the Premises.

If the County does not elect to make repairs, this lease may be terminated by either party, without cost, obligation or liability to the other party, except as described herein.

This lease will terminate in the event of a total destruction of the Premises.

23. Indemnification. The Lessee shall indemnify, defend and hold County, its officers, agents and employees harmless from any and all claims, costs and liability, for any damage, injury or death, including without limitation, all consequential damages from any cause whatsoever, to any person or the property of any person arising directly or indirectly from or connected with this lease, the Lessee's operations, or the Lessee's use or possession of the Premises, save and except claims or litigation arising through the sole negligence or sole willful misconduct of County, its officers or employees, and shall make good to and reimburse County for any expenditures, including reasonable attorney's fees, County may make by reason of such matters.
24. Default and Remedies.
  - a. The occurrence of any of the following events is a default under this lease:

- i. The Lessee fails to pay Rent on the due date. Notwithstanding the foregoing, Lessee's failure to pay rent or other charges when due twice in any twelve-month period is a default of this lease without further notice from the County.
  - ii. The Lessee fails 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 written notice from the County to the Lessee specifying the nature of the breach in reasonably sufficient detail (a "**Notice of Default**").
    - 1. If the required cure of the noticed failure cannot be completed within thirty days, the failure to cure will not be deemed to be a default of this lease if the Lessee has attempted to cure the failure within the thirty-day period and has diligently and continuously attempted to complete the cure as soon as reasonably possible. In no event will the cure period extend beyond the sixty-day period after Lessee's receipt of the Notice of Default.
    - 2. Notwithstanding the foregoing, the issuance of a third Notice of Default in any twelve-month period that relates to the same, or substantially similar, Lessee failure is a default that is not subject to a cure period.
  - b. Upon the occurrence of a default by the Lessee, the County may reenter and repossess the Premises and remove all persons and property from the Premises, after giving the Lessee written notice and in accordance with due process of law.
25. Notices. Any notice required or permitted under this lease must be in writing and sent by overnight delivery service or registered or certified mail, postage prepaid and directed as follows:

To Lessor:                    Bi-Bett Corporation, Inc.  
    2290 Diamond Boulevard, Suite 200  
    Concord, CA 94520

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.



26. Successors and Assigns. This lease binds and inures to the benefit of the heirs, successors, and assigns of the parties hereto.
27. Holding Over. If Lessee remains in possession of the Premises after the expiration of the Term, such holding over does not constitute a renewal or extension of this lease, but will be construed to be a tenancy from month to month on the same terms and conditions set forth in this lease, except that the monthly rent due and payable hereunder will be 125% of the rent payable as of the last month of the Term.
28. Time is of the Essence. In fulfilling all terms and conditions of this lease, time is of the essence.
29. Governing Law. The laws of the State of California govern all matters arising out of this lease.
30. Severability. If 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.

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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

Bi-Bett Corporation, Inc., a California  
corporation

By: \_\_\_\_\_  
Brian M. Balbas  
Public Works Director

By: Vicki White  
Vicki White, President

By: \_\_\_\_\_  
Rod Libbey, Executive Director

RECOMMENDED FOR APPROVAL:

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

By: \_\_\_\_\_  
Julin Perez  
Senior Real Property Agent

APPROVED AS TO FORM  
SHARON L. ANDERSON, COUNTY COUNSEL

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