

## LEASE

EMPLOYMENT AND HUMAN SERVICES DEPARTMENT  
3755 ALHAMBRA AVENUE, SUITES 9 & 10  
MARTINEZ, CA

This lease is dated January 21, 2020, and is between J. MORTZ LIMITED PARTNERSHIP (“**Lessor**”) and the COUNTY OF CONTRA COSTA, a political subdivision of the State of California (“**County**”).

### **Recitals**

- A. Lessor is the owner of the building located at 3755 Alhambra Avenue, Martinez, California (the “**Building**”). The Building consists of approximately 10,025 square feet.
- B. Lessor and County are parties to a lease dated August 15, 2000, as amended by a first amendment effective September 23, 2003, and a second amendment effective February 8, 2011 (the “**Original Lease**”), under which the County is leasing from Lessor that portion of the Building known as Suite 9 and Suite 10 (together, the “**Premises**”). The Premises consists of approximately 3,800 square feet of space. Both the Building and the Premises are shown on Exhibit A-1.
- C. Under the Original Lease, the County has non-exclusive use of 15 designated parking spaces for the Building, which are located in the parking lot of the Regency Plaza Apartments, 600 J Street, Martinez, California, as shown on Exhibit A-2 (such spaces, the “**Parking Spaces**”) as more particularly set forth in said lease.
- D. Lessor and County desire to replace the Original Lease with this lease. Upon the commencement of this lease, the Original Lease will terminate.

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. In addition, the County is granted continued use of the Parking Spaces in accordance with Section 7 below.
- 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 February 1, 2020 (the “**Commencement Date**”) and ending January 31, 2025.

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 ninety 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	\$4,598
13-24	\$4,750
25-36	\$4,902
37-48	\$5,054
49-60	\$5,206

b. First Renewal Term.

<u>Months</u>	<u>Monthly Rent</u>
61-72	\$5,358
73-84	\$5,814

c. Second Renewal Term.

<u>Months</u>	<u>Monthly Rent</u>
85-96	\$5,966
97-108	\$6,118

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, County shall pay Lessor for the charges described below (collectively, “**Additional Rent**”). Lessor shall invoice County for Real Property Taxes and Insurance and payment of same is due within thirty days after receipt of the respective invoice. With regard to Maintenance and Repairs and

other CAM Charges, this Additional Rent shall be estimated annually “the estimate” and paid monthly as is more particularly set forth in Subsection 4. d. below. Any annual adjustment to CAM Charges, and payment of same is due within ninety days after the end of each calendar year during the Term. 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 estimate or annual invoice. County may not withhold payment of the invoice until after the completion of such inspection; provided, however County is not required to pay an invoice that reflects manifest error.

- a. Proportionate Share. For purposes of this Lease, “**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 38%.
- b. Real Property Taxes. County’s Proportionate Share of the Real Property Tax Expense, as defined below.

“**Real Property Tax Expense**” means the amount of Real Property Taxes, as defined below, paid or incurred by Lessor in any calendar year (or portion thereof).

“**Real Property Taxes**” means and includes all taxes, assessments (amortized over the longest period available to Lessor) levied or assessed upon the Building and the real property upon which it is situated, any state or local business taxes or fees measured by or assessed upon gross rentals or receipts, and other governmental charges, general and special, including, without limitation, assessments for public improvements or benefits, that are, during the Term of this Lease, assessed, levied, and imposed by any governmental authority upon the Building. Real Property Taxes do not include any late fees or penalties, any municipal, county, state or federal net income, estate, succession, inheritance, sales, use or franchise taxes of Lessor or documentary transfer taxes, or tax increases of any kind in connection with the transfer, sale or change in ownership of all or part of the Building.

- c. Insurance. County’s Proportionate Share of the Insurance Expense, as defined below.

“**Insurance Expense**” means the amount of Insurance, as defined below, actually paid or incurred by Lessor in any calendar year (or portion thereof).

“**Insurance**” means the All Risk Property Insurance maintained by Lessor covering the Building and all improvements thereto for perils including fire and earthquake, if applicable, for an amount equal to full replacement cost; liability and other insurance that Lessor reasonably deems necessary on the Premises or that may be required by Lessor’s mortgagee, including, but not limited to, earthquake, and flood insurance.

- d. Maintenance and Repairs. County's Proportionate Share of the CAM Charges, as defined below.

**"CAM Charges"** means common area maintenance charges and includes (i) all actual costs and expenses incurred by Lessor to operate and maintain those areas within the Building, including the Building's entrances, walkways, sidewalks, lavatories, drives, parking facilities, exterior lighting, and other areas that are not leased or held for lease but are within or contiguous to or serving the Building and are necessary or desirable for the full use and enjoyment of the Premises (the "**Common Area**") to repair Common Area facilities when reasonably required and to clean, and remove trash from, the Common Area, (ii) all actual costs and expenses incurred by Lessor to maintain and repair all common areas, parking lots, sidewalks, driveways, all landscaped areas, and other areas that are used in common by the tenants or occupants of the Building, (iii) water, sewer and refuse collection services provided to all occupants of the Building, (iv) electrical services delivered to the Common Area, and (v) an elevator maintenance contract for routine elevator maintenance and repair. CAM Charges exclude the cost of Real Property Taxes and, both addressed hereinabove.

Notwithstanding any provision of this Lease to the contrary, Lessor and County acknowledge and agree that the following items are excluded from CAM Charges or other Additional Rent to be reimbursed or paid by County:

- i. Payments on any loans or ground leases affecting the Building.
- ii. Depreciation of any Building or any major systems of Building service equipment.
- iii. All costs and expenses associated with leasing to other tenants, including tenant improvements allowances, attorneys' fees, brokerage commissions, and architectural fees, if any.
- iv. Any cost incurred in complying with hazardous materials laws.
- v. Capital taxes, income taxes, corporate taxes, corporation capital taxes, excise taxes, profits taxes or other taxes personal to the Lessor.

Upon County's receipt of an invoice, which invoice must include a copy of the billing statement received by Lessor for such expense, County shall promptly make payment of same.

5. Use. County may use the Premises for the purpose of conducting various functions of County and any other purpose permitted by law.

6. Obligation to Pay Utilities. County shall pay for all gas and electric service provided to the Premises. Subject to Subsection 4.d. above, Lessor shall pay for all water, sewer and refuse collection services provided to the Premises.
7. Parking. County shall have nonexclusive use of the parking spaces at Regency Plaza Apartments as shown on Exhibit A-2 commencing at 7:05 a.m. until 7 p.m. Monday through Saturday. It is expressly understood that County employees will park in the parking spaces located in the parking lot of the Regency Plaza Apartments and will only park in parking spaces at the Building identified on Exhibit A-2 as "Customer Parking Only" if all parking spaces at the Regency Plaza Apartments are occupied. Any parking not permitted as described herein may result in ticketing, towing or both.
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.
  - 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. Utilities. County shall repair and maintain the electrical, lighting, water and plumbing systems in good order, condition and repair. County may request Lessor to perform this obligation and shall reimburse Lessor for all Lessor's expenses in performing any repairs and/or maintenance
  - d. HVAC. County shall maintain and repair the heating, ventilating, and air-conditioning (HVAC) system in the Premises in good order, condition and repair. County may request Lessor to perform this obligation and shall reimburse Lessor for all Lessor's expenses in performing any repairs and/or maintenance.
  - e. Services by Lessor. If County determines that the Premises are in need of maintenance, construction, remodeling or similar service beyond Lessor's responsibilities under this lease, then upon County's request, Lessor may agree to perform such service at County's expense. In performing the service, Lessor shall consult with County and may use either licensed insured contractors or employees of Lessor, whichever Lessor determines is more suitable. Lessor shall obtain County's prior written approval of the scope, terms, and cost of any such services. County may, by giving Lessor thirty (30) days prior written notice, change the level of service, terminate the service, or require that the service be performed by a different contractor. County shall pay to Lessor, as additional rent, one hundred percent (100%) of the actual cost of said service plus an additional fifteen percent (15%) for management, supervision and administration related to the service. County is aware that Lessor has contracted with Earl Dunivan Property Services to provide the

services described herein. County's payment for the services shall be made to Lessor or Earl Dunivan Property Services at P.O. Box 747, Martinez CA 94553.

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 B hereto.
11. Assignment and Sublease. Subject to Lessor's approval, which shall not be unreasonably withheld, County has the right to assign this lease or to sublease the Premises or any part thereof at any time during the Term.
12. Alterations; Fixtures and Signs. County may (i) make any lawful and proper minor alterations to the Premises and (ii) attach fixtures and signs ("**Attachments**") in or upon the Premises. Any Attachments 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 Attachments. All alterations and Attachments are subject to Lessor's approval and must comply with existing code requirements.
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 their appurtenances and fixtures (except Attachments), all in good condition, ordinary wear and tear, damage by casualty, condemnation, act of God and Lessor's failure to make repairs required of Lessor excepted. County is not responsible for painting 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. In the case of an emergency, as reasonably determined by Lessor, Lessor may enter the premises without prior notice to County, Otherwise, 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. Certified Access Specialist Inspection. As required under California Civil Code 1938 (e), Lessor states: A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises.
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 such 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.

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 one hundred and twenty 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 one hundred and twenty 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 facsimile with written transmission confirmation, overnight delivery service or registered or certified mail, postage prepaid and directed as follows:

To Lessor: J. Mortz Limited Partnership  
C/o Earl Dunivan & Associates, Ltd.  
615 Escobar Street  
Martinez, CA 94553  
Facsimile: (925) 228-3789

To County: Real Estate Manager  
Contra Costa County  
Public Works Department  
255 Glacier Drive  
Martinez, CA 94553  
Facsimile: (925) 646-0288

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) upon confirmed facsimile transmission, (ii) the next business day, if sent by overnight courier and (iii) 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. 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

J. MORTZ LIMITED PARTNERSHIP

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

By: \_\_\_\_\_  
Earl Dunivan and Associates, LLC  
General Partner  
Earl Dunivan, Manager

RECOMMENDED FOR APPROVAL:

By: \_\_\_\_\_  
Jessica L. Dillingham  
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

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# EXHIBIT A-1

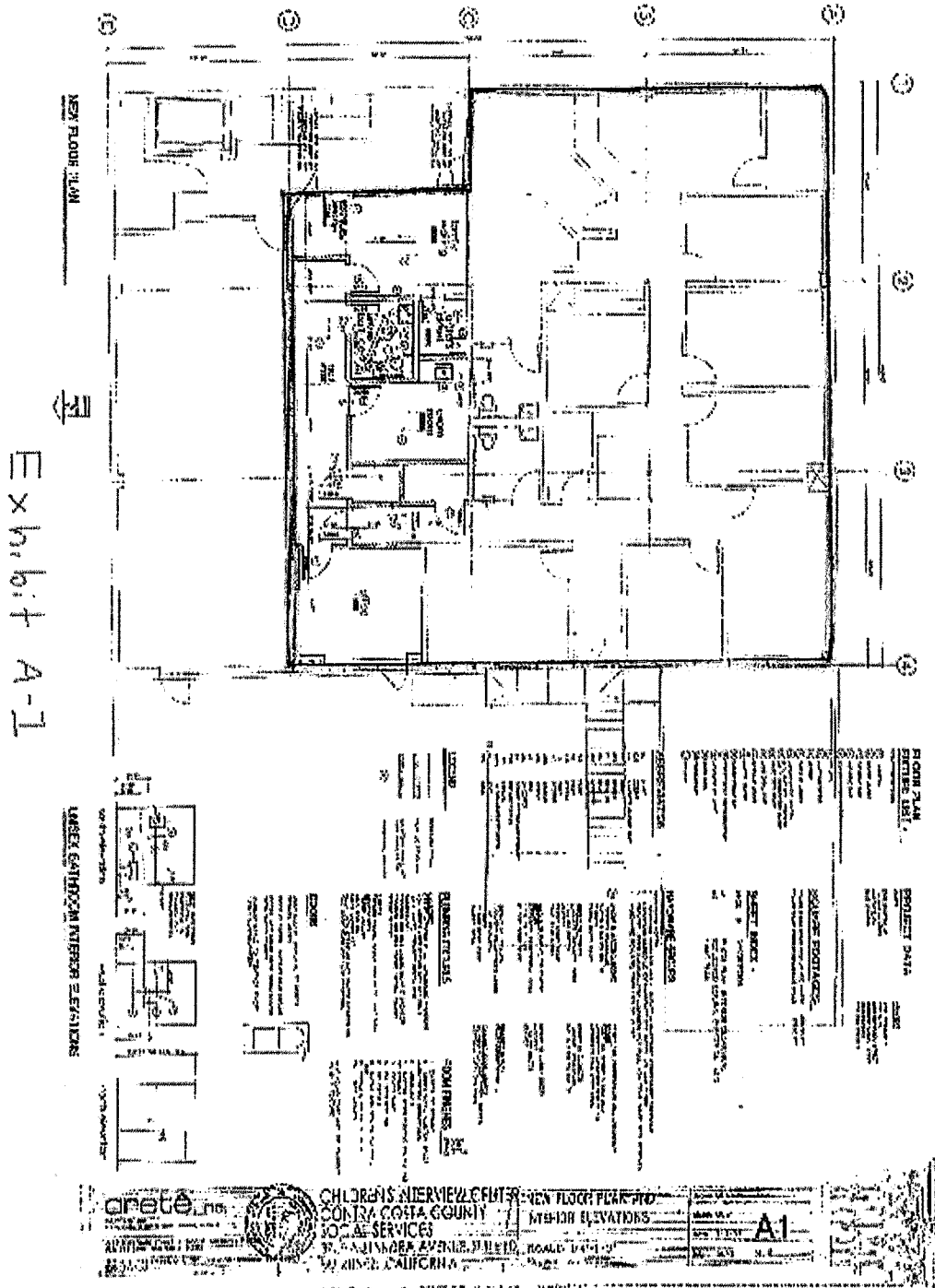


EXHIBIT A-2

