

LEASE

Print & Mail
4061 Port Chicago Highway
Concord, California

This lease is dated December 15, 2020, and is between SEECON FINANCIAL & CONSTRUCTION CO., INC., a California Corporation (“**Lessor**”) and the COUNTY OF CONTRA COSTA, a political subdivision of the State of California (“**County**”).

Recitals

- A. Lessor is the owner of the real property located at 4061 Port Chicago Highway, Concord, California (the “**Property**”), which has been improved with an approximately 20,452 square foot building (the “**Building**”).
- B. Lessor desires to lease to County and County desires to lease from Lessor the Building and both desire for the County to have with the non-exclusive use of 40 parking stalls in the parking lot adjacent to the Building.
- C. Simultaneous with the execution of this lease, Lessor and County are entering into a work letter that sets forth how tenant improvements in the Building are to be constructed, that Lessor will pay for the construction of the tenant improvements, and the time schedule for completing construction of the tenant improvements (the “**Work Letter**”). The Work Letter is part of this lease.
- D. The initial term of this lease is twenty years. There are four renewal terms of five years each. Rent is subject to adjustment in two ways. Every ten years, rent will be adjusted to reflect the fair market rental value of the Building. In each of the years that rent is not adjusted to reflect the fair market rental value of the Building, rent will be increased based on changes in the consumer price index.

The parties therefore agree as follows:

Agreement

- 1. Lease of Premises. In consideration of the rents and subject to the terms set forth in this lease, Lessor hereby leases to County and County hereby leases from Lessor, the Building.
- 2. Term. The “**Term**” of this lease is comprised of an Initial Term and, at County’s election, Renewal Terms, each as defined below. County may terminate this lease at any time upon one hundred eighty (180) days prior written notice to Lessor without cost or penalty to County.

- a. Initial Term. The “**Initial Term**” is twenty (20) years beginning on the Commencement Date, as defined in the Work Letter.
 - b. Renewal Terms. County has four (4) options to renew this lease for a term of five (5) 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 not more than six (6) months 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. Beginning on the Commencement Date, as defined in the Work Letter, County shall pay the amounts set forth below (“**Rent**”) to Lessor monthly in advance on the tenth day of each month. Rent for any partial month will be prorated at the rate of 1/30 of the applicable monthly Rent per day.
- a. Initial Period. For the 12-month period that begins on the Commencement Date, Rent is equal to \$29,655 per month.
 - b. First Renewal Term. Monthly Rent due during the first year of the first Renewal Term is equal to an amount determined in accordance with Section 4.b. below (Revaluation of Rent).
 - c. Second Renewal Term. Monthly Rent due during the first year of the second Renewal Term is equal to an amount determined in accordance with Section 4.a. below (CPI Increases).
 - d. Third Renewal Term. Monthly Rent due during the first year of the third Renewal Term is equal to an amount determined in accordance with Section 4.b. below (Revaluation of Rent).
 - e. Fourth Renewal Term. Monthly Rent due during the first year of the fourth Renewal Term is equal to an amount determined in accordance with Section 4.a. below (CPI Increases).
4. Adjustments to Rent. Rent will be adjusted in each year after the first year of the Initial Period. In most years, the adjustment to Rent will be based solely on the change to the Consumer Price Index (“**CPI**”). Every ten years, beginning December 1, 2030, Rent will be adjusted to reflect market rates, using the Revaluation Process described below.

a. CPI Increases.

i. Timing and Amount. In each year after the Initial Period, except for the one-year periods that begin on a Revaluation Date, Rent will increase over the amount paid the preceding year by (i) an amount equal to the change in the CPI for the most recent period ending June, based on the CPI Factor, or (ii) two percent (2%), whichever is greater; provided, however, in no event will the increase be more than five percent (5%).

ii. Definitions.

1. “**CPI Factor**” means the percentage by which the “Index,” as defined below, for the most recent one-year period ending April has changed with respect to the Index in effect for the immediately preceding one-year period, calculated to the nearest one-tenth of one percent.
2. “**Index**” means the Consumer Price Index, all Urban Consumers, All Items, for the San Francisco-Oakland-San Jose Metropolitan Area (1982–84 = 100), as published by the Bureau of Labor Statistics of the U.S. Department of Labor, or its successor or a substitute index published as a replacement for that index by the U.S. Department of Labor or by any other United States governmental agency.
3. “**Revaluation Date**” means each of the following: December 1, 2030, and, if Tenant renews the lease, December 1, 2040, December 1, 2050, and December 1, 2060.
4. Notice. Lessor will notify County of any increase in Rent based on a CPI adjustment when the calculation of the CPI adjustment is complete. If the notice is given after the effective date of an increase, County shall pay the increased rent retroactively to the effective date of the increase; provided, however, in no event will Tenant be required to pay the increased rent retroactively for a period greater than six months.

b. Revaluation of Rent.

- i. Timing and Amount. On each Revaluation Date, Rent will be adjusted to reflect the fair market rental value of the Building in accordance with the Revaluation Process described below. The adjustment to Rent that results from the Revaluation Process is the “**Adjustment.**” The total Adjustment is effective on the Revaluation Date. Lessor shall initiate the Revaluation Process prior to each Revaluation Date.
- ii. Conditions of Revaluation. The revaluation of Rent, including any appraisals prepared as part of the Revaluation Process, will be conducted as follows:

1. All negotiations and actions taken by Lessor and County under this Section will be undertaken and conducted by the parties in good faith.
2. If the Revaluation Process is not concluded by the Revaluation Date, the Rent determined by the Revaluation Process described herein will be retroactive to the Revaluation Date to which the Revaluation Process applies. County shall make any retroactive payments of Rent no later than thirty (30) days following the completion of the Revaluation Process.
3. Except as otherwise provided herein, no waiver of any of the provisions of this Section will be deemed to have been, unless made expressly in writing by the duly authorized agent of the waiving party.
4. All time periods specified in this Section will be counted in calendar days.

iii. Revaluation Process. The “**Revaluation Process**” consists of the following:

1. Lessor shall determine the fair market rental value of the Building using the median of comparable commercial buildings using per square foot lease rates in Concord, California (the “**Lessor Revaluation**”) and shall notify County in writing of the amount of the new monthly Rent (the “**Revaluation Notice**”).
2. If County disagrees with the Lessor Revaluation, County may file with Lessor a dispute of the amount of Lessor Revaluation (“**County Dispute**”) and include County’s proposed Rent revaluation amount. The County Dispute must be in writing and delivered to Lessor no later than twenty-one (21) days after the Revaluation Notice is delivered to County (the “**Dispute Period**”). If County does not file a County Dispute with Lessor within the Dispute Period: (i) Lessor Revaluation will automatically be deemed to be accepted by County, (ii) County will be deemed to have waived the right to contest the amount specified in the Revaluation Notice, (iii) the new Rent specified in the Revaluation Notice will become effective on the applicable Revaluation Date, and (iv) the Revaluation Process will be over.
3. If County delivers a County Dispute to Lessor within the Dispute Period, Lessor and County will have twenty-one (21) days following Lessor’s receipt of the County Dispute to attempt to establish a new Rent by negotiation (the “**Rent Negotiation Period**”). The Rent Negotiation Period may not be extended

beyond the initial twenty-one (21) day period except by mutual written agreement. If County and Lessor agree in writing on the new monthly Rent during the Rent Negotiation Period, the new monthly Rent will become effective on the applicable Revaluation Date and both Lessor and County will be deemed to have waived the right to contest such new Rent.

4. If Lessor and County are unable to agree upon a new Rent during the Rent Negotiation Period, then Lessor and County shall each appoint an appraiser to determine the fair market value of the Building. Lessor and County shall identify the name of their appraiser by written notice to the other party. The appointment of the appraiser will be made and notice of the appointment will be given to the other party within twenty-one (21) days after the end of the Rent Negotiation Period (the “**Selection Period**”). Each appraiser must be a member of the American Institute of Real Estate Appraisers, have the designation of Member of the Appraisal Institute (“**MAI**”), and have current appraisal experience in appraising commercial property in the geographic area where the Building is situated. Each party is responsible for paying the fees and costs of its appraiser.

In the event that County does not appoint an appraiser and provide Lessor with written notice of the appointment within the Selection Period: (i) the initial Lessor Revaluation will automatically be deemed to be accepted by County, (ii) the new monthly Rent, specified in the Revaluation Notice will become effective on the applicable Revaluation Date, (iii) County will be deemed to have waived the right to further contest the amount of Lessor Revaluation by arbitration or in any other manner, and (iv) the Revaluation Process will be over.

In the event that Lessor does not appoint an appraiser and provide County with written notice of the appointment within the Selection Period: (i) the monthly Rent will remain unchanged or will equal the fair market rental value determined by County’s appraiser, whichever is greater, (ii) such monthly Rent will become effective on the applicable Revaluation Date, (iii) Lessor will be deemed to have waived the right to contest the amount of the new monthly Rent by arbitration or in any other manner, and (iv) the Revaluation Process will be over.

If Lessor and County each properly appoint an appraiser during the Selection Period, both appraisers will make an independent determination of the fair market rental value of the Building. Each appraisal must be completed and a copy of the appraisal report delivered to the other party no later than sixty (60) days from the

date the appraiser was appointed (the “**Appraisal Period**”) unless otherwise extended by the mutual agreement of Lessor and County.

Upon completion of both appraisals, Lessor and County shall make a final attempt to establish a new monthly Rent by negotiation. If Lessor and County agree in writing on a new monthly Rent, the new monthly Rent will become effective on the applicable Revaluation Date and both Lessor and County will be deemed to have waived the right to contest such new Rent.

5. In the event that Lessor and County cannot agree on a revaluation of the monthly Rent within thirty (30) days following the Appraisal Period, either Lessor or County may declare an impasse in the negotiations by providing written notice of the impasse to the other party. The written notice of impasse (the “**Final Proposal**”) will include all of the following information: (i) a statement that the declaring party has determined that negotiations have reached an impasse; (ii) the declaring party’s final proposed Rent revaluation figure; (iii) a statement that the recipient has ten (10) business days to either give written acceptance of the amount of the Rent revaluation specified in the Final Proposal or deliver a counter-final proposal (the “**Counter-Final Proposal**”) to the declaring party; and (iv) any other supplementary information as the declaring party deems appropriate. The party upon whom the Final Proposal is served shall then have ten (10) business days following receipt of the Final Proposal to either accept the Final Proposal or to reject the Final Proposal and deliver a Counter-Final Proposal to the declaring party. If either the Final Proposal or the Counter-Final Proposal is accepted in writing, then the new monthly Rent will become effective on the applicable Revaluation Date and both Lessor and County will be deemed to have waived the right to contest such new Rent.

If neither the Final Proposal nor the Counter-Final Proposal is accepted, not later than forty-five (45) days after delivery of the Final Proposal, the appraiser selected by Lessor and the appraiser selected by County will jointly select a third appraiser with the designation of MAI and with current appraisal experience in appraising commercial property in the geographic area where the Building is situated. The third appraiser will determine the fair market value of the Building. The third appraiser will render a final written decision within thirty (30) days of his or her appointment. The cost of the third appraiser will be shared equally by Lessor and County. The appraiser’s decision is binding on all parties and will apply retroactively to the Revaluation Date.

5. Operating Expenses. In addition to Rent, County shall pay Lessor the amounts set forth below (collectively, “**Operating Expenses**”). Lessor shall invoice County for any Operating Expenses due within ninety days after the end of each calendar year during the Term. County shall pay the amount so invoiced within thirty days of receipt of the invoice. County has the right, exercisable upon reasonable prior written notice to Lessor, to inspect Lessor’s books and records relating to the amounts charged to County as Operating Expenses. County shall cause any such inspection to occur within ninety days of receipt of the annual invoice.

a. Real Property Taxes. 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.

At the County’s election, the County may pay the Real Property Taxes (i) directly to the taxing authority, or (ii) to Lessor, as reimbursement for Real Property Taxes paid by Lessor. County has Lessor’s consent to work with the County Assessor to cause the Premises to be exempt from property taxes during the period of time that it is occupied by County. If County undertakes this effort, Lessor shall take all steps reasonably requested by County to bring about such exemption.

b. Insurance. 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 the Warehouse 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.

c. CAM Charges. 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 the Building, including the Building’s entrances, walkways, sidewalks, lavatories, parking facilities, driveways, and landscaped areas, including the cost of water and the cost of garbage removal, and (iii) an administrative fee for services rendered by a third party manager that is equal to no more than ten percent of the total CAM Charges, excluding administrative expenses, taxes, and insurance premiums.

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 Operating Expenses 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.

6. Payment of Operating Expenses.

- a. Annual Estimates. At the beginning of each year, Lessor shall provide County with a reasonable estimate of the amount of Additional Rent due for the upcoming year (or portion thereof). That amount will be divided by the number of months in the year (or portion thereof) to determine the “**Estimated Monthly Operating Expenses**.”
- b. Monthly Payments. County shall pay the Estimated Monthly Operating Expenses monthly in advance on the first day of each month. Operating Expenses for any fractional month will be prorated and computed on a daily basis with each day’s Operating Expenses equal to one-thirtieth (1/30) of the then-current Operating Expenses.
- c. Annual Reconciliation. Within 180 days after the end of the calendar year, or, if applicable, within 180 days after the end of the term, Lessor shall (i) calculate the actual Operating Expenses due for the relevant period, and (ii) provide County with a statement that compares the actual expenses incurred by Lessor for the relevant period with the total payments of Estimated Monthly Operating Expenses paid by the County during such period (a “**Reconciliation Statement**”). If County’s total

payments of Estimated Monthly Operating Expenses for the period are less than the amount of actual expenses incurred by Lessor, County shall pay to Lessor the amount of such deficiency within 30 days after receipt of the Reconciliation Statement. If County's total payments of Estimated Monthly Operating Expenses for such period exceed actual expenses incurred by Lessor for such period, Lessor shall refund the excess to County within 30 days after the County's demand therefor.

- d. Inspection of Books. County has the right to inspect and audit Lessor's books and records relating to the amounts charged to County as Operating Expenses and to set forth specific objections to amounts charged to County. If the County's inspection and audit reveals the County was overcharged for Operating Expenses, Lessor shall remit the amount overcharged to County with interest at a rate of one percent (1.0 %) per month from the date of overpayment until the date paid to County in full within 30 days of demand therefor. Lessor shall retain all relevant records for at least two years. County shall cause any such inspection to occur within eighteen months of receipt of the Reconciliation Statement. County may not cause such inspection to occur more than once in any twelve-month period. In no event may this section be deemed to allow any review of Lessor's records by any subtenant of County.
7. First Year Estimated Monthly Operating Expenses. The Estimated Monthly Operating Expenses for the first year of the Term is \$6,545.00 per month.
8. Utilities and Janitorial Services. County shall pay for all gas, electric, and janitorial services provided to the interior of the Building. Lessor shall pay for all water, sewer and refuse collection services provided to the exterior of the Building.
9. Use. County may use the Building for the purpose of conducting various functions of County and any other purpose permitted by law.
10. Maintenance and Repairs.
 - a. Roof and Exterior of Building. Lessor shall keep the roof and exterior of the Building 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, exterior windows, glass and glazing used in the Building.
 - b. Interior of Building. County shall keep and maintain the interior of the Building in good order, condition and repair, but Lessor shall repair damage to the interior caused by its failure to maintain the exterior in good repair, including damage to the interior caused by roof leaks and/or interior and exterior wall leaks. The County may install and maintain an alarm system, if deemed necessary by County.
 - c. Utility Systems. Lessor shall repair and maintain the electrical, lighting, water and plumbing systems in good order, condition and repair.
 - d. HVAC. Lessor shall maintain and repair the heating, ventilating, and air-conditioning (HVAC) systems.

- e. Parking; Exterior Lighting; Landscaping. Lessor shall maintain the parking lot and exterior lighting system, and landscaping, in good order, condition and repair.
 - f. Life Safety. Lessor shall maintain and repair any and all Life Safety systems designed to protect and evacuate the building population in emergencies, including but not limited to fires, earthquakes and power failures in compliance with the then current governmental codes.
 - g. Services by Lessor. If County determines that the Building is 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.
11. 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 Building during the Term.
12. Right of First Refusal. During the term of the lease and any option periods thereafter, County shall have the one-time right to match an offer to purchase the property. However, the right of first refusal excludes inter-family and affiliated business transfers and only applies to third-party arm's length transactions.
13. 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 A hereto.
14. Assignment and Sublease. County has the right to assign this lease or sublease the Building or any part thereof at any time during the Term. Upon the assignment of the lease by County, the County will have no further obligation under the lease.
15. Alterations; Fixtures and Signs. County may (i) make any lawful and proper minor alterations to the Building and (ii) attach fixtures and signs ("**County Fixtures**") in or upon the Building. Any County Fixtures will remain the property of County and may be removed from the Building by County at any time during the Term. County is responsible for the cost of all alterations and County Fixtures. All alterations and County Fixtures are subject to Lessor's approval and must comply with existing code requirements.
16. Prior Possession. Prior to the Commencement Date and with Lessor's written approval County has the right to install fixtures, telephones, alarm systems, and other items

required to prepare the Building for County's occupancy and to store furniture, supplies and equipment, provided such work and storage can be effected without unduly interfering with Lessor's completion of any tenant improvements.

17. 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.

18. Surrender of Building. On the last day of the Term, or sooner termination of this lease, County shall peaceably and quietly leave and surrender to Lessor the Building, along with appurtenances and fixtures at the Building (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 Building upon the expiration or earlier termination of this lease.

19. Waste, Nuisance. County may not commit, or suffer to be committed, any waste upon the Building, or any nuisance or other act or thing that may disturb the quiet enjoyment of any other occupant of the Building.

20. Inspection. Lessor, or its proper representative or contractor, may enter the Building 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 Building is being reasonably cared for, (ii) no waste is being made and that all actions affecting the Building are done in the manner best calculated to preserve the Building, and (iii) County is in compliance with the terms and conditions of this lease.

21. Perilous Conditions. If the County's Director of Public Works becomes aware of a perilous condition on the Building 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.

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.

22. Destruction. If damage occurs that causes a partial destruction of the Building 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 Building.

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.

23. 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 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 Building that was not brought to the Building 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 in the Building 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.

24. 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 Building 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 the Building 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, or employees with respect to the Building, or Lessor's performance under this lease, or the Lessor's performance, delivery or supervision of services at the Building, or by the structural, mechanical or other failure of the Building, except to the extent caused or contributed to by the negligent acts, errors, or omissions of County, its officers, agents, or employees.

25. 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.

26. 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 Building and remove all persons and property from the Building.
 - 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 Building 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.

27. 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:

INC.,	To Lessor:	SEECON FINANCIAL & CONSTRUCTION CO., Attn: Sierra Pacific Properties, Inc. 1800 Willow Pass Court Concord, CA 94520
	To County:	Contra Costa County Public Works Department Attn: Principal Real Property Agent 40 Muir Road, 2 nd Floor, 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.

- 28. Successors and Assigns. This lease binds and inures to the benefit of the heirs, successors, and assigns of the parties hereto.
- 29. 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.
- 30. Time is of the Essence. In fulfilling all terms and conditions of this lease, time is of the essence.
- 31. Governing Law. The laws of the State of California govern all matters arising out of this lease.

32. 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.
33. Real Estate Commission. In negotiating this lease, Lessor is represented by Colliers International and the County represents itself. Lessor shall pay a real estate commission to Colliers International 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 Colliers International.

Lessor shall pay to County a real estate commission in the amount of \$101,987.00 (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.

[Remainder of Page Intentionally Left Blank]

34. 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

Seecon Financial & Construction Co., Inc.,

By: _____
Brian M. Balbas
Director of Public Works

By: _____
Douglas W. Messner
Vice President

By: _____
Mark D. Wickham
Vice President

RECOMMENDED FOR APPROVAL:

By: _____
Jessica L. Dillingham
Principal Real Property Agent

By: _____
Margaret Eychner
Senior Real Property Agent

APPROVED AS TO FORM
SHARON L. ANDERSON, COUNTY COUNSEL

By: _____
Kathleen M. Andrus
Deputy County Counsel

EXHIBIT A
FORM OF SNDA

DRAFT