

WORK LETTER

Print & Mail
4061 Port Chicago Hwy
Concord, CA

December 15, 2020

This work letter (“**Work Letter**”) is part of the lease (“**Lease**”) executed concurrently herewith between SEECON FINANCIAL & CONSTRUCTION CO., INC., a California Corporation, as landlord (“**Lessor**”), and the County of Contra Costa, as tenant (“**County**”), under which the County is leasing the building located at 4061 Port Chicago Highway, Concord, California, as more particularly described in the Lease (the “**Building**”).

Lessor and County mutually agree as follows:

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

Lessor covenants and agrees that it will cause the Substantial Completion Date, as defined below, to occur no later than March 31, 2021.

3. Tenant Improvements. Subject to the conditions set forth below, Lessor, at its sole cost and expense, shall construct and install the improvements to the Premises that are described on Schedule 1 attached hereto and incorporated herein (the “**Tenant Improvements**”) in accordance with (i) the Space Plans, as defined below, (ii) the Construction Schedule, attached hereto as Schedule 3 – Construction Schedule, and (iii) the Final Plans, as defined below. Any other work on the Premises is to be performed at County’s expense by County, or, if requested by County, Lessor (“**Tenant’s Work**”). The Lessor may not charge an administrative fee in connection with Tenant’s Work.

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

4. Plans.

- a. Except as otherwise provided in this Section 4, prior to the execution of the Lease, Lessor and County approved in writing space plans for the build-out of the Tenant Improvements and an estimate of the cost to design and/or construct the Tenant Improvements for the Premises that were prepared by Lessor or Lessor’s designated architect (the “**Space Plans**”). A copy of the Space Plans is attached hereto as Schedule 2.
- b. In the event that Lessor and County enter into the Lease prior to reaching agreement on the Space Plans, Lessor and County shall cooperate in good faith to finalize the Space Plans without delay. County shall fully cooperate by providing Lessor, its architects, engineers, and contractors with timely information and approvals of plans, drawings, and specifications. Any acts by County to delay or otherwise act negligently or in bad faith in approving the Space Plans and/or cooperating with Lessor in the design and construction of the Tenant Improvements will result in a Tenant Delay (as hereinafter defined) under this Work Letter. Upon agreement by Lessor and County on the Space Plans, a true and correct copy will be attached to this Work Letter as Schedule 2.
- c. Lessor shall pay for all architectural and engineering fees and costs incurred in connection with the Tenant Improvements depicted on the Final Plans, as defined below, including architectural plans required to depict accessibility routes for the Building in general. Any and all architectural and engineering fees and costs incurred as a result of changes in the Final Plans requested by County will be County’s sole responsibility and paid for by County as additional rent within ten (10) days after receipt of invoices from Lessor showing that such additional fees or costs have been incurred.

5. Modifications to the Plans.

- a. Lessor and County acknowledge that the Space Plans may not depict certain structural elements of the Building and/or various elements of the Building systems that may necessitate modifications to the Space Plans and specifications for the Tenant Improvements (collectively “**Structural Modifications**”). Furthermore, any final plans and specifications for the construction of the Tenant Improvements may require modification to account for Applicable Laws and Restrictions. “**Applicable Laws and Restrictions**” means all laws (including, without limitation, the Americans with Disabilities Act), building codes, ordinances, regulations, title covenants, conditions, and restrictions, and casualty underwriters requirements applicable to the

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

- b. Any and all modifications of, or amendments to, the Space Plans and the Final Plans (including all working drawings and other supplements thereto, but excluding immaterial field changes and Structural Modifications), are subject to the prior written approval of County. Material "or equal" items or substitute items provided for in the specifications forming part of the Final Plans are subject to the prior written approval of County, which approval may not be unreasonably withheld or delayed. Samples of such “or equal” or substitute materials, together with any additional supplemental information that may be necessary for County's review, are to be submitted to County in a timely manner.
6. Inspections. The County and its representatives may enter the Premises at all reasonable times for the purpose of inspecting the progress of construction of the Tenant Improvements.
 7. Compliance with Laws; Standards of Performance. Lessor, at its expense, shall (i) obtain all approvals, permits and other consents required to commence, perform and complete the Tenant Improvements, and, if applicable, shall deliver a certificate of occupancy to County, and (ii) cause the Tenant Improvements to be constructed in accordance with the following performance standards: the Tenant Improvements are to be constructed by well-trained, adequately supervised workers, in good and workmanlike manner, free from design, material and workmanship defects in accordance with the Final Plans and all Applicable Laws and Restrictions (the “**Performance Standards**”). Lessor warrants that all Tenant Improvements shall be constructed in accordance with the Performance Standards. Notwithstanding anything to the contrary in the Lease or this Work Letter, County’s acceptance of possession of the Premises does not waive this warranty and Lessor shall promptly remedy all violations of the warranty at its sole cost and expense.
 8. Completion Notice; Inspection; Substantial Completion Date.
 - a. When Lessor deems construction of the Tenant Improvements to be Substantially Complete, as defined below, Lessor shall tender delivery to County by delivering a “**Completion Notice**” in substantial conformity with Schedule 5. For purposes of this Work Letter, the phrase “**Substantially Complete**” means (i) construction of the Tenant Improvements has been substantially completed in accordance with the Performance Standards, (ii) there is no incomplete or defective work that unreasonably interferes with County’s use of the Premises, (iii) all necessary

government approvals for legal occupancy of the Tenant Improvements have been obtained (including, if applicable, a Certificate of Occupancy), and (iv) all utilities are hooked up and available for use by County in the Premises.

- b. Upon receipt of the Completion Notice, a representative of the County, a representative of Lessor, and the Architect will immediately inspect the Tenant Improvements for the purpose of establishing that the Tenant Improvements are Substantially Complete. Once County and the Architect are satisfied that the Tenant Improvements appear to be Substantially Complete, both shall so indicate by countersigning the Completion Notice. The Premises will be deemed delivered to County on the day that both County and the Architect have countersigned the Completion Notice (the “**Commencement Date**” and the “**Substantial Completion Date**”).
9. Delay. The Commencement Date will be delayed by one day for each day of delay in the design or completion, of the Tenant Improvements that is caused by a Lessor Delay, as defined below. The Commencement Date will not be delayed due to a County Delay, as defined below. No Lessor Delay, or County Delay will be deemed to have occurred unless and until the party claiming the delay provides written notice to the other party specifying the action or inaction that constitutes a Lessor Delay, or County Delay, as applicable. If such action or inaction is not cured within one day after receipt of the notice, then a Lessor Delay, or County Delay, as set forth in the notice, will be deemed to have occurred commencing as of the date the notice is received and continuing for the number days the design or completion of the Tenant Improvements is in fact delayed as a direct result of such action, inaction or event.
 - a. The term “**Lessor Delay**” means any actual delay in the design of the Final Plans or in the completion of Tenant Improvements that is caused solely by any of the following: (i) Lessor not responding to requests for authorization or approval within the time period provided for a response to such request or, if no such time is stated, beyond a reasonable time therefore, and (ii) the acts or failures to act, whether willful, negligent, or otherwise, of Lessor, its agents, or contractors, to the extent contrary to the terms hereof.
 - b. The term “**County Delay**” means any actual delay in the design and/or completion of Tenant Improvements that is caused solely by any of the following: (i) changes in the Space Plans or the Final Plans requested by County, (ii) the County not furnishing information or giving any approvals or authorizations within the time limits set forth for such performance in this Work Letter, or if no time is set forth for such performance in this Work Letter, then a reasonable time therefor, and (iii) the acts or failures to act, whether willful, negligent, or otherwise, of County, its agents, or contractors, to the extent contrary to the terms hereof.
10. Punchlist. County has sixty days after the Substantial Completion Date to provide Lessor with a written list of any items that are defective, incomplete, or do not conform to the

Final Plans or to Applicable Laws and Restrictions (a “**Punchlist**”). County’s failure to specify any item on the Punchlist, however, does not waive Lessor’s obligation to construct the Tenant Improvements in accordance with this Work Letter. Lessor shall remedy all items on the Punchlist as soon as practicable and in any event within thirty days of Lessor receiving the Punchlist. If Lessor fails to remedy all items on the Punchlist within the thirty-day period (exempt as to items, if any, that require more than thirty days to complete), then County may, upon twenty days prior notice to Lessor, complete any Punchlist items and deduct the cost of such work from the Rent next coming due under the Lease in an amount not to exceed twenty-five percent (25%) of the Rent per month for a period not to exceed six months.

11. Tenant's Work.

- a. Any item of work not shown in the Final Plans, including, for example, telephone and data service or furnishings ("**Tenant's Work**"), may be performed by County through contractors selected by County and approved by Lessor; which approval may not be unreasonably withheld or delayed. Upon a timely request by County, Lessor shall perform the Tenant's Work through contractors selected by Lessor and approved by County. If Lessor performs the Tenant's Work, County shall reimburse Lessor for the full cost thereof upon receipt by County of receipted invoices for work performed or materials supplied. If County performs all or any portion of the Tenant's Work, Lessor shall allow County prompt and reasonable access to the Premises, provided, in Lessor's reasonable opinion, the Tenant’s Work can be performed by County without undue interference with the completion of the Tenant Improvements.
- b. Lessor shall furnish water, electricity, and HVAC to the Premises during the performance of any of Tenant's Work during normal working hours of the Tenant Improvement project, without charge to County.

12. County’s Right to Terminate. County may terminate the Lease and this Work Letter by delivering a written termination notice to Lessor upon the occurrence of any of the following events:

- a. A permit required for construction of the Tenant Improvements has not been issued on or before the last day for issuance of the permits specified in the Construction Schedule.
- b. If Lessor is using a general contractor to construct the tenant improvements, Lessor fails to execute a construction contract with a general contractor on or before January 31, 2021.
- c. Lessor fails to cause construction of the Tenant Improvements to commence on or before February 28, 2021.

- d. The Substantial Completion Date does not occur on or before the Scheduled Completion Date (as the same may be adjusted for County Delays in accordance with this Work Letter) and Lessor fails to Substantially Complete the Tenant Improvements on or before the fifth day after written notice by County to Lessor of its intent to terminate pursuant to this section.

13. Construction Period Insurance.

- a. Throughout the performance of the Tenant Improvements and the Tenant's Work, if the Tenant's Work is performed by Lessor, Lessor shall carry and shall cause all contractors and their subcontractors to carry the insurance set forth below covering all occurrences in or about the Building, and County shall be named as a party assured, together with the Lessor, contractor or subcontractor, as the case may be:
 - i. Workers' compensation insurance in statutory limits;
 - ii. Lessor: Commercial general liability insurance, including contractual liability, owners and contractors protective liability for a period of one year after substantial completion, with limits of not less than \$2,000,000 per occurrence;
 - iii. Contractors and Subcontractors: Commercial general liability insurance, including contractual liability, owners and contractors protective liability for a period of one year after substantial completion, with limits of not less than \$1,000,000 per person and \$1,000,000 per occurrence;
 - iv. Comprehensive automobile liability in minimum limits of \$500,000 for bodily injury or death to one person and \$1,000,000 for bodily injury or death in any one occurrence and \$500,000 per occurrence for property damage;
 - v. Employer's liability insurance in minimum limits of \$1,000,000 per occurrence for bodily injury or disease; and
 - vi. Excess liability insurance over the insurance required by subsections (ii), (iii), (iv), and (v) of this section with combined, minimum coverage of \$2,000,000.
- b. All insurance required by this Section 13 may be carried in whole or in part under a blanket policy (or policies). Lessor agrees to require each contractor and subcontractor to furnish Lessor with evidence reasonably satisfactory to Lessor of the maintenance of the required insurance coverage, with assurances that it will not be cancelled without fifteen days advance written notice to Lessor, and, in the case of blanket insurance, setting forth that the Building and the work with respect thereto is covered by the blanket policy and specifying the amount of coverage relating thereto. Upon the request of the County Representative, Lessor shall provide to the County Representative evidence of the maintenance of the required insurance coverage that is reasonably satisfactory to the County Representative.

14. Risk of Loss.
- a. If the Premises or any portion of the Tenant Improvements or Tenant's Work is damaged or destroyed prior to the Substantial Completion Date, County may terminate the Lease if, in the reasonable opinion of Architect, the Building cannot be restored and the Tenant Improvements Substantially Completed prior to __ days after the Scheduled Completion Date. If the Lease is terminated pursuant to this section, Lessor shall cause its insurance to pay County an amount that is equal to the cost of constructing the Tenant's Work paid by County prior to the casualty.
 - b. If the Premises or the Tenant Improvements are damaged or destroyed prior to the Substantial Completion Date and the Lease is not terminated pursuant to this section, Lessor shall promptly and diligently cause its contractor to restore the Premises and complete construction of the Tenant Improvements.
15. Pre-Move-In Cleaning. Lessor shall clean and ventilate the Premises immediately prior to County moving into the Premises.
16. Move-In. Lessor shall make available to County on any weekday between the hours of 8:00 a.m. and 6:00 p.m. and, in addition, at County's request either on any three weekends between the hours of 6:00 p.m. on Friday and 8:00 a.m. on Monday or, in lieu of any one weekend, any four nights between the hours of 7:00 p.m. and 8:00 a.m., and the electricity and HVAC that County may reasonably require in connection with County's moving into the Premises. Lessor shall provide a qualified property management employee during County's move-in. County shall provide reasonable security at the Building in the event County moves into the Leased Premises at any time other than Normal Business Hours.

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

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

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

RECOMMENDED FOR APPROVAL:

By: _____
Mark D. Wickham
Vice President

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

ME:

\\PW-DATA\Grpdata\Realprop\LEASE MANAGEMENT\CONCORD\4061 PORT CHICAGO HWY -
T00724\LEASES\4061 Port Chicago Hwy_Work Letter V2.Docx

SCHEDULE 1

TENANT IMPROVEMENTS

1. Roof – rework/reroof with a minimum 10-year warranty

2. Offices
 - a) Remove all pin panels from all walls
 - b) Patch and repair walls; apply fresh paint
 - c) Install new carpet tiles (leave existing base)

3. Hand-Fulfillment Area
 - a) Drop ceiling to 10 ft.
 - b) Remove all pin panels from all walls
 - c) Patch and repair walls; apply fresh paint
 - d) Extend walls to ceiling height
 - e) Install double doors
 - f) Install new carpet tiles

4. Production Area
 - a) Install new HVAC system engineering for the Production Area
 - b) Install new Humidity control system (Tenant to specify)
 - c) Remove walls as per Space Plan
 - d) Drop ceiling to 10 ft.
 - g) Patch and repair walls; apply fresh paint
 - e) Clean, patch and seal concrete floors
 - f) Add two bathrooms on the east wall closest to office area
 - g) Add two bathrooms on west wall closest to warehouse and adjacent to break-room
 - h) Remove stairs leading to the top of break-room mezzanine
 - i) Install j-boxes in locations specified by County
 - j) Reconfigure electrical power distribution to provide power to j-boxes

5. Warehouse
 - a) Remove existing ceiling
 - b) Remove walls per Space Plan
 - c) Drop lights to equivalent of ceiling height
 - d) Clean, patch and seal concrete floors
 - e) Install insulation to County specifications

6. Server Room
 - a) Install static flooring
 - b) Install cooling system

7. Deli Space
 - a) Demolish existing improvements and incorporate this space into the Production Area following specifications in #4 above.

8. Parking
 - a) Install two electric vehicle charges
 - b) Reserve stalls for County fleet vehicles

SCHEDULE 2

SPACE PLANS

DRAFT

SCHEDULE 3

CONSTRUCTION SCHEDULE

DRAFT

SCHEDULE 4

FINAL PLANS

DRAFT

SCHEDULE 5

FORM OF COMPLETION NOTICE

To: Contra Costa County

From: Seecon Financial & Construction Co., Inc.

Date:

Re: Completion Notice – 4061 Port Chicago Hwy, Concord

This notice is provided in compliance with Section 8 of that certain Work Letter dated December 15, 2020, between Seecon Financial & Construction Co., Inc. and Contra Costa County (the “Work Letter”).

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

Tender by Lessor

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

Landlord hereby tenders the Premises for delivery to Tenant.

Seecon Financial & Construction Co., Inc.

By: _____

Date: _____

Its: _____

Certification by Architect

The undersigned, a duly authorized representative of M.Naraghi Architects, hereby represents that (s)he has inspected the Tenant Improvements and determined them to be in substantial conformity with the Final Plans.
M. Naraghi Architects

By: _____

Date: _____

Its: _____

Certification by Contra Costa County

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

Contra Costa County

By: _____

Date: _____

Its: _____