

LEASE

2025 Sherman Drive
Pleasant Hill, California

This lease is dated July 1, 2021, and is between the COUNTY OF CONTRA COSTA, a political subdivision of the State of California (“**County**”) and YOUTH HOMES INCORPORATED, a California corporation (“**Lessee**”).

Recitals

- A. The County is the owner of the property located at 2025 Sherman Drive, Pleasant Hill, California, (the “**Premises**”) that includes a house, a modular building, a parking lot and improvements thereon as shown on Exhibit A attached hereto.
- B. The County is leasing the Premises to Lessee for the purpose of (i) operating a licensed residential care facility for children ages 12 to 17, (ii) providing a group home emergency shelter and residential treatment home, and (iii) providing private foster home placement and community counseling services. The County and Lessee are parties to a separate program services contract pursuant to which Lessee has agreed to operate a residential group home for children placed there by the County’s Employment and Human Services Department (the “**Service Contract**”).
- C. The Premises is the subject of a lease between the County and Lessee Dated July 29, 2014, (the “**Previous Lease**”). On June 30, 2020, the parties agreed to extend the previous lease on a month-to-month basis. The parties now desire to enter into this lease, which supersedes and replaces the Previous Lease.

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 leases to the Lessee and the Lessee hereby leases from the County, the Premises, subject to all easements and encumbrances of record.
2. Term. The “**Term**” of this Lease is (i) subject to the provisions of Section 3 (Early Termination), and (ii) comprised of an Initial Term and, with the parties’ mutual assent, Renewal Terms, each as defined below.
 - a. Initial Term. The “**Initial Term**” is one year, commencing on July 1, 2021 and ending June 30, 2022.

- b. Renewal Terms. If the then-current Service Contract is renewed or extended, Lessee has four options to renew this lease for a term of one year for each option (each, a “**Renewal Term**”) upon all the terms and conditions set forth herein.
- i. Lessee must give County at least sixty days prior written notice to renew the lease prior to the end of the Term.
 - 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. Early Termination. If the Service Contract is terminated for any reason or for no reason, the Term of this lease will end on the same day that the Service Contract ends.
4. Rent. Lessee shall pay rent to the County in the amount of \$2,600 per month, without offset or demand on or before the first day of each month. Rent for any partial month will be prorated at the rate of 1/30th of the applicable monthly rent per day.
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. Security Deposit:

- i. Lessee paid a Security Deposit of \$2,400 under the Previous Lease, which amount will continue to serve as a security deposit under this lease. This deposit will be held as security for the faithful performance of the terms, covenants, and conditions of this lease (the “**Security Deposit**”).
- ii. Upon the occurrence of a default by Lessee, County may in its sole discretion (but is not required to) apply the Security Deposit, or any portion of it, to any expense, loss or (i) any rent or other sum owed to County, (ii) any amount that County may spend or become obligated to spend in exercising County’s rights under this lease, or (iii) damage sustained by County resulting from Lessee’s default. Upon demand by County, Lessee shall immediately pay to County a sum equal to that portion of the Security Deposit expended or applied by County as provided in this subsection so as to maintain the Security Deposit at its original level.
- iii. Upon the expiration or termination of this lease and a final accounting by County, the County will refund any remaining Security Deposit balance to Lessee without interest. Lessee waives the provisions of California Civil Code section 1950.7, and all other provisions of law in force or that become in force after the date of execution of this lease, that provide that County may claim from a Security Deposit only those sums reasonably necessary to remedy defaults in the payment of Rent, to repair damage caused by Lessee or to clean the Premises. County and Lessee agree that County may, in addition, claim those sums reasonably necessary to compensate County for any other foreseeable or unforeseeable loss or damage caused by the act or omission of Lessee or Lessee’s officers, agents, employees, independent contractors or invitees.

e. Definition of Rent: “**Rent**” means all amounts due from Lessee to County under this lease, with the exception of the Security Deposit.

6. Use. The Premises may be used by the Lessee only for (i) providing services to children pursuant to the Service Contract, and (ii) providing other related services for children placed at the Premises by EHSD or other agencies approved by EHSD.

Lessee may not use the Premises for any other purpose without the prior written consent of the County. Any use of the Premises other than as described herein 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, including, but not limited to gas, water, electricity, garbage disposal, storm and sanitary sewer services, janitorial services, landscaping, pest control, and telephone services.

8. Condition of Premises.

- a. Commencement Date. A Certified Access Specialist has not inspected the 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.
- b. During Term. The Lessee shall maintain the Premises in accordance with Section 9, Maintenance and Repairs.

9. Maintenance and Repairs.

- a. Structures and Grounds. Subject to the provisions of Section 22 - Asbestos, Lessee shall, at its sole cost and expense throughout the Term of this lease, maintain the Premises in a first-class condition, provided, however, the County is responsible for the interior walls of the house, any electrical repairs, repairs to the roof and gutters, repairs to any cracks and sealing of the parking lot surface and other infrastructure repairs. All maintenance, repairs, and replacements by Lessee 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.

Upon written notice by the County, Lessee shall perform whatever reasonable maintenance the County deems necessary. If said 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, the cost of which shall be reimbursed by Lessee to the County as additional rent, without offset, upon Lessee’s receipt of the County’s request for said reimbursement.

- b. Enclosures. Lessee shall provide adequate enclosures, screened areas and/or suitable covered metal receptacles within the Premises for the short-term accumulation and storage of solid waste, such as rubbish, trash, and garbage. Such enclosures and/or screened areas must be designed in such a way as to prevent, to the extent possible, odors, fumes, attraction of pests and dispersal of wastes due to wind or water runoff and must be serviced regularly by qualified waste removal and disposal services.
- c. Utility Systems. The Lessee shall repair and maintain the lighting, water, and plumbing systems in good order, condition and repair. The County is responsible for maintaining the plumbing system beyond the perimeter of the Premises.
- d. 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. County will be responsible and pay for any new HVAC units due to the failure of any HVAC units, and a determination made by the County that the HVAC units need to be replaced.

- e. Parking; Exterior Lighting. The Lessee shall maintain the parking lot and exterior lighting system in good order, condition and repair.
 - f. 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.
 - g. Appliances. Lessee shall maintain, repair and, if necessary, replace all household appliances, including a stove, oven, and any other appliance furnished to the Premises at the commencement of this lease.
 - h. Code Violations. The County is responsible for correcting any building code violations that may exist in the Premises, provided the County is not responsible for correcting building code violations that arise out of a change in Lessee's use or occupancy of the Premises.
10. Covenant against Liens. Lessee may not permit any mechanic's, material man's, or other lien against the Premises in connection with any labor, materials, or services furnished or claimed to have been furnished. If any such lien is filed against the Premises, Lessee will cause the same to be discharged, provided however, that Lessee may contest any such lien, so long as the enforcement thereof is stayed.
11. Taxes. Lessee shall 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 Lessee is in compliance with the terms of this lease, the County covenants that Lessee will peaceably and quietly have, hold, and enjoy the Premises during the Term.
13. Assignment and Sublease. 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.

All alterations and additions to the house are subject to the requirements of Section 22 – Asbestos.

15. Insurance.

- a. Liability Insurance. Throughout the Term, 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. Property Insurance. The County will maintain property insurance coverage on its real property. Lessee has no interest in the proceeds of insurance on the County’s real property, improvements, equipment, or fixtures. The Lessee shall sign all documents necessary or proper in connection with the settlement of any claim or loss by the County. Lessee shall maintain in full force and effect, at its sole expense, a standard All Risk policy, which may exclude earthquake and flood, to insure its own personal property, contents, improvements and betterments within or on the Premises. The coverage must be for not less than 90% of the actual cash value of the personal property. Lessee shall name the County as an additional insured and loss payee with respect to the improvements and betterments.
- c. Worker’s Compensation and Employer’s Liability Insurance. 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.

- d. Evidence of Insurance. Within thirty days of execution of this lease, 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.
 - e. Notice of Cancellation or Reduction of Coverage. 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 26 – Notices.
 - f. Waiver of Subrogation. Except as may be specifically provided elsewhere in this lease, the County and 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, 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 Lessee has no control excepted.
- a. Personal Property. Title to personal property belonging to Lessee will remain with Lessee at all times during the Term of this Lease, and Lessee has the right at any time to remove any or all of its personal property from the Premises, provided that upon any such removal, Lessee shall repair, at Lessee's expense, any damage resulting therefrom and leave the Premises in a clean and neat condition.

If Lessee fails to remove any personal property from the Premises within thirty (30) days after the expiration, cancellation, or termination of this lease, such personal property may be removed by the County at Lessee's expense, by charging such expense to the Security Deposit, as provided in Section 5 – Additional Payment Provisions. If the County's cost to remove personal property from the Premises exceeds the amount of the Security Deposit, then Lessee shall reimburse the County the difference between the County's cost and the amount of the Security Deposit, immediately upon receipt of the County's written demand therefor.

- b. Effectiveness. The provisions of this Section will survive the expiration, cancellation or earlier termination of this lease.

17. Abandonment. Lessee may not vacate or abandon the Premises at any time during the Term. If Lessee abandons, vacates, or 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. 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. Inspection. The County may enter the Premises at any time in an emergency and with 24-hour's 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.
20. 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 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 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.

21. Indemnification. Lessee shall indemnify, defend and hold the 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, Lessee's operations, or 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 attorneys' fees, County may make by reason of such matters.
22. Asbestos. Due to asbestos-containing building materials ("ACBM") in certain portions of the walls of the house, County has installed fiberglass reinforced paneling ("FRP") on the walls, with the exception of one room, known as the "Quiet Room," which does not contain ACBM. The FRP is intended to prevent the release of ACBM by providing a protective covering layer on wall surfaces containing ACBM. County shall maintain the FRP at its sole cost and expense.

If there is damage, repairs or alterations to areas containing ACBM, Lessee shall promptly contact County to make repairs or alterations in accordance with Occupational Safety and

Health Administration (“OSHA”) guidelines and by Health and Safety Code section 25915-25919.7. If Lessee desires to make any alterations or additions to the Premises, in addition to complying with Section 14 - Alterations and Additions, Lessee shall contact County to request the desired alterations or additions. County, at Lessee’s expense, shall make such alterations and additions in a manner that avoids disturbing any ACBM.

23. Hazardous Materials. “**Hazardous Materials**” is defined to mean any hazardous or toxic substances, material, or waste at any concentration that is or becomes regulated by the United States, the State of California, or any local government authority having jurisdiction over the Premises. Hazardous Materials includes: (i) Any “hazardous substance,” as that term is defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA) (42 U.S.C., sections 9601 et seq.); (ii) “Hazardous waste”, as that term is defined in the Resource Conservation and Recovery Act of 1976 (RCRA) (42 U.S.C., section 6901 et seq.); (iii) Any pollutant, contaminant, or hazardous, dangerous, or toxic chemical, material, or substance, within the meaning of any other applicable federal, state, or local law, regulation, ordinance or requirement; (iv) Petroleum products; (v) Radioactive material; (vi) Asbestos in any form or condition; and (vii) Polychlorinated biphenyls (PCBs) and substances or compounds containing PCBs.

Lessee shall not cause or permit any Hazardous Materials, as defined in this paragraph, to be generated, brought onto, used, stored or disposed of in or about the Premises by Lessee, its agents, employees, contractors, or invitees, except for limited quantities of standard office and janitorial supplies containing chemicals categorized as Hazardous Materials. Lessee shall use, store, and dispose of all such Hazardous Materials in strict compliance with all applicable federal, state and local laws.

Should any release, discharge, leakage, or spillage of Hazardous Materials occur upon or from the Premises due to Lessee’s use and occupancy thereof, Lessee shall immediately notify the County and all government agencies with jurisdiction, and at its sole cost and expense, clean all property affected thereby, whether owned, controlled or possessed by the County or any third party, to the reasonable satisfaction of the County and any governmental agency having jurisdiction therefore, and in compliance with all applicable laws.

The obligations of this paragraph shall survive the termination of this lease.

24. Default.

The occurrence of any of the following events is a default under this lease:

a. The Lessee.

- i. The Lessee’s failure to pay rent within five business days after the due date.
- ii. The Lessee’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 written notice from the County to the Lessee specifying the nature of the breach in

reasonably sufficient detail (a “**Notice of Default**”). 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.

- b. The County. The County’s failure to perform any obligation under this lease if the failure is not remedied within thirty days after receipt of a written notice from the Lessee to the County specifying the nature of the breach in reasonably sufficient detail. If the required cure of the noticed failure cannot reasonably be completed within thirty days, a default will not be deemed to occur if the County 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.

25. Remedies.

- a. The County. 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 of Default and in accordance with due process of law.
- b. The Lessee. Upon the occurrence of a default by the County, Lessee may terminate this lease by giving written notice to the County and quit the Premises without further cost or obligation to the County.

26. Notices. Any notice required or permitted under this lease shall be in writing and sent by overnight delivery service or registered or certified mail, postage prepaid and directed as follows:

To Lessor: Youth Homes, Inc.
 Attn: Vickia Brinkley, ICEO
 3480 Buskirk Avenue, Suite 210
 Pleasant Hill, CA 94523

To County: Contra Costa County
 Public Works Department
 Attn: Principal Real Property Agent
 40 Muir Road, 2nd 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.

27. Successors and Assigns. This lease binds and inures to the benefit of the heirs, successors, and assigns of the parties hereto.
28. Holding Over. In the event 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 one hundred ten percent (110%) of the Rent payable as of the last month of the Term.
29. Time is of the Essence. In fulfilling all terms and conditions of this lease, time is of the essence.
30. Governing Law. The laws of the State of California govern all matters arising out of this lease.
31. 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.

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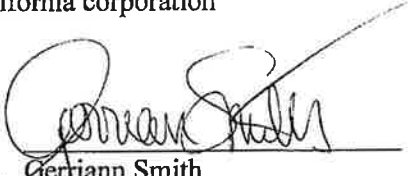
32. Entire Agreement; Construction; Modification. Neither party has relied on any promise or representation not contained in this lease. All previous conversations, negotiations, and understandings are of no further force or effect. This lease is not to be construed as if it had been prepared by one 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.

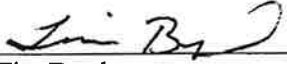
The parties are executing this lease as of the date set forth in the introductory paragraph.

COUNTY OF CONTRA COSTA, a
political subdivision of the State of
California

By: _____
Brian M. Balbas
Public Works Director

YOUTH HOMES, INCORPORATED,
a California corporation

By: 
Gerjann Smith
Board President

By: 
Tim Byrd
Interim Chief Executive Officer

RECOMMENDED FOR APPROVAL:

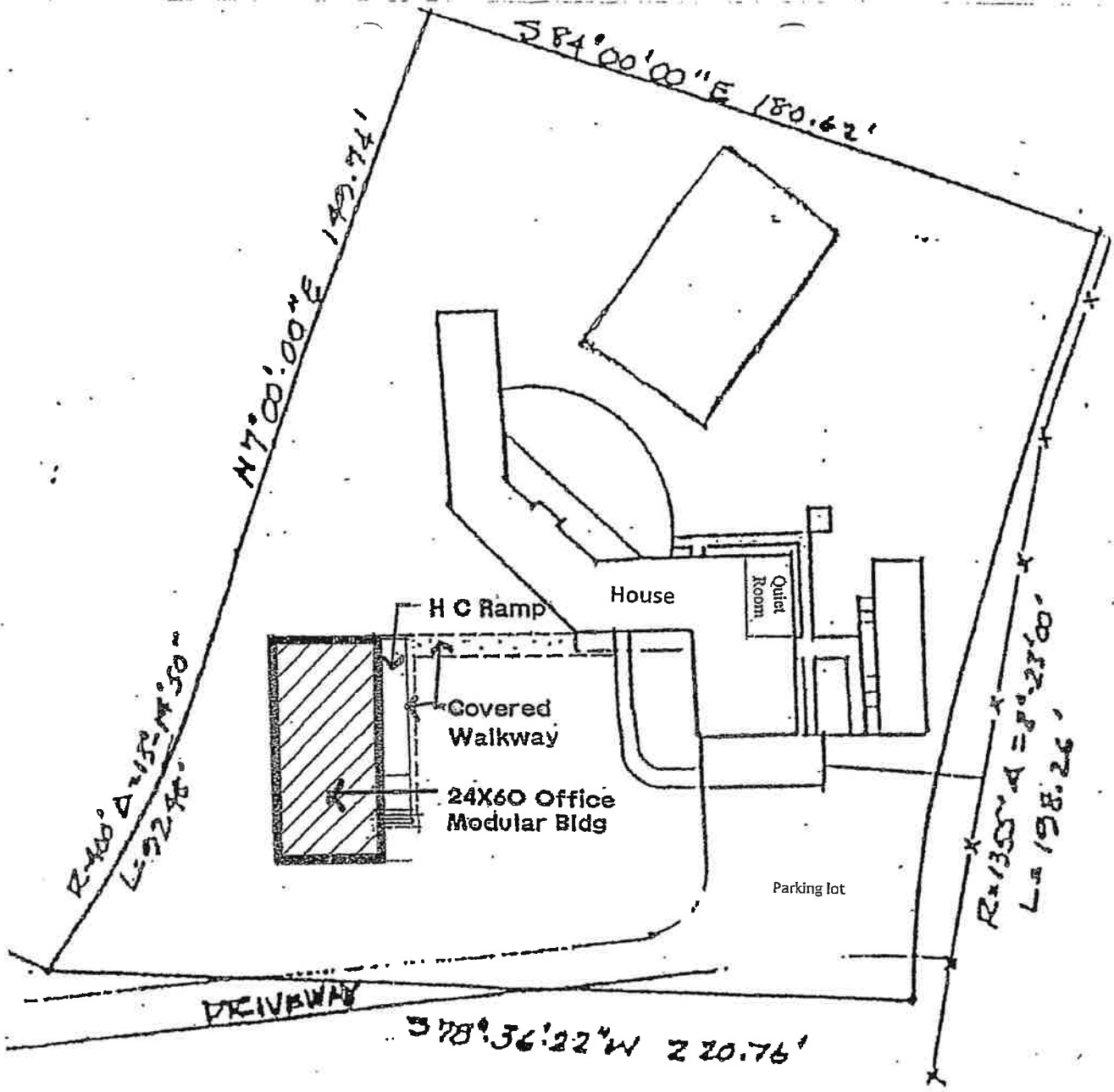
By: _____
Jessica L. Dillingham
Principal Real Property Agent

By: _____
Margaret Eychner
Senior Real Property Agent

APPROVED AS TO FORM

MARY ANN McNETT MASON, COUNTY COUNSEL

By: _____
Kathleen M. Andrus
Deputy County Counsel



SITE PLAN

CONTRA COSTA COUNTY
 GENERAL SERVICES DEPARTMENT
 ARCHITECTURAL DIVISION
 220 MORELLO AVENUE, SUITE 100
 MARTINEZ, CALIFORNIA 94553-4711
 (925) 313-7200
 FAX (925) 313-7299

Modular Office Bldg
 at Rose Manning Cir
 2025 Sherman Drive
 Pleasant Hill, CALIFORNIA
SITE PLAN

FILE NO: 270-01007
 AUTH NO: WW0187

EXHIBIT A - PREMISES
 YOUTH HOMES LEASE
 2025 SHERMAN DRIVE, PLEASANT HILL