

## LEASE

Heath Services Department –  
Women, Infants, & Children Program  
2731 Systron Drive, Suite 200  
Concord, California

This lease is dated August 9, 2022 (“**Effective Date**”), and is between SYSTRON BUSINESS CENTER, LLC, a California limited liability company (“**Lessor**”) and the COUNTY OF CONTRA COSTA, a political subdivision of the State of California (“**County**”).

### **Recitals**

- A. Lessor is the owner of real property located in Concord, California that has been improved with three adjoining buildings located at 2727 Systron Drive, 2729 Systron Drive, and 2731 Systron Drive (together, the buildings are the “**Complex**”). The Complex is comprised of approximately 94,322 square feet of space.
- B. This lease is one of two leases Lessor and the County are entering into simultaneously. Under each of the two leases, Lessor is leasing to the County a portion of the building located at 2731 Systron (the “**Building**”). The Building consists of approximately 31,999 square feet of space, which is 33.93% of the total square footage of the Complex.
- C. Under this lease, the County is leasing a portion of the Building that is comprised of approximately 8,741 square feet of space (“**Suite 200**,” or the “**Premises**”). Suite 200 comprises 9.27% of the total square footage of the Complex. Under a separate lease, the County is leasing a portion of the Building that is comprised of approximately 23,258 square feet of space (“**Suite 250**”). Suite 250 comprises 24.66% of the total square footage of the Complex. Attached as Exhibit A is a floorplan of the Building that shows Suite 200, Suite 250 and the common area shared by Suite 200 and Suite 250. As shown in Exhibit A, this lease and the lease of Suite 250 comprise all the square footage of the Building.
- D. In addition to obtaining the exclusive use of the Premises, this lease grants the County non-exclusive use of 39 parking spaces in the parking lot adjacent to the Complex.
- E. Simultaneous with the execution of this lease, Lessor and the County are entering into a work letter that sets forth how tenant improvements in the Premises and the common area shared with Suite 250 are to be constructed, who will undertake construction of the improvements, who will pay for the construction of the improvements, and the time schedule for completing construction of the improvements (the “**Work Letter**”). The Work Letter is part of this lease.

The parties therefore agree as follows:

## Agreement

1. Lease of Premises. In consideration of the rents and subject to (i) the terms of this lease, and (ii) Lessor and County simultaneously entering into a lease for Suite 250, Lessor hereby leases to County and County hereby leases from Lessor, the Premises.
  
2. Term. The “**Term**” of this lease is comprised of an Initial Term and, at County’s election, a Renewal Term, each as defined below.
  - a. Initial Term. The “**Initial Term**” is ten (10) years, commencing on the Commencement Date, as defined in the Work Letter.
  
  - b. Renewal Term. County has one option to renew this lease for a term of five (5) years (the “**Renewal Term**”) upon all the terms and conditions set forth in this lease.
    - i. County will provide Lessor with written notice of its election to renew the lease at least twelve months prior to the commencement of the Renewal Term. However, if County fails to provide such notice, its right to renew the lease will not expire until fifteen working days after the County’s receipt of Lessor’s written demand that the County exercise or forfeit the option to renew.
  
    - ii. Upon the commencement of the Renewal Term, all references to the Term of this lease will be deemed to mean the Term as extended pursuant to this Section.
  
3. Rent. County shall pay rent to Lessor monthly in advance beginning on the Commencement Date. Rent is payable on the first day of each month during the Initial Term and, if applicable, the Renewal Term in the amounts set forth below:
  - a. Initial Term.

<u>Months</u>	<u>Monthly Rent</u>
1-12	\$20,978.40
13-24	\$21,607.75
25-36	\$22,255.98
37-48	\$22,923.66
49-60	\$23,611.37
61-72	\$24,319.72
73-84	\$25,049.31
85-96	\$25,800.79
97-108	\$26,574.81
109-120	\$27,372.05

- b. Renewal Term. Rent during the Renewal Term will be at the then-fair market rental value of the Premises. The fair market rental value of the Premises will be established by the mutual agreement of the parties. The parties shall use good faith efforts to establish the fair market value of the rent for the Renewal Term not less than twenty months prior to the commencement of the Renewal Period. If the parties fail to agree on the fair market rental value of the Premises by the date that is eighteen months prior to the commencement of the Renewal Period, the parties will engage a real estate appraiser with knowledge of the commercial real estate market in the area to determine the fair market value of the Premises. The parties shall each bear one-half the cost of the appraiser.
- c. Rent for any fractional month will be prorated and computed on a daily basis with each day's rent equal to one-thirtieth (1/30) of the monthly Rent.
4. Modified Full-Service Lease. With the exception of the costs borne by the County pursuant to Section 5 below (Additional Rent), this is a full-service lease. Lessor shall pay all of the Building's operating costs, including without limitation, the cost of Utilities, Operating Expenses, Real Property Taxes, and Insurance, all as defined below.
5. Additional Rent. In addition to the Rent set forth above, in each year following the Base Year (defined below), County shall pay Lessor the amounts set forth below (collectively, "**Additional Rent**"). Lessor shall invoice County for any Additional Rent due within ninety days after the end of each calendar year during the Term, beginning in the year that immediately follows the Base Year. 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 Additional Rent. County shall cause any such inspection to occur within ninety days of receipt of the annual invoice. In the absence of a manifest error in the invoice, County may not withhold payment of the invoice until after the completion of such inspection.
- a. Proportionate Share. For purposes of this lease, "**Proportionate Share**" means the ratio, expressed as a percentage of the square footage of the Premises to the total square footage of the Complex. The parties estimate County's Proportionate Share of the Complex to be 9.27%.
- b. Operating Expenses. County's Proportionate Share of the Excess Amount of Operating Expenses, as defined below.

"**Excess Amount of Operating Expenses**" means the amount by which Operating Expenses actually paid by Lessor in any calendar year (or portion thereof) exceeds the amount Lessor actually paid for Operating Expenses in calendar year 2023 (the "**Base Year**"); provided, however, in no event will the Excess Amount of Operating Expenses exceed 4% in any year.

**“Operating Expenses”** means the cost of (i) janitorial services and cleaning supplies provided to the Building, (ii) the operation and upkeep of all building systems serving the Building, including lighting, plumbing, HVAC, fire/life safety, electrical systems, ceiling, flooring and other surfaces, and (iii) pest and rodent control.

Notwithstanding any provision of this lease to the contrary, Lessor and County acknowledge and agree that the following items are excluded from Operating Expenses to be reimbursed or paid by County:

- i. Payments on any loans or ground leases affecting the Complex.
  - ii. Depreciation of any building in the Complex or any major system of any service equipment of any building in the Complex.
  - 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.
- c. Utility Expenses. County’s Proportionate Share of the Excess Amount of Utility Expense.

**“Excess Amount of Utility Expenses”** means the amount by which Utility Expense, as defined below, actually paid by Lessor in any calendar year (or portion thereof) exceeds the amount Lessor actually paid for Utility Expenses in the Base Year.

**“Utility Expenses”** means the cost of gas and electric service, water, sewer and refuse collection services provided to the Building.

- d. Real Property Taxes. County’s Proportionate Share of the Excess Amount of Real Property Tax Expense, as defined below.

**“Excess Amount of Real Property Tax Expense”** means the amount by which Real Property Taxes, as defined below, actually paid by Lessor in any calendar year (or portion thereof) exceeds the amount Lessor actually paid for Real Property Taxes in the Base Year.

**“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 government 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 or transfer taxes.

- e. Insurance. County's Proportionate Share of the Excess Amount of Insurance Expense, as defined below.

**"Excess Amount of Insurance Expense"** means the amount by which Insurance, as defined below, actually paid by Lessor in any calendar year (or portion thereof) exceeds the amount Lessor actually paid for the Insurance in the Base Year.

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

- 6. Use. County may use the Premises for the purpose of conducting various functions of County and any other purpose permitted by law. County is responsible for obtaining any use permits needed to operate County's business within the Premises.

- 7. Maintenance and Repairs.

- a. Roof and Exterior of Premises. Lessor shall keep the roof and exterior of the Premises in good order, condition, and repair, and shall maintain the structural integrity of the Building, including the exterior doors and their fixtures, closers and hinges, exterior windows, glass and glazing in the Premises.
- b. Fire Extinguishers; Smoke Detectors; Strobe Alarms. Lessor shall provide fire extinguishers, smoke detectors, and strobe alarms in the Premises as required by current laws, regulations, and the Fire Marshall. Lessor shall maintain, repair, and replace the fire extinguishers, smoke detectors, and strobe alarms as needed.
- c. Interior of Premises. County, at County's sole cost, shall keep and maintain the interior of the Premises in good order, condition, and repair, but Lessor shall repair damage to the interior caused by its failure to maintain the exterior in good repair, including damage to the interior caused by roof leaks and/or interior and exterior wall leaks. County shall maintain all locks and key systems used in the Premises. The County may install and maintain an alarm system, if deemed necessary by County.

- d. Utility Systems. Lessor shall repair and maintain the electrical, lighting, water and plumbing systems in good order, condition, and repair.
  - e. HVAC. Lessor shall maintain and repair the heating, ventilating, and air-conditioning (HVAC) systems. Normal operating hours are Monday through Friday between the hours of 7:00 a.m. and 6:00 p.m., excluding generally recognized holidays. If County requires the use of the HVAC systems outside the normal operating hours, County is responsible for the actual utility costs of the HVAC incurred by such use plus a 10% administrative fee. County is responsible for the repair and/or replacement of the existing supplemental HVAC system in the Technology/Server Room.
  - f. Parking; Exterior Lighting; Landscaping. Lessor shall maintain the parking lot, exterior lighting system, and landscaping in good order, condition, and repair.
  - g. Services by Lessor. If County determines that the Premises are in need of maintenance, construction, remodeling, or similar work that is beyond Lessor's responsibilities under this lease, at County's request, either Lessor shall perform the work at County's expense or shall allow for County to have the work done at County's expense. In performing the work, 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 scope of work, terminate any or all work, or require that work be performed by a different contractor, subject to Lessor's reasonable approval. All work is subject to Lessor's approval and must comply with existing code requirements.
8. Quiet Enjoyment. Provided County is in compliance with the material terms of this lease, Lessor shall warrant and defend County in the quiet enjoyment and possession of the Premises during the Term.
9. 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 the lien to execute and deliver to County a Subordination, Non-Disturbance and Attornment Agreement that is in substantial conformity with Exhibit B.
10. Assignment and Sublease. County may assign this lease or sublease the Premises or any part thereof with the written approval from Lessor, which will not be unreasonably withheld or delayed.
11. Alterations; Fixtures and Signs. County may (i) make any lawful and proper minor alterations to the Building, (ii) attach fixtures and signs ("**County Fixtures**") in or upon the Building which do not affect the Building systems, and (iii) install electric vehicle charging stations ("**Charging Stations**"). Any County Fixtures, exterior signs or fixtures,

and the location of the Charging Stations, are subject to Lessor's prior approval, which approval may not be unreasonably withheld. 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, County Fixtures and for the cost of Charging Stations that are not required to be installed as part of the Tenant Improvements. All alterations and County Fixtures must comply with then-current code requirements and are to be removed by County at the expiration of the Term and any damage repaired.

12. Prior Possession. Commencing on the Effective Date, County has the right to install fixtures, telephones, alarm systems, and other items required to prepare the Premises 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.
13. Insurance.
  - a. Liability Insurance. Throughout the Term, County shall maintain in full force and effect, at its sole expense, a general self-insurance program covering bodily injury (including death), personal injury, and property damage, including loss of use. County shall provide Lessor with a letter of self-insurance affirming the existence of the self-insurance program, and naming Systron Business Center, LLC as additional insured.
  - b. Self-Insurance Exclusion. County's self-insurance does not provide coverage for (i) areas to be maintained by Lessor under this lease, or (ii) negligence, willful misconduct, or other intentional act, error or omission of Lessor, its officers, agents, or employees.
14. Surrender of Premises. On the last day of the Term, or sooner termination of this lease, County shall peaceably and quietly leave and surrender to Lessor the Premises in broom clean condition, along with appurtenances and fixtures at the Premises (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 Premises upon the expiration or earlier termination of this lease. Lessor may require County to remove data cabling from the Premises.
15. Waste, Nuisance. County may not commit, or suffer to be committed, any waste upon the Premises, or any nuisance or other act or thing that may disturb the quiet enjoyment of any other occupant of the Building.
16. Inspection. Lessor, or its proper representative or contractor, may enter the Premises by prior appointment between the hours of 9:00 a.m. and 4:30 p.m., Monday through Friday, holidays excepted, to determine that (i) the Premises is being reasonably cared for, (ii) no waste is being made and that all actions affecting the Premises are done in the manner

best calculated to preserve the Premises, and (iii) County is in compliance with the terms and conditions of this lease.

17. Perilous Conditions. If the County's Director of Public Works becomes aware of a perilous condition on the Premises that, in his or her opinion, substantially and significantly threatens the health and safety of County employees and/or invitees (a "**Perilous Condition**"), the Director of Public Works, or his or her designee, will immediately notify Lessor of such Perilous Condition and Lessor shall use best efforts to immediately eliminate the Perilous Condition.

Lessor shall immediately address any condition reasonably constituting an emergency, whether Lessor learns of the condition through County or otherwise.

If Lessor fails to address a Perilous Condition within twenty-four (24) hours after County's notice or to immediately address an emergency, County may attempt to resolve the Perilous Condition or emergency. Lessor shall reimburse County for any costs incurred by County in addressing the Perilous Condition or emergency promptly upon receipt of County's invoice.

18. Destruction. If damage occurs that causes a partial destruction of the Premises 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 government 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 the repairs are being made. The proportionate reduction in Rent will be calculated by multiplying Rent by a fraction, the numerator of which is the number of square feet that are unusable by County and the denominator of which is the total number of square feet in the Premises.

If repairs cannot be made in 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 the total destruction of the Premises.

19. Hazardous Material. Lessor warrants to County that Lessor does not have any knowledge of the presence of Hazardous Material (as defined below) or contamination of the Building or Premises in violation of environmental laws. Lessor shall defend, save, protect and hold County harmless from any loss arising out of the presence of any Hazardous Material on the Premises that was not brought to the Premises by or at the request of County, its agents, contractors, invitees or employees. Lessor acknowledges and agrees that County has no obligation to clean up or remediate or contribute to the cost of cleanup or remediation, of any Hazardous Material unless such Hazardous Material is released, discharged or spilled on or about the Premises by County or any of its agents, employees, contractors, invitees or other representatives. The obligations of this Section shall survive the expiration or earlier termination of this lease.



**“Hazardous Material”** means any substance, material or waste, including lead-based paint, asbestos and petroleum (including crude oil or any fraction thereof), that is or becomes designated as a hazardous substance, hazardous waste, hazardous material, toxic substance, or toxic material under any federal, state or local law, regulation, or ordinance.

20. Indemnification.

- a. County. County shall defend, indemnify and hold Lessor harmless from County’s share of any and all claims, costs and liability for any damage, injury or death of or to any person or the property of any person, including attorneys’ fees, caused by the willful misconduct or the negligent acts, errors, or omissions of County, its officers, agents or employees in using the Premises pursuant to this lease, or the County’s performance under this lease, except to the extent caused or contributed to by (i) the structural, mechanical, or other failure of buildings owned or maintained by Lessor, and/or (ii) the negligent acts, errors, or omissions of Lessor, its officers, agents, or employees.
- b. Lessor. Lessor shall defend, indemnify and hold County harmless from Lessor’s share of any and all claims, costs and liability for any damage, injury or death of or to any person or the property of any person, including attorneys’ fees, caused by the willful misconduct or the negligent acts, errors or omissions of Lessor, its officers, agents, employees, with respect to the Premises, or Lessor’s performance under this lease, or the Lessor’s performance, delivery or supervision of services at the Premises, or by the structural, mechanical or other failure of buildings owned or maintained by Lessor, except to the extent caused or contributed to by the negligent acts, errors, or omissions of County, its officers, agents, or employees.

21. 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 the 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 the default cannot reasonably be remedied within the 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 the default within thirty days and thereafter diligently proceeds to cure the default.

- b. Lessor.
    - i. Lessor's failure to complete the Tenant Improvements in accordance with the Improvement Agreement.
    - ii. Lessor's failure to perform any other obligation under this lease if the 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 the breach cannot reasonably be remedied within the 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 the breach within thirty days and thereafter diligently proceeds to cure the breach.
22. Remedies.
- a. Lessor. Upon the occurrence of a default by County, Lessor may, after giving County written notice of the default, and in accordance with due process of law, reenter and repossess the Premises and remove all persons and property from the Premises.
  - b. County. If Lessor fails to complete the Tenant Improvements in accordance with the Improvement Agreement, County may terminate this lease by giving written notice to Lessor with no cost or obligation to County. Such termination is effective on the effective date of the written notice. Upon the occurrence of any other default by Lessor, County may (i) terminate this lease by giving written notice to Lessor and quit the Premises without further cost or obligation to County or (ii) proceed to repair or correct the failure and, at County's option, either deduct the cost thereof from Rent due to Lessor, or invoice Lessor for the cost of repair, which invoice Lessor shall pay in full promptly upon receipt.
23. Notices. Any notice required or permitted under this lease must be in writing and sent by overnight delivery service or registered or certified mail, postage prepaid and directed as follows:

To Lessor: SYSTRON BUSINESS CENTER, LLC  
c/o Hanford Freund & Company  
47 Kearny Street, Suite 300  
San Francisco, CA 94108

To County: Contra Costa County  
Public Works Department  
Attn: Principal Real Property Agent  
255 Glacier Drive  
Martinez, CA 94553

Either party may at any time designate in writing a substitute address for the address 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.

24. Successors and Assigns. This lease binds and inures to the benefit of the heirs, successors, and assigns of the parties hereto.
25. Holding Over. Any holding over after the Term of this lease is a tenancy from month to month, terminable upon thirty (30) days' notice given at any time and is subject to the terms of this lease. During such holding over, County shall pay monthly rent equal to one hundred twenty-five percent (125%) of the rent that had been in effect at the time the lease expired. Holding over does not constitute an extension of the lease.
26. Time is of the Essence. In fulfilling all terms and conditions of this lease, time is of the essence.
27. Governing Law. The laws of the State of California govern all matters arising out of this lease.
28. Severability. In the event that any provision of this lease 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.
29. Real Estate Commission. In negotiating this lease, Lessor is represented by Newmark Knight Frank, and the County represents itself. Lessor shall pay a real estate commission to Newmark Knight Frank 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 Newmark Knight Frank.

Lessor shall pay to the County a real estate commission of 2.5% of the amount of the first five (5) years of the Initial Term (\$33,413.15), and 1.25% of the amount of the second

five (5) years of the Initial Term (\$19,367.50), for a total commission amount of \$52,780.65 (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.

Lessor warrants that no other broker or finder, other than Newmark Knight Frank and the County, can properly claim a right to a leasing commission or a finder's fee based upon contacts with the County with respect to the Building. Lessor and County shall indemnify, defend, protect, and hold each other harmless from and against any loss, cost, or expense, including, but not limited to, attorneys' fees and costs, or the payment of a real estate commission to any party, other than Newmark Knight Frank and County, resulting from any claim for a fee or commission by any broker or finder, in connection with the Building and this lease.

[Remainder of Page Intentionally Left Blank]

30. Entire Agreement; Construction; Modification. Neither party has relied on any promise or representation not contained in this lease or the Work Letter. 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

SYSTRON BUSINESS CENTER, LLC, a  
California limited liability company

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

By: \_\_\_\_\_  
Jeff Wilcox  
Managing Director

RECOMMENDED FOR APPROVAL:

By: \_\_\_\_\_  
Jessica L. Dillingham  
Principal Real Property Agent

By: \_\_\_\_\_  
Margaret J. Eychner  
Senior Real Property Agent

APPROVED AS TO FORM

Mary Ann McNett Mason, County Counsel

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

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- Final.docx

**Exhibit A**

[Floorplan]

**Exhibit B**

Recorded at the request of:  
Contra Costa County

Return to:  
Contra Costa County  
Public Works Department  
255 Glacier Drive  
Martinez, CA 94553

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Assessor's Parcel No. 126-192-014-2

**Subordination, Non-Disturbance, and Attornment Agreement**

This agreement is dated \_\_\_\_\_, 20\_\_\_\_, and is between the County of Contra Costa, a political subdivision of the State of California (the “**Tenant**”), \_\_\_\_\_, a \_\_\_\_\_, its successors and assigns (the “**Lender**”), having its principal place of business at \_\_\_\_\_.

**Recitals**

- A. Pursuant to a lease dated \_\_\_\_\_, 2022 (the “**Lease**”) between the Tenant and SYSTRON BUSINESS CENTER, LLC, a California limited liability company (the “**Landlord**”), Landlord is leasing to the Tenant certain space in the building located at 2731 Systron Drive, Concord, more fully described in Exhibit A attached hereto and made a part hereof (the “**Property**”).
- B. Lender has previously made a loan (the “**Loan**”) to Landlord that is secured, in part, by the lien of a mortgage or deed of trust executed and delivered by Landlord to Lender encumbering the Property (the “**Mortgage**”) and an assignment of all leases of and rents from the Property
- C. This agreement is being executed by the parties in accordance with the requirements of Section 9 of the Lease.

NOW, THEREFORE, in consideration of the covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

- 1. Tenant hereby represents, acknowledges, and agrees as follows:
  - a. The term of the Lease commences on \_\_\_\_\_ and will terminate on \_\_\_\_\_.

- b. The current monthly rent payment under the Lease is set forth in Section 3 of the Lease. No advance rents have been prepaid.
- c. The improvements described in the Lease have not been completed or accepted by Tenant.
- d. Tenant has not sublet any portion of the leased premises or assigned any of its rights under the Lease.
- e. Upon its execution, the Lease will be in full force and effect.
- f. All rent payments will be paid as provided under the Lease until Tenant has been otherwise notified by Lender or its successors and assigns.
- g. If Lender provides Tenant with Lender's address for notification purposes, Tenant will deliver to Lender a copy of all notices Tenant delivers to or receives from Landlord.
- h. Tenant will not look to Lender or its successors or assigns for the return of the security deposit, if any, under the Lease, except to the extent that such funds are delivered to Lender.

2. If Lender elects to foreclose the Mortgage, Lender will not join Tenant in summary or foreclosure proceedings unless required by applicable law (and then only to the extent so required) as long as Tenant has not amended the Lease without Lender's prior written consent and is not in default under the Lease.

3. In the event that Lender succeeds to the interest of Landlord under the Lease and there exists no default by Tenant under the Lease and Tenant has not amended the Lease without Lender's prior written consent, Lender agrees not to disturb or otherwise interfere with Tenant's possession of the leased premises for the unexpired term of the Lease, provided that Lender is not:

- a. Liable for any act or omission of Landlord or any prior landlord under the Lease;
- b. Subject to any offsets or defenses that Tenant might have against Landlord or any prior landlord;
- c. Bound by any rent or additional rent that Tenant might have paid for more than the current month to Landlord;
- d. Bound by any amendment or modification of the Lease made without Lender's prior written consent; or
- e. Liable for any security deposit Tenant might have paid to Landlord, except to the extent Lender has actually received said security deposit.



4. Upon Lender's succeeding to Landlord's interest under the Lease, Tenant covenants and agrees to attorn to Lender or a purchaser at a foreclosure or trustee's sale, to recognize such successor landlord as Tenant's landlord under the Lease, and to be bound by and perform all the obligations and conditions imposed on Tenant by the Lease. If requested by Lender or any subsequent owner, Tenant shall execute a new lease with Lender, for a term equal to the remaining term of the Lease and otherwise containing the same provisions and covenants of the Lease.

5. Prior to terminating the Lease due to a default by Landlord thereunder, Tenant agrees to notify Lender of such default and give Lender the opportunity to cure such default within thirty (30) days of Lender's receipt of such notice (or, if such default cannot reasonably be cured within such thirty (30) day period, Lender will have such longer time as may be necessary to cure the default provided that Lender commences the cure within such period and diligently pursues the cure thereafter).

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

To Lender: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

To County: Contra Costa County  
Public Works Department  
Attn: Principal Real Property Agent  
255 Glacier Drive  
Martinez, CA 94553

7. This agreement binds and inures to the benefit of the respective heirs, personal representatives, successors and assigns of the parties hereto.

[Remainder of Page Intentionally Left Blank]

8. This agreement may be modified only in a writing duly executed by both parties.

The parties are signing this agreement as of the date set forth in the introductory clause.

**COUNTY:**

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

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

**LENDER:**

Name of Lender., a  
\_\_\_\_\_

By \_\_\_\_\_  
Name  
Title

By \_\_\_\_\_  
Name  
Title

**[Attach Notary Forms]**

Exhibit A to  
Subordination, Non-Disturbance, and Attornment Agreement  
[Legal Description of Property]

**LEGAL DESCRIPTION EXHIBIT**

**CITY OF CONCORD**

PORTION OF LOT 20, AS SHOWN ON THE MAP OF SUBDIVISION OF LANDS IN THE ESTATE OF FRANCISCO GALINDO, FILED DECEMBER 24, 1901 IN BOOK B OF MAPS, PAGE 35, CONTRA COSTA COUNTY RECORDS, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE EASTERLY LINE OF GALINDO STREET (SAN MIGUEL ROAD), AT THE MOST WESTERLY CORNER OF THE PARCEL OF LAND DESCRIBED IN THE DEED FROM ANDREW PRICCO TO W.K. ROSENBERRY, DATED NOVEMBER 6, 1956 AND RECORDED NOVEMBER 15, 1956 IN BOOK 2881 OF OFFICIAL RECORDS AT PAGE 591, SAID POINT BEING ON THE WESTERLY LINE OF SAID LOT 20; THENCE FROM SAID POINT OF BEGINNING NORTH 13° 30' WEST, ALONG SAID WESTERLY LINE OF SAID LOT 20, 412.24 FEET TO THE SOUTHERN LINE OF THE PARCEL OF LAND SHOWN ON THE MAP ENTITLED "GALINDO GLEN TRACT 2614, CITY OF CONCORD, CONTRA COSTA COUNTY, CALIFORNIA", FILED JULY 2, 1958 IN BOOK 70 OF MAPS, PAGE 6, CONTRA COSTA COUNTY RECORDS; THENCE ALONG THE SOUTHERN AND EASTERN LINES OF SAID "GALINDO GLEN", NORTH 76° 30' EAST, 92.79 FEET, NORTHEASTERLY ALONG THE ARC OF A CURVE TO THE LEFT WITH A RADIUS OF 175 FEET, TANGENT TO THE LAST NAMED COURSE, 145.75 FEET, AND NORTH 28° 46' 45" EAST, 287.27 FEET TO THE NORTHERLY LINE OF SAID LOT 20; THENCE ALONG SAID NORTHERLY LINE OF LOT 20, NORTH 76° 15' EAST, 342.85 FEET; THENCE SOUTH 14° 18' 28" EAST, 394.14 FEET; THENCE SOUTH 16° 59' 46" WEST, 133.15 FEET; THENCE SOUTH 25° 35' 24" EAST, 25.00 FEET TO THE NORTHWESTERN LINE OF SAID ROSENBERRY PARCEL (2881 OR 591); THENCE SOUTH 64° 24' 36" WEST, ALONG SAID NORTHWESTERN LINE OF SAID ROSENBERRY PARCEL (2881 OR 591), 717.51 FEET TO THE POINT OF BEGINNING.

APN 126-192-014