

## LEASE

25 Allen Street  
Martinez, California

This lease is dated July 1, 2023, and is between the County of Contra Costa, a political subdivision of the State of California (“**County**”) and Pacific Clinics, a California non-profit corporation (“**Lessee**”).

### **Recitals**

- A. The County owns the property located at 25 Allen Street, California, which is improved with a building measuring approximately 9,990 square feet (the “**Building**”). The Building is used by the County to provide various behavioral health services to the community.
- B. The County desires to lease to Lessee and Lessee desires to lease from County a portion of the Building consisting of approximately 2,098 square feet of floor space, in that part of the Building shown on the floorplan attached as Exhibit A (the “**Premises**”), along with the non-exclusive use of three parking stalls, for the duration of the Service Contract, as defined below. The Premises is used for the operation of what is known as the “Crisis Stabilization Unit” (the “**CSU**”), which receives children and youth ages 4-17 who are experiencing severe psychiatric symptoms.
- C. The “**Service Contract**” is a separate agreement between the County and Lessee dated July 1, 2023, under which Lessee will begin operating the CSU on the date in-progress tenant improvements are complete (the “**Commencement Date**”). The term of the Service Contract is through June 30, 2024.

The parties therefore agree as follows:

### **Agreement**

1. Lease of Premises. In consideration of compliance with the terms and conditions of this lease, the County hereby leases to Lessee and Lessee hereby leases from the County, the Premises, under the terms and conditions described in this lease.
2. Term. The “**Term**” of this lease begins on the Commencement Date and ends on June 30, 2024.
  - a. The Commencement Date will be set forth in a notice from the County to Lessee that is in substantial conformity with Exhibit B.

- b. If the Service Contract is renewed or extended, at the option of the County, the term of this lease may be extended by written amendment to this lease. In no event may the term of this lease be extended beyond the expiration or termination of the Service Contract. If the lease is extended in accordance with the terms of this lease, all references to the Term of this lease will be deemed to mean the Term as extended pursuant to this Section.
        - c. 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.
- 3. Rent. In lieu of rent, Lessee will provide the services described in the Service Contract.
- 4. Use. The Premises may only be used for the purpose of providing the services described in the Service Contract.
- 5. Obligation to Pay Utilities/Services.
  - a. County shall pay for all utilities including water, sewer, gas, and electricity, and refuse collection services provided to the Premises.
  - b. Lessee shall pay for any services necessary to provide the services described in the Service Contract, including but not limited to telephone, custodial/janitorial services, hazardous materials disposal, and linen services provided to the Premises.
- 6. Condition of 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 Premises.
- 7. Maintenance and Repairs.
  - a. Roof and Exterior of Premises. County 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, and all locks and key systems used in the Premises.
  - b. Interior of Premises. Lessee shall keep and maintain the interior of the Premises in good order, condition and repair, but County 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. Lessee may install and maintain an alarm system, if deemed necessary by Lessee.
  - c. Utility Systems. County shall repair and maintain the electrical, lighting, water and plumbing systems in good order, condition, and repair.
  - d. HVAC. County shall maintain and repair the heating, ventilating, and air-conditioning (HVAC) systems.

- e. Parking; Exterior Lighting; Landscaping. County shall maintain the parking lot, exterior lighting system, and landscaping in good order, condition, and repair.
  - f. Life Safety. County shall maintain, in compliance with government codes and standards, the fire life safety system. When needed, County shall repair and/or replace such systems.
  - g. Covenant against Liens. Lessee may not permit any mechanic's, materialman's, or other lien against the Premises, or the property of which the Premises forms a part, in connection with any labor, materials, or services furnished or claimed to have been furnished. If any such lien is filed against the Premises, or property of which the Premises forms a part, Lessee will cause the same to be discharged, provided however, Lessee may contest any such lien, so long as the enforcement thereof is stayed.
8. Taxes. Lessee agrees to 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 County, to contest the amount in good faith.

Payment of taxes, assessments, license fees, or other charges levied and assessed upon Lessee's interest is the liability of Lessee.

9. Quiet Enjoyment. Provided Lessee complies with the terms of this lease, the County covenants that Lessee will peaceably and quietly have, hold, and enjoy the Premises during the Term.
10. Assignment and Sublease. Lessee may not assign this lease or sublease the Premises or any part thereof at any time during the Term.
11. 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.

12. 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 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. 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 22 – 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.
13. 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 in 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 days after the expiration, cancellation, or termination of this lease, such personal property may be removed by the County at Lessee's expense, which will be paid 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.
14. 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 Lessee that remains on the Premises to be abandoned.
15. 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 Building or the neighborhood in which the Premises is located.
16. Inspection. The County may enter the Premises at any time in an emergency and with 24-hours' 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) Lessee is in compliance with the terms and conditions of this lease.
17. 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.

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.

18. Indemnification. Lessee shall indemnify, defend and hold 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.

19. Default.

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

a. Lessee. Lessee's failure to comply with any 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 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 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. 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 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.

20. Remedies.

a. County. Upon the occurrence of a default by Lessee, the County may reenter and repossess the Premises and remove all persons and property from the Premises, after giving Lessee written Notice of Default and in accordance with due process of law.

b. 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.

21. 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: Pacific Clinics  
251 Llewellyn Avenue  
Campbell, CA 95008-1940

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 that set forth above and thereafter notices are to be directed to the 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.

22. Successors and Assigns. This lease binds and inures to the benefit of the heirs, successors, and assigns of the County and Lessee.
23. 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.
24. Time is of the Essence. In fulfilling all the terms and conditions of this lease, time is of the essence.
25. Governing Law. The laws of the State of California govern all matters arising out of this lease.
26. Severability. In the event that any provision in 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.

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27. Entire Agreement; Construction; Modification. Neither party has relied on any promise or representation not contained in this lease or the Service Contract. 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 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

Pacific Clinics, a California non-profit  
corporation

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


By:   
\_\_\_\_\_  
Kim M. Wells  
Chief Legal Officer

RECOMMENDED FOR APPROVAL:

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

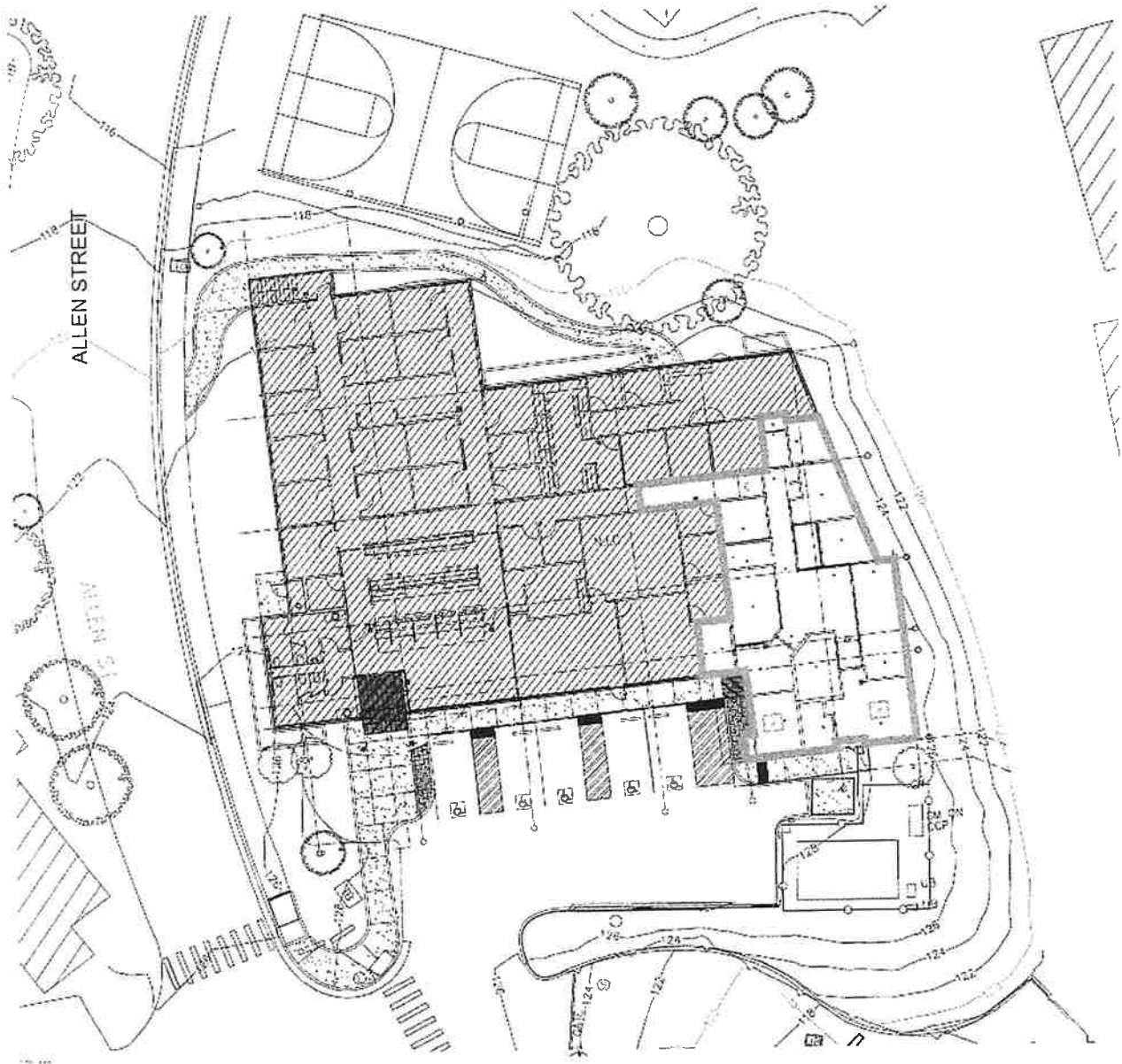
By:   
\_\_\_\_\_  
Margaret Eychner  
Senior Real Property Agent

APPROVED AS TO FORM  
THOMAS L. GEIGER, COUNTY COUNSEL

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



**Exhibit A**



## Exhibit B

### FORM OF DELIVERY NOTICE

To: Pacific Clinics (“Lessee”)

From: Contra Costa County (“County”)

Date:

Re: Commencement Date of Lease between County and Lessee dated as of May 16, 2023 for the Premises Located at 25 Allan Street, Martinez, California (the “Lease”)

In accordance with Section 2 of the Lease, this notice is provided to inform you that the tenant improvements to the Premises are complete and that the Commencement Date of the Lease is \_\_\_\_\_, 2023.

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

Contra Costa County

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Julin Perez  
Supervising Real Property Agent