

THIRD AMENDMENT TO LEASE

Health Services Department – Brentwood Health Clinic
171 Sand Creek Road
Brentwood, California

This third amendment is dated February 4, 2025, and is between SAND CREEK BUSINESS ASSOCIATES I, LLC, a Delaware limited liability company (the “**Landlord**”) and the COUNTY OF CONTRA COSTA, a political subdivision of the State of California (the “**Tenant**”).

Recitals

A. Landlord and Tenant are parties to a lease dated October 5, 2004, as amended, under which Tenant is leasing from Landlord approximately 14,098 square feet in the Sand Creek Business Center located at 171 Sand Creek Road, Building 4, Units A through G (the “**Lease**”).

B. The parties desire to amend the Lease to (i) extend its term by adding five years to the initial term and by modifying the renewal term, and (ii) clarify that Tenant has no responsibility, either directly or through Additional Rent, for the cost of maintenance or repairs that result from problems with the settlement or movement of the Building (any such settlement or movement, “**Settlement**”).

The parties therefore amend the Lease as follows:

Agreement

1. All defined terms used but not defined in this third amendment have the meaning ascribed to them elsewhere in the Lease.
2. Section 3. Term is deleted in its entirety and replaced with the following:

3. **TERM**

3.1 **Initial Term.** With respect to the Original Premises, the initial term begins January 15, 2005, and with respect to the Expansion Premises, the initial term begins June 16, 2016. The initial term ends August 31, 2030.

3.2 **Renewal Term.** The Tenant has one option to renew this Lease for a five-year period that begins September 1, 2030, and ends August 31, 2035, upon all the terms and conditions set forth in this Lease. Any reference in this Lease to the “term” of the Lease will be deemed to mean the term as extended pursuant to this Section. The Tenant shall give Landlord written notice of its intent to renew the Lease pursuant to this Section on or before November 30, 2029.

3. Section 4. Rent is deleted in its entirety and replaced with the following:

4. **RENT**

4.1 **Base Rent.** The Tenant shall pay rent (“**Base Rent**”) to Landlord monthly in advance beginning on the Commencement Date. Rent is payable on the tenth day of each month during the initial term in the amounts set forth below:

A. <u>Initial Term - Original Premises.</u>	<u>Base Rent</u>
January 15, 2005 through January 31, 2006	\$16,586.00
February 1, 2006 through January 31, 2007	\$17,084.00
February 1, 2007 through January 31, 2008	\$17,596.00
February 1, 2008 through January 31, 2009	\$18,124.00
February 1, 2009 through January 31, 2010	\$18,667.60
February 1, 2010 through January 31, 2011	\$19,414.30
February 1, 2011 through January 31, 2012	\$20,190.87
February 1, 2012 through January 31, 2013	\$20,998.51
February 1, 2013 through August 31, 2013	\$21,838.45
September 1, 2013 through January 31, 2016	\$13,870.00
February 1, 2016 through January 31, 2019	\$14,675.00
February 1, 2019 through January 31, 2022	\$15,580.00
February 1, 2022 through August 31, 2025	\$16,485.00
 <u>Initial Term – Expansion Premises.</u>	
June 16, 2016 through January 31, 2019	\$ 5,583.00
February 1, 2019 through January 31, 2022	\$ 5,907.00
February 1, 2022 through August 31, 2025	\$ 6,271.00
 <u>Initial Term – Premises</u>	
September 1, 2025 through August 31, 2030	\$23,543.00
 B. <u>Renewal Term - Premises.</u>	
September 1, 2030 through August 31, 2035	\$25,376.40

4. Section 6. Maintenance and Repair is deleted in its entirety and replaced with the following:

6. **MAINTENANCE AND REPAIRS**

6.1 **Tenant's Obligations.** Except as otherwise specifically provided herein and except to the extent the need for repairs is caused by Settlement, Tenant shall, at Tenant's sole cost, keep in good and safe condition, order, and repair, and replace when necessary, all components, portions and areas of the Premises, including, (i) all plumbing, automatic fire extinguishing and sewage

systems, including water and drain lines, sinks, toilets, faucets, drains, showers and water fountains to the extent such systems are within the Building and exclusively serve the Premises, (ii) all interior electrical and lighting facilities, and other operating systems, appliances, and equipment exclusively serving the Premises or located within the Premises, (iii) all fixtures, interior walls, interior surfaces of exterior walls, wall coverings, window coverings, carpets, floors, floor coverings, partitioning, ceilings and ceiling tiles located in the Premises, and (iv) all windows (including glazing), doors, entrances, plate glass and skylights located in the Premises. Tenant shall have the benefit of all warranties available to Landlord regarding the equipment or items in the Premises that are Tenant's obligation to maintain. Tenant shall provide and pay for janitorial service to the Premises. All repairs and maintenance required to be made by Tenant hereunder are to be made promptly with new materials of like kind and quality.

Notwithstanding any other provision in this Lease to the contrary, Tenant is not responsible for normal wear and tear in the Premises and is not required to paint or re-carpet the Premises upon termination of the Lease. Subject to the provisions of Section 6.4 - Perilous Conditions below, if the repair work affects the exterior or any structural parts of the Building, or if the estimated cost of any item of repair exceeds Two Thousand Dollars (\$2,000), then Tenant shall first obtain Landlord's written approval of the scope of work, plans for the work, materials to be used and the contractor. Landlord's approval of the proposed work may not be unreasonably withheld or delayed. Tenant shall promptly notify Landlord of the need for any repairs to the HVAC System that serves the Premises so that Landlord can make the needed repairs as required by Section 6.2-Landlord's Obligations and Section 6.4 - Perilous Conditions, as applicable.

Notwithstanding any other provision of this Lease to the contrary, Tenant is not responsible for making any repairs, or for reimbursing Landlord for making repairs, that are necessitated by Settlement.

6.2 Landlord's Obligations.

A. Building. Landlord shall maintain in good condition, order and repair, the foundation, floor slabs, roof, structural components and exterior side of the exterior walls of the Building and its exterior portions, including exterior lighting, landscaping, and windows. With the exception of maintenance and repairs that are necessitated by Settlement, all such maintenance and repair costs and expenses are a part of Operating Expenses, as defined in Paragraph 7.

B. HVAC System. Landlord shall maintain in good condition, order and repair all portions of the heating ventilation and air conditioning system that exclusively serves the Premises (the "**HVAC System**"), including all ducts, pipes, vents, compressors, fans, and thermostats whether located within the Premises or outside the Premises. Tenant shall pay Tenant's Proportionate Share of all costs and expenses incurred by Landlord in maintaining and repairing the HVAC System.

C. Notice. Subject to the provisions of Section 6.4 - Perilous Conditions, Landlord has no obligation to make repairs under subsection A. and B. above until a reasonable time after Landlord's receipt of written notice from Tenant of the need for such repairs.

6.3 **Services by Landlord**. If Tenant determines that the Premises is in need of maintenance, construction, remodeling, janitorial, or similar service that is beyond Landlord's responsibilities under this Lease, at Tenant's written request, Landlord shall perform such service at Tenant's expense. In performing the service, Landlord shall consult with Tenant and use either licensed insured contractors or employees of Landlord. Landlord shall obtain Tenant's prior written approval of the scope, terms, and cost of any contracts. Tenant may, by giving Landlord 30 days prior written notice, change the level of service, terminate any or all service, or require that a service be performed by a different contractor.

6.4 **Perilous Conditions**. If the Tenant'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 Tenant employees and/or invitees (a "**Perilous Condition**"), the Director of Public Works, or his or her designee, will immediately notify Landlord of the Perilous Condition and Landlord shall use best efforts to immediately eliminate the Perilous Condition.

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

If Landlord fails to address a Perilous Condition within 24 hours after Tenant's notice or to immediately address an emergency situation, Tenant may attempt to resolve the Perilous Condition or emergency situation. Landlord shall reimburse Tenant in full for any costs incurred by Tenant in addressing the Perilous Condition or emergency situation that exceed Tenant's obligations under this Lease, promptly upon receipt of Tenant's invoice.

5. Section 7. **Operating Expenses** is deleted in its entirety and replaced with the following:

7. **OPERATING EXPENSES**. Tenant shall pay Tenant's Proportionate Share of all Operating Expenses (as hereinafter defined) as may be paid or incurred by Landlord during the term of this Lease as Additional Rent in accordance with Paragraph 4.3. The term "**Operating Expenses**" means all costs and expenses of every kind and nature paid or incurred by Landlord in protecting, operating, maintaining, managing, repairing and preserving the Property and all parts thereof, excluding any costs incurred as a result of Settlement, and otherwise including:

A. All costs or expenses paid or incurred by Landlord in maintaining, managing (including reasonable management fees not to exceed five percent (5%) of gross receipts, operating (including janitorial services) and

repairing (including replacement obligations and reserves for maintenance, repairs and replacements) the Building as required by Paragraph 6.2 or to the extent Tenant fails to do so as required by Paragraph 6.1.

B. The cost of insurance carried by Landlord in accordance with Paragraphs 12.4 and 12.5 hereof and, if insurance proceeds are applied to repair covered damage, the applicable deductible.

C. The cost of all utilities, including but not limited to trash disposal service, furnished to the Premises if not paid by Tenant directly.

D. The costs and expenses directly attributable to the Property or membership in the Owners' Association and costs incurred in complying with all private restrictions directly affecting the Property or directives or assessments upon the Property by the Owner's Association, including but not limited to all costs and expenses of every kind directly attributable to the Property as assessed or imposed by the Owners' Association for the maintenance, repair and replacement of the landscaping, parking areas and other amenities in the Common Area, including such amounts as may be imposed or assessed for reserves for future replacements and repairs. To the extent such expenses, charges and assessments of the Owner's Association are not prorated by the Owner's Association among the separate properties within the Center, Landlord shall allocate such amounts in its reasonable discretion.

Notwithstanding any provision of this Lease to the contrary, Landlord and Tenant acknowledge and agree that the following items are excluded from Operating Expenses and other Additional Rent to be reimbursed or paid by Tenant:

- i. Any maintenance and/or repairs incurred directly or proximately by Settlement.
- ii. Any costs or expenses relating to any loan, lien, or mortgage that encumbers all or any portion of the Building or the Property, including without limitation, any principal, interest, amortization, fees or other payments relating thereto.
- iii. Depreciation of the Building or any major systems of Building service equipment.
- iv. Depreciation of the cost of acquiring, constructing, remodeling, refurbishing or expanding the Building or the Center or any portion thereof, including without limitation, buildings, improvements, common areas, and parking areas.
- v. All costs and expenses associated with leasing to other tenants, including tenant improvements allowances, attorneys' fees, brokerage commissions, and architectural fees, if any.

- vi. Any cost incurred in complying with hazardous materials laws, unless compliance is required as a result of hazardous materials introduced by Tenant.
- vii. Capital taxes, income taxes, corporate taxes, corporation capital taxes, excise taxes, profits taxes or other taxes personal to the Landlord or the Owners' Association.
- viii. Costs or expenses arising from failure by Landlord or the Owners' Association to timely pay bills or other obligations, including without limitation, any late charges, penalties or interest relating thereto, except to the extent arising from default of Tenant.
- ix. Costs or expenses arising from any bad debt of Landlord or the Owners' Association.
- x. Costs or expenses arising from the breach by Landlord of this Lease or any other lease with any other tenant or occupant of the Building.
- xi. Costs or expenses arising from the gross negligence or willful misconduct of Landlord, the Owners' Association, or their agents, employees or contractors, or any tenant or occupant other than Tenant.

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6. All other terms of the Lease remain unchanged.

Lessor and County are causing this third amendment to be executed as of the date set forth in the introductory paragraph.

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

SAND CREEK BUSINESS
ASSOCIATES I, LLC, a Delaware
limited liability company

By: The Paul and Dorothy Wachter
Living Trust, dated November 28,
1979, as amended May 9, 1997, and
July 30, 2002, its sole member

By: _____
Warren Lai
Public Works Director

By: _____
Paul I. Wachter, Trustee

By: _____
Dorothy Wachter, Trustee

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

ME:
WLP541
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