

LEASE

Health Services Department
610 Court Street Second Floor
Martinez, CA

This lease is dated as of September 10th, 2024, and is between Southport Land and Commercial Company, a California Corporation (“**Lessor**”) and the County of Contra Costa, a political subdivision of the State of California (“**County**”).

Recitals

- A. Lessor is the owner of the building located at 610 Court Street, Martinez, California (the “**Building**”).
- B. Lessor desires to lease to County and County desires to lease from Lessor a portion of the Building consisting the entire second floor and that portion of the first floor that serves as an entrance to the second floor (the “**Premises**”). The Premises is comprised of approximately 3,692 square feet of floor space. The first-floor lobby area that is part of the Premises is marked in yellow on the first-floor floor plan attached as Exhibit A.

The parties therefore agree as follows:

Agreement

- 1. Lease of Premises. In consideration of the rents and subject to the terms of this lease, 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, Renewal Terms, each as defined below.
 - a. Initial Term. The “**Initial Term**” is five years, commencing on October 1, 2024 (the “**Commencement Date**”) and ending September 30, 2029.
 - b. Renewal Terms. County has two options to renew this lease for a term of two years for each option (each, a “**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 30 days prior to the end of the Term. However, if County fails to provide such notice, its right to renew the lease will not expire until fifteen working days after County’s receipt of Lessor’s written demand that County exercise or forfeit the option to renew.

- 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. Rent. County shall pay rent (“**Rent**”) to Lessor monthly in advance beginning on the Commencement Date. Rent is payable on the tenth day of each month during the Initial Term and, if applicable, the Renewal Terms, in the amounts set forth below:

a. Initial Term.

<u>Period</u>	<u>Monthly Rent</u>
October 1, 2024 – September 30, 2025	\$6,940.96
October 1, 2025 – September 30, 2026	\$7,149.19
October 1, 2026 – September 30, 2027	\$7,363.66
October 1, 2027 – September 30, 2028	\$7,584.57
October 1, 2028 – September 30, 2029	\$7,812.11

b. First Renewal Term.

<u>Period</u>	<u>Monthly Rent</u>
October 1, 2029 – September 30, 2030	\$8,046.47
October 1, 2030 – September 30, 2031	\$8,287.87

c. Second Renewal Term.

<u>Period</u>	<u>Monthly Rent</u>
October 1, 2031 – September 30, 2032	\$8,536.51
October 1, 2032 – September 30, 2033	\$8,792.60

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. Tenant Improvements. Lessor, at its sole cost and expense, shall cause tenant improvements to be completed as described in Exhibit B to this lease.
5. Use. County may use the Premises for the purpose of conducting various functions of County and any other purpose permitted by law.
6. Obligation to Pay Utilities. County shall pay for and contract directly for electric service, telephone and internet data services provided to the Premises. Lessor shall pay for all water, sewer, and gas provided to the Building.

7. Janitorial Services, Refuse Collection and Carpet Cleaning. County shall contract directly for janitorial services within, and refuse collection services for, the Premises. County shall remove from the Building all refuse generated by the Premises, and take it to an off-site location. Except for one carpet cleaning at the inception of the lease (which Lessor is responsible for), County is responsible for any carpet cleaning in the Premises, using a dry-cleaning method.
8. Maintenance and Repairs.
 - a. Lessor's Duties: Roof, Exterior of Premises, Locks and Alarms. 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, and all locks and key systems used in the Building, except the "buzz in" system for the Premises installed by the County. Lessor shall maintain the existing alarm system serving the common areas of the Building, but not any alarm system for the Premises.
 - b. County Duties: Interior of Premises, Key and Alarm System. County 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. The County may install and maintain a separate key and an alarm system, if deemed necessary by County, provided such key system can be operated with a master key and the County causes a copy of the master key to be stored in the fire department key box (known as a "Knox Box") on the exterior of the Building.
 - c. Building Systems. Lessor shall repair and maintain the electrical, lighting, water and plumbing systems in good order, condition and repair, except for light bulb replacement.
 - d. Elevator. Lessor warrants the elevator is in good order, condition and repair upon commencement of the Lease. Lessor shall maintain and repair the elevator system. County understands that the elevator undergoes periodic maintenance (usually quarterly, but more often if necessary), and that the elevator is shut down during such maintenance, usually for less than one day. Lessor discloses that on at least one occasion, the elevator was shut down for several days while parts were on order, and such event could happen again. Lessor will provide notice at least 7 days in advance of scheduled maintenance.
 - e. HVAC. Lessor shall maintain and repair the heating, ventilating, and air-conditioning (HVAC) systems.
 - f. Exterior Lighting; Landscaping. Lessor shall maintain the exterior lighting system in good order, condition and repair. Lessor warrants that all landscaping at the Building is on City property and has been maintained by the City.

- g. Fire Extinguishers. Lessor shall provide required fire extinguishers to the Premises upon commencement of the Lease. Lessor shall replace fire extinguishers as needed. County is responsible for the inspection and maintenance of the fire extinguishers.
 - h. Video Security System. Lessor warrants the existing video security system serving the sidewalk areas around the Building and the downstairs common area in the Building is in good order, condition and repair upon commencement of the Lease. County has the right to install an alternate video security system of its choice, at its sole cost and expense, as required.
 - i. Services by Lessor. If County determines that the Premises is in need of maintenance, construction, remodeling or similar work that is beyond Lessor's responsibilities under this Lease, at County's request, Lessor shall perform the work 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 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.
 - j. Pest Control. County is responsible for any tenant caused pests within the Premises. Lessor is responsible for any pest control in the common areas of the Building.
9. 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.
10. Assignment and Sublease. County has the right to sublease the Premises or any part of the Premises at any time during the Term. County has the right to assign this Lease to any other governmental entity, and upon such assignment of the Lease by County, the County will have no further obligation under the Lease. Any assignment of the Lease to an assignee that is not a governmental entity shall require the approval of Lessor, which may be reasonably conditioned or denied.
11. Alterations; Fixtures and Signs. County may (i) make any lawful and proper minor alterations to the Premises and (ii) attach fixtures and signs ("**County Fixtures**") in or upon the Premises. Any County Fixtures will remain the property of County and may be removed from the Premises by County at any time during the Term. Lessor shall permit reverse lettering to be placed on the inside glass entry door or sidelight glass to the Building entry and lobby area. County is responsible for the cost of all alterations and County Fixtures. All alterations and County Fixtures are subject to Lessor's approval and must comply with existing code requirements. Any door lettering shall comply with all ordinances, rules and regulations of the City of Martinez.
12. Prior Possession. Prior to Commencement 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 inside the Premises, provided

such work and storage can be done without unduly interfering with Lessor's completion of the 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.
- 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, 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.

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. Lessor may enter Premises by prior appointment between the hours of 9:00 a.m. and 4:30 p.m., Monday through Friday, holidays excepted, to access the roof and vertical penetrations area for repairs and inspection.

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 the 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.

If failure of an HVAC unit should create a "Perilous Condition" hereunder, "address[ing] a Perilous Condition" shall mean that Lessor has contacted, and made an appointment with, an HVAC contractor, and is otherwise acting expeditiously in an attempt to rectify the situation.

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 60 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 60 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 75 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 30 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 30 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 90 days, provided County commences curing the default within 30 days and thereafter diligently proceeds to cure the default.

- b. Lessor. Lessor's failure to perform any obligation under this Lease if the failure is not remedied within 30 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 30 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 90 days, provided Lessor commences curing the breach within 30 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. Upon the occurrence of a 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 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: Southport Land and Commercial Co.
 Attn: David R. Fischer
 1017 Green Lane
 Martinez, CA 94553

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. Limited "Force Majeure" Clause. Neither party shall be required to perform any non-monetary term, obligation, covenant or condition of this Lease (collectively the "**Obligations**"), if, and to the extent such performance is delayed, prevented or caused by the occurrence of an event (herein collectively an "**Event**") that: (i) is not reasonably

foreseeable; and (ii) is not otherwise caused by, or under the control of, the party invoking this section. As to the party whose performance has been delayed or prevented, performance by such party shall nonetheless be required as soon as practical after the Event. The party whose performance has been delayed or prevented shall: (i) take reasonable steps to minimize the delay caused by the Event; (ii) substantially fulfill all non-excused Obligations hereunder; and (iii) notify, as soon as practical under the circumstances, the other party of the Event.

25. Americans with Disabilities Act. The County is hereby notified of the existence of the Americans with Disabilities Act and the California regulations implementing that Act, (herein collectively the "**ADA**"). California Civil Code section 1938, subd. (a), provides that "[a] commercial property owner or lessor shall state on every lease form or rental agreement executed on or after January 1, 2017, whether or not the subject premises have undergone inspection by a Certified Access Specialist (CASp)." Accordingly, Lessor makes the following disclosure: The Premises has NOT undergone inspection by a Certified Access Specialist (CASp). Civil Code section 1938, subd. (e), requires the following disclosure: "A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises."
26. Retrofit Clause; Rent Abatement; Lessor Duty to Mitigate. Should the City of Martinez or any other entity with jurisdiction require any retrofit work to the Building, Lessor may require the County to temporarily vacate portions of the Premises while the retrofit work is being performed, in which event: (i) Lessor shall provide the County with at least 180 days' advance notice of the need to relocate, (ii) rent for the Premises will be abated on a "per square foot and per day" basis for that portion of the Premises the County is not able to occupy, and (iii) Lessor will be responsible for the cost of moving the County's fixtures and furniture within the Building. Lessor shall make reasonable efforts to minimize any inconvenience to the County, including, for example, by performing any required work in phases, such as one suite or one office at a time. If retrofit work causes the County to relocate for the remaining term of the lease or the Premises to be permanently uninhabitable, Lessor will be responsible for the cost of relocating the County to a comparable property in the general vicinity of the Building, which costs would include, but are not limited to, moving company fees, storage fees, any increase in rent, relocation of IT services, and any other costs associated with minimizing County's service disruptions.
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. Any holding over after the Term of this Lease is a tenancy from month to month and is subject to the terms of this Lease.
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 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.

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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 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

Southport Land and Commercial Company,
a California Corporation

By: _____
Warren Lai
Director of Public Works

By: _____
David R. Fischer, President

RECOMMENDED FOR APPROVAL:

By: _____
Alexander Friedman, Secretary

By: _____
Jessica L. Dillingham
Principal Real Property Agent

By: _____
Jessica Castro
Associate Real Property Agent

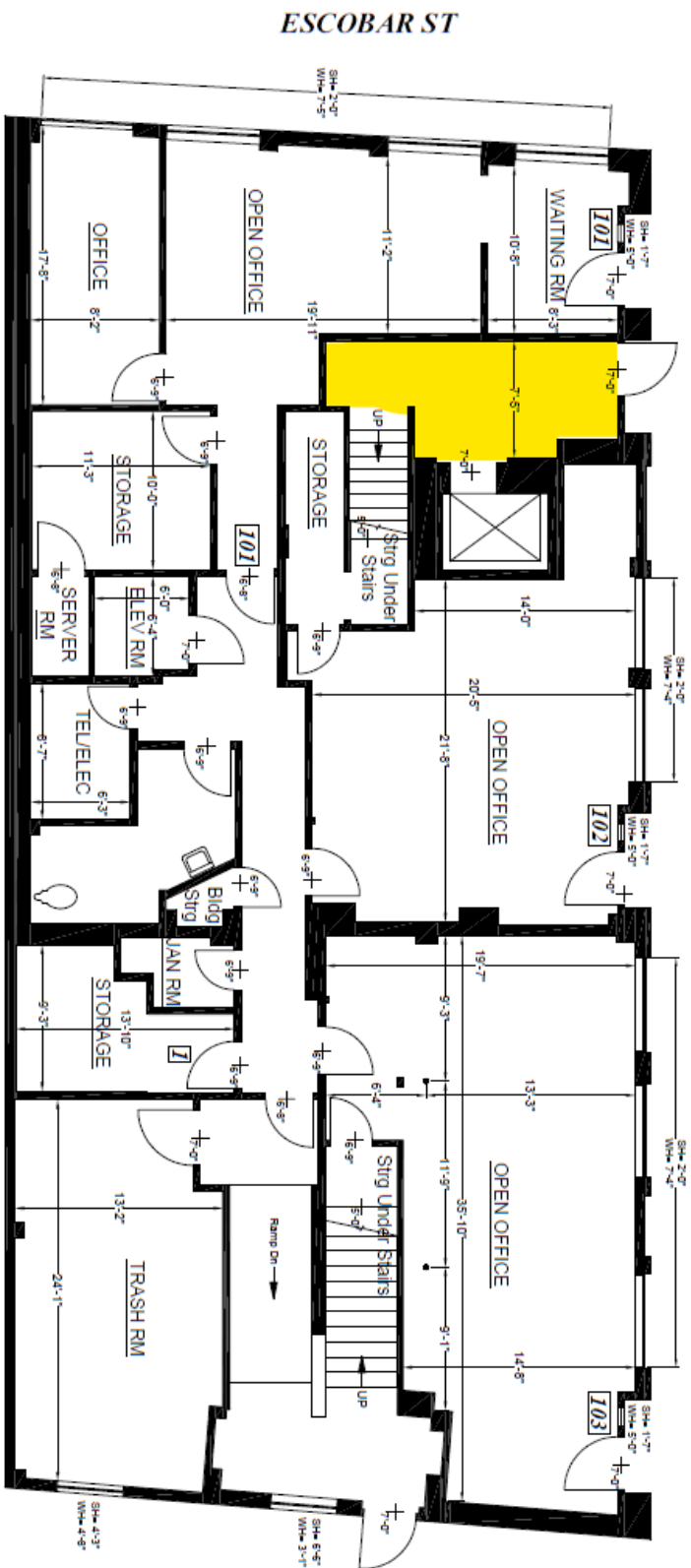
APPROVED AS TO FORM
THOMAS L. GEIGER, COUNTY COUNSEL

By: _____
Kathleen M. Andrus
Deputy County Counsel

COURT ST

COURT ST

Exhibit A



First Floor

Lobby-County Premises

EXHIBIT A

Exhibit B

Tenant Improvements:

Final furniture floor plan will be provided for reference.

Telecom/ IT Data Room:

- 1) Install Flooring – Static Dissipative Tiles (SDT) or vinyl anti-static material.
- 2) Move and remove bookcases – three bookcases in the corner removed and the remaining one on the right side of the wall are to be moved next to the door for storage use.
- 3) Install plywood - 4 ft. (width) X 8 ft. (height) minimum size, $\frac{3}{4}$ inch thick and fire-retardant type plywood installed on the back wall of the room.
- 4) Install outlet on dedicated 20-amp circuit which may require a dedicated NEMA5-20 wall outlet.
- 5) Install busbar for subpanel with #6 ground wire with busbar and 3-inch x 6-inch minimum with mounting holes.
- 6) Install second vent for increased airflow and ventilation to divert air flow from adjacent offices.
- 7) Install a door vent for air flow to move out of the IT room.

Lactation/ Wellness Room (former file storage room):

- 1) Remove the above head shelving, paint and cover up holes in the wall.
- 2) Remove one of the shelves against the far wall, paint and cover up holes in the wall.
- 3) Install one outlet for the miniature refrigerator.

Carpet Cleaning throughout the suite.

Open office #2:

- 1) Remove credenza, paint and cover up holes in the wall and install missing carpet underneath where the credenza was placed.
- 2) Install outlet along right side of the wall when entering the office from the hallway. Dimensions on the final furniture plan are 9 ft. from the entrance wall.