

LEASE

1391 Shell Avenue
Martinez, California

This lease is dated July 1, 2024, and is between the County of Contra Costa, a political subdivision of the State of California (“**County**”) and Shelter, Inc., a California non-profit benefit corporation (“**Lessee**”).

Recitals

- A. The County is the owner of the property located at 1391 Shell Avenue, Martinez, California, which has been improved with two buildings that, together, consist of approximately 5,400 square feet, and a parking lot (the “**Premises**”).
- B. The County and Lessee are parties to a lease dated October 15, 2013, under which the County is leasing the Premises to Lessee (the “**Original Lease**”). Beginning June 30, 2018, the parties agreed to extend the term of the Original Lease on a month-to-month basis. Upon the effective date of this lease, the Original Lease is terminated.
- C. The County and Lessee are parties to a separate contract dated July 1, 2023, under which Lessee is operating an emergency shelter at the Premises for homeless families (the “**Service Contract**”). The term of the Service Contract is through June 30, 2024. The parties desire that this lease be in effect for the duration of the Service Contract.

The parties therefore agree as follows:

Agreement

- 1. Lease of Premises. In consideration of the rents and subject to the terms of this lease, the County hereby leases to Lessee and Lessee hereby leases from the County, the Premises, subject to all easements and encumbrances of record.
- 2. Term. The “**Term**” of this lease is eleven months, commencing July 1, 2024, and continuing through June 30, 2025. If the Service Contract is renewed, this lease will be renewed for the same period of time, up to an additional four years (each one-year renewal term, a “**Renewal Term**”) upon the mutual written consent of the parties. Upon 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.

If the Service Contract is terminated for any reason, the Term of this lease will end on the same day that the Service Contract ends.

3. Rent. During the term of this lease, Lessee shall pay rent to County in the amounts set forth below, without offset or demand on or before the first day of each month. Rent for any partial month will be prorated at the rate of 1/30 of the applicable monthly rent per day.

| <u>Initial Term</u> | <u>Monthly Rent</u> |
|------------------------------|---------------------|
| July 1, 2024 – June 30, 2025 | \$1,400.00 |
| <u>Renewal Term</u> | |
| July 1, 2025 – June 30, 2026 | \$1,442.00 |
| July 1, 2026 – June 30, 2027 | \$1,485.00 |
| July 1, 2027 – June 30, 2028 | \$1,530.00 |
| July 1, 2028 – June 30, 2029 | \$1,575.00 |

4. Additional Payment Terms.

- a. Late Rental Payments: In the event Lessee fails to pay County any amount due under this lease within five days after the amount is due, Lessee shall pay to County a late charge of \$100 per occurrence (the “**Late Charge**”), plus interest on the unpaid balance at a rate of 1.5% per month, from the date the payment was due and payable until paid in full. Lessee shall pay all Late Charges as additional rent on or before the date the next installment of rent is due. County and Lessee hereby agree that it is and will be extremely difficult to ascertain and fix County’s actual damage from any late payments and, thus, that Lessee shall pay as liquidated damages to County the Late Charge specified in this Section, which is the result of the parties’ reasonable effort to estimate fair average compensation for the late payment (other than attorneys’ fees and costs). County’s acceptance of the Late Charge as liquidated damages does not constitute a waiver of Lessee’s default with respect to the overdue amount or prevent County from exercising any of the rights and remedies available to County under this lease.
- b. Form and Place of Payment: Lessee shall pay all rents and fees in cash or by personal check, certified check, or money order, payable to the County of Contra Costa, by delivering the payment on or before its due date to Contra Costa County, Public Works Department – Real Estate Division, 255 Glacier Drive, Martinez, California 94553, or at such other place as County may designate from time to time.
- c. Returned Checks: If a check written by Lessee is returned for insufficient funds, County may impose a reasonable service charge in addition to any Late Charge and in addition to any charges imposed by the bank. County may require Lessee to pay rent by certified check or money order if Lessee’s bank or banks have returned one or more personal checks within the preceding 12-month period.

5. Use. Except as otherwise provided herein, Lessee may only use the Premises for the operation and maintenance of an emergency shelter for homeless families and related service activities.

Lessee may not use the Premises for any other purpose with the prior written consent of the County. Any use of the Premises other than as described in this Section without the County's prior written consent is a default of this lease.

6. Utility Obligations. Lessee shall pay utility providers directly for all utilities used or consumed on the Premises by Lessee or its subtenants, including, but not limited to gas, water, electricity, garbage disposal, storm and sanitary sewer services, janitorial services, landscaping, and telephone services.

7. Condition of Premises.

- a. Commencement Date. Lessee is leasing the Premises in an "as is" physical condition with no warranty, express or implied, on the part of the County as to the condition of the Improvements, the condition of the soil or the geology of the soil.
- b. During Term. Lessee shall maintain the Premises in accordance with Section 8, Maintenance and Repairs.

8. Maintenance and Repairs.

- a. Structures and Grounds. The County shall, at its sole cost and expense throughout the Term of this lease, maintain the roof and the Premises. Maintenance of the Premises includes exterior painting and roof repairs.

Lessee shall maintain the exterior walls of the buildings in a clean and presentable condition and shall immediately remove any graffiti.

Lessee shall maintain, repair and, if necessary, replace all kitchen appliances if damaged or broken.

- b. Trash. The County shall provide adequate enclosures, screened areas and/or suitable covered metal receptacles for the short-term accumulation and storage of solid waste, such as rubbish, trash, and garbage. The enclosures and/or screened areas must be designed in such a way as to prevent, to the extent possible, odors, fumes, attraction of pests and dispersal of wastes due to wind or water runoff and must be serviced regularly by qualified waste removal and disposal services.
- c. Utilities. The County shall repair and maintain the electrical, lighting, water and plumbing systems in good order, condition and repair, provided, however, Lessee is responsible for clearing routine plumbing stoppages and replacing light bulbs. The County is responsible for maintaining the plumbing system beyond the perimeter of the Premises.

- d. HVAC. The County shall maintain and repair the heating, ventilating, and air-conditioning (HVAC) systems.
 - e. Parking; Exterior Lighting. Lessee shall maintain the parking lot and exterior lighting system in good order, condition and repair.
 - f. Fire Extinguishers. The County has provided fire extinguishers for the Premises in accordance with the direction received from the fire marshal. Lessee shall maintain, repair, and replace the fire extinguishers.
 - g. Code Violations. The County is responsible for correcting any code building violations that may exist on the Premises, provided the County is not responsible for correcting building code violations that arise out of a change in Lessee's use or occupancy of the Premises.
9. Covenant against Liens. Neither Lessee nor Lessor may permit any mechanic'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 lien is filed against the Premises, or property of which the Premises forms a part, the party charged with causing the lien will cause it to be discharged, provided however, that either party may contest the lien, so long as the enforcement of it is stayed.
10. Taxes. The County is responsible for any storm or sewer assessments levied or assessed against the property. Lessee is responsible for any possessory interest tax 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.
- Payment of taxes, assessments, license fees, or other charges levied and assessed upon Lessee's interest, (i) does not reduce the Rent due to the County under this lease, and (ii) is the liability of Lessee.
11. 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.
12. Assignment and Sublease. Lessee may not assign this lease or sublease the Premises or any part of it at any time during the Term.
13. 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 an Unauthorized Addition, Lessee, at its sole cost and expense, shall restore the Premises to the condition that existed 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 an Unauthorized Addition, the Unauthorized Additions will remain on and be surrendered with the Premises on the 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, Lessee shall (i) obtain from the County an executed notice of non-responsibility, and (ii) post and record the notice of non-responsibility during construction in accordance with Civil Code Sections 8442 and 8444. Lessee shall mail a copy of the notice of non-responsibility to the County upon filing it with the County Recorder.

14. 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 30 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 30 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 ___ - 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.
15. 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.
 16. 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.
 17. Waste, Nuisance. Lessee may not commit, or suffer to be committed, any waste upon the Premises, or any nuisance or other act or thing that may disturb the quiet enjoyment of any other occupant of the neighborhood in which the Premises is located.
 18. 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.
 19. Destruction. If damage occurs that causes a partial destruction of the Premises during the Term from any cause, the County may, at its option, make repairs within a reasonable time. Partial destruction does not void this lease, except that Lessee is entitled to a proportionate reduction in Rent while such repairs are being made. The proportionate reduction in Rent is to be calculated by multiplying Rent by a fraction, the numerator of which is the number of square feet that are unusable by Lessee and the denominator of which is the total number of square feet in the Premises.

If the County does not elect to make repairs, this lease may be terminated by either party, without cost, obligation or liability to the other party, except as described herein.

This lease will terminate in the event of total destruction of the Premises.

20. 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.

21. Default.

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

a. Lessee.

- i. Lessee's failure to pay Rent within five business days after the due date.
- ii. Lessee's failure to comply with any other material term or provision of this lease if such failure is not remedied within 30 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 30 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 30-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 60 days after Lessee's receipt of the Notice of Default.

b. The County. The County's failure to perform any obligation under this lease if the failure is not remedied within 30 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 30 days, a default will not be deemed to occur if the County has attempted to cure the failure within the 30-day period and has diligently and continuously attempted to complete the cure as soon as reasonably possible.

22. 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.

23. 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 Lessee: Shelter, Inc.
1333 Willow Pass Road, Suite 206
Concord, California 94520

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

24. Successors and Assigns. This lease binds and inures to the benefit of the heirs, successors, and assigns of the County and Lessee.

25. Holding Over. In the event Lessee remains in possession of the Premises after the expiration of the Term, such holding over does not constitute a renewal or extension of this lease, but will be construed to be a tenancy from month to month on the same terms and conditions set forth in this lease, except that the monthly Rent due and payable hereunder will be 125% of the Rent payable as of the last month of the Term.

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 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.

29. 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 on the date set forth in the introductory paragraph.

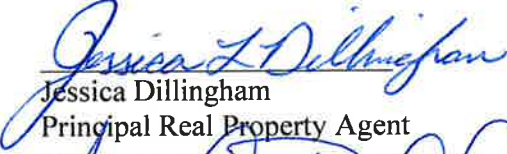
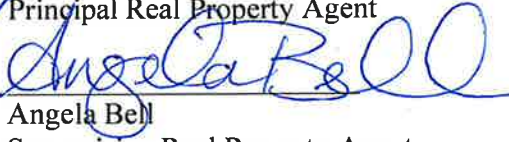
COUNTY OF CONTRA COSTA, a
political subdivision of the State of
California


SHELTER, INC.

By: _____
Warren Lai
Director of Public Works


By: 
John Eckstrom
Chief Executive Officer
Digitally signed by John Eckstrom,
Chief Executive Officer
Date: 2024.05.31 13:34:50 -07'00'

RECOMMENDED FOR APPROVAL:

By: 
Jessica Dillingham
Principal Real Property Agent
By: 
Angela Bell
Supervising Real Property Agent

By: 
Naomi Salvatto
Corporate Secretary
Digitally signed by Naomi Salvatto
DN: cn=Naomi Salvatto,
email=naomi.salvatto@shelterinc.org, c=US
Date: 2024.05.30 16:53:21 -07'00'

APPROVED AS TO FORM
THOMAS L. GEIGER, COUNTY COUNSEL

By: 
Kathleen M. Andrus
Deputy County Counsel