

**LEASE**

**CLERK-RECORDER**

777 ARNOLD DRIVE, SUITE 150  
MARTINEZ, CA

This lease is dated July 1, 2024, and is between 777 Arnold Drive, LLC, a California limited liability 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 777 Arnold Drive, Martinez (the “**Building**”).
- B. Lessor desires to lease to County and County desires to lease from Lessor that portion of the Building known as Suite 150, which consists of approximately 3,405 square feet and includes of warehouse space and 2 offices (the “**Premises**”). The location and configuration of the Premises is shown on **Exhibit A**. The County’s lease of the Premises includes the non-exclusive use of the parking lot directly adjacent to the Building.

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 July 1, 2024 (the “**Commencement Date**”) and ending June 30, 2029.
  - b. Renewal Terms. County has two options to renew this lease for a term of one year 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 thirty 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>Term</u>	<u>Monthly Rent</u>
July 1, 2024 – June 30, 2025	\$5,108.00
July 1, 2025 – June 30, 2026	\$5,210.00
July 1, 2026 – June 30, 2027	\$5,314.00
July 1, 2027 – June 30, 2028	\$5,420.00
July 1, 2028 – June 30, 2029	\$5,528.00

b. First Renewal Term

<u>Term</u>	<u>Monthly Rent</u>
July 1, 2029 – June 30, 2030	\$5,639.00

c. Second Renewal Term.

<u>Term</u>	<u>Monthly Rent</u>
July 1, 2030 – June 30, 2031	\$5,751.00

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. Use. The Premises are to be used to store historical records that need to be maintained in a temperature-controlled environment. In support of this use, Lessor shall cause the temperature in the Premises to be no less than 65 degrees Fahrenheit and no greater than 70 degrees Fahrenheit. County shall cause the temperature to be monitored by a thermostatic alarm that is part of the County installed alarm system. If the temperature falls below 65 degrees Fahrenheit or above 70 degrees Fahrenheit, the County will notify the Lessor by email or phone call immediately during regular business hours, and on the next business day following a weekend or holiday.

5. Full-Service Lease. This is a full-service lease. Lessor shall pay all of the Building’s operating costs, including, but not limited to, all maintenance and repairs, real estate taxes, and building insurance. County will not reimburse Lessor for any of these costs.

6. Obligation to Pay Utilities. Lessor shall pay for all water, sewer, gas, electricity, and refuse collection provided to the Premises. Lessor shall furnish heating, ventilating and air conditioning to the Premises 24 hours per day, 7 days per week. The temperature must be maintained between 65-70 degrees Fahrenheit for optimum storage conditions.
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, used in the Premises. County shall maintain all locks and key systems used in the Premises.
  - b. Interior of Premises. 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 an alarm system, if deemed necessary by County.
  - c. Utility Systems. Lessor shall repair and maintain the electrical, lighting, water and plumbing systems in good order, condition and repair.
  - d. HVAC. Lessor shall maintain and repair the heating, ventilating, and air-conditioning (HVAC) systems.
  - e. Parking; Exterior Lighting; Landscaping. Lessor shall maintain the parking lot, exterior lighting system, and landscaping in good order, condition and repair.
  - f. 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, 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 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.
8. Tenant Improvements. Lessor shall cause the following improvements to be made to the Premises prior to occupancy by the County:
  - a. Remove existing carpet in office spaces. Concrete floors shall be delivered in a clean, even, and safe condition.
  - b. Replace existing lighting fixtures throughout with LED lighting fixtures.

- c. Construct a chain link fence hallway to separate the Premises from the remaining warehouse as shown on Exhibit A.
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 assign this lease or sublease the Premises or any part of the Premises at any time during the Term. Upon the assignment of the lease by County, the County will have no further obligation under the lease.
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. 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.
12. Prior Possession. Prior to the Commencement Date, County has the right to (i) install fixtures, telephone outlets and cabling, telephones, security systems, furniture, and other items required to prepare the Premises for County’s occupancy and to store furniture, supplies and equipment, provided such work and storage and 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.
  - 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.
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.

18. Destruction. If any damage occurs that causes destruction to any portion 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 destruction will void this lease.
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 clean up 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. Subject to Section 21.b.ii below, Lessor's failure to perform any 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.
- ii. Lessor's failure to maintain the temperature in the Premises within the range set forth in Section 4, above, if such failure continues for three or more consecutive days, or for more than a total of 30 days in any 12-month period.

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:                    777 Arnold Drive, LLC  
777 Arnold Drive, Suite 100  
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. 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 and is subject to the terms of this 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.

[Remainder of Page Intentionally Left Blank]

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

777 ARNOLD DRIVE, LLC, a California  
limited liability corporation

By: \_\_\_\_\_  
Warren Lai  
Director of Public Works

By: \_\_\_\_\_  
Andrew C. Serb  
Managing Member

RECOMMENDED FOR APPROVAL:

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

By: \_\_\_\_\_  
Stacey Sinclair  
Senior Real Property Agent

APPROVED AS TO FORM  
THOMAS L. GEIGER, COUNTY COUNSEL

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

**EXHIBIT A**

777 Arnold Drive, Martinez

