

LETTER OF AGREEMENT BETWEEN
THE CITY OF MARTINEZ AND MRS. SHIRLEY COSTANZA

The purpose of this letter is to provide for the extension of that certain Lease, dated June, 1970 ("Original Lease"), between the City of Martinez ("City") and Mrs. Shirley Costanza (Lessor) for the property located at 300 Alhambra Avenue, currently used by the City as its Corporation Yard.

This letter agreement retains in force all the provisions of the Original Lease, and affects only the rental amount and terms of the original lease. The parties acknowledge that the Original Lease was extended through a number of extension agreements and the Original Lease, as extended, was slated to expire on January 1, 2010. The parties agree to extend the Original Lease to and include December 31, 2014, under the terms and conditions set forth herein. The Original Lease, as extended by this letter agreement, may be terminated by the City upon 120 days advance written notice to Mrs. Shirley Costanza.

The Lessor has been notified, and does hereby acknowledge, the following facts:

- 1) That on October 20, 2004 the City Council of the City of Martinez adopted Resolution No. 120-04 approving the Five-Year Capital Improvement Program that includes the Corporation Yard Consolidation Project (Project").
- 2) The Project consists of consolidating the corporation yard with the corporation storage yard at the Water Treatment Plant.
- 3) The Project is anticipated to be completed by December 2012 but may be completed before or after that date. Accordingly, the parties agree that the 120-day advance written notice requirement described in the immediately preceding paragraph shall specifically apply if the Project is completed during the term of this lease extension and the City desires to terminate this lease extension.

Commencing on January 1, 2010, and continuing through December 31, 2010, the rent shall be \$3,500 per month. For the balance of the term of this extension, the monthly rent shall be as follows:

From January 1, 2011, through December 31, 2011; \$3,750 per month.

From January 1, 2012, through December 31, 2012; \$4,000 per month.

From January 1, 2013, through December 31, 2013; \$4,250 per month.

From January 1, 2014, through December 31, 2014; \$4,500 per month.

DATE: 12/17/09

Mrs. Shirley Costanza
Mrs. Shirley Costanza

DATE: _____

Rob Schroder, Mayor