

**FIRST AMENDMENT TO
OFFICE AND WAREHOUSE LEASE**

Lease No. 1303

between

550 QUARRY ROAD, LLC
as Landlord

and

COUNTY OF SAN MATEO
as Tenant

For the lease of

550 Quarry Road
San Carlos, California

January 12, 2024

This First Amendment to Office and Warehouse Lease Agreement ("First Amendment"), dated January 12, 2024, is by and between the COUNTY OF SAN MATEO, a political subdivision of the State of California, ("County" or "Tenant") and 550 QUARRY ROAD, LLC, a California Limited Liability Company ("Landlord").

Recitals

- A. WHEREAS, since 1998, the County has leased from 550 Quarry Road, LLC ("Landlord") the office and warehouse space at 550 Quarry Road in San Carlos ("Property" or "Premises") for the use of various programs of the Human Services Agency; and
- B. WHEREAS, most recently, the County and Landlord entered into an Office and Warehouse Lease (Lease No. 1303), dated for reference purposes only as April 22, 2014 ("Agreement" or "Lease"), to allow County the continued occupancy and use the Property for a term of ten (10) years with two (2) options to renew for an additional term of five (5) years each; and
- C. WHEREAS, the parties would like to amend the Agreement to extend the term for three (3) years, with one (1) two-year option to extend.
- D. NOW THEREFORE, the Parties agree to amend the terms of the Office and Warehouse Lease as follows:

Agreement

For good and valuable consideration as herein set forth, the sufficiency of which is hereby acknowledged, the parties agree as follows:

- 1. *Section 1.6 of the Lease is hereby deleted in its entirety and replaced with the following:*

"1.6 Term (Section 3): The Commencement Date shall be April 22, 2014

The Expiration Date shall be April 21, 2027".

- 2. *Section 1.8 of the Lease is hereby deleted in its entirety and replaced with the following:*

"1.8 Extension Option (Section 3.4): One option to renew for an additional two (2) years, exercisable by Tenant by notice to Landlord given not less than ninety (90) days in advance, but not more than one hundred eighty (180) days prior to the expiration of the Extension Term, with rent adjusted as set forth in Section 3.4".

- 3. *Section 1.10 of the Lease is hereby deleted in its entirety and replaced with the following:*

"1.10 Base Rent (Section 4.1): Commencing April 22, 2024, the Base Rent shall be \$2.05 per square foot per month for the 44,568 square foot warehouse space, and \$2.50 per square foot per month for the 20,536 square foot office and cafeteria space. The total monthly Base Rent shall be \$142,704.40 per month.

4. *Section 3.4 of the Lease is hereby amended to clarify that Tenant, at its sole discretion, may exercise the Extension Option, if at all, by giving written notice to Landlord not less than ninety (90) days in advance, but not more than one hundred eighty (180) days prior to the expiration of the term to be extended.*
5. *Section 1.11 of the Lease is hereby amended to clarify that the Adjustment Date shall be May 1, 2025, and every May 1st thereafter, where the Base Rent for the following twelve-month period shall be adjusted to equal one hundred three percent (103%) of the Base Rent for the lease year preceding such Adjustment Date as follows:*

April 22, 2024 - April 21, 2025	\$142,704.40 per month
April 22, 2025 - April 21, 2026	\$146,985.53 per month
April 22, 2026 - April 21, 2027	\$151,395.10 per month

6. *Section 24 of the Lease is hereby added to the Lease as follows:*

"24. RIGHT OF FIRST OFFER TO PURCHASE PREMISES: If Landlord determines to sell the Premises at any time during the Term, Landlord shall give notice to Tenant of such determination ("Landlord's Sale Intention Notice").

Not later than sixty (60) days after Landlord's Sale Intention Notice, Tenant shall be entitled to submit to Landlord a Letter of Intent ("LOI") of Tenant's intent to purchase the Premises. The LOI shall include principal terms and conditions that may be included in a purchase and sale agreement ("PSA"). The LOI shall be non-binding, except that Tenant's issuance of LOI shall preclude Landlord from (1) listing the Premises for sale by real estate broker listing, (2) accepting an offer from a third-party unaffiliated party, or (3) otherwise holding out the Premises for sale. Such preclusion shall terminate upon (1) Landlord's rejection of Tenant's LOI, or (2) failure of Landlord and Tenant to execute a PSA within 60 days after Landlord's receipt of the Tenant's LOI.

Landlord shall not (1) list the Premises for sale by real estate broker listing, (2) accept an offer from a third-party unaffiliated party, or (3) otherwise hold out the Premises for sale prior to that date 60 days after Landlord's Sale Intention Notice.

Landlord's obligations under this Right of First Offer provision shall not trigger on transfer of the entirety of the Property between or among Landlord's members or from a current member to a successor in interest (e.g., sale to a member's child, or transfer on gift or inheritance). Nothing in this right of first offer provision gives Tenant (1) any ownership rights of the Premises, (2) a binding option to buy the Premises, or (3) any rights except as expressly provided."

7. **EFFECTIVE DATE:** This First Amendment shall become effective ("Effective Date") by execution of the County Board of Supervisors and the First Amendment is duly executed and delivered by County and Landlord.
8. **COUNTERPARTS:** This First Amendment may be executed in two counterparts, each of which shall be deemed an original, but both of which taken together shall constitute one and the same instrument.

9. NO FURTHER AMENDMENTS/CONFLICTS: All the terms and conditions of the Agreement remain in full force and effect except as expressly provided in this First Amendment. The Agreement as amended constitutes the entire agreement between County and Landlord regarding the Premises and may not be modified except by an instrument in writing duly executed by the County and Landlord. In the event of any conflicts between the terms of the Agreement and the terms of this First Amendment, the terms of this First Amendment shall control.

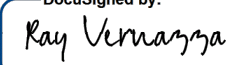
County and Landlord have executed this First Amendment as of ____ day of _____, 2024.

COUNTY:
COUNTY OF SAN MATEO

By: _____
Warren Slocum, President
Board of Supervisors

Date: _____

Landlord:
550 QUARRY ROAD, LLC

DocuSigned by:

By: _____
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Name: Ray Vernazza _____

Title: Manager _____

Date: 1/17/2024 _____

Attest:

Clerk of the Board

Resolution No.: _____

Resolution Date: _____