

OFFICE LEASE

between

DINAPOLI FAMILY LP

as Landlord

and

COUNTY OF SAN MATEO

as Tenant

For the leasing of
686-690 Broadway Street
in Redwood City, California

September 1, 2023

Lease No. 1345

OFFICE LEASE

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LIST OF EXHIBITS:

EXHIBIT A – Floor Plan of Premises

EXHIBIT B – Notice of Commencement Date

OFFICE LEASE
Lease No. 1345

THIS OFFICE LEASE (this "Lease"), dated for reference purposes only as of August 1, 2023, is by and between DINAPOLI FAMILY LP ("Landlord"), and the COUNTY OF SAN MATEO, a political subdivision of the State of California ("County" or "Tenant").

Landlord and County hereby agree as follows:

1. BASIC LEASE INFORMATION

The following is a summary of basic lease information (the "Basic Lease Information"). Each item below shall be deemed to incorporate all the terms in this Lease pertaining to such item. In the event of any conflict between the information in this Section and any more specific provision of this Lease, the more specific provision shall control.

Lease Reference Date:	August 1, 2023
Landlord:	DiNapoli Family LP
Tenant:	County of San Mateo
Property:	That certain real property identified as 686 and 690 Broadway Street, in Redwood City, California, also known identified as San Mateo County Assessor's Parcel Numbers 054-040-200 and 054-040-190, together with the improvements therein ("Property").
Premises (Section 2)	Approximately 14,275 total rentable square feet as shown on Exhibit A, which is made part hereof by reference ("Premises"). The Premises consists of: • 8,400 square feet at 690 Broadway; and • 5,875 square feet in 686 Broadway
Initial Term (Section 3.1)	10 years
Extension Options (Section 3.4)	County shall have the right to extend the Term for Two additional terms of five years each, exercisable by County by written notice to Landlord given not less than six months in advance.
Commencement Date (Section 3.2)	The Effective Date shall be on the date this Lease is fully executed by the Parties. Estimated Commencement Date: September 1, 2023

Base Rent (Section 4.1)

The Base Rent shall be \$35,687.50 per month, based on \$2.50 per square foot per month.

Rent shall commence on September 1, 2023, or when the Lease has been fully executed by the Parties, whichever is later ("Rent Commencement Date").

Base Rent Adjustments

The Base Rent shall escalate by three percent (3%) per year during the Initial Term, starting on the anniversary of the Rent Commencement Date ("Rent Adjustment Date").

Base Rent for Extension Options

Commencing on the Extended Term resulting from the exercise of the first Extension Option, the Base Rent for the following twelve-month period shall be calculated to reflect ninety-five percent (95%) of the then Fair Market Value, but in no event greater than three percent (3%) increase over the rent for the last year of the Initial Term.

Tenants Proportionate Share of Basic Operating Costs ("Additional Charges") (Section 4.3)

County's proportionate share of the Property shall be noted at 74.04%. Thus, County's estimated additional cost to Landlord for the first calendar year is Fifty-Nine Cents (\$0.59) per square foot. Such Additional Charges shall be excluded from the annual Base Rent Adjustments as described herein.

Utility Charges (Section 4.2)

County shall contract directly with and be solely responsible for paying for all separately metered utilities including water, electricity and natural gas.

Janitorial and Garbage

County shall contract directly for its own janitorial services and garbage removal.

Use (Section 5.1)

County shall occupy 690 Broadway for office and warehouse use.

County shall have the option to use all or a portion of 686 Broadway Avenue for Childcare Services for the sole use of their Employees.

County shall also have the option to use a portion of the parking area to create an outdoor space for the Childcare Services. In no way shall this impact the ingress or egress

of other tenants of the Property or reduce the parking below the parking required by law for the Project (provided that any reduction permitted by a variance or CUP required for such use shall be acceptable evidence of compliance with parking requirements) (herein, the "Outdoor Childcare Use").

County shall abide by all City and Fire codes for the indoor and outdoor Childcare areas. County and Landlord shall work together and agree upon a designated area for the Outdoor Childcare Use.

Parking

County shall have approximately 31 parking stalls.

Leasehold Improvements (Section 6)

Landlord shall deliver the Premises in a clean condition and free of all personal effects and debris. Restroom fixtures in good shape. All lighting, electrical, HVAC, doors, windows, loading doors and load leveler equipment and throughout the Premises to be in good, functional condition. Landlord to provide a frost/glaze to the front windows of the Premises. Landlord to restore entrance located towards the rear of 686 Broadway Street, directly adjacent to the parking lot. Handicap stalls to be configured prior to Lease Commencement.

County hereby agrees to accept the Premises in its "As-Is" condition.

Notice of Address of Landlord (Section 23.1)

DiNapoli Family LP
99 Almaden Blvd., Suite 565
San Jose, CA 95113

Key Contact for Landlord:

Eire Stewart
(408) 535-2222
eires@DINCO.com

Notice of Address for County (Section 23.1)

Real Property Services Division
County of San Mateo
Attn: Real Property Services Manager
555 County Center
4th Floor Redwood City, CA 94063

Key Contact for County:

(650) 363-4047
cshaker@smcgov.org

Maintenance Obligations

During the term of the Lease, County shall maintain the interior of its premises, including the HVAC systems, doors windows, basic electrical outlets and above ground plumbing and fixtures. County shall also maintain its loading doors, dock levelers and dock bumpers.

Landlord shall maintain the roof, sidewalls, foundation, parking lots, landscaping, exterior paint, sewer lateral and all underground utilities serving the premises. Landlord shall also maintain the fire sprinkler systems and the main electrical panel and its connection to the service provider.

Landlord Broker

CBRE Bob McSweeney, Evan Chang & Matt Murray represents County and CBRE Bob McSweeney, Evan Chang & Matt Murray represents Landlord. Thus, CBRE is acting as an authorized "Dual Agent". Landlord agrees to pay CBRE a leasing commission per the CBRE standard Commission Schedule upon execution of a formal Lease agreement.

2. PREMISES

2.1. Lease Premises

Landlord leases to County and County leases from Landlord, subject to the provisions of this Lease, the premises in the building identified in the Basic Lease Information (the "Building") together with all appurtenances and more specifically shown on the floor plan(s) attached hereto as Exhibit A (the "Premises"). The Premises contain the rentable area and are located on the floor of the Building specified in the Basic Lease Information. As used in this Lease, the term "rentable area" shall mean that measurement of interior floor area computed in accordance with the "Standard Method for Measuring Floor Area in Office Buildings, the American National Standard" (ANSI Z65.1 1996), adopted by the Building Owners and Managers Association (BOMA). The Building, land upon which the Building is located and all other improvements on or appurtenances to such land are referred to collectively as the "Property."

2.2. Parking

County shall have the right to use the parking area that is specifically identified in Section 1, the Basic Lease Information.

3. TERM

3.1. Term of Lease

The Premises are leased for an initial term (the "Initial Term") commencing on the date specified in the Basic Lease Information as the estimated commencement date (the "Estimated Commencement Date"), or such later date as the County Board of Supervisors authorizes the execution of this Lease. The Initial Term of this Lease shall end on the Expiration Date specified in the Basic Lease Information, or such earlier date on which this Lease terminates pursuant to the provisions of this Lease, provided that County shall have the right to extend the Initial Term pursuant to Section 3.4 (Extension Options), below. The word "Term" as used herein shall refer to the Initial Term and any Extended Terms if County exercises the Extension Options as provided in Sections 1.9 and 3.4.

3.2. Effective Date, Commencement Date, Rent Commencement Date and Expiration Date

The date on which this Lease shall become effective (the "Effective Date") is the date upon which (i) the County Board of Supervisors, in its sole and absolute discretion, adopts a resolution authorizing the execution of this Lease, and (ii) this Lease is duly executed by the parties hereto. The Term of this Lease commences on the Effective Date, and the dates on which the Term commences and terminates pursuant hereto are referred to respectively as the "Commencement Date" and the "Expiration Date."

The date on which the County is first obligated to pay Base Rent and Additional Charges provided for herein is referred to as the "Rent Commencement Date." The Rent Commencement Date shall be the date on which Landlord shall have delivered the Premises to County with the Leasehold Improvements (as defined below) having been substantially completed by Landlord and with said improvements having been accepted by the County Executive pursuant to Section 6.1 (Landlord's Obligation to Construct Improvements). Promptly thereafter Landlord shall deliver to County a notice substantially in the form of Exhibit B attached hereto, confirming the actual Rent Commencement Date, but Landlord's failure to do so shall not affect the date on which the County is first obligated to pay Base Rent and Additional Charges.

3.3. Delay in Delivery of Possession

Landlord shall use its best efforts to deliver possession of the Premises with all the Leasehold Improvements substantially completed and accepted by County's County Executive, or the County Executive's designee, pursuant to Section 6.1 (Landlord's Obligation to Construct Improvements). However, if Landlord is unable to deliver possession of the Premises as provided above, then, subject to the provisions of this Section below, the validity of this Lease shall not be affected by such inability to deliver possession except that County's obligations to pay Base Rent or any other charges shall not commence until such time as Landlord has delivered the Premises as required under this Lease. If the Term commences later or earlier than the Estimated Commencement Date, this Lease shall nevertheless expire on the Expiration Date, unless sooner terminated pursuant to the provisions under this Lease. If Landlord is unable to deliver possession of the Premises to County as required hereunder within sixty (60) days after the Effective Date, then County may, at its option, terminate this Lease, without any further liability under this Lease, upon written notice to Landlord.

3.4. Extension Options

County shall have the right to extend the Initial Term of this Lease (the "Extension Options") for the additional terms specified in the Basic Lease Information (the "Extended Terms"). Such Extension Options shall be on all the same terms and conditions contained in this Lease. County, at its sole discretion, may exercise the Extension Options, if at all, by giving written notice to Landlord no later than six months prior to expiration of the term to be extended; provided, however, if County is in material default under this Lease on the date of giving such notice and fails to cure such default as set forth in Section 15.1, Landlord may reject such exercise by delivering written notice thereof to County promptly after such failure to cure.

4. RENT

4.1. Base Rent

Beginning on the Rent Commencement Date as set forth in Section 3.2 of this Lease, County shall pay to Landlord during the Term the Base Rent specified below (the "Base Rent"). The Base Rent shall be calculated based on the rentable area occupied by County identified in the Basic Lease Information and shall be payable in consecutive monthly payments on or before the first day of each month, in advance, at the address specified for Landlord in Section 1 of the Basic Lease Information, or such other place as Landlord may designate in writing upon not less than thirty (30) days' advance notice. County shall pay the Base Rent without any prior demand and without any deductions or setoff except as otherwise provided in this Lease. If the Commencement Date occurs on a day other than the first day of a calendar month, or the Expiration Date occurs on a day other than the last day of a calendar month, then the monthly payment of the Base Rent for such fractional month shall be prorated based on a thirty (30) day month.

4.2. Adjustments in Base Rent

On each date specified in Section 1 of the Basic Lease Information for the Adjustment of Base Rent (an "Adjustment Date"), 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. Rent Adjustment Dates shall be scheduled as following:

September 1, 2024 – August 31, 2025	\$36,758.13
September 1, 2025 – August 31, 2026	\$37,860.87
September 1, 2026 – August 31, 2027	\$38,996.69
September 1, 2027 – August 31, 2028	\$40,166.60
September 1, 2028 – August 31, 2029	\$41,371.59
September 1, 2029 – August 31, 2030	\$42,612.74
September 1, 2030 – August 31, 2031	\$43,891.12
September 1, 2031 – August 31, 2032	\$45,207.85
September 1, 2032 – August 31, 2033	\$46,564.09

4.3. Additional Charges

County shall pay for any utility or Additional Charges or other amounts required under this Lease as specified in Section 1 Basic Lease Information above. Any Additional Charges shall be payable to Landlord at the place where the Base Rent is payable. Landlord shall have the same remedies for a default in the payment of any Additional Charges as for a default in the payment of Base Rent. The Base Rent and Additional Charges are sometimes collectively referred to below as "Rent."

As provided in the Basic Lease Information, County's initial monthly proportionate share (74.04%) of Basic Operating Costs for the Property shall be Fifty Nine Cents (\$0.59) per square foot.

Landlord shall use commercially reasonable efforts to provide within 120 days after the end of any calendar year for which the Additional Charges paid hereunder by Tenant differs from the actual charges paid for by Landlord to operate the Property. Landlord shall provide written notice to Tenant stating the computation of actual costs paid by Landlord for that calendar year for Basic Operating Expenses, and the amount of Additional Charges paid for by County. Landlord and Tenant shall settle and credit the other party for the difference of actual costs paid by Landlord and Additional Charges paid for by Tenant (the "Basic Operating Cost Adjustment"). Landlord's failure to give such notice and statement within 365 days after the end of any calendar year for which a Basic Operating Cost Adjustment is due shall release Tenant from its obligations to pay for any adjustment.

Whenever a timely notice and statement of the Basic Operating Cost Adjustment shows a variance of more than 20% from total of the prior year's total Additional Charges, Landlord may at its option give County notice of an increase in the Additional Charges to be paid monthly in the following year. Upon issuance of such notice, County's monthly obligation to pay Additional Charges shall be recalculated to one-twelfth (1/12) of the County's 74.04% proportionate share of the prior year's Basic Operating Costs. Nothing in this paragraph shall relieve the County from making a payment of the Basic Operating Cost Adjustment upon timely issuance of the notice and statement required above. **Definitions**

For purposes hereof, the following terms shall have the meanings hereinafter set forth:

- a) "Additional Charges" shall mean all monetary obligations of Tenant hereunder other than the obligation for payment of Basic Rent. Such Additional Charges shall not be subject to the annual Rent Adjustments as set forth herein.
- b) "County's Share" shall be determined based on the percentage of the Rentable Area of the Building that is occupied by County, which shall be 74.04%.
- c) "Basic Operating Costs" shall mean all expenses and costs because of and in connection with the management, maintenance, preservation, ownership and operation of the Property.
- d) "Expense Year" means each calendar year commencing January 1st of each year during the Term, including any partial year in which this Lease commences; provided that Landlord, upon advance written notice to County, may change the Expense Year to any other twelve (12) consecutive month period and, in the event

of any such change, County's Percentage Share of Operating Costs shall be equitably adjusted for the Expense Years involved in any such change.

- e) "Real Estate Taxes" means all taxes, assessments and charges levied upon or with respect to the portion of the Property occupied by County or any personal property of Landlord used in the operation thereof, or Landlord's interest in the portion of the Property occupied by County or such personal property. County's Share of Real Estate Taxes shall be County's Proportionate Share for any given month of the Term as set forth in Section 4.3(b) hereof. Real Estate Taxes shall include, without limitation, all general real property taxes and general and special assessments, charges, fees, or assessments for transit, housing, police, fire, or other governmental services thereof, service payments in lieu of taxes, and any tax, fee, or excise on the act of entering into this Lease or any other lease of space in the Building or any part thereof, or on the rent payable under any lease or in connection with the business of renting space in the Building, that are now or hereafter levied or assessed against Landlord by the United States of America, the State of California or any political subdivision thereof, public corporation, district, or any other political or public entity, and shall also include any other tax, fee or other excise, however described, that may be levied or assessed as a substitute for, or as an addition to, in whole or in part, any other Real Estate Taxes, whether or not now customary or in the contemplation of the parties on the date of this Lease.

Notwithstanding the foregoing, Real Estate Taxes shall exclude (1) franchise, transfer, inheritance, or capital stock taxes or income taxes measured by the net income of Landlord from all sources unless, due to a change in the method of taxation, any of such taxes is levied or assessed against Landlord as a substitute for, or as an addition to, in whole or in part, any other tax that would otherwise constitute a Real Estate Tax, (2) any penalties, fines, interest or charges attributable to the late payment of any taxes, except to the extent attributable to County's failure to pay its portion of Real Estate Taxes hereunder, (3) any personal property taxes payable by County hereunder or by any other tenant or occupant of the Building, or (4) any increase in Real Estate Taxes due to any reassessment upon a transfer of any of Landlord's interest in the Building or the real property on which the Building is located during the Initial Term.

- f) "Tax Year" means each calendar year during the Term, including any partial year during which the Lease may commence; provided that Landlord, upon notice to County, may change the Tax Year from time to time to any other twelve (12) consecutive month period and, in the event of any such change, County's Percentage Share of Real Estate Taxes shall be equitably adjusted for the Tax Year involved in any such change.

4.4. Proration

If the Rent Commencement Date or Expiration Date shall occur on a date other than the first or last day of a Tax Year or Expense Year, County's Share of Real Estate Taxes or Insurance for the Tax Year or Expense Year in which the Rent Commencement Date or Expiration Date occurs shall be prorated based on a 365-day year.

4.5. Audits

County shall have the right, upon not less than thirty (30) business days' notice to Landlord, to audit the books and records of the building related to Insurance and Real Estate Taxes. If such audit discloses any discrepancies that would result in a reduction of County's Share of Insurance and Real Estate Taxes for any Expense Year, Landlord shall immediately refund to County the amount of any overpayment by County. County shall pay the cost of such audit, provided that if such audit discloses any discrepancies that result in a reduction of County's Share of Insurance or Taxes of five percent (5%) or more for any Expense Year or Tax Year, then Landlord shall pay the actual costs of such audit. No contingency fee based auditor shall be permitted to be used.

4.6. Records

Landlord shall maintain at the building or at its offices in Santa Clara County, in a safe, complete and organized manner all of its records pertaining to this Lease and Real Estate Taxes, Insurance, and any other charges paid by County pursuant hereto, for a period of not less than three (3) years following expiration of the Term. Landlord shall maintain such records on a current basis and in sufficient detail to facilitate adequate audit and review thereof. All such books and records shall be available for inspection, copying and audit by County and its representatives, at County's expense, subject to the provisions of Section 4.7 above.

5. USE

5.1. Permitted Use

County may use the Premises for general office uses and such other County operations as determined by Tenant. Notwithstanding the foregoing, Tenant shall use commercially reasonable efforts to accomplish all loading/unloading in shared areas and to accomplish all loading/unloading. Landlord shall notify Tenant of any noncompliance with specific information of such noncompliance and Tenant shall use all reasonable efforts to correct the issues. At no time shall Tenant or occupants of the Property hinder or block other tenants' ability to load/unload at this location and Landlord will fully enforce Tenant's rights to do so under the Lease.

in a timely manner.

5.2. Observance of Rules and Regulations

County shall observe Landlord's reasonable rules and regulations for the building subject to the provisions of this Lease. Landlord may make reasonable additions or modifications thereto, which shall be binding upon County within a reasonable implementation period upon Landlord's delivery to County of a copy thereof, provided that such additions or modifications shall not reduce Landlord's obligations hereunder nor interfere with County's business in the Premises, and such additions or modifications must be applicable to the other Building tenants are not in conflict with the provisions of this Lease, do not materially increase the burdens or obligations upon County, do not impose a change upon County for services which this Lease expressly states are to be provided to County at no charge, and do not materially adversely affect the conduct of any business in the Premises which County is permitted to conduct pursuant to Section 5.1 hereof. Landlord shall administer the Rules and Regulations in a fair and nondiscriminatory manner.

5.3. Interference with Access

Landlord shall provide to County at all times use of the Premises and uninterrupted access thereto to the maximum extent possible, including, without limitation, during any power outages affecting the Premises or any portion of the Building; provided, however, that Landlord may, after consultation with the County Executive or the County Executive's designee, interrupt County's access to the Premises or the Building in the event of an immediate risk of danger to the Property and the Building being rendered unsafe for human occupancy to the extent that such condition affects the Premises. If County's use of any of the Premises or access thereto is interrupted as a result of the Premises or any other portion of the building being rendered unsafe for human occupancy due to Landlord's failure to comply with its obligations under this Lease or for any other reason that is within Landlord's control, then Landlord shall immediately undertake all commercially reasonable steps to correct such condition. In the event such condition continues for two (2) days and prevents County's ability to carry on its normal, usual or customary business in the Premises, the Rent payable hereunder shall be abated based on the extent County is unable to carry on its business at the Premises. If any such default by Landlord shall continue for thirty (30) days or more after County's use is interrupted and materially impairs County's ability to carry on its business in the Premises, then County shall have the right, without limiting any of its other rights under this Lease to terminate this Lease, unless Landlord supplies County with evidence reasonably satisfactory to County that County's normal and safe use will be restored within ninety (90) days of the date County's use was interrupted, and such use is actually restored within such 90-day period. Nothing in this Section shall limit County's rights with respect to any disruption due to casualty pursuant to Section 12 (Damage and Destruction) hereof.

6. LEASEHOLD IMPROVEMENTS

6.1. Landlord's Obligation to Construct Leasehold Improvements

Landlord, through its general contractor, shall construct the certain improvements, if any, that are identified in Section 1, Leasehold Improvements. The Landlord shall perform the work and make the installations in the Premises and the Common Areas ("Base Building Improvements") at the Landlord's sole cost, which cost shall not be subject to reimbursement.

6.2. Installation of Telecommunications and Other Equipment

Landlord and County acknowledge that the Leasehold Improvement Work shall be completed by Landlord is exclusive of the installation of telecommunications, data and computer equipment. County shall be responsible for installing such facilities and equipment, provided that Landlord shall furnish access to County and its consultants and contractors to the main telephone service serving the Premises and all other parts of the Property for which access is needed for proper installation of all such equipment including, but not limited to, wiring incidental to such installation. County shall have the right to enter the Premises and such other portions of the Property at reasonable times during construction of the Leasehold Improvements in order to install such equipment. County and Landlord shall use their good faith efforts to coordinate any such activities to allow the Leasehold Improvements and the installation of such equipment to be completed in a timely and cost-effective manner.

7. ALTERATIONS

7.1. Alterations by County

County shall not make or permit any alterations, installations, additions or improvements (collectively, "Alterations") to the Premises without first obtaining Landlord's written consent, which Landlord shall not unreasonably withhold or delay. However, the installation of furnishings, fixtures, equipment or decorative improvements, none of which involve the installation or removal of partitions, demising walls, doors or windows, and the repainting and recarpeting of the Premises shall not constitute Alterations requiring Landlord's consent. Any Alterations permitted hereunder shall be made at County's cost in compliance with applicable Laws as defined in Section 10. Landlord shall, without cost to itself, cooperate with County in securing building and other permits and authorizations needed in connection with any permitted Alterations. Landlord shall not be entitled to any construction or other administrative fee in connection with any Alteration. County shall not be required to remove any Alterations upon the expiration or earlier termination of this Lease unless Landlord notifies County in writing at the time Landlord approves such Alterations that they must be removed at the Expiration Date; provided that Tenant shall be required to remove (and restore back to the condition existing on the Effective Date) any Outdoor Childcare Use installed by Tenant as provided herein. Any Alterations made by County shall be made by Landlord's contractor or, at County's option, by a contractor reasonably acceptable to Landlord.

7.2. Title to Improvements

Except for County's Personal Property (as defined in Section 7.3 below), all appurtenances, fixtures, improvements, equipment, additions and other property permanently installed in the Premises as of the Rent Commencement Date or during the Term shall be and remain Landlord's property. County may not remove such property unless Landlord consents thereto; provided that Tenant shall be required to remove (and restore back to the condition existing on the Effective Date) any Outdoor Childcare Use installed by Tenant as provided herein.

7.3. County's Personal Property

Except as set forth in this Section below, all furniture, furnishings, equipment, trade fixtures and articles of movable personal property installed in the Premises by or for the account of County and that can be removed without structural damage to the Premises (collectively, "County's Personal Property") shall be and remain County's property. At any time during the Term or at the expiration thereof, County may remove any of County's Personal Property provided County shall repair any damage to the Premises resulting therefrom. Upon the expiration or earlier termination of this Lease, County shall remove County's Personal Property from the Premises in accordance with Section 20 (Surrender of Premises), below. Landlord acknowledges that some of County's Personal Property may be financed by an equipment lease financing otherwise subjected to a security interest or owned by an equipment company and leased to County. Landlord, upon County's reasonable request, shall execute and deliver any document required by any supplier, lessor, or lender in connection with the installation in the Premises of any items of County's Personal Property, pursuant to which Landlord waives any rights it may have or acquire with respect to County's Personal Property, so long as the supplier, equipment lessor or lender agrees that it (i) will remove the Property from the Premises on or before the Expiration Date (but if it does not remove County's Personal Property within such time it shall have waived any rights it may have had to County's Personal Property), and (ii) will immediately repair any damage caused by the removal of County's Personal Property. Landlord shall recognize the rights of a supplier,

lessor or lender who has an interest in any items of County's Personal Property to enter the Premises and remove such property at any time during the Term.

7.4. Alteration by Landlord

Landlord shall use commercially reasonable efforts to minimize interference with or disruption to County's use and occupancy of the Premises during any alterations, installations, additions or improvements to the Building or the Property, including without limitation any leasehold improvement work for other tenants in the Property. Landlord shall promptly remedy any such interference or disruption upon receiving County's notice thereof.

8. REPAIRS AND MAINTENANCE

8.1. Landlord's Repairs

Landlord shall repair and maintain, at its cost and in good condition, the exterior and structural portions of the Buildings, including, without limitation, the roof, foundation, bearing and exterior walls, exterior windows, and subflooring, and the heating, ventilating, air conditioning (if any), plumbing, electrical, fire protection, life safety, security, and other mechanical, electrical and communications systems of the Building (collectively, the "Building Systems") and the driveways, parking areas, sidewalks and landscaped areas of the Property. Without limiting the foregoing, Landlord shall maintain the Building and the Property in a clean, safe and attractive manner, and shall not knowingly permit to be done in or about the Building or the Property anything that is illegal, is dangerous to persons or property or constitutes a nuisance. Any damage caused by or repairs necessitated by any negligence or act of County or any County Entity may be repaired by Landlord at Landlord's option and County's expense. Landlord's liability with respect to any defects, repairs, or maintenance for which Landlord is responsible under any of the provisions of this Lease shall be limited to the cost of such repairs or maintenance, and there shall be no abatement of rent and no liability of Landlord by reason of any injury to or interference with County's business arising from the making of repairs, alterations or improvements in or to any portion of the Premises, the Building or the Property or to fixtures, appurtenances or equipment in the Building.

8.2. County's Repairs

County shall perform periodic reasonable visual inspections of the Premises to identify any conditions that are dangerous or in need of maintenance or repair. County shall promptly provide Landlord with notice of any such conditions. County shall, at its sole cost and expense, perform all maintenance and repairs to the Premises that are not Landlord's express responsibility under this Lease (including any Outdoor Childcare Use area), and keep the Premises in good condition and repair, regardless of whether the need for such repairs or maintenance occurs as a result of County's use, any prior use, vandalism, acts of third parties, Force Majeure, or the age of the Premises, reasonable wear and tear excepted. County's repair and maintenance obligations include, without limitation, repairs to: (a) floor coverings; (b) interior partitions; (c) doors (including, without limitation, overhead and roll up doors); (d) the interior side of demising walls; (e) electronic, fiber, phone and data cabling and related equipment that is installed by or for the exclusive benefit of County; (f) supplemental air conditioning units, kitchens, including hot water heaters, plumbing, and similar facilities exclusively serving the Premises; and (g) County Improvements and Tenant Alterations. The standard for comparison of condition will be the condition of the Premises as of the original date of Landlord's delivery of the Premises and failure to meet such standard shall create the need to repair. If County does not perform required

maintenance or repairs, Landlord shall have the right, without waiver of Default or of any other right or remedy, to perform such obligations of County on County's behalf, and County will reimburse Landlord for any costs incurred upon demand.

8.3. Liens

County shall keep the Premises free from liens arising out of any work performed, material furnished or obligations incurred by County during the Term. Landlord shall have the right to post on the Premises any notices permitted or required by law or that are needed for the protection of Landlord, the Premises, or the Building, from mechanics' and material suppliers' liens. County shall give Landlord at least ten (10) days' prior written notice of commencement of any repair or construction by County on the Premises.

9. UTILITIES AND SERVICES

County shall pay the cost of all utilities and services required by County and provided to the Premises as identified in Section 1 Basic Lease Information.

10. COMPLIANCE WITH LAWS; PREMISES CONDITION

10.1. Premises Condition and Landlord's Compliance with Laws; Indemnity

Landlord represents and warrants to County that, to the best of Landlord's knowledge, the building is, or as of the completion of the Leasehold Improvements will be, in compliance with all applicable building safety codes and regulations. To the best of Landlord's knowledge, the Building Systems are in working order and there are no material latent structural defects in the Building, the Premises or the Property which would render the Building or the Premises unsafe for occupancy.

10.2. County's Compliance with Laws

County shall use the Premises during the Term in compliance with applicable present or future federal, state, local and administrative laws, rules, regulations, orders and requirements (collectively, "Laws"), except that County shall not be required to make any structural alterations, additions or other modifications in order to comply therewith unless such modifications are necessary solely because of County's particular use of the Premises as opposed to office users generally or any Alterations to the Premises made by County pursuant to Section 7 hereof. County shall be responsible for complying with any requirement of the Disabilities Laws relating to the placement of County's furniture or other County Personal Property and the operation of any programs in the Premises, other than any requirement relating to the physical structure, fixtures and permanent improvements of the Premises or portions of the Property or Building along the path of travel to the Premises, which are Landlord's obligation as provided in Section 10.1 above. Notwithstanding the foregoing, Landlord shall not be obligated to perform any such work if the requirement to do such work is triggered by Alterations performed by County.

11. SUBORDINATION

This Lease is and shall be subject and subordinate to the following (each an "Encumbrance"): (a) any reciprocal easement agreements and ground leases or other underlying leases that may now exist or hereafter be executed affecting Landlord's interest in the Property, or any portion thereof, and (b) the lien of any mortgage or deed of trust that may now exist or

hereafter be executed by Landlord in any amount for which any part of the Property, any ground leases or underlying leases, or Landlord's interest or estate therein, is specified as security; provided that as a condition to County's agreement to subordinate in writing its interest hereunder to any such Encumbrance hereafter placed on the Property, the holder of the Encumbrance shall, at County's request, enter into a subordination and no disturbance agreement with County in a form then commercially reasonable. Notwithstanding the foregoing, Landlord shall have the right to subordinate or cause to be subordinated to this Lease any Encumbrance. In the event that any ground lease or underlying lease terminates for any reason or any mortgage or deed of trust is foreclosed or a conveyance in lieu of foreclosure is made for any reason, County shall pay subsequent Rent and attorn to and become the tenant of such successor Landlord, at the option of such successor-in-interest, provided that County has received proper written notice of such succession and the name and address of the successor landlord, and further provided that, in the case of any Encumbrance hereafter executed, as a condition to such attornment the holder of such Encumbrance shall, at County's request, agree that so long as County is not in default hereunder, such holder shall recognize this Lease and shall not disturb County in its possession of the Premises for any reason other than one that would entitle Landlord to terminate this Lease or otherwise dispossess County of the Premises in accordance with the terms hereof. The provisions of this Section shall be self-operative and no further instrument shall be required other than as provided in this Section. County agrees, however, to execute upon request by Landlord and in a form reasonably acceptable to County, any additional documents evidencing the priority or subordination of this Lease with respect to any such Encumbrance as provided herein.

Landlord shall use commercially reasonable efforts to provide to County, within 30 days after execution of this Lease, executed non-disturbance and attornment agreements from the holder of any existing Encumbrance. The form of such agreement shall be subject to County's reasonable approval.

12. DAMAGE AND DESTRUCTION

If the Premises, the Building or any Building Systems are damaged by fire or other casualty, Landlord shall repair the same without unreasonable delay (and if Landlord is then carrying insurance on the Leasehold Improvements or if County at its sole option makes funds available to Landlord, Landlord shall also repair the Leasehold Improvements), provided that such repairs can be made under applicable laws within ninety (90) days after Landlord obtains all necessary permits for such repairs but not later than one hundred eighty (180) days after the date of such damage (the "Repair Period"). In such event, this Lease shall remain in full force and effect, except that County shall be entitled to an abatement of Rent while such repairs are being made. Such abatement in Rent shall be based upon the extent to which such damage and the making of such repairs materially interfere with County's business in the Premises. Landlord's repairs shall not include, and the Rent shall not be abated as a result of, any damage by fire or other cause to County's Personal Property or any damage caused by the negligence or willful misconduct of County or its employees or agents.

Within twenty (20) days after the date of such damage, Landlord shall notify County whether or not, in Landlord's reasonable judgment made in good faith, such repairs can be made within the Repair Period. If such repairs cannot be made within the Repair Period, then either party hereto may, by written notice to the other given within thirty (30) days after the date of such damage, terminate this Lease as of the date specified in such notice, which date shall be not less than thirty (30) nor more than sixty (60) days after notice is given by Landlord. In case of termination, the Rent shall be reduced by a proportionate amount based upon the extent to which such damage interferes with the conduct of County's business in the Premises, and County shall

pay such reduced Rent up to the date of termination. Landlord shall refund to County any Rent previously paid for any period of time subsequent to such date of termination.

Notwithstanding the foregoing, in the event the Premises are damaged or destroyed and insurance proceeds are not available to fully pay for restoration of the Premises, excluding any deductible, for which Landlord shall be responsible, except in the case of earthquake if Landlord carries earthquake insurance), Landlord may terminate this Lease by written notice to County within thirty (30) days of the date Landlord receives written notice that the cost of repairs are not fully covered by insurance. Such notice from Landlord shall include adequate written evidence of the denial of insurance coverage. If Landlord does not elect to terminate this Lease as provided above, the Lease shall remain in full force and effect, and Landlord shall repair and restore the Premises as provided above.

If at any time during the last twelve (12) months of the Term of this Lease there is substantial damage that Landlord would be required to repair hereunder, Landlord or County may, at the respective option of each, terminate this Lease as of the date such damage occurred by giving written notice to the other party of its election to do so within thirty (30) days after the date of such damage; provided, however, that neither party may terminate this Lease if it would take less than thirty (30) days from the date of the casualty to repair such damage and there are at least 6 months remaining in the lease term.

The parties intend that the provisions of this Section govern fully their rights and obligations in the event of damage or destruction, and Landlord and County each hereby waives and releases any right to terminate this Lease in whole or in part under Section 1932, subdivision 2, Section 1933, subdivision 4, and Sections 1941 and 1942 of the Civil Code of California or under any similar law, statute or ordinance now or hereafter in effect, to the extent such rights are inconsistent with the provisions hereof.

13. EMINENT DOMAIN

13.1. Definitions

"Taking" means a taking or damaging, including severance damage, by eminent domain, inverse condemnation or for any public or quasi-public use under law. A Taking may occur pursuant to the recording of a final order of condemnation, or by voluntary sale or conveyance in lieu of condemnation or in settlement of a condemnation action.

"Date of Taking" means the earlier of (i) the date upon which title to the portion of the Property taken passes to and vests in the condemner or (ii) the date on which County is dispossessed.

"Award" means all compensation, sums or anything of value paid, awarded or received for a Taking, whether pursuant to judgment, agreement, settlement or otherwise.

13.2. General

If during the Term or during the period between the execution of this Lease and the Commencement Date, there is any Taking of all or any part of the Premises or any interest in this Lease, the rights and obligations of the parties hereunder shall be determined pursuant to this Section. County and Landlord intend that the provisions hereof govern fully in the event of a Taking and accordingly, the parties each hereby waive any right to terminate this Lease in whole

or in part under Sections 1265.10, 1265.40, 1265.120 and 1265.130 of the California Code of Civil Procedure or under any similar law now or hereafter in effect.

13.3. Total Taking; Automatic Termination

If there is a total Taking of the Premises, then this Lease shall terminate as of the Date of Taking.

13.4. Partial Taking; Election to Terminate

If there is a Taking of any portion (but less than all) of the Premises, then this Lease shall terminate in its entirety if all of the following exist: (A) the partial Taking, in County's reasonable judgment, renders the remaining portion of the Premises untenable or unsuitable for continued use by County for its intended purposes or otherwise materially adversely affect County's normal operations in the Premises, (B) the condition rendering the Premises untenable or unsuitable either is not curable or is curable but Landlord is unwilling or unable to cure such condition, and (C) County elects to terminate.

In the case of a partial taking of a substantial portion of the Building or the Property, and if subsection (a) above does not apply, County and Landlord shall each have the right to terminate this Lease by written notice to the other within thirty (30) days after the Date of Taking, provided that, as a condition to County's right to terminate, the portion of the Building or the Property taken shall, in County's reasonable judgment, render the Premises unsuitable for continued use by County for its intended purposes or otherwise materially adversely affect County's normal operations in the Premises.

Either party electing to terminate under the provisions of this Section 13.4 shall do so by giving written notice to the other party before or within thirty (30) days after the Date of Taking, and thereafter this Lease shall terminate upon the later of the thirtieth (30th) day after such written notice is given or the Date of Taking.

13.5. Rent; Award

Upon termination of this Lease pursuant to an election under Section 13.4 above, then: (i) County's obligation to pay Rent shall continue up until the date of termination, and thereafter shall cease, except that Rent shall be reduced as provided in Section 13.6 below for any period during which this Lease continues in effect after the Date of Taking, and (ii) Landlord shall be entitled to the entire Award in connection therewith, except that County shall receive any Award made specifically for County's relocation expenses, the interruption of or damage to County's business, County's improvements pertaining to realty or damage to County's Personal Property.

13.6. Partial Taking; Continuation of Lease

If there is a partial Taking of the Premises under circumstances where this Lease is not terminated in its entirety under Section 13.4 above, then this Lease shall terminate as to the portion of the Premises so taken, but shall remain in full force and effect as to the portion not taken, and the rights and obligations of the parties shall be as follows: (a) Rent shall be reduced by an amount that is in the same ratio to the Rent as the area of the Premises taken bears to the area of the Premises prior to the Date of Taking, and (b) Landlord shall be entitled to the entire Award in connection therewith, provided that County shall receive any Award made specifically

for County's relocation expenses or the interruption of or damage to County's business or damage to County's Personal Property.

13.7. Temporary Taking

Notwithstanding anything to contrary in this Section, if a Taking occurs with respect to the Premises for a limited period of time not in excess of sixty (60) consecutive days, this Lease shall remain unaffected thereby, and County shall continue to pay Rent and to perform all of the terms, conditions and covenants of this Lease. In the event of such temporary Taking, County shall be entitled to receive that portion of any Award representing compensation for the use or occupancy of the Premises during the Term up to the total Rent owing by County for the period of the Taking.

14. ASSIGNMENT AND SUBLETTING

Except as provided in this Section below, County shall not directly or indirectly sell, assign, encumber, pledge or otherwise transfer or hypothecate all or any part of its interest in or rights with respect to the Premises or its leasehold estate hereunder or permit all or any portion of the Premises to be occupied by anyone other than itself or sublet all or any portion of the Premises, without Landlord's prior written consent in each instance, which shall not be unreasonably withheld or delayed. County shall have the right from time to time, upon notice to but without the consent of Landlord, to transfer this Lease or use and occupancy of all or any of the Premises to any department, commission or agency of the County of San Mateo for uses permitted under this Lease.

15. DEFAULT; REMEDIES

15.1. Events of Default by County

Any of the following shall constitute an event of default by County hereunder:

15.1.1 County's failure to make any timely payment of Rent and to cure such nonpayment within five (5) business days after receipt of written notice thereof from Landlord, provided that for the first monthly payment of Rent at the beginning of the Term and for the first monthly payment of Rent after the beginning of each new fiscal year for County, County shall have twenty (20) days to cure any such nonpayment after written notice thereof from Landlord;

15.1.2 County's abandonment of the Premises (within the meaning of California Civil Code Section 1951.3); or

15.1.3 County's failure to perform any other covenant or obligation of County hereunder (not involving the payment of money) and to cure such non-performance within thirty (30) days of the date of receipt of notice thereof from Landlord, provided that if more than thirty (30) days are reasonably required for such cure, no event of default shall occur if County commences such cure within such period and diligently prosecutes such cure to completion.

15.2. Landlord's Remedies

Upon the occurrence of any event of default by County that is not cured within the applicable grace period as provided above, Landlord shall have all rights and remedies available pursuant to law, at equity or granted hereunder, including, without limitation, the following:

The rights and remedies provided by California Civil Code Section 1951.2 (damages on termination for breach), including, but not limited to, the right to terminate County's right to possession of the Premises and to recover the worth at the time of award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the amount of rental loss for the same period that County proves could be reasonably avoided, as computed pursuant to subsection (b) of such Section 1951.2.

The rights and remedies provided by California Civil Code Section 1951.4 (continuation of lease after breach and abandonment), which allows Landlord to continue this Lease in effect and to enforce all of its rights and remedies under this Lease, including the right to recover Rent as it becomes due, for so long as Landlord does not terminate County's right to possession, if County has the right to sublet or assign, subject only to reasonable limitations.

15.3. Landlord's Default

If Landlord fails to perform any of its material obligations under this Lease, and such failure materially impairs County's ability to conduct its business in the Premises, then (without limiting any of County's other rights under this Lease) County may, at its sole option, cure such default at Landlord's expense if such default continues after thirty (30) days from the date County gives written notice to Landlord of County's intention to perform such cure, and Landlord shall promptly reimburse County for the reasonable costs incurred by the County in curing such default. However, in the case of a material default which for causes beyond Landlord's control (excluding any financial inability to perform) cannot with due diligence be cured within such 30-day period, such 30-day period shall be extended if Landlord, promptly upon receipt of County's notice, advises County of Landlord's intention to take all steps reasonably required to cure such default, and Landlord promptly commences such cure and diligently prosecutes the same to completion. Notwithstanding the foregoing, if any such default by Landlord continues for ninety (90) days from the date County gives written notice as set forth hereinabove and materially impairs County's ability to conduct its business in the Premises, then County shall have the right to terminate this Lease upon written notice to Landlord within thirty (30) days after the expiration of such 90-day period. This provision shall not limit any other rights that the County may have at law or in equity; however, in no event shall County be entitled to consequential damages hereunder.

16. INDEMNITIES

16.1. County's Indemnity

County, as a material part of the consideration to be rendered to Landlord, waives any and all claims against Landlord for damages by reason of any death or injury to any person or persons, including County, County's agents, employees and invitees, or any injury to property of any kind whatsoever and to whomsoever belonging, including the property of County, arising at any time and from any cause other than by reason of the negligence or willful misconduct of Landlord, in, on or about the Premises or the Property, except as expressly set forth in Section 16.2. County shall indemnify, defend and hold harmless ("Indemnify") Landlord and its Agents from and against any and all claims, costs and expenses (collectively, "Claims"), incurred as a result of (a) County's use of the Premises, (b) any default by County in the performance of any of its material obligations under this Lease, or (c) any negligent acts or omissions of County or its Agents in, on or about the Premises or the Property; provided, however, County shall not be obligated to Indemnify Landlord or its Agents to the extent any Claim arises out of the negligence or willful misconduct of Landlord or its Agents. In any action or proceeding brought against Landlord or its Agents by reason of any Claim Indemnified by County hereunder, County

may, at its sole option, elect to defend such Claim by attorneys in County's Office of County Counsel, by other attorneys selected by County, or both. County shall have the right to control the defense and to determine the settlement or compromise of any action or proceeding, provided that Landlord shall have the right, but not the obligation, to participate in the defense of any such Claim at its sole cost. County's obligations under this Section shall survive the termination of the Lease.

16.2. Landlord's Indemnity

Except to the extent due to a default by County under this Lease or to the negligence or willful misconduct of County, its agents or employees, Landlord shall Indemnify County and its Agents from and against any and all claims arising from personal injury or loss of life as a result of Landlord's negligence or willful misconduct or Default of its obligations hereunder (after expiration of any applicable notice and cure period), or any breach of any representations or warranties made by Landlord under this Lease, provided that in no event shall Landlord be liable for consequential damages or loss of business or income.. In any action or proceeding brought against County or its Agents by reason of any Claim Indemnified by Landlord hereunder, Landlord may, at its sole option, elect to defend such Claim by attorneys selected by Landlord. Landlord shall have the right to control the defense and to determine the settlement or compromise of any action or proceeding, provided that County shall have the right, but not the obligation, to participate in the defense of any such Claim at its sole cost. Landlord's obligations under this Section shall survive the termination of the Lease.

16.3. Concurrent Negligence

In the event of concurrent negligence of County, its officers and/or employees, and Landlord, its officers and/or employees, then the liability for any and all claims for injuries or damage to persons and/or property which arise out of terms and conditions of this Lease shall be apportioned according to the California theory of comparative negligence.

17. INSURANCE

17.1. County's Self-Insurance

Landlord acknowledges that County maintains a program of self-insurance and agrees that County shall not be required to carry any insurance with respect to this Lease. County assumes the risk of damage to any of County's Personal Property.

County is presently self-insured in the amount of \$500,000,000 each occurrence giving rise to personal injury and property damage liabilities for which County could be held responsible. In addition, County presently has in force excess insurance in the amount of \$55,000,000 annually in the aggregate. Said self-insurance and excess insurance provide coverage for personal injury and property damage liabilities arising out of the acts and/or omissions of County, its officers, agents, contractors and employees, while on the Premises. County upon request of Landlord shall furnish Landlord with a Certificate of Insurance that shall provide that Landlord would receive ten (10) days' prior notice of cancellation, change in scope or modification in coverage of such coverage. Nothing herein shall be interpreted to require County or its insurer to provide a defense for, to provide insurance for, or to indemnify Landlord except as may be otherwise required by law.

17.2. Landlord's Insurance

At all times during the Term, Landlord shall keep the Building (excluding the land upon which it is located) insured against damage and destruction by fire, vandalism, malicious mischief, sprinkler damage and other perils customarily covered under a causes of loss-special form property insurance policy (excluding earthquake, flood and terrorism) in an amount equal to one hundred percent of the full insurance replacement value (replacement cost new, including, debris removal and demolition) thereof. Landlord shall, upon request by County, provide to County a certificate of insurance issued by the insurance carrier, evidencing the insurance required above. The certificate shall expressly provide that the policy is not cancelable or subject to reduction of coverage or otherwise be subject to modification except after thirty (30) days prior written notice to County. Landlord hereby waives any rights against County for loss or damage to the Premises or any other part of the Property, to the extent covered by Landlord's property insurance.

17.3. Waiver of Subrogation

Notwithstanding anything to the contrary contained herein, Landlord hereby waives any right of recovery against County for any loss or damage sustained by Landlord with respect to the Property or the Premises or any portion thereof or the contents of the same or any operation therein, whether or not such loss is caused by the fault or negligence of County, to the extent (i) such loss or damage is actually recovered from valid and collectible insurance covering the Landlord, and (ii) the Landlord's insurance carrier agrees to its written waiver of right to recover such loss or damage.

18. ACCESS BY LANDLORD

Landlord reserves for itself and any designated agent the right to enter the Premises at all reasonable times and, except in cases of emergency (in which event Landlord shall give any reasonable notice), after giving County at least twenty four (24) hours' advance written or oral notice, for the purpose of (i) inspecting the Premises, (ii) supplying any service to be provided by Landlord hereunder, (iii) showing the Premises to any prospective purchasers, mortgagees or, during the last twelve (12) months of the Term of this Lease, tenants, (iv) posting notices of non-responsibility, and (v) altering, improving or repairing the Premises and any portion of the Building, and Landlord may for that purpose erect, use and maintain necessary structures in and through the Premises where reasonably required by the character of the work to be performed, provided that the entrance to the Premises shall not be blocked thereby, and further provided that County's use shall not be materially interfered with.

19. ESTOPPEL CERTIFICATES

Either party, from time to time during the Term upon not less than ten (10) days' prior written notice from the other party, shall execute, acknowledge and deliver to the other party, or such persons or entities designated by such other party, a certificate stating: (a) the Commencement Date and Expiration Date of this Lease, (b) that this Lease is unmodified and in full force and effect (or, if there have been modifications, that the Lease is in full force and effect as modified and stating the modifications), (c) that there are no defaults under this Lease (or if so, specifying the same), (d) the date to which Rent has been paid, and (e) any other information that may be reasonably required.

20. SURRENDER OF PREMISES

Upon the expiration or sooner termination of this Lease, County shall surrender the Premises to Landlord in good order and condition, reasonable use and wear and damage by fire or other casualty excepted. On or before the Expiration Date, County shall remove from the Premises all of County's Personal Property, County's telecommunications, data and computer facilities and any Alterations County desires or is required to remove from the Premises pursuant to the provisions of Section 7.1 (Alterations by County), above. County shall repair or pay the cost of repairing any damage to the Premises or the Building resulting from such removal. Notwithstanding anything to the contrary in this Lease, County shall not be required to demolish or remove from the Premises any of the Leasehold Improvements. County's obligations under this Section shall survive the expiration or earlier termination of this Lease.

21. HAZARDOUS MATERIALS

21.1. Definitions

As used in this Lease, the following terms shall have the meanings hereinafter set forth: "Environmental Laws" shall mean any federal, state, local or administrative law, rule, regulation, order or requirement relating to industrial hygiene, environmental conditions or Hazardous Material, whether now in effect or hereafter adopted.

"Hazardous Material" shall mean any material that, because of its quantity, concentration or physical or chemical characteristics, is deemed by any federal, state or local governmental authority to pose a present or potential hazard to human health or safety or to the environment. Hazardous Material includes, without limitation, any material or substance defined as a "hazardous substance," or "pollutant" or "contaminant" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA", also commonly known as the "Superfund" law), as amended, (42 U.S.C. Sections 9601 et seq.), or pursuant to Section 25316 of the California Health & Safety Code; any "hazardous waste" listed pursuant to Section 25140 of the California Health & Safety Code; any asbestos and asbestos containing materials whether or not such materials are part of the structure of the Building or are naturally occurring substances on or about the Property; and petroleum, including crude oil or any fraction thereof, natural gas or natural gas liquids.

"Release" when used with respect to Hazardous Material shall include any actual or imminent spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into or inside the Building, or in, on, under or about the Property.

21.2. Landlord's Representations and Covenants

Landlord represents and warrants to County that, to the best of Landlord's knowledge, the following statements are true and correct and will be true and correct as of the Commencement Date: (a) the Property is not in violation of any Environmental Laws; (b) the Property is not now, nor has it been, used for the manufacture, use, storage, discharge, deposit, transportation or disposal of any Hazardous Material, except for the use of such substances in such limited quantities as are customarily used in offices, which limited use has been and is in compliance with Environmental Laws; (c) the Property does not consist of any landfill or contain any underground storage tanks; (d) the Building does not consist of any asbestos-containing materials or building materials that contain any other Hazardous Material, nor do the Premises or the Common Areas contain any lead-based paints; (e) there has been and is no Release of any

Hazardous Material in the Building or in, on, under or about the Property; and (f) the Property is not subject to any claim by any governmental regulatory agency or third party related to the Release of any Hazardous Material, and there is no inquiry by any governmental agency (including, without limitation, the California Department of Toxic Substances Control or the Regional Water Quality Control Board) with respect to the presence of Hazardous Material in the Building or in, on, under or about the Property, or the migration of Hazardous Material from or to other real property. Subject to County's obligations under this Section below, Landlord shall maintain the Property throughout the Term in compliance with all Environmental Laws that could affect the health, safety and welfare of County's employees or County's use, occupancy or enjoyment of the Premises for their intended purposes.

21.3. Landlord's Environmental Indemnity

Without limiting Landlord's Indemnity in Section 16.2 (Landlord's Indemnity), above, Landlord shall Indemnify County and its Agents against any and all Claims arising during or after the Term of this Lease (a) as a result of any breach of any of Landlord's representations, warranties or covenants in the preceding Section, or (b) in connection with any presence or Release of Hazardous Material in the Building or on, under or about the Property, unless County or its Agents caused such Release.

21.4. County's Covenants

Neither County nor its agents shall cause any Hazardous Material to be brought upon, kept, used, stored, generated or disposed of in, on or about the Premises or the Property, or transported to or from the Premises or the Property, in violation of any Environmental Laws, provided that County may use, so long as such use is in compliance with all applicable Environmental Laws.

21.5. County's Environmental Indemnity

If County breaches its obligations contained in the preceding Section 21.4, or if County or its Agents cause the Release of Hazardous Material from, in, on or about the Premises or the Property, then County shall Indemnify Landlord against any and all Claims arising during or after the Term of this Lease as a result of such Release, except to the extent Landlord or its Agents is responsible for the Release. The foregoing Indemnity shall not include any Claims resulting from the non-negligent aggravation by County, its Agents or Invitees of physical conditions of the Premises, or other parts of the Property, existing prior to County's occupancy.

22. RIGHT OF FIRST REFUSAL

If Landlord determines, in its sole discretion, to sell the real property of which the Premises is a part at any time during the Initial Term, Landlord shall give notice to County of such determination ("Landlord's Sale Intention Notice"). Not later than sixty (60) days after Landlord's Sale Intention Notice (with time being of the essence), County shall be entitled to a one-time right to submit to Landlord a Letter of Intent ("LOI") of County'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 County'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 during such period, or (3) otherwise holding out the Premises for sale to a third party during that period. Such preclusion shall automatically terminate without any further writing between parties upon (1) Landlord's rejection of County's LOI as

determined in Landlord's sole discretion, or (2) failure of Landlord and County to execute a mutually acceptable PSA within 45 days after Landlord's receipt of the County's LOI (with time being of the essence), or (3) County's failure to timely deliver an LOI. Thereafter, Landlord shall have no further right to provide a Landlord's Sale Intention Notice for the remainder of the Term.

During the period described in the prior paragraph, 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.

Notwithstanding the foregoing, the provisions of this Section 22 shall not apply to Excluded Transactions, which are defined as: (a) transfers to Affiliates of Landlord (as that term is defined herein. The term "Affiliates of Landlord" means (A) any company that owns 75% or more of the voting stock of Landlord; (B) any company 75% or more of whose voting stock is owned by Landlord; (C) any company 75% or more of the voting stock is owned by a corporation that also owns 50% or more of the voting stock of Landlord; or (D) JP DiNapoli Companies, Inc., or any entity whose majority of its ownership interest is directly or indirectly owned by JP DiNapoli Companies, Inc. or a principal thereof; (b) collateral security transfers in connection with any debt or equity financing, or transfers pursuant to a foreclosure or a deed in lieu thereof; (c) transfers to any joint venture or partnership into which Landlord, or any Affiliate of Landlord, enters or joins; (d) transfers in connection with any debt or equity financing, or transfers pursuant to a foreclosure or a deed in lieu thereof; or (e) the sale of Premises as part of a "portfolio" or "packaged" deal of properties that are owned by Landlord or Affiliates of Landlord.

23. GENERAL PROVISIONS

23.1. Notices

Except as otherwise specifically provided in this Lease, any notice given under this Lease shall be in writing and given by delivering the notice in person or by commercial courier, or by sending it by first-class mail, certified mail, return receipt requested, or Express Mail, return receipt requested, with postage prepaid, to: (a) County at County's address set forth in the Basic Lease Information; or (b) Landlord at Landlord's address set forth in the Basic Lease Information; or (c) such other address as either Landlord or County may designate as its new address for such purpose by notice given to the other in accordance with this Section. Any notice hereunder shall be deemed to have been given and received two (2) days after the date when it is mailed if sent by first-class, certified mail, one day after the date when it is mailed if sent by Express Mail, or upon the date personal delivery is made. For convenience of the parties, copies of notices may also be given by telephone facsimile to the facsimile number set forth in the Basic Lease Information or such other number as may be provided from time to time; however, neither party may give official or binding notice by telephone facsimile.

23.2. No Implied Waiver

No failure by either party to insist upon the strict performance of any obligation of the other party under this Lease or to exercise any right, power or remedy consequent upon a breach thereof shall constitute a waiver of any such breach or of such term, covenant or condition. No acceptance of full or partial Rent by Landlord while County is in default hereunder shall constitute a waiver of such default by Landlord. No express written waiver of any default or the performance of any provision hereof shall affect any other default or performance, or cover any other period of time, other than the default, performance or period of time specified in such express waiver. One or more written waivers of a default or the performance of any provision hereof shall not be

deemed to be a waiver of a subsequent default or performance. The consent of Landlord or County given in one instance under the terms of this Lease shall not relieve the other party of any obligation to secure the consent to any other or future instance under the terms of the Lease.

23.3. Amendments

Neither this Lease nor any terms or provisions hereof may be changed, waived, discharged or terminated, except by a written instrument signed by the party against which the enforcement of the change, waiver, discharge or termination is sought. No waiver of any breach shall affect or alter this Lease, but each and every term, covenant and condition of this Lease shall continue in full force and effect with respect to any other then-existing or subsequent breach thereof. Whenever this Lease requires or permits the giving by County of its consent or approval, the County Executive, or his or her designee shall be authorized to provide such approval, except as otherwise provided by applicable law, including the County's Ordinance Code and Charter. Any amendments or modifications to this Lease, including, without limitation, amendments to or modifications to the exhibits to this Lease, shall be subject to the mutual written agreement of Landlord and County and may be made upon the sole approval of the County Executive, or his or her designee; provided, however, material amendments or modifications to this Lease which are not anticipated as specifically set forth in this Lease (i) changing the legal description of the Premises, (ii) increasing the Term, (iii) increasing the Rent, (iv) changing the general use of the Premises from the use authorized under Section 5.1 of this Lease, and (vi) any other amendment or modification which materially increases the County's liabilities or financial obligations under this Lease shall additionally require the approval of the County's Board of Supervisors.

23.4. Authority

Landlord represents and warrants to County that the execution and delivery of this Lease by Landlord has been duly authorized and does not violate any provision of any agreement, law or regulation to which Landlord or the Property is subject.

23.5. Parties and Their Agents; Approvals

If applicable, the word "Landlord" as used in this Lease shall include the plural as well as the singular. As used in this Lease, the term "Agents" when used with respect to either party shall include the agents, employees, officers and contractors of such party, and the term "Invitees" when used with respect to County shall include the clients, customers, invitees, guests, licensees, assignees or subtenants of County. All approvals, consents or other determinations permitted or required by County under this Lease shall be made by or through the County Executive, or his or her designee, unless otherwise provided in this Lease, subject to any applicable limitations in the Ordinance Code or the Charter of the County of San Mateo.

23.6. Interpretation of Lease

The captions preceding the articles and sections of this Lease and in the table of contents have been inserted for convenience of reference only and such captions shall in no way define or limit the scope or intent of any provision of this Lease. This Lease has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with herein and shall be interpreted to achieve the intent and purposes of the parties, without any presumption against the party responsible for drafting any part of this Lease. Except as otherwise specifically provided herein, wherever in this Lease Landlord or County is required or requested to give its consent or approval to any matter or action by the other, such consent or approval shall not be

unreasonably withheld or delayed and the reasons for disapproval of consent shall be stated in reasonable detail in writing. Provisions in this Lease relating to number of days shall be calendar days, unless otherwise specified, provided that if the last day of any period to give notice, reply to a notice or to undertake any other action occurs on a Saturday, Sunday or a bank or County holiday, then the last day for undertaking the action or giving or replying to the notice shall be the next succeeding business day. Use of the word "including" or similar words shall not be construed to limit any general term, statement or other matter in this Lease, whether or not language of non-limitation, such as "without limitation" or similar words, are used.

23.7. Successors and Assigns

Subject to the provisions of Section 14 relating to assignment and subletting, the terms, covenants and conditions contained in this Lease shall bind and inure to the benefit of Landlord and County and, except as otherwise provided herein, their personal representatives and successors and assigns. There are no third-party beneficiaries to this Lease.

23.8. Brokers

The broker, if any, identified in the Basic Lease Information, whose commission, if any is due, shall be the sole responsibility of Landlord pursuant to a separate written agreement between Landlord and such broker, and County shall have no liability therefor. In the event that any other broker or finder perfects a claim for a commission or finder's fee based upon any such contact, dealings or communication, the party through whom the broker or finder makes his claim shall be responsible for such commission or fee and shall indemnify the other party from any and all Claims incurred by the indemnified party in defending against the same. The provisions of this Section shall survive any termination of this Lease.

23.9. Severability

If any provision of this Lease or the application thereof to any person, entity or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such provision to persons, entities or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each other provision of this Lease shall be valid and be enforceable to the full extent permitted by law.

23.10. Governing Law

This Lease shall be construed and enforced in accordance with the laws of the State of California and the Ordinance Code and Charter of the County of San Mateo.

23.11. Entire Agreement

The parties intend that this Lease (including all of the attached exhibits, which are made a part of this Lease) shall be the final expression of their agreement with respect to the subject matter hereof and may not be contradicted by evidence of any prior or contemporaneous written or oral agreements or understandings. The parties further intend that this Lease shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever (including prior drafts hereof and changes therefrom) may be introduced in any judicial, administrative or other legal proceeding involving this Lease.

23.12. Holding Over

Should County hold over in possession of the Premises after the expiration of the Term with Landlord's consent, such holding over shall not be deemed to extend the Term or renew this Lease, but such tenancy thereafter shall continue as a month-to-month tenancy. Such tenancy shall be on all the terms and conditions set forth in this Lease and at the monthly Base Rent in effect during the last month of the Term of the Lease or such other rental as Landlord and County may mutually agree in writing as a condition to Landlord's consent to such holding over, and County shall continue as a month-to-month tenant until the tenancy shall be terminated by Landlord giving County or County giving Landlord at least thirty (30) days' prior written notice of termination. Should County hold over without Landlord's consent, the rent payable by County during the period of such holding over shall be one hundred ten percent (110%) of the monthly Base Rent in effect during the last month of the Term of this Lease, and such tenancy shall otherwise be on the terms and conditions contained herein.

23.13. Cumulative Remedies

All rights and remedies of either party hereto set forth in this Lease shall be cumulative, except as may otherwise be provided herein.

23.14. Time of Essence

Time is of the essence with respect to all provisions of this Lease in which a definite time for performance is specified.

23.15. Survival of Indemnities

Termination of this Lease shall not affect the right of either party to enforce any and all indemnities and representations and warranties given or made to the other party under this Lease, nor shall it effect any provision of this Lease that expressly states it shall survive termination hereof. Each party hereto specifically acknowledges and agrees that, with respect to each of the indemnities contained in this Lease, the indemnitor has an immediate and independent obligation to defend the indemnitees from any claim which actually or potentially falls within the indemnity provision even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to the indemnitor by the indemnitee and continues at all times thereafter.

23.16. Signs

County may erect or post signs on or about the Premises subject to Landlord's prior approval as provided below. Landlord reserves the right to review the placement, design, and plan for any such sign prior to its erection or posting and agrees that the approval thereof shall not be unreasonably withheld or delayed.

23.17. Quiet Enjoyment and Title

Landlord covenants and represents that it has full right, power and authority to grant the leasehold estate hereunder, and covenants that County, upon paying the Rent hereunder and performing the covenants hereof, shall peaceably and quietly have, hold and enjoy the Premises and all appurtenances during the full Term of this Lease as against all persons or entities claiming by and through Landlord or on account of any action, inaction or agreement of Landlord or its

Agents. Without limiting the provisions of Section 16.2 (Landlord's Indemnity), Landlord agrees to Indemnify County and its Agents against Claims arising out of any assertion that would interfere with County's right to quiet enjoyment as provided in this Section.

23.18. Bankruptcy

Landlord represents and warrants to County that Landlord has neither filed nor been the subject of any filing of a petition under the federal bankruptcy law or any federal or state insolvency laws or laws for composition of indebtedness or for the reorganization of debtors, and, to the best of Landlord's knowledge, no such filing is threatened. Landlord and County agree that County's leasehold estate created hereby includes, without limitation, all rights to receive and enjoy all services, facilities and amenities of the Premises, the Building and the Property as provided herein, and that if any of such services, facilities or amenities are terminated, or materially limited or restricted on account of any such case or proceeding, or for any other reason, County shall have the right to (i) contract directly with any third-party provider of such services, facilities or amenities to obtain the same, and (ii) offset against the Base Rent or other charges payable hereunder any and all reasonable costs and expenses incurred by County in obtaining such services, facilities or amenities.

23.19. Transfer of Landlord's Interest

Landlord shall have the right to transfer its interest in the Property, the Building or this Lease to any other financially responsible person or entity. In the event of any such transfer, Landlord shall be relieved, upon notice to County of the name and address of Landlord's successor, of any obligations accruing hereunder from and after the date of such transfer and upon delivering to County an express assumption by the transferee of all of Landlord's obligations hereunder.

23.20. Non-Liability of County Officials, Employees and Agents

Notwithstanding anything to the contrary in this Lease, no elective or appointive board, commission, member, officer, employee or agent of County shall be personally liable to Landlord, its successors and assigns, in the event of any default or breach by County or for any amount which may become due to Landlord, its successors and assigns, or for any obligation of County under this Lease.

23.21. Counterparts

This Lease may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

23.22. Certification by Landlord

By executing this Lease, Landlord certifies that Landlord is not suspended, debarred or otherwise excluded from participation in federal assistance programs. Landlord acknowledges that this certification of eligibility to receive federal funds is a material term of this Lease.

23.23. Acceptance of Lease by Landlord

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS LEASE, LANDLORD ACKNOWLEDGES AND AGREES THAT NO OFFICER OR EMPLOYEE OF

COUNTY HAS AUTHORITY TO COMMIT COUNTY HERETO UNLESS AND UNTIL THE COUNTY'S BOARD OF SUPERVISORS SHALL HAVE DULY ADOPTED A RESOLUTION APPROVING THIS LEASE AND AUTHORIZING CONSUMMATION OF THE TRANSACTION CONTEMPLATED HEREBY. THEREFORE, ANY OBLIGATIONS OR LIABILITIES OF COUNTY HEREUNDER ARE CONTINGENT UPON ADOPTION OF SUCH A RESOLUTION, AND THIS LEASE SHALL BE NULL AND VOID UNLESS COUNTY'S BOARD OF SUPERVISORS AUTHORIZES EXECUTION OF THIS LEASE, IN ITS RESPECTIVE SOLE AND ABSOLUTE DISCRETION, AND IN ACCORDANCE WITH ALL APPLICABLE LAWS. APPROVAL OF THIS LEASE BY ANY DEPARTMENT, COMMISSION OR AGENCY OF COUNTY SHALL NOT BE DEEMED TO IMPLY THAT SUCH RESOLUTION WILL BE ADOPTED NOR WILL ANY SUCH APPROVAL CREATE ANY BINDING OBLIGATIONS ON COUNTY.

Landlord and County have executed this Lease as of the date first written above.

LANDLORD:

DINAPOLI FAMILY LP

By: J. Philip Di Napoli

Name: J. Philip Di Napoli

Date: July 6, 2023

COUNTY:

COUNTY OF SAN MATEO, a political subdivision of
the State of California

By: _____
David Pine

President, Board of Supervisors

ATTESTED:

Clerk of the Board of Supervisors

EXHIBIT A
SITE PLAN OF PREMISES
Page 1 of 3

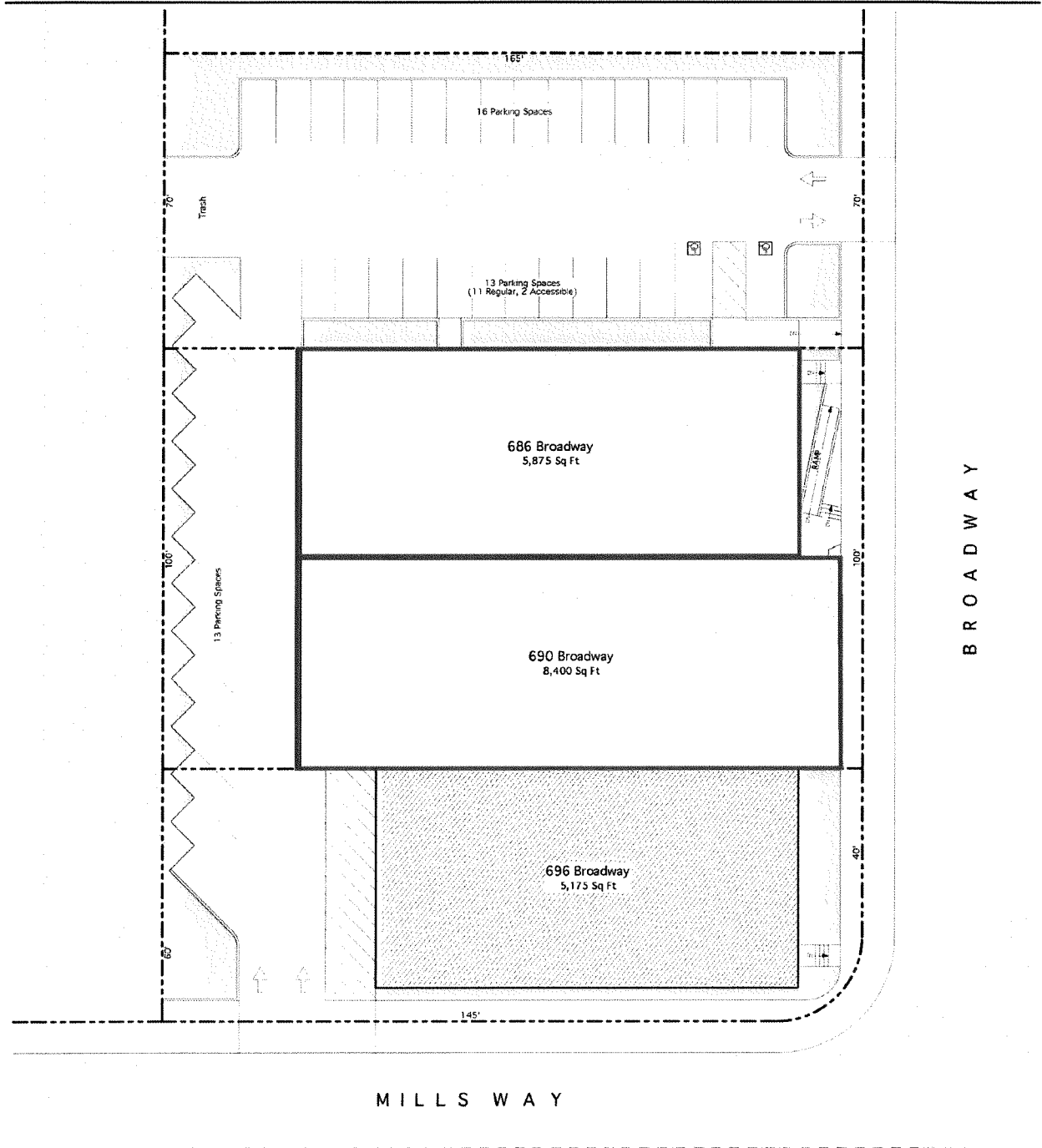


EXHIBIT A
FLOOR PLAN OF SUITE 690 BROADWAY
Page 2 of 3

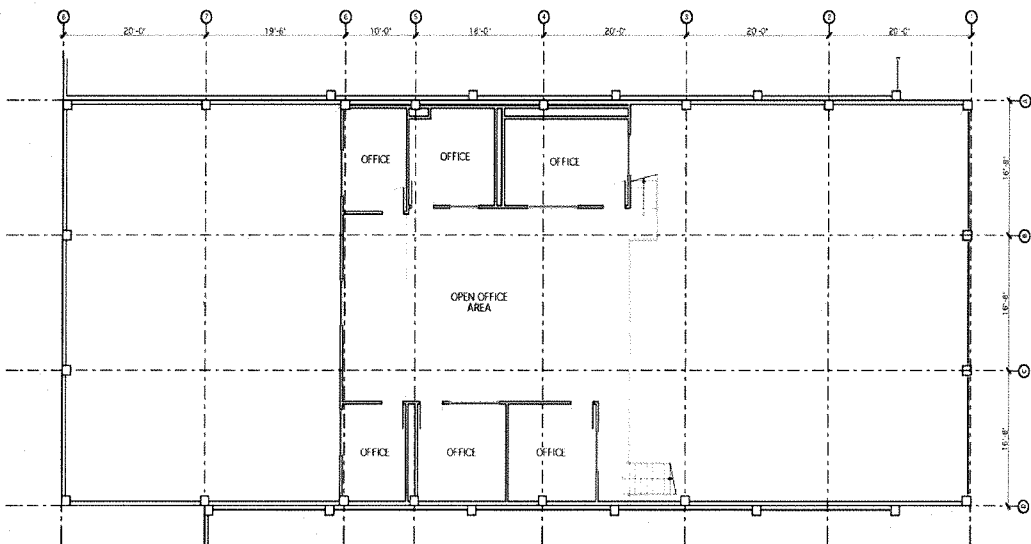
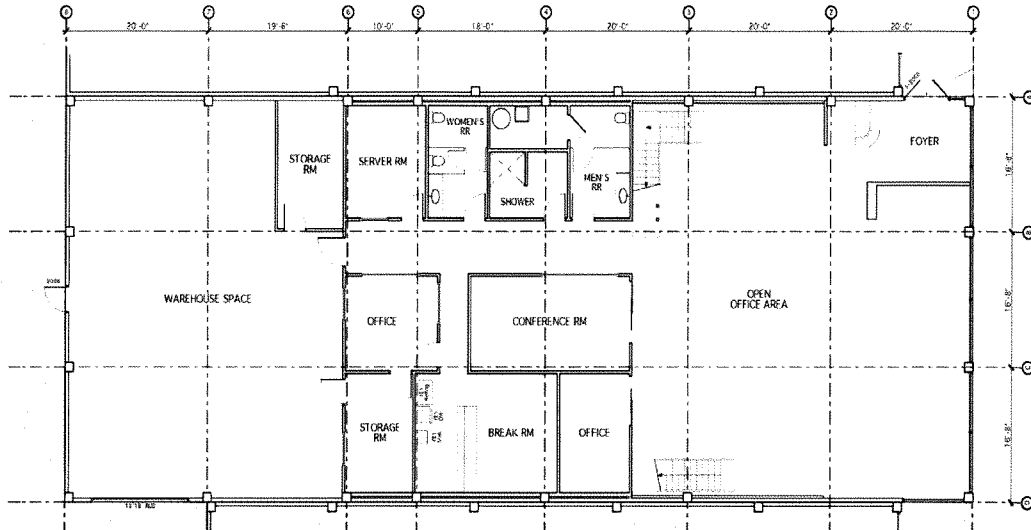


EXHIBIT A

FLOOR PLAN OF SUITE 686 BROADWAY
Page 3 of 3

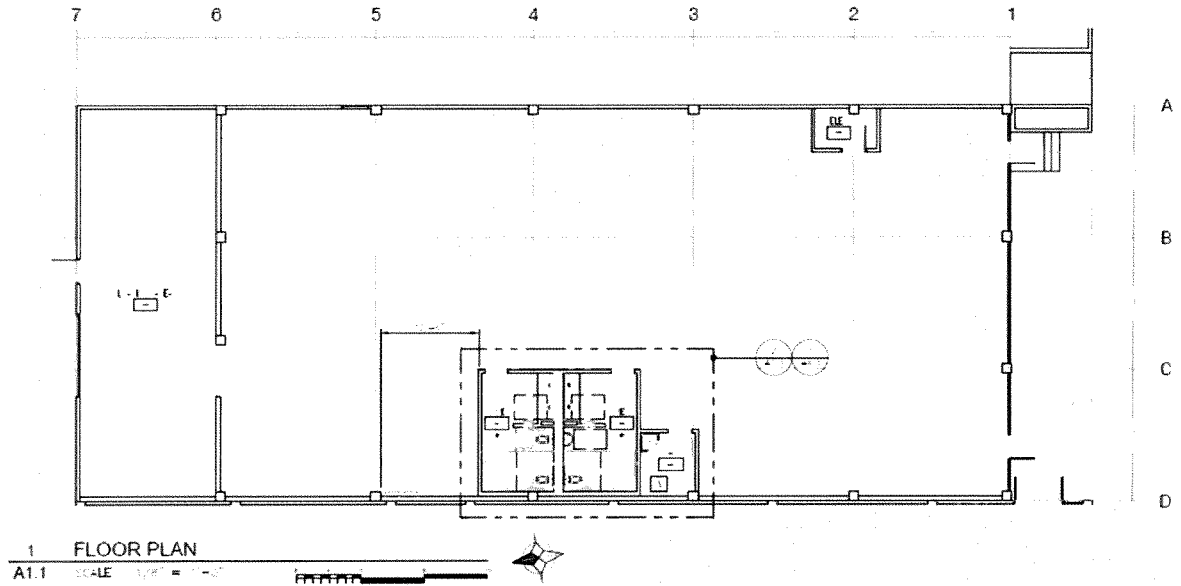


EXHIBIT B

Notice of Commencement Date

[Date]

Mr. Michael Callagy
County Executive
County of San Mateo
400 County Center
Redwood City, CA 94063

RE: Acknowledgement of Commencement Date, Lease Between JP DiNapoli Companies, Inc. (Landlord), and the COUNTY OF SAN MATEO (County), for the premises known as 686 – 690 Broadway Street, in Redwood City

Dear Mr. Callagy:

This letter will confirm that for all purposes of the Lease, the Rent Commencement Date (as defined in Section 3.2 of the Lease) is _____, 2023.

Please acknowledge your acceptance of this letter by signing and returning a copy of this letter.

Thank you,

By: _____

Title: _____

Accepted and Agreed:

By: _____

Mike Callagy
County Executive