

## **LEASE AGREEMENT**

This Lease Agreement (the "Agreement"), dated, for reference purposes only, this 22nd day of July 2024, by and between the COUNTY OF SAN MATEO, a political subdivision of the State of California, ("County") and California Dining Services ("Lessee"), is entered into subject to the following terms and conditions. The County and Lessee may be collectively referred to herein as "Parties" and individually as a "Party."

1. **PREMISES AND USE:** Lessee is hereby granted permission to non-exclusive use of the real property described as approximately 2700 square feet of accessible cafeteria, kitchen and storage space, with interior seating capacity for approximately 85 located in the basement of the Hall of Justice, 400 County Center, Redwood City, California, (hereinafter "Premises 1") (as further described in Exhibit A, attached hereto and incorporated by reference), and approximately 2530 square feet of accessible café space with interior seating capacity for approximately 30 and exterior seating capacity for 12-14 located on the first floor of the County Office Building 3 ("COB3") (as further described in Exhibit B, attached hereto and incorporated by reference) at 500 County Center, Redwood City, California (hereinafter "Premises 2"). Lessee shall provide supervisory and management services necessary for the efficient staffing and operation of Premise 1 as a cafeteria and dining area with food service from a full kitchen; and Premise 2 as a café that will offer fresh food, beverages and "grab n' go" snacks and a dining area. (Premises 1 and Premises 2 may be collectively referred to herein as the "Premises" unless otherwise specified.) Lessee shall serve a variety of healthy, quality foods and beverages on Monday through Friday at both Premises, excluding official County or State of California holidays, during hours that at a minimum shall be from 7:30 a.m. to 2:30 p.m. at Premises 1 and 7:30 a.m. to 4:30 p.m. at Premises 2, unless otherwise agreed by the Parties. Lessee's use of the Premises is subject to the additional terms and conditions set forth in Exhibit C, which is attached hereto and incorporated by reference. No other use is allowed without prior written consent of County. Immediately following completion of any services permitted hereunder, Lessee shall restore the Premises to a clean and orderly condition substantially similar to its condition immediately prior to Lessee's use, to the reasonable satisfaction of the County.

2. **EQUIPMENT:** Lessee may use solely in connection with the use of the Premises authorized by this Lease and with the County's express written approval the County equipment identified and agreed upon by County and Lessee. The County equipment, is provided to Lessee as-is, without warranty of condition or fitness for any use or purpose. County will maintain the agreed-upon equipment for the first two years of the agreement. Lessee shall, to its best ability, maintain the County's equipment in a safe, clean and efficient condition. Any repairs or maintenance to County's equipment after the first two years of this agreement shall be the sole responsibility of Lessee. Upon termination of this Lease, Lessee shall surrender County's equipment (or its equal quality in replacement) in the same order and condition as when received by Lessee, except for reasonable wear and tear.

County will provide \$2,500.00 worth of equipment needed, as agreed upon by the County and Lessee.

3. **TERM:** This Lease shall be effective upon full execution by Lessee and County and approval of the County Board of Supervisors (the "Effective Date"). The term of this Lease shall be from July 22, 2024, to July 21, 2027 (the "Term"). The County shall have one option to extend the Term for an additional period not to exceed two years, which the County may exercise in its sole, absolute discretion. To exercise this option the County shall provide written notice to Lessee at least thirty days before the end of the Term.

4. **NATURE OF LEASE:** This Lease does not constitute the grant of a deed, easement, or a conveyance or transfer of any property interest by County.

5. **ASSIGNMENT:** This Lease is not transferable or assignable. Any such transfer or assignment without the consent of County shall be void from the time made.

6. **FEE/BASE RENT:**

A. Subject to the provisions of Section 6(B), Lessee shall pay the County \$8,950 per month for Premises 1 and \$2,442 per month for Premises 2 for a total of \$11,392 per month for both Premises (the "Base Rent"). The County may increase the Base Rent by 3% each year after the initial Term. In addition to Base Rent, Lessee shall be responsible for submitting with its Base Rent, payment for Utilities, as specified below.

B. The County will pay for the two years of Base Rent for both Premises. After the second year of the Term, Lessee shall be responsible for paying Base Rent by payment to County through the remainder of the Term, without prior demand and without any deduction, setoff or counterclaim whatsoever, in equal consecutive monthly payments on or before the first day of the third year of the Term and on or before the first day of each month thereafter. The County agrees to meet and confer with Lessee prior to the commencement of the third year of the Term to discuss any adjustment to Base Rent as may be advisable in the County's sole discretion under the circumstances, including consideration of Lessee's financial statements for the operation of the Premises during the first two years of the lease term. Lessee agrees to submit financial statements specifying its profit and loss for operation of the Premises prior to the end of each year of the term of this lease.

7. **SECURITY DEPOSIT:** Lessee will provide County with a \$5,000 security deposit per each Premises, for a total of \$10,000, due upon the Effective Date of this Agreement. The security deposit will not earn interest.

8. **CHANGES, ADDITIONS OR ALTERATIONS:** Lessee agrees not to make any changes, additions, or alterations to the Premises or any part thereof, without first consulting with and obtaining the prior and specific written consent of the County prior to making any changes, additions, or alterations to the Premises.

9. **MAINTENANCE, UTILITIES, AND JANITORIAL:**

A. County shall furnish Lessee, during the Term, the following services and utilities: Trash and recycling removal.

B. Lessee shall provide and be solely responsible for providing and paying the full cost of the following services at the Premises: all janitorial, housekeeping and pest control services. In addition, except as specified in Section 9A, Lessee is responsible for paying the full cost of utilities for each of the Premises provided by the County, including, phone, data line and water (collectively, "Utilities"). Lessee shall remit payment to County for Utilities monthly with Base Rent and/or in response to invoices provided by Lessor, as the County may direct. The County shall allocate Premises' share of Utilities costs based on usage as determined in the County's reasonable discretion, provided that the cost of Utilities charged to Lessee shall not be less than \$500.00 per month. These costs will be included in the calculation and payment of the Base Rent.

10. **COSTS TO RECOVER PREMISES:** Lessee agrees to pay County all costs and expenses in any action brought by County to recover possession of the Premises or to enforce any rights of County hereunder.
11. **RELATIONSHIP:** County shall not become or be deemed a partner or joint venturer with Lessee by reason of this Lease or any provision hereof. Nothing in this Lease shall be construed to make Lessee an agent, employee, or department of County. Lessee warrants that it will not represent, directly or indirectly, to any person or entity, that it is a department, agent, or employee of the County of San Mateo or that it is performing any official function of County.
12. **LICENSES:** Lessee shall secure any necessary licenses, health and safety certifications and approvals applicable to the use of the Premises for which this Lease is granted.
13. **LICENSE, FEES, AND TAXES:** Lessee shall be liable for, and shall pay throughout the term of this Lease, any license fees and taxes, including possessory interest taxes, covering its use of both Premises.
14. **RESERVATIONS:** This Lease is subsequent to and subject to all prior exceptions, reservations, grants, leases, easements, or licenses of any kind whatsoever as the same appear on record in the San Mateo County Recorder's Office, or in the other public records of County.
15. **LAW AND REGULATIONS:** Lessee shall at all times maintain, occupy, and use the Premises in compliance with all laws, rules, regulations which may be applicable thereto. Lessee shall not allow any offensive or refuse matter, nor any substance constituting an unnecessary, unreasonable or unlawful fire hazard, nor any material detrimental to the public health to accumulate or remain on the Premises.
16. **WAIVER OF CLAIMS:** County shall not be responsible for or liable to Lessee, and Lessee hereby assumes the risk of, and waives and releases County and its officers, employees, and agents from all claims for any injury, loss or damage to any person or property in or about the Premises by or from any cause whatsoever including, without limitation, (i) theft, (ii) explosion, fire, steam, oil, electricity, water, gas or rain, pollution or contamination, (iii) stopped, leaking or defective Building Systems, (iv) Building defects, and (v) any other acts, omissions or causes. Nothing in this Section shall relieve County from liability caused solely and directly by the gross negligence or willful misconduct of County, but County shall not be liable under any circumstances for any consequential, incidental or punitive damages.
17. **INDEMNIFICATION:** Lessee agrees to indemnify and save harmless County, its officers, and employees and agents from all claims, suits, or actions of every name, kind and description, brought for, or on account of, injuries to or death of any person or damage to property of any kind whatsoever and to whomsoever belonging, from any cause or causes whatsoever while in, upon or in any way connected with, the Premises arising during the Term or any extension thereof. The duty of the Lessee to indemnify and save harmless, as set forth hereinabove, shall include the duty to defend as established in Section 2778 of the California Civil Code.
18. **WORKERS' COMPENSATION AND EMPLOYER LIABILITY INSURANCE:** During the entire Term of this Lease, and any extension thereof, Lessee shall have in effect Workers' Compensation and Employer Liability Insurance providing full statutory coverage for all of its employees and personnel. In signing this Lease, Lessee makes the following certification:

Lessee is aware of the provisions of Section 3700 of the California Labor Code that requires every employer (1) to be insured against liability for Workers' Compensation or (2) to undertake self-insurance in accordance with the provisions of the Code. Lessee will comply with such provisions.

19. **LIABILITY INSURANCE:** Lessee shall obtain at its sole expense and furnish evidence to County prior to the Effective Date of this Lease of a combined general liability and property damage insurance policy in the amount of at least 1 Million Dollars (\$1,000,000) per occurrence to be kept in full force during the term of this Lease and any extension hereof.

County, its officers, agents and employees shall be named as additional insured on the liability insurance policy required above, which shall also contain a provision that the insurance afforded thereby to County shall be the primary insurance to the full limits of liability of the policy. If County has other insurance coverage against a loss covered by the coverage that Lessee is required to have, such other insurance coverage of County shall be excess insurance only.

20. **LIENS:** Lessee shall keep the Premises free from any liens arising out of the work performed, materials furnished or obligations incurred by Lessee.

21. **TAXES:** It shall be the Lessee's responsibility to pay all applicable Federal, State and other taxes and submit necessary reports as required.

22. **NONDISCRIMINATION:** Less agrees that it shall not discriminate against any person or class of persons by reason of race, color, national origin, ancestry, age, disability (physical or mental), sex, sexual orientation, gender identity, marital or domestic partner status, religion, political beliefs or affiliation, familial or parental status (including pregnancy), medical condition (cancer-related), military service, or genetic information in the use, occupancy, or enjoyment of the Premises, or in the employment of persons in any way connected with the use of the Premises, except to the extent permitted by law.

23. **TERMINATION:** Either Party hereto shall have the right to terminate this Lease at any time at will, without cause by serving written notice on the other party at least 30 days in advance of termination. County shall have the right to terminate this Lease for cause by providing 30 days' written notice in the event of breach or default by Lessee.

24. **NOTICES:** Any notice to be given hereunder shall be by U.S. Certified Mail, prepaid, and addressed to the parties hereto, or personally delivered to, as follows:

County:  
County of San Mateo  
Real Property Division  
Attn: Michele King  
555 County Center, 4th Fl.  
Redwood City, CA 94063  
Email: mking@smcgov.org

Lessee:  
Ted Swantko, President  
California Dining Services

2070 Business Center Drive, Ste 255  
Irvine, CA 92612  
Telephone: (949) 683-2029  
Email: caldining@californiadiningservices.com

25. **SAN MATEO COUNTY POLICIES.AND ORDINANCES**

A. NO SMOKING ORDINANCE. Lessee is aware that the County of San Mateo has adopted an Ordinance (No. 03239) which prohibits smoking in all County facilities whether owned or leased. Lessee understands that said Ordinance authorizes County to enforce the provisions contained therein.

B. DISPOSABLE FOOD SERVICE WARE ORDINANCE. Lessee is aware that the County of San Mateo has adopted an Ordinance Chapter 4.106 which regulates the use of disposable food service ware. Lessee understands that said Ordinance authorizes County to enforce the provisions contained therein.

C. COUNTY WELLNESS GOALS. Lessee is aware that the County requires that Lessee offer healthy and nutritious food options at the Premises at all times.

26. **SUCCESSORS IN INTEREST:** All of the provisions in this Lease apply to and bind the heirs, successors, executors, administrators and assigns of both parties hereto, both of whom shall be jointly and severally liable hereunder.

27. **ENTIRE AGREEMENT:** This Agreement constitutes the entire agreement between the Parties pertaining to the subject matter hereof and correctly states the rights, duties, and obligations of each Party. Any prior agreement, promises, negotiations, or representations between the Parties, oral or written, express or implied, are hereby superseded and not binding. This Agreement may be modified only by a writing executed by both Parties.

28. **GOVERNING LAW:** This Agreement, including any exhibits, shall for all purposes be deemed subject to the laws of the State of California, and in the event of a lawsuit concerning this Agreement, such lawsuit shall be venued in the County of San Mateo Superior Court.

29. **AUTHORIZED REPRESENTATIVE OF COUNTY OF SAN MATEO:**

The County Executive, or their designee, shall be the authorized representative of County for purposes of giving any notices or exercising any right, options or privileges of County in this Lease, including. the right to terminate this Lease or to grant Lessee permission to make changes, additions or alterations to the Premises.

Each Party executing this Lease acknowledges receipt of a copy hereof.

LESSEE:

DocuSigned by:  
California Dining Services 3/24/2024  
8123A6065EED419 Date: \_\_\_\_\_

By: \_\_\_\_\_ California Dining Services

Print Name

TITLE: \_\_\_\_\_ President

COUNTY OF SAN MATEO

DocuSigned by:  
Iliana Rodriguez 7/24/2024  
533FEF9D62354F3... Date: \_\_\_\_\_  
Iliana Rodriguez

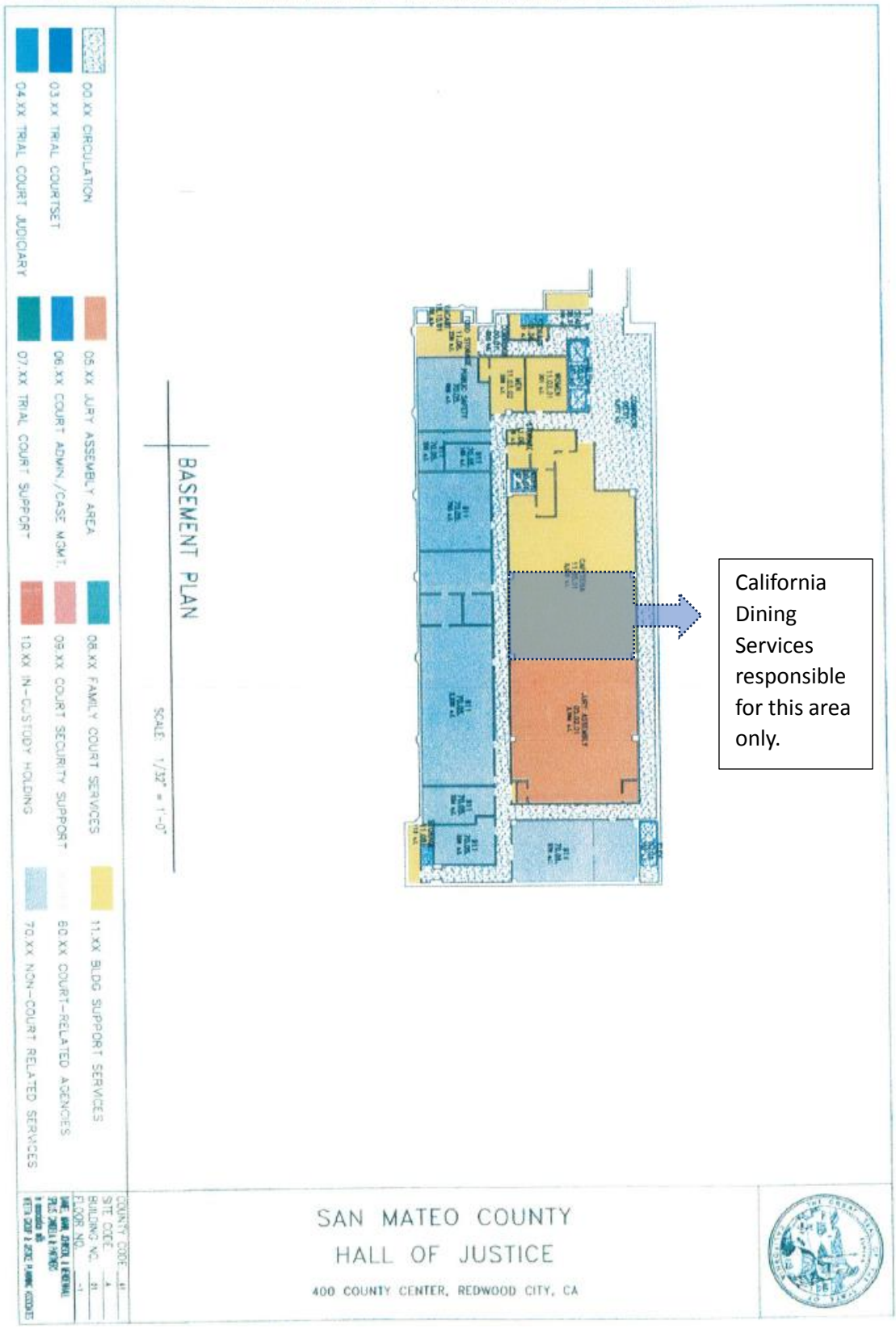
BY: \_\_\_\_\_

Print Name

TITLE: \_\_\_\_\_ Assistant County Executive

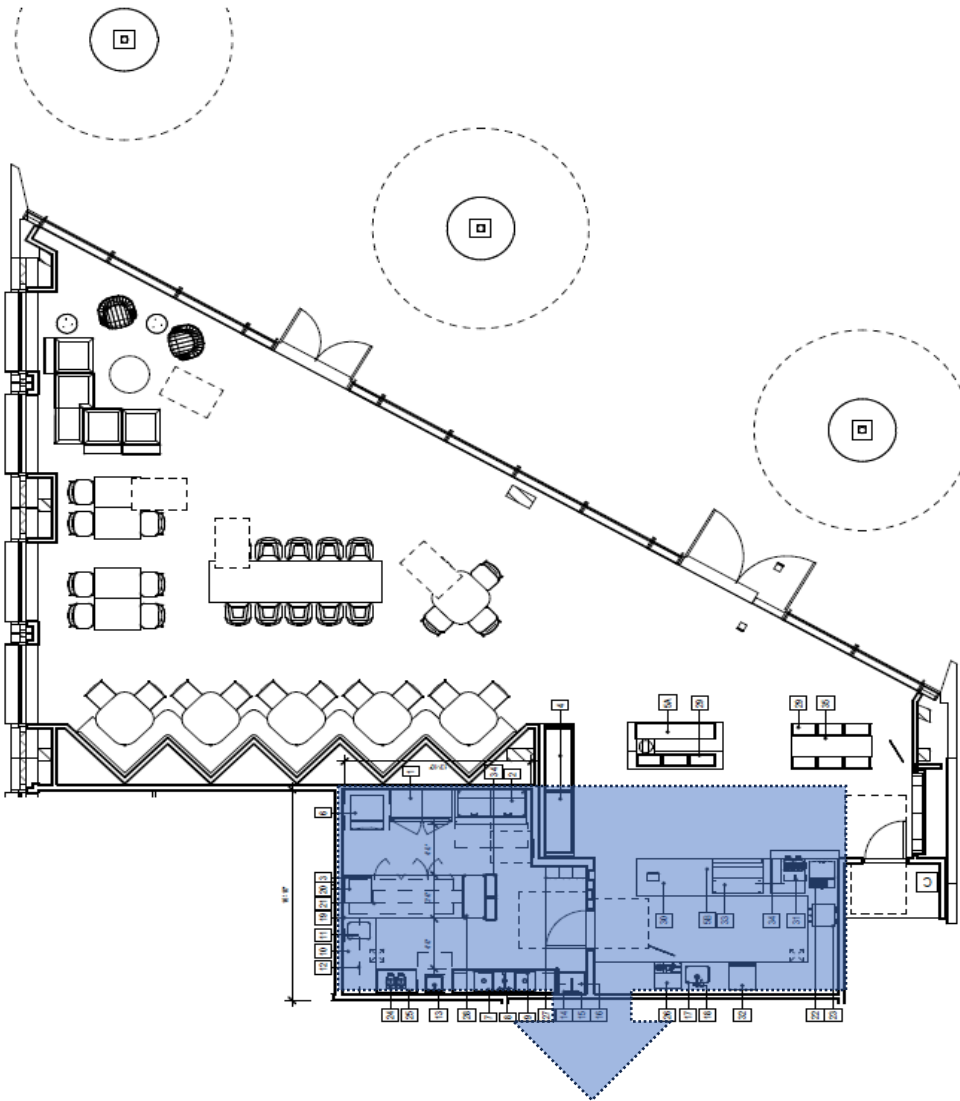
**Exhibit A**  
**Premises 1**

C:\1999  
X-REFERENCE FILE(S): J:\CAL COURTS\CADO\GENERAL FILES\STANDARD TITLE BLOCKS\CTBLK.DWG, CALIFORNIA SEAL.TIF  
X-REFERENCE FILE(S): J:\CAL COURTS\4 COURT FACILITY BY COUNTY\  
DRAWING FILE NAME: J:\CAL COURTS\4 COURT FACILITY BY COUNTY\4.41 SAN MATEO COUNTY\41A01 HALL OF JUSTICE\SMH01.DWG



**Exhibit B**

**Premises 2**



SCALE: 1/8" = 1' - 0"



## **EXHIBIT C- Additional Terms and Conditions**

### **1. Compliance With Laws**

All services to be performed by Lessee pursuant to this Agreement shall be performed in accordance with all applicable Federal, State, County, and municipal laws, ordinances, regulations, and executive orders, including but not limited to the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the Federal Regulations promulgated thereunder, as amended (if applicable), the Business Associate requirements set forth in Attachment H (if attached), the Americans with Disabilities Act of 1990, as amended, and Section 504 of the Rehabilitation Act of 1973, which prohibits discrimination on the basis of disability in programs and activities receiving any Federal or County financial assistance, as well as any required economic or other sanctions imposed by the United States government or under state law in effect during the term of the Agreement. Such services shall also be performed in accordance with all applicable ordinances and regulations, including but not limited to appropriate licensure, certification regulations, provisions pertaining to confidentiality of records, and applicable quality assurance regulations. In the event of a conflict between the terms of this Agreement and any applicable State, Federal, County, or municipal law, regulation, or executive order, the requirements of the applicable law, regulation, or executive order will take precedence over the requirements set forth in this Agreement.

Lessee will timely and accurately complete, sign, and submit all necessary documentation of compliance.

### **2. Non-Discrimination and Other Requirements**

#### **a. General Non-discrimination**

No person shall be denied any services provided pursuant to this Agreement (except as limited by the scope of services) on the grounds of race, color, national origin, ancestry, age, disability (physical or mental), sex, sexual orientation, gender identity, marital or domestic partner status, religion, political beliefs or affiliation, familial or parental status (including pregnancy), medical condition (cancer-related), military service, or genetic information.

#### **b. Equal Employment Opportunity**

Lessee shall ensure equal employment opportunity based on objective standards of recruitment, classification, selection, promotion, compensation, performance evaluation, and management relations for all employees under this Agreement. Lessee's equal employment policies shall be made available to County upon request.

#### **c. Section 504 of the Rehabilitation Act of 1973**

Lessee shall comply with Section 504 of the Rehabilitation Act of 1973, as amended, which provides that no otherwise qualified individual with a disability shall, solely by reason of a disability, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination in the performance of any services this Agreement. This Section applies only to Lessees who are providing services to members of the public under this Agreement.

#### **d. Compliance with County's Equal Benefits Ordinance**

Lessee shall comply with all laws relating to the provision of benefits to its employees and their spouses or domestic partners, including, but not limited to, such laws prohibiting discrimination in the provision of such benefits on the basis that the spouse or domestic partner of the Lessee's employee is of the same or opposite sex as the employee.

**e. Discrimination Against Individuals with Disabilities**

The nondiscrimination requirements of 41 C.F.R. 60-741.5(a) are incorporated into this Agreement as if fully set forth here, and Lessee and any subcontractor shall abide by the requirements of 41 C.F.R. 60-741.5(a). This regulation prohibits discrimination against qualified individuals on the basis of disability and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified individuals with disabilities.

**f. History of Discrimination**

Lessee certifies that no finding of discrimination has been issued in the past 365 days against Lessee by the Equal Employment Opportunity Commission, the California Department of Fair Employment and Housing, or any other investigative entity. If any finding(s) of discrimination have been issued against Lessee within the past 365 days by the Equal Employment Opportunity Commission, the California Department of Fair Employment and Housing, or other investigative entity, Lessee shall provide County with a written explanation of the outcome(s) or remedy for the discrimination prior to execution of this Agreement. Failure to comply with this Section shall constitute a material breach of this Agreement and subjects the Agreement to immediate termination at the sole option of the County.

**g. Reporting; Violation of Non-discrimination Provisions**

Lessee shall also report to the County the filing by any person in any court any complaint of discrimination or the filing by any person of any and all charges with the Equal Employment Opportunity Commission, the Fair Employment and Housing Commission, or any other entity charged with the investigation of allegations of discrimination within seventy-five (75) days of such filing, provided that within such seventy-five (75) days such entity has not notified Lessee that such charges are dismissed or otherwise unfounded. Such notification to County shall include a general description of the allegations and the nature of specific claims being asserted. Lessee shall provide County with a statement regarding how it responded to the allegations within sixty (60) days of its response and shall update County regarding the nature of the final resolution of such allegations.

Violation of the non-discrimination provisions of this Agreement shall be considered a breach of this Agreement and subject the Lessee to penalties, to be determined by the County Executive Officer, including but not limited to the following:

- i. termination of this Agreement;
- ii. disqualification of the Lessee from being considered for or being awarded a County contract for a period of up to 3 years;
- iii. liquidated damages of \$2,500 per violation; and/or
- iv. imposition of other appropriate contractual and civil remedies and sanctions, as determined by the County Executive Officer.

To effectuate the provisions of this Section, the County Executive Officer shall have the authority to offset all or any portion of the amount described in this Section against amounts due to Lessee under this Agreement or any other agreement between Lessee and County.

**h. Compliance with Living Wage Ordinance**

As required by Chapter 2.88 of the San Mateo County Ordinance Code, Lessee certifies all contractor(s) and subcontractor(s) obligated under this contract shall fully comply with the provisions of the County of San Mateo Living Wage Ordinance, including, but not limited to, paying all Covered Employees the current Living Wage and providing notice to all Covered Employees and Subcontractors as required under the Ordinance.

**3. Compliance with County Employee Jury Service Ordinance**

Lessee shall comply with Chapter 2.85 of the County's Ordinance Code, which states that Lessee shall have and adhere to a written policy providing that its employees, to the extent they are full-time employees and live in San Mateo County, shall receive from the Lessee, on an annual basis, no fewer than five days of regular pay for jury service in San Mateo County, with jury pay being provided only for each day of actual jury service. The policy may provide that such employees deposit any fees received for such jury service with Lessee or that the Lessee may deduct from an employee's regular pay the fees received for jury service in San Mateo County. By signing this Agreement, Lessee certifies that it has and adheres to a policy consistent with Chapter 2.85. For purposes of this Section, if Lessee has no employees in San Mateo County, it is sufficient for Lessee to provide the following written statement to County: "For purposes of San Mateo County's jury service ordinance, Lessee certifies that it has no full-time employees who live in San Mateo County. To the extent that it hires any such employees during the term of its Agreement with San Mateo County, Lessee shall adopt a policy that complies with Chapter 2.85 of the County's Ordinance Code." The requirements of Chapter 2.85 do not apply unless this Agreement's total value listed in the Section titled "Payments", exceeds two-hundred thousand dollars (\$200,000); Lessee acknowledges that Chapter 2.85's requirements will apply if this Agreement is amended such that its total value exceeds that threshold amount.

**4. Retention of Records; Right to Monitor and Audit**

(a) Lessee shall maintain all required records relating to services provided under this Agreement for three (3) years after County makes final payment and all other pending matters are closed, and Lessee shall be subject to the examination and/or audit by County, a Federal grantor agency, and the State of California.

(b) Lessee shall comply with all program and fiscal reporting requirements set forth by applicable Federal, State, and local agencies and as required by County.

(c) Lessee agrees upon reasonable notice to provide to County, to any Federal or State department having monitoring or review authority, to County's authorized representative, and/or to any of their respective audit agencies access to and the right to examine all records and documents necessary to determine compliance with relevant Federal, State, and local statutes, rules, and regulations, to determine compliance with this Agreement, and to evaluate the quality, appropriateness, and timeliness of services performed.

**5. Electronic Signature**

Both County and Lessee wish to permit this Agreement and future documents relating to this Agreement to be digitally signed in accordance with California law and County's Electronic Signature Administrative Memo. Any party to this Agreement may revoke such agreement to permit electronic signatures at any time in relation to all future documents by providing notice pursuant to this Agreement.

**6. Payment of Permits/Licenses**

Lessee bears responsibility to obtain any license, permit, or approval required from any agency for work/services to be performed under this Agreement at Lessee's own expense prior to commencement of said work/services. Failure to do so will result in forfeit of any right to compensation under this Agreement.

**7. Use of Premises**

- a. Lessee shall operate, staff and manage all aspects of the full-service kitchen at Premises 1 and the grab n' go café services at Premises 2, including to:

- i. Effectively operate, manage and staff all functions necessary to deliver quality food and beverage service at a reasonable price at Premises 1 and 2. Operating hours for the Premises 1 (400 County Center) will be from 7:30 a.m. to 2:30 p.m. and operating hours for Premises 2 (COB3) will be 7:30 AM – 4:30 PM Monday through Friday.
  - Lessee understands and agrees that Premises 1 will be operated as and provide both “grab and go” foods as offered in Premises 2 in addition to meal entrees, including hot foods, grilled foods, burritos, and vegetarian options. Grease trap for fryers, oven and grill are only available at Premises 1.
  - Lessee understands and agrees that Premises 2 will be operated as a “grab and go” concept where customers are able to obtain hot and cold food options, including coffee/tea, smoothies, pastries, sandwiches, and snacks without having to wait in line more than a few minutes. Food offered will include at least one vegetarian option. Lessee will work with the County to ensure that the foods served meet customer demand, as reasonable and consistent with the County’s requirements.
- ii. Develop, implement, and maintain a menu at each of the Premises for food and beverage options at reasonable prices that incorporate healthy, sustainable grown foods and beverages as well as those that include inventive meal options.
- iii. Comply with the County Wellness Policy
- iv. Source and secure all food and beverage requirements for the cafés and arrange for timely delivery to ensure that sufficient supplies are on hand to meet customer demand during the Premises’ operating hours.
- v. Hire, train, and supervise competent staff to execute the necessary functions to deliver quality food and beverage service at a reasonable price and ensure a clean, pleasant experience for customers.
  - Lessee will work with the County’s Vocational Rehabilitation Services (VRS) program to consider staffing appropriate functions of the cafes with clients of the VRS. VRS will be a resource to assist with identifying and providing vocational services to support the VRS staff who are hired.
- vi. Prepare and secure necessary permits and approvals to operate the cafes and provide food and beverage service.
- vii. Comply with all terms and conditions of the lease agreement and County policies and procedures, including demonstrating sound fiscal management and purchasing.
- viii. Cooperate with and be prepared to respond constructively to a customer satisfaction survey; the results of which will be shared/discussed between the Lessee and County.