

OFFICE LEASE

between

KN PROPERTIES, LLC,
A California Limited Liability Company File No. 200829810218
as Landlord

and

COUNTY OF SAN MATEO,
A political subdivision of the State of California
as Tenant

For the lease of
235 Main Street
Half Moon Bay, California

February 20, 2024

OFFICE LEASE
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LIST OF EXHIBITS:

N/A

OFFICE LEASE
Lease No.1346

THIS OFFICE LEASE (this "Lease"), dated for reference purposes only as of February 20, 2024, is made by and between KN PROPERTIES, LLC ("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 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.

- | | | |
|------|------------------------------------|--|
| 1.1 | Lease Reference Date: | February 20, 2024 |
| 1.2 | Landlord: | KN Properties, LLC |
| 1.3 | Tenant: | County of San Mateo |
| 1.4 | Property and Building (Section 2): | The property is known as 235 Main Street, Half Moon Bay, CA and also known as San Mateo County Assessor's Parcel Number 056-250-440 (the "Property"). |
| 1.5 | Premises (Section 2): | The premises consists of the approximately 2,400 square foot Building (the "Premises"). |
| 1.6 | Parking (Section 2) | County shall have nonexclusive access to the surface parking spaces available for property parking. |
| 1.7 | Term (Section 3): | The term shall be for a period of Five Years (5) Years, commencing upon the execution of the Parties.

Estimated Commencement Date: May 1 st , 2024.
Premises to be delivered for possession and occupancy by County beginning March 1 st , 2024 through April 30 th , 2024, at no charge to County. |
| 1.8 | Extension Option (Section 3): | County shall have the right to extend the Term of this Lease (the "Extension Option") for one additional term of five (5) years (the "Extended Term") by providing written notice to Landlord given not less than six (6) months in advance, with rent determined as set forth in Section 3 hereof. |
| 1.9 | Adjustment Dates | 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"). |
| 1.10 | Base Rent (Section 4): | Monthly Base Rent shall be \$6,240.00, based on \$2.60 per square foot per month gross, subject to adjustment as set forth in Section 4 hereof. This Gross Lease includes |

	all taxes, building/Premises insurance, and common area maintenance of the Premises. Tenant shall be responsible to pay for gas, electric, security, janitorial, phone and data services and personal liability insurance or its equivalent.
1.11 Rent Adjustment for Extended Term (Section 3)	Upon commencement of the Extended Term, the Base Rent for the following twelve-month period shall be adjusted to reflect ninety-five percent (95%) of the then Fair Market Value, as defined herein, and 3% annual rent increases upon anniversary dates thereafter.
1.12 County's Percentage Share:	Not Applicable
1.13 Security Deposit	Not Applicable
1.14 Use (Section 5):	The Premises shall be used for general purposes of the County Sheriff's Office, and other County departments, as needed.
1.15 Building and Parking Improvements (Section 6)	Landlord to complete ADA compliance requirements pertaining to accessible approach/path of travel to building entrance and entry door.
1.16 Utilities (Section 9):	Landlord, at its sole cost and expense, shall provide all common area maintenance of the Property. Tenant at its sole cost and expense, shall provide all utilities including gas, electricity, security, janitorial, telephone and data services.
1.17 Other Nteworthy Provisions (Section 22)	Existing Office Furniture available for use by Tenant, at no cost to Tenant.
1.18 Notice Address of Landlord (Section 23):	KN Properties, LLC PO Box 158 Half Moon Bay, CA 94019
1.19 Key Contact for Landlord:	Keet Nerhan PO Box 158 Half Moon Bay, CA 94019
Landlord Contact Telephone No.:	(650) 726-4402
1.20 Notice Address for County (Section 23):	County of San Mateo Real Property Services 555 County Center, 4th Floor Redwood City, CA 94063
1.21 Key Contact for County:	Real Property Services Manager 555 County Center, 4 th Floor Redwood City, CA 94063
County Contact Telephone No.:	(650) 363-4047
1.22 Broker (Section 23)	N/A

2. PREMISES

2.1. Lease Premises

Landlord leases to County and County leases from Landlord, subject to the provisions of this Lease, those premises in the building identified in Section 1 of the Basic Lease Information (the "Building") (the "Premises"). Landlord and County hereby agree that the Premises contain the rentable area specified in the Basic Lease Information. 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. Common Areas

County shall have the non-exclusive right to use, together with other tenants of the Property, the public areas of the Property (the "Common Areas"), and the right of access to and from the the Building and the Property by way of the non-exclusive Premises.

2.3. Parking

County shall have the right to use and the Landlord shall provide the parking spaces as set forth in Section 1.

3. TERM

3.1. Term of Lease

The term of the lease shall be 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, or designee, and the Landlord authorize 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 (Extension Option), below. The word "Term" as used herein shall refer to the Initial Term and any Extended Terms if County exercises the Extension Option as provided in Sections 1 and 3.

3.2. Delay in Delivery of Possession

If Landlord is unable to deliver possession of the Premises in good working condition to County as required hereunder within ninety (90) days of the Estimated Commencement Date, then County may, at its option, terminate this Lease, without any further liability under this Lease, upon written notice to Landlord. Landlord will allow the County early non-exclusive possession of the Premises upon full execution of the lease in order for the County to begin construction of Leasehold Improvements, as defined in Section 6 herein. During the County's early possession, the Landlord's work may be done concurrently.

3.3. Extension Option

County shall have the right to extend the Term of this Lease (the "Extension Option(s)") for the additional term(s) specified in the Basic Lease Information, (the "Extended Term(s)"). Such Extension Option(s) shall be on all of the same terms and conditions contained in this Lease except that the rent for the Extended Term shall be as set forth in Section 3 (Determination of Base Rent for the Extended Term). County, at its sole discretion, may exercise the Extension Option(s), if at all, by giving written notice to Landlord no later than six (6) 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, Landlord may reject such exercise by delivering written notice thereof to County promptly after such failure to cure.

3.4 Determination of Base Rent for the Extended Term

At the commencement of the first Extended Term, the Base Rent shall be adjusted to 95% of the then "Fair Market Value," as defined herein, and three percent (103%) annual increases at each anniversary date thereafter for the remainder of the Extended Term. Rent for the Extended Term shall be determined and agreed to at the time of exercising the Extension Option.

Fair Market Value shall be derived from binding contemporaneous lease transactions for tenants in spaces of comparable size, quality, location, and condition ("Comparable Leases"). The Fair Market Value shall mean the 100% of the rental rate for Comparable Leases taking into account, without limitation, the length of term, amount and length of renewal options, rental rates per square foot (including whether gross or net), payment escalations, size of premises, location, floor levels and efficiencies of the floors, leasehold improvements and allowances, and tenant concessions given under the Comparable Leases.

3.5. Non-Appropriation for Extended Term

Landlord understands that monies paid to Landlord by County as rent are derived from federal, state, or local sources, including local taxes, and are subject to curtailment, reduction, or cancellation by government agencies or sources beyond the control of County. County shall have the right to terminate this Agreement in the event that such curtailment, reduction, or cancellation occurs, at any time during any Extended Term. Termination shall be effective upon the expiration of six (6) calendar months after the mailing of termination notice by County to Landlord, and the liability of the parties hereunder for further performance under the terms of the Agreement, except as otherwise set forth in this Section, shall thereupon cease, but neither party shall be relieved of their duty to perform their obligations up to the date of termination.

4. RENT

4.1. Base Rent

Beginning on the Commencement Date, County shall pay to Landlord during the Initial Term the monthly Base Rent specified in Section 1 of the Basic Lease Information (the "Base Rent"). The Base Rent shall be payable in equal 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 expressly provided in this Lease. If the Rent 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.

4.3. 4.3 Security Deposit

Tenant agrees to pay Landlord the security deposit amount listed in Section 1, Basic Lease Information. All or any portion of the security deposit may be used to (i) cure Tenant's default in payment of Rent, repair damages, excluding ordinary wear and tear, caused by Tenant and cover any other unfulfilled obligation of Tenant. Within 30 days after Tenant vacates the Premises, Landlord shall furnish Tenant an itemized statement indicating the amount of any security deposit received and the basis for its disposition, and return any remaining portion of the security deposit back to Tenant.

5. USE

5.1. Permitted Use

The Premises shall be used for general County functions and programs and office use as specified in the Basic Lease Information, provided that no such use shall unreasonably interfere with Landlord's ability to lease portions of the Property to other tenants.

5.2. 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 Property; provided, however, that Landlord may, after consultation with the County Manager or the County Manager's designee, interrupt County's access to the Premises or the Property in the event of an immediate risk of danger to the Premises, the Common Areas or any other portion of the Property being rendered unsafe for human occupancy to the extent that such condition effects the Premises. If County's use of any of the Premises or access thereto is interrupted as a result of the Premises, the Common Areas or any other portion of the Property being rendered unsafe for human occupancy due to Landlord's failure to comply with its obligations under this Lease or for any other reason other than County's default hereunder, then Landlord shall immediately undertake all commercially reasonable steps to correct such condition. In the event such condition continues for five (5) days and materially impairs County's ability to carry on its business in the Premises, the Rent payable hereunder shall be abated based on the extent to which such default interferes with County's ability 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. 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. IMPROVEMENTS

6.1. Landlord's Obligation:

Landlord shall deliver the Premises in good working condition, and provide necessary improvements (e.g.: mechanical system, washrooms) to meet all Title 24, Life Safety, and other building codes. Upon the completion of said Improvements, Tenant accepts the Premises in its existing condition with respect to Title 24, Life Safety and other building code items. In the event any mechanical or electrical systems of the Building are substandard and do not operate at such a level that supports appropriate ventilating, heating and air-conditioning (HVAC) for County's permitted uses, Landlord shall make the improvements necessary to the systems to establish such levels.

Within 30 days of Commencement Date, Landlord shall make ADA improvements necessary to correct to the following: ADA Compliant Accessible Approach and Entrance.

6.2. Installation of Telecommunications and Other Equipment

County shall be responsible for the installation of telecommunications, data and computer cabling 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 facilities and equipment including, but not limited to, wiring. County shall have the right to enter the Premises and such other portions of the Property at reasonable times in order to install such facilities and equipment. County and Landlord shall use their good faith efforts to coordinate any such activities to allow the installation of such facilities and 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 affect the Building Systems or structural integrity of the Building 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. Any Alterations made by County shall be made by a contractor selected by County and reasonably acceptable to Landlord.

7.2. County's Personal Property

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.

7.3. 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, MAINTENANCE, AND JANITORIAL

8.1. Landlord's Repairs

Landlord shall repair and maintain, at its cost and in good condition, the interior and exterior of the Building, including, without limitation, interior fixtures, appliances, plumbing, light bulbs and fixtures, the roof, foundation, bearing and exterior walls and subflooring, and the heating, ventilating, air conditioning, plumbing, electrical, fire protection, life safety, security and other mechanical, electrical and communications systems of the Building (collectively, the "Building Systems") and the Common Areas, including, without limitation, 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.

8.2. Janitorial

County shall be responsible for janitorial services for the Premises, and shall otherwise keep the Premises in a clean and orderly condition.

9. UTILITIES AND SERVICES

9.1. Landlord's Provision of Utilities

Landlord shall furnish the following utilities and services to the Premises: (a) electric current in amounts required for normal lighting and for the operation of County computers and equipment; and (b) water for lavatory, kitchen and drinking purposes.

Landlord may establish reasonable measures to conserve energy and water, including automatic light shut off after hours and efficient lighting forms, so long as these measures do not unreasonably interfere with County's use of the Premises.

9.2. Disruption in Essential Utilities or Services

In the event of any failure, stoppage or interruption of any utilities or services to be furnished by Landlord hereunder, Landlord shall immediately notify County of such failure, stoppage or interruption, diligently attempt to restore service as promptly as possible and shall keep County apprised of its efforts. In the event Landlord is unable to supply any of the Building' sanitary, electrical, heating, air conditioning, water, fire protection and security, audio, video or electronic communications, hazard detection and alarm, or other essential services serving the Premises (collectively, "Essential Services") and such inability of Landlord impairs County's ability to carry on its business in the Premises for a period of five (5) or more business days, then the Rent shall be abated based on the extent to which County is not able to and does not use the Premises as a result of such interruption in services. Landlord shall use commercially reasonable efforts to restore disrupted Essential Services as soon as possible. However, if such failure to provide any Essential Services continues for seven (7) calendar days and County is unable to use the Premises and ceases to use the Premises for more than 5 days, then County may, without limiting any of its other rights or remedies hereunder or at law or in equity, terminate this Lease upon written notice to Landlord.

10. COMPLIANCE WITH LAWS; PREMISES CONDITION

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

Landlord represents and warrants to County that, to the best of Landlord's knowledge, the Building is, at the time of the completion of the Base Building Improvements will be, in compliance with all then applicable building safety codes and regulations and that all portions of the Property and the Building along the path of travel to the Premises including, but not limited to, the Building entrances, Common Areas, restrooms, elevators, lobbies, telephone banks, drinking fountains and parking areas are, at the time of the completion of the Base Building Improvements, in compliance with the then applicable requirements of the Americans With Disabilities Act of 1990 and Title 24 of the California Code of Regulations and all other applicable federal, state, local and administrative laws, rules, regulations, orders and requirements intended to provide equal accessibility for persons with disabilities (collectively, "Disabilities Laws"). To 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 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 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.

10.3. County's Compliance with Insurance Requirements

County shall not conduct any use in or about the Premises that would: (a) invalidate or be in conflict with any fire or other casualty insurance policies covering the Property or any property located therein, (b) result in a refusal by fire insurance companies of good standing to insure the Property or any such property in amounts reasonably satisfactory to Landlord or the holder of any mortgage or deed of trust encumbering the Property, (c) cause an increase in the fire insurance premium for the Property unless County agrees to pay such increase, or (d) subject Landlord to any liability or responsibility for injury to any person or property by reason solely of any business operation being conducted by County in the Premises; provided, however, Landlord shall provide County with reasonable prior written notice of any applicable insurance requirements and no such insurance requirements shall materially and adversely interfere with use of the Premises for normal office purposes.

10.4. Air Quality Conditions

(a) Establishment of Appropriate Air Quality

As of preparation of this Lease, Landlord has not yet established that the air quality of the Premises is appropriate for County's permitted uses, including general office use. Prior to the Commencement Date, Landlord shall perform any and all necessary work, including but not limited to mechanical work, filter installation, HVAC improvements, cleaning, painting, and/or pest-related cleaning ("Air Quality Remediation"), to ensure appropriate air quality of the Premises to the sole satisfaction of County. Notwithstanding anything to the contrary herein, County shall have no obligation to take possession of the Premises or commence rental payments to Landlord unless and until Landlord has established satisfactory air quality of the Premises in accordance with this provision.

(b) Maintenance of Appropriate Air Quality

Should the County determine, in its reasonable discretion, that at any time during the Term or any Extended Term, that the air quality of the Premises is not appropriate for County's permitted uses, County shall notify Landlord, and Landlord shall perform any and all Air Quality Remediation to restore appropriate air quality to the satisfaction of County. Notwithstanding anything herein to the contrary, should Landlord fail to restore appropriate air quality to the satisfaction of County within 30 days of the notice provided pursuant to this provision, County may, at its election, terminate this Lease upon written notice to Landlord. This provision shall not limit any other rights that the County may have pursuant to any other provision of the Lease, at law, or in equity.

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 non-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 receiving the notice regarding Landlord's decision, 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

(a) "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.

(b) "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 condemnor or (ii) the date on which County is dispossessed.

(c) "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 1265.110, 1265.120, 1265.130 and 1265.140 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

(a) 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.

(b) 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.

(c) Either party electing to terminate under the provisions of this Section 13 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 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 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 or 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 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, the interruption of or damage to County's business or County's improvements pertaining to realty, 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. In no event shall any assignment or sublease modify County's obligations hereunder or release County from liability under this Lease. Any assignment or sublease approved by Landlord hereunder shall be pursuant to a written assignment or sublease in form reasonably acceptable to Landlord. Consent to one assignment or sublease hereunder shall not be construed as consent to a future or additional assignment or sublease. Any assignment or sublease in violation of this Article 14 shall be null and void. County shall pay the Landlord 50% of any Sublease Premium or Assignment Premium. "Sublease Premium" means all rent, additional rent and other consideration received by County in excess of the Rent payable by County hereunder after deducting any customary and reasonable costs associated with such sublease including, but not limited to, brokerage commission paid by County to an independent broker in connection with the sublease, which costs shall be amortized over the term of the Sublease. County shall pay to Landlord Landlord's share of the Sublease Premium monthly within 5 days after County receives payment under the sublease. "Assignment Premium" means all rent, additional rent and other consideration received by County in connection with an assignment after deducting any such reasonable and customary costs paid by County in connection with the assignment. County shall pay to Landlord Landlord's share of the Assignment Premium within 5 days after receipt from assignees.

15. DEFAULT; REMEDIES

15.1. Events of Default by County

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

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

(c) 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:

(a) 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.

(b) 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. 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 of 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 Agreement 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, except for the continuation of the excess insurance described below. County assumes the risk of damage to any of County's Personal Property.

County is presently self-insured in the amount of \$1,000,000 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 annual 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 Property, 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 (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:

(a) "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.

(b) "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 do 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 (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 such substances in such limited amounts as are customarily used in offices and health services 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, 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. SPECIAL PROVISIONS

Upon lease commencement, Tenant shall be permitted to use the Existing Office Furniture located within the Premises at no cost to Tenant. Tenant accepts such furniture "as-is" in its present state and condition and Landlord makes no representations or warranties with respect to same. At the end of the Term, at the option of Tenant, at no cost to Tenant, Tenant shall leave the Existing Furniture in the Premises.

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 Manager, 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 Manager, 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 (v) 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 Manager, 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

Neither party has had any contact or dealings regarding the leasing of the Premises, or any communication in connection therewith, through any licensed real estate broker or other person who could claim a right to a commission or finder's fee in connection with the lease contemplated herein, except for 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 affect 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 install building interior window signage at the entry of Tenant's suite on 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 (Indemnities), 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 Agreement, 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 this 29th day of February, 2024.

LANDLORD:

KN Properties, LLC

BY: 

Name: Keet S. Nerhan

Title: Landlord's Manager/Member

COUNTY:

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

BY: _____
Warren Slocum
President, Board of Supervisors