

OFFICE LEASE

between

CITY OF DALY CITY,
as Landlord

and

COUNTY OF SAN MATEO,
as Tenant

For the lease of
271 92nd Street,
Daly City, California

November 1, 2017

OFFICE LEASE
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LIST OF EXHIBITS:

EXHIBIT A-1 -- Site Plan of the Property
EXHIBIT A-2 -- Floor Plan of Premises
EXHIBIT B -- Notice of Commencement
EXHIBIT C -- Marx Okubo Property Condition Assessment Report
EXHIBIT D --Initial Plan: County Alterations
EXHIBIT E -- Known Conditions Relating to Hazardous Materials
EXHIBIT F -- Initial ADA Improvements
EXHIBIT H -- Known Conditions Relating to Hazardous Materials

OFFICE LEASE

Lease No.1327

THIS OFFICE LEASE (this "Lease"), dated for reference purposes only as of November 1, 2017 is by and between CITY OF DALY CITY, a municipal corporation and general law city ("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 of the terms in this Lease pertaining to such item. In the event of any conflict between the information in this Section and any more specific provision of this Lease, the more specific provision shall control.

- | | | |
|-----|--|---|
| 1.1 | Lease Reference Date: | November 1, 2017 |
| 1.2 | Landlord: | CITY OF DALY CITY. Unless otherwise noted, references to "Landlord" shall refer to the City of Daly City solely in its capacity as a landlord. In contrast, references to the "City of Daly City," unless otherwise noted, refer to the City of Daly City's authority as the local government entity with certain applicable regulatory, enforcement, and other authority over the Property and Building. |
| 1.3 | Tenant: | COUNTY OF SAN MATEO |
| 1.4 | Property and Building (Section 2.1): | The property is comprised of San Mateo County Assessor's Parcel Number 006-345-160, together with the improvements thereon and commonly known as 271 92 nd Street, Daly City (the "Property"). |
| 1.5 | Premises (Section 2.1): | The premises consist of approximately 20,910 square feet of general office space (the "Premises"), and more particularly shown on the attached <u>Exhibit A</u> , together with the right to use of the parking areas of the Building and the Property. |
| 1.6 | Term (Section 3): | <p>The Effective Date shall be as set forth in Section 3.2 hereof. The Term (as defined in Section 3.1) shall be twelve (12) years.</p> <p>Estimated Commencement Date: October 1, 2017</p> <p>Estimated Expiration Date: September 30, 2029</p> |
| 1.7 | Extension Option and Early Extension Option (Section 3.4): | One option to renew for an additional five years, exercisable by County by written notice to Landlord given not less than 270 days in advance, nor more than 360 days prior, and in the event of the Early Extension Option, not less than 730 days, nor more than 820 days prior, with rent determined as set forth in Section 3.4 hereof. |

- 1.8 Adjustment Dates (Section 4.2): 12 months after the Commencement Date and every 12 months thereafter throughout the Term of the Lease.
- 1.9 Base Rent (Section 4.1): Monthly Base Rent of \$2.05 per square foot ($\$2.05 \times 20910 = \$42,865$) subject to adjustment as set forth in Sections 4.1 and 4.2 hereof.
- 1.10 Rent Adjustment (Section 4.2): On each Adjustment Date, the Base Rent for the following twelve-month period shall be adjusted to equal one hundred and three percent (103%) of the Base Rent for the lease year preceding such Adjustment Date, which amount shall be rounded to the nearest dollar.
- 1.11 Abated Rent (Section 4.1) On the Commencement Date, County shall receive a Base Rent Credit equal to the sum of \$1,303,433.81 to be credited to Base Rent at the rate of \$10,455 per month until all amounts to be credited County are recovered and thereafter at the full rent owing for the remainder of the Term of the lease, as set forth in Section 4.1.
County shall not be responsible for Real Estate Taxes.
- 1.12 Additional Charges (Section 4.3):
- 1.13 Not Used
- 1.14 Use (Section 5.1): The Premises shall be used for general office purposes, including but not limited to social services, mental health counseling services and human services. (See section 5.1).
- 1.15 Improvements (Section 6) County Alterations (Section 7) Landlord shall, at Landlord's sole cost and expense, make the improvements listed in Exhibit C hereof. Such improvements are collectively referred to in this Lease as the "Improvements."
Landlord shall provide Tenant with an allowance for the "Initial Alterations" (as defined in Section 7 hereof) in the amount of \$1,046,240.81, along with a rent abatement of six (6) months' rent, or (\$257,193); for a total of \$1,303,433.81 (herein the "Credit"), to be credited to County as set forth in Section 4.
- 1.16 Utilities (Section 9.1): County, at its sole cost and expense, shall provide utilities to the Premises as provided in Section 9.1 of this Lease.
- 1.17 Services (Section 9.2): County, at its sole cost and expense, shall provide to the Premises the standard office services described in Section 9.2.

- 1.18 Other Noteworthy Provisions (Section 22) None
- 1.19 Notice Address of Landlord
(Section 23.1): Patricia E. Martel, City Manager
City of Daly City
City Hall
333 90th Street
Daly City, Ca 94015-1895
- 1.20 Key Contact for Landlord: Patricia E. Martel
City Manager
City of Daly City
333 90th Street
Daly City, CA 94015-1895
- Landlord Contact Telephone No.: (650) 991-8127
- 1.21 Notice Address for County (Section 23.1): County Manager
400 County Center
Redwood City, CA 94063
Fax No.: (650) 363-4832
- 1.22 and to: Not Used
- 1.23 Key Contact for County: Real Property Services Manager
455 County Center, 4th Floor
Redwood City, CA 94063
- County Contact Telephone No.: (650) 363-4047
- 1.24 Broker (Section 23.8) Karen Chin, Cushman & Wakefield

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 the Basic Lease Information (the "Building") and shown on the floor plan(s) attached hereto as Exhibit A (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 exclusive right to use the parking areas of the Property (the "Common Areas and the exclusive right of access to and from the Premises by the main entrances to the Building and the Property. County may install modular buildings and all necessary utilities on the Property for staging, construction and temporary office facilities (including restroom facilities).

2.3. Parking

County shall have the right to park in the parking facilities of the Property, as set forth in the Basic Lease Provisions, provided such right shall be subject to any applicable laws, ordinances or regulations enacted on or after the date hereof.

3. TERM

3.1. Term of Lease

The Premises are leased for an initial term (the "Term ") commencing on the Commencement Date (as defined herein) and ending twelve (12) years thereafter. As used herein "Expiration Date" means the date the Term shall expire, if not earlier terminated for any cause provided in this Lease. The Basic Lease information sets forth the Estimated Commencement Date and the Estimated Expiration Date.

3.2. Effective Date, Commencement Date and Expiration Date

The date on which this Lease shall become effective and shall commence is the first day of the month following the date upon which (i) the County Board of Supervisors, in its sole and absolute discretion, adopts a resolution authorizing the execution of this Lease, and (ii) this Lease is duly executed by and delivered to the parties hereto (herein the "Commencement Date"). If requested by Landlord, County will provide Landlord with a copy of any applicable authorizing resolution. If the Commencement Date occurs on a date other than the Estimated Commencement Date, then promptly thereafter Landlord shall deliver to County a notice substantially in the form of Exhibit B attached hereto, confirming the actual Commencement Date and Expiration Date of the Lease, but Landlord's failure to do so shall not affect the commencement of the Term.

3.3. Delivery of Possession

Landlord and County acknowledge that, as of the Commencement Date, County is in possession of the Premises under the terms of that certain lease dated October 13, 1992, and amendments thereto (collectively, the "Existing Lease"), that possession of the Premises is delivered and accepted as of the Commencement Date, and that execution by Landlord and County of this Lease supersedes and terminates the Existing Lease. Notwithstanding the foregoing a) any indemnities provided in the Existing Lease applicable to occurrences during the term of the Existing Lease will survive termination of the Existing Lease and b) Tenant and Landlord shall complete a reconciliation of Operating Expenses for the 2017 partial year preceding termination of the Existing Lease in the manner provided in Sections 14j, 17 and 18 of the Existing Lease within thirty (30) days following that date the Commencement Date occurs, and Tenant's and Landlord's respective obligations related to such reconciliation will survive termination of the Existing Lease. Notwithstanding the provisions of the Existing Lease regarding Landlord's rebate of any overpayment by

Tenant discovered during such reconciliation, Landlord may credit the amount of any overpayment by Tenant to payments of Base Rent hereunder arising after the date of any reconciliation.

3.4.Extension Option and Early Execution of Extension Option

County shall have the right to extend the Initial Term of this Lease (the "Extension Option") for the additional terms specified in the Basic Lease Information. Such Extension Option shall be on all of the terms and conditions contained in this Lease except that the rent for the Extended Term shall be as set forth in Section 3.5 (Determination of Base Rent for the Extended Term). County, at its sole discretion, may exercise the Extension Option, if at all, by giving written notice to Landlord no later than 270 days prior and no sooner than 360 days prior to expiration of the term to be extended, and in the event of the Early Extension, no later than 730 days prior and no sooner than 820 days; provided, however, if County is in material default under this Lease on the date of giving such notice and fails to cure such default as set forth in Section 15.1, Landlord may reject such exercise by delivering written notice thereof to County promptly after such failure to cure.

3.5.Determination of Base Rent for the Extended Term

At the commencement of the Extended Term in the case of the Extension Option or 90 days in advance of the Extended Term in the case of an Early Extension, the Base Rent shall be adjusted to an amount equal to 95%, of the prevailing market rate for space of comparable size and location to the Premises then being offered for rent in other buildings similar in age, location and quality to the Premises situated within San Mateo County ("Reference Area"); provided, however, in no event shall the Base Rent be reduced below the Base Rent for the lease year prior to commencement of such Extended Term. As used herein, the term "prevailing market rate" shall mean the base rental for such comparable space, taking into account without limitation (i) any additional rental and all other payments and escalations payable hereunder, (ii) floor location and size of the premises covered by leases of such comparable space, (iii) the duration of the renewal term and the term of such comparable leases, (iv) free rent given under such comparable leases and any other tenant concessions, and (v) building standard tenant improvement allowances and other allowances given under such comparable leases. Notwithstanding the adjustment to Base Rent determined pursuant to this Section 3.5, the County shall be entitled to a minimum of Ten Dollars (\$10).per square foot at seven percent (7%) interest as a tenant improvement allowance, to be taken in the form of abated rent at .20 cents per square foot, upon commencement of the Extended Term, until the total amount is recovered.

If County disputes Landlord's determination of the prevailing market rate, County shall so notify Landlord within fourteen (14) days following Landlord's notice to County of the prevailing market rate and such dispute shall be resolved as follows:

(a) Within thirty (30) days following Landlord's notice to County of the prevailing market rate, Landlord and County shall attempt in good faith to meet no less than two (2) times, at a mutually agreeable time and place, to attempt to resolve any such disagreement.

(b) If within this thirty (30) day period Landlord and County cannot reach agreement as to the prevailing market rate, they shall each select one appraiser to determine the prevailing market rate. Each such appraiser shall arrive at a determination of the prevailing market rate and submit his or her conclusions to Landlord and County within thirty (30) days of the expiration of the thirty (30) day consultation period described in (a) above.

(c) If only one appraisal is submitted within the requisite time period, it shall be deemed to be the prevailing market rate. If both appraisals are submitted within such time period, and if the two appraisals so submitted differ by less than ten percent (10%) of the higher of the two, then the average of the two shall be the prevailing market rate. If the two appraisals differ by more than ten percent (10%) of the higher of the two, then the two appraisers shall immediately select a third appraiser who will within thirty (30) days of his or her selection make a determination of the prevailing market rate and submit such determination to Landlord and County. This third appraisal will then be averaged with the closer of the two previous appraisals and the result shall be the prevailing market rate.

(d) All appraisers specified herein shall be members of the American Institute of Real Estate Appraisers (MAI) with not less than five (5) years' experience appraising leases of commercial properties similar to the Premises in San Mateo County. Landlord and County shall pay the cost of the appraiser selected by such party and one-half of the cost of the third appraiser plus one-half of any other costs incurred in the arbitration.

4. RENT

4.1.Base Rent

Beginning on the Commencement Date, County shall pay to Landlord during the Term the monthly Base Rent specified in Section 1.9 of the Basic Lease Information (the "Base Rent ") as may be adjusted from time to time pursuant to Section 4.2. 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 1.18 of the Basic Lease Information, or such other place as Landlord may designate in writing upon not less than thirty (30) days' 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 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.

Notwithstanding the foregoing, beginning on the Commencement Date, Tenant shall receive a credit against Base Rent equal to One Million Three Hundred and Three Thousand Four Hundred Thirty-Three Dollars and Eighty-One Cents (\$1,303,433.81), (the "Credit") to be credited to County at the rate of \$10,455 per month resulting in a reduction in the Base Rent until the amounts to be credited County are recovered, thereafter the full rent owing for the remainder of the Term.

4.2.Adjustments in Base Rent

On each date specified in Section 1.10 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 and three percent (103%) of the Base Rent for the Lease Year as follows:

Months 1-12 of the lease period:	\$32,410.50
Months 13-24 of the lease period:	\$33,696.47
Months 25-36 of the lease period:	\$35,021
Months 37-48 of the lease period:	\$36,385.28
Months 49-60 of the lease period:	\$37,790.48
Months 61-72 of the lease period:	\$39,237.85
Months 73-84 of the lease period:	\$40,728.63
Months 85-96 of the lease period:	\$42,264.14
Months 97-108 of the lease period:	\$43,845.70
Months 109-120 of the lease period:	\$45,474.73
Months 121-124 of the lease period:	\$47,152.62
Month 125 of the lease period:	\$50,593.81
Months 126-132 of the lease period:	\$57,607.62
Months 133-144 of the lease period:	\$59,335.85

4.3.Additional Charges

County shall pay to Landlord any charges or other amounts required under this Lease as additional rent ("Additional Charges"). All such Additional Charges shall be payable to Landlord at the place where the Base Rent is payable. Landlord shall have the same remedies for default in the payment of any Additional Charges as for default in the payment of Base Rent. The Base Rent and Additional Charges are sometimes collectively referred to below as "Rent."

5. USE

5.1.Permitted Use

County shall use and occupy the Premises during the Term for office use, including the provision of social and human services and mental health counseling services, storage of files, records, equipment and other personal property of the County and for such other uses, if any, as may be specified in the Basic Lease Information, and for no other purpose without the prior written consent of Landlord, which consent shall not be unreasonably withheld or delayed.

5.2.No Unlawful Uses, Nuisances or Waste

Without limiting the foregoing, Tenant shall not use, occupy or permit the use or occupancy of any of the Premises in any unlawful manner or for any illegal purpose, or permit any offensive, noisy or hazardous use or any waste on or about the Premises. Tenant shall take all precautions to eliminate any nuisances or hazards relating to its activities on or about the Premises.

5.3 Interference with Access

Landlord shall use commercially reasonable efforts to provide to County at all times use of the Premises and uninterrupted access thereto; 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 affects the Premises. Section 9.4 of this Lease provides the terms and conditions upon which County may be entitled to abatement of rent in the event that access to the Premises is interrupted for any reason other than the reasons specified in Paragraph 8 of the rules and regulations. Notwithstanding the foregoing, if such interruption of access arises from a casualty covered by Section 12 (Damage and Destruction) hereof, then Section 12 will apply to determine any abatement to which County may be entitled.

6. IMPROVEMENTS

6.1.Landlord's Obligation to Construct Base Building Improvements

Landlord shall, at Landlord's sole cost and expense, deliver the Premises in a clean and orderly condition.

On or before the date that is 180 days after the Effective Date of this Lease, Landlord, through its general contractor, in compliance with all applicable building codes and labor codes, shall perform the work identified as "immediate" and as set forth in the Property Condition Report dated October 9, 2015 prepared by Marx Okubo attached as Exhibit C, (the "Improvements") which is made a part hereof by reference. Landlord shall complete work identified as recommended to be completed in years 1-3, by the end of year 2 of the Lease. Landlord shall complete work identified and recommended to be completed in years 4-6 by the end of year 4 of the Lease. Landlord shall complete all work identified and recommended to be completed in years 7-10 by the end of year 6. Such work and installations are referred to as the "Improvement Work" and "Improvements." Provided such work is completed in the time and manner set forth herein, the Improvement Work shall not constitute unreasonable interference with County's access to the Premises as set forth in Section 6.1 above. Such work shall be at Landlord's sole cost, and shall be completed in accordance with the provisions of this Section.

(a) Permits

Landlord shall secure and pay for any building and other applicable and necessary permits and approvals, government fees, licenses and inspections necessary for the proper performance and

completion of the Improvement Work. Landlord shall be responsible for arranging for all inspections required by the applicable local building inspection division.

(b) Construction

Immediately upon approval of the necessary permits and approvals, Landlord shall commence construction and shall cause the Improvements to be completed in a good and professional manner in accordance with sound building practice and according to all applicable codes and legal requirements in effect at the time of construction.

(c) Construction Schedule; Completion

Landlord shall keep County apprised on a regular basis of the status of plan preparation, permit issuance and the progress of construction of the Improvements. If the Improvements are not, in the reasonable judgment of the County Manager or his designee, substantially complete except for minor punch list items by the dates specified in Section 6.1, the County may, at its sole discretion, elect to cause the Improvements to be completed at Landlord's expense. In such event, the County may engage an independent contractor or utilize qualified County staff to complete the Improvements. If the County completes the Leasehold Improvements, after providing Landlord with a complete written summary of the cost incurred by the County in connection herewith, County will abate rent until said costs are recovered.

(d) Labor Code Compliance

To the extent required by state law, Landlord shall require a General Contractor, or subcontractors performing Improvement Work on the Property to comply with the provisions of the Labor Code set forth in Sections 1720 through 1861, including but not limited to, the payment of prevailing wages.

6.2. Initial ADA Improvements

County, through a general contractor, ("Contractor"), shall perform the work and make the Initial ADA Improvements to the Premises approved by Landlord and set forth in the attached Exhibit F. Said work shall be completed at County's sole cost and expense. The County in no way warrants that completion of the Initial ADA Improvements shall render the Premises compliant with the ADA, and Landlord shall indemnify County from any suit or enforcement action related to the Premises' compliance with the ADA Improvements set forth in Exhibit F or ADA improvements that required a City permit and obtained approved inspections by the City. County's completion of the Initial ADA Improvements does not in any way obligate County to make future ADA upgrades required by law that may result from future Alterations by County or Landlord.

6.3. Carpet and Paint

Landlord understands and agrees that County, through its contractor, plans to install new carpet and paint throughout the interior of the Premises as part of the Initial Alterations, as defined in Section 7. Paint and carpet colors, including accent colors, shall be selected by County, subject to Landlord's approval, which approval shall not be unreasonably withheld. Replacement of carpet shall include the removal of existing carpet.

6.4. Installation of Telecommunications and Other Equipment

Landlord and County acknowledge that the Improvement Work shall be completed by Landlord exclusive of the installation of telecommunications, data and computer cabling facilities and equipment. County shall be responsible for installing such facilities and equipment, provided that Landlord shall furnish access to County and its consultants and contractors to the main telephone service serving the Premises and all other parts of the Property for which access is needed for proper installation of all such facilities and equipment including, but not limited to, wiring. Such access will be conditioned upon the following: (a) County will follow Landlord's reasonable rules and regulations with respect to access to any portion of the Property outside the Premises, including, without limitation, the roof and will avoid any action that will affect or void the roof warranty; (b) the plans and specifications for any improvements to be installed by County will be subject to the reasonable approval of Landlord; (c) County will indemnify, defend and hold harmless

Landlord from any and all claims losses or liability arising from the installation and use of County's equipment, including, without limitation, any roof leaks or damage to the roof membrane attributable to County's use of the roof and (d) if requested by Landlord, County will remove any facilities or equipment at the expiration of the Term, at County's sole cost. County shall have the right to enter the Premises and such other portions of the Property at reasonable times during the course of construction of the Improvements 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 Improvements and the installation of such facilities and equipment to be completed in a timely and cost-effective manner.

6.5 Hazardous Materials Abatement

County may contract with a qualified, licensed contractor to be approved by Landlord (such approval not to be unreasonably withheld) to perform certain hazardous material abatement work on the Premises ("Abatement Work") at County's expense, some of which Abatement Work is described in a Hazardous Materials Survey dated September 28, 2016, (the "Survey"). The Survey, attached hereto as Exhibit E, is not a bidding document or project specification report, and it is possible that additional materials could be discovered during demolition. Landlord shall be entitled to provide input on any proposed scope of Abatement Work, but the County at its discretion shall determine the final scope of work of any contractor hired to perform Abatement Work, and such scope need not encompass the entirety of the Abatement Work appropriate to address the conditions noted in the Survey or otherwise discovered on the Premises. County and Landlord agree and acknowledge that the extent of the Abatement Work has not been defined or determined at this time. For this reason, County shall provide Landlord the scope of the Abatement Work performed on the Premises in a summary after completion of the work. By agreeing to hire a contractor to perform certain Abatement Work pursuant to the terms of this Section 6.5, County makes no representation or warranty regarding the presence, scope, severity, or status of remediation regarding any hazardous materials at the Premises, both before and after the performance of any Abatement Work. The County shall have no obligation pursuant to the terms of this Section for ensuring the removal of any hazardous material at the Premises.

7. ALTERATIONS

7.1. Alterations by County

(a) Landlord and County acknowledge that County shall make or cause to be made the alterations, installations, additions or improvements (collectively, "Initial Alterations") to the Premises as set forth in the Initial Drawings, hereto attached as Exhibit D and Landlord hereby consents to said Initial Alterations, subject to compliance by the County with the terms and conditions hereof. Landlord shall approve any plans and specifications for the Initial Alterations that are consistent with such drawings. County will be implementing State mandated security guidelines to the Premises, which plans are not yet available. These guidelines will require an intrusion alarm system and that all staff with access to the Building meet the security requirements. Changes or modifications to the Initial Alterations shall not be made 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 (as defined herein) or structural integrity of the Buildings and none of which involve the installation or removal of partitions, demising walls, doors or windows, of the Premises or affect the exterior of the Premises shall not constitute Initial Alterations requiring Landlord's consent. Any Initial Alterations permitted hereunder shall be made at County's cost in compliance with applicable laws, ordinances and regulations. Landlord and County acknowledge and agree that Landlord has requested that County complete certain Abatement Work and Initial ADA Improvements on behalf of Landlord and that any delays in this work will not reduce County's obligation to pay Landlord under the Lease, therefore the City of Daly City, in its authority as the applicable planning, building, and related permitting authority, shall make all reasonable efforts to expeditiously process and grant approvals for building and other permits and authorizations needed in connection with the Initial Alterations, placement of modular facilities and other work to be performed on

the Premises. The City of Daly City's reasonable efforts shall include working in a reasonable manner within the proscribed timelines. All permit fees due the City of Daly City for the placement of temporary modular facilities to be located on the Property shall be waived. The City of Daly City shall not be entitled to any construction or other administrative fee in connection with any Initial Alteration. County shall not be required to remove the Initial Alterations upon the expiration or earlier termination of this Lease or any Landlord approved modifications to the Initial Alterations, unless Landlord notifies County in writing and at the time Landlord approves of said changes to the Initial Alterations that they must be removed at the Expiration Date or earlier termination of this Lease. Any Alterations made by County shall be made by County's contractor, which contractor Landlord has approved.

The County's duty to Indemnify, as set forth in Section 16.1 herein, shall also apply with respect to any and all costs, losses, damages, injuries and liabilities related in any way to Landlord's performance of any ministerial acts, in its role as Landlord, reasonably necessary (i) to permit County to complete the Initial Alterations, Initial ADA Improvements and Abatement Work and (ii) to enable County to obtain any building permit or certificate of occupancy for the Premises.

All of County's contractors and subcontractors shall carry (a) worker's compensation insurance covering all of their respective employees; and (b) liability insurance in the amount of at least \$1,000,000.00. Certificates for all insurance carried shall be delivered to Landlord before the commencement of construction of the Initial Alterations. All policies carried shall insure Landlord and County, as their interests may appear, as well as an contractor and County's Agents, and shall name Landlord as an additional insured.

Landlord shall have the right to inspect the Initial Alterations at all times.

(b) County shall not make any alterations, installations, additions or improvements ("Alterations") to the Premises other than the Initial Alterations (which are subject to Section 7.1(a) hereof) without the consent of Landlord, which shall not be unreasonably withheld or delayed so long as such Alterations do not affect the Building Systems or structural integrity of the Buildings or affect the exterior of the Premises, in which case Landlord may review and approve or withhold approval of such Alterations in Landlord's sole discretion. Landlord shall have the right to approve the plans and specifications for any changes to the Initial Alterations. Any Alterations (excluding the Initial Alterations) approved by Landlord shall be made at County's cost in compliance with applicable laws, ordinances and regulations. County shall, if requested by Landlord, remove any Alterations other than the Initial Alterations (which are subject to Section 7.1(a) hereof), upon the expiration or earlier termination of this Lease. Any Alterations (excluding the Initial Alterations) made by County shall be made by the County of San Mateo's Department of Public Works or a contractor approved by Landlord.

7.2. Title to Improvements

Except for County's Personal Property (as defined in the next Section) all appurtenances, fixtures, improvements, equipment, additions and other property permanently installed in the Premises as of the Commencement Date or during the Term shall be and remain Landlord's property. County may not remove such property unless Landlord consents thereto.

7.3. 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, that shall be reasonably satisfactory to Landlord whereby 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 or earlier date of termination of the Lease, provided it can extend such time for a period not to exceed thirty (30) days by paying the Rent reserved under the Lease (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 and will indemnify, defend and hold harmless Landlord from and against claims, losses or expenses arising from the acts or omissions of such lender or lessor in connection with the entry by any such lender or lessor onto the Property or Premises. 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, subject to the foregoing.

7.4. Alteration by Landlord

Landlord shall use commercially reasonable efforts to minimize interference with or disruption to County's use and occupancy of the Premises during any alterations, installations, additions or improvements to the Buildings or the Property. Landlord shall promptly remedy any such interference or disruption upon receiving County's notice thereof.

8. REPAIRS AND MAINTENANCE

8.1. Landlord's Repairs

Landlord shall repair and maintain, at its cost (subject to Section 4.5) and in good condition, the exterior and structural portions of the Buildings, including, without limitation, the roof, foundation, bearing and exterior walls and subflooring, and the heating, ventilating, air conditioning, plumbing, electrical, fire protection, life safety and other mechanical and electrical systems of the Buildings (collectively, the "Building Systems") inclusive of repairs and/or improvements required due to Initial Alterations, and the Common Areas, including, without limitation, the driveways, parking areas, sidewalks and landscaped areas of the Property, provided in no event will Landlord be required to repair any portion of the Building or Property damaged due to the intentional or willful acts of County, County's Agents or the Invitees of County and not covered by Landlord's insurance. Without limiting the foregoing, Landlord shall maintain the Buildings and the Property in a clean, safe and attractive manner, and shall not knowingly permit to be done in or about the Buildings or the Property anything that is illegal, is dangerous to persons or property or constitutes a nuisance. Landlord shall repair and/or construct, cause to be repaired or constructed, or reimburse County in the form of abated rent not to exceed \$50,000, for any and all Building upgrades ("Upgrades"). Upgrades shall include improvements that, although not specified in the Initial Drawings or plans and specifications thereto, or other County work, must be undertaken in connection with the Initial Alterations or other County work to update the Building Systems or to meet updated Federal, State or local building efficiency or environmentally responsible standards or regulations, including but not limited to the 2016 Green Building Code, Civil Code Section 1101.5(d)(1)(B) (i.e. costs to remedy non-compliant plumbing, electrical, mechanical and other systems or fixtures.) Upgrades shall include electrical improvements needed for the proper installation of alarm, life safety and security systems, work required to remediate mold, window coverings or seals, the replacement of sewer lines and other utilities connected to the Building, and similar work Landlord shall be responsible for the maintenance of all landscaping and regularly scheduled landscape services, which may include pruning, blowing, leaf removal, fertilizing and plant replacement to the building to the reasonable satisfaction of County.

8.2. County's Repairs

Subject to Landlord's warranty and covenants under Sections 8.1 (Landlord's Repairs) and 10.1 (Premises Compliance), any construction warranties or guaranties received in connection with Landlord's

completion of the Improvements, and Landlord's repair and maintenance obligations hereunder, County shall repair and maintain at its cost the interior portions of the Premises and any Alterations or improvements installed by County, including, without limitation, any telecommunications improvements or facilities, and shall keep the Premises in good working order and in a safe and sanitary condition, except for ordinary wear and tear and damage by casualty. County shall make any such required repairs and replacements that Landlord specifies in writing (i) at County's cost, (ii) by contractors or mechanics selected by Landlord and reasonably approved by County, (iii) so that same shall be at least substantially equal in quality, value and utility to the original work or installation prior to damage thereof, (iv) in a manner and using equipment and materials that will not materially interfere with or impair the operations, use or occupation of the Buildings or the Building Systems, and (v) in compliance with all applicable laws, ordinances and regulations, including, without limitation, any applicable contracting requirements under the Ordinance Code or the Charter of the County of San Mateo. At all times during the Term of the Lease, Landlord shall, upon reasonable notice by County, afford County and its Agents with access to those portions of the Buildings and the Property which are necessary to maintain or repair the telecommunications and data and computer cabling facilities and equipment installed by County, subject to the reasonable rules, regulations and requirements of Landlord.

8.3.Liens

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

9. UTILITIES AND SERVICES

9.1.Landlord's Provision of Utilities

County shall pay for all separately metered utilities provided to the Premises for the benefit of County, including water, gas, heat, light, power, telephone and other utilities and services requested by or provided for the benefit of County, together with any taxes thereon. County shall pay the cost of all other utilities provided to the Premises for the benefit of County including routine trash disposal from the Building and the Premises. County shall pay all the cost of trash disposal for any excessive disposal required by County. If any such services are not metered or billed to County but rather are billed to and paid by Landlord, County will pay to Landlord the full cost of such services.

9.2.Services

Janitorial Service: County shall provide at its sole cost janitorial service to the Building for the benefit of County beginning January 1, 2018. Until this time, Landlord will continue to provide janitorial service at County's expense.

9.3.Conservation

County, in their sole discretion, may establish reasonable measures that are not required by regulation or law, 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 Landlord's use of the Premises.

10. COMPLIANCE WITH LAWS; PREMISES CONDITION

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

Landlord represents and warrants to County that, to Landlord's knowledge, the Buildings are, or as of the completion of the Improvements will be, in compliance with all applicable building safety codes and regulations and that all portions of the Property and the Buildings 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 now, or as of the completion of the

Improvements will be, in compliance with the 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"). Landlord acknowledges and agrees that County, on behalf of Landlord, will complete the Initial ADA Improvements set forth in Exhibit F To Landlord's knowledge, and excepting the corrective actions identified in the Structural Analysis and Evaluation Report dated September 14, 2016 and the Collapse Prevention Analysis Conceptual Retrofit Scheme Report dated September 14, 2016 and delivered to Landlord, the Building Systems are in working order and there are no material latent structural defects in the Buildings, the Premises or the Property which would render the Buildings or the Premises unsafe for occupancy, subject to all matters disclosed to County in writing.

10.2. County's Compliance with Laws

County shall use the Premises during the Term in compliance with applicable laws, ordinances and regulations, 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 the Initial Alterations 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 Buildings along the path of travel to the Premises, which are Landlord's obligation as provided in Section 10.1 above. Notwithstanding the foregoing, Landlord shall not be obligated to perform any such work if the requirement to do such work is triggered by the Initial Alterations or other 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.

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 nondisturbance agreement with County in a form then commercially reasonable. Landlord may request such a commercially reasonable subordination and nondisturbance agreement from County at any time and County will respond to such request in a timely manner. 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 County 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 Buildings 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 Improvements or if County at its sole option makes funds available to Landlord, Landlord shall also repair the 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 if it does not occupy the Premises during such repairs. 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 Agents or Invitees.

Within twenty (20) days after the date of such damage, Landlord shall notify County whether or not, in Landlord's reasonable judgment made in good faith, such repairs can be made within the Repair Period. If such repairs cannot be made within the Repair Period, then either party hereto may, by written notice to the other given within thirty (30) days after the date of such notice, 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 abated if County does not occupy or conduct business from the Premises. 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 (provided in the case of earthquake if Landlord carries earthquake insurance, Landlord will not be required to fund any deductible), 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 reasonable 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 such repair or restoration is required.

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

13.3. Total Taking; Automatic Termination

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

13.4. Partial Taking; Election to Terminate

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

13.5. Rent; Award

Upon termination of this Lease pursuant to an election under Section 13.4 above, then: (i) County's obligation to pay Rent shall continue up until the date of termination, and thereafter shall cease, except that Rent shall be reduced as provided in Section 13.6 below for any period during which this Lease continues in effect after the Date of Taking, and (ii) Landlord shall be entitled to the entire Award in connection therewith, except that County shall receive any Award made specifically for County's relocation expenses, the interruption of or damage to County's business, County's improvements pertaining to realty or damage to County's Personal Property, so long as Landlord's award is not reduced thereby.

13.6. Partial Taking; Continuation of Lease

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

13.7. Temporary Taking

Notwithstanding anything to contrary in this Section, if a Taking occurs with respect to the Premises for a limited period 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 on or prior to ninety (90) days after the date of Landlord's notice of default.

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, unless County has agreed to reimbursement in the form of abated rent. 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 County cannot use the Premises for the purposes leased, 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 if the default is not cured within thirty (30) days after the date of County's notice of termination. 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 and Invitees, or any injury to property of any kind whatsoever and to whomsoever belonging, including the property of County, arising at any time and from any cause other than by reason of the negligence or willful misconduct of Landlord, in, on or about the Premises or the Property, except as expressly set forth in section 16.2. County shall indemnify, defend and hold harmless ("Indemnify") Landlord and its Agents from and against any and all claims, costs and expenses (collectively, "Claims"), incurred as a result of (a) County's use of the Premises, (b) any default by County in the performance of any of its material obligations under this Lease, (c) the acts or omissions of County or its Agents or Invitees

in, on or about the Premises or the Property, or (d) County's making of the Initial Alterations; 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, and provided that County may not enter into any settlement that creates any liability on the part of Landlord without Landlord's consent. 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 Invitees, Landlord shall Indemnify County from and against any and all claims arising from personal injury, loss of life, or any injury to property 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 to County for its 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. 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 \$4,750,000 per occurrence with an annual aggregate of \$55,000,000. 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 Agents or Invitees, 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

Tenant acknowledges that Landlord maintains a program of self-insurance and agrees that Landlord shall not be required to carry any insurance with respect to the Property. Landlord is presently self-insured in the amount of \$1,000,000, each occurrence giving rise to personal injury and property damage liabilities for which Landlord could be held responsible.

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, (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, or earlier date this Lease terminates, County shall remove from the Premises all of County's Personal Property, County's telecommunications, data and computer facilities and any Alterations County is required to remove from the Premises pursuant to the provisions of Sections 6.4 (Telecommunications) or 7.1 (Alterations by County), above. County shall repair or pay the cost of repairing any damage to the Premises or the Buildings resulting from such removal. 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 Buildings 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 Buildings, or in, on, under or about the Property.

21.2. Landlord's Representations and Covenants

Except for the conditions described in Exhibit E (Hazardous Materials Abatement Cost Estimate) and H hereof (Known Conditions Relating to Hazardous Materials), Landlord represents and warrants to County that, to Landlord's knowledge without duty of investigation, 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 Buildings do not consist of any asbestos-containing materials or building materials that contain any other Hazardous Material other than as disclosed in Exhibit H, 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 Buildings 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 Buildings 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

Notwithstanding the terms of Sections 6.5 and 16.2, 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; (b) in connection with any presence or Release of Hazardous Material in the Buildings or on, under, or about the Property caused by Landlord or its Agents; or (c) related to the presence or Release of Hazardous Material occurring prior to County's occupancy..

21.4. County's Covenants

Neither County nor its Agents or Invitees 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 so long as such use is in compliance with all applicable Environmental Laws.

21.5. County's Environmental Indemnity

If County breaches its obligations contained in the preceding Section 21.4, or if County or its Agents or Invitees cause the Release of Hazardous Material from, in, on or about the Premises or the Property other than in the reasonable course and scope of any Abatement Work 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, including during any Abatement Work of physical conditions of the Premises, or other parts of the Property, existing prior to County's occupancy.

22. SPECIAL PROVISIONS

Not Used

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, ordinance 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 County until the tenancy shall be terminated by Landlord giving County or County giving Landlord at least thirty (30) days' prior written notice of termination. Should County hold over without Landlord's consent, the rent payable by County during the period of such holding over shall be one hundred ten percent (110%) of the monthly Base Rent in effect during the last month of the Term of this Lease, and such tenancy shall otherwise be on the terms and conditions contained herein.

23.13. Cumulative Remedies

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

23.14. Time of Essence

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

23.15. Survival of Indemnities

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

23.16. Signs

County may erect or post signs on or about the Premises subject to Landlord's prior approval as provided below. Landlord reserves the right to review the placement, design, and plan for any such sign prior to its erection or posting and agrees that the approval thereof shall not be unreasonably withheld or delayed. Any signs shall comply with all applicable laws, ordinances and regulations. Landlord hereby authorizes County to post "No access – Daly City staff only" signs on all mechanical room doors.

23.17. Quiet Enjoyment and Title

Landlord covenants and represents that it has full right, power and authority to grant the leasehold estate hereunder, and covenants that County, upon paying the Rent hereunder and performing the covenants hereof, shall peaceably and quietly have, hold and enjoy the Premises and all appurtenances

during the full Term of this Lease as against all persons or entities claiming by and through Landlord or on account of any action, inaction or agreement of Landlord or its Agents. Without limiting the provisions of Section 16.2 (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 Buildings or this Lease to any 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. Without limiting the foregoing, Landlord may transfer the Property to an estate planning trust or any limited liability company in which Landlord is a member.

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. The preceding sentence will not be deemed to exonerate the contractors of the County for any liability they may have to Landlord for breach of any obligations 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. Certified Access Specialist

This Building has not been inspected by a Certified Access Specialist.

23.24. Asbestos

Asbestos containing materials are present in certain areas of the Building. Exhibit H lists all reports in the possession of Landlord with regard to asbestos containing materials. While some of the materials disclosed in the reports have been removed since the date the reports were prepared, Landlord has reason to believe that certain vinyl tile located in the mechanical room of the Building remains in place. County


should not enter the mechanical room of the Building and if it does, should not polish or abrade the floor tile in this location.

23.25. Acceptance of Lease by Landlord

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS LEASE, LANDLORD ACKNOWLEDGES AND AGREES THAT NO OFFICER OR EMPLOYEE OF COUNTY HAS AUTHORITY TO COMMIT COUNTY HERETO UNLESS AND UNTIL THE COUNTY'S BOARD OF SUPERVISORS SHALL HAVE DULY ADOPTED A RESOLUTION APPROVING THIS LEASE AND AUTHORIZING CONSUMMATION OF THE TRANSACTION CONTEMPLATED HEREBY. THEREFORE, ANY OBLIGATIONS OR LIABILITIES OF COUNTY HEREUNDER ARE CONTINGENT UPON ADOPTION OF SUCH A RESOLUTION, AND THIS LEASE SHALL BE NULL AND VOID UNLESS COUNTY'S BOARD OF SUPERVISORS AUTHORIZES EXECUTION OF THIS LEASE, IN ITS RESPECTIVE SOLE AND ABSOLUTE DISCRETION, AND IN ACCORDANCE WITH ALL APPLICABLE LAWS. APPROVAL OF THIS LEASE BY ANY DEPARTMENT, COMMISSION OR AGENCY OF COUNTY SHALL NOT BE DEEMED TO IMPLY THAT SUCH RESOLUTION WILL BE ADOPTED NOR WILL ANY SUCH APPROVAL CREATE ANY BINDING OBLIGATIONS ON COUNTY.

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

LANDLORD: CITY OF DALY CITY

BY: 
ITS: _____

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

BY: _____
Don Horsley
President,
Board of Supervisors

ATTESTED:

Clerk of Said Board

EXHIBIT A-1

**SITE PLAN
CONSISTING OF 1 PAGE**

**271 92ND STREET
Daly City, California**



EXHIBIT B

[Date]

Michael Callagy
Assistant County Manager
County of San Mateo
400 County Center
Redwood City, CA 94063

RE: Acknowledgement of Commencement Date, Lease Between the CITY OF DALY CITY (Landlord),
and the COUNTY OF SAN MATEO (County), for the premises known as 271 92nd Street, Daly
City.

Dear Ms. Jensen:

This letter will confirm that for all purposes of the Lease, the Commencement Date (as defined in
Section 3.2 of the Lease) is _____, 2017, and the Expiration Date of the Lease is
_____, 2029.

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

Very truly yours,

By _____
Title _____

Accepted and Agreed:

By _____
Assistant County Manager

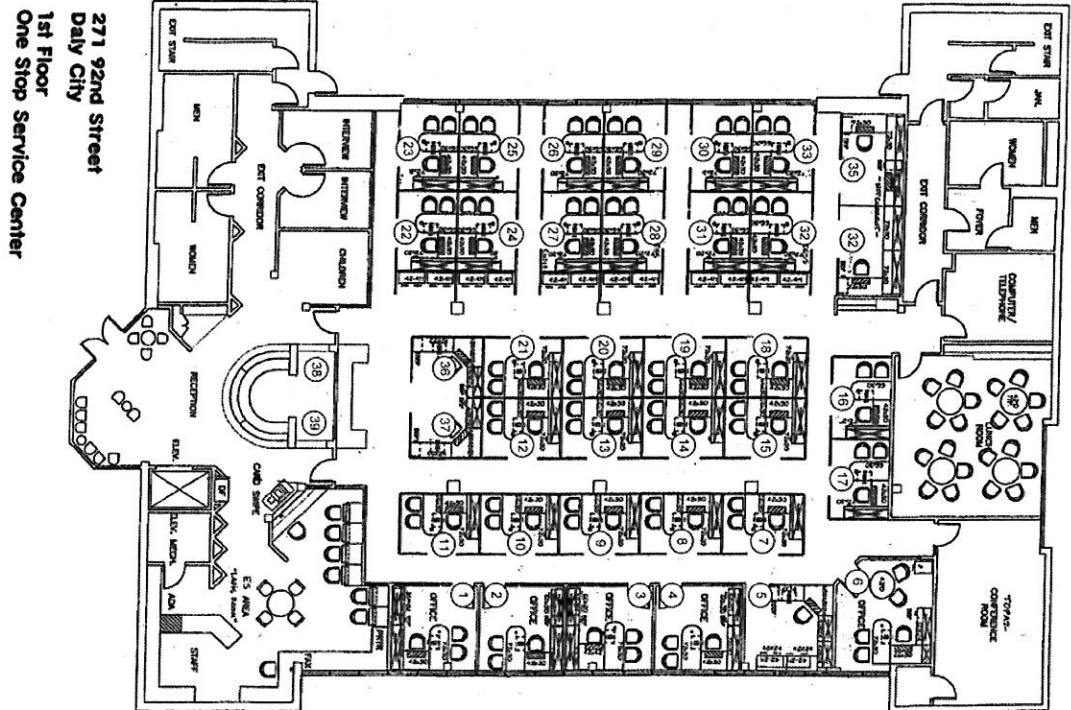
EXHIBIT C

MARX OKUBO PROPERTY CONDITION ASSESSMENT REPORT

Parties acknowledge receipt of that certain Property Condition Assessment Report prepared for San Mateo County as Job No. 14-9250, dated January 5, 2014.

EXHIBIT D

County Initial Alterations



271 92nd Street
 Daly City
 2nd Floor
 Peninsula Works

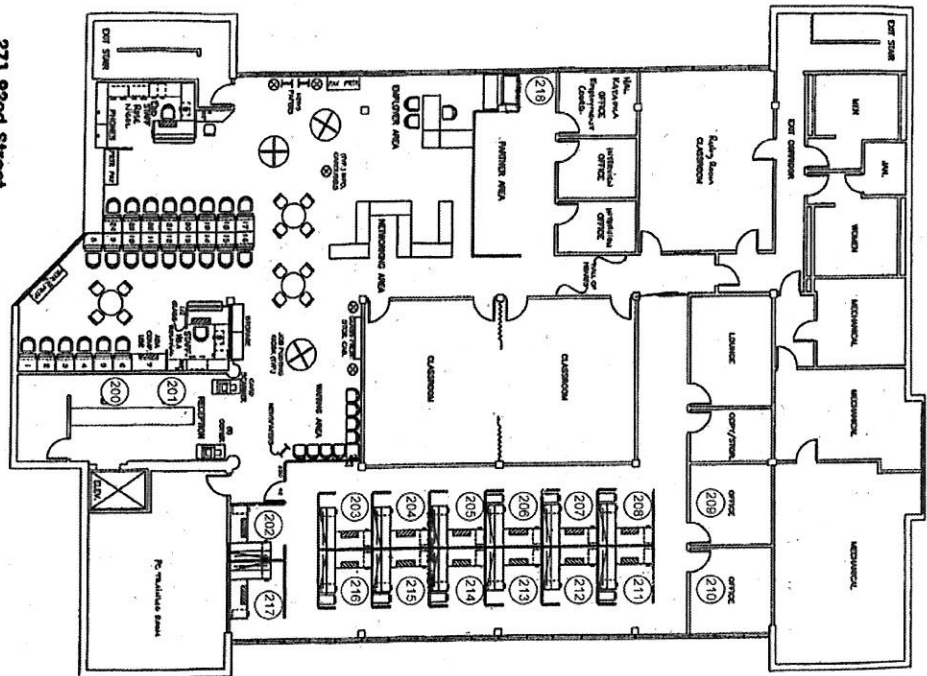
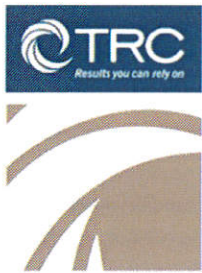


EXHIBIT E



9685 Research Drive
Irvine, CA 92618

949.727.9336 PHONE
949.727.7311 FAX

www.trcsolutions.com

Rough Order Magnitude Hazardous Materials Abatement Cost Estimate

September 28, 2016

Site: 271 92nd, St. Daly City California

The following is a rough order magnitude (ROM) abatement cost estimate or an "Engineer's Cost Estimate" for the complete removal and disposal of hazardous materials identified at the Site listed above. The hazardous materials listed in this ROM abatement cost estimate are detailed in the Hazardous Material Survey Report that was prepared by TRC dated, September 28, 2016. The survey and sampling of roof coverings were excluded from the scope of services conducted by TRC.

The following assumptions have been taken into consideration for this ROM abatement cost estimate provided in the tables below:

- The abatement activities will be performed by a state of California licensed contractor who is also licensed to conduct asbestos lead paint and hazardous materials abatement activities.
- All labor involving hazardous materials will be performed by appropriately trained and certified asbestos and lead workers and supervisors.
- The hazardous materials abatement activities must be performed prior to the scheduled renovations or demolition of the site.
- Abatement work will be performed for all materials listed in one mobilization at the prevailing wage rate.
- The building will be unoccupied at the time of work, thus providing unrestricted movements to the contractor during day time working hours and the building will be serviced with utilities, i.e. water and power.
- Replacement costs of abated materials and labor have not been included.
- Third party environmental consulting (owner's representative) and area and clearance sample analysis costs during and following abatement activities have not been included in this cost estimate.
- All labor, material, disposal costs as well as the abatement contractor's overhead and profit have been included in this ROM abatement cost estimate.

ROM Abatement Cost Estimate
271 92nd, Street, Daly City, CA

September 28, 2016
TRC Job # 264140

ROM Asbestos-Containing Material (ACM) Abatement Costs				
Material	Location(s)	Est. Quantity*	Unit Cost (\$)/SF	Extended Cost (\$)
Wallboard Joint Compound	1st Floor Perimeter Walls, Hallways and Rooms, 2nd, Floor Interior, Perimeter and Utility Room Walls	35,000 SF	4.00	140,000
Wall Texture	2nd Floor air Handler and Boiler Room	2,000 SF	4.00	8,000
12" Floor Tile (Various Colors) and Mastic (Black)	1st Floor Computer Server, Electrical and Custodian Rooms East Stair Closet and 2 nd Floor Women's Restroom Closet, West Side offices and Hallways (Under Carpet)	1,600 SF	5.00	8,000
Mastic (Black) under 18" Plastic Flooring (Tan)	1st Floor Southeast and Southwest Stair, Landings, West Hallway and West Restroom Foyer 2nd, Floor West Hallway and East and West Stair Lobbies / Landings	1,260 SF	4.00	5,040
Mastic (Black) under the 2" Ceramic Tile (Tan)	1st Floor West Men's and Women's Restroom Floor	200 SF	6.00	1,200
Mastic (Brown) under Stair Tread (Black)	East and West Stair Steps	240 SF	2.00	480
Mastic (Brown) associated with 4" Base Cove (Various Colors)	1st Floor West Restrooms, Hallways and Utility Rooms, 2nd Floor Hallways, Utility Rooms and Common areas	2,050 LF	1.50	3,075
Caulk/Sealant (Gray/Green) at Floor Penetrations	1st Floor Electrical Room	10 SF	5.00	50
ROM ACM Abatement Cost Subtotal:				\$165,845

*Quantities are estimates only and must be verified by the contractor prior to bid.

ROM Lead Paint Stabilization/ Disposal Costs				
LCP Material	Location(s)	Est. Quantity*	Unit Cost (\$)	Extended Cost (\$)
Various Surfaces	Various	8,550 SF	0.50	4,500
ROM LBP Abatement/Stabilization and Waste Disposal Cost Subtotal:				\$4,500

*Quantities are estimates only and must be verified by the contractor prior to bid.

Universal waste materials including suspect PCB containing building components were noted during the cursory universal waste inspection on September 10-11, 2016. The abatement and disposal costs below are rough order magnitude cost estimates for disposal of the universal waste observed at the Site.

ROM Universal Waste and PCB Abatement Costs						
Mercury Tube Lamps	Mercury Bulbs (HID)	Mercury Thermostats	Suspect PCB Light Ballasts	Tritium Exit Signs	Radio Active Smoke Detectors	CFC Cont. Cooling Systems
640	NA	NA	320	NA	NA	1
ROM UHW Abatement and Disposal Cost Subtotal:						8,000

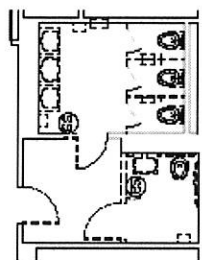
*Quantities are estimates only and must be verified by the contractor prior to bid.

Total Hazardous Material ROM Abatement Costs:	\$ 178,345.00
Contingency (15%)	\$ 26,750.00
Grand Total: Hazardous Material Abatement Cost:	\$ 205,095.00

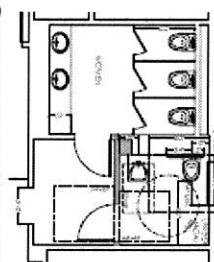
Disclaimer

The Owner must be aware that abatement unit costs can vary widely depending on the size of the abatement project, competitive bidding environment, the time of the year the project is scheduled for and the use of an environmental consultant for project management including preparation of asbestos hazardous materials abatement specifications. The unit costs used for this ROM abatement cost estimate are an average of costs used by leading abatement contractors over the past few years.

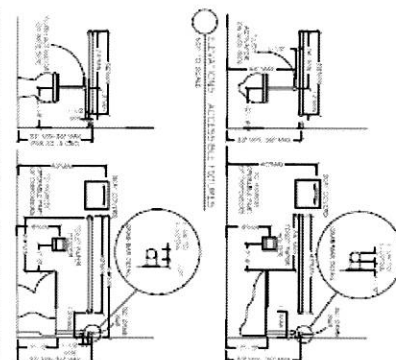


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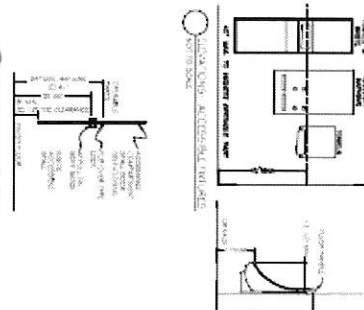
2002 1st ed. 133
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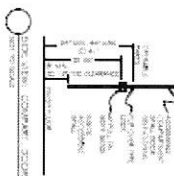
ENCLOSURE WITH REQUESTS PLAIN WRIT NOW - 1ST MILEN
SCALE 1:600,000 31 MAY 1955 002300Z



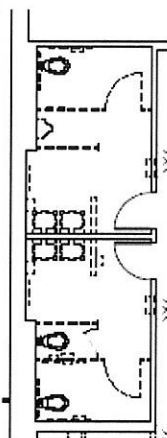
STANDARD FORM NO. 64
MAY 1962 EDITION
GSA GEN. REG. NO. 27



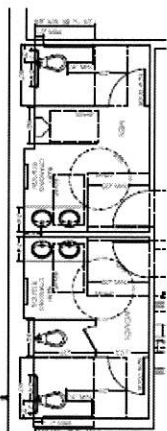
SEE ALSO: COMPANY, 2200
NOT TO SCALE



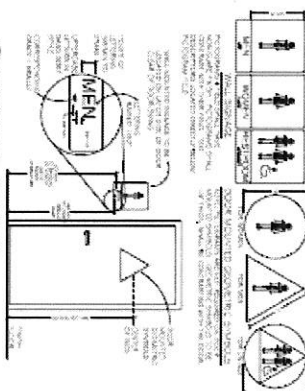
SEE ALSO: COMPANY, 2200
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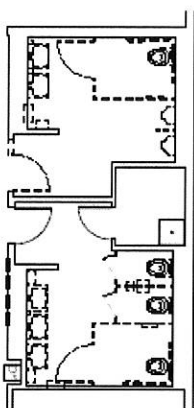
7446207 RESISTOR POWR PLW 5W 1200W
NADA 144 11177
NADA RESISTOR



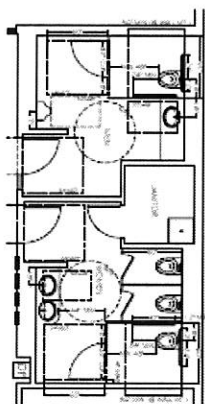
CHLARKSON RECORDING PAPER NEW YORK 1917 D.C.
SCALE 1" = 100' PLOT RECORDING



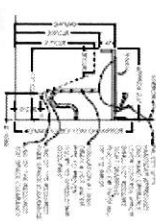
RENTED FROM ANOTHER. AKA: STAYING



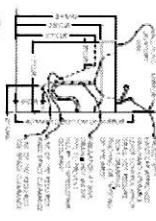
1. THEORY (10 marks)



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EXHIBIT H

Known Conditions Relating to Hazardous Materials