

OFFICE LEASE

between

PS Business Parks, L.P.,  
as Landlord

and

COUNTY OF SAN MATEO,  
as Tenant

For the lease of  
1650 South Amphlett Boulevard, Suite 301,  
San Mateo, California

July 15, 2015

Lease No. 1317



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- EXHIBIT E – Standards for Janitorial Service
- EXHIBIT F – Classification of Operating Costs as Fixed or Variable
- EXHIBIT G – Leasehold Improvements
- EXHIBIT H – Standards for Security Service



**OFFICE LEASE**  
Lease No.1317

THIS OFFICE LEASE (this "Lease"), dated for reference purposes only as of July 15, 2015 is by and between PS Business Parks, L.P. ("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:                    | July 15, 2015                                                                                                                                                                                   |
| 1.2 | Landlord:                                | PS Business Parks, L.P.                                                                                                                                                                         |
| 1.3 | Tenant:                                  | COUNTY OF SAN MATEO                                                                                                                                                                             |
| 1.4 | Property:                                | That certain real property identified as San Mateo County Assessor's Parcels 035-241-240, 250, and 260 together with the improvements thereon ("Property").                                     |
| 1.5 | Building (Section 2.1):                  | That certain three story office building constructed on the Property, and commonly known as 1650 South Amphlett Boulevard, San Mateo, California ("Building")                                   |
| 1.6 | Premises (Section 2.1):                  | A portion of the third floor of the Building, commonly known as Suite 301, as more particularly shown in the attached <u>Exhibit A</u> , which is made a part hereof by reference ("Premises"). |
| 1.7 | Rentable Area of Premises (Section 2.1): | Approximately 8,952 rentable square feet subject to final measurement in accordance with BOMA standards pursuant to Section 2.1                                                                 |



- 1.8 Term (Section 3): The Effective Date shall be as set forth in Section 3.2 hereof.
- Estimated Commencement date: September 1, 2015
- Expiration date: The date which is ten (10) years after the Rent Commencement Date as set forth in Section 3.2. For example, based on a Rent Commencement date of September 1, 2015, the Expiration Date would be August 31, 2025.
- 1.9 Extension Options (Section 3.4): County shall have the right to extend the Term for two additional terms of five years each, exercisable by County by written notice to Landlord given not less than six months or more than nine months in advance, with rent determined as set forth in Section 3.4.
- 1.10 Base Rent (Section 4.1): The Base Rent shall be as set forth in Section 4.1 hereof.
- 1.11 Adjustments in Base Rent (Section 4.1): The Base Rent shall be adjusted as set forth in Section 4.1 hereof.
- 1.12 Additional Charges (Section 4.2): County shall pay on a monthly basis throughout the Term County's Share as hereinafter set forth County's Share of Real Estate Taxes and actual monthly Operating Expenses, including insurance, utilities, janitorial, landscaping, maintenance, repairs and management fees, as set forth in Section 4.2 and Section 9 hereof.
- 1.13 County's Share (Section 4.3): As set forth is Section 4.3, County's Proportionate Share of the Property is 2.63% and its Proportionate Share of the Building is 21.25%.
- 1.14 Use (Section 5.1): County shall use the Premises for general and administrative office purposes including, but not limited to, law enforcement staff training, interagency meetings, briefings, operations and related activities.
- 1.15 Leasehold Improvements (Section 6): Landlord will, at its sole cost and expense, make the improvements as shown on the attached Exhibit G.



- 1.16 Utilities (Section 9.1) and Services (Section 9.2): County shall pay the cost of all utilities provided to the Building for the benefit of County, and for all services required by County.
- 1.17 Notice Address of Landlord (Section 23.1): PS Business Parks  
1670 South Amphlett Boulevard, Suite 214  
San Mateo, CA 94402  
Fax No.: (650) 574-0610
- 1.18 Key Contact for Landlord: Abigail Ehrenfried  
Senior Leasing Director  
PS Business Parks  
1670 South Amphlett Boulevard, Suite 214  
San Mateo, CA 94402
- Landlord Contact Telephone No.: (650) 574-2104
- 1.19 Notice Address for County (Section 23.1): County Manager's Office  
County of San Mateo  
400 County Center  
Redwood City, CA 94063
- 1.20 with a copy to: Real Property Services Division  
County of San Mateo  
455 County Center, 4<sup>th</sup> Floor  
Redwood City, CA 94063  
  
Fax No.: (650) 363-4832
- 1.21 and to: Not Used
- 1.22 Key Contact for County: Real Property Services Manager
- County Contact Telephone No.: (650) 363-4047
- 1.23 Alternate Contact for County: Not Used
- Alternate Contact Telephone No.:
- 1.24 Brokers (Section 23.8): Not Used
- 1.25 Other Noteworthy Provisions (Section 22): Not Used

## **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") together with all appurtenances and more specifically shown on the floor plan(s) attached hereto as Exhibit A (the "Premises"). The Premises contain the rentable area and are located on the floor of the Building specified in the Basic Lease Information. As used in this Lease, the term "rentable area" shall mean that measurement of interior floor area computed in accordance with the "Standard Method for Measuring Floor Area in Office Buildings, the American National Standard" (ANSI Z65.1 1996), adopted by the Building Owners and Managers Association (BOMA). The Building, land upon which the Building is



located and all other improvements on or appurtenances to such land are referred to collectively as the "Property."

## **2.2 Common Areas**

County shall have the non-exclusive right to use, together with other tenants in the Property and the Building, the lobbies, corridors, elevators, stairways and other public areas of the Property and the Building (collectively, the "Common Areas"), and the non-exclusive right of access to and from the Premises by the main entrances to the Property and the Building.

## **2.3 Parking**

County shall have the right to park in 32 spaces at the parking facilities at the Property, in common with other tenants of the Property, provided that County agrees to cooperate with Landlord and the other tenants in the use of the parking facilities, and to abide by reasonably established and equitably enforced parking rules and regulations of the Property. Payment for such parking is included in the Base Rent (as described in Section 4 herein), and there shall be no separate monthly parking payment made to Landlord for use of such parking spaces.

## **3. TERM**

### **3.1. Term of Lease**

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

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

The date on which this Lease shall become effective (the "Effective Date") is the date upon which (i) the County Board of Supervisors, in its sole and absolute discretion, adopts a resolution authorizing the execution of this Lease, and (ii) this Lease is duly executed by the parties hereto.

The Term of this Lease commences on the Effective Date, and the dates on which the Term commences and terminates pursuant hereto are referred to respectively as the "Commencement Date" and the "Expiration Date."

The date on which the County is first obligated to pay Base Rent and Additional Charges provided for herein is referred to as the "Rent Commencement Date." The Rent Commencement Date shall be the date on which the County's lease at 1730 South Amphlett Boulevard, Suite 310 (Lease No. 1274) is terminated or the date on which Landlord shall have delivered the Premises to County with the Leasehold Improvements (as defined below) having been substantially completed by Landlord and with said improvements having been accepted by the County Manager pursuant to Section 6.1 (Landlord's Obligation to Construct Improvements), whichever is later. Promptly thereafter Landlord shall deliver to County a notice substantially in the form of Exhibit B attached hereto, confirming the actual Rent Commencement Date, but Landlord's failure to do so shall not affect the date on which the County is first obligated to pay Base Rent and Additional Charges. It is hereby acknowledged that, as set forth in Section 4.1, the Base Rent and the Additional Charges set forth in Section 4.2 shall be fully abated and the County shall have no obligation to pay Base Rent and Additional Charges for the first month following the Rent Commencement Date and the first two months of the year immediately following the Rent Commencement Date.



### **3.3. Delay in Delivery of Possession**

Landlord shall use its best efforts to deliver possession of the Premises with all of the Leasehold Improvements substantially completed and accepted by County's County Manager, or the County Manager's designee, pursuant to Section 6.1 (Landlord's Obligation to Construct Improvements) on or before September 1, 2015. However, if Landlord is unable to deliver possession of the Premises as provided above, then, subject to the provisions of this Section below, the validity of this Lease shall not be affected by such inability to deliver possession except that County's obligations to pay Base Rent or any other charges shall not commence until such time as Landlord has delivered the Premises as required under this Lease. If the Term commences later or earlier than the Estimated Commencement Date, this Lease shall nevertheless expire on the Expiration Date, unless sooner terminated pursuant to the provisions under this Lease. If Landlord is unable to deliver possession of the Premises to County as required hereunder within thirty (30) days after the Effective Date, then County may, at its option, terminate this Lease, without any further liability under this Lease, upon written notice to Landlord.

### **3.4. Extension Options**

County shall have the right to extend the Initial Term of this Lease (the "Extension Options") for the additional terms specified in the Basic Lease Information (the "Extended Terms"). Such Extension Options shall be on all of the terms and conditions contained in this Lease, except that the rent for the Extended Term shall be 100% of fair market rent on the date of exercise of the Options, but not less than the Base Rent payable at the end of the Initial Term. County, at its sole discretion, may exercise the Extension Options, if at all, by giving written notice to Landlord no earlier than nine months and no later than six months prior to expiration of the term to be extended; provided, however, if County is in material default under this Lease on the date of giving such notice and fails to cure such default as set forth in Section 15.1, Landlord may reject such exercise by delivering written notice thereof to County promptly after such failure to cure.

### **3.5. Determination of Base Rent for the Extended Term**

At the commencement of the Extended Terms, the Base Rent shall be adjusted to an amount equal to 100% 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.

If County disputes Landlord's determination of the prevailing market rate, County shall so notify Landlord within thirty (30) days following Landlord's notice to County of the prevailing market rate and such dispute shall be resolved as follows:

(a) Within fourteen (14) days following County's notice to Landlord of the dispute, 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 fourteen (14) 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 fourteen (14) 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 Appraisal Institute (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 Rent Commencement Date as set forth in Section 3.2 of this Lease, County shall pay to Landlord during the Term the Base Rent specified below (the "Base Rent"):

<b>Months</b>	<b>Monthly Base Rent</b>
01	No Rent
02-12	\$14,323.20
13-14	No Rent
15-24	\$14,752.90
25-36	\$15,195.48
37-48	\$15,651.35
49-60	\$16,120.89
61-72	\$16,604.51
73-84	\$17,102.65
85-96	\$17,615.73
97-108	\$18,144.20
109-120	\$18,688.53

The Base Rent shall be calculated based on the rentable area occupied by County at a rate of \$1.60 per rentable square foot and shall be payable in consecutive monthly payments on or before the first day of each month, in advance, at the address specified for Landlord in Section 1.17 of the Basic Lease Information, or such other place as Landlord may designate in writing upon not less than thirty (30) days' advance notice. County shall pay the Base Rent without any prior demand and without any deductions or setoff except as otherwise provided in this Lease. If the Commencement Date or the date of any adjustment of Rent made as set forth in Section 3.3 above occurs on a day other than the first day of a calendar month, or the Expiration Date occurs on a day other than the last day of a calendar month, then the monthly payment of the Base Rent for such fractional month shall be prorated based on a thirty (30) day month.



#### **4.2. Additional Charges**

County shall pay to Landlord any charges or other amounts required under this Lease as additional rent ("Additional Charges"), including the charges for County's Share of Real Estate Taxes and Operating Costs provided for hereinbelow. All such Additional Charges shall be payable to Landlord at the place where the Base Rent is payable. Additional Charges for 2015 for the Premises are currently estimated at \$6,714.00 monthly. Landlord shall have the same remedies for a default in the payment of any Additional Charges as for a default in the payment of Base Rent. The Base Rent and Additional Charges are sometimes collectively referred to below as "Rent."

#### **4.3. Definitions**

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

(a) Operating Costs shall be designated either Fixed Costs or Variable Costs as identified in the attached Exhibit F. Costs incurred that are not classified in Exhibit F shall be classified as Fixed or Variable in a manner consistent with generally accepted accounting principles.

(b) "County's Share" means 100% of Variable Costs together with County's Proportionate Share of Fixed Costs, which Proportionate Share shall be determined based on the percentage of the Rentable Area of the Building that is occupied by County.

(c) "Expense Year" means each calendar year commencing January 1st of each year during the Term, including any partial year in which this Lease commences; provided that Landlord, upon advance written notice to County, may change the Expense Year to any other twelve (12) consecutive month period and, in the event of any such change, County's Percentage Share of Operating Costs shall be equitably adjusted for the Expense Years involved in any such change.

(d) "Operating Costs" means the total reasonable and prudent costs and expenses actually paid or incurred by Landlord in connection with the management, operation, maintenance and repair of the Building, including, but not limited to: (1) the cost of air conditioning, electricity, water, heating, mechanical, telephone, ventilating, and elevator systems and all other utilities, (2) the cost of repairs and all labor and material costs related thereto, and the cost of general maintenance, cleaning and service contracts and the cost of all supplies, tools and equipment required in connection therewith, (3) the cost incurred by Landlord for all insurance required to be carried on the Building or the use or occupancy thereof; (4) wages, salaries, payroll taxes and other labor costs and employee benefits relating to employees of Landlord or its agents engaged in the operating, repair, or maintenance of the Building, allocated in proportion to the percentage of such person's working time actually spent working in connection with the Building, (5) reasonable management fees, (6) fees, charges and other costs of all independent contractors engaged by Landlord, allocated in proportion to the percentage of such person's working time actually spent working in connection with the Building, (7) accounting and legal expenses, (8) the cost of capital improvements made to the Building after completion of its construction as a labor-saving or energy saving device or to effect other economies in the operation or maintenance of the Building and which benefit the Premises, or made to the Building after the date of this Lease that are required under any governmental law or regulation that was not applicable to the Building at the time that permits for the construction thereof were obtained, unless caused by Landlord's deliberate or negligent violation of such law, rule or regulation, and except to the extent such improvements are attributable to or are made for the primary benefit of a tenant or occupant other than County, and (9) any other expenses reasonably incurred in connection with the management, operation, maintenance or repair of the Building (other than Real Estate Taxes and any services for which Landlord is separately and directly reimbursed by County) which would, under generally accepted accounting principles, be considered an operating expense. The computation of Operating Costs shall be made in accordance with Landlord's tax basis accounting method. With respect to the costs of items included in Operating Costs under (8), such costs shall be amortized over the useful life thereof, together with interest on the unamortized balance at a rate per annum equal to two (2) percentage points over the Treasury Rate charged at the time such item is constructed, but not more than the maximum rate permitted by law at the time such item is constructed.

Notwithstanding the foregoing, "Operating Costs" shall exclude the items described on the attached Exhibit C.



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

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

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

#### **4.4. Payment of County's Share of Operating Costs**

County shall pay to Landlord each month, as Additional Charges, one twelfth (1/12) of County's Share of the Operating Costs for each Expense Year. County shall make such payments, in advance, in an amount estimated by Landlord in reasonable detail in a writing delivered to County. Landlord may revise such estimates of Operating Costs from time to time and County shall thereafter make payments on the basis of such revised estimates, provided that no such revisions shall be retroactive and, except for adjustments made in relation to a modification in the area of the Premises, Landlord may not make any such revisions more than twice in any given Expense Year or any earlier than four (4) months subsequent to the prior estimate for such Expense Year. With reasonable promptness not to exceed one hundred twenty (120) days after the expiration of each Expense Year, Landlord shall furnish County with a statement (herein called "Landlord's Expense Statement"), setting forth in reasonable detail the Operating Costs for such Expense Year and County's Share thereof. If County's Share of the actual Operating Costs for such Expense Year exceeds the estimated Operating Costs paid by County for such Expense Year, County shall pay to Landlord (whether or not this Lease has terminated) the difference between the amount of estimated Operating Costs paid by County and County's Share of the actual Operating Costs within thirty (30) days after the receipt of Landlord's Expense Statement. If the total amount paid by County for estimated Operating Costs exceeds County's Share of the actual Operating Costs for such Expense Year, such excess shall be credited against the next installment of rent due from County hereunder. At Landlord's option, or if the Lease term has expired, such excess shall be refunded to County.

#### **4.5. Payment of County's Share of Real Estate Taxes**

County shall pay to Landlord each month, as Additional Charges, one twelfth (1/12) of County's Percentage Share of the Real Estate Taxes for each Tax Year. County shall make such payments, in advance, in an amount estimated by Landlord in reasonable detail in writing delivered to County. With



reasonable promptness not to exceed thirty (30) days after Landlord has received the tax bills for any Tax Year, Landlord shall furnish County with a statement ("Landlord's Tax Statement") setting forth the amount of Real Estate Taxes for such Tax Year and County's Share thereof. If County's Share of the actual Real Estate Taxes for such Tax Year exceeds the estimated Real Estate Taxes paid by County for such Tax Year, County shall pay to Landlord (whether or not this Lease has terminated) County's Share of the actual Real Estate Taxes within thirty (30) days after the receipt of Landlord's Tax Statement. If the total amount of estimated Real Estate Taxes paid by County for such Tax Year exceeds County's Share of the actual Real Estate Taxes for such Tax Year, such excess shall be credited against the next installments of Real Estate Taxes due from County hereunder. At Landlord's option, or if the Lease term has expired, such excess shall be refunded to County.

#### **4.6. Proration**

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

#### **4.7. Audits**

County shall have the right, upon not less than thirty (30) business days' notice to Landlord, to audit the books and records of the Building related to Operating Costs and Real Estate Taxes. If such audit discloses any discrepancies that would result in a reduction of County's Share of Operating Costs for any Expense Year, Landlord shall immediately refund to County the amount of any overpayment by County. County shall pay the cost of such audit, provided that if such audit discloses any discrepancies that result in a reduction of County's Share of Operating Costs or Taxes of five percent (5%) or more for any Expense Year or Tax Year, then Landlord shall pay the costs of such audit.

#### **4.8. Records**

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

### **5. USE**

#### **5.1. Permitted Use**

County may use the Premises for general office uses and such other uses as may be specified in the Basic Lease Information, and for no other use without the prior written consent of Landlord, which shall not be unreasonably withheld or delayed.

#### **5.2. Observance of Rules and Regulations**

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



### **5.3. Interference with Access**

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

## **6. LEASEHOLD IMPROVEMENTS**

### **6.1. Landlord's Obligation to Construct Leasehold Improvements**

Landlord, through its general contractor, shall construct the leasehold improvements and perform the work in the Premises at Landlord's sole cost pursuant to the Improvement Plans (as defined in this Section below) approved by County, and in accordance with the provisions of this Section below. Such work and installations are referred to as the "Leasehold Improvement Work" and "Leasehold Improvements."

#### **6.1.1. Plans and Specifications**

Before the reference date of this Lease, County has prepared and submitted to Landlord for its approval a space plan ("Space Plan") and a list of Leasehold Improvements (Exhibit G). Landlord has approved such plan and list.

##### **a. Changes to Space Plan and Leasehold Improvements.**

i. County Change Orders. If County requests any change, addition or alteration thereto relating to the design or specifications of the Leasehold Improvement Work ("County Change Order"), Landlord shall cause the Architect or Engineer, as applicable, to prepare plans and specifications with respect to such change, addition or alteration. Within 10 days of County's request, Landlord shall notify County of the cost that would be incurred by reason of such proposed County Change Order and any delay in the anticipated date of Substantial Completion that would result from such County Change Order. If County approves the cost of the County Change Order within five (5) days of receipt from Landlord, then Landlord's Contractor shall proceed with such County Change Order as soon as reasonably practical thereafter. If County does not approve such cost within the above-mentioned five (5) day period, construction of the Premises shall proceed in accordance with the original completed and approved plans. County shall be responsible for the reasonable cost actually incurred by Landlord to implement the County Change Order, including preparation of plans and specifications for the Change Order and any construction costs that would not otherwise have been incurred, and Base Rent and Additional Charges for any period that the Rent Commencement Date is delayed solely as a result of the County Change Order, all as evidenced by invoices or other substantiation reasonably required by County. Only written confirmation of the number of days of delay, signed by the County's Representative or Alternate as part of the approval of a County Change Order, shall be adequate substantiation that the Rent Commencement Date is delayed solely as a result of the County Change Order.



ii. Landlord Change Orders. If Landlord requests or is required to make any material change, addition or alteration thereto relating to the design or specifications of the Leasehold Improvement Work ("Landlord Change Order"), Landlord shall provide County with proposed plans and specifications with respect to such change, addition or alteration, together with notice of any delay in the anticipated date of Substantial Completion that would result from such Landlord Change Order. Any such Landlord Change Order shall be subject to County's prior written approval, in accordance with the process set forth in Section 6.1.1.a.i above. No approval by County of any such Landlord Change Order shall relieve or modify Landlord's obligations hereunder to complete the construction of the Leasehold Improvements in accordance with the approved Space Plan, nor shall any such approval limit any of County's rights or remedies hereunder or under the Lease. Landlord shall be solely responsible for the cost of the Landlord Change Order, including, without limitation, the costs of preparing the plans and specifications relating thereto.

#### 6.1.2. Permits

a. Responsibility for Obtaining Permits. Landlord shall have the responsibility for obtaining all governmental permits and approvals required to commence and complete the Leasehold Improvement Work, and promptly upon receipt thereof shall deliver copies of all of such permits and approvals to County. Landlord shall use commercially reasonable efforts to obtain all such approvals and permits in a timely manner. Landlord shall have the responsibility of calling for any inspections required by the City's Bureau of Building Inspection.

No approval by County or any of its Agents of the Improvement Plans or completion of the Leasehold Improvement Work for purposes of this Lease shall be deemed to constitute approval of any governmental or regulatory authority with jurisdiction over the Premises, and nothing herein shall limit Landlord's obligations to obtain all such approvals.

#### 6.1.3. Construction

a. Construction of Leasehold Improvements. Landlord shall cause the Leasehold Improvements to be constructed and installed in a good and professional manner in accordance with sound building practice and in conformity with the Space Plan, as revised by any Change Orders, and the terms of this Section. County shall not have any obligation with respect to any such work other than as provided herein.

b. Construction Schedule. Landlord shall commence construction of the Leasehold Improvements after approval of all required permits for construction in accordance with the approved Space Plan, and shall diligently pursue construction to completion, by September 1, 2015.

c. Status Reports; Inspections. Landlord shall keep County apprised of the status of permit approval and the progress of construction.

d. General Conditions. The performance of all Leasehold Improvement Work by Landlord shall be subject to the following terms and conditions:

i. All of the Leasehold Improvement Work shall be performed in compliance with all laws, codes, regulations and building requirements (collectively, "Laws") bearing on construction of the Leasehold Improvements; including, without limitation, applicable provisions requiring payment of prevailing wages.

ii. Without limiting the foregoing, the construction of the Leasehold Improvements shall comply with all 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, "Disabled Access Laws");

iii. Landlord and its Contractor shall be responsible for all required insurance; and

e. Cooperation. Landlord and County shall cooperate at all times in bringing about the timely completion of the Leasehold Improvements. Landlord shall resolve any and all disputes arising out of the construction of the Leasehold Improvements in a manner that allows work to proceed expeditiously.



#### **6.1.4. Compliance With Codes**

County shall not be responsible for any review, supervision, administration or management fees of Landlord in connection with the Leasehold Improvement Work. Landlord shall be solely responsible for code compliance of the Premises including, without limitation, earthquake, fire and life safety and other work, except to the extent that County directs the performance of work that is in excess of the requirements of applicable codes and regulations.

#### **6.1.5. Construction Schedule; Substantial Completion**

Landlord shall keep County apprised on a regular basis of the status of plan preparation, permit issuance and the progress of construction. From time to time during the design and construction of the Leasehold Improvements, County shall have the right upon reasonable advance oral or written notice to Landlord to enter the Premises at reasonable times to inspect the Premises, provided such inspections do not unreasonably interfere with the construction. Landlord or its representative may accompany County during any such inspection. When construction progress so permits, but not less than thirty (30) days in advance of completion, Landlord shall notify County of the approximate date on which the Leasehold Improvement Work will be substantially completed in accordance with the Space Plan. Landlord shall revise such notice of the approximate substantial completion date as appropriate from time to time and shall immediately notify County when the Leasehold Improvement Work is in fact substantially completed and the Premises are ready for occupancy by County. On such date or other mutually agreeable date as soon as practicable thereafter, County and its authorized representatives shall have the right to accompany Landlord or its architect on an inspection of the Premises.

The Leasehold Improvement Work shall be deemed to be "Substantially Completed" for purposes of this Lease when the Leasehold Improvements shall have been sufficiently completed in accordance with the approved Space Plan so that County can occupy the Premises and conduct its business for its intended uses and County, through its Real Property Services Manager or other designee of the County Manager, shall have approved the Leasehold Improvements. County may, at its option, approve the Leasehold Improvements even though there may remain minor details that would not interfere with County's use. Landlord shall diligently pursue to completion all such details. Notwithstanding the foregoing, County shall have the right to present to Landlord within thirty (30) days after acceptance of the Premises, or as soon thereafter as practicable, a written punch list consisting of any items that have not been finished in accordance with the Space Plan. Landlord shall promptly complete all defective or incomplete items identified in such punch list, and shall in any event complete all items within thirty (30) days after the delivery of such list. County's failure to include any item on such list shall not alter the Landlord's responsibility hereunder to complete all Leasehold Improvement Work in accordance with the approved Space Plan, nor constitute any waiver of any latent defects.

#### **6.2. Installation of Telecommunications and Other Equipment**

Landlord and County acknowledge that the Leasehold 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 floor on which the Premises are located and all other parts of the Building and Property for which access is needed for proper installation of all such facilities and equipment including, but not limited to, wiring. County shall have the right to enter the Premises and such other portions of the Building and Property at reasonable times during the course of construction of the Leasehold 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 Leasehold Improvements and the installation of such facilities and equipment to be completed in a timely and cost-effective manner.

### **7. ALTERATIONS**

#### **7.1. Alterations by County**

County shall not make or permit any alterations, installations, additions or improvements (collectively, "Alterations") to the Premises without first obtaining Landlord's written consent, which Landlord shall not unreasonably withhold or delay. However, the installation of furnishings, fixtures,



equipment or decorative improvements, none of which involve the installation or removal of partitions, demising walls, doors or windows, and the repainting and recarpeting of the Premises shall not constitute Alterations requiring Landlord's consent. Any Alterations permitted hereunder shall be made at County's cost in compliance with applicable Laws as defined in Section 10. Landlord shall, without cost to itself, cooperate with County in securing building and other permits and authorizations needed in connection with any permitted Alterations. Landlord shall not be entitled to any construction or other administrative fee in connection with any Alteration. County shall not be required to remove any Alterations upon the expiration or earlier termination of this Lease unless Landlord notifies County in writing at the time Landlord approves such Alterations that they must be removed at the Expiration Date. Any Alterations made by County shall be made by Landlord's contractor or, at County's option, by a contractor reasonably acceptable to Landlord.

## **7.2. Title to Improvements**

Except for County's Personal Property (as defined in Section 7.3 below), all appurtenances, fixtures, improvements, equipment, additions and other property permanently installed in the Premises as of the Rent Commencement Date or during the Term shall be and remain Landlord's property. County may not remove such property unless Landlord consents thereto.

## **7.3. County's Personal Property**

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

## **7.4. Alteration by Landlord**

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

# **8. REPAIRS AND MAINTENANCE**

## **8.1. Landlord's Repairs**

Landlord shall repair and maintain, at its cost (subject to payment by County of the Additional Charges as set forth in Section 4.2) and in good condition, the exterior and structural portions of the Buildings, including, without limitation, the roof, foundation, bearing and exterior walls, exterior windows, and subflooring, and the heating, ventilating, air conditioning, plumbing, electrical, fire protection, life safety, security, Building emergency generator (if any), elevators, and other mechanical, electrical and communications systems of the Building (collectively, the "Building Systems") and the Common Areas, including, without limitation, the driveways, parking areas, sidewalks and landscaped areas of the



Property. Without limiting the foregoing, Landlord shall maintain the Building and the Property in a clean, safe and attractive manner, and shall not knowingly permit to be done in or about the Building or the Property anything that is illegal, is dangerous to persons or property or constitutes a nuisance. Any damage caused by or repairs necessitated by any negligence or act of County or any County Entity may be repaired by Landlord at Landlord's option and County's expense. Landlord's liability with respect to any defects, repairs, or maintenance for which Landlord is responsible under any of the provisions of this Lease shall be limited to the cost of such repairs or maintenance, and there shall be no abatement of rent and no liability of Landlord by reason of any injury to or interference with County's business arising from the making of repairs, alterations or improvements in or to any portion of the Premises, the Building or the Common Areas or to fixtures, appurtenances or equipment in the Building or the Common Areas.

## **8.2. County's Repairs**

County shall perform periodic reasonable visual inspections of the Premises to identify any conditions that are dangerous or in need of maintenance or repair. County shall promptly provide Landlord with notice of any such conditions. County shall, at its sole cost and expense, perform all maintenance and repairs to the Premises that are not Landlord's express responsibility under this Lease, and keep the Premises in good condition and repair, regardless of whether the need for such repairs or maintenance occurs as a result of County's use, any prior use, vandalism, acts of third parties, Force Majeure, or the age of the Premises, reasonable wear and tear excepted. County's repair and maintenance obligations include, without limitation, repairs to: (a) floor coverings; (b) interior partitions; (c) doors (including, without limitation, overhead and roll up doors); (d) the interior side of demising walls; (e) electronic, fiber, phone and data cabling and related equipment that is installed by or for the exclusive benefit of County; (f) supplemental air conditioning units, kitchens, including hot water heaters, plumbing, and similar facilities exclusively serving the Premises; and (g) County Improvements and Tenant Alterations. County shall maintain and repair at County's sole expense the County specific emergency generator, if any. County shall not install any emergency generator without Landlord's prior written consent and mutual agreement on a location for such generator and on the requirements, including plans and specifications, for installation, maintenance, removal and restoration of such emergency generator and its location. The standard for comparison of condition will be the condition of the Premises as of the original date of Landlord's delivery of the Premises and failure to meet such standard shall create the need to repair. If County does not perform required maintenance or repairs, Landlord shall have the right, without waiver of Default or of any other right or remedy, to perform such obligations of County on County's behalf, and County will reimburse Landlord for any costs incurred, together with an administrative charge in an amount equal to 10% of the cost of the repairs, immediately upon demand.

## **8.3. Liens**

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

# **9. UTILITIES AND SERVICES**

## **9.1. Landlord's Provision of Utilities**

9.1.1. Landlord agrees to furnish to the Premises from 8:00 A.M. to 5:00 PM Monday through Friday on generally recognized business days (but exclusive in any event of Sundays and national and local legal holidays), the following services and utilities subject to the rules and regulations of the Building prescribed from time to time: (a) water for use in the Building lavatories; (b) customary heat and air conditioning ("HVAC") required for the use and occupation of the Premises during Building Business Hours, although County shall have the right to receive HVAC service during hours other than Building Business Hours by paying Landlord's then standard charge for additional HVAC service and providing such prior notice as reasonably specified by Landlord; (c) standard janitorial service; (d) elevator service by non-attended



automatic elevators, if applicable; and (e) electricity in accordance with the terms and conditions in this Section 9.1; and (g) such other services as Landlord reasonably determines are necessary or appropriate for the Property. Electricity and/or any other services or utilities used by County in the Premises shall be paid for by County through inclusion in Operating Expenses (except as provided for excess usage). Without the consent of Landlord, County's use of electrical service shall not exceed, either in voltage, rated capacity, use beyond Building Business Hours or overall load, that which Landlord reasonably deems to be standard for the Building. Landlord shall have the right to measure electrical usage by commonly accepted methods, including the installation of measuring devices such as submeters and check meters. If it is determined that County is using excess electricity, County shall pay Landlord, as Additional Rent, the cost of such excess electrical usage and for the cost of purchasing and installing the measuring device(s).

9.1.2. Landlord will not be liable or deemed in default, nor will there be any abatement of rent, breach of any covenant of quiet enjoyment, partial or constructive eviction or right to terminate this Lease, for (a) any interruption or reduction of utilities, utility services or telecommunication services, (b) any telecommunications or other company failing to provide such utilities or services or providing the same defectively, and/or (c) any utility interruption in the nature of blackouts, brownouts, rolling interruptions, hurricanes, tropical storms or other natural disasters. County agrees to comply with any energy conservation programs required by Law. Landlord reserves the right, in its sole discretion, to designate, at any time, the utility and service providers for Tenant's use within the Property; no such designation shall impose liability upon Landlord. Tenant has satisfied itself as to the adequacy of any Landlord owned utility equipment and the quantity of telephone lines and other service connections to the "Building's Point of Demarcation" available for Tenant's use.

## **9.2. Services**

### **(a) Janitorial Service.**

Landlord shall provide, at the County's cost, janitorial service in accordance with the specifications contained in Exhibit E attached hereto.

### **(b) Security Service**

Landlord shall provide, at its cost, security for the Property in accordance with the specifications contained in Exhibit G attached hereto.

## **9.3. Conservation**

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

## **9.4. Disruption in Essential Utilities or Services**

In the event of any failure, stoppage or interruption of any utilities or services to be furnished by Landlord hereunder, Landlord shall immediately notify County of such failure, stoppage or interruption, diligently attempt to restore service as promptly as possible and shall keep County apprised of its efforts. In the event Landlord is unable to supply any of the Building's sanitary, electrical, heating, air conditioning, water, fire protection and security, audio, video or electronic communications, hazard detection and alarm, or other essential services serving the Premises (collectively, "Essential Services") and such inability of Landlord impairs County's ability to carry on its business in the Premises for a period of three (3) or more business days, and such interruption in services is not beyond the reasonable control of Landlord, then the Rent shall be abated based on the extent to which County is not able to and does not use the Premises as a result of such interruption in services. Landlord shall use commercially reasonable efforts to restore disrupted Essential Services as soon as possible. However, if such failure to provide any Essential Services continues for any reason not beyond the reasonable control of Landlord



for thirty (30) days and County is unable to use the Premises and ceases to use the Premises for more than 30 days, then County may, without limiting any of its other rights or remedies hereunder or at law or in equity, terminate this Lease upon written notice to Landlord, unless Landlord supplies County with evidence reasonably satisfactory to County that the Essential Services will be restored within sixty (60) days of the date County's use was interrupted, and the Essential Services is actually restored within such 60-day period. Except as expressly set forth herein, County shall not be entitled to any abatement of Rent or right to terminate this Lease due to an interruption in Essential Services, and in no event if Landlord's inability to supply Essential Services to County is due solely to the acts, omissions or negligence of County and its Agents.

## **10. COMPLIANCE WITH LAWS; PREMISES CONDITION**

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

Landlord represents and warrants to County that, to the best of Landlord's knowledge, the Building is, or as of the completion of the Leasehold Improvements will be, in compliance with all applicable building safety codes and regulations and that all portions of the Property and the Building along the path of travel to the Premises (including, but not limited to, the Building entrances, Common Areas, restrooms, elevators, lobbies, telephone banks, drinking fountains and parking areas are now, or as of the completion of the Leasehold Improvements will be, in compliance with the requirements of the Americans With Disabilities Act of 1990 and Title 24 of the California Code of Regulations and all other applicable federal, state, local and administrative laws, rules, regulations, orders and requirements intended to provide equal accessibility for persons with disabilities (collectively, "Disabilities Laws"). To best of Landlord's knowledge, the Building Systems are in working order and there are no material latent structural defects in the Building, the Premises or the Property which would render the Building or the Premises unsafe for occupancy.

### **10.2. County's Compliance with Laws**

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

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

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

## **12. DAMAGE AND DESTRUCTION**

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

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

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



coverage. If Landlord does not elect to terminate this Lease as provided above, the Lease shall remain in full force and effect, and Landlord shall repair and restore the Premises as provided above.

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

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

### **13. EMINENT DOMAIN**

#### **13.1. Definitions**

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

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

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

#### **13.2. General**

If during the Term or during the period between the execution of this Lease and the Commencement Date, there is any Taking of all or any part of the Premises or any interest in this Lease, the rights and obligations of the parties hereunder shall be determined pursuant to this Section. County and Landlord intend that the provisions hereof govern fully in the event of a Taking and accordingly, the parties each hereby waive any right to terminate this Lease in whole or in part under Sections 1265.10, 1265.40, 1265.120 and 1265.130 of the California Code of Civil Procedure or under any similar law now or hereafter in effect.

#### **13.3. Total Taking; Automatic Termination**

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

#### **13.4. Partial Taking; Election to Terminate**

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



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

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

### **13.5. Rent; Award**

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

### **13.6. Partial Taking; Continuation of Lease**

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

### **13.7. Temporary Taking**

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

## **14. ASSIGNMENT AND SUBLETTING**

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

## **15. DEFAULT; REMEDIES**

### **15.1. Events of Default by County**

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

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



monthly payment of Rent after the beginning of each new fiscal year for County, County shall have twenty (20) days to cure any such nonpayment after written notice thereof from Landlord;

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

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

## **15.2. Landlord's Remedies**

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

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

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

## **15.3. Landlord's Default**

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

## **16. INDEMNITIES**

### **16.1. County's Indemnity**

County, as a material part of the consideration to be rendered to Landlord, waives any and all claims against Landlord for damages by reason of any death or injury to any person or persons, including County, County's agents, employees and invitees, or any injury to property of any kind whatsoever and to whomsoever belonging, including the property of County, arising at any time and from any cause other than by reason of the negligence or willful misconduct of Landlord, in, on or about the Premises or the



Property, except as expressly set forth in Section 16.2. County shall indemnify, defend and hold harmless ("Indemnify") Landlord and its Agents from and against any and all claims, costs and expenses (collectively, "Claims"), incurred as a result of (a) County's use of the Premises, (b) any default by County in the performance of any of its material obligations under this Lease, or (c) any negligent acts or omissions of County or its Agents in, on or about the Premises or the Property; provided, however, County shall not be obligated to Indemnify Landlord or its Agents to the extent any Claim arises out of the negligence or willful misconduct of Landlord or its Agents. In any action or proceeding brought against Landlord or its Agents by reason of any Claim Indemnified by County hereunder, County may, at its sole option, elect to defend such Claim by attorneys in County's Office of County Counsel, by other attorneys selected by County, or both. County shall have the right to control the defense and to determine the settlement or compromise of any action or proceeding, provided that Landlord shall have the right, but not the obligation, to participate in the defense of any such Claim at its sole cost. County's obligations under this Section shall survive the termination of the Lease.

#### **16.2. Landlord's Indemnity**

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

#### **16.3. Concurrent Negligence**

In the event of concurrent negligence of County, its officers and/or employees, and Landlord, its officers and/or employees, then the liability for any and all claims for injuries or damage to persons and/or property which arise out of terms and conditions of this 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 \$300,000 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 \$54,750,000. 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 officers, agents, contractors and employees, while on the Premises. County upon request of Landlord shall furnish Landlord with a Certificate of Insurance that shall provide that Landlord would receive ten (10) days' prior notice of cancellation, change in scope or modification in coverage of such coverage. Nothing herein shall be interpreted to require County or its insurer to provide a defense for, to provide insurance for, or to indemnify Landlord except as may be otherwise required by law.

#### **17.2. Landlord's Insurance**

At all times during the Term, Landlord shall keep the Building (excluding the land upon which it is located) insured against damage and destruction by fire, vandalism, malicious mischief, sprinkler damage and other perils customarily covered under a causes of loss-special form property insurance policy (excluding earthquake, flood and terrorism) in an amount equal to one hundred percent of the full



insurance replacement value (replacement cost new, including, debris removal and demolition) thereof. Landlord shall, upon request by County, provide to County a certificate of insurance issued by the insurance carrier, evidencing the insurance required above. The certificate shall expressly provide that the policy is not cancelable or subject to reduction of coverage or otherwise be subject to modification except after thirty (30) days prior written notice to County. Landlord hereby waives any rights against County for loss or damage to the Premises or any other part of the Property, to the extent covered by Landlord's property insurance.

### **17.3. Waiver of Subrogation**

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

### **18. ACCESS BY LANDLORD**

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

### **19. ESTOPPEL CERTIFICATES**

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

### **20. SURRENDER OF PREMISES**

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

### **21. HAZARDOUS MATERIALS**

#### **21.1. Definitions**

As used in this Lease, the following terms shall have the meanings hereinafter set forth:



"Environmental Laws" shall mean any federal, state, local or administrative law, rule, regulation, order or requirement relating to industrial hygiene, environmental conditions or Hazardous Material, whether now in effect or hereafter adopted.

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

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

#### **21.2. Landlord's Representations and Covenants**

Landlord represents and warrants to County that, to the best of Landlord's knowledge, the following statements are true and correct and will be true and correct as of the Commencement Date: (a) the Property is not in violation of any Environmental Laws; (b) the Property is not now, nor has it been, used for the manufacture, use, storage, discharge, deposit, transportation or disposal of any Hazardous Material, except for the use of such substances in such limited quantities as are customarily used in offices, which limited use has been and is in compliance with Environmental Laws; (c) the Property does not consist of any landfill or contain any underground storage tanks; (d) the Building does not consist of any asbestos-containing materials or building materials that contain any other Hazardous Material, nor do the Premises or the Common Areas contain any lead-based paints; (e) there has been and is no Release of any Hazardous Material in the Building or in, on, under or about the Property; and (f) the Property is not subject to any claim by any governmental regulatory agency or third party related to the Release of any Hazardous Material, and there is no inquiry by any governmental agency (including, without limitation, the California Department of Toxic Substances Control or the Regional Water Quality Control Board) with respect to the presence of Hazardous Material in the Building or in, on, under or about the Property, or the migration of Hazardous Material from or to other real property. Subject to County's obligations under this Section below, Landlord shall maintain the Property throughout the Term in compliance with all Environmental Laws that could affect the health, safety and welfare of County's employees or County's use, occupancy or enjoyment of the Premises for their intended purposes.

#### **21.3. Landlord's Environmental Indemnity**

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

#### **21.4. County's Covenants**

Neither County nor its Agents shall cause any Hazardous Material to be brought upon, kept, used, stored, generated or disposed of in, on or about the Premises or the Property, or transported to or from the Premises or the Property, in violation of any Environmental Laws, provided that County may use 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 cause the Release of Hazardous Material from, in, on or about the Premises or the Property, then County shall Indemnify Landlord against any and all Claims arising during or after the Term of this Lease as a result of such Release, except to the extent Landlord or its Agents is responsible for the Release. The foregoing Indemnity shall not include any Claims resulting from the non-negligent aggravation by County, its Agents or Invitees of physical conditions of the Premises, or other parts of the Property, existing prior to County's occupancy.

### **22. SPECIAL PROVISIONS**

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 or regulation to which Landlord or the Property is subject.

#### **23.5. Parties and Their Agents; Approvals**

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

#### **23.6. Interpretation of Lease**

The captions preceding the articles and sections of this Lease and in the table of contents have been inserted for convenience of reference only and such captions shall in no way define or limit the scope or intent of any provision of this Lease. This Lease has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with herein and shall be interpreted to achieve the intent and purposes of the parties, without any presumption against the party responsible for drafting any part of this Lease. Except as otherwise specifically provided herein, wherever in this Lease Landlord or County is required or requested to give its consent or approval to any matter or action by the other, such consent or approval shall not be unreasonably withheld or delayed and the reasons for disapproval of consent shall be stated in reasonable detail in writing. Provisions in this Lease relating to number of days shall be calendar days, unless otherwise specified, provided that if the last day of any period to give notice, reply to a notice or to undertake any other action occurs on a Saturday, Sunday or a bank or County holiday, then the last day for undertaking the action or giving or replying to the notice shall be the next succeeding business day. Use of the word "including" or similar words shall not be construed to limit any general term, statement or other matter in this Lease, whether or not language of non-limitation, such as "without limitation" or similar words, are used.

#### **23.7. Successors and Assigns**

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

#### **23.8. Brokers**

Neither party has had any contact or dealings regarding the leasing of the Premises, or any communication in connection therewith, through any licensed real estate broker or other person who could claim a right to a commission or finder's fee in connection with the lease contemplated herein, except for the broker, if any, identified in the Basic Lease Information, whose commission, if any is due, shall be the sole responsibility of Landlord pursuant to a separate written agreement between Landlord and such broker, and County shall have no liability therefor. In the event that any other broker or finder perfects a claim for a commission or finder's fee based upon any such contact, dealings or communication, the party through whom the broker or finder makes his claim shall be responsible for such commission or fee and shall indemnify the other party from any and all Claims incurred by the indemnified party in defending against the same. The provisions of this Section shall survive any termination of this Lease.



### **23.9. Severability**

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

### **23.10. Governing Law**

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

### **23.11. Entire Agreement**

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

### **23.12. Holding Over**

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

### **23.13. Cumulative Remedies**

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

### **23.14. Time of Essence**

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

### **23.15. Survival of Indemnities**

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

### **23.16. Signs**

County may erect or post signs on or about the Premises subject to Landlord's prior approval as provided below. Landlord reserves the right to review the placement, design, and plan for any such sign



prior to its erection or posting and agrees that the approval thereof shall not be unreasonably withheld or delayed.

#### **23.17. Quiet Enjoyment and Title**

Landlord covenants and represents that it has full right, power and authority to grant the leasehold estate hereunder, and covenants that County, upon paying the Rent hereunder and performing the covenants hereof, shall peaceably and quietly have, hold and enjoy the Premises and all appurtenances during the full Term of this Lease as against all persons or entities claiming by and through Landlord or on account of any action, inaction or agreement of Landlord or its Agents. Without limiting the provisions of Section 16.2 (Landlord's Indemnity), Landlord agrees to Indemnify County and its Agents against Claims arising out of any assertion that would interfere with County's right to quiet enjoyment as provided in this Section.

#### **23.18. Bankruptcy**

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

#### **23.19. Transfer of Landlord's Interest**

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

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

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

#### **23.21. Counterparts**

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

#### **23.22. Certification by Landlord**

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

#### **23.23. Acceptance of Lease by Landlord**

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS LEASE, LANDLORD ACKNOWLEDGES AND AGREES THAT NO OFFICER OR EMPLOYEE OF COUNTY HAS AUTHORITY TO COMMIT COUNTY HERETO UNLESS AND UNTIL THE COUNTY'S BOARD OF SUPERVISORS SHALL HAVE DULY ADOPTED A RESOLUTION APPROVING THIS LEASE AND AUTHORIZING CONSUMMATION OF THE TRANSACTION CONTEMPLATED HEREBY. THEREFORE, ANY OBLIGATIONS OR LIABILITIES OF COUNTY HEREUNDER ARE CONTINGENT UPON ADOPTION OF SUCH A RESOLUTION, AND THIS LEASE SHALL BE NULL AND VOID



UNLESS COUNTY'S BOARD OF SUPERVISORS AUTHORIZES EXECUTION OF THIS LEASE, IN ITS RESPECTIVE SOLE AND ABSOLUTE DISCRETION, AND IN ACCORDANCE WITH ALL APPLICABLE LAWS. APPROVAL OF THIS LEASE BY ANY DEPARTMENT, COMMISSION OR AGENCY OF COUNTY SHALL NOT BE DEEMED TO IMPLY THAT SUCH RESOLUTION WILL BE ADOPTED NOR WILL ANY SUCH APPROVAL CREATE ANY BINDING OBLIGATIONS ON COUNTY.

**BALANCE OF PAGE INTENTIONALLY BLANK**



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

*LANDLORD:* PS BUSINESS PARKS, L.P.,  
a California limited partnership

BY: \_\_\_\_\_  
Richard E. Scott  
Divisional Vice President

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

BY: \_\_\_\_\_  
Carole Groom  
President, Board of Supervisors

ATTESTED:

\_\_\_\_\_  
Clerk of Said Board



EXHIBIT A

SITE PLAN AND  
FLOOR PLANS



EXHIBIT B

Notice of Commencement Date

[Date]

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

*RE: Acknowledgement of Commencement Date, Lease Between PS Business Parks, L.P. (Landlord),  
and the COUNTY OF SAN MATEO (County), for the premises known as 1650 South Amphlett  
Boulevard, Suite 301, San Mateo*

Dear Mr. Callagy:

This letter will confirm that for all purposes of the Lease, the Rent Commencement Date (as defined in Section 3.2 of the Lease) is \_\_\_\_\_, 2015.

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 \_\_\_\_\_  
Deputy County Manager



## EXHIBIT C

### EXCLUSIONS FROM OPERATING COSTS

1. Rentals and other related expenses for items (except when needed in connection with normal repairs and maintenance of permanent systems) which if purchased rather than rented, would constitute a capital improvement which is specifically excluded from the definition of Operating Costs in Section 4.3(d) of the Lease (excluding, however, equipment not affixed to the Building which is used in providing janitorial or similar services);
2. Costs incurred by Landlord for the repair of damage to the Building or the Property, to the extent that Landlord is reimbursed by insurance proceeds (excluding any deductible) and costs occasioned by the exercise of the right of eminent domain;
3. Costs, including, without limitation, permit, license and inspection costs, incurred with respect to the installation of improvements made for other tenants or occupants of the Property or incurred in renovating or otherwise improving, decorating, painting or redecorating vacant space for other tenants or occupants in the Property;
4. Depreciation, amortization and interest payments, except to the extent provided herein pursuant to Section 4.3(d) of the Lease and except on materials, tools, supplies and vendor-type equipment purchased by Landlord to enable Landlord to supply services Landlord might otherwise contract for with a third party where such depreciation, amortization and interest payments would otherwise have been included in the charge for such third party's services, all as determined in accordance with generally accepted accounting principles, consistently applied (as applied to commercial real estate), and when depreciation or amortization is permitted or required, the item shall be amortized over its reasonably anticipated useful life (as reasonably determined by Landlord);
5. Leasing commissions, attorneys' and other professionals' fees, space planning costs and all other costs and expenses in connection with negotiations with present or prospective tenants or other occupants in the Property or any present or future ground lessors or holders of any mortgages or other encumbrances affecting any of the Property or the defense of Landlord's title to the Property;
6. Expenses in connection with services or other benefits which are not offered to County or for which County is charged directly but which are provided to another tenant or occupant of the Property;
7. Costs incurred by Landlord due to violation by Landlord or any other tenant or occupant of the Property of applicable laws, rules or regulations, the terms and conditions of any lease, ground lease, mortgage or deed of trust, or other covenants, conditions or restrictions encumbering the Property;
8. Overhead and profit increments paid to Landlord or to subsidiaries or affiliates of Landlord, or to any party as a result of a non-competitive selection process, for management, or other services, supplies or materials, to the extent the same exceed the costs of such goods and/or services rendered by unaffiliated third parties on a competitive, arms-length basis;
9. Any ground lease rental or rental under any other underlying leases;
10. Except as specifically permitted by Section 4.3(d) of the Lease, interest, principal, points and fees on debts or amortization on any mortgage, deed of trust or any other debt instrument encumbering any of the Property;
11. Any compensation paid to clerks, attendants or other persons in commercial concessions operated by Landlord on the Property;
12. All items and services for which County or any other tenant or occupant of the Property separately reimburses Landlord (other than through such tenant's or occupant's proportionate share of operating expenses), or which Landlord provides selectively to one or more other tenants or occupants without reimbursement, or which are not provided in reasonable proportion to the space leased by County but which Landlord provides to another tenant or other occupant of the Property;



13. Advertising or promotional expenditures, and the costs of acquiring and installing signs in or on any of the Property identifying the owner of the Property or any other tenant or occupant of the Property;
14. Electric power costs for which any tenant or occupant directly contracts with the local public service company (provided that the charge for such services shall be computed for purposes of the gross-up provision of the Lease (i.e. expenses to be grossed up to reflect full occupancy of the Property) to reflect an average charge for power costs);
15. Services provided, taxes attributable to, and costs incurred in connection with the operation of retail, restaurant or similar operations on the Property;
16. Costs incurred in connection with upgrading the Property to comply with disabled access, life, fire and safety codes in effect prior to the date of the Lease, and, subject to the limitations set forth in Section 4.3(d)(8) of the Lease, costs incurred in connection with upgrading the Property to comply with the Americans with Disabilities Act of 1990 and Title 24 of the California Code of Regulations (or its successor);
17. Tax penalties incurred as a result of Landlord's negligence, inability or unwillingness to make payments when due;
18. Costs arising from the presence of Hazardous Material in or about the Property including, without limitation, groundwater or soil conditions, except if such Hazardous Material is brought on to the Property by County in violation of applicable laws;
19. Landlord's charitable or political contributions;
20. To the extent the following costs arise during any applicable warranty periods, costs as a result of repairs of latent defects in the core and shell improvements or installed by Landlord or in the Building Systems, and any costs incurred by Landlord in the event any portion of the Property is made untenantable by fire or other casualty required to be insured against pursuant to the terms of the Lease;
21. Capital costs for sculpture, paintings or other objects of art;
22. Costs (including, without limitation, all attorneys' fees and costs of settlement, judgments and payments in lieu thereof) arising from claims, disputes or potential disputes, including, without limitation, tax disputes where the tenants of the Property would receive benefits if Landlord prevails) in connection with potential or actual claims, litigation or arbitrations pertaining to Landlord or the Property;
23. All direct cost of refinancing, selling, exchanging or otherwise transferring ownership of the Property or the real property on which it is located or any interest therein or portion thereof, including broker commissions, attorney's fees and closing costs;
24. Reserves for bad debts, rent loss, capital items or further Operating Costs;
25. Landlord's general corporate overhead and general and administrative expenses not related to the operation or management of the Property; and
26. Any other expense that under generally accepted accounting principles would not be considered a maintenance or operating expense.



## EXHIBIT D

### BUILDING RULES AND REGULATIONS

Landlord reserves the right to make such other and reasonable rules and regulations as in its judgment may from time to time be needed for safety and security, for care and cleanliness of the Building and the Property and for the preservation of good order therein. County agrees to abide by all such Rules and Regulations herein stated and any additional rules and regulations which are adopted.

1. Driveways, sidewalks, halls, passages, exits, entrances, elevators, escalators and stairways shall not be obstructed by tenants or used by tenants for any purpose other than for ingress to and egress from their respective premises. The driveways, sidewalks, halls, passages, exits, entrances, elevators and stairways are not for the use of the general public and Landlord shall in all cases retain the right to control and prevent access thereto by all persons whose presence, in the judgment of Landlord, shall be prejudicial to the safety, character, reputation and interests of the Building, the Property and its tenants, provided that nothing herein contained shall be construed to prevent such access to persons with whom any tenant normally deals in the ordinary course of such tenant's business unless such persons are engaged in illegal activities. No tenant, and no employees or invitees of any tenant, shall go upon the roof of any Building, except as authorized by Landlord.
2. No signs, advertisements or notices shall be painted or affixed to windows, doors or other parts of the Building, except those of such color, size, style and in such places as are first approved in writing by Landlord. All tenant identification and suite numbers at the entrance to the Premises shall be installed by Landlord, at Landlord's cost and expense, using the standard graphics for the Building. Landlord shall have the right to remove any such sign, placard, banner, picture, name, advertisement, or notice without notice to and at the expense of County, which were installed or displayed in violation of this rule. All approved signs or lettering on doors and walls shall be printed, painted, affixed or inscribed at the expense of Landlord by a person or vendor approved by Landlord and shall be removed by Landlord at the time of vacancy at Landlord's expense. Except in connection with the hanging of lightweight pictures and wall decorations, no nails, hooks or screws shall be inserted into any part of the Premises or Building except by the Building maintenance personnel without Landlord's prior approval.
3. The directory of the Building or Property, if any, will be provided exclusively for the display of the name and location of tenants only and Landlord reserves the right to charge for the use thereof and to exclude any other names therefrom.
4. No curtains, draperies, blinds, shutters, shades, screens or other coverings, awnings, hangings or decorations shall be attached to, hung or placed in, or used in connection with, any window or door on the Premises without the prior written consent of Landlord. In any event with the prior written consent of Landlord, all such items shall be installed inboard of Landlord's standard window covering and shall in no way be visible from the exterior of the Building. All electrical ceiling fixtures hung in offices or spaces along the perimeter of the Building must be fluorescent or of a quality, type, design, and bulb color approved by Landlord. No articles shall be placed or kept on the window sills so as to be visible from the exterior of the Building. No articles shall be placed against glass partitions or doors which Landlord considers unsightly from outside County's Premises.
5. Each tenant shall be responsible for all persons for whom it allows to enter the Building or the Property and shall be liable to Landlord for all acts of such persons. Landlord and its agents shall not be liable for damages for any error concerning the admission to, or exclusion from, the Building or the Property of any person. During the continuance of any invasion, mob, riot, public excitement or other circumstance rendering such action advisable in Landlord's opinion, Landlord reserves the right (but shall not be obligated) to prevent access to the Building and the Property during the continuance of that event by any means it considers appropriate for the safety of tenants and protection of the Building, property in the Building and the Property.



6. County shall not alter any lock or access device or install a new or additional lock or access device or bolt on any door of its Premises, without the prior written consent of Landlord. If Landlord shall give its consent, County shall in each case furnish Landlord with a key for any such lock. County, upon the termination of its tenancy, shall deliver to Landlord the keys for all doors which have been furnished to County, and in the event of loss of any keys so furnished, shall pay Landlord therefor.
7. The restrooms, toilets, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed and no foreign substance of any kind whatsoever shall be thrown into them. The expense of any breakage, stoppage, or damage resulting from violation of this rule shall be borne by the tenant who, or whose employees or invitees, shall have caused the breakage, stoppage, or damage.
8. County shall not use or keep in or on the Premises, the Building or the Property any kerosene, gasoline, or inflammable or combustible fluid or material except in strict accordance with the terms of the Lease. County shall not use, keep or permit to be used or kept in its Premises any foul or noxious gas or substance. County shall not allow the Premises to be occupied or used in a manner offensive or objectionable to Landlord or other occupants of the Building by reason of noise, odors and/or vibrations or interfere in any way with other tenants or those having business therein. No animals, except those assisting handicapped persons, shall be brought onto the Property or kept in or about the Premises.
9. Except with the prior written consent of Landlord, County shall not sell, or permit the sale, at retail, of newspapers, magazines, periodicals, theater tickets or any other goods or merchandise in or on the Premises, nor shall County carry on, or permit or allow any employee or other person to carry on, the business of stenography, typewriting or any similar business in or from the Premises for the service or accommodation of occupants of any other portion of the Building, or the business of a public barber shop, beauty parlor, nor shall the Premises be used for any illegal, improper, immoral or objectionable purpose, or any business or activity other than that specifically provided for in such County's Lease. County shall not accept hairstyling, barbering, shoeshine, nail, massage or similar services in the Premises or common areas except as authorized by Landlord.
10. If County requires telegraphic, telephonic, telecommunications, data processing, burglar alarm or similar services, it shall first obtain, and comply with, Landlord's instructions in their installation. The cost of purchasing, installation and maintenance of such services shall be borne solely by County. Landlord will direct electricians as to where and how telephone, telegraph and electrical wires are to be introduced or installed. No boring or cutting for wires will be allowed without the prior written consent of Landlord. The location of burglar alarms, telephones, call boxes and other office equipment affixed to the Premises shall be subject to the prior written approval of Landlord.
11. County shall not install any radio or television antenna, satellite dish, loudspeaker or any other device on the exterior walls or the roof of the Building, without Landlord's consent. County shall not interfere with radio or television broadcasting or reception from or in the Building, the Property or elsewhere.
12. County shall not lay linoleum, tile, carpet or any other floor covering so that the same shall be affixed to the floor of its Premises in any manner except as approved in writing by Landlord. County shall not place a load upon any floor of its Premises which exceeds the load per square foot which such floor was designed to carry or which is allowed by law.
13. County shall not operate or permit to be operated a coin or token operated vending machine or similar device (including, without limitation, telephones, lockers, toilets, scales, amusement devices and machines for sale of beverages, foods, candy, cigarettes and other goods), except for machines for the exclusive use of County's employees and invitees. Bicycles and other vehicles are not permitted inside the Building or on the walkways outside the Building, except in areas designated by Landlord.
14. Business machines and mechanical equipment belonging to County which cause noise or vibration that may be transmitted to the structure of the Building or to any space therein to such a degree as to be objectionable to Landlord or to any tenants in the Building shall be placed and maintained by County, at County's expense, on vibration eliminators or other devices sufficient to eliminate noise or vibration.



The persons employed to move such equipment in or out of the Building must be acceptable to Landlord. County shall not install, operate or maintain in the Premises or in any other area of the Building, electrical equipment that would overload the electrical system beyond its capacity for proper, efficient and safe operation as determined solely by Landlord. County shall not furnish cooling or heating to the Premises, including, without limitation, the use of electric or gas heating devices, without Landlord's prior written consent. County shall not use more than its proportionate share of telephone lines and other telecommunication facilities available to service the Building.

15. Each tenant shall store all its trash and garbage within the interior of the Premises or as otherwise directed by Landlord from time to time. County shall not place in the trash boxes or receptacles any personal trash or any material that may not or cannot be disposed of in the ordinary and customary manner of removing and disposing of trash and garbage in the city, without violation of any law or ordinance governing such disposal.
16. Canvassing, soliciting, distribution of handbills or any other written material and peddling in the Building and the Property are prohibited and each tenant shall cooperate to prevent the same. No tenant shall make room-to-room solicitation of business from other tenants in the Building or the Property, without the written consent of Landlord.
17. Landlord shall have the right, exercisable without notice and without liability to any tenant, to change the name and address of the Building and the Property. Without the prior written consent of Landlord, County shall not use the name of the Building or the Property or any photograph or other likeness of the Building or the Property in connection with, or in promoting or advertising, County's business except that County may include the Building's or Property's name in County's address.
18. Landlord may from time to time adopt systems and procedures for the security and safety of the Building and Property, its occupants, entry, use and contents. County, its agents, employees, contractors, guests and invitees shall comply with Landlord's systems and procedures. County shall comply with all safety, fire protection and evacuation procedures and regulations established by any governmental agency. County assumes any and all responsibility for protecting its Premises from theft, robbery and pilferage, which includes keeping doors locked and other means of entry to the Premises closed.
19. No tenant is allowed to unload, unpack, pack or in any way manipulate any products, materials or goods in the common areas of the Property including the parking and driveway areas of the Property. Movement in or out of the Building of furniture or office equipment, or dispatch or receipt by County of merchandise or materials requiring the use of elevators, stairways, lobby areas or loading dock areas, shall be restricted to hours reasonably designated by Landlord. County shall obtain Landlord's prior approval by providing a detailed listing of the activity, which approval shall not be unreasonably withheld. If approved by Landlord, the activity shall be under the supervision of Landlord and performed in the manner required by Landlord. County shall assume all risk for damage to articles moved and injury to any persons resulting from the activity. If equipment, property, or personnel of Landlord or of any other party is damaged or injured as a result of or in connection with the activity, County shall be solely liable for any resulting damage, loss or injury. County shall not make deliveries to or from the Premises in a manner that might interfere with the use by any other tenant of its premises or of the Common Areas, any pedestrian use, or any use which is inconsistent with good business practice.
20. Smoking of any kind is strictly prohibited, at all times, at any location on the Property, except in the designated smoking area which is located at the OUTSIDE PERIMETER OF THE BUILDING ONLY. Landlord may relocate the designated smoking area at its sole discretion, at any time during the Term of this Lease.
21. **County shall not use or permit the Premises to be used for the operation of a medical marijuana facility, including without limitation pursuant to the provisions of Section 11362.5 of the California Health and Safety Code, or any similar or successor Laws now or hereinafter in effect. County shall not use or permit the Premises to be used to grow, manufacture, store,**



**distribute or use a controlled substance in violation of Title 21 USC Controlled Substances Act Section 856(a), Division 10 California Uniform Controlled Substances Act Section 11000 et. seq. of the California Health and Safety Code, or any similar or successor Laws now or hereinafter in effect. County shall not distribute, use, possess, manufacture or grow marijuana in or on the Premises, Building, Project or Property, regardless of the legality or illegality of the same.**

County shall be responsible for the observance of all of the foregoing Rules and Regulations and the Parking Rules and Regulations set forth below by County's employees, agents, clients, customers, invitees and guests. These Rules and Regulations are in addition to, and shall not be construed to in any way modify, alter or amend, in whole or in part, the terms, covenants, agreements and conditions of any lease of any premises in the Property. Landlord may waive any one or more of these Rules and Regulations for the benefit of any particular tenant or tenants, but no such waiver by Landlord shall be construed as a waiver of such Rules and Regulations in favor of any other tenant or tenants, nor prevent Landlord from thereafter enforcing any such Rules and Regulations against any or all tenants of the Building.

#### PARKING RULES AND REGULATIONS

1. Cars must be parked entirely within painted stall lines.
2. All directional signs and arrows must be observed.
3. All posted speed limits for the parking areas shall be observed. If no speed limit is posted for an area, the speed limit shall be five (5) miles per hour.
4. Parking is prohibited:
  - (a) in areas not striped for parking;
  - (b) in aisles;
  - (c) where "no parking" signs are posted;
  - (d) on ramps;
  - (e) in cross hatched areas; and
  - (f) in such other areas as may be designated by Landlord.
5. Handicap and visitor stalls shall be used only by handicapped persons or visitors, as applicable.
6. Parking stickers or any other device or form of identification supplied by Landlord from time to time (if any) shall remain the property of Landlord. Such parking identification device must be displayed as requested and may not be mutilated in any manner. The serial number of the parking identification device may not be obliterated. Devices are not transferable and any device may not be obliterated. Devices are not transferable and any device in possession of any unauthorized holder will be void. There will be a replacement charge payable by the parker and such parker's appropriate tenant equal to the amount posted from time to time by Landlord for loss of any magnetic parking card or any parking sticker.
7. Every parker is required to park and lock his or her own car. All responsibility for damage to cars or persons is assumed by the parker.
8. Loss or theft of parking identification devices must be reported to Landlord, and a report of such loss or theft must be filed by the parker at that time. Any parking identification devices reported lost or stolen found on any unauthorized car will be confiscated and the illegal holder will be subject to prosecution. Lost or stolen devices found by the parker must be reported to Landlord immediately to avoid confusion.



9. Parking spaces are for the express purpose of parking one automobile per space. Washing, waxing, cleaning, or servicing of any vehicle by the parker and/or such person's agents is prohibited. The parking areas shall not be used for overnight or other storage for vehicles of any type.
10. Landlord reserves the right to refuse the issuance of parking identification or access devices to any tenant and/or such tenant's employees, agents, visitors or representatives who willfully refuse to comply with the Parking Rules and Regulations and/or all applicable governmental ordinances, laws, or agreements.
11. County shall acquaint its employees, agents, visitors or representatives with the Parking Rules and Regulations, as they may be in effect from time to time.
12. Each parker shall pay a reasonable deposit not to exceed \$20 for any parking card issued to such a person. Such deposit shall be paid at the time the parking card is issued and shall be forfeited if the parking card is lost. Such deposit shall be returned without interest, at the time such person ceases to utilize the parking facilities, upon surrender of the parking card. A reasonable replacement charge shall be paid to replace a lost card and an amount in excess of the initial deposit may be charged as the replacement fee.
14. Vehicles parked in public parking areas will be no larger than full-sized passenger automobiles or standard pick-up trucks. Landlord reserves the right, without notice to County, to tow away at County's sole cost and expense any vehicles parked in any parking area for any continuous period of 24 hours or more, or earlier if Landlord, in its sole discretion, determines such parking to be a hazard or inconvenience to other tenants or Landlord, or violates any rules or regulations or posted notices related to parking. Landlord shall not be responsible for enforcing County's parking rights against third parties. From time to time, Landlord reserves the right, upon written notice to County, to change the location, the availability and nature of parking spaces, establish reasonable time limits on parking, and, on an equitable basis, to assign specific spaces with or without charge to County as Additional Rent.
15. County shall at all times comply with all applicable Laws (as defined in the Lease) respecting the use of the parking facility serving the Building.
16. **LANDLORD SHALL NOT BE LIABLE FOR ANY LOSS, INJURY OR DAMAGE TO PERSONS USING THE PARKING FACILITY OR AUTOMOBILES OR OTHER PROPERTY THEREIN, IT BEING AGREED THAT, TO THE FULLEST EXTENT PERMITTED BY LAW, THE USE OF THE SPACES SHALL BE AT THE SOLE RISK OF COUNTY AND ITS EMPLOYEES. WITHOUT LIMITING THE FOREGOING, COUNTY HEREBY VOLUNTARILY RELEASES, DISCHARGES, WAIVES AND RELINQUISHES ANY AND ALL ACTIONS OR CAUSES OF ACTION FOR PERSONAL INJURY OR PROPERTY DAMAGE OCCURRING TO COUNTY ARISING AS A RESULT OF PARKING IN THE PARKING FACILITY, OR ANY ACTIVITIES INCIDENTAL THERETO, WHEREVER OR HOWEVER THE SAME MAY OCCUR, AND FURTHER AGREES THAT COUNTY WILL NOT PROSECUTE ANY CLAIM FOR PERSONAL INJURY OR PROPERTY DAMAGE AGAINST LANDLORD OR ANY OF THE LANDLORD RELATED PARTIES FOR ANY SAID CAUSES OF ACTION. IN ALL EVENTS, COUNTY AGREES TO LOOK FIRST TO ITS INSURANCE CARRIER AND TO REQUIRE THAT COUNTY'S EMPLOYEES LOOK FIRST TO THEIR RESPECTIVE INSURANCE CARRIERS FOR PAYMENT OF ANY LOSSES SUSTAINED IN CONNECTION WITH ANY USE OF THE PARKING FACILITY. COUNTY HEREBY WAIVES ON BEHALF OF ITS INSURANCE CARRIERS ALL RIGHTS OF SUBROGATION AGAINST LANDLORD OR LANDLORD RELATED PARTIES.**
17. If a material default by County with respect to the same term or condition under these Parking Rules and Regulations occurs more than 6 times during any 12 month period, and Landlord notifies County thereof promptly after each such default, the next default of such term or condition during



the succeeding 12 month period, shall, at Landlord's election, constitute an incurable default. Such cancellation right shall be cumulative and in addition to any other rights or remedies available to Landlord at law or equity, or provided under the Lease (all of which rights and remedies under the Lease are hereby incorporated herein, as though fully set forth). Any material default by County under these Parking Rules and Regulations shall be a default under the Lease.



EXHIBIT E

STANDARDS FOR JANITORIAL SERVICE

1650 South Amphlett, Suite 301

San Mateo

I. SPECIFICATION OF SERVICES TO BE PERFORMED - SCOPE OF WORK

- A. Landlord's Contractor shall furnish all labor, materials and equipment required to perform exterior and interior janitorial service five days a week, Monday through Friday, excluding holidays, at the above location in accordance with these specifications:
- B. All windows and glass broken by Landlord's Contractor will be replaced at its expense.
- C. Landlord's Contractor must, at all times, maintain adequate staffing to meet these specifications. All employees must wear uniforms (See Section II). County may request Landlord to remove any janitor from the Premises at any time it desires and for any reason whatsoever, and an immediate replacement will be provided.
- D. All services must be performed when County staff are present in the Premises during the normal performance of their duties.
- E. All employees of Landlord's Contractor shall be fully trained and experienced in the custodial service trade.
- F. Landlord will assign space in the Building to Contractor for the storage of supplies and equipment. Materials and equipment shall be neatly stored only in areas provided by the Landlord. No supplies or equipment will be stored in the Premises without the prior approval of County.
- G. County's Recycling Program includes recycling materials from offices in the Building. Bins for recyclable materials can be obtained from County.
- H. Landlord's Contractor will provide, upon Lease Commencement, a schedule for all periodic services specified herein.
- I. Janitorial Service Specifications for Offices and Common Areas.
  - 1. Nightly Services
    - a. Secure all lights as soon as possible each night.
    - b. Vacuum all carpets. Move electric cords to prevent damage to the corner bead.
    - c. Dust mop all resilient and composition floors with treated dust mops. Damp mop to remove spills and water stains as required.
    - d. Spot clean any stains on carpet.
    - e. Dust all desks and office furniture with treated dust cloths.
    - f. Papers and folders on desks are not to be moved.
    - g. Sanitize all telephone receivers.
    - h. Empty all waste paper baskets and other trash containers and remove all trash from floors to the designated trash areas. Sort and put ALL RECYCLABLE MATERIAL into bins provided by the County.
    - i. Remove fingerprints, dirt smudges, graffiti, etc., from all doors, frames, glass partitions, windows, light switches, and walls.



- j. Return chairs and wastebaskets to proper positions.
  - k. Clean, sanitize and polish drinking fountains.
  - l. Police any interior public planters.
  - m. Dust and remove debris from all metal door thresholds.
  - n. Wipe clean smudged brightwork.
  - o. Spot clean resilient and composition floors as required.
  - p. Service all walk-off mats as required.
  - q. Close all window coverings.
  - r. Check for burned out lights and replace from building stock (supplied by Landlord).
- 2. Weekly Services
    - a. Dust all low reach areas including, but not limited to, chair rungs, structural and furniture ledges, baseboards, window sills, door louvers, wood paneling, molding, etc.
    - b. Dust inside of all doorjamb.
    - c. Clean and polish all metal door thresholds.
    - d. Wipe clean and polish all brightwork
    - e. Sweep the service stairwell.
    - f. Damp mop all vinyl bases.
    - g. Edge all carpeted areas.
  - 3. Monthly Services
    - a. Dust all high reach areas including, but not limited to, tops of door, frames, structural and furniture ledges, air conditioning diffusers and return grilles, tops of partitions, picture frames, etc.
    - b. Vacuum upholstered furniture.
    - c. Move all plastic carpet protectors and thoroughly vacuum under and around all desks and office furniture.
    - d. Clean and buff all building standard resilient and/or composite flooring.
  - 4. Quarterly Services
    - a. Shower-scrub or otherwise recondition all resilient or composition flooring to provide a level of appearance equivalent to a completely refinished floor.
    - b. Wash all chair pads.
  - 5. Semi-Annual Services
    - a. Vacuum all window coverings.
    - b. Dust light diffusers.
  - 6. Annual Services
    - a. Shampoo carpets in offices (schedule to be approved in advance), using products and methods recommended by manufacturer and/or carpet installation contractor.
- J. Rest Room Service Specifications
- 1. Daily Service



- a. Re-stock all rest rooms with supplies from the Landlord's stock, including paper towels, toilet tissue, seat covers and hand soap, as required.
    - b. Re-stock all sanitary napkin and tampon dispensers from Contractor's stock, as required.
    - c. Wash and polish all mirrors, dispensers, faucets, flushometers and brightwork with non-scratch disinfectant cleaner. Wipe dry all sinks.
    - d. Wash and sanitize all toilets, toilet seats, urinals and sinks with non-scratch disinfectant cleaner.
    - e. Remove stains, scale toilets, urinals and sinks, as required.
    - f. Mop all rest room floors with disinfectant, germicidal solution, include scrubbing of all base, inside corners and hard to reach areas.
    - g. Empty and sanitize all waste and sanitary napkin and tampon receptacles.
    - h. Remove all rest room trash.
    - i. Spot clean fingerprints, marks and graffiti from walls, partitions, glass, aluminum and light switches as required.
    - j. Check for burned out lights and replace from building stock (supplied by Landlord).
    - k. Ventilate rest rooms.
  - 2. Weekly Services
    - a. Dust all low reach and high reach areas, including but not limited to, structural ledges, mirror tops, partition tops and edges, air conditioning diffusers and return air grilles.
  - 3. Monthly Services
    - a. Wipe down all walls and metal partitions. Partitions shall be left clean and not streaked after this work.
    - b. Clean all ventilation grilles.
    - c. Dust all doors and doorjambs.
  - 4. Quarterly Services
    - a. Thoroughly clean and reseal all ceramic tile floors, using approved sealers.
- K. Main Floor Elevator Lobbies and Public Corridors Specifications
- 1. Nightly Services
    - a. Spot clean all glass including low partitions and the corridor side of all windows and glass doors to tenant premises.
    - b. Spot clean all chrome brightwork including swinging door hardware, kick plates, base partition tops, handrails, waste paper receptacles, planters, elevator call button plates, hose cabinets and visible hardware on the corridor side of County entry doors.
    - c. Thoroughly clean all door saddles of dirt and debris.
    - d. Empty, clean and sanitize all waste paper baskets and refuse receptacles as required.
    - e. Vacuum and spot clean all carpets as necessary.
    - f. Spot clean all elevator doors and frames.



L. Exterior Structure and Grounds Services Specifications

1. Daily Service

- a. Spot clean accumulations of dirt, papers and leaves in all corner areas where winds tend to cause collections of debris.
- b. Spot clean all exterior glass at building entrances.
- c. Lift nap on all entry walk-off mats as necessary with a heavy bristle brush and vacuum.
- d. Empty all waste receptacles and remove trash to designated trash areas.
- e. Clean sidewalk, steps and landscaped area, walks and benches; including gum removal.

2. Monthly Weekend Services

- a. Steam clean exterior sidewalk and walkway areas.

M. Carpet Cleaning

1. Provide spot cleaning to County space as necessary and shampoo carpets in County office space and any common areas once each year (exact schedule to be approved in advance by County).

N. Window Cleaning

1. All work to be performed in accordance with generally accepted industry standards.
2. Proper safety standards are to be maintained at all times, including but not limited to, use of proper warning signs and clean up of water in compliance with all County, State and Federal laws (OSHA).
3. Window cleaning standards are to include clean up of water, wipe down of adjacent window mullions and ledges to prevent streaking, spotting, and excessive runoff.
4. When necessary, drop cloths are to be used to prevent damage to floors and adjacent surfaces.
5. Interior and exterior window washing shall be scheduled immediately prior to Lease Commencement. Interior glass shall be cleaned not less than once per year. Exterior glass shall be cleaned as needed, but not less than once every six months, including May of each year.
6. Contractor to notify the County for specific scheduling of window washing one week prior to scheduled cleaning.
7. Contractor will be responsible for removing paint and putty etc. from both glass and plastic windows.
8. Exterior surfaces of windows are not to be washed when it is raining.
9. The words "window" and "light" as used herein are synonymous and are to be construed to mean any pane of glass, or glass substitute.

II. UNIFORMS

- A. Janitors must wear their uniform whenever on duty.
- B. All personnel, including the coordinator and supervisors, will be uniformed. All personnel shall have a visible company name, logo, badge, etc., on their uniform.



III. EMPLOYEE SAFETY

Landlord's Contractor shall accept responsibility for determining that all necessary safeguards for protection of Contractor's employees are available, or will be furnished. All work performed must conform to CAL-OSHA standards.

IV. SUPPLIES

Landlord or its Contractor shall supply floor wax, wax stripper, and other expendable supplies required for daily cleaning and maintenance, as well as janitorial supplies such as hand soap, paper hand towels, paper toilet tissue, paper seat covers and deodorants. Furthermore, Landlord or its Contractor shall supply all equipment including, but not limited to, ladders, vacuum cleaners, extractors, floor machines, mops and buckets.

V. APPROVAL OF PRODUCTS

County shall have the right to prohibit the use of any product proposed or being used by Landlord's Contractor should the County deem the product to be unsafe or harmful to those items being cleaned or to County's staff. In this regard, Landlord must provide upon request a complete list of products to be used in the course of this Contract, together with Material Safety Data Sheets for each cleaning chemical.

VI. DISPOSITION OF REFUSE

All trash and refuse collected by the custodians shall be deposited in a debris box as designated by the Landlord. (Landlord will pay for debris box service).

VII. MAINTENANCE PROBLEMS

Employees of Landlord's Contractor shall note maintenance problems (such as broken glass, light bulbs missing or burned out, inoperative fixtures, etc.) and report them to the Landlord. Any problem that prevents performance must be noted in the log (Section VIII) before the end of the shift. Contractor shall not claim, and County will not entertain any claim that such problems prevented Contractor's performance if said claim is not entered in the log.

VIII. JANITORIAL LOG

Landlord's Contractor shall provide, and County shall keep, a janitorial log on which deficiencies in performance, special problems or instruction shall be noted. Landlord's Contractor shall check the log daily, as arranged with the County, and correct any deficiencies in service within twenty-four (24) hours of the log entry. Contractor shall initial and date each entry when deficiency has been corrected.

IX. EMERGENCY CONTACT

Landlord's Contractor shall provide the County with an emergency telephone number where Contractor may be reached at any time during normal business hours (Monday - Friday, 8:00 a.m. - 5:00 p.m.). Contractor must respond to emergency calls relating to deficiency of service by correcting said deficiency within four hours of receipt of the call.

X. PERFORMANCE

Landlord and its Contractor shall guarantee that workmanship required for the performance of this Contract shall be in accordance with highest level of workmanship and accomplished according to the highest professional standards. The determination as to the adequacy of performance shall be made by the County or the Assistant County Manager, County and County of San Mateo. Contractor or Contractor's agent must be available at reasonable intervals during regular business hours as requested by County, to participate in inspection walk through. Contractor will supervise all janitors during all shifts.

XI. VERIFICATION OF SERVICE



County may provide, install, or establish a system of sign off slips, service receipts, or room service sign off cards. Landlord's Contractor shall faithfully comply with same by initialing, dating, and indicating time at which service was completed. It is agreed that no such service has been completed unless signed off by Contractor and countersigned by the County if said system so requires.

XII. HOLIDAY SCHEDULE FOR COUNTY

New Year's Day  
Martin Luther King Day  
President's Day  
Memorial Day  
Independence Day  
Labor Day  
Columbus Day  
Veteran's Day  
Thanksgiving Day  
Friday after Thanksgiving Day  
Christmas Day



EXHIBIT F

CLASSIFICATION OF OPERATING COSTS AS FIXED OR VARIABLE

Fixed and Variable Costs shall include, without limitation, the following:

FIXED COSTS	VARIABLE COSTS
Alarms & Monitoring (quarterly inspections)	Contract Cleaning
Alarms & Monitoring - Fire (remote monitor)	Carpet Cleaning
Alarms & Monitoring – Burglar(remote monitor)	Floor Cleaning
Fire Extinguishers	Window Washing
Fire Systems – Quarterly Testing & Maint.	Supplies – Janitorial
Landscaping – Exterior	Electric
Landscaping – Exterior, Other	Gas
Licenses, Fees & Permits	Water
Life Safety Management System – R & M	Sewer
Pest Control Contract	Disposal
Telephone – Burglar Line	Fire Systems – Service Calls
Telephone – Fire Alarm Line	Fire Systems – Repairs & Maintenance
Telephone – Trimax Line	Pest Control – Service Calls
Telephone – Elevator Line	Electrical Repair & Maintenance
Telephone – Other	Electrical Supplies
Elevator – Repair & Maintenance Contract	Elevator Repairs & Maintenance
Elevator – Contract Monitoring	HVAC Service Calls
HVAC Maintenance Contract	HVAC Repairs & Maintenance
Insurance – Property	Labor – Repairs & Maintenance, General
Insurance – General Liability	Labor – Stationary Engineer, Shared
	Lamps & Ballasts
	Parking Lot Lighting
	Parking Lot Repairs & Maintenance
	Plumbing Repairs & Maintenance
	Plumbing Supplies
	Repairs & Maintenance – Other

Operating Costs not classified in this Exhibit F shall, as the need arises, be classified as Fixed or Variable in a manner consistent with generally accepted accounting principles.



EXHIBIT G

LEASEHOLD IMPROVEMENTS

Insert Floorplan

- 1: Construct standard office walls to separate the county space from other leased spaces on both the north and south side of the proposed lease space.
- 2: Reconstruct the area on the northeast side of the proposed lease space using the current offices and open space to create one large office and one smaller office. The larger office should include three windows, already in place, while the smaller office would have two windows already in place. Both of these office spaces would need lockable doors and the walls should be similar to other offices to provide for privacy.
- 3: Refurbish the kitchenette on the north side of the proposed lease space to allow for proper fitting of a small refrigerator. Construct pony wall to hide kitchenette area.
- 4: Carpet and paint replaced as needed based on leasehold improvements. Paint color to be mutually agreed upon by landlord and county. *DONE NP*



EXHIBIT H

STANDARDS FOR SECURITY SERVICE

Landlord shall furnish security services as follows:

SECURITY GUARDS:

A security company will patrol the Property from 9:00 p.m. to 7:00 a.m., Monday through Friday (except holidays) and 24 hours a day on weekends and holidays