

LEASE TERMINATION AGREEMENT

THIS LEASE TERMINATION AGREEMENT ("Termination Agreement") is made as of the ____ day of July, 2015 by and between **PS Business Parks, L.P., a California Limited Partnership** ("Landlord") and **COUNTY OF SAN MATEO a political subdivision of the State of California** ("Tenant").

RECITALS:

- A. Landlord and Tenant are parties to that certain lease dated as of **April 1, 2006**, which lease has been previously amended by instrument(s) dated **June 30, 2010**, and **June 29, 2010** (collectively, the "**Lease**") relating to approximately **3,924** rentable square feet, known as Suite No. **310** (the "**Premises**") located on the **third** floor of the building commonly known as **1730 South Amphlett Blvd.**, located at **1730 South Amphlett Blvd., San Mateo, California 94402** (the "**Building**"), which is a part of the project commonly referred to as **Bayshore Corporate Commons**, (the "**Project**"), all as more particularly described in the Lease.
- B. The Term is scheduled to expire on **June 30, 2016** (the "**Stated Termination Date**"), and Tenant desires to terminate the Lease prior to the Stated Termination Date. Landlord has agreed to such termination on the terms and conditions contained in this Termination Agreement.

NOW, THEREFORE, in consideration of the above recitals which by this reference are incorporated herein, the mutual covenants and conditions contained herein and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree as follows:

- 1. Effective as of **September 30, 2015** (the "**Early Termination Date**") and subject to the agreements, representations, warranties and indemnities contained in this Termination Agreement, including, without limitation, payment of the Termination Fee described in Section 7 below, the Lease is terminated and the Term of the Lease shall expire with the same force and effect as if the Term was, by the provisions thereof, fixed to expire on the Early Termination Date.
- 2. Effective as of the Early Termination Date, Tenant remises, releases, quitclaims and surrenders to Landlord, its successors and assigns, the Lease and all of the estate and rights of Tenant in and to the Lease and the Premises, and Tenant forever releases and discharges Landlord from any and all claims, demands or causes of action whatsoever against Landlord or its successors and assigns arising out of or in connection with the Premises or the Lease and forever releases and discharges Landlord from any obligations to be observed or performed by Landlord under the Lease after the Early Termination Date.
- 3. Subject to the agreements, representations, warranties and indemnities contained in this Termination Agreement, Landlord agrees to accept the surrender of the Lease and the Premises from and after the Early Termination Date and, effective as of the Early Termination Date, forever releases and discharges Tenant from any obligations to be observed and performed by Tenant under the Lease after the Early Termination Date, provided that Tenant has satisfied, performed and fulfilled all of the agreements set forth in this Termination Agreement, and each of the representations and warranties set forth in Section 6 below are true and correct.
- 4. With respect to the releases set forth in Sections 2 and 3 above, the parties acknowledge that they have been advised by legal counsel and are familiar with the provisions of California Civil Code Section 1542 which provides as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE,

WHICH IF KNOWN BY HIM, MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR."

THE UNDERSIGNED, BEING AWARE OF SAID CODE SECTION, HEREBY EXPRESSLY WAIVE ALL RIGHTS THEY MAY HAVE THEREUNDER, AS WELL AS ANY OTHER STATUTES OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT PERTAINING TO THE RELEASES SET FORTH HEREIN.

5. On or prior to the Early Termination Date, Tenant shall:
 - (a) Fulfill all covenants and obligations of Tenant under the Lease applicable to the period prior to and including the Early Termination Date.
 - (b) Completely vacate and surrender the Premises to Landlord in accordance with the terms of the Lease. Without limitation, Tenant shall leave the Premises in a broom-clean condition and free of all movable furniture and equipment and shall deliver the keys to the Premises to Landlord or Landlord's designee.
6. Tenant represents and warrants that (a) Tenant is the rightful owner of all of the Tenant's interest in the Lease; (b) Tenant has not made any disposition, assignment, sublease, or conveyance of the Lease or Tenant's interest therein; (c) Tenant has no knowledge of any fact or circumstance which would give rise to any claim, demand, obligation, liability, action or cause of action arising out of or in connection with Tenant's occupancy of the Premises; (d) no other person or entity has an interest in the Lease, collateral or otherwise; and (e) there are no outstanding contracts for the supply of labor or material and no work has been done or is being done in, to or about the Premises which has not been fully paid for and for which appropriate waivers of mechanic's liens have not been obtained. The foregoing representation and warranty shall be deemed to be remade by Tenant in full as of the Early Termination Date.
7. Simultaneously with the execution of this Termination Agreement, Tenant shall pay to Landlord, by cashier's or certified check or by wire transfer of immediately available funds to an account designated by Landlord, the sum of **\$0.00** (the "**Termination Fee**"). Notwithstanding anything in this Termination Agreement to the contrary, Tenant shall remain liable for all of its obligations as Tenant under the Lease arising prior to the Termination Date, including, without limitation, all year-end adjustments with respect to for that portion of the calendar year up to and including the Early Termination Date. Such adjustments shall be paid at the time, in the manner and otherwise in accordance with the terms of the Lease, unless otherwise specified herein.
8. Notwithstanding anything contained in this Termination Agreement to the contrary, Tenant shall indemnify, defend (with counsel reasonably approved by Landlord) and hold Landlord harmless from and against any and all liabilities, obligations, damages, penalties, claims, costs, charges and expenses (including, without limitation, reasonable attorneys' fees) which may be imposed upon, incurred by, or asserted against Landlord other than by reason of the negligence or willful misconduct of Landlord and arising, directly or indirectly, out of or in connection with the use, nonuse, possession, occupancy, condition, operation, maintenance or management of the Premises or any part thereof by Tenant or any of its assignees, concessionaires, agents, contractors, employees or invitees prior to and including the Early Termination Date, any act or omission of Tenant or any of its assignees, concessionaires, agents, contractors, employees or invitees, or any failure on the part of Tenant to perform or comply with any of the covenants, agreements, terms or conditions contained in the Lease to be observed or performed by Tenant. 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 action or proceeding at its sole cost.

9. Each signatory of this Amendment represents hereby that he or she has the authority to execute and deliver the same on behalf of the party hereto for which such signatory is acting. Tenant hereby represents and warrants that neither Tenant, nor any persons or entities holding any legal or beneficial interest whatsoever in Tenant, are (i) the target of any sanctions program that is established by Executive Order of the President or published by the Office of Foreign Assets Control, U.S. Department of the Treasury ("**OFAC**"); (ii) designated by the President or OFAC pursuant to the Trading with the Enemy Act, 50 U.S.C. App. § 5, the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701-06, the Patriot Act, Public Law 107-56, Executive Order 13224 (September 23, 2001) or any Executive Order of the President issued pursuant to such statutes; or (iii) named on the following list that is published by OFAC: "List of Specially Designated Nationals and Blocked Persons." If the foregoing representation is untrue at any time during the Term, an **[Event of Default]** under the Lease will be deemed to have occurred, without the necessity of notice to Tenant.
10. This Termination Agreement shall be binding upon and inure to the benefit of Landlord and Tenant and their respective successors, assigns and related entities.

[SIGNATURES ARE ON FOLLOWING PAGE]

IN WITNESS WHEREOF, Landlord and Tenant have executed this Termination Agreement on the day and year first above written.

LANDLORD:

**PS Business Parks, L.P.,
A California Limited Partnership**

By: Ps Business Parks, Inc.,
A California Corporation

Its: General Partner

By: _____

Name: **Richard E. Scott**

Title: **Divisional Vice President**

TENANT:

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

By: _____

Name: _____

Title: _____