

OFFICE LEASE

between

LEBHERZ VENTURES LLC
as Landlord

and

COUNTY OF SAN MATEO,
as Tenant

For the lease of a portion of:

477 9TH Avenue
San Mateo, California 94402

December 11, 2012

**OFFICE LEASE
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LIST OF EXHIBITS:

EXHIBIT A -- Floor Plan(s) of Premises
EXHIBIT B -- Notice of Commencement Date
EXHIBIT C -- Leasehold Improvements
EXHIBIT D -- ADA Improvements
EXHIBIT E -- Exclusions from Operating costs
EXHIBIT F -- Building Rules and Regulations

OFFICE LEASE

Lease No. 1294

THIS OFFICE LEASE (this "Lease"), dated for reference purposes only as of December 11, 2012, is by and between LEBHERZ VENTURES LLC, a California limited liability company("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: | December 11, 2012 |
| 1.2 Landlord: | LEBHERZ VENTURES, LLC |
| 1.3 Tenant: | COUNTY OF SAN MATEO |
| 1.4 Building (Section 2): | 477 9 th Avenue, San Mateo, CA 94402 |
| 1.5 Premises (Section 2): | A portion of the Building known as Suite 110, consisting of approximately 3,620 sq feet of general office space, more particularly shown on the attached Exhibit A (Floor Plan), together with the non-exclusive use of the parking, lobbies and common restrooms. |
| 1.6 Term (Section 3): | The Effective Date shall be as set forth in Section 3.2 hereof.

Estimated Commencement Date: March 1, 2013
Expiration date: February 28, 2023 |
| 1.7 Extension Options (Section 3.4): | One additional term of five years, exercisable by County by written notice to Landlord given not less than 180 days and not more than 270 days in advance, with rent determined as set forth in Section 3.5 hereof. |
| 1.8 Base Rent (Section 4.1): | Annual Base Rent of \$87,600.00 (\$24.20 per sq. ft. per year), payable in monthly payments of \$7,300.00 (\$2.02 per sq. ft. per month). |
| 1.9 Adjustment Dates (Section 4.2): | March 1, 2014, and March 1 st of each subsequent year throughout the Term of the Lease. |
| 1.10 Additional Charges (Section 4.3): | Tenant shall pay as Additional Charges Tenant's Percentage Share of any increase in Operating Costs and Real Estate Taxes for the Property over those of the Base Year, as set forth in Section 4.3 - 4.9 hereof. |

1.11 Base Year (Section 4.4):	The Base Year shall be January 1, 2013 through December 31, 2013.
1.12 Tenant's Percentage Share (Section 4.4):	Tenant's percentage share of the Building shall be 16.93%.
1.13 Use (Section 5.1):	The Premises shall be used for general office purposes for the Health System, Women Infants and Children nutrition program. Tenant must obtain Landlord written approval, which shall not be unreasonably withheld, should the County want to use the Premises for any other functions and programs.
1.14 Leasehold Improvements (Section 6.1)	Landlord shall, at Landlord's sole cost and expense, make the improvements described in the attached Exhibit C (Leasehold Improvements).
1.15 ADA Improvements (Section 6.2):	Landlord shall, at Landlord's sole cost and expense, make the improvements described in the attached Exhibit D (ADA Improvements).
1.16 Utilities (Section 9.1):	Landlord, at its sole cost and expense, shall provide all utilities to the Premises, except as set forth in Section 9.2.
1.17 Services (Section 9.2):	Landlord, at its sole cost and expense, shall provide to the Premises the standard office services described in Section 9.2.
1.18 Notice Address of Landlord (Section 23.1):	Lebherz Ventures, LLC c/o GS Management Co 5674 Sonoma Drive Pleasanton, CA 94566 Fax No.: (925) 734-8125
1.19 Key Contact for Landlord:	Beverly Howell 5674 Sonoma Drive Pleasanton, CA 94566 Fax No.: (925) 734-8125
Landlord Contact Telephone No.:	(925) 734-0280
1.20 Notice Address for County (Section 23.1):	County Manager 400 County Center Redwood City, CA 94063 Fax No.: (650) 363-4832
1.21 with a copy to:	Office of County Counsel 400 County Center, 6 th Floor Redwood City, CA 94063 Fax No.: (650) 363-4034
1.22 Key Contact for County:	Real Property Services Manager 455 County Center, 4 th Floor

Redwood City, CA 94063
Fax No.: (650) 363-4832

County Contact Telephone No.: (650) 363-4326

1.23 Brokers (Section 23.8): Graham Woodall, Vice President
Cornish & Carey Commercial, Newmark Knight Frank

1.24 Other Noteworthy Provisions (Section 22): None

2. PREMISES

2.1. Lease Premises

Landlord leases to County and County leases from Landlord, subject to the provisions of this Lease, those premises in the building identified in the Basic Lease Information (the "Building") and shown on the floor plan(s) attached hereto as Exhibit A (the "Premises"). Landlord and County hereby agree that the Premises contain the rentable area specified in the Basic Lease Information. The Building, land upon which the Building is located and all other improvements on or appurtenances to such land are referred to collectively as the "Property".

2.2. Common Areas

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

2.3. Parking

County shall have the right to park in the parking facilities of the Property in common with other tenants of the Property, provided that, in the aggregate, County agrees not to use in excess of its proportionate share of parking facilities, which is 3.3 spaces for each 1,000 rentable square feet of the Premises, and agrees to cooperate with Landlord and the other tenants of the Property in the use of the parking facilities.

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 Landlord shall have delivered the Premises to County with the Leasehold Improvements (as defined below) having been substantially completed by Landlord and accepted by County pursuant to Section 6.1 (Landlord's Obligation to Construct Improvements), and the County Board of Supervisors shall have authorized the execution of this Lease, in its sole and absolute discretion. 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 Option), below. The word "Term" as used herein shall refer to the Initial Term and any Extended Term if County exercises the Extension Option as provided in Sections 1.7 and 3.4.

3.2. Effective Date, 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 approving this Lease in accordance with all applicable laws and (ii) this Lease is duly executed by the parties hereto.

The dates on which the Term commences and terminates pursuant hereto are referred to respectively as the "Commencement Date" and the "Expiration Date". If the Commencement Date occurs on a date other than the Estimated Commencement Date, then promptly thereafter Landlord shall deliver to County a notice substantially in the form of Exhibit B attached hereto, confirming the actual Commencement Date, but Landlord's failure to do so shall not affect the commencement of the Term.

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 the County Manager or designee pursuant to Section 6.1 (Landlord's Obligation to Construct Improvement) on or before the Estimated Commencement Date. 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 60 days after the Estimated Commencement Date, then County may, at its option, terminate this Lease, without any further liability under this Lease, upon written notice to Landlord.

3.4.Extension Option(s)

County shall have the right to extend the Initial Term of this Lease (the "Extension Option(s)") for the additional term specified in the Basic Lease Information (the "Extended Term(s)"). Such Extension Option shall be on all of the terms and conditions contained in this Lease except that the rent for the Extended Term shall be as set forth in Section 3.5 (Determination of Base Rent for the Extended Term). County, at its sole discretion, may exercise the Extension Option, if at all, by giving written notice to Landlord no later than one hundred eighty (180) days 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 Term, the Base Rent shall be adjusted to an amount equal to 95% of the prevailing market rate for space of comparable size and location to the Premises then being offered for rent in other buildings similar in age, location and quality to the Premises situated within San Mateo County ("Reference Area"); provided, however, in no event shall the Base Rent be reduced below the Base Rent for the lease year prior to commencement of such Extended Term. As used herein, the term "prevailing market rate" shall mean the base rental for such comparable space, taking into account without limitation (i) any additional rental and all other payments and escalations payable hereunder, (ii) floor location and size of the premises covered by leases of such comparable space, (iii) the duration of the renewal term and the term of such comparable leases, (iv) free rent given under such comparable leases and any other tenant concessions, and (v) building standard tenant improvement allowances and other allowances given under such comparable leases.

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

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

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

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

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

4. RENT

4.1. Base Rent

Beginning on the Commencement Date, County shall pay to Landlord during the Term the annual Base Rent specified in Section 1.8 of the Basic Lease Information (the "Base Rent"). The Base Rent shall be payable in equal consecutive monthly payments on or before the first day of each month, in advance, at the address specified for Landlord in Section 1.14 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 occurs on a day other than the first day of a calendar month or the Expiration Date occurs on a day other than the last day of a calendar month, then the monthly payment of the Base Rent for such fractional month shall be prorated based on a thirty (30) day month.

4.2. Adjustments in Base Rent

On each date specified in Section 1.9 of the Basic Lease Information for the adjustment of Base Rent (an "Adjustment Date"), the Base Rent payable under Section 4.1 shall be adjusted as follows:

On each Adjustment Date, the Base Rent for the following twelve month period shall be adjusted to equal one hundred and three percent (103%) of the Base Rent for the lease year preceding such Adjustment Date.

4.3. Additional Charges

Tenant shall pay to Landlord any charges or other amounts required under this Lease as additional rent ("Additional Charges"), including the charges for 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. Landlord shall have the same remedies for default in the payment of any Additional Charges as for default in the payment of Base Rent. The Base Rent and Additional Charges are sometimes collectively referred to below as "Rent."

4.4. Definitions

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

(a) "Base Year" means the year specified in Section 1.11 the Basic Lease Information.

(b) "Tenant's Percentage Share" means the percentage specified in Section 1.12 of the Basic Lease Information.

(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 Tenant, may change the Expense Year to any other twelve (12) consecutive month period and, in the event of any such change, Tenant's Percentage Share of Operating

Costs shall be equitably adjusted for the Expense Years involved in any such change. Expense Year shall not include the Base Year.

(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 Property, including, but not limited to: (1) the cost of air conditioning, electricity, steam, water, heating, mechanical, telephone, ventilating, escalator 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 Property 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 Property, allocated in proportion to the percentage of such person's working time actually spent working in connection with the Property, (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 Property, (7) accounting and legal expenses, (8) depreciation on personal property, including, without limitation, carpeting in public corridor and Common Areas and window coverings provided by Landlord, (9) the fair market rental value of offices in the Property for the property manager, (10) the cost of capital improvements made to the Property 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 Property and which benefit the Premises, or made to the Property after the date of this Lease that are required under any governmental law or regulation that was not applicable to the Property 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 Tenant, and (11) any other expenses reasonably incurred in connection with the management, operation, maintenance or repair of the Property (other than Real Estate Taxes and any services for which Landlord is separately and directly reimbursed by Tenant or other tenants in the Property) 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 (10), 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 Prime Rate as quoted in the Wall Street Journal at the time such item is constructed, but not more than the maximum rate permitted by law at the time such item is constructed.

In the event that in the Base Year for Operating Costs or in any Expense Year the Property is less than ninety-five percent (95%) occupied, including any material temporary vacancy experienced in connection with the installation of the Leasehold Improvements as set forth herein, the Operating Costs shall be appropriately adjusted to reflect a ninety five percent (95%) occupancy level. In no event shall Landlord recapture more than one hundred percent (100%) of the Operating Costs in any Expense Year.

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

(e) "Real Estate Taxes" means all taxes, assessments and charges levied upon or with respect to the portion of the Property owned by Landlord or any personal property of Landlord used in the operation thereof, or Landlord's interest in the Property or such personal property. 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 Property or any part thereof, or on the rent payable under any lease or in connection with the business of renting space in the Property, 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 Tenant's failure to pay its portion of Real Estate Taxes hereunder, (3) any personal property taxes payable by Tenant hereunder or by any other tenant or occupant of the Property, or (4) any increase in Real Estate Taxes due to any reassessment upon a transfer of any of Landlord's interest in the Property.

"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 Tenant, 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, Tenant's Percentage Share of Real Estate Taxes shall be equitably adjusted for the Tax Year involved in any such change. Tax Year shall not include the Base Year.

4.5. Payment of Percentage Share of Operating Costs

During the Term, commencing after the end of the Base Year, Tenant shall pay to Landlord each month, as Additional Charges, one twelfth (1/12) of Tenant's Percentage Share of the amount, if any, by which Operating Costs for each Expense Year exceed the Operating Costs for the Base Year. Tenant shall make such payments, in advance, in an amount estimated by Landlord in reasonable detail in a writing delivered to Tenant. Landlord may revise such estimates of Operating Costs from time to time and Tenant shall thereafter make payments on the basis of such revised estimates, provided that no such revisions shall be retroactive and Landlord may not make any such revisions more than twice in any given Expense Year and no such revision may be made 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 Tenant with a statement (herein called "Landlord's Expense Statement"), setting forth in reasonable detail the Operating Costs for such Expense Year and Tenant's Percentage Share thereof. If Tenant's Percentage Share of the actual Operating Costs for such Expense Year exceeds the estimated Operating Costs paid by Tenant for such Expense Year, Tenant shall pay to Landlord (whether or not this Lease has terminated) the difference between the amount of estimated Operating Costs paid by Tenant and Tenant's Percentage Share of the actual Operating Costs within thirty (30) days after the receipt of Landlord's Expense Statement. If the total amount paid by Tenant for estimated Operating Costs exceeds Tenant's Percentage Share of the actual Operating Costs for such Expense Year, such excess shall be credited against the next installment of rent due from Tenant hereunder. At Landlord's option, or if the Lease term has expired, such excess shall be refunded to Tenant.

4.6. Payment of Percentage Share of Real Estate Taxes

During the Term, commencing after the end of the Base Year, Tenant shall pay to Landlord each month, as Additional Charges, one twelfth (1/12) of Tenant's Percentage Share of the amount, if any, by which Real Estate Taxes for each Tax Year exceed Real Estate Taxes for the Base Year. Tenant shall make such payments, in advance, in an amount estimated by Landlord in reasonable detail in a writing delivered to Tenant. With reasonable promptness not to exceed one hundred twenty (120) days after the expiration of each Tax Year, Landlord shall furnish Tenant with a statement ("Landlord's Tax Statement") setting forth the amount of Real Property Taxes for such Tax Year and Tenant's Percentage Share thereof. If Tenant's Percentage Share of the actual Real Estate Taxes for such Tax Year exceeds the estimated Real Estate Taxes paid by Tenant for such Tax Year, Tenant shall pay to Landlord (whether or not this Lease has terminated) Tenant's Percentage 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 Tenant for such Tax Year exceeds Tenant's Percentage Share of the actual Real Estate Taxes for such Tax Year, such excess shall be credited against the next installment of rent due from

Tenant hereunder. At Landlord's option, or if the Lease term has expired, such excess shall be refunded to Tenant.

4.7. Proration

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

4.8. Audits

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

4.9. Records

Landlord shall maintain at the Property 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 Tenant 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 in accordance with Section 4.8. All such books and records shall be available for inspection, copying and audit by Tenant and its representatives, at Tenant's expense, subject to the provisions of subsection (e) above.

4.10. Late Charges

If County fails to pay the Base Rent or any portion thereof within five (5) business days following the due date, such unpaid amount shall be subject to a late payment charge equal to five percent (5%) of the unpaid amount in each instance. The late payment charge has been agreed upon by Landlord and County, after negotiation, as a reasonable estimate of the additional administrative costs and detriment that Landlord will incur as a result of any such failure by County, the actual costs thereof being extremely difficult if not impossible to determine. The late payment charge constitutes liquidated damages to compensate Landlord for its damages resulting from such failure to pay and shall be paid to Landlord together with such unpaid amount.

5. USE

5.1. Permitted Use

County may use the Premises for general office uses and such other compatible 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 Rules and Regulations, attached hereto as Exhibit F (the "Rules and Regulations"). Landlord may make reasonable additions or modifications to the rules and regulations, 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 and use reasonable efforts to cause other Building tenants to comply with them. County shall be entitled upon request to any waiver or special dispensation granted by Landlord to any other tenant in the Building with respect to the Rules and Regulations, and Landlord shall notify County of any such waiver or special dispensation.

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 Deputy County Manager, interrupt County's access to the Premises or the Building in the event of an immediate risk of danger to the Premises, the Common Areas or any other portion of the Building being rendered unsafe for human occupancy. 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 necessary steps to correct such condition. In the event such condition 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 sixty (60) days or more after County's use is interrupted and 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. IMPROVEMENTS

6.1.Landlord's Obligation to Construct Leasehold Improvements

Landlord, through its general contractor approved by County, shall construct the Premises, perform the work and make the installations in the Premises and the Common Areas at Landlord's sole cost pursuant to the Construction Documents (as defined set forth 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."

(a) Plans and Specifications

Immediately following the Effective Date of this Lease (as defined in Section 3.2 hereof), Landlord shall cause its architect or space planner approved by County to prepare and submit to County for its approval an architectural plan, power and signal plan, reflected ceiling plan, floor plans, and tenant finish specifications for the Leasehold Improvements, based on County's program requirements for use of the Premises as shown in Exhibit C (Leasehold Improvements) and in form and detail sufficient for purposes of contractor pricing (the "Pricing Plans"). Following County's review of the Pricing Plans and any adjustments authorized by County, Landlord shall cause final plans, specifications and working drawings for the Leasehold Improvements to be prepared, in conformity with the requirements hereof. Landlord shall submit a copy of such final plans, specifications and working drawings to County within fourteen (14) days after the approval of the Pricing Plans. Such final working drawings and specifications shall be subject to County's approval, which approval shall not be unreasonably withheld or delayed. If County disapproves such final working drawings and specifications, or any portion thereof, then County shall promptly notify Landlord thereof and of the revisions that County reasonably requires in order to obtain County's approval. As soon as reasonably possible thereafter, but in no event later than seven (7) days after County's notice, Landlord shall submit to County final plans, specifications and working drawings incorporating the revisions required by County. Such revisions shall be subject to County's approval, which shall not be unreasonably withheld or delayed. The final plans, specifications and working drawings for the Leasehold Improvements approved by County shall be referred to as the "Construction Documents."

(b) Permits

Landlord shall secure and pay for any building and other applicable and necessary permits and approvals, government fees, licenses and inspections necessary for the proper performance and completion of the Leasehold Improvement Work shown on the approved Final Construction Documents. Promptly following County's approval of the Construction Documents, Landlord shall apply for any permits, approvals or licenses necessary to complete such construction and shall provide copies to County promptly following receipt thereof. Landlord shall be responsible for arranging for all inspections required by the applicable local building inspection division.

(c) Construction

Immediately upon approval of the Final Construction Documents and Landlord's procurement of all necessary permits and approvals, Landlord shall commence construction and shall cause the Leasehold Improvements to be completed in a good and professional manner in accordance with sound building practice. Landlord shall comply with and give notices required by all laws, rules, regulations, ordinances, building restrictions and lawful orders of public authorities bearing on construction of the Leasehold Improvements. Without limiting the foregoing, construction of the Leasehold Improvements shall comply with all applicable disabled access laws, including, without limitation, the most stringent requirements of the Americans with Disabilities Act of 1990, Title 24 of the California Code of Regulations (or its successor) and County's requirements for program accessibility.

(d) 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 fifteen (15) 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 Final Construction Documents. 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 Final Construction Documents so that County can occupy the Premises and conduct its business for its intended uses and County, through its County Manager or designee, 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 punchlist consisting of any items that have not been finished in accordance with the Final Construction Documents. Landlord shall promptly complete all defective or incomplete items identified in such punchlist, 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 Construction Documents, nor constitute any waiver of any latent defects.

No approval by County or any of its Agents of the Pricing Plans, Final Construction Documents 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.

6.2.ADA Improvements

Landlord, through its general contractor approved by County ("Contractor"), shall perform the work and make the improvements to the Premises as set forth in the attached Exhibit D (ADA Improvements), in order to comply with ADA (Americans with Disabilities Act) requirements (the "ADA Improvements"). Said work shall be completed within one hundred eighty (180) days of the Effective Date of this Lease at Landlord's sole cost and expense.

If Landlord fails to complete said work within the time frame specified above, County may provide such services at Landlord's expense and invoice Landlord for those services. Landlord shall make timely payment of amounts due within thirty (30) business days after receipt of written notice thereof from County and if Landlord fails to make payment within thirty (30) business days, County shall have the option to offset the cost thereof against the Rent next due under this Lease.

6.3.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(s) on which the Premises are located and all other parts of the Building 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 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 affect the Building Systems or structural integrity of the Building, 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 15. 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.

7.2.Title to Improvements

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

7.3.County's Personal Property

All furniture, furnishings, equipment, trade fixtures and articles of movable personal property installed in the Premises by or for the account of County and that can be removed without structural damage to the Premises (collectively, "County's Personal Property") shall be and remain County's property. At any time during the Term or at the expiration thereof, County may remove any of County's Personal Property provided County shall repair any damage to the Premises resulting therefrom. Upon the expiration or earlier termination of this Lease, County shall remove County's Personal Property from

the Premises in accordance with Section 20 (Surrender of Premises), below. Landlord acknowledges that some of County's Personal Property may be financed by an equipment lease financing otherwise subjected to a security interest, or owned by an equipment company and leased to County. Landlord, upon County's reasonable request, shall execute and deliver any document required by any supplier, lessor, or lender in connection with the installation in the Premises of any items of County's Personal Property, 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 within thirty (30) days after 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 repair any damage caused by the removal of County's Personal Property. Landlord shall recognize the rights of any 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 or within thirty (30) days after the Expiration Date.

7.4.Alteration by Landlord

Landlord shall use its best 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, including without limitation any leasehold improvement work for other tenants in the Building. Landlord shall promptly remedy any such interference or disruption upon receiving County's notice thereof.

8. REPAIRS AND MAINTENANCE

8.1.Landlord's Repairs

Throughout the Term, Landlord shall maintain the Property, Building and Premises in good repair and tenantable condition, so as to minimize breakdowns and loss of County's use of the Premises caused by deferred or inadequate maintenance, including, but not limited to:

- (a) Generally maintaining the Property, Building and Premises in a good, clean, vermin free, operating condition and appearance, including all landscaped areas.
- (b) Furnishing prompt, good quality repair of the Property, Building and Premises; equipment and appurtenances.
- (c) Furnishing preventive maintenance, including but not limited to, manufacturer's recommended servicing of equipment such as electrical, plumbing, heating and , ventilating equipment, and fixtures.
- (d) Furnishing and promptly replacing any inoperative light bulbs, fluorescent tubes, ballasts, starters, and filters for the heating, ventilating, and, air conditioning equipment as required,
- (e) Annual testing and maintenance of all fire extinguishers in or adjacent to the Premises.
- (f) Repair and replace parking lot paving and striping as necessary; remove water and debris from parking and paved areas.

8.2.County's Repairs

Not Used

8.3.Liens

Any Alterations that County shall desire to make and which require the consent of the Landlord shall be presented to Landlord in written form with detailed plans. All consents given by Landlord, shall be deemed conditioned upon: (A) County acquiring all permits required by Applicable Law; (B) County furnishing copies of such permits together with a copy of the plans and specifications for the Alteration to Landlord prior to commencement of the work thereon; and (C) County's compliance with all conditions of said permits in a prompt and expeditious manner.

Any Alterations by County during the Term of this Lease shall be done in a good and workmanlike manner, with good and sufficient materials, and be in compliance with all applicable requirements. County shall promptly upon completion thereof furnish Landlord with as-built plans and specifications therefor. County shall keep the Premises free from liens arising out of any work performed, material furnished or obligations incurred by County during the Term.

County shall pay when due all claims for labor or materials furnished or alleged to have been furnished to or for County at or for use on the Premises, which claims are or may be secured by any mechanic's or materialmen's lien against the Premises or any interest therein. County shall give Landlord not less than ten (10) days' notice prior to the commencement of any work in, on, or about the Premises, and Landlord shall have the right to post notices of non-responsibility in or on the Premises as provided by law. If County shall, in good faith, contest the validity of any such lien, claim or demand, then County shall, at its sole expense, defend and protect itself, Landlord and the Premises against the same and shall pay and satisfy any such adverse judgments that may be rendered thereon before the enforcement thereof against the Landlord or the Premises.

9. UTILITIES AND SERVICES

9.1.Landlord's Provision of Utilities

Landlord shall furnish the following utilities and services to the Premises: (a) heating, air conditioning and ventilation in amounts required for County's comfortable use and occupancy of the Premises, during the period from 8:00 a.m. to 6:00 p.m., Monday through Friday, except holidays generally recognized in San Mateo County; (b) electric current in amounts required for normal lighting and for the operation of personal computers and other normal office machines and equipment, on a twenty-four (24) hours-a-day, seven-days-a-week basis ("Daily Basis") (except as set forth in Section 9.2 below); and (c) water for lavatory, kitchen and drinking purposes on a Daily Basis. Without limiting Landlord's obligations hereunder, Landlord shall furnish all utilities and services required under this Lease in a manner consistent with such utilities and services normally provided in other buildings similar to the Building in San Mateo County.

9.2.County's Payment for PG&E Electrical Services

Notwithstanding anything contained herein, County shall arrange and pay directly for PG&E electrical services to the Premises.

9.3.Services

(a) Janitorial Service

Landlord shall provide at its cost janitorial service in accordance with the specifications contained in Exhibit F attached hereto.

9.4.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.

9.5.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, elevator, 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 one (1) or more business day if such failure is in the reasonable control of Landlord or a period of five (5) or more consecutive business days if such failure is not within the reasonable control of Landlord, then the Rent shall be abated based on the extent such inability of Landlord impairs County's

ability to carry on its business in the Premises, or, alternatively at County's election, County shall have the option to provide such services and offset the reasonable cost thereof against the Rent next due under this Lease. Such abatement, or right to provide the services and offset against Rent, shall continue until the Essential Services have been restored so that the lack of any remaining services no longer materially impairs County's ability to carry on its business in the Premises. Landlord shall use its best efforts to restore disrupted Essential Services as soon as possible. However, if such failure to provide any Essential Services continues for any reason for thirty (30) days and such failure interferes with County's ability to carry on its business in the Premises, 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. County shall not be entitled to any abatement of Rent or right to terminate 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, and covenants with County, as follows: (a) the physical structure, fixtures and permanent improvements of the Premises (including, without limitation, the Leasehold Improvements) and 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 and drinking fountains and parking areas) are now, and as of the Commencement Date 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"); (b) the Building is not an unreinforced masonry building, and is now, and as of the Commencement Date will be, in compliance with all applicable federal, state, local and administrative laws, rules, regulations, orders and requirements relating to seismic safety (collectively, "Seismic Safety Laws"); (c) the Building, the Common Areas and Building Systems serving the Premises are now, and as of the Commencement Date will be, in full compliance with all applicable federal, state, local and administrative laws, rules, regulations, orders and requirements relating to fire and life safety (including, without limitation, the San Mateo High-Rise Sprinkler Ordinance) (collectively, "Life Safety Laws"); (d) the Building, the Common Areas and Building Systems serving the Premises are now, and as of the Commencement Date will be, in compliance with all other applicable federal, state, local and administrative laws, rules, regulations, orders and requirements; and (e) there are not now, and as of the Commencement Date will not be, any material physical or mechanical defects in the Premises, Building or the Building Systems that would materially adversely affect County's intended use of the Premises. Landlord shall at all times during the Term maintain, at its cost, the Property, Building, Common Areas and the Building Systems serving the Premises in compliance with applicable present or future federal, state, local and administrative laws, rules, regulations, orders and requirements (collectively, "Laws"), including, without limitation, Disabilities Laws, Seismic Safety Laws, and Life Safety Laws. Without limiting Section 16.2 (Landlord's Indemnity), Landlord shall Indemnify County against any and all Claims arising out of any failure of the Property, Building, Common Areas, Building Systems, or any portion thereof, to comply with applicable Laws as provided in this Section or any misrepresentation by Landlord under this Section.

10.2. County's Compliance with Laws

County shall use the Premises during the Term in compliance with applicable Laws, except that County shall not be required to make any structural alterations, additions or other modifications in order to comply therewith unless such modifications are necessary solely because of any Alterations to the Premises made by County pursuant to Section 7 hereof and such modifications are not otherwise Landlord's responsibility under this Lease. 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.

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 Building or any property located therein, (b) result in a refusal by fire insurance companies of good standing to insure the Building or any such property in amounts reasonably satisfactory to Landlord or the holder of any mortgage or deed of trust encumbering the Building, (c) cause an increase in the fire insurance premium for the Building 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 County's normal business in the Premises.

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 any such Encumbrance, 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 its best efforts to provide to County, before the Effective Date, 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 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 sixty (60) days after Landlord obtains all necessary permits for such repairs but not later than two hundred ten (210) 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 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 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 by reason of flood or earthquake, and such damage or destruction is not fully covered by insurance proceeds payable under the insurance policies Landlord is required to carry hereunder (excluding any deductible, for which Landlord shall be responsible), Landlord may terminate this Lease by written notice to County within thirty (30) days of the date Landlord receives written notice that such damage is not 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 six (6) 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, Landlord may terminate this Lease only if it would take more than thirty (30) days to repair such damage.

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

13. EMINENT DOMAIN

13.1. Definitions

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

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

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

13.2. General

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

13.3. Total Taking; Automatic Termination

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

13.4. Partial Taking; Election to Terminate

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

(b) In the case of a partial taking of a substantial portion of the Building, 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 taken shall, in County's reasonable judgment, render the Premises unsuitable for continued use by County for its intended purposes or otherwise materially adversely affect County's normal operations in the Premises.

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

13.5. Rent; Award

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

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:

- (a) County's failure to make any timely payment of Rent and to cure such nonpayment within five (5) business days after receipt of written notice thereof from Landlord;
- (b) County's abandonment of the Premises (within the meaning of California Civil Code Section 1951.3); or
- (c) County's failure to perform any other covenant or obligation of County hereunder (not involving the payment of money) and to cure such non-performance within thirty (30) days of the date of receipt of notice thereof from Landlord, provided that if more than thirty (30) days are reasonably required for such cure, no event of default shall occur if County commences such cure within such period and diligently prosecutes such cure to completion; or
- (d) County's failure to provide Landlord with reasonable evidence of insurance or surety bond required under this Lease; or the failure of County to fulfill any obligation under this Lease which endangers or threatens life or property, where such failure continues for a period of five (5) business days following written notice thereof by or on behalf of Landlord to County; or
- (e) The occurrence of any of the following events: (A) the making by County of any general arrangement or assignment for the benefit of creditors; (B) County's becoming a "debtor" as defined in 11 U.S. Code Section 101 or any successor statute thereto (unless, in the case of a petition filed against County, the same is dismissed within sixty (60) days); (C) the appointment of a trustee or receiver to take possession of substantially all of County's assets located at the Premises or of County's interest in this Lease, where such seizure is not discharged within thirty (30) days.

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 or granted hereunder, including the following:

- (a) The rights and remedies provided by California Civil Code Section 1951.2 (damages on termination for breach), including, but not limited to, the right to terminate County's right to possession of the Premises and to recover the worth at the time of award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the amount of rental loss for the same period that County proves could be reasonably avoided, as computed pursuant to subsection (b) of such Section 1951.2. For the purposes of this Lease, detriment proximately caused by the County's failure to perform its obligations under this Lease includes, but is not limited to the cost of recovering possession of the Premises, expenses of reletting, including necessary renovation and alteration of the Premises, reasonable attorneys' fees, and that portion of any commercially reasonable leasing commission paid by Landlord in connection with this Lease applicable to the unexpired Term of this Lease.
- (b) The rights and remedies provided by California Civil Code Section 1951.4 (continuation of lease after breach and abandonment), which allows Landlord to continue this Lease in effect and to enforce all of its rights and remedies under this Lease, including the right to recover Rent as it becomes due, for so long as Landlord does not terminate County's right to possession, if County has the right to sublet or assign, subject only to reasonable limitations.

15.3. Landlord's Default

If Landlord fails to perform any of its obligations under this Lease, then (without limiting any of County's other cure rights under this Lease) County may, at its sole option, cure such default at Landlord's expense if such default continues after ten (10) days from the date County gives notice to Landlord of County's intention to perform such cure. However, in the case of a default which for causes

beyond Landlord's control (excluding any financial inability to perform) cannot with due diligence be cured within such 10-day period, such 10-day period shall be extended if Landlord, promptly upon receipt of County's notice, advises County of Landlord's intention to take all steps required to cure such default, and Landlord promptly commences such cure and diligently prosecutes the same to completion. Subject to the other provisions of this Lease relating to abatement of Rent, if Landlord fails to cure any default within the cure period provided above, then, whether or not County elects to cure Landlord's default as provided herein, the Base Rent and any other charges 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. Notwithstanding the foregoing, if any such default by Landlord continues for sixty (60) days and impairs County's ability to carry on 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 60-day period. County's rights hereunder shall not limit in any way any of its other rights and remedies hereunder or at law or in equity.

16. INDEMNITIES

16.1. County's Indemnity

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. 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

Landlord shall Indemnify County and its Agents against any and all Claims incurred as a result of (a) any default by Landlord in the performance of any of its obligations under this Lease or any breach of any representations or warranties made by Landlord under this Lease, or (b) any negligent acts or omissions of Landlord or its Agents in, on or about the Premises or the Property; provided, however, Landlord shall not be obligated to Indemnify County or its Agents to the extent any Claim arises out of the negligence or willful misconduct of County or its Agents. 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, except for damage caused by Landlord or its Agents.

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 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 Building 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 six (6) 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 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. Within ten (10) days after 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:

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

(b) "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.

(c) "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 of the Building 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 telefacsimile to the telefacsimile 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 telefacsimile.

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 Assistant 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 Assistant County Manager, or his or her designee; provided, however, material amendments or modifications to 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 (vi) 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 County's Assistant County Manager 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 twenty five percent (125%) 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 (Indemnities), Landlord agrees to Indemnify County and its Agents against Claims arising out of any assertion that would interfere with County's right to quiet enjoyment as provided in this Section.

23.18. Bankruptcy

Landlord represents and warrants to County that Landlord has neither filed nor been the subject of any filing of a petition under the federal bankruptcy law or any federal or state insolvency laws or laws for composition of indebtedness or for the reorganization of debtors, and, to the best of Landlord's knowledge, no such filing is threatened. Landlord and County agree that County's leasehold estate created hereby includes, without limitation, all rights to receive and enjoy all services, facilities and amenities of the Premises and the Building 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. 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 AUTHORIZING EXECUTION OF THIS LEASE. 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. 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.

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

LANDLORD: LEBHERZ VENTURES LLC,
A limited liability company

BY: Regan Musgrave
ITS: manager

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

BY: _____
Adrienne J. Tissier
President, Board of Supervisors

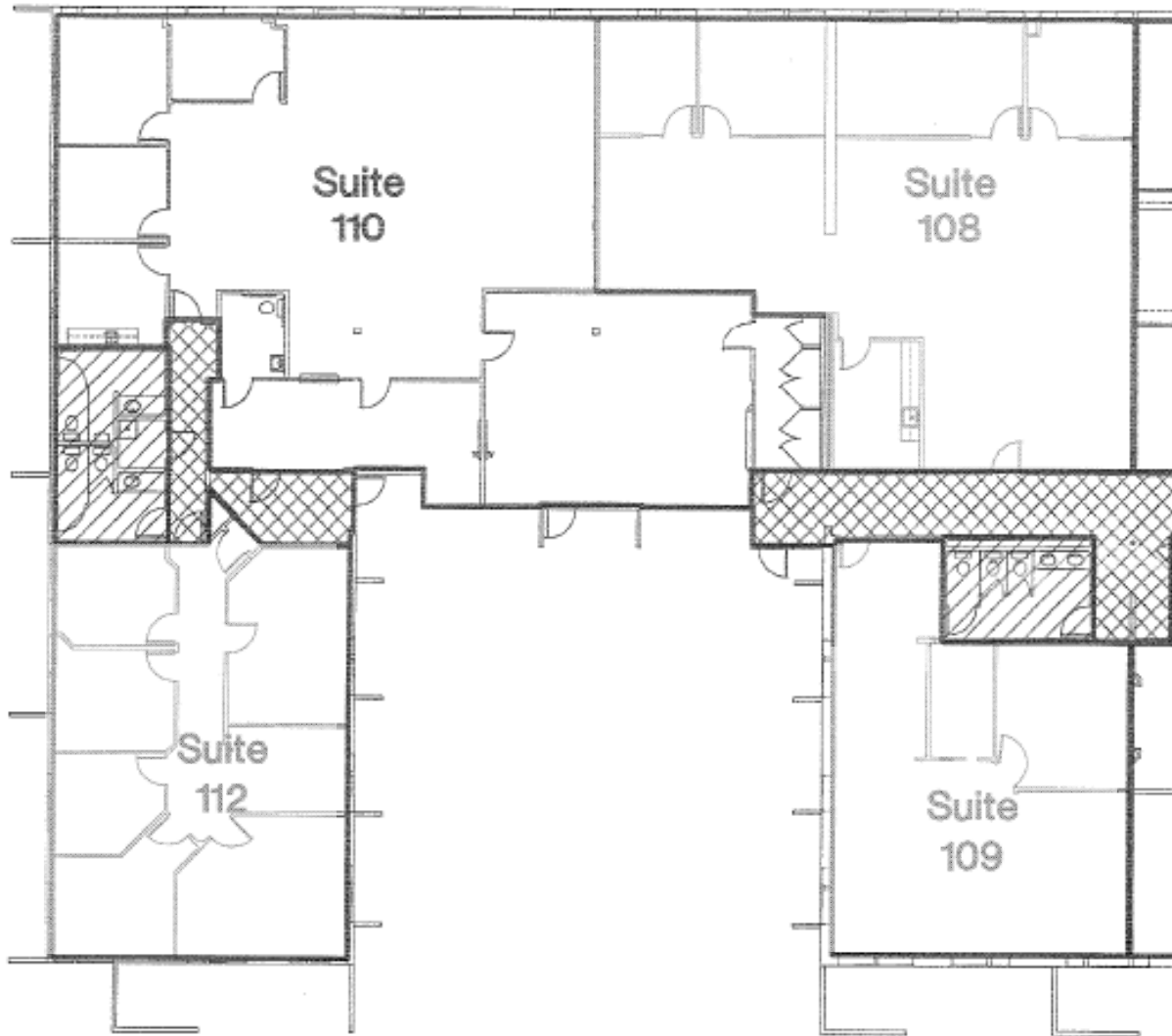
ATTESTED:

Clerk of Said Board

EXHIBIT A

FLOOR PLAN

477 9th Ave, Suite 110, San Mateo, CA 94402



LEGEND



BASE BUILD CIRCULATION
(COMMON AREA)



SERVICE & AMENITY
(COMMON AREA)

EXHIBIT B
Commencement Letter

[Date]

Ms. Margaret Jensen
Deputy County Manager
County of San Mateo
400 County Center
Redwood City, CA 94063

RE: Acknowledgement of Commencement Date, Lease Between <<<NAME>>> (Landlord), and the
COUNTY OF SAN MATEO (Tenant), for the premises known as 477 9th Ave, Suite 110, San
Mateo, CA 94402

Dear Ms. Jensen:

This letter will confirm that for all purposes of the Lease, the Commencement Date (as defined in
Section 3.2 of the Lease) is <<<Date>>>, 201_.

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

LEASEHOLD IMPROVEMENTS

The plans, specifications, locations, products and materials utilized for the Leasehold Improvements shall be approved by Tenant in writing prior to commencement of construction. All work shall be performed in a good and workmanlike manner, and in compliance with all applicable building codes and the American's with Disabilities Act.

As Leasehold Improvements the Landlord shall complete the following on or before the Commencement Date, as shown on the floorplan blow:

- 1) Workspace:
 - A. Offices: Construction of two private offices, approximately 120 square feet each. Offices shall include a sidelight or window to bring natural light to the interior of the premises. Construction of one private office for two workstations, approximately 168 square feet.
 - B. Conference/classroom: Remove current nook and cabinetry and extend eastern wall to north end of room. Install doorway in north end of room in existing window opening.
- 2) ADA Restroom. Construct an ADA compliant, single user restroom adjacent to the lobby area.
- 3) IT closet. Modify easternmost closet in hallway behind conference/classroom to allow installation of IT/server equipment. Install louvered locking door and HVAC or vent fan in closet, subject to approval of the County Information Services Department.
- 4) Flooring.
 - A. Common areas, walkways, kitchen, ADA restroom, waiting room, general work areas and conference/classroom: Install hard surface flooring, which shall include the removal of existing carpet or flooring, any required surface preparation, and installation of Armstrong Marmorette with NATURCote, Linoleum including sound dampening (or approved equal), with colors selected by County.
 - B. Offices: Install carpet, which shall include the removal of existing carpet, any required surface preparation, and installation of Collins & Aikman style #02838 - Axiom 18"x18" modular carpet tiles, ER3 RS backing (or approved equal), with colors selected by County.
- 2) Ceiling. Replace all broken, damaged or stained ceiling tiles throughout Premises.
- 3) Walls.
 - A. Remove wall in the existing lobby area to create larger waiting space for clients.
 - B. Open reception window into lobby area with ADA compliant work surface for registration of clients.
 - C. Repair any damaged areas and repaint Premises with colors selected by County (sage green or similar). All paint products used shall contain not more than 50 grams/liter (flat sheen) or 150 grams/liter (non-flat sheen) of volatile organic compounds.
- 4) Doors.

- A. Install new doorways and doors in areas indicated on attached floorplan of a similar style and quality as existing.
 - B. Install ADA compliant, locking hardware on all entry, office and closet doors. All interior locks may be identically keyed.
- 5) Windows. Replace or repair all window shades to full functionality.
 - 6) Electrical. Replace or repair all lighting fixtures for full functionality and consistent color.

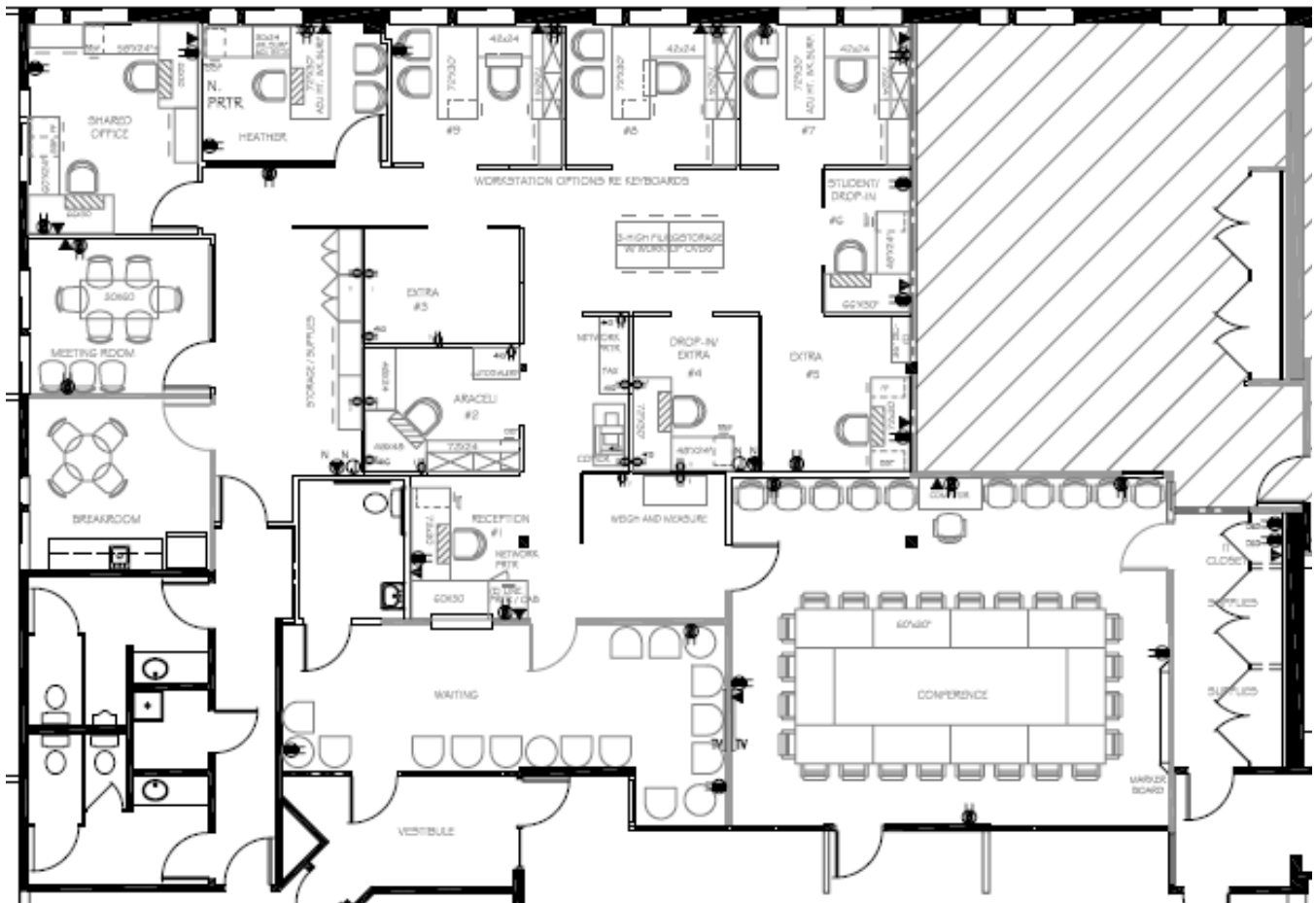


EXHIBIT D
ADA IMPROVEMENTS

Landlord acknowledges that the San Mateo County Commission on Disabilities performed an assessment of the Property on July 23, 2012 to evaluate compliance with the Americans with Disabilities Act (the "ADA Assessment"). Within 180 days of the Effective Date, Landlord shall, at its sole cost, make the improvements (the "ADA Improvements") necessary to correct the following deficiencies identified in the ADA Assessment.

1. Parking lot: No accessible parking with an accessible path of travel to the courtyard.
2. Entrance: Threshold of the door was greater than 1/2 inch.
3. Interior doors: Hardware requires pinching, grasping or twisting.
4. Countertops in the large conference room measured at 48" high. The outlets behind the counter are out of reach range (these counters will be removed as part of the tenant improvements).
5. South Exit: Light switch in hallway near South exit is at 52".
6. Hallway to the North Restrooms: The door to the women's restroom is impeded by the opening of the door at the end of the hallway making it dangerous. CBC 1133B.2.4.4 requires "that the space between 2 hinged doors or pivoted doors in series is a minimum of 48" plus the width of any door swinging into the space. Doors in a series shall swing either in the same direction or away from the space between the doors".
7. North Restrooms:
 - o Men's: the hardware requires pinching, grasping, twisting.
 - The centerline of the sink is not 18" from the wall.
 - The pipes are not wrapped.
 - Both the soap dispenser and the towel dispenser are too hi.
 - There are no visual fire alarms.
 - The accessible stall is too narrow.
 - The area in front of the water closet is too small it is 46x42".
 - The centerline of the toilet is not 18" from the wall.
 - The toilet paper dispenser is on the divider side wall and at 22" from the floor.
 - The seat covers are too high.
 - The rear grab bar is missing
 - The urinal is too high as is the flush valve.
 - o Women's:
 - The centerline of the sink is not 18" from the wall.
 - The pipes are not wrapped.
 - The towel and soap dispensers are too high.
 - No visual fire alarms.
 - The accessible stall is too narrow.
 - The hardware requires pinching, grasping or twisting.
 - The centerline of the toilet is not 18" from the wall.
 - The flush valve is on the wall side.
 - The toilet seat cover dispenser is at 57".
 - There is no rear grab bar.

As an alternative to remodeling the existing restrooms, Landlord has agreed to construct a single user, ADA compliant restroom in the Premises, as set forth in Exhibit C (Improvements).

Landlord shall provide a description letter and construction plans for the ADA Improvements to County within thirty (30) days after the Effective Date. This letter shall be subject to County's approval, which approval shall not be unreasonably withheld or delayed. If County disapproves proposed work described, or any portion thereof, then County shall promptly notify Landlord thereof and of the revisions

that County reasonably requires in order to obtain County's approval. As soon as reasonably possible thereafter, but in no event later than ten (10) days after County's notice, Landlord shall submit to County revised letter incorporating the revisions required by County. Such revisions shall be subject to County's approval, which shall not be unreasonably withheld or delayed. The description letter and construction drawings for the ADA Improvements approved by County shall be referred to as the "Construction Documents."

Landlord shall secure and pay for any building and other applicable and necessary permits and approvals, government fees, licenses and inspections necessary for the proper performance and completion of the Improvements shown on the approved Construction Documents. Promptly following County's approval of the Construction Documents, Landlord shall apply for any permits, approvals or licenses necessary to complete such construction and shall provide copies to County promptly following receipt thereof. Landlord shall be responsible for arranging for all inspections required by the applicable local building inspection division.

Immediately upon approval of the Construction Documents and Landlord's procurement of all necessary permits and approvals, Landlord shall commence construction and shall cause the Improvements to be completed in a good and professional manner in accordance with sound building practice. Landlord shall comply with and give notices required by all laws, rules, regulations, ordinances, building restrictions and lawful orders of public authorities bearing on construction of the Improvements. Without limiting the foregoing, construction of the Improvements shall comply with all applicable disabled access laws, including, without limitation, the requirements of the Americans with Disabilities Act of 1990, Title 24 of the California Code of Regulations (or its successor) and County's requirements for program accessibility.

Landlord shall keep County apprised on a regular basis of the status of plan preparation, permit issuance and the progress of construction. Upon receipt of notice from Landlord that the Improvements are substantially complete, County shall have the right to present to Landlord within ten (10) days of receipt of such notice, a written punchlist consisting of any items that have not been finished in accordance with the Construction Documents. Landlord shall promptly complete all defective or incomplete items identified in such punchlist, 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 Improvement Work in accordance with the approved Construction Documents, nor constitute any waiver of any latent defects.

No approval by County or any of its Agents of the Construction Documents or completion of the Improvements 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.

EXHIBIT E

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 4.4(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 4.4(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 4.4(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 4.4(d)(10) 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 F

BUILDING RULES AND REGULATIONS

Sidewalks

1. The sidewalks, halls, passages, exits, and, entrances of the Office Building shall not be obstructed by any of the tenants or used for any purpose other than for ingress to and egress from their respective Leased Premises. The halls, passages, exits, and entrances are not for the general public, and Lessor shall in all cases retain the right to control and prevent access to them by all persons whose presence in the judgment of Lessor would be prejudicial to the safety, character, reputation, and interests of the Office Building and its tenants. However, nothing here shall be construed to prevent access to persons with whom any tenant normally deals in the ordinary course of business, unless these persons are engaged in illegal activities. No tenant and no employee or invitee of any tenant shall go on the roof of the Office Building.

Parking Areas

2. Parking in the Parking Areas of the Office Building is limited to employees and patrons of tenants at the Office Building, and shall be permitted only for the period during which the person is patronizing, conducting business related to, or otherwise using the Office Building. All automobiles shall be parked in an orderly manner within the painted lines defining the individual parking spaces. Parking may be limited by length of time in designated portions of the Parking Areas. Only automobiles, vans, and trucks not exceeding three quarters of a ton may park in the Parking Areas. No motorcycles or motor scooters shall be parked or stored anywhere in the Office Building other than the Parking Area.

Signage

3. A sign, placard, picture, name, advertisement, or notice visible from the exterior of any tenant's Premises shall not be inscribed, painted, affixed, or otherwise displayed by any tenant on any part of the Office Building without the prior written consent of Lessor. Lessor will adopt and furnish to tenants general guidelines relating to signs inside the Building on the office floors. Each tenant shall conform to these guidelines, but may request approval of Lessor for modifications, which will not be unreasonably withheld. All approved signs or lettering on doors shall be printed, painted, affixed, or inscribed at the expense of the tenant by a person approved by Lessor, which will not be unreasonably withheld. Material visible from outside the Office Building will not be permitted.

Keys

4. Lessor will furnish each tenant, free of charge, two keys to each door lock in the Premises. Lessor may make a reasonable charge for any additional keys. No tenant shall have any keys made. No tenant shall alter any lock or install a new or additional lock or any bolt on any door of the premises without the prior consent of Lessor. The tenant shall in each case furnish Lessor with a key for any lock. Each tenant, upon the termination of the tenancy, shall deliver to Lessor all keys to doors in the Building that have been furnished to the tenant.

Pets

5. No pets shall be kept in the Premises and/or the Office Building.

Moving

6. The persons employed to move equipment in or out of the Office Building must be acceptable to Lessor. Lessor shall have the right to prescribe the weight, size, and position of all equipment, materials, furniture, or other property brought into the Office Building.

Heavy objects shall, if considered necessary by Lessor, stand on wood strips of a thickness necessary to properly distribute the weight. Lessor will not be responsible for loss of or damage to any property from any cause, and all damage done to the Building by moving or maintaining property shall be repaired at the expense of the tenant.

Name and Address of Building

7. Lessor shall have the right, exercisable without notice and without liability to any Lessee, to change the name and street address of the Building.

After Hours Access

8. Lessor reserves the right to exclude from the Office Building between the hours of 6:00 p.m. and 7:00 a.m. and at all hours on Saturdays, Sundays, and legal holidays any person who does not present a proper access card or other identification as a tenant or an employee of a tenant, or who does not otherwise present proper authorization by a tenant for access to the premises. Each tenant shall be responsible for all persons for whom it authorizes access and shall be liable to Lessor for all acts of these persons. Lessor shall in no case be liable for damages for any error with regard to the admission to or exclusion from the Office Building of any person. In the case of invasion, mob, riot, public excitement, or other circumstances rendering an action advisable in Lessor's opinion, Lessor reserves the right to prevent access to the Office Building during the continuance of the circumstance by any action Lessor deems appropriate.

Building Directory

9. A directory of the Office Building will be provided to display the name and location of tenants, their subtenants, and a reasonable number of the principal officers and employees of tenants, and Lessor reserves the right to exclude any other names. Any additional name that a tenant desires to have added to the directory shall be subject to Lessor's approval and may be subject to a charge.

Windows

10. No curtains, draperies, blinds, shutters, shades, screens, or other coverings, hangings, or decorations shall be attached to, hung, or placed in, or used in connection with any exterior window in the Building without the prior consent of Lessor. If consented to by Lessor, these items shall be installed on the office side of the standard window covering and shall in no way be visible from the exterior of the Building.

Exterior of Buildings and/or Leased Premises

11. The exterior of any building in the Office Building and/or the Leased Premises, including all entrances, doors, windows, plate glass, and fixtures, shall at all times be maintained in a safe, neat, and clean condition.

Plumbing

12. The toilets, urinals, wash bowls, and other restroom facilities shall not be used for any purpose other than that for which they were constructed. No foreign substance of any kind shall be thrown in them, and the expense of any breakage, stoppage, or damage resulting from the violation of this rule shall be borne by the tenant who, or whose employees or invitees, have caused it.

Residential Uses

13. No portion of the Office Building shall be used for any residential or lodging purposes. No cooking shall be done or permitted by any tenant on the Premises, except that (a) each tenant may establish and operate a lunchroom facility for use by tenant's employees, and (b) each tenant may use and install food and beverage vending machines

and Underwriters' Laboratory approved microwave ovens and equipment for brewing coffee, tea, hot chocolate, and similar beverages, provided that adequate provisions are made for venting and control of odors and all facilities and equipment are in accordance with all applicable federal, state, and city laws, codes, ordinances, rules, and regulations.

Industrial and Manufacturing Uses

14. No portion of the Office Building shall be used for any industrial or manufacturing purpose.

Displays on Common Areas

15. The Common Areas, including the sidewalks and hallways of the Office Building may not be used by any Occupant to display, sell, store, or place any merchandise, equipment, or other items.

Advertising

16. No form of advertising medium (including flashing light, searchlight, loudspeaker, phonograph, radio, or television) shall be maintained at the Office Building. No sound or light may be transmitted beyond the boundaries of the Leased Premises.

Close-Out Promotions

17. No auction, fire, bankruptcy, or going-out-of-business sale shall be conducted in, at, on, or about the Office Building or Leased Premises.

Unlawful Uses

18. Neither the Office Building nor any portion thereof, including the Leased Premises shall be used for any purpose that violates any law, ordinance, or regulation or that constitutes a nuisance.

Hazardous Substances

19. Hazardous substances shall not be used or stored in the Leased Premises or any other portion of the Office Building. Hazardous substances include the storage and use of any kerosene, gasoline, or inflammable or combustible fluid or material other than limited quantities reasonably necessary for the operation or maintenance of office equipment, and may not, without Lessor's prior approval, use any method of heating or air conditioning other than that supplied by Lessor. No tenant shall use or keep any foul, noxious, or hazardous gas or substance in the Premises

Other Unauthorized Activities

20. (a) Subject to Subparagraph (b) below, no person shall do any of the following in or on any part of the Office Building:

- (1) Sell, distribute, or solicit orders for sale or distribution of any merchandise, device, service, periodical, book, pamphlet, or other matter.
- (2) Exhibit any sign placard, banner, notice, or other written material.
- (3) Distribute any circular, booklet, handbill, placard, or other material.
- (4) Solicit membership in any organization, group, or association or a contribution for any purpose.
- (5) Parade, patrol, picket, demonstrate, rally, or engage in any conduct that might tend to (i) interfere with or impede the use of any of the Common Areas by any user of the Office Building, (ii) create a disturbance, (iii) attract attention, or (iv) harass, annoy, disparage, or be detrimental to the interest of any of the tenants within the Office Building.
- (6) Throw, discard, or deposit any paper, glass, or extraneous matter of any

kind, except in designated receptacles, or create litter or hazards of any kind.

(7) Use any sound-making device of any kind or create or produce in any manner noise or sound that is annoying, unpleasant, or distasteful to Occupants or users of the Office Building.

(8) Deface, damage, or demolish any sign, light standard, fixture, landscaping material, or other improvement within the Office Building or the property of any Occupant or user located in the Office Building.

Reservation of Rights to Modify Rules

21. Lessor reserves the right at any time to change or rescind any one or more of these rules or regulations or to make such other and further reasonable rules and regulations as, in Lessor's judgment, may time to time be necessary for the management, safety, care and cleanliness of the Office Building and the Premises, and for the preservation of order therein, as well as for the convenience of other occupants and tenants of Office Building. Landlord shall not be responsible to tenant or to any other person for the nonobservance or violation of the rules and regulations by any other tenant or other person.