

SUBLEASE

between

COUNTY OF SAN MATEO
as Sublessor

and

SAFEWAY INC.,
as Sublessee

for the Sublease of
a portion of
2710 Middlefield Rd
unincorporated Redwood City, California

November 5, 2013

No. 5363

Safeway Pharmacy No. 4903

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EXHIBIT A – Legal Description
EXHIBIT B – Site Plan
EXHIBIT C – Sublessee's Signs

SUBLEASE
Lease No. 5363

This Sublease Agreement (this "Sublease") is made and entered into as of the 5th day of November, 2013, by and between the COUNTY OF SAN MATEO, a political subdivision of the State of California ("County" or "Sublessor"), and SAFEWAY INC., a Delaware corporation ("Sublessee").

RECITALS

This Sublease is made with regard to the following facts:

A. Sublessor is the tenant under the lease (the "Master Lease"), dated June 1, 2011, with 2700 MIDDLEFIELD ROAD LLC, a Delaware Limited Liability Company ("Master Landlord"). Under the Master Lease, Sublessor leases from Master Landlord a parcel of land, approximately 2.802 acres in size (the "Property"), as described in Exhibit A hereto, and a building constructed on the Property, containing approximately 36,000 rentable square feet of medical office space (the "Building"), located at 2710 Middlefield Road, unincorporated Redwood City, San Mateo County, California.

B. Sublessor and Sublessee entered into a certain Agreement Between the County of San Mateo and Safeway Inc., dated June 18, 2013 (the "Service Contract"), whereby Sublessee will provide pharmacy services to eligible patients in accordance with the terms and conditions of the Service Contract.

C. Sublessee desires to sublease from Sublessor a portion of the Building (the "Subleased Premises"), which Subleased Premises are depicted on the site plan that is attached to this Sublease as Exhibit B. Sublessor has agreed to sublease the Subleased Premises to Sublessee on the terms, covenants and conditions stated in this Sublease.

NOW, THEREFORE, in consideration of the mutual covenants contained in this Sublease, and for valuable consideration, the receipt and sufficiency of which are acknowledged by the parties, the parties agree as follows:

1. BASIC SUBLEASE INFORMATION.

The following is a summary of basic information about this Sublease (the "Basic Sublease Information"). Each item below shall be deemed to incorporate all of the terms in this Sublease pertaining to such item; however, in the event of any conflict between the information in this Section and any more specific provision of this Sublease, that more specific provision shall control.

Sublease Reference Date:	November 5, 2013
Sublessor:	COUNTY OF SAN MATEO
Sublessee:	SAFEWAY INC. (and permitted successors and assigns)
Building (Section 3):	The three-story medical office building of approximately 36,000 square feet, and commonly known as 2710 Middlefield Road, unincorporated Redwood City, California (the "Building").
Subleased Premises (Section 3):	Space on the first floor of the Building, designated as Rooms 122 and 125; as shown on the attached <u>Exhibit B</u> hereto.
Rentable Area of Subleased Premises (Section 3):	Approximately 619 rentable square feet.
Term (Section 4):	<p>Estimated Commencement Date: December 2, 2013</p> <p>Expiration Date: June 30, 2016 (the "Initial Term")</p> <p>Option(s): Two (2) additional terms of three (3) years each (the "Extended Terms")</p>
Monthly Base Rent (Section 5):	<p>Monthly Base Rent: During the Initial Term shall be \$1,614.59; during the first Extended Term, if exercised, shall be \$1,929.70; and during the second Extended Term, if exercised, shall be \$1,929.70 during the first two (2) years of such Extended Term, and \$2,237.06 during the third year thereof.</p>
Use (Section 6):	Retail pharmacy and related services.
Improvements (Section 7):	Sublessor shall deliver the Subleased Premises in shell condition. Sublessee shall perform certain finish-out work, as approved by Sublessor.

Utilities and Services (Section 8):	Sublessor shall furnish all utilities and services.
Security Deposit:	None
Sublessee's Percentage Share of Operating Expenses (Section 5):	1.7%
Notice Address of County:	County Manager Attn: Real Property Services 455 County Center, 4 th Floor Redwood City, California 94063 Fax No.: (650) 363-4832 Email: realproperty@smcgov.org
with a copy to:	San Mateo Medical Center Materials Management Attn: Ron Keating 222 W. 39 th Avenue San Mateo, CA 94403 Fax No.: (650) 573-2267 Email: rkeating@smcgov.org
and to:	Office of County Counsel 400 County Center, 6 th Floor Redwood City, California 94063 Fax No.: (650) 363-4034 Email: EWhitlock@smcgov.org
Address for Sublessee:	Safeway Inc. 5918 Stoneridge Mall Road Pleasanton, CA 94588 Attention: Real Estate Administrator Phone: (925) 467-2059 Fax: (925) 467-3224 Email: Maryl.Lum@Safeway.com
with a copy to:	5918 Stoneridge Mall Road Pleasanton, CA 94588 Attention: Real Estate Law Email: Tom.Hanavan@safeway.com
Brokers (Section 17.8)	None

2. INTENTIONALLY OMITTED.

3. SUBLEASED PREMISES; BUILDING; COMMON AREAS.

Sublessor hereby subleases to Sublessee and Sublessee subleases from Sublessor, the Subleased Premises, subject to the terms, covenants, and conditions contained in this Sublease. Sublessor and Sublessee agree that the Subleased Premises contain approximately 619 rentable square feet of floor space, as delineated in Exhibit B attached hereto. The Building is commonly known as 2710 Middlefield Road, located in unincorporated Redwood City, California, and contains a total rentable area of approximately 36,000 square feet, of which the Subleased Premises comprise 1.7% percent.

Sublessor shall endeavor to provide and maintain, or shall cause to be provided and maintained, in first class condition and repair, at all times during the Term of this Sublease: (a) an exterior common area on the Property, which shall include, a parking lot (with spaces located and marked in compliance with all applicable codes and ordinances), drive aisles and walkways for ingress to and egress from the Building, and landscaped areas; and (b) interior common areas inside the Building, including hallways, waiting areas, elevators and public restrooms. Sublessee, its employees, customers, agents and invitees are hereby granted non-exclusive rights to use, in common with the other occupants of the Building, all such common areas, including the parking lot, which shall be open and accessible to the general public at all times.

4. TERM.

Subject to the condition set forth in Section 10.2 (Master Landlord's Consent) below, the terms and provisions of this Sublease shall be effective between Sublessor and Sublessee upon mutual execution of this Sublease. The initial term of this Sublease will commence on the later to occur of December 2, 2013 and the thirty-first (31st) day after the Subleased Premises are delivered to Sublessee in accordance with the terms of Section 7.1 below, and will expire, unless sooner terminated as provided in the Master Lease, on June 30, 2016 (the "Initial Term").

Sublessee shall have the right to extend the term of this Sublease (the "Extension Options") for the additional terms specified in the Basic Sublease Information (the "Extended Terms"). Such Extension Options shall be on all of the terms and conditions contained in this Sublease except that the Monthly Base Rent for the Extended Terms shall be as set forth in the Basic Sublease Information in Section 1 above. Sublessee, at its sole discretion, may exercise the Extension Options, if at all, by giving written notice to Sublessor no later than one hundred eighty (180) days prior to expiration of the term to be extended; provided, however, if Sublessee is in material default under this Sublease on the date of giving such notice and fails to cure such default within the time periods provided in Sections 15.1(a) and (c) of the Master Lease, as applicable, Sublessor may reject such exercise by delivering written notice thereof to

Sublessee promptly after the expiration of the period for Sublessee to complete such cure.

Notwithstanding the foregoing, in the event that Sublessor exercises its right to terminate the Service Contract pursuant to the terms of Section 4 or Section 5 thereof, or the Service Contract is not renewed at the end of the term thereof under substantially the same terms and conditions, Sublessee may, in its sole discretion, terminate this Sublease and all of its obligations hereunder by so notifying Sublessor at least ninety (90) days in advance of such termination, and Sublessor shall have no claim or cause of action against Sublessee as a result of such termination.

The Initial Term and the Extended Terms are sometimes collectively referred to in this Sublease as the "Term."

5. BASE RENT.

Sublessee will pay as Monthly Base Rent during the Term of this Sublease the sums indicated in the Basic Sublease Information in Section 1 above. Such amounts shall be payable in advance on the first day of each month during the Term. In the event that the Term of this Sublease begins on a date that is not the first day of a month, or ends on a date that is not the last day of a month, Monthly Base Rent for each such month will be prorated as of the date of commencement or expiration, as applicable.

Sublessee acknowledges that pursuant to Section 4 (Rent) of the Master Lease, Sublessor is obligated to pay as Additional Charges the actual Operating Costs and Real Estate Taxes (all as defined therein) for the Building (hereinafter collectively the "Operating Expenses"). Sublessee agrees that in addition to the Monthly Base Rent due herein, Sublessee shall pay to Sublessor an amount equal to 1.7% ("Sublessee's Share") of the actual Operating Expenses. Sublessee's Share is determined by dividing the approximately 619 rentable square feet of the Subleased Premises by the approximately 36,000 rentable square feet of the Building. Sublessee shall pay Sublessee's Share to Sublessor within fifteen (15) days after Sublessee receives Sublessor's billing therefor, which billing shall include a detailed description of the Operating Expenses included in such billing, evidence of Sublessor's payment thereof, and a calculation of Sublessee's Share thereof.

If any payment owing by Sublessee under this Sublease is not received by Sublessor within five (5) days after its due date, then, without any requirement for notice to Sublessee, Sublessee shall pay to Sublessor as a late charge, an additional amount equal to five percent (5%) of the overdue payment as liquidated damages in lieu of actual damages. The parties agree that this late charge represents a reasonable estimate of the costs and expenses that Sublessor will incur because of any such late payment. Such costs include, but are not limited to, processing and accounting charges and charges that may be imposed on Sublessor by Master Landlord under the Master

Lease. Sublessor's acceptance of any liquidated damages shall not constitute a waiver of Sublessee's default with respect to the overdue amount or prevent Sublessor from exercising any of the rights and remedies available to Sublessor under this Sublease.

6. USE.

Sublessee agrees to use the Subleased Premises for retail pharmacy and related services, and for the provision of "Pharmacy Services" to eligible patients, as provided in the Service Contract, and for no other purpose without Sublessor's prior written consent, not to be unreasonably withheld or delayed. Provided Sublessor keeps the Building open to the general public during at least the following hours, Sublessee shall operate its business in the Subleased Premises during the hours Sublease commonly operates its retail pharmacies in San Mateo County. Sublessor agrees to keep the common areas of at least the first floor of the Building open to the general public from at least 8:00 A.M. to 9:00 P.M., Monday through Friday, and from at least 8:00 A.M. to 5:00 P.M. on Saturdays.

As long as Sublessee is operating a retail pharmacy business in the Subleased Premises, Sublessor hereby covenants and agrees not to use or to allow the use of any other portion of the Building or the Property for a retail pharmacy. In the event Sublessor violates the foregoing and fails to cure such violation to Sublessee's satisfaction within thirty (30) days following Sublessee's written notification thereof, for as long as such violation continues, Sublessee's obligations to pay Monthly Base Rent and Operating Expenses shall be reduced to one-half of what is provided in this Sublease, and Sublessee may terminate this Sublease, and of its obligations hereunder, upon thirty (30) days' prior written notice to Sublessor, and Sublessor shall have no cause of action against Sublessee as a result of such termination.

7. IMPROVEMENTS.

7.1 Delivery of Subleased Premises.

Sublessor shall deliver the Subleased Premises to Sublessee in shell condition, as depicted on Exhibit B hereto, promptly upon delivery of the Building to Sublessor by Master Lessor, which is anticipated to occur on or around November 8, 2013. Upon acceptance of the Subleased Premises, Sublessee shall perform, at Sublessee's sole expense, certain build-out work therein, in accordance with plans prepared by Sublessee's architect and submitted to Sublessor for approval, which approval Sublessor shall not unreasonably withhold or delay, in no event longer than five (5) business days after received by Sublessor. Sublessee shall, at its expense, obtain all permits required for such build-out work, with Sublessor's cooperation as reasonably necessary, and shall perform such build-out work in accordance with such plans, as so approved by Sublessor, and with reasonable diligence, in a good and workmanlike manner. Any contractor or person selected by Sublessee to perform the build-out work contemplated by this paragraph shall be reasonably qualified and adequately insured

for the work performed. To the extent required, Sublessor shall obtain the approval of Master Landlord for any and all work contemplated by this paragraph.

7.2 Tenant Improvements.

After Sublessee has completed its build-out work as provided in Section 7.1 above, Sublessee shall not, without first obtaining the written consent of Sublessor, not to be unreasonably withheld or delayed, make any further alterations, additions or improvements in, to or about the Subleased Premises. Any alterations, additions or improvements made by Sublessee to the Subleased Premises, either as part of the initial build-out work or thereafter as contemplated in this Section 7.2, including wall covering, paneling and built-in cabinet work, but excepting equipment, movable furniture and trade fixtures, shall become a part of the realty, shall belong to the Sublessor or Master Landlord, as provided in the Master Lease, and shall be surrendered with the Subleased Premises at expiration or termination of this Sublease. If Sublessor consents to any such alterations, additions or improvements by Sublessee, they shall be made by Sublessee at Sublessee's sole cost, and any contractor or person selected by Sublessee to perform the work shall first be approved of, in writing, by Sublessor, which approval shall not be unreasonably withheld or delayed, and any such contractor or person shall be reasonably qualified and adequately insured for the work performed.

Upon expiration or sooner termination of the Sublease, Sublessee shall, upon written demand by Sublessor, promptly remove any alterations, additions or improvements made by Sublessee and designated by Sublessor to be removed. Such removal and repair of any damage to the Subleased Premises or Building caused by such removal shall be at Sublessee's sole cost and expense.

7.3 Installation of Telecommunications and Other Equipment.

Sublessee shall be responsible for installation of security, telecommunications, data and computer cabling facilities serving the Subleased Premises. Sublessee shall be permitted to install and maintain a VSAT satellite dish (approximately 1.2 meters across) and related equipment on the roof of the Building in the location and manner reasonably approved by Sublessor. Sublessor shall furnish Sublessee and its contractors access to the main telephone service serving the Subleased Premises 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. All equipment installed by or for Sublessee shall be installed solely within the Subleased Premises, or on the roof of the Building, as applicable, except as otherwise approved, in advance, by Sublessor, under the terms of this Sublease. Any contractor or person selected by Sublessee to perform the installation work contemplated by this paragraph shall be reasonably qualified and adequately insured for the work performed.

Sublessee shall have the right to enter the Subleased Premises and such other portions of the Building at reasonable times in order to install such facilities and

equipment. Sublessor and Sublessee shall use good faith efforts to coordinate any such activities to allow the installation of such facilities and equipment to be completed in a timely and cost-effective manner. Sublessee shall remove at its sole cost all cabling and equipment installed pursuant to this Section 7.3 at the termination of this Sublease.

8. UTILITIES AND SERVICES.

8.1 Sublessor's Obligations.

Subject to the Master Lease, Sublessor shall furnish to the Subleased Premises during business hours, reasonable amounts of: electricity for normal lighting and office machine use; heat and air conditioning required for the comfortable use and occupancy of the Subleased Premises; water and sewer services necessary for the use of the Subleased Premises and Building; and janitorial and trash disposal services in the common areas and restrooms of the Building and the Property. Sublessor shall not be liable for, and Sublessee shall not be entitled to, any reduction of rental by reason of Sublessor's failure to furnish any of the foregoing when such failure is caused by accident, breakage, repairs, strikes, lockouts or other labor disturbances or labor disputes of any character, or by any other cause, similar or dissimilar, other than financial, beyond the reasonable control of Sublessor.

8.2 Sublessee's Obligation.

Sublessee shall pay for, prior to delinquency, all telephone, communications and other services not expressly required to be paid by Sublessor, that may be furnished to or used in, on or about the Subleased Premises during the term of this Sublease. Sublessee will not, without the prior written consent of Sublessor and subject to any conditions Sublessor may impose, use any apparatus or device in the Subleased Premises that will in any way increase the amount of electricity, water or HVAC usually furnished for use of the Premises as set forth in Section 6 (Use), and Section 7.3 above. If Sublessee shall require services in excess of that usually furnished or supplied for use of the Subleased Premises as described herein, Sublessee shall first procure the consent of Sublessor. Wherever heat generating machines or equipment are used in the Subleased Premises that affect the temperature otherwise maintained by the air conditioning system, Sublessor reserves the right to install supplementary air conditioning units in the Subleased Premises and the cost, including the cost of installation, operation and maintenance, shall be paid by Sublessee. Sublessor shall not be liable for Sublessor's failure to furnish any of the foregoing when such failure is caused by any cause, other than financial, beyond the reasonable control of Sublessor. To the extent reasonably beyond Sublessor's control, Sublessor shall not be liable under any circumstances for loss of or injury to property of Sublessee, however occurring, in connection with failure to furnish any of the foregoing.

9. MAINTENANCE AND REPAIRS.

9.1 By Sublessee.

By taking possession of the Subleased Premises, subject to the terms of Section 2.1 above, Sublessee shall be deemed to have accepted the Subleased Premises as being in good sanitary order, condition and repair. Sublessee shall, at Sublessee's cost, keep the Subleased Premises and every part thereof in good condition and repair except for damages beyond the control of Sublessee and ordinary wear and tear. Sublessee shall upon the expiration or sooner termination of this Sublease surrender the Subleased Premises to Sublessor in good condition, ordinary wear and tear and damage from causes beyond the reasonable control of Sublessee excepted. The parties hereto affirm that Sublessor has made no representations to Sublessee respecting the condition of the Subleased Premises and the Building except as specifically set forth in this Sublease.

9.2 By Sublessor.

Notwithstanding the provisions of Section 9.1 above, and subject to Section 10.1 below, Sublessor shall repair and maintain or cause to be repaired and maintained the common areas, parking and landscaping of the Property and all structural portions of the Building, including plumbing, air conditioning, heating and electrical systems furnished by Sublessor, unless such maintenance and repairs are caused in part or in whole by the act, neglect, fault or omission of any duty by Sublessee, its agents or employees under this Sublease, in which case Sublessee shall pay to Sublessor the reasonable cost of such maintenance and repairs.

In the event that Sublessee becomes aware of any required repairs or maintenance in the Building, Sublessee shall so notify Sublessor in writing. Any repairs or maintenance to supplemental cooling equipment required for Sublessee's special needs, if any, are the responsibility of Sublessee. Except as specifically stated in this Sublease, there shall be no abatement of rent and no liability of Sublessor by reason of any injury to or interference with Sublessee's business arising from making of any repairs, alterations or improvements to any portion of the Building or the Subleased Premises or to fixtures, appurtenances and equipment. Sublessee waives the right to make repairs at Sublessor's expense under any law, statute or ordinance now or hereafter in effect.

10. PERFORMANCE BY SUBLESSOR; STATUS OF MASTER LEASE.

10.1 Sublessor's Performance Conditioned on Master Landlord's Performance.

Sublessee recognizes that Sublessor is not in a position to render any of the services or to perform any of the obligations required of Master Landlord by the terms of the Master Lease. Therefore, despite anything to the contrary in this Sublease, Sublessee agrees that performance by Sublessor of its obligations under this Sublease is conditioned on performance by the Master Landlord of its corresponding obligations under the Master Lease, and Sublessor will not be liable to Sublessee for any default of the Master Landlord under the Master Lease. Notwithstanding the foregoing, Sublessor shall at all times during the Term of this Sublease, with reasonable diligence, enforce all of its rights under the Master Lease to cause Master Landlord to perform on a timely basis all of Master Landlord's obligations thereunder.

Sublessee will not have any claim against Sublessor based on Master Landlord's failure or refusal to comply with any of the provisions of the Master Lease unless that failure or refusal is a result of Sublessor's act or failure to act. Despite Master Landlord's failure or refusal to comply with any of those provisions of the Master Lease, this Sublease will remain in full force and effect and Sublessee will pay Monthly Base Rent and all other charges provided for in this Sublease without any abatement, deduction or setoff. Except as expressly provided in this Sublease, Sublessee agrees to be subject to, and bound by, all of the covenants, agreements, terms, provisions, and conditions of the Master Lease, as though Sublessee was the Tenant under the Master Lease, to the extent the Master Lease applies to the use and occupancy of the Subleased Premises and non-exclusive use of the common areas on the Property.

10.2 Obtaining Master Landlord's Consent.

Whenever the consent of Master Landlord is required under the Master Lease, and wherever Master Landlord fails to perform its obligations under the Master Lease, to the extent such consent and/or performance in any material way impacts Sublessee's rights under this Sublease, Sublessor agrees to use its reasonable, good faith efforts to obtain, at Sublessor's sole and reasonable cost and expense, such consent or performance on behalf of Sublessee.

10.3 No Existing Defaults.

Sublessor represents and warrants to Sublessee that the Master Lease is in full force and effect, and that Sublessor has neither given nor received a notice of default under the Master Lease.

10.4 Preservation of Master Lease.

Sublessor agrees not to voluntarily modify the Master Lease in a manner that adversely affects Sublessee's rights under this Sublease. Sublessee and Sublessor will each refrain from any act or omission that would result in the failure or breach of any of the covenants, provisions, or conditions of the Master Lease on the part of the Tenant under the Master Lease.

11. SUBLESSEE'S SIGNS.

Attached hereto as Exhibit C are renderings and specifications for the signs and vinyl graphics Sublessee shall be permitted to display on the front façade of the Building, on the monument sign for the Building, on directional signs in the first floor lobby, and on exterior glass of the Subleased Premises, all of which are hereby approved by Sublessor and, to the extent required under the Master Lease, Sublessor shall obtain the approval of Master Landlord. All such signs and graphics shall be fabricated and installed at Sublessee's expense, and Sublessee shall remove same on or before the end of the Term of this Sublease. Sublessor shall maintain in good condition and repair such signs on the Building façade, the monument sign and the interior directional signs, and Sublessee shall maintain such graphics on the exterior glass of the Subleased Premises in good condition and repair. Any contractor or person selected by Sublessee to perform the sign and graphic installation work contemplated by this paragraph shall be reasonably qualified and adequately insured for the work performed.

12. INDEMNITY.

12.1 By Sublessee.

Sublessee agrees to protect, defend (with counsel reasonably acceptable to Sublessor), indemnify and hold Sublessor harmless from and against any and all liabilities, claims, expenses, losses and damages (including reasonable attorney fees and costs), that may at any time be asserted against Sublessor by (a) Master Landlord as a result of such failure causing a breach by Sublessor of its obligations under the Master Lease; or (b) any person as a result of Sublessee's use or occupancy of the Subleased Premises, except to the extent any of the foregoing is caused by the negligence or willful misconduct of Sublessor. The provisions of this Section 12.1 will survive the expiration or earlier termination of this Sublease.

12.2 By Sublessor.

Sublessor agrees to protect, defend (with counsel reasonably acceptable to Sublessee), indemnify and hold harmless Sublessee, its employees, agents and contractors, and any past present or future board member, partner, trustee, director, member, officer, employee, agent representative or advisor of any of them (collectively,

the "Landlord Indemnified Parties") from and against any and all liabilities, claims, expenses, losses and damages (including reasonable attorney fees and costs) that may be asserted against any Landlord Indemnified Party by any person as a result of Sublessor's operation and maintenance of the Building and the exterior common areas, except to the extent the foregoing is caused by the negligence or willful misconduct of Sublessee. The provisions of this Section 12.2 will survive the expiration or earlier termination of this Sublease.

13. SURRENDER.

Upon the expiration or earlier termination of this Sublease, Sublessee shall surrender the Subleased Premises in the same condition and repair as the Subleased Premises were delivered to Sublessee pursuant to Section 7.1 above, excepting only ordinary wear and tear and damages beyond the reasonable control of Sublessee. Sublessee agrees to repair any damage to the Subleased Premises, or to the Building, caused by or related to Sublessee's removal of any articles of personal property, business or trade fixtures, machinery, equipment, cabinetwork, signs, furniture, movable partitions or permanent improvements or additions which Sublessor allows or requires Sublessee to remove, including, without limitation, repairing the floor and patching and/or painting the walls where required by Sublessor to the reasonable satisfaction of Sublessor, all at Sublessee's sole cost and expense.

14. CANCELLATION OF MASTER LEASE.

In the event the Master Lease is canceled or terminated for any reason, or is involuntarily surrendered by operation of law before the expiration date of this Sublease, Sublessee agrees, at the sole option of Master Landlord, to attorn to Master Landlord for the balance of the term of this Sublease and on the then executory terms of this Sublease.

That attornment will be evidenced by an agreement in form and substance reasonably satisfactory to Master Landlord. Sublessee agrees to execute and deliver such an agreement at any time within ten (10) business days after receipt of written request by Master Landlord. Sublessee waives the provisions of any law now or later in effect that may provide Sublessee any right to terminate this Sublease or to surrender possession of the Subleased Premises in the event any proceeding is brought by Master Landlord to terminate the Master Lease.

15. CERTIFICATES.

Each party to this Sublease will, from time to time as requested by the other party, on not less than thirty (30) days prior written notice, execute, acknowledge, and deliver to the other party a statement in writing certifying that this Sublease is unmodified and in full force and effect (or if there have been modifications, that this Sublease is in full force and effect as so modified, and stating such modifications). That

statement will certify the dates to which Minimum Base Rent and any other charges due under this Sublease have been paid by Sublessee. That statement will also state whether, to the knowledge of the person signing the certificate, the other party is in default beyond any applicable grace period provided in this Sublease in the performance of any of its obligations under this Sublease. If the other party is in default beyond any applicable grace period, the statement will specify each default of which the signer then has knowledge. It is intended that this statement may be relied on by others with whom the party requesting that certificate may be dealing.

16. ASSIGNMENT OR SUBLEASING.

Sublessee is not entitled to assign this Sublease or to sublet all or any portion of the Subleased Premises without the prior written consent of Sublessor following approval of Master Landlord. That consent may be withheld by Sublessor in its sole discretion; provided, however, no merger, consolidation, corporate reorganization or transfer (by assignment or otherwise to an "affiliate," as hereinafter defined, shall be an assignment requiring the consent of Sublessor. The term "affiliate" means a person or entity controlling, controlled by, or under common control with, Sublessee .

17. GENERAL PROVISIONS.

17.1 Severability.

If any provision of this Sublease or the application of any provision of this Sublease to any person or circumstance is, to any extent, held to be invalid or unenforceable, the remainder of this Sublease or the application of that provision to persons or circumstances other than those as to which it is held invalid or unenforceable, will not be affected, and each provision of this Sublease will be valid and be enforced to the fullest extent permitted by law.

17.2 Entire Agreement; Waiver.

This Sublease constitutes the final, complete and exclusive statement between the parties to this Sublease pertaining to the Subleased Premises, supersedes all prior and contemporaneous understandings or agreements of the parties, and is binding on and inures to the benefit of their respective heirs, representatives, successors, transferees and assigns. No party has been induced to enter into this Sublease by, nor is any party relying on, any representation or warranty outside those expressly set forth in this Sublease. Any agreement made after the date of this Sublease is ineffective to modify, waive, release, terminate, or effect an abandonment of this Sublease, in whole or in part, unless that agreement is in writing, is signed by the parties to this Sublease, and specifically states that that agreement modifies this Sublease.

17.3 Captions; Exhibits.

Captions to the sections in this Sublease are included for convenience only and do not modify any of the terms of this Sublease. The exhibits that are referenced in and attached to this Sublease as Exhibits A, B and C are also hereby incorporated into this Sublease.

17.4 Further Assurances.

Each party to this Sublease will at its own cost and expense execute and deliver such further documents and instruments and will take such other actions as may be reasonably required or appropriate to evidence or carry out the intent and purposes of this Sublease.

17.5 Governing Law.

This Sublease will be governed by and in all respects construed in accordance with the laws of the State of California.

17.6 Consent of Master Landlord.

Master Landlord's written consent to this Sublease in accordance with the terms of Article 14 of the Master Lease is a condition to the validity of this Sublease. Sublessor hereby represents and warrants that Sublessor has made Master Landlord aware of this Sublease, and has been informed by Master Landlord that, upon execution and delivery of this Sublease by the parties, Master Landlord shall give such consent. If Master Landlord's consent has not been obtained and a copy of that consent has not been delivered to Sublessee by the fifteenth (15th) day following the date of this Sublease, Sublessee shall thereafter have the ongoing right, subject to the terms of this Section 17.6, to terminate this Sublease pursuant to a notice (the "Termination Notice") so stating delivered to Sublessor. If Sublessor fails to deliver to Sublessee the consent of Master Landlord to this Sublease within three (3) days following receipt of the Termination Notice (the "Termination Date"), this Sublease shall automatically terminate and the parties shall be released from any further obligations under this Sublease. If, however, Sublessor delivers to Sublessee the consent of Master Landlord on or before the Termination Date, the condition subsequent set forth in this Section 17.6 shall be satisfied and this Sublease shall continue in full force and effect.

17.7 Word Usage.

Unless the context clearly requires otherwise, (a) the plural and singular numbers will each be deemed to include the other; (b) the masculine, feminine, and neuter genders will each be deemed to include the others; (c) "shall," "will," "must," "agrees," and "covenants" are each mandatory; (d) "may" is permissive; (e) "or" is not exclusive; and (f) "includes" and "including" are not limiting.

17.8 Brokers.

The parties to this Sublease represent and warrant to each other that neither party dealt with any broker or finder in connection with the consummation of this Sublease and each party agrees to protect, defend, indemnify, and hold the other party harmless from and against any and all claims or liabilities for brokerage commissions or finder's fees arising out of that party's acts in connection with this Sublease. The provisions of this Section 17.8 shall survive the expiration or earlier termination of this Sublease.

17.9 Insurance and Condemnation Proceeds.

Despite anything contained in the Master Lease to the contrary, as between Sublessor and Sublessee only, in the event of damage to or condemnation of the Subleased Premises, all insurance proceeds or condemnation awards received by Sublessor under the Master Lease will be deemed to be the property of Sublessor, and Sublessor will have no obligation to rebuild or restore the Subleased Premises, but hereby covenants and agrees to make reasonably diligent efforts to enforce its rights under the Master Lease to compel Master Lessor to perform its rebuilding and restoration obligations thereunder.

17.10 Notices.

Any notice that may or must be given by either party under this Sublease will be delivered (i) personally, (ii) by certified mail, return receipt requested, (iii) by a nationally recognized overnight courier, addressed to the party to whom it is intended., or (iv) via email with confirmation of receipt. Any notice given to Sublessor or Sublessee shall be sent to the respective address set forth in the Basic Sublease Information in Section 1 above, or to such other address as that party may designate in writing for service of notice by a notice given in accordance with the provisions of this Section 17.10. A notice sent pursuant to the terms of this Section 17.10 shall be deemed delivered: (A) when delivery is attempted during regular business hours, if delivered personally; (B) three (3) business days after deposit into the United States mail; or (C) the day following deposit with a nationally recognized overnight courier.

17.11 Access by Sublessor.

Sublessor reserves for itself, for Master Landlord, and their designated agents the right to enter the Subleased Premises at all reasonable times and, except in cases of emergency (in which event Sublessor shall give any reasonable notice), after giving Sublessee at least twenty-four (24) hours' advance written notice (or longer, if Sublessee reasonably determines and so notifies Sublessor in writing that more time is needed to secure any patient confidential information in compliance with all patient privacy rights under applicable law), for the purpose of (i) inspecting the Subleased

Premises, (ii) supplying any service to be provided by Sublessor under this Sublease or by Master Landlord under the Master Lease; (iii) showing the Subleased Premises to any prospective purchasers, mortgagees or, during the last twelve (12) months of the Term of this Sublease, prospective subtenants, (iv) posting notices of non-responsibility, and (v) altering, improving or repairing the Subleased Premises or the Building, provided that in no event shall any entrance to the Subleased Premises be blocked nor shall the use of the Subleased Premises by Sublessee, its employees, patients and invitees be materially interrupted.

IN WITNESS WHEREOF, the Parties have executed this Sublease as of the date first indicated above.

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

By: _____
President, Board of Supervisors

SUBLESSEE: SAFEWAY INC,
a Delaware corporation

By: Wende W. Guastamachio
Name: Wende W. Guastamachio
Title: Asst. Vice President

By: [Signature]
Name: GENEVEVE DOUGHERTY
Title: Asst. Secretary
Form Approved: Doug Crosby/nh

ATTESTED:

Clerk of said Board

EXHIBIT A
Legal Description

The land referred to is situated in the unincorporated area of the County of San Mateo, State of California, and is described as follows:

PARCEL ONE:

Parcel 1, as shown on the certain Map entitled "Parcel Map Lands of Ferrando, Franceschini, Riviello being a Subdivision of Parcel A as shown on that certain Parcel Map filed in Volume 49 of Parcel Maps at Page 51 Records of San Mateo County, San Mateo County, California", filed in the Office of the County Recorder of San Mateo County, California on July 24, 1987 in Volume 59 of Parcel Maps at Pages 50 and 51.

EXCEPTING THEREFROM that portion lying below a depth of 500 feet, measured vertically, from the contour of the surface of said property, as excepted by Southern Pacific Transportation Company by that certain Deed recorded on July 30, 1980 in Reel 7975 at Image 1306 (70731-AP), Records of San Mateo County.

PARCEL TWO:

A non-exclusive easement for roadway purposes upon, over, across and along that certain strip of land 45 feet wide, lying Northerly of and contiguous to the following three courses of Parcel A, according to Map thereof recorded April 21, 1980 in Volume 49 of Parcel Maps, Page 51, Records of San Mateo County.

1. South 74° 30' 00" East, 100.37 feet;
2. North 60° 20' 00" East, 98.70 feet;
3. North 30° 00' 00" East, 30.73 feet.

Said easement is appurtenant to Parcel I above and was created by that certain Deed recorded on July 30, 1980 in Reel 7975 at Image 1306 (70731-AP) Records of San Mateo County.

PARCEL THREE:

(a) A non-exclusive easement for private utilities (P.U.E) within the Northeasterly 5 feet of said Parcel 3.

(b) A non-exclusive easement for private utilities within the Southwesterly 5 feet and the Northeasterly 10 feet of said Parcel 4.

Said easements are appurtenant to and for the benefit of Parcel I above as created by that certain Deed which recorded September 18, 1987 as Document No. 87144820 of Official Records of San Mateo County, California.

APN: 054-113-040-7
JPN: 054-011-111-22.01 A
054-011-111-23 A
054-021-211-26 A
093-061-610-01.01 A

OPTION #3 revised

14

Labels and Dimensions:

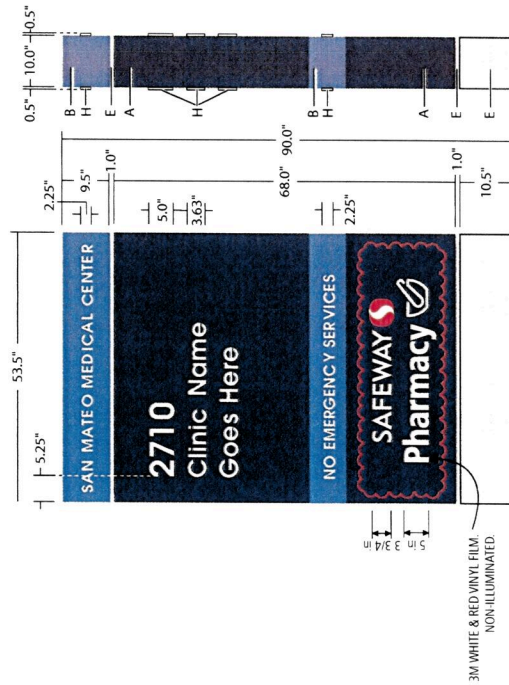
- WAIT (top left)
- 4'-9"
- 7'-7"
- SECURITY GRILLE
- RAY 4 PRIVACY DIMER
- REG. TERMINAL PHONE
- OPEN SH. WIND UNDERPATH
- 3'-9"
- 4'-6"
- WORK REF.
- WORK Counter 1
- 3'-6"
- 3'-0"
- WORK Counter 2
- SMART CHECK PRINTER
- SMART CHECK
- 4'-11"
- 3'-4"
- 3'-4"
- 4'-0"
- LOWER COUNTER
- SMART WORK COUNTER
- SMART CHECK
- C2
- RECEPTION
- WAITING
- HALLWAY
- RECORD STORAGE
- SERVER
- SAFE
- CHAIR
- DEEP UPPER
- OFFICE
- WILL CALL
- WILL CALL
- REF. FRZ.
- PRINTER FAX
- CURVED MIRROR

EXHIBIT C
Sublessee's Signs

Title: **Safeway Pharmacy Store# 4903**
Prepared By: Pacific Neon
Dated: September 17, 2013
Pages Attached: 3

Sign A

ENTRY MONUMENT
SIGN TYPE : 3000



Scale: 1/2" = 1'-0"

SPECIFICATIONS :

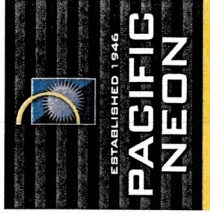
3000

WIDTH	53.5"
HEIGHT	90.0"
THICKNESS	10.0"
SIGN MATERIAL	1/8" aluminum fabricated pylon sign double-sided, internally illuminated
ILLUMINATION TYPE	LED Lighting
SIGN FINISH	Painted, Satin
TEXT	1/2" thick push-through letters translucent acrylic letters
FONT	ITC Avant Garde Gothic Std Demi
MOUNTING DETAILS	Concrete pad as required (VIF)
NOTES :	Permitting and Structural engineering by contractor

COLORS :



MOUNTING DETAIL :



2939 Academy Way
Sacramento, California 95815
Tel 916.927.0527
Fax 916.927.2414
www.pacificneon.com

Project No: 13- 5898

Account Executive: Howard Herlitz

Project:

Safeway Pharmacy
Store# 4903

Address:
2710 Middlefield Road
Redwood City, CA

Drawn By: Bruce Heller

Date: 9/17/13

Revision:

U.L. Listed
Signage has been designed to U.L. Specifications and will bear the U.L. Label(s). The sign is intended to be installed in accordance with the requirements of Article 600 of the National Electrical Code and/or other applicable local codes. This includes proper grounding and bonding of the sign.

Electrical Circuits

Customer to provide primary dedicated electrical circuit(s) for the sign. The sign is not to be connected to a standard 120V branch circuit. The sign must be grounded to a dedicated 120V branch circuit (No shared neutral). Common ground to electrical panel acceptable.

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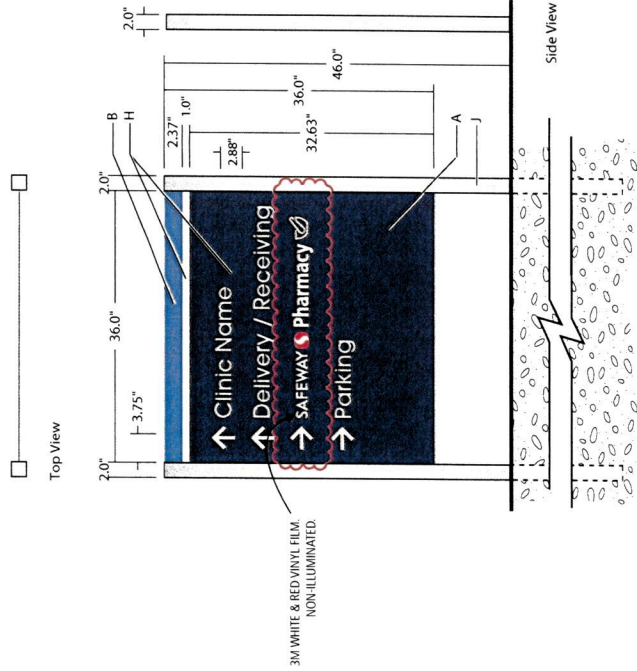
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California Title 24 Compliant



Sign B

POST & PANEL SIGNS :
SIGN TYPE : 2000



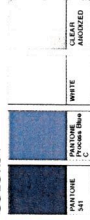
Front View

Scale: 3/4" = 1'-0"

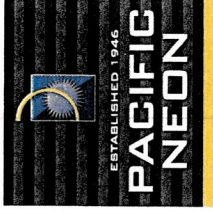
SPECIFICATIONS :

WIDTH	40.0"
HEIGHT	46.0"
PANEL THICKNESS	0.125"
SIGN MATERIAL	Painted Aluminum, Satin
TEXT	Vinyl / non-reflective
POSTS	2" square aluminum; Clear Anodized finish
MOUNTING	Direct burial in landscaping with poured in place concrete (VIF)
FONTS	Avant Garde BT / Medium
NOTES :	Double sided; no visible hardware; Permitting by contractor, if required.

COLORS :



MOUNTING DETAIL :



2939 Academy Way
Sacramento, California 95815
Tel 916.927.0527
Fax 916.927.2414
www.pacificneon.com

Project No: 13- 5898

Account Executive: Howard Herlitz

Project:

Safeway Pharmacy
Store# 4903

Address:
2710 Middlefield Road
Redwood City, CA

Drawn By: Bruce Heller

Date: 9/17/13

Revision:

ULL listed
This sign is manufactured in U.S. Specifications and will
bear the U.L. Label. The sign is intended to be installed
in accordance with the requirements of Article 600 of the
National Electrical Code and/or other applicable local codes.
This includes proper grounding and bonding of the sign.

Electrical Circuits

Customer to provide primary dedicated electrical circuit(s).
The sign is not to be connected to a standard 120V AC
circuit (No shared neutrals). Common ground to electrical
panel acceptable.

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**Safeway Pharmacy
Store# 4903**

Address:

**2710 Middlefield Road
Redwood City, CA**

Drawn By: Bruce Heller

Date: 9/17/13

Revision:

UL Listed
This sign has been designed to U.L. Specifications and will bear the U.L. Label(s). The sign is intended to be installed in accordance with the requirements of Article 600 of the National Electrical Code and/or other applicable local codes. This includes proper grounding and bonding of the sign.

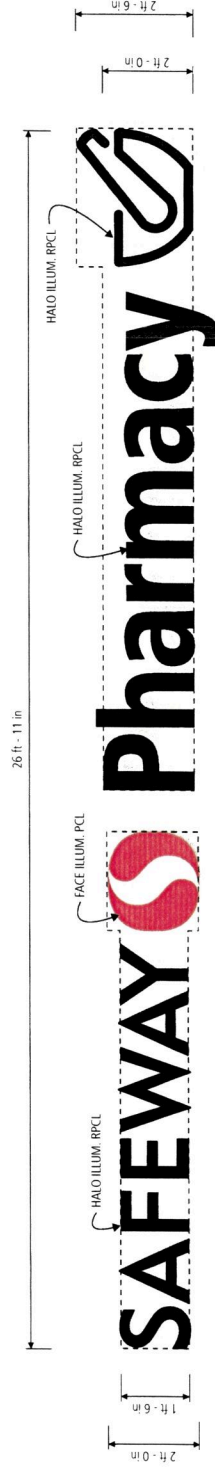
Electrical Circuits
Customer to provide primary dedicated electrical circuit(s) for this sign. The sign must be connected to a dedicated branch circuit. The branch circuit must be protected by a circuit breaker or fuse. The branch circuit must have a separate dedicated 120V complete circuit (No shared neutral). Common ground to electrical panel acceptable.

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California Title 24 Compliant

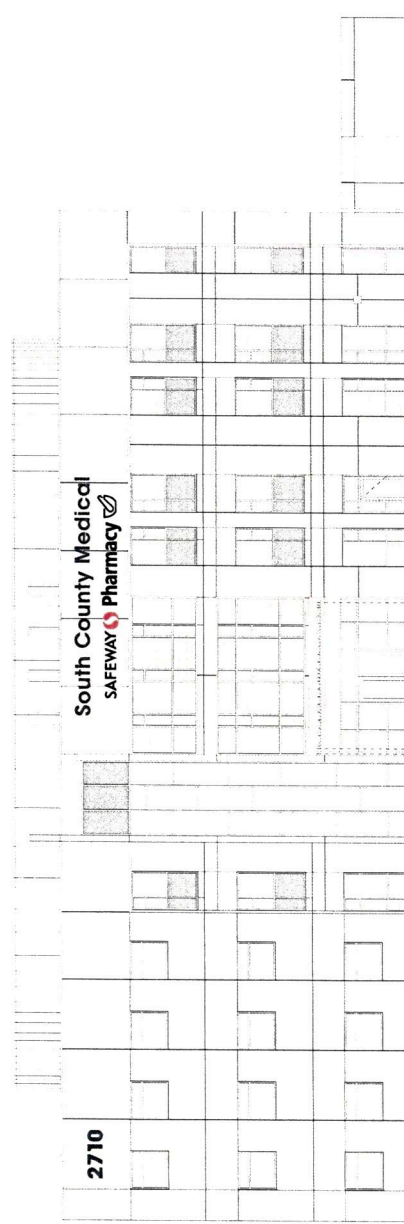
Sheet No.

3



Sign C | Halo Illum. Letters, Face Illum. Safeway Logo

Scale 3/8" = 1'-0" Sign Area 49 Sqft.



SCALE 1/16" = 1'-0"