

**SIXTH AMENDMENT TO MASTER FACILITY LEASE**

This Sixth Amendment to Master Facility Lease, dated as of [November] 1, 2018, between the SAN MATEO COUNTY JOINT POWERS FINANCING AUTHORITY, a joint exercise of powers authority, duly organized and existing pursuant to an Agreement entitled “Joint Exercise of Powers Agreement by and between the County of San Mateo and Community Development Commission of the County of San Mateo,” (herein called the “Authority”), as lessor, and the COUNTY OF SAN MATEO, a political subdivision organized and validly existing under the Constitution and laws of the State of California (herein called the “County”), as lessee;

**W I T N E S S E T H:**

WHEREAS, the County has leased certain real property and the improvements thereon to the Authority by a lease, entitled “Master Site Lease (San Mateo County Health Center)” and dated as of April 15, 1994 and recorded on May 18, 1994 in the office of the County Recorder of the County, under Recorder’s Serial No. 94089151, as amended by a First Amendment to Master Site Lease, dated as of April 1, 1995 and recorded on April 4, 1995 in the office of the County Recorder of the County under Recorder’s Serial No. 95-033034, a Second Amendment to Master Site Lease, dated as of December 1, 1997 and recorded on January 14, 1998 in the office of the County Recorder of the County under Recorder’s Serial No. 98-005126, a Third Amendment to Master Site Lease, dated as of January 1, 1999 and recorded on February 11, 1999 in the office of the County Recorder of the County under Recorder’s Serial No. 99-024505, a Fourth Amendment to Master Site Lease, dated as of September 1, 2001 and recorded on September 18, 2001 in the office of the County Recorder of the County under Recorder’s Serial No. 2001-146479, and a Fifth Amendment to Master Site Lease, dated as of July 1, 2013 and recorded on August 6, 2013 in the office of the County Recorder of the County under Recorder’s Serial No. 2013-113882; and

WHEREAS, this Sixth Amendment to Master Facility Lease is entered into to amend and supplement in certain respects a lease between the Authority and the County entitled “Master Facility Lease (San Mateo County Health Center),” dated as of April 15, 1994 and recorded on May 18, 1994 in the office of the County Recorder of the County, State of California, under Recorder’s Serial No. 94089152, as amended by the First Amendment to Master Facility Lease, dated as of April 1, 1995 and recorded on April 4, 1995 in the office of the County Recorder of the County, under Recorder’s Serial No. 95-033035, the Second Amendment to Master Facility Lease, dated as of December 1, 1997 and recorded on January 14, 1998 in the office of the County Recorder of the County, under Serial No. 98-005127, the Third Amendment to Master Facility Lease, dated as of January 1, 1999 and recorded on February 11, 1999 in the office of the County Recorder of the County under Serial No. 99-024506, the Fourth Amendment to Master Facility Lease, dated as of September 1, 2001 and recorded on September 18, 2001 in the office of the County Recorder of the County under Recorder’s Serial No. 2001-146480, the Fifth Amendment to Master Facility Lease, dated as of July 1, 2013 and recorded on August 6, 2013 in the office of the County Recorder of the County under Recorder’s Serial No. 2013-113883, and that Partial Release of Property, dated November 1, 2003 and recorded on November 17, 2003 under Recorder’s Serial No. 2003-325822 (herein together with all supplements and amendments thereto, collectively called the “Facility Lease”) and to add to the property leased pursuant to the Master Facility Lease certain additional real property on which County health facilities and an office building will be acquired, constructed and improved;

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE XVI

Lease Revenue Bonds (Capital Projects), 2018 Series A, Lease Revenue Bonds (Forward Refunding), 2019 Series A, Project Phase XII and Project Phase XIII

Section 16.01 Effective Date. This Sixth Amendment to Master Facility Lease shall become effective on the date of recordation of this instrument in the office of the County Recorder of the County, State of California, or on [December 1, 2018], whichever is earlier, and such date of commencement shall be hereinafter referred to as the “effective date” and on the effective date the additional real property hereby added to the Facility Lease and set forth in Exhibit A hereto, upon which Project Phase XIII is to be situated, shall be encumbered by the Facility Lease and references to Demised Premises in the Facility Lease shall include the real property described in Exhibit A and the property described in Exhibit D hereto, consisting of Project Phase IX shall be released from the Facility Lease and references to Demised Premises in the Facility Lease shall no longer include the real property description in Exhibit D.

Section 16.02 Additional Definitions. From and after the effective date of this instrument, the following new definitions shall be added to Section 1.01 of the Facility Lease, in alphabetical order, to read as follows:

“Project Phase XII

The term “Project Phase XII” means a Subsequent Phase of the Project consisting of the demolition of portions of the existing hospital and health facilities comprising portions of the Project [Phases I to IV] and construction of an approximately 70,000 square-foot Medical Center Administration Building and remodeling of other portions of the health facilities, together with demolition, site development, landscaping, utilities, fixtures, furnishings, equipment, relocation expenses, improvements and appurtenant and related facilities, all to be constructed on the Demised Premises pursuant to the Facility Lease.”

“Project Phase XIII

The term “Project Phase XIII” means a Subsequent Phase of the Project consisting of the [inclusion of the County’s regional operations center, a two-story 36,000 square-foot dispatch and emergency response center (identified as the Regional Operations Center for convenience) located at on the County’s main campus in Redwood City, California, in the Demised Premises pursuant to the Facility Lease].”

“Series 2018 Bonds

The term “Series 2018 Bonds” means the bonds issued by the Authority under and pursuant to the Trust Agreement and the Eighth Supplemental Trust Agreement, the proceeds of which will be applied to the acquisition, construction and equipping of the 2018 Capital Improvements and payment of capitalized interest on the Series 2018 Bonds.”

“Series 2019 Bonds

The term “Series 2019 Bonds” means the bonds issued by the Authority under and pursuant to the Trust Agreement and the Ninth Supplemental Trust Agreement, the proceeds of which will be applied to the refinancing of certain prior bonds of the Authority.”

“Sixth Amendment to Master Facility Lease

The term “Sixth Amendment to Master Facility Lease” means that Sixth Amendment to Master Facility Lease between the Authority and the County, dated as of [November] 1, 2018.”

“2018 Capital Improvements

The term “2018 Capital Improvements” means (a) Project Phase XII and (b) the construction of a four-story, approximately 200,000 square-foot County office building (identified as County Office Building #3 for convenience) to be located at the [corner of Middlefield Road and County Center Street] in Redwood City, California, including demolition, site development, landscaping, utilities, fixtures, furnishings, equipment, improvement and appurtenant and related facilities.”

Section 16.03 Amendment to Section 2.02. (a) From and after the effective date of this instrument, Section 2.02(a) of the Facility Lease is hereby amended to read as follows:

“(a) Term. The term of this Lease commenced on May 18, 1994, and shall end on the respective dates specified in Exhibit C hereto for the respective Project Phases, unless such term is extended or sooner terminated as hereinafter provided. If on the termination date, the Base Rental Payments and all other amounts then due hereunder with respect to the Project Phases related thereto, shall not be fully paid, or if the rental payable hereunder shall have been abated at any time and for any reason, then the term of this Lease with respect to such Project Phases shall be extended until the Base Rental Payments attributable to the respective Project Phases and all other amounts then due hereunder with respect to such Project Phases, shall be fully paid, except that the term of this Lease with respect to the related Project Phases shall in no event be extended beyond the maximum extension date for such Project

Phases identified in Exhibit C hereto. If prior to such date, the Base Rental Payments or all the Bonds payable therefrom and all other amounts then due hereunder, shall be fully paid, or provision therefor made, the term of this Lease shall end ten (10) days thereafter or upon written notice by the County to the Authority, whichever is earlier.”

(b) From and after the effective date of this instrument, there shall be added to Section 2.02 of the Facility Lease the following paragraphs, which shall read as follows:

“(l) Occupancy of Project Phase XII. It is contemplated that the County will take possession of Project Phase XII upon completion of construction thereof and during the construction and remodeling of Project Phase XII the rent payable with respect to Project Phases I-IV has been structured to account for the partial occupancy prior to the completion of Project Phase XII, and the County agrees there shall be no abatement of rent with respect to Project Phases I-IV and Project Phase XII prior to the expected substantial completion of Phase XII on [Phase XII Completion Date]. If Project Phase XII shall be substantially completed before the above date, the County shall take possession of Project Phase XII upon such substantial completion. If the Authority for any reason whatsoever, cannot deliver possession of Project Phase XII to the County by the respective date indicated above, this Lease shall not be void or voidable, nor shall the Authority be liable to the County for any loss or damage resulting therefrom; but in that event the rent payable hereunder with respect to Project Phase XII from such date shall be abated proportionally with respect to the incomplete portion of Project Phase XII from the period between the expected completion date of such Phase and the time when the Authority delivers possession.”

“(m) Occupancy of Project Phase XIII. It is contemplated that the County will take possession of Project Phase XIII upon completion of construction thereof on or before [Phase XIII Completion Date]. If Project Phase XIII shall be substantially completed before the above date, the County shall take possession of Project Phase XIII upon such substantial completion. If the Authority for any reason whatsoever, cannot deliver possession of Project Phase XIII to the County by the respective date indicated above, this Lease shall not be void or voidable, nor shall the Authority be liable to the County for any loss or damage resulting therefrom; but in that event the rent payable hereunder with respect to Project Phase XIII from such date shall be abated proportionally with respect to the incomplete portion of Project Phase XIII from the period between the expected completion date of such Phase and the time when the Authority delivers possession.”

Section 16.04 Amendment to Section 3.01. From and after the effective date of this instrument, Section 3.01 of the Facility Lease is hereby amended to read as follows:

“SECTION 3.01. Base Rental Payments. The County agrees to pay to the Authority, as Base Rental Payments for the use and occupancy of the Project and the Demised Premises (subject to the provisions of Sections 3.04, 3.06 and 7.01 of this Lease) annual rental payments, all in accordance with the Base Rental Payment Schedule attached hereto as Exhibit B and made a part hereof. Base Rental Payments shall be calculated on an annual basis, for the twelve (12) month periods commencing on July 15 and ending on July 14, except that the first Base Rental Payment Period shall commence on the date of recordation of this Lease or a memorandum thereof in the office of the County Recorder of the County and shall end on July 14, 1994. Base Rental Payments shall be made in two installments and each Base Rental Payment installment shall be payable on December 31 or June 30 immediately preceding its due date of the fifteenth day of January or July. Each annual payment of Base Rental shall be for the use of the Demised Premises and the Project following completion of construction of the Project or a Phase thereof for the twelve (12) month period commencing on July 15 of the period in which such installments are payable.

If the term of this Lease shall have been extended pursuant to Section 2.02 hereof, Base Rental Payment installments shall continue to be due on the fifteenth day of January and July in each year, and payable as hereinabove described, continuing to and including the date of termination of this Lease, in an amount equal to the amount of Base Rental payable for any twelve (12) month period. Upon such extension of this Lease, Base Rental Payments shall be established in an amount sufficient to pay all unpaid principal of and interest on the Bonds so extended.

The County agrees that all Base Rental Payments for Project Phases I, II, III, IV and XII shall be paid by the County first from amounts on deposit in the Supplemental Reimbursement Account established pursuant to Section 3.07 and then from other lawfully available funds of the County.

In connection with the issuance of the Series 2019 Bonds, the County will benefit from a reduction in Base Rental Payments associated with the refinancing from the proceeds of the Series 2019 Bonds and in order to assist such refinancing the County agrees to pay \$[\_\_\_\_\_] from the amount of Base Rental Payments otherwise payable on December 31, 2019 on the date of issuance of

the Series 2019 Bonds, such amount relating to Base Rental allocated to the payment of interest on the Bonds being refinanced.”

Section 16.05 Use of Proceeds of the Series 2018 Bonds and Series 2019 Bonds. The parties hereto agree that the proceeds of the Series 2018 Bonds will be used to finance the 2018 Capital Improvements and to pay capitalized interest on the Series 2018 Bonds, and the proceeds of the Series 2019 Bonds will be used by the Authority to refinance certain outstanding Bonds of the Authority. Proceeds of the Series 2018 Bonds and Series 2019 Bonds may also be used to fund a deposit to the Reserve Fund, if required, and to pay costs related thereto as specified in the Eighth Supplemental Trust Agreement and the Ninth Supplemental Trust Agreement, as applicable. For the purposes of the 2018 Capital Improvements, the Authority hereby appoints the County as its agent to design and construct such 2018 Capital Improvements and the County agrees to such appointment and agrees to cause the substantial completion of Project Phase XII by [Phase XII Completion Date] and to cause the substantial completion of the remaining 2018 Capital Improvements by [Office Building Completion Date]. The County covenants and agrees to proceed to design and construct the 2018 Capital Improvements from proceeds of the Series 2018 Bonds, with due diligence until completion. The County may amend Project Phase XII, Project Phase XIII and/or the 2018 Capital Improvements by delivering a certificate to the Authority and the County containing the amendment and certifying that such amendment does not adversely affect the exclusion from gross income of interest on the Bonds or the substantial completion schedule for Project Phase XII and Project Phase XIII; provided that the County may extend the completion schedule of Project Phase XII or Project Phase XIII if additional funds are provided for capitalized interest until the extended Completion Date.

Section 16.06 Increase to Base Rental Payments; Prepayment. From and after the effective date of this instrument, Exhibit B-1 attached to the Facility Lease, the Base Rental Payments, shall be amended and restated as set forth in Exhibit B-1 attached hereto. The Base Rental Payments set forth in Exhibit B-1 payable by the County hereunder in each Fiscal Year are at least equal to Debt Service, including Debt Service on the Series 2018 Bonds, in each Fiscal Year. The County may prepay Base Rental and cause a corresponding redemption of Bonds at the times and in the manner contemplated by the Trust Agreement. Upon defeasance of all or a portion of the San Mateo County Joint Powers Financing Authority Lease Revenue Bonds (Capital Projects), 2009 Refunding Series A, Base Rental Payments of the Bonds will be reduced as set forth in Exhibit B-2 hereto.

Section 16.07 Project Phase IX and Release of North County Satellite Health Clinic. On the effective date, the portion of the Demised Premises known as Project Phase IX or North County Satellite Health Clinic (as further described in Exhibit D hereto) shall be released pursuant to the provisions set forth in the Master Facility Lease as no portion of the Base Rental Payments related to the North County Satellite Health Clinic and no debt service on the outstanding Bonds related to the North County Satellite Health Clinic remain to be paid, thereby a release of such portion of the Demised Premises and Project is appropriate and North County Satellite Health Clinic vests in the County free of the Facility Lease and the Site Lease. All other conditions related to the release of property hereunder and under the Site Lease have been satisfied.

Section 16.08 Title Insurance. The County shall obtain upon the execution and delivery of this Sixth Amendment to Master Facility Lease policies of title insurance or supplements to

existing policies on the Demised Premises issued by a company of recognized standing duly authorized to issue the same, subject only to Permitted Encumbrances. Proceeds of such insurance shall be delivered to the Trustee as a prepayment of rent pursuant to Section 7.02 of the Facility Lease and shall be applied by the Trustee to the redemption of Bonds pursuant to Section 4.01, Section 54.01 and Section 60.01 of the Trust Agreement.

Section 16.09 Continuing Disclosure. The County hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of this Lease, failure of the County to comply with the Continuing Disclosure Agreement shall not be considered an event of default hereunder; however, the Trustee may (and, at the request of any Participating Underwriter (as defined in the Continuing Disclosure Agreement) or the Owners of at least 25% aggregate principal amount of Bonds Outstanding and provided satisfactory indemnification is provided to the Trustee, shall) or any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to compel the County to comply with its obligations under this Section 16.09.

Section 16.10 Trust Agreement. The parties hereto acknowledge that the County is a third-party beneficiary to the Trust Agreement, and the Authority hereby agrees that during the term of the Facility Lease and provided the County is not in default hereunder, it will not amend the Trust Agreement in any manner materially adverse to the interests of the County.

Section 16.11 Facility Lease in Full Force and Effect. Except as in this Sixth Amendment to Master Facility Lease expressly provided, the Facility Lease shall continue in full force and effect in accordance with the terms and provisions thereof, as amended and supplemented hereby.

Section 16.12 Execution in Counterparts. This Sixth Amendment to Master Facility Lease may be executed in any number of counterparts, each of which shall be deemed to be an original, but all together shall constitute but one and the same Sixth Amendment to Master Facility Lease. It is also agreed that separate counterparts of this Sixth Amendment to Master Facility Lease may separately be executed by the Authority and the County, all with the same force and effect as though the same counterpart had been executed by both the Authority and the County.

IN WITNESS WHEREOF, the Authority and the County have caused this Sixth Amendment to Master Facility Lease to be executed by their respective officers thereunto duly authorized, all as of the day and year first above written.

SAN MATEO COUNTY JOINT POWERS  
FINANCING AUTHORITY,  
as Lessor

By

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Paul T. Scannell  
President

COUNTY OF SAN MATEO,  
as Lessee

By

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Roberto Manchia  
Budget Director

**EXHIBIT A**

Addition to Demised Premises

Project Phase XIII

(Regional Operations Center, San Mateo County, California)

All that certain real property situated in the County of San Mateo, State of California, described as follows.

[To come]

**EXHIBIT B-1**

Semi-Annual Base Rental Payment Schedule – Phases I through IV, VIII and X through XIII

[To come]

**EXHIBIT B-2**

Semi-Annual Base Rental Payment Schedule – Phases I through IV, VIII and X through XIII, upon Defeasance of Series 2009 Bonds

[To come]

**EXHIBIT C**

Lease Terms of Project Phases

Project Phase	Term	Maximum Extension
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**EXHIBIT D**

Released Property from Demised Premises

The following property is released and discharged from the lease:

(North County Satellite Health Clinic Legal Description)

[To come]

[INSERT NOTARY FORMS]

**CONSENT OF TRUSTEE**

The undersigned, as trustee under the Trust Agreement dated as of April 15, 1994, as amended, between the San Mateo County Joint Powers Financing Authority (the “Authority”) and the trustee hereby acknowledges and consents to the execution and delivery of the Sixth Amendment to Master Facility Lease dated as of [November] 1, 2018, between the Authority and the County of San Mateo (the “County”) relating to the Master Facility Lease (San Mateo County Health Center) dated as of April 15, 1994, between the Authority and the County.

U.S. BANK NATIONAL ASSOCIATION,  
as Trustee

By

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Authorized Officer

Recording requested by  
and return to:

COUNTY OF SAN MATEO  
c/o Orrick, Herrington & Sutcliffe  
The Orrick Building  
405 Howard Street  
San Francisco, California 94105  
Attention: Lauren Herrera, Esq.

Exempt from Recording Fee Pursuant to  
Government Code Section 6103

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SIXTH AMENDMENT TO MASTER FACILITY LEASE

by and between

SAN MATEO COUNTY JOINT POWERS FINANCING AUTHORITY

and the

COUNTY OF SAN MATEO

Dated as of [November] 1, 2018

(Amending the Master Facility Lease (San Mateo County  
Health Center) dated as of April 15, 1994)

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