

**LEASE AGREEMENT
(Homeless Shelter)**

By and Between

CITY OF REDWOOD CITY,
a California municipal corporation
("Landlord")

and

COUNTY OF SAN MATEO,
a political subdivision of the State of California
("Tenant")

Dated: _____, 2020

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<u>Attachment 3</u>	Form of Memorandum of Lease

**LEASE AGREEMENT
(Homeless Shelter)**

BASIC LEASE INFORMATION

1. **“Landlord”** **City of Redwood City**

Attn: City Manager
1017 Middlefield Road
Redwood City, CA 94063
Tel: (650) 780-7200

With a copy to: City of Redwood City
Attn: City Attorney
1017 Middlefield Road
Redwood City, CA 94063
Tel: (650) 780-7200

2. **“Tenant”** **County of San Mateo**

Don Grady
Real Property Manager
San Mateo County
555 County Center, 4th Floor
Redwood City, CA 94063
(650) 363-4047

With a copy to:

Justin W. Mates
Deputy County Manager
San Mateo County
400 County Center, First Floor
Redwood City, CA 94063
(650) 363-4136

3. **“Effective Date”** The Effective Date shall be the Closing date for Landlord’s acquisition of the Property from Tenant, evidenced by the date of recordation of the Grant Deed vesting title to the Property in Landlord.
4. **“Premises”** The Premises are defined as the buildings, temporary portable buildings, 22 parking spaces, open space and common areas located on the Property (defined below), commonly referred to as 1580 Maple Street, Redwood City, California, highlighted and shown as “County Lease Area” in Attachment 1 attached hereto, and incorporated herein by reference.

5. **“Property”** That certain real property located at 1580 Maple Street, in the City of Redwood City, State of California, consisting of approximately 2.00 acres, designated as San Mateo County Assessor’s Parcel Number 052-532-020, as shown and legally described on Attachment 2, attached hereto and incorporated herein by reference.

6. **“Permitted Uses”** The Premises shall be used as a homeless shelter, including ancillary County office use and provision of associated services, consistent with Tenant’s existing use immediately preceding the Commencement Date defined below. See also Section 10 below.

7. **“Initial Term”** The Initial Term shall commence upon the Effective Date which shall be the date on which title to the Property vests in Landlord, (**“Commencement Date”**) and shall continue until June 30, 2022. (**“Expiration Date”**).

8. **“Base Rent”** There will be no Base Rent payable for the Initial Term. If Tenant remains in possession of the Premises after the Expiration Date without Landlord’s express written consent, the Base Rent shall be as set forth in Section 18.9.2.

9. **“Security Deposit”** N/A

The Basic Lease Information set forth above and the Attachments and Exhibits attached hereto are incorporated into and made a part of the following Lease. In the event of any conflict between the Basic Lease Information and terms of the Lease, the terms of the Lease shall control.

LANDLORD'S INITIALS_____

TENANT'S INITIALS_____

LEASE AGREEMENT (Homeless Shelter)

This Lease Agreement ("**Lease**") is made and entered into as of the effective date specified in Section 3 of the Basic Lease Information above ("**Effective Date**"), by and between the City of Redwood City, a California municipal corporation ("**Landlord**"), and the COUNTY OF SAN MATEO, a political subdivision of the State of California ("**Tenant**").

1. PREMISES.

1.1 Premises. Landlord hereby leases to Tenant, and Tenant leases from Landlord, the Premises, including without limitation the Improvements. The parties acknowledge that a number of modular units used by Tenant to temporarily increase the capacity of Tenant's homeless shelter during the COVID-19 pandemic are located on the 1580A Maple parking lot portion of the Property (the "**Modular Unit License Area**"). Landlord hereby grants Tenant a non-exclusive license for Tenant's temporary use of the Modular Unit License Area, which shall consist of that portion of the Property not included in the Premises. Tenant at its expense agrees to relocate the affected homeless clients and remove said modular units from the Modular Unit License Area on or before September 1, 2020, or such later date as Landlord may agree in writing. Promptly following completion of such actions, Tenant shall notify Landlord in writing that such actions have been accomplished.

1.2 Landlord's Reserved Rights. Landlord reserves the right to enter the Property or the Premises upon reasonable notice to Tenant (except that advance notice shall not be required in case of an emergency) for the following purposes) (i) to inspect the condition of the Property or the Premises; (ii) to ascertain the performance by Tenant of the terms and conditions hereof; (iii) to respond to an emergency at the Property; (iv) to maintain, inspect and repair the Premises to the extent required or permitted under this Lease; (v) to post notices of non-responsibility for alterations, additions or repairs undertaken by Tenant; and (vi) to perform any other right or duty of Landlord under this Lease. Landlord may exercise this right of entry without any abatement of Rent to Tenant for any loss of occupancy or quiet enjoyment of the Premises.

2. TERM.

2.1 Term. The "**Initial Term**" of this Lease shall be as set forth in Section 7 of the Basic Lease Information. The Initial Term shall commence as of the Commencement Date set forth in Section 7 of the Basic Lease Information and expire on the Expiration Date set forth in Section 7 of the Basic Lease Information. The Initial Term, together with any extension or renewal term(s), are collectively referred to herein as the "**Term**."

2.2 Early Termination. Notwithstanding the Initial Term described in Section 2.1 above, Tenant may, in its sole option, elect to terminate this Lease before the Expiration Date at any time pursuant to this Section 2.2 (the "**Early Termination Option**"). Tenant may exercise the Early Termination Option at any time with at least 30 days written notice to Landlord as otherwise provided in this Lease, which specifically says it is an "Early Termination Notice Under Lease" and identifies an early termination date which is at least 30 days after the effectiveness of the written notice as otherwise provided in this Lease. No such early termination will relieve Tenant of any obligation accruing before the early termination date or

which would otherwise survive expiration or termination of the Lease or result in a reduction or abatement of any Rent otherwise due.

3. RENT.

3.1 Base Rent, Rent. All Rent under this Lease shall commence as of the Commencement Date. Rent shall be paid as set forth in this Section. Tenant shall pay to Landlord, at Landlord's address designated in Section 1 of the Basic Lease Information, or at such other address as Landlord may designate in writing to Tenant for the payment of Rent, the Base Rent designated in Section 8 of the Basic Lease Information, without notice, demand, offset or deduction, in advance, on the first day of each month of the Term. The term "**Rent**" means the Base Rent and all Additional Rent payable as provided in Section 3.2 below.

3.1.1 Application of Payments. All payments received by Landlord from Tenant shall be applied to the oldest obligation owed by Tenant to Landlord. No designation by Tenant, either in a separate writing, on a check or money order, or otherwise shall modify this clause or have any force or effect.

3.1.2 Interest. All delinquent amounts shall bear interest from the date such amount was due until paid in full at a rate per annum ("**Applicable Interest Rate**") equal to the lesser of (a) the maximum interest rate permitted by Law or (b) five percent (5%) above the rate publicly announced by Bank of America, N.A. (or if Bank of America, N.A. ceases to exist, the largest bank then headquartered in the State of California) ("**Bank**") as its "**Reference Rate.**" If the use of the announced Reference Rate is discontinued by the Bank, then the term Reference Rate shall mean the announced rate charged by the Bank which is, from time to time, substituted for the Reference Rate. Landlord and Tenant recognize that the damage which Landlord shall suffer as a result of Tenant's failure to pay such amounts is difficult to ascertain and said interest amount is the best estimate of the damage which Landlord shall suffer in the event of late payment. Landlord's acceptance of late Rent and partial Rent and late charges (if any) does not equate with a waiver of Tenant's default with respect to the overdue amount, or prevent Landlord from exercising any rights and remedies available under this Lease and/or by operation of Law.

3.2 Additional Rent. In addition to paying any Base Rent that may be payable hereunder, Tenant shall pay as "**Additional Rent**" any Taxes as provided in Section 5 and any other amounts of any kind that become due or payable by Tenant to Landlord under the terms of this Lease. All amounts due under this Section 3.2 as Additional Rent (if any) are payable within thirty (30) days of Landlord's written invoice to Tenant. Tenant's obligation to pay Rent under this Lease survives the Term to the extent such obligation has not been fulfilled during the Term. In addition, Landlord reserves the right to charge Tenant and Tenant shall pay for any Utilities as described in Section 4 not directly paid by Tenant to the utility company.

4. UTILITIES.

4.1 Tenant Utility and Service Costs. Tenant, at Tenant's sole cost and expense, shall be responsible and directly contract and pay for any and all utilities and services required or desired by Tenant in connection with its use or occupancy of the Premises, including: (i) heat and air conditioning; (ii) water; (iii) gas, if applicable; (iv) elevator or lift service, if any; (v) electricity; (vi) telephone, computer and communications; (vii) trash pick-up; and (viii) any other materials, services, or utilities (individually and collectively, the "**Services**"). To the extent

Landlord or any entity acting through or on behalf of Landlord in connection with its use of other portions of the Property uses utilities which are jointly metered with utilities serving the Premises, Landlord shall reimburse Tenant (without markup) for Landlord's fair share of such utility charges, as determined by Tenant by comparing any increase in utility costs with an average of the prior six months of utility costs for the Property. **Conservation and Use Policies**. Tenant, at its expense, shall comply with federal, state, or local governmental controls, rules, regulations, or restrictions on the use or consumption of energy or other utilities during the Term.

4.2 No Furnished Services. Landlord shall have no obligation to provide any Services to the Premises. Notwithstanding the foregoing, if Landlord, in Landlord's sole discretion, and with the agreement by Tenant, elects to provide Services, Tenant shall pay to Landlord upon demand the cost of any and all Services furnished to Tenant; the cost of installing, maintaining and repairing equipment and/or facilities for the delivery of such Services, if any; and any cost incurred by Landlord in keeping account of or determining such Services in accordance with rates established by Landlord, and Landlord may discontinue such Services upon thirty (30) days prior written notice to Tenant. Landlord, at its election, may cause an electrical or water meter (including, without limitation, any additional wiring, conduit or panel required therefor) to be installed (and Tenant shall pay to Landlord upon demand the cost therefor) to measure use of Services consumed by Tenant.

4.3 Exculpation of Liability. Landlord is not obligated to furnish any security patrol or any other Services to Tenant, and shall not be liable for any loss or damage suffered by Tenant or others, by reason of Landlord's failure to furnish or election to discontinue providing any security patrol or any of the Services. Landlord makes no representation with respect to the presence, adequacy or fitness of the heating, air conditioning or ventilation equipment on or about the Premises to maintain temperatures which may be required for, or because of, any equipment of Tenant. The exculpation of liability under this Section 4.3 shall not apply to the extent claims are caused by Landlord's sole or active negligence or willful misconduct.

5. TAXES

5.1 Taxes. As used in this Lease "**Taxes**" means Property Taxes, Possessory Interest Taxes and Personal Taxes (if any). Tenant's obligations for Taxes for the last full or partial year of the Term and for any prior unpaid Taxes shall survive the expiration or earlier termination of this Lease.

5.2 Property Taxes. Although no Property Taxes are currently assessed, in the event they are assessed, whether due to a change in ownership or otherwise, Tenant shall pay such Property Taxes pursuant to Section 5.5 below. "**Property Taxes**" means and includes all of the following: all real property taxes, public infrastructure improvement assessments or any other assessments, levies, fees, exactions or charges, general and special, ordinary and extraordinary, unforeseen as well as foreseen (including fees "in lieu" of any such tax or assessment) which are assessed, levied, charged, conferred or imposed by any public authority upon the Property) or its operations, together with all taxes, assessments or other fees imposed by any public authority upon or measured by any Rent or other charges payable hereunder, including any gross receipts tax or excise tax levied by any governmental authority with respect to receipt of rental income, or upon, with respect to or by reason of the development, possession, leasing, operation, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises or any portion thereof, together with any tax imposed in substitution,

partially or totally, of any tax previously included within the aforesaid definition or any additional tax the nature of which was previously included within the aforesaid definition. Nothing contained in this Lease shall require Tenant to pay any franchise, corporate, estate or inheritance tax of Landlord, or any income, profits or revenue tax or charge upon the net income of Landlord. Landlord shall deliver to Tenant copies of the assessment and tax bill from the applicable taxing authority.

5.3 Possessory Interest Taxes. This Lease may create a possessory property interest in Tenant. Tenant's property interest may be subject to property taxation, and Tenant or the party in whom the possessory interest is vested shall be responsible for payment of any and all property taxes levied on the interest (collectively, "**Possessory Interest Taxes**").

5.4 Personal Taxes. In the event any personal property on or about the Premises becomes subject to taxation, Tenant shall pay directly to the taxing authority all taxes and assessments levied upon the trade fixtures, alterations, additions, improvements, partitions, cabling, wiring, furniture, equipment, inventories and other personal property located and/or installed on the Premises by or on behalf of Tenant (individually and collectively "**Tenant's Property**") and Improvements (collectively, "**Personal Taxes**").

5.5 Payment of Taxes. Tenant shall pay all Taxes (if any) prior to delinquency. To the extent any such taxes are not separately assessed or billed to Tenant by the taxing authority, Landlord shall deliver to Tenant copies of the assessment and tax bill. Tenant shall pay such amount directly to the taxing authority no later than ten (10) business days prior to the date on which such Taxes are due. Should Tenant fail to pay its Taxes, Landlord may elect to do so on Tenant's behalf within five (5) days of Landlord's demand therefor. Tenant shall reimburse Landlord for such Taxes and any penalties and fines, together with interest at the Applicable Interest Rate, from the date Landlord tendered payment.

6. INSURANCE.

6.1 Tenant. Tenant shall, at Tenant's expense, obtain and keep in force at all times during the Term the following "**Tenant's Insurance**," and shall be liable for all premiums, deductibles, and self-insured amounts, if any, in connection therewith.

6.1.1 Commercial General Liability Insurance. A policy of commercial general liability insurance (occurrence form) having a combined single limit of not less than Two Million Dollars (\$2,000,000) per occurrence and Two Million Dollars (\$2,000,000) annual aggregate, providing coverage for, among other things, blanket contractual liability (including Tenant's indemnification obligations under this Lease), premises liability, products and completed operations liability, owner's protective coverage, broad form property damage, and bodily injury (including wrongful death). If necessary, Tenant shall provide for restoration of the aggregate limit.

6.1.2 Automobile Liability Insurance. Comprehensive automobile liability insurance having a combined single limit of not less than Two Million Dollars (\$2,000,000) per occurrence and insuring Tenant against liability for claims arising out of the ownership, maintenance, or use of any owned, hired, or non-owned automobiles.

6.1.3 Property Insurance—Improvements. A policy of Standard Fire and Extended Coverage Insurance, with vandalism and malicious mischief endorsements, to the extent of at least full replacement value for the Improvements (including Alterations). The

insurance policy shall be issued in the names of Landlord and Tenant, as their interests appear. Tenant shall use the proceeds from any such policy to restore the Improvements, unless this Lease is terminated as herein permitted, in which case the insurance proceeds shall be made payable to and be retained by Landlord.

6.1.4 Property Insurance—Tenant's Personal Property. "All risk" property insurance including fire and extended coverage, sprinkler leakage, vandalism and malicious mischief coverage, covering damage to or loss of any portion of Tenant's Personal Property (and any Alterations which constitute personal property under applicable Law), in an amount not less than the full replacement cost thereof.

6.1.5 Workers' Compensation and Employer's Liability Insurance. Workers' compensation insurance, if required by Law, which complies with all applicable state statutes and regulatory requirements, and employer's liability insurance coverage in statutory amounts.

6.1.6 Other Insurance. Any other form or forms of insurance as Landlord or the mortgagees of Landlord may reasonably require from time to time, in form, amounts and for insurance risks against which a prudent tenant would protect itself, but only to the extent such risks and amounts are available in the insurance market at commercially reasonable costs.

6.2 General.

6.2.1 Insurance Companies. Tenant's Insurance shall be written by companies licensed to do business in California and having a "General Policyholders Rating" of at least A-VII (or such higher rating as may be required by a lender having a lien on the Premises) as set forth in the most current issue of "Best's Insurance Guide." Alternatively, Tenant may elect to self-insure, jointly-insure, or maintain insurance or an insurance equivalent (including, but not limited to, that offered to a county through and by a joint powers authority, a self insurance pool of liability coverage authorized pursuant to California Government Code section 6500, or similar collective)

6.2.2 Certificates of Insurance. Tenant shall deliver to Landlord certificates of insurance for Tenant's Insurance, in the form of the ACORD standard certificate of insurance, prior to the Commencement Date. Tenant shall, at least thirty (30) days prior to expiration of the policy, furnish Landlord with certificates of renewal or "binders" thereof. Each certificate shall expressly provide that such policies shall not be cancelable or otherwise subject to modification except after thirty (30) days' prior written notice to the parties named as additional insureds as required in this Lease. If Tenant fails to maintain any insurance required in this Lease, Tenant shall be liable for all losses and costs resulting from said failure.

6.2.3 Additional Insureds. Landlord and any property management company of Landlord for the Premises shall be named as additional insureds on the commercial general liability policy required by Section 6.1.1 above. An additional insured endorsement naming such parties as additional insured(s) shall be attached to the certificate of insurance.

6.2.4 Primary Coverage. Tenant's Insurance shall be primary, without right of contribution from any insurance, self-insurance or joint self-insurance which Landlord may, in its sole discretion, elect to maintain ("**Landlord's Insurance**").

6.2.5 Umbrella/Excess Insurance. Any umbrella liability policy or excess liability policy shall provide that if the underlying aggregate is exhausted, the excess coverage

will drop down as primary insurance. The limits of Tenant's Insurance shall not limit Tenant's liability under this Lease.

6.2.6 Waiver of Subrogation. Tenant waives any right to recover against Landlord for claims for damages to Tenant's Property or any Improvements to the extent covered (or required by this Lease to be covered) by Tenant's Insurance. This provision is intended to waive fully, and for the benefit of Landlord, any rights and/or claims which might give rise to a right of subrogation in favor of any insurance carrier. The coverage obtained by Tenant pursuant to this Lease shall include a waiver of subrogation endorsement attached to the certificate of insurance.

6.2.7 Notification of Incidents. Tenant shall notify Landlord within twenty-four (24) hours after the occurrence of any accident or incident on or about the Property or any portion thereof which could give rise to a claim against Landlord, Landlord's Insurance, Tenant, or Tenant's Insurance, except that Tenant shall not be obligated to give Landlord notice of any accident or incident which could give rise to a claim under Tenant's workers' compensation insurance. Tenant's notice shall be accompanied by a copy of any report(s) relating to the accident or incident.

6.2.8 Compliance with Insurance Requirements. Tenant shall not do anything in the Premises, or bring or keep anything therein, or subject the Property or any portion thereof to any use which would damage the same or increase the risk of loss or fire, or violate Landlord's Insurance, or Tenant's Insurance, or which shall conflict with the regulations of the fire department or any Laws or with any insurance policy on the Premises or any part thereof, or with any rules or regulation established by any administrative body or official having jurisdiction. Tenant shall promptly comply with the reasonable requirements of any board of fire insurance underwriters or other similar body now or hereafter constituted.

6.2.9 Tenant Self-Insured. Notwithstanding the provisions of this Section 6, Landlord accepts Tenant's self-insured coverage as satisfying the provisions of this Section.

7. INDEMNITY; LIABILITY EXEMPTION.

7.1 Indemnity. Except to the extent claims are caused by Landlord's sole negligence or willful misconduct, Tenant shall indemnify, protect, defend, and hold harmless Landlord and its elected officials, officers, employees, volunteers, lenders, agents, representatives, contractors and each of their successors and assigns (together, "**Landlord Parties**") from and against any and all claims, judgments, causes of action, damages, penalties, costs, liabilities, and expenses, including all costs, attorneys' fees, expenses and liabilities incurred in the defense of any such claim or any action or proceeding brought thereon (together, "**Claims**"), arising at any time during or after the Term as a result (directly or indirectly) of or in connection with (i) any default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease; (ii) Tenant's or Tenant's Parties use of the Premises, the conduct of Tenant's business or any activity, work or thing done, permitted or suffered by Tenant or Tenant's Parties in or about the Premises or the Property; or (iii) any act, error or omission of Tenant or Tenant's Parties in or about the Property or any portion thereof (collectively, the "**Indemnification**"). Without limiting the foregoing, Tenant shall indemnify, protect, defend, and hold harmless Landlord and the other Landlord Parties from and against any and all Claims which arise from or relate in any manner to the relocation of any person(s), business(es), or other occupant(s) located on within, on, or about, the Premises

following the full or partial termination or expiration of Tenant's leasehold interest in the Premises (collectively, "**Relocation Claims**") under Government Code sections 7260 et seq. or any federal laws ("**Relocation Assistance Law**").

7.2 Exemption of Landlord from Liability. Tenant, as a material part of the consideration to Landlord, hereby assumes all risk of damage to property including, but not limited to, Tenant's Property and Improvements, and injury to or death of persons in, upon or about the Premises, arising from any cause, and Tenant hereby waives all claims in respect thereof against Landlord, except to the extent such claims are caused by Landlord's sole negligence or willful misconduct. For purposes of this Section 7.2, "Landlord" shall include any person or entity acting through or on behalf of Landlord. Tenant hereby agrees that Landlord shall not be liable for injury to Tenant's business or any loss of income therefrom or for damage to the property of Tenant, or injury to or death of Tenant, Tenant's Parties or any other person in or about the Premises or the Property, whether such damage or injury is caused by fire, steam, electricity, gas, water or rain, or from the breakage, leakage or other defects of sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures, or from any other cause, whether said damage or injury results from conditions arising within or about the Premises or the Property or from other sources or places, and regardless of whether the cause of such damage or injury or the means of repairing the same is inaccessible to Tenant, except damage or injury caused solely by Landlord's sole negligence or willful misconduct. Landlord shall not be liable for any damages arising from any act or neglect of any other tenant or occupant, if any, of the Property or Landlord's failure to enforce the terms of any agreements with parties other than Tenant.

8. REPAIRS AND MAINTENANCE.

8.1 Landlord's Obligations. The Premises are being leased to Tenant in their current, existing, "AS-IS" condition. It is specifically understood and agreed that Landlord has no obligation and has made no promises to alter, remodel, improve, decorate or paint the Premises, construct or install any Improvements, or otherwise alter or improve the Premises, Property, or any portion thereof. As Tenant owned and occupied the Premises and Property prior to the Effective Date, Tenant is extremely familiar with the existing condition of the Premises and Improvements, and acknowledges that Landlord has made no representation or warranty regarding the condition thereof.

8.1.1 Tenant's Waiver. Notwithstanding anything in this Lease to the contrary, whether stated or implied in this Lease, Tenant waives and releases its rights, including its right to make repairs at Landlord's expense, under California Civil Code sections 1932(1), 1941, and 1942 or any similar Laws.

8.2 Tenant's Obligations. Tenant, at its expense, shall maintain the Premises and Improvements in good order, condition and repair, including without limitation all structural and non-structural components thereof, the roof (including structural portions of the roof), foundation, exterior and interior walls (including structural and load-bearing portions), interior floor surfaces and floor coverings, interior walls and wall coverings, paintings, glass, doors, signs, plumbing, heating, ventilation, landscaping, driveways and parking areas, air conditioning and electrical systems regardless of when or by whom installed, and any items required for compliance with applicable Laws. Under no circumstances shall Tenant maintain the Premises to a lesser standard than it did so prior to the Effective Date.

9. ALTERATIONS.

9.1 Alterations. Subject to the conditions and requirements of this Section 9, Tenant may make alterations, additions or improvements, including without limitation necessary utility installations, trade fixtures, signs, equipment and furniture in the Premises, provided that such items are installed and are removable without structural or material damage to the Premises and Improvements. For purposes of this Lease, "**trade fixtures**" means specialty fixtures or equipment used in Tenant's homeless service operations. Tenant shall not construct, or allow to be constructed, any alterations, physical additions, or improvements in, about, or to the Premises without the prior written consent of Landlord, which shall not be unreasonably withheld. If Landlord approves proposed alterations, additions or improvements, Landlord's consent may be conditioned upon Tenant's establishing compliance with Laws and with Landlord's reasonable requirements regarding selection of contractors and construction of improvements and alterations. Should Tenant make any alterations, additions, improvements without the prior written consent of Landlord, Landlord may, at any time during the Term of this Lease, require Tenant to remove any or all of the same and restore the Premises to their prior condition, at Tenant's sole cost and expense. The term "**Alterations**" shall mean any modification of the Improvements (including without limitation new utility installations and trade fixtures), from and after the Effective Date.

9.2 Standard of Work. All work to be performed by or on behalf of Tenant shall be performed diligently and in a commercially reasonable, workmanlike manner, and in compliance with all applicable Laws and all insurance carrier requirements. Landlord shall have the right, but not the obligation, to periodically inspect such work and may require changes in the method or quality thereof.

9.3 Damage; Removal. Tenant shall repair all damage to the Premises, Improvements and any portions thereof caused by the installation or removal of Tenant's trade fixtures or other work performed by or on behalf of Tenant, or Tenant's operations on the Premises, if requested by Landlord. Upon the expiration or other termination of this Lease, and upon request by Landlord, Tenant shall remove Tenant's trade fixtures and other improvements, alterations and additions, and all personal property (including without limitation all personal property of any homeless shelter residents) and restore the Premises to their condition existing prior to the construction or installation of any such items and perform any closure work, investigation and environmental remedial work required by the presence or suspected presence of any Hazardous Materials under Hazardous Materials Laws (as hereinafter defined) or by any other applicable Laws. Notwithstanding the foregoing, at Landlord's election, all improvements, alterations and additions, and all personal property remaining on the Premises on expiration or other termination of the Lease shall be and become the property of Landlord, and Landlord may dispose of them in any manner it elects at its sole discretion. All such removals and restoration shall be accomplished in a good and workmanlike manner so as not to cause any damage to the Premises or the Property whatsoever and in strict accordance with all applicable Laws.

9.4 Liens. Tenant shall promptly pay and discharge all claims for labor performed, supplies furnished and services rendered at the request of Tenant and shall keep the Premises and Property and all portions thereof free of all mechanics' and materialmen's liens in connection therewith. Tenant shall provide at least ten (10) business days' prior written notice to Landlord before any labor is performed, supplies furnished or services rendered on or at the Premises and Landlord shall have the right to post on the Premises notices of non-responsibility. If any lien is filed, Tenant shall cause such lien to be released and removed

within ten (10) days after the date of filing, and if Tenant fails to do so, Landlord may take such action as may be necessary to remove such lien, without the duty to investigate the validity of it, and Tenant shall pay Landlord such amounts expended by Landlord together with interest thereon, at the Applicable Interest Rate, from the date of expenditure.

9.5 Bonds. Landlord may require Tenant to provide Landlord, at Tenant's sole cost and expense, lien, performance, and payment completion bonds in an amount equal to one and one-half times the estimated cost of any alterations, additions, or improvements to insure Landlord, the Premises and the Property against any liability for mechanic's and materialmen's liens, and to ensure completion of the work and payment of any contractors or subcontractors.

10. USE.

10.1 Usage. The Premises shall be used only for the permitted uses set forth in Section 6 of the Basic Lease Information and for no other purpose without the prior written consent of Landlord, which Landlord may decline, delay or condition for any reason whatsoever in Landlord's sole discretion. Tenant acknowledges that neither Landlord nor any of Landlord's agents has made any representation or warranty with regard to the Premises, Improvements, or the Property with respect to their suitability for the conduct of Tenant's homeless services operations. Tenant's execution of this Lease and continued use of the Premises hereunder shall conclusively establish that the foregoing were at such time in satisfactory condition. Tenant, at Tenant's expense, shall comply with all applicable Hazardous Materials Laws, statutes, laws, codes, rules, orders, zoning, ordinances, directions, regulations, regulations, permits, or other requirements of federal, state, county, municipal, or other governmental authorities having jurisdiction, now in force or which may hereafter be in force (individually "**Law**" and collectively "**Laws**"), which shall impose any duty upon Landlord or Tenant with respect to the use, occupancy, or alteration of the Premises. Tenant shall be responsible for obtaining any permit or license required by any governmental agency permitting Tenant's use of the Premises. Landlord makes no representation concerning the availability of any permits or approvals required or permitted under this Lease. Tenant shall comply with the additional requirements specified in Section 19 below ("**Additional Requirements**"), together with such reasonable additional requirements as Landlord may from time to time prescribe. Tenant shall not commit waste; overload the floors or structure of the Improvements; permit any unreasonable odors, smoke, dust, gas, substances, noise, or vibrations to emanate from the Premises that are offensive or objectionable to Landlord or nearby property owners or occupants; take any action which would constitute a nuisance or would disturb, obstruct, or endanger Landlord or nearby property owners or occupants; take any action which would abrogate any warranties; or use or allow the Premises to be used for any unlawful purpose; and shall cooperate with Landlord and Landlord's agents to prevent those actions. Landlord shall not be responsible for Landlord's failure to enforce any of the Additional Requirements.

11. ENVIRONMENTAL MATTERS.

11.1 Environmental Compliance. Tenant shall, at its sole cost and expense, comply with all laws, codes, rules, orders, ordinances, directives, regulations, permits, or other requirements of federal, state, county, municipal or governmental authorities having jurisdiction, now in force or which may hereafter be in force (collectively, "**Hazardous Materials Laws**") concerning the management, use, generation, storage, transportation, discharge or disposal of any and all pollutants, wastes, flammables, explosives, radioactive materials, hazardous or toxic materials, hazardous or toxic wastes, hazardous or toxic substances, carcinogenic materials or

contaminants and all other materials governed, monitored, or regulated by any Federal, State or local law or regulation, including but not limited to the Comprehensive Environmental Response, Compensation and Liability Act, the Hazardous Substances Account Act, and/or the Resources Conservation and Recovery Act. "**Hazardous Materials**" include asbestos, asbestos-containing materials, hydrocarbons, polychlorinated biphenyl ("**PCB**") or PCB-containing materials, petroleum, gasoline, petroleum products, crude oil or any fraction, product or by-product thereof (collectively, "**Hazardous Materials**"). Neither Tenant nor Tenant's Parties shall use, handle, store, transport, treat, generate, release or dispose of any Hazardous Materials anywhere in, on, under or about the Premises or the Property. Tenant shall cause any and all Hazardous Materials brought onto, used, generated, handled, treated, stored, released or discharged on or under the Premises or the Property to be removed from the Premises and Property and transported for disposal in accordance with applicable Hazardous Materials Laws. Landlord shall have the right (but not the obligation) to enter the Premises from time to time to conduct tests, inspections and surveys concerning Hazardous Materials and to monitor Tenant's compliance with its obligations concerning Hazardous Materials and Hazard Materials Laws. Tenant shall immediately notify Landlord in writing of: (i) any release or discharge of any Hazardous Material; (ii) any voluntary clean-up or removal action instituted or proposed by Tenant, (iii) any enforcement, clean-up, removal or other governmental or regulatory action instituted or threatened, or (iv) any claim made or threatened by any person against Landlord, Tenant, the Premises, or the Property or any portion thereof relating to Hazardous Materials or Hazardous Materials Laws. Tenant shall also supply to Landlord as promptly as possible, and in any event within five (5) business days after Tenant receives or sends same, copies of all claims, reports, complaints, notices, warnings or asserted violations relating in any way to the Premises or Tenant's use thereof and concerning Hazardous Materials or Hazardous Materials Laws. In the event Tenant institutes a cleanup or removal action, Tenant shall provide copies of all workplans and subsequent reports submitted to the governmental agency with jurisdiction to Landlord in a timely manner.

11.2 Tenant's Indemnification. Except to the extent caused by Landlord's negligence or willful misconduct, Tenant shall indemnify, defend and hold Landlord harmless from any claims, causes of action, liabilities, losses, damages, injunctions, suits, fines, penalties, costs or expenses (including attorneys' fees and expenses and consultant fees and expenses) caused or alleged to have been caused by the presence of Hazardous Materials in, on, under, about, or emanating from the Premises or the Property, including, without limitation, any bodily injury, death, property damage, natural resource damage, decrease in value of the Premises or the Property, caused or alleged to have been caused by Tenant or Tenant's Parties' use, storage, handling, treatment, generation, presence, discharge or release of Hazardous Materials in violation of Tenant's obligations under this Lease, whether such claims, causes of action or liabilities are first asserted during the Term or thereafter, and including without limitation, claims made against Landlord with respect to bodily injury, death or property damage sustained by third parties caused or alleged to have been caused by Tenant or Tenant's Parties' use, storage, handling, treatment, generation, presence, discharge or release of Hazardous Materials.

12. DAMAGE AND DESTRUCTION.

12.1 Casualty. If, during the Term, the Premises or Improvements are totally or partially destroyed from any cause rendering them totally or partially inaccessible or unusable (the "**Casualty**"), then Tenant shall have the right at Tenant's option to give written notice to Landlord within ninety (90) days after the date of the occurrence of such damage of Tenant's

intention to either (i) repair such damage as soon as reasonably possible at Tenant's expense, or (ii) terminate this Lease as of the date of the occurrence of such damage. If Tenant elects to repair the damage, and if the restoration can be made under then existing Laws and Tenant obtains all necessary permits therefor, then Tenant shall restore the Premises (including Improvements) to substantially the same condition as they were in immediately before the destruction, or as Landlord may otherwise approve in its reasonable discretion. If the restoration cannot be so made, then Tenant may terminate this Lease immediately by giving written notice to Landlord. If the existing Laws do not permit the restoration, either party may terminate this Lease by giving sixty (60) days' prior written notice to the other party, with no abatement or reduction of Rent.

12.2 Waiver. The provisions of this Lease contain an express agreement between Landlord and Tenant that applies in the event of any Casualty. Tenant fully waives the provisions of any statute or regulation, including California Civil Code sections 1932(2) and 1933(4) (as amended from time to time, and successor statutes thereto) for any rights or obligations concerning a Casualty.

13. EMINENT DOMAIN.

13.1 Effect on Rights and Obligations. If any portion of the Premises is permanently taken by condemnation, this Lease shall remain in effect, except that Tenant may elect to terminate this Lease. If Tenant elects to terminate this Lease, Tenant must exercise its right to terminate by giving written notice to Landlord within 30 days after the nature and the extent of the taking have been finally determined, as of the date of termination, which date shall not be earlier than 30 days nor later than 90 days after Tenant has notified Landlord of its election to terminate; except that this Lease shall terminate on the date of taking if the date of taking falls on a date before the date of termination as designated by Tenant. If Tenant does not terminate this Lease within the 30-day period, this Lease shall continue in full force and effect, and there shall be no abatement of Base Rent. Tenant shall notify Landlord in writing of any condemnation or threatened condemnation within ten (10) days after Tenant receives notice of said action or threatened action. No condemnation of any kind shall be construed to constitute an actual or constructive eviction of Tenant or a breach of any express or implied covenant of quiet enjoyment.

13.2 Award. In connection with any condemnation, Landlord shall be entitled to receive all compensation and anything of value awarded, paid, or received in settlement or otherwise ("**Award**") and Tenant hereby irrevocably assigns and transfers to Landlord all rights to and interests in the Award and fully waives, releases, and relinquishes any claim to, right to make a claim on, or interest in the Award, including any amount attributable to any excess of the market value of the Premises for the remainder of the Term over the present value as of the termination date of the Rent payable for the remainder of the Term (commonly referred to as the "**bonus value**" of the Lease).

14. DEFAULT.

14.1 Events of Default. Where "**default**" is used in this Lease with reference to Tenant, default refers to any breach of Tenant's obligations under this Lease, however brief. Where Tenant's default continues for the period specified below, it shall, at Landlord's option, constitute an Event of Default giving rise to the remedies set forth in Sections 14.2 and 14.3

below. The occurrence of any of the following events shall, at Landlord's option, constitute an **"Event of Default:"**

14.1.1 Abandonment of or vacating the Premises for a period of thirty (30) consecutive days;

14.1.2 Failure to pay Rent or other sums on the date when due and the failure continuing for a period of ten (10) days after such payment is due;

14.1.3 Failure to perform Tenant's covenants and obligations hereunder (except default in the payment of Rent) where such failure continues for a period of thirty (30) days; or

14.1.4 The making of a general assignment by Tenant for the benefit of creditors; the filing of a voluntary petition by Tenant or the filing of an involuntary petition by any of Tenant's creditors seeking the rehabilitation, liquidation or reorganization of Tenant under any Laws relating to bankruptcy, insolvency or other relief of debtors and, in the case of an involuntary action, the failure to remove or discharge the same within sixty (60) days of such filing; the appointment of a receiver or other custodian to take possession of substantially all of Tenant's assets or this leasehold; Tenant's insolvency or inability to pay Tenant's debts or failure generally to pay Tenant's debts when due; any court entering a decree or order directing the winding up or liquidation of Tenant or of substantially all of Tenant's assets; Tenant taking any action toward the dissolution or winding up of Tenant's affairs; the cessation or suspension of Tenant's use of the Premises; or the attachment, execution or other judicial seizure of substantially all of Tenant's assets or this leasehold.

14.2 Remedies.

14.2.1 Termination. In the event of the occurrence of any Event of Default, Landlord shall have the right to give a written termination notice to Tenant and, on the date specified in such notice (which date shall be at least three (3) business days following the date of delivery of such notice), this Lease shall terminate unless on or before such date all arrears of Rent and all other sums payable by Tenant under this Lease and all costs and expenses incurred by or on behalf of Landlord hereunder shall have been paid by Tenant and all other Events of Default at the time existing shall have been fully remedied to the satisfaction of Landlord.

(a) Repossession. Following termination, without prejudice to other remedies Landlord may have, Landlord may (i) peaceably re-enter the Premises upon voluntary surrender by Tenant or remove Tenant therefrom and any other persons occupying the Premises, using such legal proceedings as may be available; (ii) repossess the Premises or relet the Premises or any part thereof for such term (which may be for a term extending beyond the Term), at such rental and upon such other terms and conditions as Landlord in Landlord's sole discretion shall determine, with the right to make reasonable alterations and repairs to the Premises; and (iii) remove all personal property therefrom.

(b) Unpaid Rent. Landlord shall have all the rights and remedies of a landlord provided by applicable Laws, including the right to recover from Tenant: (a) the worth, at the time of award, of the unpaid Rent that had been earned at the time of termination, (b) the worth, at the time of award, of the amount by which the unpaid Rent that would have been earned after the date of termination until the time of award exceeds the amount of loss of rent

that Tenant proves could have been reasonably avoided, (c) 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 the loss of rent that Tenant proves could have been reasonably avoided, and (d) any other amount, and court costs, necessary to compensate Landlord for all detriment proximately caused by Tenant's default. The phrase "**worth, at the time of award**," as used in (a) and (b) above, shall be computed at the Applicable Interest Rate, and as used in (c) above, shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%).

(c) Liquidated Damages. If owed pursuant to Section 18.9 below, Tenant shall pay "Liquidated Damages" as defined and provided in Section 18.9.

14.3 Cumulative. Each right and remedy of Landlord provided for herein or now or hereafter existing at Law or in equity, by statute or otherwise shall be cumulative and shall not preclude Landlord from exercising any other rights or remedies provided for in this Lease or now or hereafter existing at Law or in equity, by statute or otherwise. No payment by Tenant of a lesser amount than the Rent nor any endorsement on any check or letter accompanying any check or payment of Rent shall be deemed an accord and satisfaction of full payment of Rent; and Landlord may accept such payment without prejudice to Landlord's right to recover the balance of such Rent or to pursue other remedies.

15. ASSIGNMENT AND SUBLETTING

15.1 Landlord's Consent. Landlord hereby acknowledges that the homeless shelter located on the Premises is operated by a contractor of Tenant and Landlord consents to the continued operation of the homeless shelter by Tenant's current contractor or any other contractor as may be chosen by Tenant in its sole reasonable discretion. Otherwise, Tenant shall not assign, sublet or otherwise transfer, whether voluntarily or involuntarily or by operation of Law, this Lease, the Premises, the Improvements or any part thereof, without Landlord's prior written approval, which Landlord may withhold in its sole absolute discretion, without any obligation to consider any proposed assignment, sublet or transfer in good faith or otherwise. Tenant's attempted assignment/subletting without first obtaining Landlord's written consent shall be void at Landlord's election. Landlord's consent to one assignment or subletting shall not be deemed a consent to subsequent assignments and/or sublettings. The merger of Tenant with any other entity or the transfer of any controlling or managing ownership or beneficial interest in Tenant, or the assignment of a substantial portion of the assets of Tenant, whether or not located at the Premises shall constitute an assignment hereunder. In the event Tenant shall assign or sublet the Premises or request the consent of Landlord to any assignment or subletting or if Tenant shall request the consent of Landlord for any other act Tenant proposes to do then Tenant shall pay Landlord's attorneys' fees incurred in connection with each such request.

16. ESTOPPEL, ATTORNMENT AND SUBORDINATION

16.1 Estoppel. Within ten (10) days after request by Landlord, Tenant shall deliver an estoppel certificate duly executed and acknowledged to any proposed mortgagee, beneficiary, purchaser, or Landlord, in a commercially reasonable form substantially similar to that requested and a statement certifying, without limitation: (i) the date of commencement of this Lease; (ii) the fact that this Lease is unmodified and in full force and effect (or, if there have been modifications hereto, that this Lease is in full force and effect, as modified, and stating the

date and nature of such modifications); (iii) the date to which the rental and other sums payable under this Lease have been paid; (iv) the fact that there are no current defaults under this Lease by either Landlord or Tenant except as specified in Tenant's statement; (v) no deposit of any nature has been made in connection with the Lease (other than deposits the nature and amount of which are expressly described in the Lease), and (vi) such other matters requested by Landlord. Landlord and Tenant intend that any statement delivered pursuant to this Section 16 may be relied upon by any mortgagee, beneficiary, purchaser or prospective purchaser of the Premises, the Property or any interest therein. Tenant's failure to deliver such statement within such time shall be conclusive upon Tenant that (i) this Lease is in full force and effect, without modification except as may be represented by Landlord; (ii) there are no uncured defaults in Landlord's performance, (iii) not more than one (1) month's rental has been paid in advance; and (iv) no deposit of any nature has been made in connection with the Lease except as represented by Landlord. Except to the extent caused by Landlord's sole or active negligence or willful misconduct, Tenant shall indemnify and hold Landlord harmless from and against any and all damages, penalties, fines, taxes, costs, liabilities, losses and expenses (including, without limitation, reasonable attorneys' fees and court costs) which Landlord may sustain or incur as a result of or in connection with Tenant's failure or delay in delivering such estoppel certificate. If any financier should require that this Lease be amended (other than in the description of the Premises, the Term, the permitted uses, the Rent or as will substantially, materially and adversely affect the rights of Tenant), Landlord shall give written notice thereof to Tenant, which notice shall be accompanied by a Lease supplement embodying such amendments. Tenant shall, within ten (10) days after the receipt of Landlord's notice, execute and deliver to Landlord the tendered Lease supplement.

16.2 Subordination. This Lease shall be subject and subordinate to all ground leases, any CC&Rs, and the lien of all mortgages and deeds of trust which now or hereafter affect the Premises or Landlord's interest therein, and all amendments thereto, all without the necessity of Tenant's executing further instruments to effect such subordination; provided, however, that Tenant's rights hereunder shall not be disturbed, except in accordance with the terms and provisions of this Lease. If requested, Tenant shall execute and deliver to Landlord within ten (10) days after Landlord's request, whatever documentation that may reasonably be required to further effect the provisions of this Section 16.2.

16.3 Attornment. In the event of a foreclosure proceeding, the exercise of the power of sale under any mortgage or deed of trust or the termination of a ground lease, Tenant shall, if requested, attorn to the purchaser thereupon and recognize such purchaser as Landlord under this Lease. The transferee shall not be liable for any acts, omissions or defaults of Landlord that occurred before the sale or conveyance, or the return of any security deposit except for deposits actually paid to transferee, and except as reduced as expressly provided by operation of Law.

17. RELOCATION WAIVER.

17.1 Waiver. The parties do not believe that any Relocation Assistance Law provides any benefits to public entity tenants such as Tenant. Nevertheless, in the event any such Law does provided any benefits to Tenant, Tenant fully releases and discharges Landlord (in its capacity as Landlord and otherwise as a municipal corporation) from all and any manner of Relocation Claims, including waiver and release of any relocation rights under any Relocation Assistance Law.

18. MISCELLANEOUS.

18.1 General.

18.1.1 Entire Agreement. Except for that certain Real Property Exchange Agreement between Landlord and Tenant, dated on or about July 13, 2020 (“**Exchange Agreement**”), and any agreement identified or referenced in the Exchange Agreement, this Lease sets forth all the agreements between Landlord and Tenant concerning the Premises, and there are no agreements either oral or written other than as set forth herein.

18.1.2 Time of Essence. Time is of the essence of this Lease.

18.1.3 Attorneys' Fees. If any action is commenced which arises out of or related to this Lease, the prevailing party shall be entitled to recover from the other party such sums as the court may adjudge to be reasonable attorneys' fees, expert fees, and expenses in the action, in addition to costs and expenses otherwise allowed by Law.

18.1.4 Severability. If any provision of this Lease or the application of any such provision shall be held by a court of competent jurisdiction to be invalid, void or unenforceable to any extent, the remaining provisions of this Lease and the application thereof shall remain in full force and effect and shall not be affected, impaired or invalidated.

18.1.5 Law. This Lease shall be construed and enforced in accordance with the Laws of the State of California, without reference to its choice of law provisions.

18.1.6 Interpretation. The titles to the sections of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part of this Lease. As used in this Lease, masculine, feminine or neuter gender and the singular or plural number shall each be deemed to include the others where and when the context so dictates. The word "including" shall be construed as if followed by the words "without limitation." This Lease shall be interpreted as though prepared jointly by both parties.

18.1.7 Successors and Assigns. This Lease shall be binding upon and inure to the benefit of the successors and assigns of Landlord and, subject to compliance with the terms of Section 15, Tenant.

18.1.8 Third Party Beneficiaries. Nothing herein is intended to create any third party benefit.

18.1.9 Memorandum of Lease; Title. On the Commencement Date, the parties will execute and record in the official records of San Mateo County a Memorandum of Lease substantially in form attached hereto as Attachment 3 (“**Memorandum**”). Upon the expiration or other termination of this Lease, Tenant shall immediately execute and deliver to Landlord a quitclaim deed to the Premises, as required, in recordable form, designating Landlord as transferee or grantee. Tenant shall not do any act which shall in any way encumber the title of Landlord in and to the Premises or any portion thereof.

18.1.10 No Agency, Partnership or Joint Venture. Nothing contained herein nor any acts of the parties hereto shall be deemed or construed by the parties hereto, nor by any third party, as creating the relationship of principal and agent or of partnership or of joint venture by the parties hereto or any relationship other than the relationship of landlord and tenant.

18.1.11 Merger. The voluntary or other surrender of this Lease by Tenant or a mutual cancellation thereof or a termination by Landlord shall not work a merger and shall, at the option of Landlord, terminate all or any existing subtenancies or may, at the option of Landlord, operate as an assignment to Landlord of any or all of such subtenancies.

18.2 Waiver. No waiver of any default or breach hereunder shall be implied from any omission to take action on account thereof, notwithstanding any custom and practice or course of dealing. No waiver by either party of any provision under this Lease shall be effective unless in writing and signed by such party. No waiver shall affect any default other than the default specified in the waiver and then such waiver shall be operative only for the time and to the extent therein stated. Waivers of any covenant shall not be construed as a waiver of any subsequent breach of the same.

18.3 Proprietary and Governmental Roles by City; Actions by City. Except where clearly and expressly provided otherwise in this Lease, the capacity of the City of Redwood City ("**City**") in this Lease shall be as owner and lessor of property only ("**Proprietary Capacity**"), and any obligations or restrictions imposed by this Lease on the City shall be limited to that capacity and shall not relate to, constitute a waiver of, supersede or otherwise limit or affect its governmental capacities, including enacting laws, inspecting structures, reviewing and issuing permits, and all of the other legislative and administrative or enforcement functions pursuant to federal, state or local law ("**Governmental Capacity**"). In addition, nothing in this Lease shall supersede or waive any discretionary or regulatory approvals required to be obtained from the City under applicable Law.

18.4 Limitation of Liability. The obligations of Landlord under this Lease are not personal obligations of Landlord; and Tenant shall look solely to the rents, issues, profits and other income generated by the Premises for satisfaction of any liability of Landlord and shall not look to other assets of Landlord nor seek recourse against the other assets of Landlord. Whenever Landlord transfers its interest, Landlord shall be automatically released from further performance under this Lease and from all further liabilities and expenses hereunder and the transferee of Landlord's interest shall assume all liabilities and obligations of Landlord hereunder from the date of such transfer.

18.5 Notices. Except as otherwise specified in this Lease, all notices to be sent pursuant to this Lease shall be made in writing, to Landlord's address and Tenant's address set forth in Sections 1 and 2 of the Basic Lease Information, or to such other place as Landlord or Tenant may designate in a written notice given to the other party. All such notices shall be sent by: (i) personal delivery, in which case notice is effective upon delivery; (ii) certified or registered mail, return receipt requested, in which case notice shall be deemed delivered on receipt if delivery is confirmed by a return receipt; or (iii) nationally recognized overnight courier, with charges prepaid or charged to the sender's account, in which case notice is effective on delivery if delivery is confirmed by the delivery service.

18.6 Brokerage Commission. Landlord and Tenant each represents that they have not been represented by any broker in connection with this Lease, and that no real estate broker's commission, finder's fee or other compensation (individually and collectively, "**Commission**") is due or payable. Tenant agrees to indemnify and hold harmless Landlord from any claims or liability, including reasonable attorneys' fees, in connection with a claim by any person for a Commission based upon any statement, representation or agreement of Tenant.

18.7 Authorization. Each individual or entity executing this Lease on behalf of Tenant represents and warrants that he or she or it is duly authorized to execute and deliver this Lease on behalf of Tenant and that such execution is binding upon Tenant.

18.8 Surrender. Upon the expiration or other termination of this Lease or Tenant's right to possession of the Premises, Tenant will surrender and vacate the Premises, together with all keys, broom-swept clean and in good condition and repair, reasonable wear and tear excepted, and all personal property (whether owned by tenant or any homeless shelter resident) removed. Conditions existing because of Tenant's failure to perform maintenance, repairs or replacements shall not be deemed "reasonable wear and tear."

18.9 Holding Over; Liquidated Damages.

18.9.1 If, with Landlord's express written consent, Tenant holds over the Premises or any part thereof after expiration or earlier termination of the Term, such holding over shall constitute a month-to-month tenancy on all the other terms and conditions of this Lease. This section shall not be construed as Landlord's permission for Tenant to hold over. Acceptance of Rent by Landlord following expiration or termination shall not constitute a renewal of this Lease or extension of the Initial Term, as the case may be, except as specifically set forth above.

18.9.2 If Tenant remains in possession of the Premises after expiration or other termination of this Lease without Landlord's express written consent, Tenant's continued possession shall be on the basis of a tenancy at sufferance and Tenant shall pay as Base Rent during the holdover period an amount equal to \$16,000.00 per month (approximately \$1.00 psf). The holdover period Base Rent shall be in addition to the liquidated damages amount to be paid by Tenant under Section 18.9.3 below. Base Rent following expiration or earlier termination of the Term shall be due on or before the first day of each month and shall be prorated for any partial month. If Landlord has not received any installment of Base Rent under this Section 18.9 within five (5) days after such amount is due, Tenant shall pay a late charge of ten percent (10%) of the delinquent amount immediately. The Parties agree that this ten percent (10%) late charge represents a reasonable estimate of Landlord's additional costs, including administration and collection costs and processing and accounting expenses ("**Delinquency Costs**"), caused by the delinquency.

18.9.3 Landlord and Tenant entered into this Lease solely to allow the Tenant to continue operating (directly or indirectly) the existing homeless shelter facility on the Premises until such time (on or about the Expiration Date) at which Landlord must either: (i) provide third-party developer 1548 Maple, LLC (including successors and assigns, "**Developer**") either fee title to or a right-of-way easement across the Property, including the Premises, vacant and free and clear of this Lease, so that Developer, pursuant to a separate agreement with Landlord and at Developer's sole cost and expense, can construct certain roadway improvements ("**Blomquist Street Segments**"); or (ii) permit Developer to make an approximately \$2 Million in-lieu payment to Landlord ("**In-Lieu Payment**"), in which case Landlord would be responsible for constructing the Blomquist Street Segments at Landlord's sole cost and expense. As Landlord currently estimates it will cost Landlord at least \$4 Million to itself construct the Blomquist Street Segments, Landlord estimates it will suffer approximately \$2 Million in damages (the difference between the estimated Blomquist Street Segments cost and the In-Lieu Payment) if Landlord is unable to provide the necessary rights to the Property, including the Premises, to Developer promptly following the Expiration Date. Therefore, except as may

otherwise be agreed by Landlord in writing in its sole and absolute discretion, Tenant agrees to pay Landlord liquidated damages in the amount of TWO MILLION DOLLARS (\$2,000,000) if Tenant fails to vacate and surrender to Landlord the Premises by the Expiration Date as required by this Lease.

18.9.4 Execution of this Lease by Tenant constitutes Tenant's acknowledgement and agreement that Tenant understands, has ascertained and agrees that Landlord will actually sustain damages in the amount specified in Section 18.9.3 above if Tenant fails to surrender and vacate the Premises as required by this Lease by the Expiration Date. The parties agree that such amount shall be presumed to be the damages actually sustained by Landlord, and that because of the nature of this Lease and the difficulty of projecting the actual cost of the Blomquist Street Segments, it would be impracticable or extremely difficult to fix the amount of actual damages.

18.9.5 The liquidated damages shall be considered not as a penalty but as agreed monetary damage sustained by Landlord because Tenant failed to surrender and vacate the Premises as required by this Lease by the Expiration Date. Liquidated damages shall not be deemed to include within their scope additional damages arising from any other Tenant breach of this Lease, including without limitation failure to comply with any indemnification obligations, nor shall the liquidated damages apply to any breach of this Lease other than as set forth in Section 18.9.3 above.

18.10 Covenants and Conditions. Each provision to be performed by Tenant hereunder shall be deemed to be both a covenant and a condition. This Lease shall be construed as though the covenants between Landlord and Tenant are independent and not dependent. Tenant expressly waives the benefit of any statute to the contrary, and agrees that even if Landlord fails to perform its obligations under this Lease, Tenant shall not be entitled to make repairs or perform any acts at Landlord's expense, or to any setoff against Rent or other amounts owing under this Lease against Landlord.

19. ADDITIONAL REQUIREMENTS.

19.1 Additional Requirements. Tenant shall comply with the following Additional Requirements. Landlord shall not be responsible to Tenant for the nonperformance of any of these Additional Requirements.

19.1.1 LOCKS; KEYS. Tenant shall not alter any lock or install any new or additional locks or bolts on any doors or windows of the Premises without obtaining Landlord's prior written consent. Tenant shall bear the cost of any lock changes or repairs required by Tenant, and provide copies of all keys to Landlord.

19.1.2 USE OF PLUMBING FACILITIES; RESPONSIBILITY FOR DAMAGE. The plumbing facilities (including but not limited to restrooms, toilets, urinals, wash bowls, drains, and other apparatus) shall be used for no purpose other than that for which they were constructed, and no foreign substance of any kind shall be thrown into them. The expense of any breakage, stoppage, or damage resulting from violation of this rule shall be borne by Tenant.

19.1.3 RESTRICTIONS ON DEFACEMENT; MAINTENANCE OF PREMISES. Tenant shall not mark, drive nails or screws into, or drill into the partitions, woodwork, or plaster, or in any way deface the Premises, the Property or any portion thereof,

without Landlord's prior written consent. Tenant shall maintain the Premises and all portions thereof in a safe, neat and clean condition.

19.1.4 FLAMMABLE OR COMBUSTIBLE FLUIDS OR MATERIALS; FOUL OR NOXIOUS GASES OR SUBSTANCES; NONTOXIC MATERIALS. Tenant shall not use or keep, or allow to be used or kept, in or on the Premises, the Property or any portion thereof, any kerosene, gasoline, or other flammable or combustible fluid, material, or any foul or noxious gas or substance. All materials, fabrics, and products used in Tenant's furnishings, wall and floor coverings, and ceiling installations shall be nontoxic and subject to the prior approval of Landlord's architect or engineer. Nothing contained here is intended or shall be construed to alter or diminish any obligations of Tenant under any portion(s) of its Lease addressing environmental matters and compliance, Hazardous Materials Laws, Hazardous Materials, or similar matters, or compliance with Laws.

19.1.5 EXTERMINATION. Tenant agrees not to permit the extermination of vermin to be performed in, on or about the Property or any portion thereof except at times and by a person or company reasonably approved by Landlord.

19.1.6 DISPOSAL OF TRASH AND GARBAGE. Tenant shall store all trash, garbage and refuse ("Trash") within the Premises. Tenant shall not place or have placed in Trash boxes or receptacles any material that may not or cannot be disposed of in the ordinary and customary manner of removing and disposing of Trash in the vicinity of the Premises. Tenant shall comply fully with all applicable Laws when disposing of Trash.

19.1.7 PROVISION OF INFORMATION TO TENANT'S EMPLOYEES. Tenant shall comply with requests by Landlord that Tenant inform Tenant's employees and agents of items of importance to Landlord.

19.1.8 PROHIBITED USES AND ACTIVITIES.

19.1.8.1 Any use, operation or activity which causes or produces the attraction of flies, insects, rodents or other animals, or the creation or emission of dust or dirt, without proper mitigating measures in place;

19.1.8.2 Any use, operation or activity which causes or produces any emission into the air of any (a) noxious, toxic, hazardous or corrosive fumes or gases; (b) excessive smoke, dirt or dust; or (c) pollutants in violation of any local, state or federal standards;

19.1.8.3 Any use, operation or activity which causes or produces any discharge of Hazardous Materials (as defined in the Lease) into any sewer system or storm drain serving the Property in a manner that will result in any leaching into the soil, or release into the atmosphere or groundwater;

19.1.8.4 Hazardous or unsafe uses by reasons of danger of fire or explosion, or uses that will increase the fire hazard rating on the Property or other properties, or uses objectionable or offensive to adjoining properties;

19.1.8.5 Uses in violation of any applicable Laws;

19.1.8.6 Any construction, erection, or placement of ornamentation or other objects or equipment, permanently or temporarily, on the outside portions of the Property, whether such portion is improved or unimproved, except as specifically permitted by Landlord; and

19.1.8.7 Additional prohibited uses as determined by Landlord from time to time.

[SIGNATURES FOLLOW ON NEXT PAGE]

IN WITNESS WHEREOF, the parties have executed this Lease as of the Effective Date.

“TENANT”:

COUNTY OF SAN MATEO

By: WARREN SLOCUM, PRESIDENT OF THE BOARD OF SUPERVISORS

Signature: _____
Name: Warren Slocum

Dated: _____, 2020

“LANDLORD”:

CITY OF REDWOOD CITY

By: _____
Melissa Stevenson-Diaz
Its: City Manager

Dated: _____, 2020

Approved As To Form:

By: _____
Veronica Ramirez, City Attorney

Attest:

By: _____
Pamela Aguilar, City Clerk, CMC

ATTACHMENT 1
County Lease Area



1580 Maple Street

ATTACHMENT 2

Legal Description of Property

Real property in the City of Redwood City, County of San Mateo, State of California, described as follows:

PORTION OF THE SOUTHWEST $\frac{1}{4}$ OF SECTION 17, IN TOWNSHIP 5 SOUTH, RANGE 3 WEST, MOUNT DIABLO BASE AND MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE SOUTHEASTERLY LINE OF THE LANDS DESCRIBED IN PARCEL SIX OF THE DEED FROM S.H. FRANK & CO., A CORPORATION, TO S. H. FRANK TANNING COMPANY, A CORPORATION, DATED OCTOBER 31, 1945 AND RECORDED NOVEMBER 1, 1945 IN BOOK 1214 OFFICIAL RECORDS OF SAN MATEO COUNTY, PAGE 445 (71130-F), WHICH LINE IS ALSO THE NORTHWESTERLY LINE OF STEINBERGER STREET, WITH THE EASTERLY TERMINUS OF THAT CERTAIN CURVE HAVING A RADIUS OF 35 FEET, A CENTRAL ANGLE OF $42^{\circ} 11' 08''$ AND AN ARC DISTANCE OF 25.77 FEET, WHICH CURVE FORMS A PORTION OF THE NORTHEASTERLY BOUNDARY LINE OF THE BAYSHORE FREEWAY, AS DESCRIBED IN THE DEED FROM S. H. FRANK & COMPANY, A CALIFORNIA CORPORATION, TO THE STATE OF CALIFORNIA, DATED NOVEMBER 2, 1956 AND RECORDED DECEMBER 17, 1956 IN BOOK 3144 OFFICIAL RECORDS OF SAN MATEO COUNTY, PAGE 580 (12548-P); THENCE FROM SAID POINT OF BEGINNING NORTH $34^{\circ} 46' 48''$ EAST ALONG SAID NORTHWESTERLY LINE OF STEINBERGER STREET 286.73 FEET; THENCE NORTH $55^{\circ} 13' 12''$ WEST 241.98 FEET; THENCE SOUTH $34^{\circ} 46' 48''$ WEST 372.53 FEET TO THE GENERAL NORTHERLY LINE OF THE BAYSHORE FREEWAY, AS DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA HEREINABOVE MENTIONED; THENCE ALONG THE LAST MENTIONED LINE AS FOLLOWS; SOUTHEASTERLY ON THE ARC OF A CURVE TO THE RIGHT SAID CURVE HAVING A RADIUS OF 9115.00 FEET, A CENTRAL ANGLE OF $0^{\circ} 41' 56''$, AN ARC DISTANCE OF 111.16 FEET, SOUTH $59^{\circ} 48' 01''$ EAST TANGENT TO THE PRECEDING CURVE 122.55 FEET, NORTH $34^{\circ} 46' 48''$ EAST 42.93 FEET AND EASTERLY ON THE ARC OF A TANGENT CURVE TO RIGHT, SAID CURVE HAVING A RADIUS OF 35.00 FEET, A CENTRAL ANGLE OF $42^{\circ} 11' 08''$, AN ARC DISTANCE OF 25.77 FEET TO THE POINT OF BEGINNING.

APN: 052-532-020

JPN: 052-053-532-02A

Form of Memorandum of Lease

ATTACHMENT 3

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Redwood City
Attn: City Clerk
1017 Middlefield Road
Redwood City, CA 94063

*(Space Above This Line for Recorder's Use Only)
[Exempt from recording fee per Gov. Code § 27383]*

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE ("**Memorandum**") is dated as of _____, 2020, by and between the CITY OF REDWOOD CITY, a California municipal corporation ("**Landlord**"), and the COUNTY OF SAN MATEO, a political subdivision of the State of California ("**Tenant**").

R E C I T A L S:

A. Landlord and Tenant entered into that certain Lease Agreement dated as of _____, 2020 (the "**Lease**"), with respect to the portion (described in Exhibit 1 attached hereto and made a part hereof, the "**Premises**") of the property located in the City of Redwood City, County of San Mateo, State of California, described in Exhibit 2 attached hereto and made a part hereof (the "**Property**"). All capitalized terms used herein without definition shall have the respective meanings given to them in the Lease.

B. Landlord and Tenant desire to record a Memorandum of the Lease confirming the existence of the Lease on the Premises.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. **Lease.** In consideration of the covenants and agreements contained in the Lease, Landlord hereby leases the Premises to Tenant, and Tenant hereby leases the Premises from Landlord, on all of the terms, covenants and conditions set forth in the Lease.

2. **Term.** The term of the Lease shall commence on the date first set forth above (the "**Commencement Date**") and unless sooner terminated as provided in the Lease, shall expire on June 30, 2022 ("**Expiration Date**"). The Lease includes a liquidated damages provision that applies in the event Tenant does not vacate and surrender possession of the Premises to Landlord by the Expiration Date or such later date as Landlord may agree in writing in its sole and absolute discretion.

3. **Lease Incorporated.** The purpose of this Memorandum is solely to provide notice of the existence of the Lease. All of the terms, conditions and covenants of the Lease

are incorporated herein by this reference and are not amended, modified or varied in any way by this Memorandum. The terms of the Lease shall govern in the event of any conflict with this Memorandum.

4. **Counterparts.** This Memorandum may be executed in multiple counterparts, each of which shall be deemed an original but all of which, together, shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum of Lease as of the date first above written.

“TENANT”:

COUNTY OF SAN MATEO

By: WARREN SLOCUM, PRESIDENT OF THE BOARD OF SUPERVISORS

Signature: _____

Name: Warren Slocum

Dated: _____, 2020

“LANDLORD”:

CITY OF REDWOOD CITY

By: _____

Melissa Stevenson-Diaz

Its: City Manager

Dated: _____, 2020

Approved As To Form:

By: _____

Veronica Ramirez, City Attorney

Attest:

By: _____

Pamela Aguilar, City Clerk, CMC

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of _____)

On _____, 2020, before me, _____,
(insert name of notary)

Notary Public, personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s)
is/are subscribed to the within instrument and acknowledged to me that he/she/they executed
the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the
instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the
instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____)

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of _____)

On _____, 2020, before me, _____,
(insert name of notary)

Notary Public, personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s)
is/are subscribed to the within instrument and acknowledged to me that he/she/they executed
the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the
instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the
instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____)

EXHIBIT 1
Diagram of Premises



1580 Maple Street

EXHIBIT 2

Legal Description of Property

Real property in the City of Redwood City, County of San Mateo, State of California, described as follows:

PORTION OF THE SOUTHWEST $\frac{1}{4}$ OF SECTION 17, IN TOWNSHIP 5 SOUTH, RANGE 3 WEST, MOUNT DIABLO BASE AND MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE SOUTHEASTERLY LINE OF THE LANDS DESCRIBED IN PARCEL SIX OF THE DEED FROM S.H. FRANK & CO., A CORPORATION, TO S. H. FRANK TANNING COMPANY, A CORPORATION, DATED OCTOBER 31, 1945 AND RECORDED NOVEMBER 1, 1945 IN BOOK 1214 OFFICIAL RECORDS OF SAN MATEO COUNTY, PAGE 445 (71130-F), WHICH LINE IS ALSO THE NORTHWESTERLY LINE OF STEINBERGER STREET, WITH THE EASTERLY TERMINUS OF THAT CERTAIN CURVE HAVING A RADIUS OF 35 FEET, A CENTRAL ANGLE OF $42^{\circ} 11' 08''$ AND AN ARC DISTANCE OF 25.77 FEET, WHICH CURVE FORMS A PORTION OF THE NORTHEASTERLY BOUNDARY LINE OF THE BAYSHORE FREEWAY, AS DESCRIBED IN THE DEED FROM S. H. FRANK & COMPANY, A CALIFORNIA CORPORATION, TO THE STATE OF CALIFORNIA, DATED NOVEMBER 2, 1956 AND RECORDED DECEMBER 17, 1956 IN BOOK 3144 OFFICIAL RECORDS OF SAN MATEO COUNTY, PAGE 580 (12548-P); THENCE FROM SAID POINT OF BEGINNING NORTH $34^{\circ} 46' 48''$ EAST ALONG SAID NORTHWESTERLY LINE OF STEINBERGER STREET 286.73 FEET; THENCE NORTH $55^{\circ} 13' 12''$ WEST 241.98 FEET; THENCE SOUTH $34^{\circ} 46' 48''$ WEST 372.53 FEET TO THE GENERAL NORTHERLY LINE OF THE BAYSHORE FREEWAY, AS DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA HEREINABOVE MENTIONED; THENCE ALONG THE LAST MENTIONED LINE AS FOLLOWS; SOUTHEASTERLY ON THE ARC OF A CURVE TO THE RIGHT SAID CURVE HAVING A RADIUS OF 9115.00 FEET, A CENTRAL ANGLE OF $0^{\circ} 41' 56''$, AN ARC DISTANCE OF 111.16 FEET, SOUTH $59^{\circ} 48' 01''$ EAST TANGENT TO THE PRECEDING CURVE 122.55 FEET, NORTH $34^{\circ} 46' 48''$ EAST 42.93 FEET AND EASTERLY ON THE ARC OF A TANGENT CURVE TO RIGHT, SAID CURVE HAVING A RADIUS OF 35.00 FEET, A CENTRAL ANGLE OF $42^{\circ} 11' 08''$, AN ARC DISTANCE OF 25.77 FEET TO THE POINT OF BEGINNING.

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