

REAL PROPERTY EXCHANGE AGREEMENT

THIS REAL PROPERTY EXCHANGE AGREEMENT (“Agreement”) dated as of _____, 2021 (“Effective Date”) is by and between the COUNTY OF SAN MATEO, a political subdivision of the State of California, hereinafter referred to as the “COUNTY”, and the CITY OF REDWOOD CITY, a charter city and municipal corporation, hereinafter referred to as “CITY”, with reference to the following:

WHEREAS, COUNTY is the owner of 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 legally described on **Exhibit A**, attached hereto and incorporated herein by reference, hereinafter referred to as the “County Property;” and

WHEREAS, CITY is the owner of certain real property in the City of Redwood City, State of California, consisting of approximately 4.56 acres, bounded by Maple Street on three sides and the intended Blomquist Street extension right-of-way on its fourth side, designated as San Mateo County Assessor’s Parcel Number 052-398-010, hereinafter referred to as the “City Property”; and

WHEREAS, CITY intends to construct or cause the construction of an extension of Blomquist Street (“Blomquist Extension”), which borders both the City Property and the County Property, to serve the transportation needs of the local area, and construction of the Blomquist Extension would require demolition of portions of some existing buildings on the County Property and placement of the Blomquist Extension partially on the County Property; and

WHEREAS, the construction of the Blomquist Extension will displace the existing COUNTY uses on the County Property, including the existing housing facility for persons experiencing homelessness, so COUNTY desires to acquire for public uses, which may include use as a future homeless housing facility or other public uses, an approximately 2.52 acre portion of the City Property, as depicted in **Exhibit B** attached hereto and incorporated herein by reference (“City Parcel”), with a metes and bounds legal description of the City Parcel to be prepared by CITY and approved by COUNTY prior to the Closing; and

WHEREAS, COUNTY and CITY have determined it is in their respective interests and the interest of the community for the COUNTY to exchange the County Property with the CITY for the City Parcel, to facilitate construction of the Blomquist Extension; and

WHEREAS, California Government Code section 25365(a) authorizes the COUNTY, by a four-fifths vote of the Board of Supervisors, to exchange real property with a city upon the terms

and conditions as are agreed upon, where the real property to be acquired is required for County use; and

WHEREAS, California Government Code section 37351 authorizes the CITY to exchange real property as is necessary or proper for municipal purposes; and

WHEREAS, the State Surplus Lands Act (codified at California Government Code section 54220, *et seq.*) includes within the definition of “exempt surplus land,” surplus land that a local agency is transferring to another local, state, or federal agency for the acquiring agency’s use; and

WHEREAS, COUNTY, by a four-fifths vote of the Board of Supervisors, has adopted Resolution No. ____ determining the City Parcel, which is located diagonally across Maple Street from the County’s Maple Street Correction Center at 1300 Maple Street, is required for County use and that the County Property to be exchanged for such City Parcel therefore qualifies as exempt surplus land under Government Code section 54221(f)(1)(D); and

WHEREAS, the City Council has adopted Resolution No. ____ determining that the County Property is necessary for the CITY’s municipal purpose of extending Blomquist Street and that the City Parcel to be exchanged for such County Property therefore qualifies as exempt surplus land under Government Code section 54221(f)(1)(D); and

WHEREAS, the Blomquist Street extension project is the subject of an Environmental Impact Report (“EIR”) and a Mitigation Monitoring and Reporting Program (“MMRP”) under the California Environmental Quality Act (“CEQA”) (codified at Public Resources Code Section 21000, *et seq.*) certified and adopted by the City Council by Resolution No. 15661 on May 7, 2018, and an Addendum to Environmental Impact Report considered by the City Council by Resolution No. _____ on _____, 2021; and

WHEREAS, concurrently with its approval of this Agreement, CITY has found the transfer of the City Parcel to the COUNTY and the transfer of the County Property to the CITY to be consistent with the CITY’s General Plan; and

WHEREAS, COUNTY desires to transfer the County Property to the CITY in exchange for the City Parcel, and CITY desires to transfer the City Parcel to the COUNTY in exchange for the County Property, upon the terms and conditions set forth herein, including CITY’s commitment to leaseback to COUNTY the existing shelter facility with a street address of 1580A Maple Street, for a set time period, and COUNTY’s commitment to raise the elevation of the City Parcel and to voluntarily pay certain specified development fees and fair share contributions for public improvements at such time as COUNTY develops the City Parcel, all as more particularly set forth herein; and

WHEREAS, CITY has agreed to grant to COUNTY and COUNTY has agreed to accept from CITY, an option to lease that portion of the County Property that is not used by CITY for the Blomquist Extension (the “Remainder Parcel”) for the purposes of affordable housing development, which is understood to include permanent supportive housing, with the key terms of such option to be consistent with the key terms set forth in Exhibit C attached hereto and incorporated herein.

NOW, THEREFORE, in consideration of the foregoing, and the other considerations hereinafter set forth, it is mutually agreed and understood by the parties as follows:

1. EXCHANGE OF PROPERTY INTERESTS: COUNTY and CITY have determined that the property interests to be exchanged according to the terms and conditions contained herein will further CITY's municipal purpose of extending Blomquist Street and COUNTY's governmental purposes of securing for COUNTY a key site proximate to the County's Maple Street Correction Center at 1300 Maple Street. Subject to the terms and conditions contained in this Agreement, COUNTY agrees to transfer to CITY, and CITY agrees to transfer to COUNTY, fee ownership of the described property interests, as follows:

a. CITY hereby agrees to transfer to COUNTY by Grant Deed the City Parcel. CITY will retain ownership of the remainder (approximately 2 acres) of the City Property (the "City Remainder"). In return, COUNTY hereby agrees to transfer to CITY by Grant Deed the entirety of the County Property.

b. The City Parcel is separated from the proposed Blomquist Street Extension roadway by a strip of land, varying in width (but averaging approximately 18 feet in width) and containing approximately 0.14 acre of the City Remainder (the "Blomquist Buffer"), as depicted in **Exhibit B**, which shall remain in CITY ownership. CITY hereby agrees to grant COUNTY the following easements: (i) a floating easement across the Blomquist Buffer (the "Future Blomquist Driveway Easement") which COUNTY may use to install and locate a driveway and pedestrian pathway to provide ingress and egress to and from the future improvements on the City Parcel and the Blomquist Extension, subject to COUNTY bearing all expenses of required traffic studies to confirm feasibility of the driveway and pedestrian pathway and CITY's approval in its reasonable discretion as to location, dimensions and specifications of such improvements; and (ii) a floating easement across the Blomquist Buffer which COUNTY may use to construct, install and use lateral utility lines to connect utility lines in the Blomquist Extension to the City Parcel (the "Blomquist Utility Easement"), subject to CITY approval in its reasonable discretion as to location, dimensions and specifications for such utility related improvements. Any and all costs and expenses of improving, repairing or modifying the Blomquist Extension to accommodate construction and installation of the COUNTY's driveway and pedestrian entrance and utility lateral lines, including conformity of the driveway to final grade and any traffic study, shall be paid by COUNTY. The Future Blomquist Driveway Easement and Blomquist Utility Easement shall be documented in an easement agreement in a form mutually acceptable to the parties ("Easement Agreement") to be entered into by the parties and recorded through escrow at Closing.

c. COUNTY hereby agrees to grant CITY the following easement: A 20-foot wide public services easement abutting the full length of the Maple Street right-of-way frontage of the City Parcel (the "Maple Buffer Area") for installation, maintenance and repair of public utilities, including a storm drain (the "Maple Public Services Easement"). The public services easement shall be documented in an easement agreement in a form mutually acceptable to the parties ("Public Services Easement Agreement") to be entered into by the parties and recorded through escrow at Closing.

This Agreement is subject to approval by the San Mateo County Board of Supervisors, which approval is an express condition precedent to COUNTY's duty to perform. This Agreement is also subject to approval by the City Council of the City of Redwood City, which is an express condition precedent to CITY's duty to perform.

2. ESCROW; CLOSING AND TITLE INSURANCE: Within TEN (10) days following the Effective Date, COUNTY shall open escrow at First American Title Company, located at 303 Twin Dolphin Drive, Suite 600, in Redwood City, California, or at such other escrow company as may be agreed to by COUNTY and CITY (“Escrow Holder” or “Title Company”), and COUNTY shall deliver a copy of this Agreement to the Escrow Holder. This Agreement shall constitute the basic instructions to the Escrow Holder and the Escrow Holder shall prepare documents as are reasonably required to complete the Closing of the transaction contemplated herein, in accordance with the terms and conditions of this Agreement. COUNTY and CITY may each prepare supplemental escrow instructions consistent with the terms of this Agreement, but in case of any conflict between this Agreement and any such supplemental escrow instructions, the terms of this Agreement shall control.

a. The Closing shall be 45 days after execution of this Agreement, or such other date as the parties hereto shall mutually agree in writing. The “Closing” is defined as the satisfaction of all conditions herein stated, except those conditions that may be waived by an express written waiver duly executed by COUNTY or CITY, as applicable, and the recordation of the Grant Deeds, Certificates of Acceptance and Memorandum of Lease, and delivery of other closing documents and disbursement of funds, all as set forth in Section 3 below. Immediately following execution of this Agreement, each party will cooperate in providing all information in its possession regarding the property it is transferring pursuant to the terms of this Agreement.

b. Escrow, title and other fees shall be paid as follows:

i. COUNTY and CITY shall share equally in all costs related to escrow and recording fees.

ii. COUNTY and CITY shall each pay for their respective owner’s title insurance policy premiums for the property being acquired by that party under the terms of this Agreement, including the costs of any endorsements requested by such party.

3. DEPOSITS TO ESCROW; CONDITIONS TO CLOSING: Prior to the Closing Date, each party, at its own expense, shall complete all desired due diligence investigations of the property to be acquired by such party, including title review and any additional desired market, geotechnical, soils, ground water, and/or building condition investigations, as applicable, to confirm the suitability of the property to be acquired by such party. In addition, prior to the Closing Date, each party shall execute, acknowledge where applicable, and delivery into escrow the Grant Deeds, Certificates of Acceptance, Easement Agreement, Public Services Easement Agreement, Site Preparation and Development Fees Agreement, Memorandum of Lease, City/County Leaseback Agreement and all other documents contemplated under this Agreement and required to consummate the property exchange described herein.

COUNTY will deposit with the Escrow Holder required funds and transaction-related documents, including, but not limited to, the following:

- a. COUNTY's share of Closing costs and expenses.
- b. A Grant Deed duly executed and acknowledged by COUNTY transferring fee title to the County Property from COUNTY to CITY in substantially the form attached hereto as **Exhibit D** and incorporated herein by reference.
- c. A duly executed and acknowledged Certificate of Acceptance of the Grant Deed for the City Parcel in substantially the form attached hereto as **Exhibit G** and incorporated herein by reference.
- d. Two (2) duly executed counterpart originals of the City/County Leaseback Agreement (defined below) in substantially the form attached hereto as **Exhibit H** and incorporated herein by reference.
- e. A duly executed and acknowledged counterpart Memorandum of Lease in the form attached as **Attachment 3** to the City/County Leaseback Agreement (defined below) (“Memorandum of Lease”).
- f. Two (2) duly executed counterpart originals of the Site Preparation and Development Fees Agreement (defined below).
- g. Two (2) duly executed and acknowledged counterpart originals of each of the Easement Agreement, the Public Services Easement Agreement and the Lease Option Agreement, together with any required certificate of acceptance with respect to the easement interest.

CITY will deposit with the Escrow Holder such transaction-related documents, including, but not limited to, the following:

- i. CITY's share of Closing costs and expenses.
- ii. A Grant Deed duly executed and acknowledged by CITY transferring fee title to the City Parcel from CITY to COUNTY in substantially the form attached hereto as **Exhibit F** and incorporated herein by reference.
- iii. A duly executed and acknowledged Certificate of Acceptance of the Grant Deed for the County Property in substantially the form of the Certificate of Acceptance attached hereto as **Exhibit E** and incorporated herein by reference.
- iv. Two (2) duly executed counterpart originals of the City/County Leaseback Agreement (defined below) in substantially the form attached hereto as **Exhibit H** and incorporated herein by reference.
- v. A duly executed and acknowledged counterpart Memorandum of Lease.

vi. Two (2) duly executed counterpart originals of the Site Preparation and Development Fees Agreement.

vii. Two (2) duly executed and acknowledged counterpart originals of each of the Easement Agreement, the Public Services Easement Agreement and the Lease Option Agreement.

The parties' obligation to close the transaction shall be conditioned on the following:

h. CITY, prior to the Closing, shall have prepared a metes and bounds legal description of the City Parcel describing the area shown on Exhibit B hereof in a form and in substance reasonably satisfactory to the COUNTY, to be attached to the Grant Deed for the City Parcel.

i. Title Company shall have irrevocably committed at Closing to issue to COUNTY and CITY California Land Title Association owner's policies of title insurance, showing title to the applicable property vested in COUNTY or CITY, as applicable, subject only to those title exceptions that have been approved by the acquiring party, in its sole discretion. CITY and COUNTY may opt to obtain an ALTA extended coverage policy in lieu of the CLTA policy; provided, however, that issuance of such ALTA coverage shall not delay the Closing.

j. CITY and COUNTY shall have determined, each in its sole discretion, that the condition of the property to be acquired by such party pursuant to this Agreement is acceptable to such party and suitable for its intended use. If the parties elect to close the transaction contemplated by this Agreement, each party shall be deemed to have made the determination that the property being acquired is acceptable to such party and suitable for its intended use.

4. CITY/COUNTY LEASEBACK: At or prior to Closing, CITY and COUNTY shall execute and deliver to Escrow Holder two counterpart originals of a leaseback agreement substantially in the form of Exhibit H attached hereto and incorporated herein (the "City/County Leaseback Agreement") pursuant to which CITY shall leaseback to COUNTY on a triple net basis the existing homeless shelter buildings, as more particularly described and set forth in the City/County Leaseback Agreement. Prior to Closing the parties shall each execute, acknowledge and deliver into escrow one counterpart original of a Memorandum of Lease in the form of Attachment 3 to the City/County Leaseback Agreement. Escrow Holder shall record the Memorandum of Lease immediately following recordation of the Grant Deed conveying title to the County Property from COUNTY to CITY.

5. SITE PREPARATION AND DEVELOPMENT FEES AGREEMENT; SURCHARGING LICENSE AGREEMENT: At or prior to Closing, CITY and COUNTY shall execute and deliver into escrow a site preparation and development fees agreement substantially in the form of Exhibit I attached hereto and incorporated herein (the "Site Preparation and Development Fees Agreement") pursuant to which COUNTY shall commit to (1) raise the elevation of the City Parcel, (2) comply with specified conditions on construction set forth in the Site Preparation and Development Fees Agreement, and (3) pay certain specified development fees to CITY at such time as the City Parcel is developed in the future, all on terms set forth in such Site Preparation and Development Fees Agreement. Subject to COUNTY executing a license agreement in a form

reasonably acceptable to CITY, CITY agrees to permit COUNTY to occupy the City Parcel prior to Closing for purposes of importing clean fill and other actions necessary to complete surcharging of the City Parcel. The license agreement shall include commercially reasonable indemnity and insurance requirements and covenants prohibiting COUNTY from introducing hazardous materials and shall also include provisions requiring COUNTY, in the event escrow fails to close, to remove all or a portion of the surcharge materials from City Property at COUNTY's expense if so directed by CITY.

6. PRORATIONS; SURVIVING TAX OBLIGATIONS: The County Property and City Parcel are each publicly owned and exempt from property taxes and therefore no property tax prorations are anticipated to occur at Closing. To the extent any real or personal property taxes or assessments for any period prior to the Closing become due after Closing, the party which owned such property prior to the Closing shall promptly pay such taxes and assessments and indemnify the acquiring party from any and all liabilities arising from its failure to timely pay such taxes and assessments. The parties' obligations under this Section 6 shall survive the Closing.

7. REPRESENTATIONS AND WARRANTIES:

a. The following constitute representations and warranties of COUNTY to CITY which shall be true and correct as of the date hereof and the Closing Date as if remade in a separate certificate at that time:

i. Authority. COUNTY has the legal power, right and authority to enter into this Agreement and the instruments referenced herein, and to consummate the transaction contemplated hereby. This Agreement and all documents required hereby to be executed by COUNTY are and shall be valid, legally binding obligations of and enforceable against COUNTY in accordance with their terms.

ii. Agreements. To COUNTY's actual knowledge, there are no agreements affecting the right to possession of the County Property, and there are no maintenance, service or other agreements affecting or relating to the County Property that cannot be terminated or cancelled by giving not more than thirty (30) days' notice.

b. The following constitute representations and warranties of CITY to COUNTY which shall be true and correct as of the date hereof and the Closing Date as if remade in a separate certificate at that time:

i. Authority. CITY has the legal power, right and authority to enter into this Agreement and the instruments referenced herein, and to consummate the transaction contemplated hereby. This Agreement and all documents required hereby to be executed by CITY are and shall be valid, legally binding obligations of and enforceable against CITY in accordance with their terms.

ii. Agreements. To CITY's actual knowledge, except as noted below, there are no agreements affecting the right to possession of the City Parcel and there are no maintenance, service or other agreements affecting or relating to the City Parcel that cannot be terminated or cancelled by giving not more than thirty (30) days' notice. CITY has entered into

four (4) license agreements with auto dealerships allowing them to park vehicles on the City Parcel, each with one-year terms subject to renewal at CITY's discretion, which allow CITY to terminate at any time and require surrender of the City Parcel within thirty (30) days. CITY warrants that it shall terminate all such agreements and ensure that such use is terminated and the City Parcel vacated by such users on or before the Closing Date; provided, COUNTY in its sole discretion may notify CITY in writing that it accepts such continued use and will succeed to CITY's interest in one or more such agreements or enter into new agreements. CITY will provide COUNTY copies of the license agreements.

8. "AS IS WITH ALL FAULTS": Except as specifically set forth in this Agreement, CITY and COUNTY specifically acknowledge that the properties being exchanged pursuant to the terms of this Agreement are being accepted on an "AS IS WITH ALL FAULTS" basis and that, except as to the limited representations and warranties expressly set forth in Section 7 above, neither party is relying on any representations or warranties of any kind whatsoever, expressed or implied, from the other as to any matters concerning the properties, including without limitation: their physical condition; geology; the development potential of the properties and their use, habitability, merchantability, or fitness for a particular purpose; their zoning or other legal status; compliance with law; the presence or removal of hazardous or toxic materials, substances, or wastes on, under or about the properties or any neighboring property.

9. GOOD FAITH DISCLOSURE: CITY and COUNTY have made and shall continue to make good faith disclosure to the other of any and all known facts, findings, reports or information regarding the properties that are the subject of this Agreement, including without limitation those relating to: historical uses; prior permitted uses; current uses including, but not limited to, express or implied contracts, leases and/or permits; geological conditions; biological conditions; archaeological sites; flood hazard area(s); special studies zones; zoning reports; environmentally hazardous material such as asbestos, dioxins, oils, PCBs, solvents, waste disposal, gasoline tank leakage, pesticide use and spills, herbicide use or spills or any other substances and/or products of environmental contamination.

10. INSPECTION: Either party shall have the right of entry onto the other party's property, upon reasonable notice, to conduct such non-invasive and non-intrusive inspections and testing thereon as are, in that party's sole discretion, necessary to reasonably determine the condition of the property being acquired. The scope of any such testing or inspection which requires physical sampling of all or any part of the property shall be subject to: (a) the prior written approval of the other party, which may be withheld or conditioned; (b) receipt of a certificate of insurance evidencing any insurance coverage reasonably required pursuant to this Section; and (c) the requirement that such party conduct all such inspections and testing, including the disposal of samples taken, in accordance with applicable law and at no cost or liability to the other party. Any such inspections and testing shall be completed prior to the Closing and all areas of the property shall be restored to its pre-test and pre-inspection condition as near as is practicable.

If any toxins or contaminants are discovered, notification shall be provided immediately, and the notified party shall have the right, but not the responsibility, to take any actions in response to such notifications that it deems necessary in its sole and absolute discretion.

Written notice shall be provided prior to the commencement of any testing or inspections in, on or about the applicable property, and the property owner shall have the right to post notices of testing, and/or notices of non-responsibility as provided by law. The party performing the testing or inspections shall keep the property free and clear of claims, charges and/or liens for labor and materials, and the testing or inspecting party shall defend, indemnify and save harmless the other party, its officials, officers, agents and employees from and against any and all claims, demands, damages, costs, expenses (including attorney's fees), judgments or liabilities arising out of, related to, or in connection with any such testing, inspection or entry by the testing or inspecting party, its partners, officers, directors, members, shareholders, independent contractors, agents or employees. The parties' respective obligations under this Section 10 shall survive the expiration or termination of this Agreement.

11. CITY AND COUNTY COVENANTS: Between the Effective Date and the Closing, CITY and COUNTY will not (a) enter into any material contract or lease that will be an obligation affecting its property being conveyed to the other party after the Closing, (b) enter into any contract regarding its property without the other party's prior written consent, or (c) construct or alter any improvements or buildings currently existing on its property without the other party's prior written consent. Each party shall pay any stop notice claims or mechanics' and materialmen's liens arising from labor and materials furnished on behalf of such party prior to the Closing with respect to its property, and pay and fulfill all of its obligations and liabilities under any existing agreements with regard to its property arising prior to the Closing.

12. TERMINATION: CITY and COUNTY shall each have the right to terminate this Agreement at any time prior to the Closing Date by written notice to the other party.

13. NATURAL HAZARD DISCLOSURE: To the extent required by applicable law, each party, at least 10 days prior to Closing, shall cause a natural hazard disclosure statement with respect to its property to be made available to the other party.

14. CLOSING INSTRUCTIONS: At the Closing, the Escrow Holder shall:

- a. Date, as of the Closing Date, all instruments calling for a date, attach the correct legal description to all instruments, as applicable, and combine the counterparts of instruments delivered in counterpart;
- b. Record the Grant Deeds, Certificates of Acceptance, Easement Agreement, Public Services Easement Agreement, Memorandum of Lease, and Lease Option Agreement, in that order, in the Official Records of the County of San Mateo;
- c. Give CITY and COUNTY telephonic or email notice that the Closing has occurred, and send the final closing statement to each party by email;
- d. Make required filings, if any, with the federal and state tax authorities; and
- e. Deliver documents, release funds and comply with all instructions as set forth in this Agreement and the approved closing statement, and the supplemental instructions of CITY and COUNTY, to the extent consistent with the instructions in this Agreement.

15. **WAIVER:** No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions of this Agreement, whether or not similar, nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

16. **ENTIRE AGREEMENT:** This Agreement supersedes all prior agreements, understandings, negotiations, and discussions of the parties, whether express or implied, and there are no warranties, representations, covenants, or other agreements between the parties in connection with the subject matter hereof, except as specifically set forth herein. The parties hereto have set forth the whole of their agreement. No amendment, supplement, modification, waiver, or termination of this Agreement shall be binding unless executed in writing by both parties.

17. **CONSTRUCTION:** The parties agree that each party and its respective counsel have reviewed and approved this Agreement to the extent that each party in its sole discretion has desired, and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement. The terms and provisions of this Agreement embody the parties' mutual intent, and this Agreement shall not be construed more liberally in favor of, nor more strictly against, any party hereto. The recitals preceding this Agreement and the exhibits attached and referred to in this Agreement are incorporated herein by this reference. If the date on which CITY or COUNTY is required to take any action under the terms of this Agreement occurs on a Saturday, Sunday or Federal or state holiday, then, the action shall be taken on the next succeeding business day.

18. **SECTION HEADINGS:** The headings of the several sections shall be solely for convenience of reference and shall not affect the meaning, construction, or effect thereof.

19. **NOTICES:** Except as otherwise specified in this Agreement, all notices to be sent pursuant to this Agreement shall be made in writing, and sent to the parties at their respective addresses specified below. 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.

COUNTY: Don Grady
Real Property Manager
San Mateo County
555 County Center, 4th Floor
Redwood City, CA 94063
Tel: (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
Tel: (650) 363-4136

and

County of San Mateo, Office of the County Counsel
Attn: Timothy Fox, Deputy County Counsel
400 Country Center
Redwood City, CA 94063
Tel: (650) 363-4250

CITY: 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

20. COOPERATION:

a. Each party agrees to execute and deliver such instruments or to perform such acts as reasonably necessary to carry out the provisions of this Agreement. CITY agrees that upon COUNTY'S submission of an application and payment of all applicable processing and application fees, the CITY shall, as promptly and diligently as possible under the circumstances, and subject to applicable laws, commence review of the application and complete such review as quickly as feasible. Upon the COUNTY's written request and at COUNTY's sole cost and expense, the CITY will reasonably consider the use of contractor consultant services to expedite processing of COUNTY's applications.

b. CITY and COUNTY shall cooperate in the defense of any court action or proceeding instituted by a third party or other governmental entity or official challenging the validity of any provision of this Agreement, the Lease Agreement, the Site Preparation and Development Fees Agreement, the Easement Agreement, the Public Services Easement Agreement, the Lease Option Agreement, or any other agreement between the parties related to this transaction (“Litigation Challenge”), and shall enter into a mutually acceptable joint defense agreement in response to a Litigation Challenge to facilitate sharing of materials and strategies without waiver of attorney client privilege. The parties shall notify each other promptly upon learning of any actual or threatened Litigation Challenge, and the parties shall keep each other informed of all developments relating to such Litigation Challenge. The parties shall mutually agree on outside counsel that will be retained to defend against the Litigation Challenge and shall share equally all costs of defense. To the extent each party retains separate counsel or uses in-house counsel to advise or monitor the defense, each party shall bear its own costs. If the terms of a proposed settlement would constitute an amendment or modification of this Agreement, the settlement shall not become effective unless such amendment or modification is approved by both parties in accordance with the applicable law, and each party reserves its full legislative discretion with respect thereto. In the event of a court order issued as a result of a successful Litigation Challenge, the parties shall, to the extent permitted by law or court order, in good faith seek to comply with the court order in such manner as will maintain the integrity of the transaction and property improvements and uses contemplated by this Agreement and the related agreements, and will avoid or minimize to the greatest extent possible (i) any impact on such transaction and property improvements and uses or (ii) frustration of the intent or purpose of this Agreement and the related agreements. The parties shall equally bear any adverse third party attorneys’ fee awards.

21. NO ASSIGNMENT; SUCCESSORS AND ASSIGNS: Unless otherwise specified in this Agreement or its exhibits or attachments, neither party may assign or transfers its rights or obligations under this Agreement. Without limiting the effect of the foregoing sentence, this Agreement shall be binding upon the heirs, devisees, executors, administrators, successors, and assigns of the parties.

22. PARTIAL INVALIDITY: If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the extent possible.

23. TIME OF ESSENCE: CITY and COUNTY hereby acknowledge and agree that time is strictly of the essence with respect to each and every term, condition, obligation and provision hereof.

24. EXECUTION IN COUNTERPARTS: This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many or them as the parties shall preserve undestroyed, shall together constitute one and the same instrument.

25. COOPERATION REGARDING CITY REMAINDER: CITY acknowledges that COUNTY has an interest in how the City Remainder may be used and improved, or how its natural resources may be preserved, and that COUNTY has a potential interest in acquiring available portions of the City Remainder at some future time. CITY agrees to notify COUNTY of any proposed preservation, land use planning or improvement efforts involving the City Remainder, and to confer with COUNTY and to reasonably consider its input in making decisions regarding such efforts. Such cooperative planning efforts may include consideration of methods to address sea level rise affecting the area, preservation of wetlands, public uses as open space or recreational amenities, and/or development for affordable housing or other public purposes.

26. COOPERATION REGARDING COUNTY REMAINDER: The parties anticipate that following construction of the Blomquist Extension through the County Property, the balance of the County Property not used for the roadway project may be available for other uses (the “County Remainder”). CITY acknowledges that COUNTY may be interested in seeing the County Remainder used as a site to develop permanent supportive housing, or another affordable housing use. CITY has agreed to grant to COUNTY and COUNTY has agreed to accept from CITY, an option to lease such County Remainder, which shall be set forth in a Lease Option Agreement consistent with the key terms set forth in **Exhibit C** attached hereto and incorporated herein by reference. CITY and COUNTY will use good faith, diligent efforts to negotiate and draft a final form of Lease Option Agreement consistent with the key terms to be executed, delivered and recorded through escrow at closing.

27. COOPERATION TO ADDRESS SEA LEVEL RISE: In recognition of the fact that future anticipated sea level rise threatens low lying areas along the San Francisco Bay, particularly properties located to the east of Highway 101, including the County Property and City Property, the parties agree to cooperate in good faith to identify and evaluate potential methods to address sea level rise, flooding, coastal erosion, and regional stormwater infrastructure needs affecting the area and to actively coordinate their respective planning efforts with regional and sub-regional organizations, including the San Mateo County Flood and Sea Level Rise Resiliency District (a/k/a OneShoreline). With respect to such planning efforts, the parties acknowledge their shared goal that the County Property and City Property be treated in a manner comparable to other substantially similar publicly- and privately-owned properties in the immediate vicinity of the County Property and City Property.

28. SHELTER SPACE ALLOCATION TO CITY: The County Property currently is used by COUNTY to operate a shelter for persons experiencing homelessness, which may continue operating for a time after the Closing pursuant to the City/County Leaseback Agreement. COUNTY intends to use the City Parcel to operate a facility offering shelter for persons experiencing homelessness as well as support services (referred to as a “Navigation Center”). COUNTY agrees to provide CITY an “Shelter Housing Preference” as follows:

a. On an ongoing basis, COUNTY shall provide up to five (5) shelter units, first at the existing shelter on the County Property and then at the Navigation Center on the City Parcel, for immediate placement of unsheltered individuals by the City of Redwood City staff or representatives. As applied to the existing facility, a “unit” shall mean a bed. As applied to the Navigation Center, a “unit” shall mean a sleeping facility with its own ingress door. The shelter operator will administer this program as part of the Navigation Center. Unsheltered individuals will transition from the hold units and will be assessed as part of the Coordinated Entry System (CES) and transition into the County’s Homeless Crisis Resolution system as soon as a CES placement is available.

b. The units shall be similar to the other Navigation Center units, but utilized specifically for the purpose of immediately providing emergency housing for unsheltered individuals while those individuals transition into the Coordinated Entry System. COUNTY acknowledges that continued availability of and use of the hold units at the Navigation Center is critical as CITY works towards the Countywide goal of functional zero homelessness.

COUNTY’s obligations under this Section 28 shall survive the Closing and remain in effect for so long as COUNTY operates a homeless shelter or homeless navigation center on the County Property or Navigation Center on the City Parcel.

29. COUNTY CONTRIBUTION TO DEMOLITION COSTS: In consideration for CITY’s covenants and agreements hereunder, including CITY’s obligations under Sections 4, 25 and 26 above, COUNTY shall pay to CITY the sum of One Hundred Seventy-Five Thousand Dollars (\$175,000) (“Demolition Payment”) to reimburse CITY or its designee for costs incurred or to be incurred in connection with demolition of certain buildings and improvements (or portions thereof) located on the County Remainder which buildings and improvements would not otherwise have to be demolished to accommodate the Blomquist Extension work. COUNTY shall make the payment to CITY or its designee, as directed by CITY, within 30 days following City’s written demand therefor. City agrees to submit its Demolition Payment demand no sooner than 30 days after expiration or earlier termination of the City/County Leaseback Agreement. COUNTY’s obligations under this Section 29 shall survive the Closing.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, COUNTY and CITY have executed this Real Property Exchange Agreement by the respective authorized officers as set forth below to be effective as of the later of the dates this Agreement is executed by the COUNTY and CITY.

“COUNTY”:

COUNTY OF SAN MATEO

By: DAVID J. CANEPA, PRESIDENT OF THE BOARD OF SUPERVISORS

Signature: _____

Name: David J. Canepa

Dated: _____, 2021

“CITY”:

CITY OF REDWOOD CITY

By: _____

Melissa Stevenson Diaz, City Manager

Dated: _____, 2021

Approved As To Form:

By: _____

Veronica Ramirez, City Attorney

Attest:

By: _____

Pamela Aguilar, City Clerk, CMC

CONSENT OF ESCROW HOLDER

Escrow Holder hereby acknowledges receipt of a copy of a fully executed original of this Agreement. Escrow Holder hereby agrees (i) to be and serve as Escrow Holder pursuant to this Agreement; and (ii) subject to further escrow instructions mutually agreeable to the parties and Escrow Holder, to be bound by the Agreement in the performance of its duties as Escrow Holder and to hold and disburse all funds received by Escrow Holder in accordance with the provisions of this Agreement; provided, however, Escrow Holder shall have no obligation, liability, or responsibility under any amendment to the Agreement unless and until the same is accepted by Escrow Holder in writing.

FIRST AMERICAN TITLE COMPANY

By: _____

Name: _____

Title: _____

Date: _____

Exhibit A

Legal Description of County Property

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

PORTION OF THE SOUTHWEST ¼ 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° 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° 46' 48" EAST ALONG SAID NORTHWESTERLY LINE OF STEINBERGER STREET 286.73 FEET; THENCE NORTH 55° 13' 12" WEST 241.98 FEET; THENCE SOUTH 34° 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° 41' 56", AN ARC DISTANCE OF 111.16 FEET, SOUTH 59° 48' 01" EAST TANGENT TO THE PRECEDING CURVE 122.55 FEET, NORTH 34° 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° 11' 08", AN ARC DISTANCE OF 25.77 FEET TO THE POINT OF BEGINNING.

APN: 052-532-020
JPN: 052-053-532-02A

Exhibit A

Exhibit C

LEASE OPTION AGREEMENT KEY TERMS

Option Period	County will have 5 years following the closing date of the land exchange to exercise its option to ground lease the Remainder Parcel. If County timely exercises the option, the parties will enter into a ground lease within 120 days following County’s exercise of the option. The effective date of the ground lease will be the date on which the ground lease is entered into by the parties.
Conditions to Lease Term Commencement	County will have 5 years following the effective date of the ground lease to obtain entitlements and permits, including CEQA clearance, for development of a supportive housing or other affordable housing project on the Remainder Parcel.
City Right to Preempt County’s Option Rights	If at any time prior to County’s exercise of the option, City desires to move forward with development of a supportive housing or other affordable housing project on the Remainder Parcel, City may terminate the option agreement by written notice to County. However, if City fails to move forward with development of an affordable housing project within five (5) years after exercising its termination right, then the parties shall enter a new option agreement providing County with a new 5 year option to ground lease the Remainder Parcel. The terms of such new option agreement would be consistent with the original option agreement.
Commencement Date/Outside Date	The ground lease term will commence upon satisfaction of the conditions precedent to lease term commencement. If the conditions to commencement have not been satisfied within 5 years following the ground lease effective date then the Ground Lease shall automatically terminate.
Term	65 years from the commencement date.
Base Rent	\$100 for the entire ground lease term payable upon execution.
Use	Affordable housing, including potentially permanent supportive housing, targeted to low income households (80% AMI) or below.
Payment of Fees	County shall be responsible to pay City Standard Development Fees and Processing Fees as identified in the Site Preparation and Development Fees Agreement, provided, however, the land use category for fee calculation will be residential rather than motel, and the County will not be eligible for any fee credits from prior uses.
Design Review	County shall engage with City and the community through presentation of its conceptual design at a public City Council meeting in order to receive feedback regarding, inter alia, the aesthetic and architectural characteristics of the contemplated project.
Taxes and Assessments	County will pay all taxes and assessments.

Ownership of Improvements	County or its successor will own the affordable housing improvements until ground lease termination/expiration at which time ownership of all improvements will vest in the City as fee owner/lessor
Construction Provisions	Ground lease to contain language addressing construction scope and schedule
As-Is	Remainder Parcel to be leased in its then AS-IS condition. City will have no obligation to do any demolition, remediation or site preparation work.
Transfer and Assignment	County may transfer its option to ground lease to a non-profit affordable housing developer subject to City review and approval not to be unreasonably withheld, conditioned or delayed.

Exhibit C

Exhibit D

Grant Deed (County to City)

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

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

EXEMPT FROM RECORDING FEES PER
GOVERNMENT CODE §§6103, 27383

SPACE ABOVE THIS LINE FOR RECORDER'S USE

The Undersigned Grantor(s) Declare(s):
DOCUMENTARY TRANSFER TAX \$ _____;
CITY TRANSFER TAX \$.00;
SURVEY MONUMENT FEE \$ _____

- Computed on the consideration or full value of property conveyed, OR
- Computed on the consideration or full value less value of liens and/or encumbrances remaining at time of sale,
- Unincorporated area; City of Redwood City

GRANT DEED

For valuable consideration, the receipt of which is hereby acknowledged,

THE COUNTY OF SAN MATEO, a political subdivision of the State of California, hereby grants to CITY OF REDWOOD CITY, a charter city and municipal corporation, the real property legally described in the document attached hereto, labeled Attachment 1, and incorporated herein by this reference.

GRANTOR:

COUNTY OF SAN MATEO

By: _____

Print Name: _____

Its: _____

Dated: _____, 2021

NOTARY ACKNOWLEDGMENT

[to be inserted]

ATTACHMENT 1

LEGAL DESCRIPTION

[to be inserted]

Exhibit E

City's Certificate of Acceptance of the Grant Deed (County Property)

This is to certify that the interests in real property conveyed by Grant Deed dated _____, 2021, by the County of San Mateo, as grantor, to the City of Redwood City, are hereby accepted by the _____ of the City pursuant to authority conferred by Resolution No. _____ of the City Council adopted on _____, 2021, and the City, as grantee, consents to recordation of said Grant Deed.

Dated: _____, 2021

By: _____

Print Name: _____

Its: _____

[NOTARY ACKNOWLEDGMENT]

To be inserted

Exhibit E

Exhibit F

Grant Deed (City to County)

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

County of San Mateo

Attn: _____

EXEMPT FROM RECORDING FEES PER
GOVERNMENT CODE §§6103, 27383

SPACE ABOVE THIS LINE FOR RECORDER'S USE

The Undersigned Grantor(s) Declare(s):
DOCUMENTARY TRANSFER TAX \$ _____;
CITY TRANSFER TAX \$.00;
SURVEY MONUMENT FEE \$ _____

- [] Computed on the consideration or full value of property conveyed, OR
- [] Computed on the consideration or full value less value of liens and/or
 encumbrances remaining at time of sale,
- [] Unincorporated area; [X] City of Redwood City

GRANT DEED

For valuable consideration, the receipt of which is hereby acknowledged,

THE CITY OF REDWOOD CITY, a charter city and municipal corporation, hereby grants
to COUNTY OF SAN MATEO, a political subdivision of the State of California, the real property
legally described in the document attached hereto, labeled Attachment 1, and incorporated herein
by this reference.

GRANTOR:

CITY OF REDWOOD CITY

By: _____

Print Name: _____

Its: _____

Dated: _____, 2021

NOTARY ACKNOWLEDGMENT

[to be inserted]

ATTACHMENT 1

LEGAL DESCRIPTION

[to be inserted]

Exhibit G

County's Certificate of Acceptance of the Grant Deed (City Parcel)

THIS IS TO CERTIFY that the interest in real property conveyed by the Grant Deed dated _____, 2021, from the CITY OF REDWOOD CITY, a charter city and municipal corporation, as Grantor, to the COUNTY OF SAN MATEO, a political subdivision of the State of California, as Grantee, is hereby accepted by order of the Board of Supervisors of the County of San Mateo on _____, 2021, pursuant to authority conferred by resolution of the Board of Supervisors of the County of San Mateo adopted on _____, 2021, and the County of San Mateo consents to recordation thereof by its duly authorized officer.

WITNESS my hand and official seal

this _____ day of _____, 2021

COUNTY OF SAN MATEO

By: _____
Michael P. Callagy
Clerk of the Board

Exhibit G

NOTARY ACKNOWLEDGMENT

[to be inserted]

Exhibit G

Exhibit H
City/County Leaseback Agreement

Exhibit H

**LEASE AGREEMENT
(Shelter)**

By and Between

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

and

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

Dated: _____, 2021

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**LEASE AGREEMENT
(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, 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 shelter for persons experiencing homelessness, 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 November 1, 2022 unless otherwise provided by written agreement. (**"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
(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 charter city and municipal corporation ("**Landlord**"), and the COUNTY OF SAN MATEO, a political subdivision of the State of California ("**Tenant**").

1. PREMISES.

1.1 Premises; License. Landlord hereby leases to Tenant, and Tenant leases from Landlord, the Premises, including without limitation the buildings, and all infrastructure on the Property (collectively, the "**Improvements**").

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. If Tenant holds over following the Expiration Date, 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 following such Expiration Date. The term "**Rent**" means the Base Rent payable during such holdover period, 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.

4.2 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.

4.3 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.

4.4 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 4.4 shall not apply to the extent claims are caused by Landlord's sole or active negligence or willful misconduct. This Section 4.4 shall be interpreted only to extend to Services provided in a Proprietary Capacity as described in Section 18.3. Nothing in this Section shall be interpreted to extend to Services provided by Landlord in a Governmental Capacity within the meaning of Section 18.3.

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 all 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**"). Tenant's indemnity obligations under this Section 7.1 shall survive the expiration or earlier termination of this Lease.

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 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 work plans 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. Tenant's indemnity obligations under this Section 11.2 shall survive the expiration or earlier termination of this Lease.

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. INTENTIONALLY OMITTED.

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.

15. ASSIGNMENT AND SUBLETTING.

15.1 Landlord's Consent. Landlord hereby acknowledges that the shelter located on the Premises is operated by a contractor of Tenant and Landlord consents to the continued operation of the 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 provide 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 September 28, 2021 ("**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. 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 Intentionally omitted.

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 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 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 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 \$2.2 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 \$7.7 Million to itself construct the Blomquist Street Segments, Landlord estimates it will suffer at least \$5.5 Million in damages (the difference between the current 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, Tenant agrees to pay Landlord liquidated damages in the amount of FIVE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$5,500,000) 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 sustain substantial damages if Tenant fails to surrender and vacate the Premises as required by this Lease by the Expiration Date. The parties agree that the liquidated damages amount in Section 18.9.3 above shall be presumed to be the damages 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. 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.

LANDLORD AND TENANT ACKNOWLEDGE AND AGREE THAT THEY HAVE READ AND UNDERSTAND THE TERMS OF THIS SECTION 18.9 AND BY THEIR INITIALS AGREE TO BE BOUND BY ITS TERMS.

LANDLORD'S INITIALS

TENANT'S INITIALS

18.9.5 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 any liquidated damages apply to any breach of this Lease other than as set forth in Section 18.9.3 above.

18.9.6 If Tenant holds over beyond the Lease Expiration Date and therefore pays the liquidated damages amount specified above to Landlord, Landlord shall use the proceeds of such liquidated damages solely to pay the costs of constructing or causing construction of the Blomquist Street Segments at such time as Landlord determines in its sole discretion. Landlord shall keep copies of invoices and other appropriate records of all hard and soft costs incurred by Landlord in connection with the construction of the Blomquist Street Segments, and Landlord, promptly following Tenant's request, shall provide a copy of such invoices and cost records to Tenant. If, following completion of the Blomquist Street Segments, the total hard and soft costs incurred by Landlord are less than the sum of: (a) the liquidated damages amount paid by Tenant to Landlord as provided above, plus (b) the In-Lieu Payment made by Developer to City, then City shall pay the excess funds remaining, if any, to Tenant.

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.

[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: DAVID J. CANEPA, PRESIDENT OF THE BOARD OF SUPERVISORS

Signature: _____

Name: David J. Canepa

Dated: _____, 2021

“LANDLORD”:

CITY OF REDWOOD CITY

By: _____

Melissa Stevenson-Diaz

Its: City Manager

Dated: _____, 2021

Approved as To Form:

By: _____

Veronica Ramirez, City Attorney

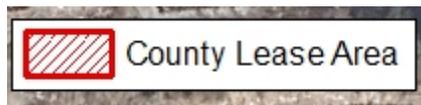
Attest:

By: _____

Pamela Aguilar, City Clerk, CMC

ATTACHMENT 1
Diagram of Premises

1580 Maple Street – County Lease Area



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 § 2738]*

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE ("**Memorandum**") is dated as of _____, 2021, by and between the CITY OF REDWOOD CITY, a California charter city and 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 _____, 2021 (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 _____, 202__ ("**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 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: DAVID CANEPA, PRESIDENT OF THE BOARD OF SUPERVISORS

Signature: _____

Name: David Canepa

Dated: _____, 2021

“LANDLORD”:

CITY OF REDWOOD CITY

By: _____

Melissa Stevenson-Diaz

Its: City Manager

Dated: _____, 2021

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 _____, 2021, 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 _____, 2021, 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

[To be inserted]

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.

APN: 052-532-020

JPN: 052-053-532-02A

Exhibit I

Site Preparation and Development Fees Agreement

Exhibit I

SITE PREPARATION AND DEVELOPMENT FEES AGREEMENT

THIS SITE PREPARATION AND DEVELOPMENT FEES AGREEMENT (“Agreement”) is made and entered into on this ____ day of _____, 2021 (“Effective Date”), by and between the COUNTY OF SAN MATEO, a political subdivision of the State of California (“County”), and the CITY OF REDWOOD CITY, a California charter city and municipal corporation (“City”) with reference to the following facts:

RECITALS

A. County and City are parties to a Real Property Exchange Agreement (“Exchange Agreement”), which provides among other things for: (a) City to transfer to County a fee interest in that certain undeveloped real property consisting of approximately 2.52 acres located within the City of Redwood City, County of San Mateo, State of California, described in Attachment 1, attached hereto and incorporated herein by reference (the “Property”) in exchange for County’s transfer to City of certain County-owned property, including the buildings and improvements thereon; (b) City to leaseback by a separate written agreement to County an existing homeless shelter building on the County-owned property until November 1, 2022; (c) County to commit to undertake certain work of public improvements and pay certain development related fees to City at such time as County undertakes permanent development of the Property; and (d) City or the developer of the adjacent 1548 Maple Street property, to be solely responsible for demolishing or causing demolition of those portions of the buildings and improvements on the County-owned property as necessary to facilitate the Blomquist Street extension work.

B. As contemplated by the Exchange Agreement, upon Closing, County has acquired from the City a fee interest in the Property.

C. In accordance with the Exchange Agreement, City and County now desire to enter into this Agreement committing County, at such time as the Property is developed in the future, (i) to raise the elevation of the Property (as described below), and (ii) to pay to City certain Processing Fees and Impact Fees (specified below), all as set forth in this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the faithful performance of the terms and conditions set forth in this Agreement, the parties hereto agree as follows:

1. Purpose. The purpose of this Agreement is to require and guarantee (a) County’s importation of clean fill (“Fill Importation”) to raise the elevation of the Property to a minimum NAVD elevation 14 feet across the 2.52 acre parcel transferred to the County, which the parties have agreed is the minimum needed in light of anticipated sea level rise, with the slope down from Property onto and upon the City remainder land, except that no fill is allowed within any wetlands areas; and (b) County’s payment of certain Processing Fees and Impact Fees to City, at such time as the Property is developed with permanent improvements; and confirm City’s agreement that County’s completion, dedication, and payment pursuant to this Agreement satisfies the entirety of the County’s obligations with regard to the such elevation increase and payment of such fees.

2. Property Subject to Agreement. The Property shall be subject to this Agreement upon Closing of the Exchange Agreement and during the entirety of the County’s ownership of the Property. In

the event the property is ever alienated by County, this Agreement shall have no further effect and neither party shall have any further duty of performance, nor can any subsequent purchaser rely on, enforce or assume the County's rights and obligations hereunder.

3. Duty to Undertake Fill Importation. At such time as County develops the Property with permanent improvements, County shall complete the Fill Importation, in accordance with improvement plans and drawings to be prepared by County and submitted to the City Engineer for review and approval not to be unreasonably withheld, conditioned or delayed ("Plans"). The Fill Importation and all labor and materials furnished in connection therewith are hereinafter referred to collectively as the "Work." In the event County proposes to develop the Property in phases, the parties will cooperate in good faith to agree upon a schedule for phased installation of the Work. If, prior to County's development of permanent improvements on the Property, City proposes to undertake adjacent street improvements which may include elevation of the adjacent right of way, the parties will cooperate in good faith to agree upon a schedule for County's accelerated performance of the Work. The Work shall be in compliance with the provisions of Chapter 30 of the Redwood City Code. In the event a conflict exists between the Plans and the requirements of Chapter 30 of the Redwood City Code, the requirement or standard as reasonably determined by the City Engineer shall govern. The County may install a fill slope on the City's remainder parcel to facilitate raising the 2.52 acre County parcel to a minimum elevation of 14 NAVD88, except that no fill may be installed within any wetlands area.

4. Completion Timing. Except as otherwise agreed by City in its sole discretion, County will complete the Work, or applicable phase thereof, prior to occupying all or any portion of the buildings or improvements whose construction triggered the obligation to complete the Work. All Work will be completed in a good and workmanlike manner in accordance with accepted design and construction practices and consistent with the Plans.

5. Intentionally omitted.

6. Modifications to the Plans. County agrees to make such modifications, changes or revisions as necessary in order to complete the Work in a good and workmanlike manner in accordance with accepted design and construction standards and consistent with the Plans as approved by the City Engineer.

7. Intentionally omitted.

8. Intentionally omitted.

9. Examination of Work. All of the Work shall be consistent with the Plans and performed to the satisfaction of the City Engineer, in his or her reasonable discretion. City and its authorized agents shall, at all times during the performance of the Work, have free access to the Work and the Property as reasonably necessary to examine the Work, and shall be allowed to examine the Work and all materials used and to be used in the Work.

10. City Costs. County shall pay to City, the actual cost for all engineering, inspection, administration, plan check, laboratory and field testing, construction, and other services furnished by City in connection with this Agreement, including those performed by consultants under contract with City which consultants have been approved by County ("City Costs"). County agrees to complete payment of such sums for the services provided by City within thirty (30) days after billing by City.

11. Completion of Work. After County (a) completes the Work or applicable phase thereof in accordance with the Plans and the terms and conditions of this Agreement, (b) repairs any private or public property damaged as a result of the Work or applicable phase thereof or pays the full cost of such repair to the owner whose property was damaged and (c) obtains the written acceptance of such repair or payment from any owner whose private property was repaired by County or to whom County paid the full cost of such repair, County will provide City with a written notice of completion, together with copies of all written acceptances.

12. Final Acceptance; Notice of Completion. Within thirty (30) days of receipt of each written notification by County pursuant to Section 11 above, the City Engineer shall inspect the applicable Work and review the written acceptances, if any, and send County a written notice stating whether the Work is complete to the satisfaction of the City Engineer, in his/her reasonable discretion, and whether the written acceptances have been provided. If the Work is, in the opinion of the City Engineer, not complete and satisfactory, the City Engineer will list the deficiencies that County must correct to make the Work complete and satisfactory. Upon satisfactory completion of the Work and repairs and submittal of written acceptances, if any, the City Engineer will send County a written notice of satisfactory completion. The requirement for written acceptances, if any, may be waived by the City Engineer, in his/her reasonable discretion, if County has made commercially reasonable efforts to obtain such acceptances.

13. Intentionally Omitted.

14. County Not Agent of City. Neither County nor County's contractors, subcontractors, agents, officers, or employees are agents or employees of City and the County's relationship to City, if any, arising herefrom is strictly that of an independent contractor.

15. Indemnification.

15.1 Neither the City, nor its officers, agents nor employees, will be liable or responsible for any accident, injury, loss, or damage to either property or person attributable to or arising out of the Work. County shall indemnify, hold harmless and defend the City, its officers, agents and employees, from and against any and all losses, claims, costs, expenses, liabilities, damages, actions, causes of action and judgments, including reasonable attorneys' fees, for property damage, bodily injury or death arising out of or attributable to County's or its employees', agents', or contractors' performance of the Work under this Agreement. Notwithstanding the forgoing, County shall not be obligated under this Agreement to defend and/or indemnify the City to the extent that any of the damage or injury is caused by the gross negligence or willful misconduct of the City or its agents or employees. This indemnification obligation shall expire at the conclusion of the Warranty period.

15.2 County's obligations under this Section 15 are not conditioned or dependent upon whether the City or its contractors, agents or employees prepared, supplied or reviewed any Plans or related specifications in connection with the County's development project, or whether the City has insurance or other indemnification covering any of these matters.

16. Insurance. Prior to commencing construction or development on or about the Property and throughout the entire duration of the Work, County shall obtain and maintain in full force and effect, or require its contractor to obtain and maintain in full force and effect, the following insurance policies:

16.1 General Liability. Commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than Two Million

Dollars (\$2,000,000) per occurrence, Four Million Dollars (\$4,000,000) general aggregate, for bodily injury, personal injury, and property damage, including without limitation, blanket contractual liability and coverage for explosion, collapse and underground property damage hazards. County's or its contractor's general liability policies shall be primary and non-contributory, and be endorsed using Insurance Services Office form CG 20 10 to provide that City and its officers, officials, employees, and agents shall be additional insureds under such policies. For construction contracts, an endorsement providing completed operations to the additional insured, ISO form CG 20 37, is also required.

16.2 Workers' Compensation. Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance with limits of at least One Million Dollars (\$1,000,000). County shall submit to City, along with the certificate of insurance, a Waiver of Subrogation endorsement in favor of City, its officers, agents, employees, and volunteers.

16.3 Auto Liability. Auto liability coverage for owned, non-owned, and hired autos using ISO Business Auto Coverage form CA 00 01, or the exact equivalent, with a limit of no less than One Million Dollars (\$1,000,000) per accident. If County's contractor owns no vehicles, this requirement may be met through a non-owned auto endorsement to the CGL policy.

16.4 Contractors Pollution Liability. Pollution Coverage shall be provided on a Contractors Pollution Liability form or other form acceptable to City providing coverage for liability arising out of sudden, accidental and gradual pollution and remediation. The policy limit shall be no less than One Million Dollars (\$1,000,000) per claim and in the aggregate. All activities contemplated in this agreement shall be specifically scheduled on the policy as "covered operations." The policy shall provide coverage for the hauling of waste from the project site to the final disposal location, including non-owned disposal sites.

16.5 Other Requirements. Prior to commencing construction or development on or about the Property, County shall furnish City with certificates and copies of information or declaration pages of the insurance required hereunder and, with respect to evidence of commercial general liability and automobile liability insurance coverage, original endorsements:

16.5.1. Precluding cancellation or reduction in coverage before the expiration of thirty (30) days after City shall have received written notification of cancellation or reduction in coverage by first class mail, postage prepaid;

16.5.2. Providing that County's or its Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability (cross liability endorsements);

16.5.3. Naming City, its Council, commissions, boards, committees, officers, employees and agents as additional insureds; and

16.5.4. Providing that County's or its contractor's insurance shall be primary insurance relating to all Work hereunder with respect to City, its Council, commissions, boards, committees, officers, employees and agents, and further providing that any insurance, self-insurance or joint self-insurance maintained by City for itself, its Council, commissions, boards, committees, officers, employees and agents shall not be excess of County's or its

Contractor's insurance and shall not be contributory with it. Such insurance shall also specifically insure any contractual liability assumed by County under the terms of this Agreement.

16.6 Replacement Coverage Obligation. In the event the County contractor's insurance is cancelled, County shall provide replacement coverage or all Work must cease as of the cancellation date until replacement insurance coverage is provided.

16.7 County Self-Insured. Notwithstanding any other provision of this Section 16, City accepts County's self-insured coverage as satisfying the provisions of this Section.

17. Compliance with Laws. County shall comply with all federal, state and local laws, ordinances and regulations in the performance of this Agreement except those as to which it is immune, provided however the immunity carve out shall not be deemed to exempt or relieve County from any of its obligations under this Agreement. County shall, at its own cost and expense, obtain all necessary permits and licenses for the Work, give all necessary notices, pay all fees and taxes required by law and make any and all deposits legally required by those public utilities that will serve the development on the Property. Copies and/or proof of payment of said permits, licenses, notices, fee and tax payments and deposits shall be furnished to the City Engineer upon request.

18. Encroachment Permits. County shall obtain, at its sole cost and expense, any encroachment permits required by City in order to perform the Work. Such encroachment permits may include only such conditions as are generally applied to construction work such as the Work elsewhere in the City.

19. Payments. County agrees that it will pay, when due, all those furnishing labor or materials in connection with the Work. This paragraph shall not be interpreted to enlarge or expand the County's duty to pay its own employees or employees or consultants of City as to which reimbursement had been provided elsewhere in this Agreement.

20. Intentionally Omitted.

21. Monuments. All pipes and monuments, if any, which are destroyed or displaced during construction operations shall be replaced by County at the time of the final inspection of the permanent improvements.

22. Payment of Specified City Standard Development Fees.

22.1 In connection with County's permanent development of the Property, County agrees to pay to City those processing fees ("Processing Fees") and development fees ("Development Fees") set forth in Attachment 1 attached hereto and incorporated herein. The Development Fees shall be at the rates and in the amounts in effect as of the Effective Date of this Agreement, subject to annual increases on the first anniversary of the Effective Date and each year thereafter based on the increase in the Construction Cost Index for San Francisco over the prior one-year period, as published from time to time by the Engineering News Record ("ENR Index"). Except as otherwise set forth above with respect to payment of the Processing Fees and Development Fees, County shall have no obligation to pay any other City development related fees or charges, nor shall County be required to contribute to area wide improvements.

22.2 County shall receive credits against any Development Fees, including fees for water, sewer, and wastewater treatment capacity, for use of the Maple Street Shelter (22,320 sq. ft. /141 residents/ 20 employees) formerly operated by County at 1580 Maple and the Women's Jail

at 1590 Maple (19,218 sq. ft. / 120 occupants / 20 employees). Standard Development Fees shall only be imposed to the extent that a permanent development exceeds this baseline. For purposes of calculating fees and credits for water capacity, sewer system capital facilities, and wastewater treatment capacity, shelter space shall receive Land Use Category designation "Motel."

22.3 Notwithstanding the above, the Development Fees payable by County for a navigation center shall not exceed the sum of Three Hundred Ninety Thousand Two Hundred Forty-Six Dollars (\$390,246.00) (the "Fee Cap"), subject to annual increases beginning on the third anniversary of the Effective Date based on the increase in the ENR Index. County acknowledges that the Fee Cap is based on City's estimate of potential Impact Fees for a navigation center containing up to 275 beds, and County agrees that if it proposes to use the Property for a facility containing more than 275 shelter beds, the Fee Cap shall not apply and County shall pay when due the increased Impact Fees applicable to such larger navigation center use.

23. Intentionally omitted.

24. Notice of Default; Opportunity to Cure. If City believes County is in default of any of its obligations under this Agreement, City shall provide written notice of default to County, and County shall have 30 days within which to correct, remedy or cure the default. If the written notification states that the problem is urgent and relates to the public health and safety, then County shall have 72 hours to correct, remedy or cure the default. If County does not take measures to cure the default within the applicable timeframe, City may pursue the remedies set forth in Section 25 below.

25. Remedies.

25.1 City may bring legal action to compel performance of this Agreement and recover the costs of completing the Work and/or repairs, if any.

25.2 City may recover actual damages equal to the sum total of any fees, financial contributions or other amounts payable by County.

25.3 No failure on the part of City to exercise any right or remedy hereunder shall operate as a waiver of any other right or remedy that City may have hereunder.

25.4 The rights and remedies of City are cumulative, and the exercise by City of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default.

26. Intentionally omitted.

27. Notices. Any notices relating to this Agreement shall be given in writing and shall be deemed sufficiently given and served for all purposes when delivered personally or by generally recognized overnight courier service, or five (5) days after deposit in the United States mail, certified or registered, return receipt requested, with postage prepaid, addressed as follows:

To the County: Don Grady
Real Property Manager
San Mateo County
555 County Center, 4th Floor
Redwood City, CA 94063

With a copy to: Justin W. Mates
Deputy County Manager
San Mateo County
400 County Center, First Floor
Redwood City, CA 94063

To the City: City of Redwood City
1017 Middlefield Road
Redwood City, California 94063
Attn: City Manager

With a copy to: City of Redwood City
1017 Middlefield Road
Redwood City, California 94063
Attn: City Attorney

28. Interpretation. The word “including” shall be construed as if followed by the words “without limitation.” All recitals to this Agreement are incorporated by reference as though fully restated herein. All exhibits and attachments to this Agreement are incorporated by reference as though fully restated herein. This Agreement shall be interpreted as though prepared jointly by both parties. Section headings in this Agreement are for convenience only and are not intended to be used in interpreting or construing the terms, covenants or conditions contained in this Agreement.

29. Severability. If any provision of this Agreement is held, to any extent, invalid, the remainder of this Agreement shall not be affected, except as necessarily required by the invalid provision, and shall remain in full force and effect.

30. Entire Agreement. The terms and conditions of this Agreement, together with the Exchange Agreement, constitute the entire agreement between City and County with respect to the matters addressed in this Agreement. This Agreement may not be altered, amended or modified without the written consent of all parties hereto. Performance of this Agreement shall constitute full performance of all duties and obligations of the County enforceable by the City with regard to the Work and payment of any development related fees and fair share infrastructure contributions.

31. Governing Law; Venue. This Agreement shall be construed and enforced in accordance with the laws of the State of California, without reference to choice of law provisions. Any legal actions under this Agreement shall be brought only in the Superior Court of the County of San Mateo, State of California.

32. Authority. Each party executing this Agreement on behalf of a party represents and warrants that such person is duly and validly authorized to do so on behalf of the entity it purports to bind and if such party is a partnership, corporation or trustee, that such partnership, corporation or trustee has full right and authority to enter into this Agreement and perform all of its obligations hereunder.

33. Time is of the Essence. Time is of the essence of this Agreement and of each and every term and condition hereof.

[Signatures on next page]

IN WITNESS WHEREOF, City and County have executed this Agreement as of the Effective Date.

COUNTY:

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

By: _____

Name: _____

Title: _____

[Signature must be notarized]

CITY:

CITY OF REDWOOD CITY, a California
charter city and municipal corporation

Melissa Stevenson Diaz, City Manager

[Signature must be notarized]

ATTEST:

Pamela Aguilar, City Clerk

[NOTARY ACKNOWLEDGMENTS]

to be inserted

ATTACHMENT 1

Legal Description of the Property

[TO BE REPLACED WITH FINAL VERSION.]



EXHIBIT "B"
Legal Description

CITY PARCEL
Maple Street, Redwood City, CA

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

Being a portion of Parcel 1, as said Parcel is shown on Parcel Map No. 91-10, filed for record on January 13, 1994 in Book 67 of Parcel Maps at Pages 26 and 27, Records of San Mateo County, more particularly described as follows:

BEGINNING at the most westerly corner of said Parcel 1, said corner being also the intersection of the southeasterly line of Maple Street with the northeasterly line of Blomquist Street, as said Streets are shown on said Parcel Map No. 91-10;

Thence leaving said corner and along said southeasterly line of Maple Street, the North 34°46'43" East, 387.59 feet;

Thence leaving said southeasterly line of Maple Street, the following courses and distances:

South 55°13'12" East, 265.51 feet to the beginning of a tangent curve to the right, having a radius of 100.00 feet;

Southerly along said curve, through a central angle of 90°00'00", with an arc length of 157.08 feet;

South 34°46'48" West, 144.78 feet to the beginning of a non-tangent curve, concave to the south, having a radius of 252.50 feet, with a radial line that bears North 28°23'13" East;

Westerly along said curve, through a central angle of 13°18'39", with an arc length of 58.66 feet;

North 74°55'26" West, 214.41 feet to the beginning of a tangent curve to the left, having a radius of 252.50 feet;

Westerly along said curve, through a central angle of 21°45'54", with an arc length of 95.92 feet to said northeasterly line of Blomquist Street, being 48.00 feet in width;

Thence along said northeasterly line of Blomquist Street, North 74°55'26" West, 26.08 feet to the Point of **BEGINNING**.

Containing an area of 2.519 acres, more or less.

Being a portion of Assessor's Parcel Number 052-398-010 per Roll Year 2021-2022.

This legal description was prepared by me, or under my direct supervision, in conformance with the requirements of the Professional Land Surveyors' Act.

INITIAL DRAFT-FOR REVIEW

By: _____

John Koroyan
P.L.S. No. 8883

Date: _____



ATTACHMENT 2

*

List of Development Fees¹

Sewer System Capital Facilities Fee ²	Water System Capital Facilities Fee
Wastewater Treatment Capacity Fee ²	Water Capacity Charge ²
Sewer Facilities Fee	

List of Processing Fees³

Address Change	Review of Final Parcel Map (Deposit)
Preliminary Plan Review (Deposit)	Revocable Encroachment Permit (Deposit)
Water Service Line and Meter Installation Fee	Storm Water Discharge (Deposit)

1. Development Fees shall be calculated based on rates in effect as of Effective Date with annual escalations based on ENR Index as provided in Section 22 above.
2. Development Fees for shelter space shall be calculated using Motel Land Use Category with a credit assuming full capacity usage at (a) the former women’s jail (120 beds) based on Boarding House Use and (b) the Maple Street shelter (141 beds) based on Motel Use.
3. Processing Fees shall be based on cost recovery of City staff time spent on the project on an “Actual Cost” basis. Actual Costs are determined by the fully burdened hourly rates by position performing service. The rates are on file with the City Clerk. For items marked as (Deposit), the County shall make a deposit into a City account that staff will charge their time against.