

SECOND LEASE AMENDMENT
Lease No. 1185

This Second Lease Amendment ("Second Amendment"), dated for reference purposes only as of August 1, 2002, is by and between HARBOR BELMONT ASSOCIATES, a California General Partnership ("Landlord"), as Lessor, and the COUNTY OF SAN MATEO, a political subdivision of the State of California ("County" or "Tenant"), as Lessee.

Recitals

A. As authorized by San Mateo County Resolution No. 56751, Landlord and Tenant entered into a lease agreement dated December 8, 1992 for a portion of Building A (the "Building") of the Harbor Park, which portion consists of approximately 21,346 rentable square feet of office space, and is commonly known as 264 Harbor Boulevard, Belmont, California.

B. As authorized by San Mateo County Resolution No. 65195, Landlord and Tenant entered into an amendment to the Lease dated April 16, 2002 for additional space in the Building and to extend the term of the Lease (the "First Amendment").

C. The lease as amended sets forth the entire agreement between Landlord and Tenant (the "Lease").

D. In addition to the Premises as set forth in the Lease, County desires to lease from Landlord, and Landlord desires to lease to County, for a term not to exceed twelve months, a portion of Building E comprised of approximately 23,000 rentable square feet, and commonly known as 310 Harbor Boulevard (the "Temporary Premises").

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Landlord and County hereby agree to amend the Lease as follows:

Agreement

The following provisions are added to the lease as executed on December 8, 1992 and amended on April 16, 2002 (the "Lease").

1. **Recitals.** The foregoing recitals are true and correct and are incorporated herein by reference.
2. **Defined Terms.** All capitalized terms not defined herein have the same meaning as set forth in the Lease.
3. **Premises.** In addition to the Premises described in the Lease, during the Term of the Second Amendment as hereinafter defined, the Premises shall include space in that certain building and appurtenant improvements and common area located at Harbor Park, 310 Harbor Boulevard, Belmont, California, 94002, and shown on

Exhibit 2A attached to this Second Amendment and incorporated herein. Upon expiration or termination of the Term of the Second Amendment, the Premises shall be as set forth in the First Lease Amendment. By taking occupancy hereunder, Tenant accepts the Premises in "AS-IS" condition, subject to Landlord's responsibility to maintain the Premises as set forth in the Lease.

4. **Personal Property.** Without payment of additional rent or other compensation, Tenant shall have the right during the Term of the Second Amendment to use the personal property identified in the attached **Exhibit 2B** (the "FF&E"). Landlord and Tenant acknowledge that the FF&E is the personal property of Oracle Corporation of Redwood Shores, California. Landlord warrants that it has the right pursuant to a separate agreement between Landlord and Oracle Corporation to grant to Tenant this right to use the FF&E. Upon expiration or the earlier termination of the Term of the Second Amendment, Tenant shall return possession of the FF&E to Landlord in the same condition as it was found at the commencement of the Term of the Second Amendment, normal wear and tear excepted. Tenant shall be responsible for any damage to the FF&E that exceeds that which results from normal use.

It is hereby acknowledged that, in order to utilize the FF&E, Tenant must modify the telephone and data cabling system that is integrated into portions of the FF&E. Upon the expiration or earlier termination of this Second Amendment, Tenant shall have no responsibility to restore such cabling to the condition in which it was found on the Effective Date.

5. **Base Rent.** Commencing on the later of September 1, 2002 or the Effective Date as set forth in Section 8 [Effective Date; Approval] of this Second Amendment (the "Rent Commencement Date"), and subject to the provisions of Section 9 of this Second Amendment [Early Occupancy], the Base Rent for the Temporary Premises shall be \$34,500.00 per month, which Rent shall be in effect through August 31, 2003 unless sooner terminated as set forth herein. The Base Rent for the Temporary Premises shall not be subject to adjustment for increases in operating expenses during the Term of the Second Amendment.
6. **Term of the Second Amendment.** This Second Amendment shall be effective on the Effective Date as defined in Section 8 [Effective Date; Approval] hereof and, subject to Landlord's and Tenant's rights to terminate as set forth in Section 10 hereof [Early Termination], the date on which this Second Amendment shall terminate is August 31, 2003 (the "Termination Date"). The "Term of the Second Amendment" shall commence on the Effective Date and terminate on the Termination Date.
7. **Parking.** During the Term of the Second Amendment, parking as set forth in Section 10 of the Lease as "Reserved for Exclusive County Use" shall be modified to include, in addition to the parking identified on Exhibit 1A of the First Amendment, that which is identified on **Exhibit 2A** of this Amendment.

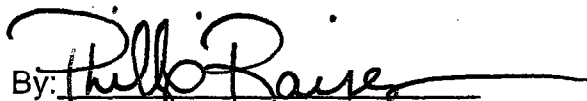
8. **Effective Date; Approval.** The date on which this Amendment shall become effective (the "Effective Date") is that on which (i) County's Board of Supervisors, in their sole and absolute discretion, adopt a resolution approving this Amendment in accordance with all applicable laws and (ii) this Amendment is duly executed by, and delivered to the parties hereto. If the Effective Date occurs on a date later than September 1, 2002, then promptly thereafter Landlord shall deliver to County a notice substantially in the form of **Exhibit 2C** attached to this Amendment, confirming the actual Effective Date and Rent Commencement Date.
9. **Early Occupancy.** Provided Tenant has delivered to Landlord a fully executed Second Lease Amendment that has been authorized as set forth in Section 8 hereof, without payment of additional rent or other charges, Tenant may occupy the Temporary Premises prior to September 1, 2002 for the sole purpose of designing and installing Tenant's telephone and data system, but such occupancy shall otherwise be on the same terms and conditions as set forth in the Lease.
10. **Early Termination.**
- A. At any time after the initial five months of the Term of the Second Amendment, Tenant may terminate this Second Amendment by delivering to Landlord thirty (30) days written notice and, upon expiration of such thirty-day period, this Second Amendment shall terminate as if it had otherwise expired, and the Lease shall continue in full force and effect under the terms as set forth prior to execution by the parties of this Second Amendment.
- B. At any time after the initial five months of the Term of the Second Amendment, Landlord may terminate this Second Amendment by delivering to Tenant ninety (90) days written notice and, unless earlier terminated by Tenant as set forth herein, upon expiration of such ninety-day period, this Second Amendment shall terminate as if it had otherwise expired, and the Lease shall continue in full force and effect under the terms as set forth prior to execution by the parties of this Second Amendment.
11. **Counterparts.** This Lease Amendment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS LEASE AMENDMENT, LANDLORD ACKNOWLEDGES AND AGREES THAT NO OFFICER OR EMPLOYEE OF COUNTY HAS AUTHORITY TO COMMIT COUNTY HERETO UNLESS AND UNTIL THE COUNTY'S BOARD OF SUPERVISORS SHALL HAVE DULY ADOPTED A RESOLUTION APPROVING THIS SECOND AMENDMENT AND AUTHORIZING CONSUMMATION OF THE TRANSACTION CONTEMPLATED HEREBY. THEREFORE, ANY OBLIGATIONS OR LIABILITIES OF COUNTY HEREUNDER ARE CONTINGENT UPON ADOPTION OF SUCH A RESOLUTION, AND THIS SECOND AMENDMENT SHALL BE NULL AND VOID UNLESS COUNTY'S BOARD OF SUPERVISORS APPROVES THIS SECOND AMENDMENT, IN ITS SOLE AND ABSOLUTE DISCRETION, AND IN ACCORDANCE WITH ALL APPLICABLE LAWS. APPROVAL OF THIS SECOND AMENDMENT BY ANY DEPARTMENT, COMMISSION OR AGENCY OF COUNTY SHALL NOT BE DEEMED TO IMPLY THAT SUCH RESOLUTION WILL BE ADOPTED, NOR WILL ANY SUCH APPROVAL CREATE ANY BINDING OBLIGATIONS ON COUNTY.

12. **No Further Amendments; Conflicts.** All the terms and conditions of the Lease remain in full force and effect except as expressly amended herein. The Lease as amended by the First Amendment and this Second Amendment constitutes the entire agreement between Landlord and County, and may not be modified except by an instrument in writing duly executed by the parties hereto

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

LANDLORD:
HARBOR BELMONT ASSOCIATES

By: 
Phillip H. Raiser, Agent of
JHR TRUST, General Partner

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

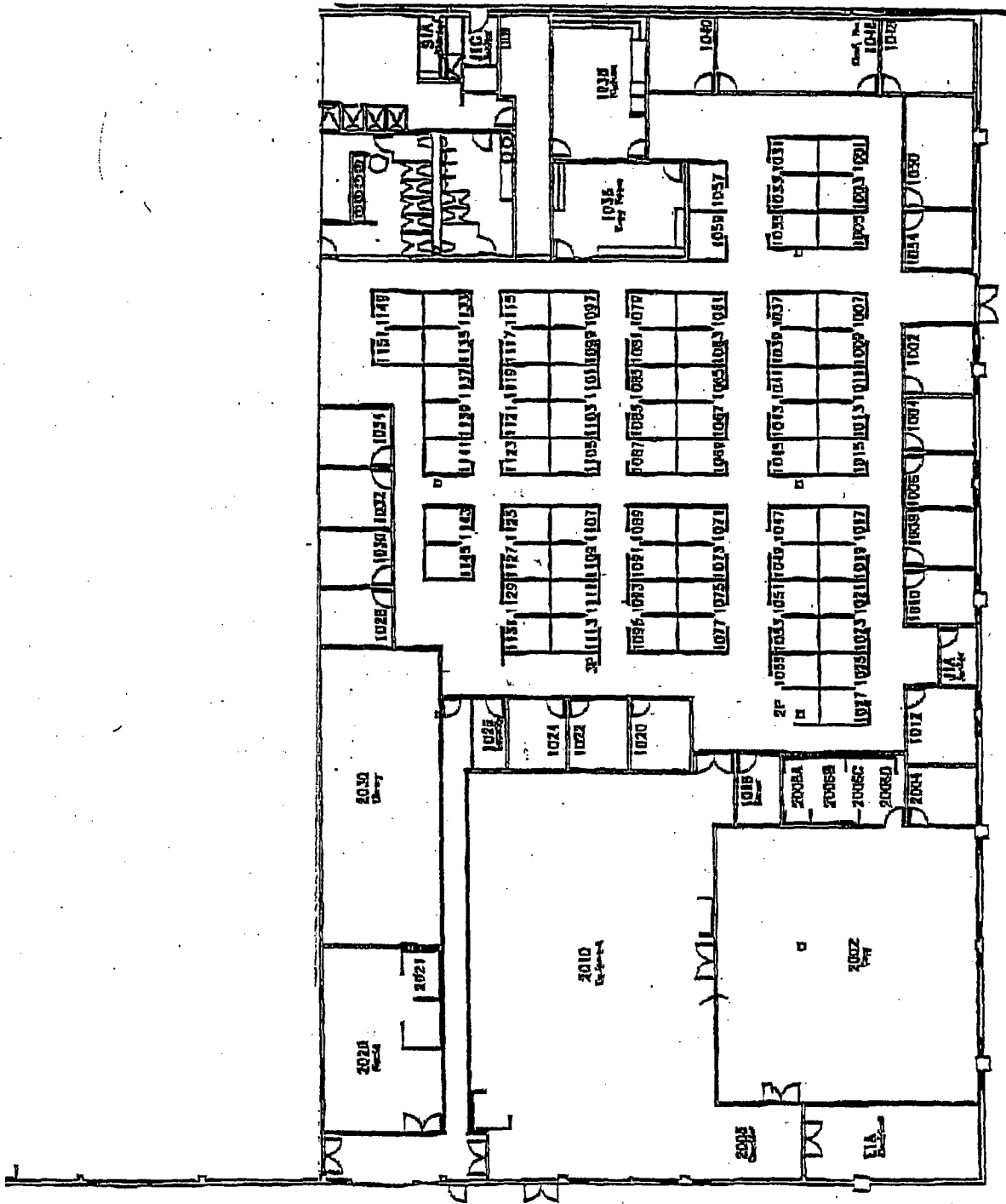
Attest:

By: _____
Jerry Hill
President, Board of Supervisors

Clerk of the Board

Resolution No.: _____

**EXHIBIT 2A
THE TEMPORARY PREMISES**



310 Harbor Boulevard
Belmont, CA

ADDITIONAL PARKING SPACES
RESERVED FOR EXCLUSIVE USE
OF TENANT

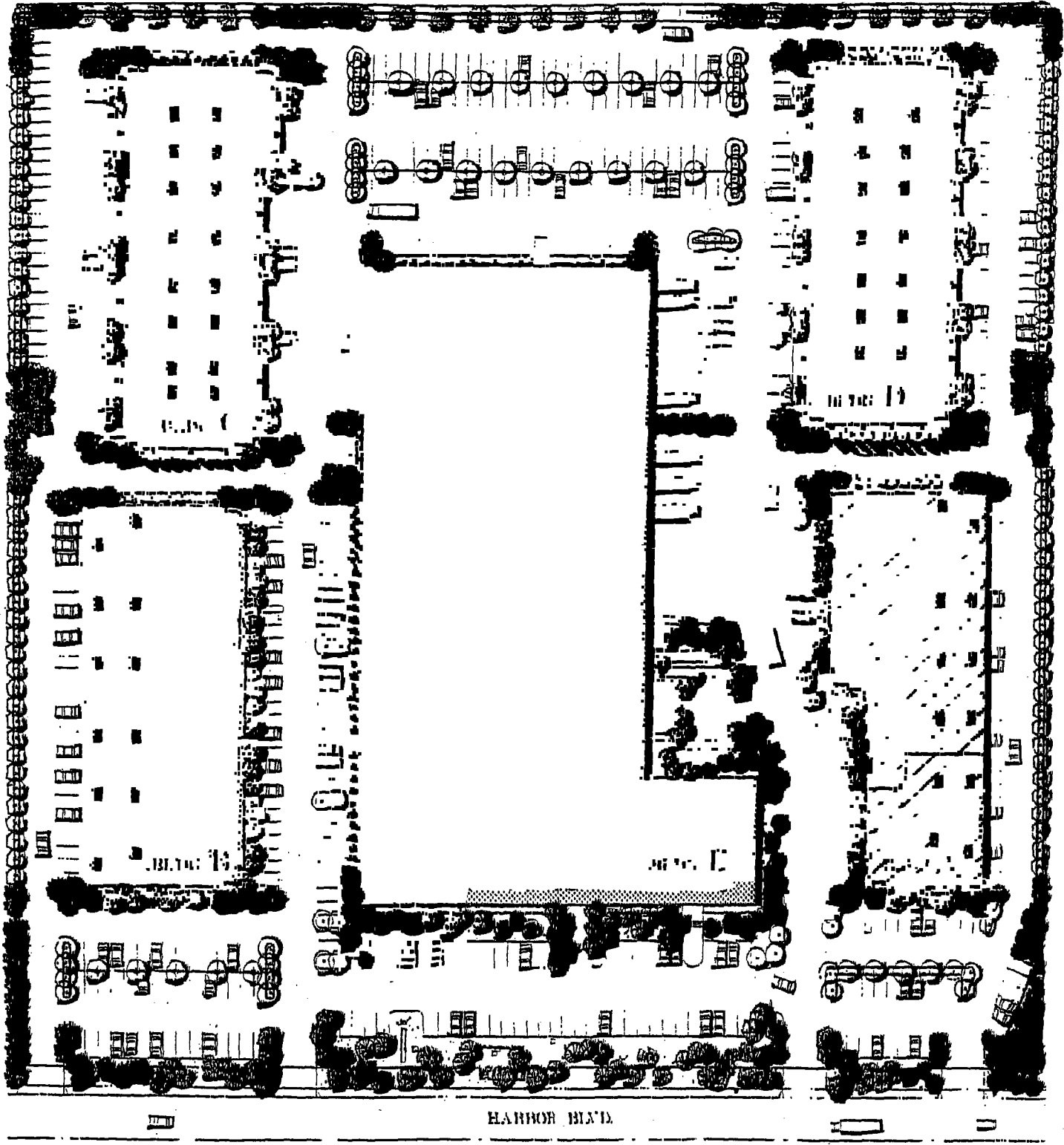


EXHIBIT 2B

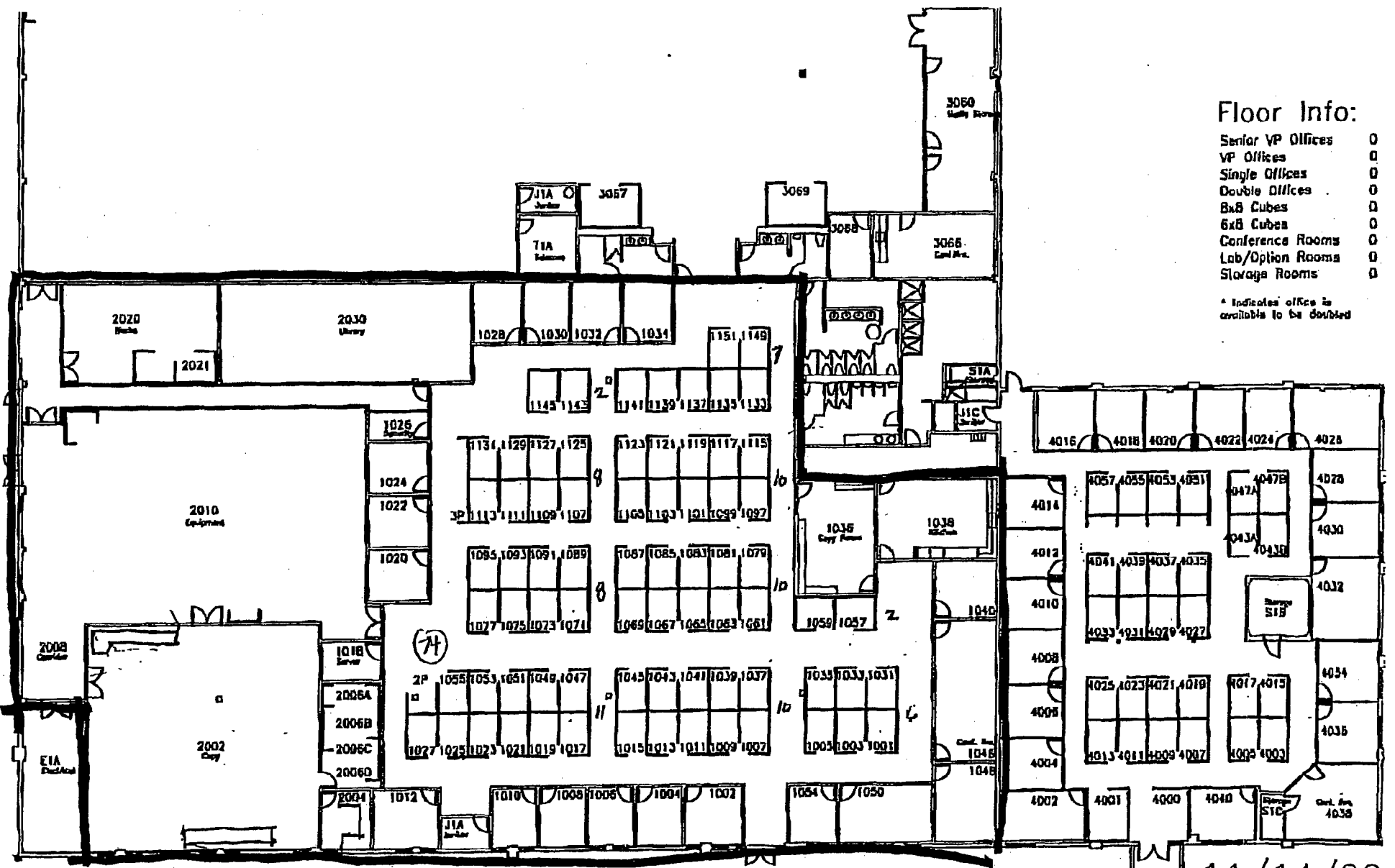
**INVENTORY OF
FURNITURE, FIXTURES & EQUIPMENT**

Furniture Inventory Summary for 300 Harbor

<u>Item</u>	<u>Quantity</u>
Desk - 30"x72" wood desk	15
RR - wood right desk return	6
LR - wood left desk return	6
WS - 48" wall wood shelf	26
BC - 42" bookcase	1
Chair - office swivel chair on casters	104
Ped - pedestal file cabinet	103
2lat - 2dr lateral file cabinet	5
5lat - 5dr lateral file cabinet	2
Cubes - 6'x8' Herman Miller Ethospace cube	76
Other	see breakdown for details

Inventory Breakdown by Location

Location	Desk	RR	LR	WS	BC	Chair	Ped	2lat	5lat	cube	Other
1002	1	1		2		3					
1004	1	1		2							
1008	1		1	2							
1008	1			2		2					
1010	1		1	2							
1012	1		1	2		1					
1018							1				8' L work station
1020	1	1		2							
1022	1			2		3					
1024	1		1	2		1	1				
1028	1	1		2		2					
1030	1		1					1			
1032	1			2							
1034	1		1		1	4					
1040	1	1		2		1					
1046						10					
1048						3					
1050	1	1		2							
1054											
Open office						63	101	4	2	74	
2002						6					12', 10', 8' L work stations
2004											U-shape work station
2006											12' & 16" L work station
2010						2					
2020						3				2	
	15	6	6	26	1	104	109	5	2	76	



Floor Info:

Senior VP Offices	0
VP Offices	0
Single Offices	0
Double Offices	0
8x8 Cubes	0
6x8 Cubes	0
Conference Rooms	0
Lab/Option Rooms	0
Storage Rooms	0

* Indicates office is available to be double

300 Harbor Blvd.

11/14/00

EXHIBIT 2C

[Date]

Mr. Paul Scannell
Assistant County Manager
County of San Mateo
400 County Center
Redwood City, CA 94063

RE: Acknowledgement of Effective Date and Rent Commencement Date
Second Lease Amendment Between
HARBOR BELMONT ASSOCIATES (Landlord),
and the COUNTY OF SAN MATEO (Tenant), for premises known as
310 Harbor Boulevard

Dear Mr. Scannell:

This letter will confirm that for purposes of the Second Lease Amendment, the Effective Date as set forth in Section 8 of the Second Amendment is _____, 2002. As set forth in Section 5 of the Second Amendment, the Rent Commencement Date is _____, 2002.

Please acknowledge your acceptance of this letter by signing and returning a copy of this letter.

Very truly yours,

By _____
Title _____

Agreed and Acknowledged:

By _____
Assistant County Manager