

FIRST LEASE AMENDMENT
Lease No. 1174

This First Lease Amendment ("Amendment"), dated for reference purposes only as of February 1, 2006, is by and between PFENDT ADMINISTRATIVE TRUST ("Lessor"), and the COUNTY OF SAN MATEO, a political subdivision of the State of California ("County" or "Lessee").

Recitals

A. As authorized by San Mateo County Resolution No. 64165, the County of San Mateo and Pfendt Administrative Trust entered into a lease agreement dated for reference purposes as December 26, 2000, for approximately 17,000 rentable square feet of building area at 3080 LaSelva, San Mateo, California (the "Lease").

B. County and Lessor desire to amend the Lease to modify the term of the Lease, and adjust the Base Rent.

For good and valuable consideration as hereinafter set forth, the sufficiency of which is hereby acknowledged, Lessor and County hereby agree to amend the Lease as follows:

Agreement

1. **TERM.** Paragraph 1.3 of the Lease is deleted in its entirety and replaced with the following:

1.3 **Term:** Seven (7) years ("Original Term") commencing February 1, 2001 ("Commencement Date") and ending January 31, 2008 ("Expiration Date") (See Paragraph 3 for further provisions, including Lessee's right to terminate the Lease as set forth in Paragraph 3.3).

2. **EARLY TERMINATION.** Paragraph 3.3 of the Lease is inserted as follows:

3.3 **Early Termination by Lessee:** Lessee shall have the right, by giving Lessor not less than 120 days written notice, to terminate this Lease provided that, in no event shall the effective date of such termination be sooner than January 31, 2007. If this Lease is terminated as set forth herein, the Lease shall terminate as of the effective date of such termination on the same terms as if it expired on the Expiration Date.

3. **BASE RENT.** Paragraph 4.3 of the Lease is inserted as follows:

4.3 **Rent Adjustments:** Any other provision of this Lease notwithstanding, effective February 1, 2006, the Base Rent shall \$22,000 per month, which rate shall be in effect through June 30, 2006. Effective July 1, 2006, the Base Rent shall be \$26,000 per month, which rent shall remain in effect without further adjustment for the balance of the Term.

4. **REAL PROPERTY TAXES.** Paragraph 10.5 of the Lease is inserted as follows:

10.5 **Amended Provision for Payment of Real Property Taxes.** The preceding provisions of this Paragraph 10, 10.1, 10.2, 10.3 and 10.4 notwithstanding, commencing with the 2006/2007 tax year (commencing July 1, 2006) the Lessor shall be solely responsible to pay when due the Real Property Taxes imposed upon the Premises, and the Lessee shall have no further obligation to pay Real Property Taxes.

5. **EFFECTIVE DATE; APPROVAL.** This First Amendment shall become effective (the "Effective Date") when the County Board of Supervisors adopts a resolution authorizing the execution of this First Lease Amendment, and the First Lease Amendment is duly executed by the Lessee and delivered to Lessor.

Except as set forth in this First Lease Amendment, all provisions of the Lease shall remain unchanged and in full force and effect.

Lessor and Lessee have executed this First Lease Amendment as of the date first written above.

LESSOR:
Pfendt Administrative Trust

By: _____
Kirk L. Trammell, Trustee

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

By: _____
Jerry Hill
President, Board of Supervisors

Attest:

Clerk of the Board

Resolution No.: _____