

**SECOND AMENDMENT TO RESIDENTIAL RENTAL AGREEMENT  
SHERIFF'S COMMUTER HOUSE  
LEASE NO. 1252**

This Second Amendment to Residential Rental Agreement ("Second Amendment"), dated for reference purposes only as of July 31, 2006 is by and between the COUNTY OF SAN MATEO, a political subdivision of the State of California ("Tenant" or "County"), and JEROME W. and KAREN MERTENS, husband and wife ("Landlord").

**Recitals**

A. As authorized by San Mateo County Resolution No. 64723, Landlord and County entered into a Residential Rental Agreement dated September 11, 2001 (the "Lease") for the County to lease the Sheriff's Commuter House, more commonly known as 731 Valota Road, Redwood City, California.

B. As authorized by San Mateo County Resolution No. 65531, Landlord and County entered into the First Amendment to Residential Rental Agreement dated September 10, 2002 (the "Lease As Amended"). The First Amendment extended the term of the lease and modified the base rent.

C. Landlord and County wish to further amend the Lease As Amended to extend the Term under the same terms and conditions for one year, and to grant County the option to further extend the Term for additional terms as herein set forth and to adjust the base rent.

**Agreement**

For good and valuable consideration as hereinafter set forth, the sufficiency of which is hereby acknowledged, the parties agree as follows:

1. **Term.** Any reference to the Term, Expiration or Termination Date of the Amended Agreement notwithstanding, the term of the agreement shall expire on August 31, 2007.
2. **Extension Options.** Any reference to the Extension Options of the Lease As Amended notwithstanding, at the conclusion of the term of this agreement on August 31, 2007, County shall have the right to extend the Term for two separate additional terms of one year each from the Termination Date set forth herein above (the "Extension Options"). County, at its sole discretion, may exercise the Extension Options, if at all, by giving written notice to Landlord no later than One Hundred Twenty (120) days prior to the expiration of the term to be extended; provided, however, if County is in material default under the Lease as amended by this Second Amendment on the date of giving such notice and fails to cure such default within a reasonable amount of time, Landlord may reject such exercise by delivering written notice thereof to County promptly after such failure to cure.

3. **Monthly Rental.** Any references to the Monthly Rental of the Lease As Amended notwithstanding; effective September 1, 2006, the Monthly Rental shall be \$3,400.00 per month, which rate shall be in effect for the balance of the Term, and the first Extension Option, if exercised. Should County exercise the second Extension Option, the base rent shall be adjusted as follows:

The Consumer Price Index for All Urban Consumers (base years 1982-1984 = 100) for the San Mateo-Oakland-San Jose area, published by the United States Department of Labor, Bureau of Labor Statistics (the "Index"), which is published most immediately preceding the Adjustment Date (the "Adjustment Index"), shall be compared with the Index published most immediately preceding the Effective Date of the Second Amendment (the "Base Index").

If the Adjustment Index has increased over the Base Index, then the Base Rent payable on and after the Adjustment Date shall be set by multiplying the Base Rent by a fraction, the numerator of which is the Adjustment Index and the denominator of which is the Base Index.

If the Index is changed so that the base year differs from that used as of the date most immediately preceding the Commencement Date, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If the Index is discontinued or revised during the Term, such other government index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the Index had not been discontinued or revised.

4. **Effective Date; Approval.** This Second Amendment shall become effective (the "Effective Date") when the County Board of Supervisors adopts a resolution authorizing the execution of this Second Amendment, and the Second Amendment is duly executed by the County and delivered to Landlord.

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AMENDMENT, LANDLORD ACKNOWLEDGES AND AGREES THAT NO OFFICER OR EMPLOYEE OF COUNTY HAS AUTHORITY TO COMMIT COUNTY HERETO UNLESS AND UNTIL THE COUNTY BOARD OF SUPERVISORS HAS ADOPTED A RESOLUTION AUTHORIZING THE EXECUTION OF THIS SECOND AMENDMENT TO THE AGREEMENT. THEREFORE, ANY OBLIGATIONS OR LIABILITIES OF COUNTY HEREUNDER ARE CONTINGENT UPON ADOPTION OF SUCH A RESOLUTION, AND THIS AMENDMENT SHALL BE NULL AND VOID UNLESS THE BOARD OF SUPERVISORS ADOPTS A RESOLUTION AUTHORIZING THE EXECUTION OF THIS SECOND AMENDMENT. APPROVAL OF THIS 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.

5. **Counterparts.** This Second 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.
  
6. **No Further Amendments; Conflicts.** All the terms and conditions of the Agreement remain in full force and effect throughout the Term and any extension thereof except as expressly amended herein. The Lease as amended by 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. In the event of any conflict between the terms of the Agreement and the terms of this Second Amendment, the terms of this Second Amendment shall control.

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

**LANDLORD:**

By: \_\_\_\_\_  
 Jerome W. Mertens

By: \_\_\_\_\_  
 Karen Mertens

**COUNTY:**  
 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.: \_\_\_\_\_