

### THIRD AMENDMENT TO LEASE AGREEMENT

This Third Lease Amendment ("Third Amendment"), dated for reference purposes only as of October 1, 2009, is by and between the HOUSING AUTHORITY OF THE COUNTY OF SAN MATEO as Lessor ("Housing Authority" or "Landlord"), and Yahia Shehadeh and Sabah Echkantana as Lessee ("Tenant").

#### Recitals

A. Landlord and Tenant entered into a lease agreement, dated for reference purposes as of June 1, 2000 (the "Lease") for approximately 1,347 square feet of rentable space in that certain building commonly known as 7622 El Camino Real, Colma, California.

B. Subsequent to June 1, 2000, Landlord and Tenant amended the Lease.

C. According to its terms, as amended, the Lease terminated as of September 30, 2009. However, Tenant has continued to lease the Rental Property on a month-to-month basis under the terms of the Lease, as amended, since that date.

D. Landlord and Tenant wish to further amend the Lease in order to extend the term, increase the rent, and amend Section 4.3 "Tenant Operations," and in all other respects restore the original terms and conditions of the Lease.

#### 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 references to the Term or Termination Date in the Lease notwithstanding, the expiration date of the Lease is hereby extended to March 31, 2013. In addition, tenants shall have an option to renew this lease for an additional three-year term beginning April 1, 2013. The rent charge for this option will be negotiated between tenant and landlord at least 60 days prior to expiration of the amended Lease.
2. **Rent.** Any references to the Base Rent of the Lease notwithstanding; effective October 1, 2009, the Base Rent shall remain at the current rate of \$2,159.00 per month, which rate shall be in effect through March 31, 2011. Effective April 1, 2011, the Base Rent shall be \$2,223.77 per month, which rate will remain in effect through March 31, 2012. Effective April 1, 2012, the Base Rent shall be \$ 2,312.72 per month, which rate will remain in effect through March 31, 2013.
3. **Section 4.03 – Tenant Operations.** This Third Amendment shall add the additional permitted use of the subject property as an office space for another business owned and operated by the Tenants contingent upon the receipt of proper business permits. In addition, a \$250.00 per month Concession Fee shall apply for the additional use permitted under Section 4.3 as amended in this Third Amendment, but this Concession Fee may be waived, at the Housing Authority Executive Director's sole discretion, for periods in which Tenant does not engage in this additional permitted use.
4. **Effective Date; Approval.** This Third Amendment shall become effective (the "Effective Date") when the Housing Authority Board of Commissioners adopts a resolution authorizing the

execution of this Third Amendment, and the Third Amendment is duly executed by the Housing Authority and the Tenant.

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS LEASE AMENDMENT, TENANT ACKNOWLEDGES AND AGREES THAT NO OFFICER OR EMPLOYEE OF THE HOUSING AUTHORITY HAS AUTHORITY TO COMMIT HERETO UNLESS AND UNTIL THE HOUSING AUTHORITY BOARD OF COMMISSIONERS HAS ADOPTED A RESOLUTION AUTHORIZING THE EXECUTION OF THIS THIRD AMENDMENT TO THE AGREEMENT. ACCORDINGLY, ANY OBLIGATIONS OR LIABILITIES OF THE HOUSING AUTHORITY HEREUNDER ARE CONTINGENT UPON ADOPTION OF SUCH A RESOLUTION, AND THIS AMENDMENT SHALL BE NULL AND VOID UNLESS AND UNTIL THE BOARD OF COMMISSIONERS ADOPTS A RESOLUTION AUTHORIZING THE EXECUTION OF THIS THIRD AMENDMENT. APPROVAL OF THIS AMENDMENT BY ANY DEPARTMENT, COMMISSION OR AGENCY SHALL NOT BE DEEMED TO IMPLY THAT SUCH RESOLUTION WILL BE ADOPTED, NOR WILL ANY SUCH APPROVAL CREATE ANY BINDING OBLIGATIONS ON THE HOUSING AUTHORITY.

5. **Counterparts.** This Third 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 Lease shall be and remain in full force and effect except as expressly amended herein. The Lease as amended by this Third Amendment constitutes the entire agreement between Landlord and Lessee regarding the leased premises 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 Lease and the terms of this Third Amendment, the terms of this Third Amendment shall control.

Landlord and Lessee have executed this Third Amendment as of the date first written above.

**TENANT:**

By: \_\_\_\_\_

By: \_\_\_\_\_

**HOUSING AUTHORITY OF THE  
COUNTY OF SAN MATEO**

By: \_\_\_\_\_  
Executive Director  
Housing Authority of the County of San Mateo