

LEASE AGREEMENT

This LEASE AGREEMENT (the "Lease") is dated December 1, 2023, and is entered into by and between SAN MATEO COUNTY HARBOR DISTRICT ("Landlord") and Granada Community Services District, a California special district ("Tenant"). Landlord and Tenant are referenced in the aggregate as the "Parties" and sometimes, when a provision applies to each of them individually, as a "Party."

Recitals

A. Landlord is the owner of certain real property located at 504 Avenue Alhambra, El Granada, County of San Mateo, State of California, Assessor's Parcel Number 047-204-120 (the "Property"); and

B. Landlord purchased 504 Avenue Alhambra on March 31, 2022 and the Lease dated November 15, 2017 ("Prior Lease") with Tenant was transferred to Landlord.

C. The Prior Lease was for the Lease of Suites 301-305 on the Property ("Premises").

D. The term of the Prior Lease expires on November 30, 2023.

E. The Parties wish to enter into this Lease to replace the Prior Lease and set forth the terms and conditions for Tenant to continue its use of the Premises for the Tenant Operations, as defined below.

NOW, THEREFORE, in consideration of the foregoing recitals and the terms and conditions hereinafter set forth, Landlord and Tenant agree as follows:

Agreement

1. Premises.

a. Lease Terms and Conditions. Landlord hereby leases the Premises to Tenant, and Tenant hereby leases the Premises from Landlord, upon and subject to the following terms and conditions.

b. As Is Condition. Tenant accepts the Premises in an "As Is" condition without representation or warranty, express or implied, and subject to all matters of record, and acknowledges and agrees that Landlord shall not be under any obligation to improve the Premises (including without limitation making improvements that may be required by law, changes in laws, or new laws).

c. Common Areas. Tenant shall have the non-exclusive right to use areas outside of the Premises ("Common Area") that are intended and designated by Landlord from time to time for use by all tenants or the public. Tenant shall comply with all rules and regulations reasonably promulgated by Landlord or Landlord's General Manager for the

Common Area provided they are in writing and are applicable to all tenants. Landlord may alter such Common Area at any time, provided that access to the Premises is not substantially affected.

d. CASp Inspection. The subject Premises have been inspected by a Certified Access Specialist (CASp) and Tenant acknowledges receipt of that certain report entitled "District Facilities Access Compliance Survey Report," dated August 2018 (the "CASp Report"). Landlord and Tenant hereby agree that Landlord shall not bear the cost of any repairs necessary to correct any violation of construction-related accessibility standards within the Premises, it being the intent and agreement of Landlord and Tenant that any such repairs be performed by Tenant.

2. Use of Premises.

a. Permitted Uses. Tenant shall use and occupy the Premises solely as administrative offices for the purpose of managing a governmental special district agency, and for public meetings (the "Tenant Operations").

b. Cooperation Among Tenants. Tenant shall cooperate with all other tenants of Landlord who are operating in the vicinity of the Premises and shall conduct its operations so as to avoid interference with the operations of other tenants. If the operations of Tenant are impaired because of any acts or omissions of such other tenant, Tenant shall have no claim against Landlord on that account. However, Tenant may request Landlord to enforce rules and regulations promulgated by Landlord and Landlord's General Manager for the Common Area that other tenants violate.

c. Compliance with Laws. Notwithstanding the foregoing Section 2(a), Tenant shall not cause or permit the Premises to be used in any way that: (i) constitutes a violation of any law, ordinance, or governmental regulation or order regulating the manner of use by Tenant of the Premises (including, without limitation, any law, ordinance, regulation or order relating to Hazardous Materials), (ii) constitutes a nuisance or waste, or (iii) increases the cost of any insurance relating to the Premises paid by Landlord. Tenant shall obtain, at its sole cost and expense, all governmental permits, licenses and authorizations of whatever nature required by any governmental agencies having jurisdiction over Tenant's use or improvement of the Premises. Further, Tenant, at its sole cost, will comply with all rules and regulations promulgated by Landlord or Landlord's General Manager for the Common Area, and make all improvements to the Premises that may be required by law, including changes in law and new laws.

d. Hazardous Materials. Tenant shall not cause or permit any Hazardous Materials to be generated, produced, brought upon, used, stored, treated or disposed of in or about the Premises by Tenant, its agents, employees, contractors, sub-lessees or invitees in violation of any applicable laws, codes, ordinances or regulations governing the same. As used in this Lease, the term "Hazardous Materials" means any flammable items, explosives, radioactive materials, hazardous or toxic substances, material or waste or related materials, including any substances defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials" or "toxic

substances” now or subsequently regulated under any applicable federal, state or local laws or regulations, including without limitation petroleum-based products, paints, solvents, lead, cyanide, DDT, printing inks, acids, pesticides, ammonia compounds and other chemical products, asbestos, PCBs and similar compounds, and including any different products and materials which are subsequently found to have adverse effects on the environment or the health and safety of persons. Notwithstanding the foregoing, Tenant may use any ordinary and customary materials reasonably required in the normal course of Tenant’s Operations, so long as such use is in compliance with applicable laws and regulations.

f. Nondiscrimination. Tenant shall not unlawfully discriminate, harass or allow harassment against employee or applicant for employment because of race, color, religious creed, citizenship, political activity or affiliation, national origin, ancestry, disability (physical or mental) including HIV and AIDS, marital status, age (40 and above), medical condition (cancer/genetic characteristics), veteran status, sexual orientation, gender identity, gender expression, sex or gender (which includes pregnancy, childbirth, breastfeeding, or related medical conditions), taking or requesting statutorily protected leave, or any other characteristics protected under federal, state, or local laws. The Tenant shall not unlawfully discriminate, harass or allow harassment against customers due to race, color, religious creed, citizenship, political activity or affiliation, national origin, ancestry, disability (physical or mental) including HIV and AIDS, marital status, age (40 and above), medical condition (cancer/genetic characteristics), veteran status, sexual orientation, gender identity, gender expression, sex or gender (which includes pregnancy, childbirth, breastfeeding, or related medical conditions) or any other characteristics protected under federal, state, or local laws.

3. Parking.

Tenant and Tenant’s invitees are permitted to park in unreserved, unassigned parking spaces in the common area parking spaces to the Premises. Landlord shall not be obligated to, but may, monitor use of such spaces, tow any cars, install any signs, or mark the spaces.

4. Term.

a. The term of this Lease shall commence on December 1st, 2023 (the “Commencement Date”) and shall expire at 12:00 AM (midnight) on November 30, 2026 (the “Initial Term”). By written agreement, the General Manager of Landlord and Tenant may extend the Initial Term by two additional terms of up to three (3) years each (each an “Additional Term” and together with the Initial Term, the “Term”). Upon the expiration of the Term, or earlier termination of this Lease, Tenant shall remove all of its personal property, including trade fixtures, and if Tenant does not do so, Landlord may do so and may dispose of such property in any manner without liability to Tenant and Tenant hereby waives all statutes and other laws to the contrary.

5. Taxes.

a. Personal Property Taxes (if applicable). Tenant shall pay all taxes, if any, charged against trade fixtures, furnishings, equipment or any other personal property belonging to Tenant. Tenant shall use commercially reasonable efforts to have personal property taxed separately from the Premises. If any of Tenant's personal property is taxed with the Premises and paid by Landlord, Tenant shall reimburse Landlord the taxes for the personal property within (30) days after Tenant receives a written statement from Landlord for such personal property taxes, together with reasonable evidence showing the amount of personal property taxes paid by Landlord.

b. Possessory Interest Taxes. Tenant acknowledges that this Lease and Tenant's interest hereunder constitutes a possessory interest subject to property taxation, and as a result Tenant is required to pay possessory interest taxes (a property tax), if any, levied on that interest. Tenant shall pay such taxes, when due, to the levying authority. However, the Parties acknowledge that Tenant is a California special district generally not subject to property taxation. Tenant is responsible for submitting proof of tax-exempt status to the San Mateo County Assessor's Department if required.

6. Utilities & Common Area Maintenance.

Landlord shall pay for electricity, garbage service, water and sewer directly to the providers or to the Landlord for shared utilities. As stated in section 7 below, Tenant shall pay \$450 to Landlord for estimated utilities and use of Common Area including costs associated with water, sewer, electricity of common area, garbage, landscaping and general maintenance. Upon written demand from Landlord, Tenant shall reimburse Landlord for the cost of additional utilities paid by Landlord attributable to Tenant's use of the Premises, as additional rent. Tenant shall also pay the cost of any and all other utilities and services supplied to the Premises by Landlord at Tenant's request. Landlord shall, within twenty (20) days from Tenant's request, deliver to Tenant documentation, as provided to the Landlord by the utility or service provider, to support any such costs billed to Tenant.

7. Rent.

a. Rent Required. Commencing on the Commencement Date, Tenant shall pay Landlord, without offset, deduction, notice or demand, monthly rent as described in the following paragraphs. Rent for any period, which is less than one month, shall not be prorated and Tenant shall pay the full rent amount for any portion of a month. On the first day of each calendar month, Tenant shall pay Rent in the amount of \$4,600 plus an additional \$450 for use of Common Areas and Landlord paid utilities. On December 1 of each subsequent year, Rent shall increase by the greater of 3% or the percentage increase in the Consumer Price Index, All Urban Consumers ("CPI-U") for San Francisco-Oakland-Hayward, during the calendar year ending with the most recent year that has been published by the U.S. Department of Labor, Bureau of Labor Statistics. Landlord shall notify Tenant of the adjusted Rent Amount, but Tenant shall continue paying rent at the non-adjusted rate until such notice is delivered, at which point Tenant shall pay the amount of the unpaid adjustments since the adjustment date within ten (10) days after the notice is given. The fee for use of the Common Areas will be reviewed on a calendar year basis and may be increased in the event that the utility costs attributable to Tenant's

use exceed the \$450 Common Area use fee. Such review shall comply with section 6 of this Lease.

c. Address for Payment. Rent shall be paid to Landlord at its address in Section 20 below, without deduction or offset, in lawful money of the United States of America or to such other place as Landlord may from time to time designate in writing.

8. Security Deposit.

Tenant acknowledges that Landlord does not currently hold a Security Deposit. Any damages to the Premises, caused by the Tenant and not repaired by Tenant pursuant to section 11.a. of this Lease prior to Tenant vacating the Premises, shall be repaired by Landlord and cost of repair shall be paid by Tenant.

9. Late Charges; Interest.

Tenant acknowledges that late payment of rent or other sums due will cause Landlord to incur costs, the exact amount of which will be difficult to ascertain; accordingly, if any installment of rent or any other sum due from the Tenant is not received by Landlord within five (5) days of the date on which it is due, Tenant shall pay to Landlord as additional rent, sum of five percent (5%) of such overdue amount as liquidated damages. In addition, after rent payments are five (5) business days delinquent, the Tenant shall pay Landlord any attorneys' fees or notice/process service fees incurred by Landlord by reason of Tenant's failure to pay rent or other charges when due hereunder. In addition, all unpaid amounts shall accrue interest from the date due the lesser of the maximum rate allowed by law or 5% per annum until paid.

10. Alterations.

No structure, sign or other improvement of any kind shall be constructed on the Premises or Property by Tenant, its employees, agents or contractors without the prior written approval of Landlord in each case. Approval may be withheld, conditioned or delayed in Landlord's sole and absolute discretion. In making any approved improvements or alterations, Tenant shall comply with all applicable laws, including prevailing wage laws (California Labor Code Sections 1720 et seq.) and shall defend, indemnify and hold Landlord as well as Landlord's, members, officers, directors, contractors, subcontractors, agents, and employees, harmless from and against any and all claims by contractors and subcontractors for prevailing wages. No approval by Landlord of any plans or specifications shall constitute (i) approval of architectural or engineering sufficiency or representation, or (ii) warranty by Landlord as to the adequacy or sufficiency of the plans and specifications or the improvements contemplated for Tenant's use or purpose. Landlord, by approving the plans and specifications, assumes no responsibility or liability for any defect in any improvements constructed on the basis of the plans and specifications. Tenant expressly agrees to comply with all applicable signage ordinances.

11. General Maintenance and Repairs.

- a. **Tenant Obligations.** Tenant shall perform general maintenance and repair of the Premises and keep all portions of the Premises in a clean and orderly condition, as reasonably determined in the sole discretion of Landlord. Tenant's obligation to maintain and repair includes, but is not limited to walls and emergency apparatus (e.g. smoke detectors, fire extinguishers) located inside the Premises. Tenant at its own cost and expense shall provide for any janitorial, pest control, and security services for the Premises and Landlord shall have no such obligations. Tenant shall be responsible for any damage done in or to the Premises caused by Tenant or its employees, agents, contractors and invitees. Tenant shall not damage the Common Area or cause any portions of the Common Area to not be clean and orderly (including but not limited to the exterior of the building and the area used to store trash containers). If Tenant fails to clean, maintain or repair the Premises or portions of the Common Area used by Tenant, that is damaged or made unclean or disorderly by Tenant, as required by this Section, Landlord may, upon a ten (10) day prior written notice to Tenant, enter the Premises, as necessary, and perform such maintenance or repair (including replacement, as needed) on behalf of Tenant. In such case, Tenant shall reimburse Landlord for all costs incurred in performing such maintenance or repair within ten (10) days after delivery of invoice. Tenant shall fulfill all of Tenant's obligations under this Section at Tenant's sole expense.
- b. **Landlord Obligations.** Landlord shall not be obligated to make any repairs, replacement or renewals of any kind, nature or description whatsoever to the Premises, except that Landlord shall maintain the exterior and roof of the structure containing the Premises, including painting the exterior of the structure, and Landlord shall maintain the Common Area.
- c. **Underground Sewer, Water, and Utility Lines.** Landlord agrees to consider and negotiate in good faith for any repairs to the sewer, water, or utility lines under the Premises. This in no way obligates the Landlord to make repairs or cover any costs associated with needed repairs. The parties hereby acknowledge that making any repairs is in the sole and absolute discretion of the Landlord's General Manager.

12. Signage Program.

Tenant agrees to comply with Landlord's regulations, policies and guidelines governing signage, and pay costs and operational expense of installing and maintaining signage for the Premises on the Property. Except for signs related to Tenant that exist on the Property at the time of execution of this Lease, no signs, directional, guiding, or other stripes, lines, directions, or markings shall be installed or painted in or upon the Premises or removed by Tenant without prior written consent of Landlord. Notwithstanding the foregoing, the name "Granada Community Services District" is proprietary to Tenant and all signage containing such name shall be removed by Tenant upon termination or expiration of this Lease.

13. Insurance; Indemnity.

Tenant shall procure and maintain insurance issued by an insurer reasonably satisfactory to Landlord. The Tenant shall purchase, maintain, and keep in force during the term of this Lease at Tenant's sole cost and expense the following insurance:

a. **Certificate of Workers' Compensation Insurance** as required by the statutory laws of the State of California Labor Code.

b. **Certificate of General Liability Insurance** with accompanying "Additional Insured" endorsement documents. All endorsements shall clearly state policy number.

(i.) Commercial General Liability policies shall include endorsements naming San Mateo County Harbor District, Its Commissioners, Officers, Agents, Volunteers and Employees as additional insured.

(ii.) Endorsements for General Liability shall state that the Tenant's insurance is "primary" and San Mateo County Harbor District is "non-contributory," or copies of the complete policy which state the equivalent may be submitted in their entirety.

(iii.) Minimum Insurance Requirements – General Liability Insurance:

- One million dollars (\$1,000,000) each occurrence (combined single limit)
- One million dollars (\$1,000,000) for personal injury liability
- Four million dollars (\$4,000,000) in the aggregate
- One million dollars (\$1,000,000) for damage to rented premises including fire protection.

c. All policies shall state by their terms and by an endorsement that said policy shall not be canceled until Landlord shall have had at least thirty (30) days written notice of such cancellation.

d. Tenant shall deliver to Landlord, certificate(s) of insurance evidencing that such insurance is in force and effect and evidencing that Landlord, as well as Landlord's members, officers, directors, contractors, subcontractors, agents, and employees have been named as additional insured thereunder, if applicable. As a material part of the consideration to Landlord, Tenant shall indemnify, defend (with counsel acceptable to Landlord) and hold Landlord, as well as Landlord's members, officers, directors, contractors, subcontractors, agents, and employees harmless from any third party loss, damage, injury, accident, casualty, liability, claim, cost or expense (including, but not limited to, reasonable attorneys' fees) of any kind or character to any person or property (collectively, "Claims") arising from or related to Tenant's use of the Premises before, during, and after the Term, the conduct of Tenant's business and/or any act or omission of Tenant, its employees, agents, contractors or invitees. All obligations under this Section shall survive the expiration or termination of this Lease.

14. Disclaimer; Risk of Loss.

Landlord shall not be liable for injury to any person or for any damage to personal property sustained by Tenant or others, or any service facilities or due to the happening of accident, including any damage caused by water, wind storm, or by any gas, steam,

electrical wiring, sprinkler system, plumbing, heating or conditioning apparatus; or acts or omissions of other occupants of the Property or due to any part or appurtenance thereof, including any and all furniture, fixtures, and equipment of Tenant becoming out of repair.

15. Default and Remedies; Holding Over; Waiver of Relocation Assistance.

a. Events of Default. Should Tenant be in default with respect to any monetary obligation pursuant to the terms of this Lease for a period of five (5) days after written notice from Landlord, or should Tenant fail to have any other default under this Lease within thirty (30) days after written notice from Landlord, then Landlord may treat any such event as a material breach of this Lease. Provided, that if such default cannot reasonably be cured within thirty (30) days, Tenant shall not be in default of this Lease if Tenant commences to cure the default within the thirty-day period and diligently and in good faith continues to cure the default. In addition to any or all other rights or remedies of Landlord provided by law, Landlord shall have the right, at Landlord's option, without further notice or demand of any kind to Tenant, or any other person, to immediately terminate this Lease by written notice to Tenant and to re-enter and take possession of the Premises and remove all persons and property therefrom, and dispose of any property in any manner, without liability to Tenant. The form of notice of default hereunder may be in the form required by unlawful detainer statutes, such that Landlord need not give additional cure time to Tenant before termination and unlawful detainer proceedings.

b. Remedies; Damages. If Landlord terminates this Lease based on a default by Tenant, Landlord shall have rights to damages as provided by California Civil Code Section 1951.2. Landlord reserves all of its equitable remedies, including rights to obtain injunctive relief.

c. No Relocation Assistance. Tenant hereby agrees that Landlord shall have no obligation to Tenant under the California Relocation Assistance and Real Premises Acquisition statutes and guidelines. Tenant, after diligent review and consideration of possible impacts, hereby waives and forever releases Landlord, including its successors, officers, employees, attorneys, agents, representatives and anyone else acting on Landlord's behalf, of and from any and all claims, demands, actions or causes of action, obligations, liabilities, or claims for further compensation, known or unknown, based upon or relating to the California Relocation Assistance and Real Premises Acquisition statutes and guidelines and Landlord's subsequent use and development of the Premises, or Tenant's displacement therefrom. By such release, Tenant expressly waives its rights, if any, under California Civil Code Section 1542 which provides:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN THEIR FAVOR AT THE TIME OF EXECUTING THE RELEASE WHICH IF KNOWN BY THEM MUST HAVE MATERIALLY AFFECTED THEIR SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

Tenant's Initials

16. Waiver by Landlord.

Any waiver by Landlord or Tenant of any default or breach of any covenant, condition, term, and agreement contained in this Lease, shall not be construed to be a waiver of any subsequent or other default or breach. The rights, powers, options, privileges, and remedies available to Landlord or Tenant under this Lease shall be cumulative.

17. Attorneys' Fees.

Should either party to this Lease resort to litigation to enforce any provision of this Lease, the prevailing party shall be entitled to its attorneys' fees and reasonable costs incurred in litigating any dispute.

18. Inspections by Landlord.

Landlord and its representatives, employees, agents or independent contractors may enter and inspect the Premises or any portion of the Premises or any improvements on the Premises at any time during business hours, or in an emergency, and at other times after Landlord has provided Tenant with 48 hours advance notice, for any purpose Landlord reasonably deems necessary.

19. Prohibition on Assignment and Subletting.

Tenant may not sublet the Premises or assign, or otherwise transfer its interest under this Lease. Any attempted assignment, sublet or transfer made in violation of this provision shall be void.

20. Notices.

All notices, demands and requests which may be given or which are required to be given by any party to this Agreement must be sent by (i) personal delivery, or (ii) certified U.S. mail, postage prepaid, return receipt requested or (iii) a recognized private courier company (i.e., UPS, FedEx), to the following addresses, and shall be deemed delivered upon the date received:

To Landlord: San Mateo County Harbor District
504 Ave. Alhambra, 2nd Floor
P.O. Box 1449
El Granada, California 94018
Attn: General Manager

To Tenant: Granada Community Services District
504 Ave. Alhambra, 3rd Floor

P.O. Box 335
El Granada, California 94018

21. No Principal/Agent Relationship.

Nothing contained in this Lease shall be construed as creating the relationship of principal and agent, or of partnership or joint venture between Landlord and Tenant.

22. General Manager as Authorized Agent.

The General Manager of the San Mateo Harbor District is authorized to take any and all actions and to make any and all determinations on behalf of the Landlord for the purposes of this Lease.

23. Complete Agreement.

This Lease constitutes the entire agreement between Landlord and Tenant pertaining to the specific subject matter of this Lease and supersedes all prior and contemporaneous agreements, representations and understandings of Landlord and Tenant, oral or written.

24. Modification.

No supplement, modification, amendment or change in any terms of this Lease shall be binding on the Parties unless in writing and executed by Tenant and Landlord.

25. 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.

26. Applicable Law and Venue.

This Lease shall be construed and enforced in accordance with, and governed by, the laws of the State of California. The parties' consent to the jurisdiction of the California courts with venue in San Mateo County.

27. Counterparts.

This Lease may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument.

28. Time of Essence.

Time is of the essence of every provision of this Lease in which time is a factor.

29. No Brokers.

Each party represents and warrants that it has not engaged a broker, salesperson or finder to whom might be owed fees or commissions, and shall defend, indemnify and hold the other party harmless from and against any and all claims and liabilities for fees or commissions based on communications with that party.

IN WITNESS WHEREOF, Landlord and Tenant have executed this instrument as of the Effective Date.

LANDLORD:

SAN MATEO COUNTY HARBOR
DISTRICT

By: _____
James B. Pruett
General Manager

TENANT:

GRANADA COMMUNITY SERVICES
DISTRICT

By: _____
Chuck Duffy
General Manager

APPROVED AS TO FORM:

Trisha Ortiz, General Counsel

EXHIBIT "A"

DESCRIPTION OF PREMISES

The premises described as the 3rd Floor of 504 Avenue Alhambra, El Granada, California consisting of approximately 1,530 square feet of space. The premises does not include the studio apartment on the third floor (Suite 306)

