

**RENT WAIVER AND FACILITY EXPENSE AGREEMENT BETWEEN
THE CITY OF SAN MATEO
AND
PAR3SM, LLC**

This Rent Waiver and Facility Expense Agreement (the “**AGREEMENT**”) is made on this day _____, by and between **THE CITY OF SAN MATEO**, a municipal corporation (“**LANDLORD**”) and **PAR3SM, LLC**, a limited liability company (“**TENANT**”). Collectively, **LANDLORD** and **TENANT** are referred to herein as the “**PARTIES**”, and this **AGREEMENT** is made to address lease obligations for the **TENANT’S** occupancy and leasing of real property known as **Par 3 Restaurant** located at the Poplar Creek Golf Course at 1700 Coyote Point Drive San Mateo, CA 94401 (the “**PREMISES**”).

RECITALS

- A. WHEREAS, **TENANT’S** occupancy of the **PREMISES** is based upon a **LEASE** (the “**LEASE**”) executed on April 3, 2019; and
- B. WHEREAS, on October 11, 2024, the **LANDLORD** red tagged the building the **TENANT** occupies on the **PREMISES**; and
- C. WHEREAS, since October 11, 2024; the **LANDLORD** has deemed the building the **TENANT** occupies on the **PREMISES** to pose a public health emergency and unsafe to occupy; and
- D. WHEREAS, as a result of the public health emergency, indoor restaurant operations have been prohibited; and
- E. WHEREAS, the **TENANT** is unable to pay base rent or utility and sewer service expenses based on its inability to conduct indoor restaurant operations; and
- F. WHEREAS, the **LANDLORD** recommends the utility services for the **PREMISES** remain on; and
- G. WHEREAS, the **PARTIES** desire to waive payment of base rent and for **LANDLORD** to reimburse **TENANT** for utility and sewer service expenses until the building on the **PREMISES** is safe to occupy again; and

NOW, THEREFORE, in consideration of the promises, terms, and conditions contained herein and such other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the **PARTIES** agree as follows:

- 1. Incorporation by Reference. Each and all of the Recitals are incorporated as terms of this **AGREEMENT**.
- 2. Rent Waiver and Facility Expenses.

- a. Rent Payment October 2024. The payment of rent due for October 2024 will be pro-rated. Rent payment will be subject to the terms in the lease executed on April 3, 2019. **TENANT** will pay rent on sales from October 1, 2024 to October 10, 2024 only. Rent for October 11, 2024 to October 31, 2024 will be waived.
 - b. Rent Payments Beginning November 1, 2024. Beginning November 1, 2024, **TENANT's** payment of rent is waived until the indoor portion of the restaurant (including the bar, restaurant, and banquet facility) is authorized by **LANDLORD** as safe to occupy. ("Percentage Rent Trigger"). On the first day of the first month after the Percentage Rent Trigger, **TENANT** will pay percentage rent as described in the **LEASE**.
 - c. Sewer Service Charges for 2024-2025. **LANDLORD** will pay 100% of the sewer service charges starting October 11, 2024, until **TENANT** is given the authorization to return for occupancy.
 - d. Utility Service Charges. **LANDLORD** will re-imburse **TENANT** 100% of the power, gas, and water service charges while the building is not able to be occupied by the **TENANT**.
3. Construction. This **AGREEMENT** shall not be construed against the party preparing it, but shall be construed as if all **PARTIES** jointly prepared this **AGREEMENT** without any uncertainty or ambiguity being interpreted against any one party.
 4. Severability. If any provision of this **AGREEMENT** or its application to any party or circumstance is held invalid or unenforceable, the remaining provisions of this **AGREEMENT** and the application of such provisions to other parties or circumstances shall not be affected thereby, the provisions of this **AGREEMENT** being severable in any such instance.

IN WITNESS WHEREOF, the **PARTIES** have executed this **AGREEMENT** as of the day and year first above written.

LANDLORD:

THE CITY OF SAN MATEO,
a municipal corporation

By: _____

Name: Alex Khojikian

Title: City Manager

TENANT:

PAR3SM, LLC
a California limited liability company

By: _____

Name: Alicia Petrakis

Its: Owner

APPROVED AS TO FORM:

Prasanna Rasiah

City Attorney