



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **August 3, 2023**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager *CH*

**SUBJECT: Review and Possible Action Concerning Second
Amendment to Verizon Site Lease**

On January 28, 2013, a First Amendment to the Communications Lease Agreement (dated March 20, 2006) was executed between the District and GTE Mobilnet of California Limited Partnership d/b/a Verizon Wireless ("Verizon"). Under the agreement, Verizon leases a portion of District property located at the site of the District's Administrative Offices for the installation, operation and maintenance of an antenna for mobile wireless communication services together with a portion of the interior of a garage structure on the site for related equipment storage.

The term of the First Amendment expires this year and District staff and Verizon have negotiated a draft Second Amendment to the lease, the terms of which are discussed below.

Discussion

The MWSD property at 8888 Cabrillo Highway in Montara currently houses equipment owned by Verizon, Sprint, T-Mobile and San Mateo County. Water and Utility rate payers benefit from the wireless services provided by this equipment. However, staff's first priority is for the protection of MWSD owned property and services it provides to the community ensuring such leases do not interfere with the MWSD's mission of providing clean, safe, reliable, drinking water to its customers.

Verizon entered into a Communications Lease Agreement with the MWSD on March 20, 2006, affecting approximately 280 sq. feet of MWSD property at 8888 Cabrillo Hwy. The initial term of the lease was for 5 years, with one 5 year option to extend (a total of 10 years). The initial rent was \$2,000 per month with no escalation the first 40 months. After 40 months, CPI annual escalations to start with the new base rent at \$2,250/month.

On January 28, 2013, the MWSD entered into a First Amendment to Communications Lease Agreement with Verizon which: (a) expanded the lease area to include a generator; (b) increased rent by \$200/month; (c) extend the



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lease term by two additional 5 year terms and (d) rent to increase by 3% per year.

At some point in 2015, American Tower Corporation (ATC) became involved with the site on behalf of Verizon. On October 22, 2018, ATC offered to purchase the site. In the same email, ATC offered to extend the lease for 30 years with (a) rent at \$1,500/month; (b) 2% annual escalations; (c) a one-time lump sum \$40,000 payment and (d) revenue share for future tenants (ATC wanted to sublease space to other parties). The MWSD General Manager turned down this offer for a variety of reasons, including concerns about MWSD maintaining control of its property and subleasing, severely limiting future income. After receiving this low offer, the MWSD General Manager decided to work directly with Verizon rather than through ATC.

In August of 2020, negotiations began with Verizon. After a protracted negotiation, the parties are very close to now concluding a Second Amendment to Communications Lease Agreement, which include the following business terms:

1. Commencing 12/1/2022, rent to be \$4,000/month with 3% annual escalations; rent will increase by 3% on 12/1/2023 and each year thereafter.
2. Agreement to extend for two (2), five (5) year terms (through 11/31/2032).
3. New controls by MWSD regarding future modifications proposed by Verizon.
4. Verizon to pay the cost of repairing damage to MWSD property.
5. Prior notice required before Verizon accesses MWSD property.
6. Verizon responsible to protect MWSD from liens related to Verizon work.
7. New limitations on Verizon's ability right to assign the agreement to a tower company.
8. Although not specifically defined in the amendment, Verizon is in the process of replacing the old, rusted generator with a new model. There will be no expansion of the lease premises involved; exhaust to be repositioned to face away from MWSD offices.

In accordance with the law, a Notice of Public Hearing on the second lease amendment was published twice in the Half Moon Bay Review in advance of this public hearing.



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Financial Impact

Existing Communications Lease Agreement lease agreement with Verizon provides current rental income to the MWSD in the amount of \$3,383.30 per month, adjusted annually by 3%. The proposed Second Amendment base rental rate shall be for \$4,000 per month, adjusted annually by 3%.

RECOMMENDATION:

Open the public hearing, hear relevant testimony, close the public hearing and adopt RESOLUTION NO. __ , RESOLUTION FINDING THAT CERTAIN DISTRICT PROPERTY IS NOT NEEDED FOR IMMEDIATE DISTRICT PURPOSES; THAT USE THEREOF UNDER A PROPOSED AMENDED LEASE WITH A TERM NOT EXCEEDING TEN YEARS IS COMPATIBLE WITH DISTRICT USES; THAT SAID AMENDED LEASE WILL BE OF PUBLIC BENEFIT; APPROVING, AUTHORIZING AND DIRECTING EXECUTION THEREOF AND AUTHORIZING AND DIRECTING GENERAL MANAGER TO FILE NOTICE OF EXEMPTION UNDER CALIFORNIA ENVIRONMENTAL QUALITY ACT FOR SAID PROJECT.

Attachments

ATCH 1 - Communications Lease Agreement dated March 20, 2006 and First Amendment to Communications Lease Agreement dated January 28, 2013
ATCH 2 – Draft Amendment Second Amendment to Communications Lease Agreement.

RESOLUTION NO. _____

RESOLUTION FINDING THAT CERTAIN DISTRICT PROPERTY IS NOT NEEDED FOR IMMEDIATE DISTRICT PURPOSES; THAT USE THEREOF UNDER A PROPOSED AMENDED LEASE WITH A TERM NOT EXCEEDING TEN YEARS IS COMPATIBLE WITH DISTRICT USES; THAT SAID AMENDED LEASE WILL BE OF PUBLIC BENEFIT; APPROVING, AUTHORIZING AND DIRECTING EXECUTION THEREOF AND AUTHORIZING AND DIRECTING GENERAL MANAGER TO FILE NOTICE OF EXEMPTION UNDER CALIFORNIA ENVIRONMENTAL QUALITY ACT FOR SAID PROJECT

(Communications Facility Site- Verizon Wireless)

WHEREAS, the Montara Water and Sanitary District ("District") entered into a lease agreement entitled "Communications Lease Agreement" with GTE Mobilenet of California Limited Partnership, dba Verizon Wireless ("Verizon") dated as of March 20, 2006, as well as a first amendment to said lease dated as of January 28, 2013 ("Lease"), pursuant to which Verizon leases a portion of the District's property located at 8888 Cabrillo Hwy., Montara, California for the construction, installation, operation and maintenance of personal electronic communications facilities; and

WHEREAS, Verizon has proposed to amend the Lease pursuant to agreement entitled "Second Amendment to Communications Lease Agreement" ("Lease Amendment") under which additional terms were negotiated regarding future modifications to the area of the leased premises, an increase in the rent payable to the District and allowable extensions to the term of the lease not to exceed ten (10) years; and

WHEREAS, pursuant to the provisions of Health & Safety Code Section 6514.1(e), a duly noticed public hearing was held on August 3, 2023 by this Board on the question of approval of the Lease Amendment.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF THE MONTARA WATER AND SANITARY DISTRICT, a public agency in the County of San Mateo, California, as follows:

(1) This Board hereby finds and determines as follows:

(a) The District is authorized and empowered to lease its property pursuant to Health and Safety Code Section 6514.1 and Water Code Section 31041;

(b) That portion of the District's property proposed to be leased pursuant to the Lease Agreement as amended by the Lease Amendment is currently not used by the District and is not needed for District purposes;

(c) The term of the Lease Agreement as amended by the Lease Amendment will not exceed ten (10) years;

RESOLUTION NO. _____

RESOLUTION FINDING THAT CERTAIN DISTRICT PROPERTY IS NOT NEEDED FOR IMMEDIATE DISTRICT PURPOSES; THAT USE THEREOF UNDER A PROPOSED AMENDED LEASE WITH A TERM NOT EXCEEDING TEN YEARS IS COMPATIBLE WITH DISTRICT USES; THAT SAID AMENDED LEASE WILL BE OF PUBLIC BENEFIT; APPROVING, AUTHORIZING AND DIRECTING EXECUTION THEREOF AND AUTHORIZING AND DIRECTING GENERAL MANAGER TO FILE NOTICE OF EXEMPTION UNDER CALIFORNIA ENVIRONMENTAL QUALITY ACT FOR SAID PROJECT

(Communications Facility Site- Verizon Wireless)

(d) Use of the District property permitted under the Lease Agreement as amended by the Lease Amendment is compatible with District purposes because it will not interfere with the use of District property in the vicinity of the leased premises, nor detract from, nor interfere with, District operations and activities;

(e) Use of the leased premises under the Lease Agreement as amended by the Lease Amendment will result in public benefit because the rental payable thereunder will provide revenues to the District for the operation and maintenance of its sanitary sewerage systems, including the collection and transmission facilities, and the District's obligations to Sewer Authority Mid-Coastside, which provides treatment and disposal services for the District;

(f) Environmental review of the project has been completed pursuant to the California Environmental Quality Act (Pub. Resources Code §21000, et seq; "CEQA");

(g) The project under CEQA is categorically exempt from the provisions of CEQA (Pub. Res. C. §21084) pursuant to Sections 15301 (Existing Facilities) 15303 (Installation of Small Equipment) and 15302 (Replacement of Existing Utility System) of the State CEQA Guidelines (14 CCR §15000, et seq.);

(h) Pursuant to Health & Safety Code Section 6514.1(e), on August 3, 2023, a duly noticed public hearing was held on the question of leasing the leased premises in accordance with the terms and conditions of the Lease as amended by the Lease Amendment, at which hearing all persons interested were heard, or were provided the opportunity to be heard and no objections were made.

(2) That certain agreement entitled "Second Amendment to Communications Lease Agreement" by and between the Montara Water and Sanitary District, a public agency in the County of San Mateo, California, as Lessor, and GTE Mobilenet of California Limited Partnership, dba Verizon Wireless, by Celco Partnership, its general partner, as Lessee, providing for the amended leasing of a portion of District property for the construction, installation, operation, and maintenance of personal electronics communications facilities for a term not exceeding ten (10) years, copies of which Second Amendment to Lease

RESOLUTION NO. _____

RESOLUTION FINDING THAT CERTAIN DISTRICT PROPERTY IS NOT NEEDED FOR IMMEDIATE DISTRICT PURPOSES; THAT USE THEREOF UNDER A PROPOSED AMENDED LEASE WITH A TERM NOT EXCEEDING TEN YEARS IS COMPATIBLE WITH DISTRICT USES; THAT SAID AMENDED LEASE WILL BE OF PUBLIC BENEFIT; APPROVING, AUTHORIZING AND DIRECTING EXECUTION THEREOF AND AUTHORIZING AND DIRECTING GENERAL MANAGER TO FILE NOTICE OF EXEMPTION UNDER CALIFORNIA ENVIRONMENTAL QUALITY ACT FOR SAID PROJECT

(Communications Facility Site- Verizon Wireless)

Agreement, together with the Communications Lease Agreement amended thereby, are on file in the District Administrative Offices, is hereby approved as to form, and the District General Manager is hereby directed and authorized to execute said Second Amendment to Communications Lease Agreement for and on behalf of the Montara Water and Sanitary District following its execution by Verizon.

(3) The General Manager is hereby authorized and directed to file a Notice of Exemption for the foregoing project with the County Clerk/Recorder, San Mateo County, pursuant to the California Environmental Quality Act.

President, Montara Water and Sanitary District

COUNTERSIGNED:

Secretary, Montara Water and Sanitary District

* * * *

I HEREBY CERTIFY that the foregoing Resolution No. _____ duly and regularly adopted and passed by the Board of the Montara Water and Sanitary District, County of San Mateo, California, at a Regular Adjourned Meeting thereof held on the 3rd day of August 2023, by the following vote:

AYES, Directors:

ABSTENTION:

NOES, Directors:

ABSENT, Directors:

RESOLUTION NO. _____

RESOLUTION FINDING THAT CERTAIN DISTRICT PROPERTY IS NOT NEEDED FOR IMMEDIATE DISTRICT PURPOSES; THAT USE THEREOF UNDER A PROPOSED AMENDED LEASE WITH A TERM NOT EXCEEDING TEN YEARS IS COMPATIBLE WITH DISTRICT USES; THAT SAID AMENDED LEASE WILL BE OF PUBLIC BENEFIT; APPROVING, AUTHORIZING AND DIRECTING EXECUTION THEREOF AND AUTHORIZING AND DIRECTING GENERAL MANAGER TO FILE NOTICE OF EXEMPTION UNDER CALIFORNIA ENVIRONMENTAL QUALITY ACT FOR SAID PROJECT

(Communications Facility Site- Verizon Wireless)

Secretary, Montara Water and Sanitary District

FIRST AMENDMENT TO COMMUNICATIONS LEASE AGREEMENT

This FIRST AMENDMENT TO COMMUNICATIONS LEASE AGREEMENT ("Amendment") is effective the 28 day of January, 2013, by and between MONTARA WATER AND SANITARY DISTRICT, a public agency in the County of San Mateo, California ("District"), and GTE Mobilnet of California Limited Partnership d/b/a Verizon Wireless ("Lessee"), with reference to the facts set forth in the recitals below:

RECITALS

A. District and Lessee are parties to a Communications Lease Agreement dated March 20, 2006 (the "Lease"), whereby District has leased a portion ("Premises") of the District's property located at 8888 Cabrillo Hwy, Montara, San Mateo County, California ("Property") to Lessee to construct, operate and maintain a communications facility.

B. District and Lessee desire to, among other things, (i) expand the size of the Premises for the purpose of Lessee installing, maintaining, operating, and repairing a generator, (ii) provide for an increase in the rent payable to District under the Lease, and (3) provide for an increase in the number of extension terms provided under the Lease.

AGREEMENT

NOW, THEREFORE, in consideration of the facts contained in the recitals above, the mutual covenants and conditions below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. LEASE. Paragraph 2 of the Lease is hereby deleted in its entirety and replaced with the following paragraph:

"2. LEASE. District hereby leases to Lessee and Lessee hereby leases from District that portion of District's Property consisting of space within the three (3)-bay garage measuring approximately nine feet one inch (9'1") by twenty feet (20') (the "Equipment Space"), a one hundred-square-foot (100 sq. ft.) area of land (the "Tower Space") for Lessee's antenna structure, and an eight foot (8') by thirteen foot (13') space (the "Generator Space") for the installation, maintenance, operation, and repair of a generator and related equipment and appurtenances, together with utility connections between the Tower Space, Equipment Space, and Generator Space, together with the non-exclusive right for ingress and egress seven (7) days a week, twenty-four (24) hours a day, on foot or motor vehicle, including trucks, and for the installation and maintenance of utility wires, poles, cables, conduits, and pipes over, under, or along an access right-of-way extending from the nearest public right of way, Cabrillo Highway, to the demised premises, and together with a utility right-of-way connecting said demised premises to the nearest appropriate utility provider (collectively, the "Site" as depicted in Exhibit "A"). Lessee's antenna support structure (hereinafter described) shall be constructed and installed in and upon the Tower Space; provided that, subject to District's prior approval, the antenna support structure may be repositioned at Lessee's request to a location that shall be depicted upon an amended, revised or supplemental exhibit."

2. GARAGE – JOINT USE. The phrase "except the pole and antennas" in Paragraph 4 of the Lease is hereby deleted in its entirety and replaced with the phrase "except the pole, antennas, generator, and related equipment and appurtenances."

3. LESSEE'S FACILITIES. The phrase "connecting Lessee's antenna facilities to transmitters and receivers" in Paragraph 5 of the Lease is hereby deleted in its entirety and replaced with the phrase "connecting Lessee's antenna facilities to Lessee's transmitters and receivers and to Lessee's generator."

4. EXHIBIT REPLACEMENT. Exhibit "A" to the Lease is hereby deleted in its entirety and replaced with Exhibit "A" attached hereto and incorporated herein by this reference. All references to Exhibit "A" in the Lease shall hereafter refer to Exhibit "A" attached hereto.

5. RENT. Commencing upon the first day of the month following the date Lessee begins installation of the generator on the Premises (the "Rental Increase Date"), the rent due under the Lease shall increase by the amount of Two Hundred and 00/100 Dollars (\$200.00) per month. Lessee and District agree that they shall acknowledge in writing the Rental Increase Date. Lessee and District acknowledge and agree that the initial rent increase payment(s) shall not actually be sent by Lessee until thirty (30) days after written acknowledgement confirming the Rental Increase Date.

6. RENT INCREASE. District and Lessee acknowledge and agree that Section 7.C. to the Lease shall be deleted in its entirety and replaced with the following:

"C. RENT ADJUSTMENT. Commencing on April 1, 2013, and on each annual anniversary thereafter, the rent shall be increased by an amount equal to three percent (3%) of the rent incurred for the previous year."

7. EXTENDED TERM. Paragraph 8.B. of the Lease is hereby deleted in its entirety and replaced with the following paragraph:

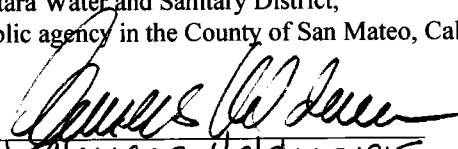
"B. EXTENDED TERM. Lessee shall have the right and option to extend the term of this Lease beyond the Primary Term for two (2) additional terms of sixty (60) months (collectively, the "Extended Term"), on the same terms and conditions as provided herein for the Primary Term; provided, that rental installments shall continue to be adjusted in accordance with Paragraph 7.C. throughout the Extended Term. Unless this Lease shall have been sooner terminated, the foregoing options shall be deemed automatically exercised; provided, that Lessee may decline to exercise said option by giving written notice thereof to District not less than sixty (60) days prior to expiration of the Primary Term or any applicable extended term."

8. CONTINUED EFFECT. Except as specifically modified by this Amendment, all of the terms and conditions of the Lease shall remain in full force and effect. In the event of a conflict between any term and provision of the Lease and this Amendment, the terms and provisions of this Amendment shall control. In addition, except as otherwise stated in this Amendment, all initially capitalized terms will have the same respective defined meaning stated in the Lease. All captions are for reference purposes only and shall not be used in the construction or interpretation of this Amendment.

IN WITNESS WHEREOF, District and Lessee have caused this Amendment to be executed by each party's duly authorized representative effective as of the date first above written.

DISTRICT:

Montara Water and Sanitary District,
a public agency in the County of San Mateo, California

By: 
Name: Clemens Heldmaier
Title: General Manager
Date: 11/06/12

LESSEE:

GTE Mobilnet of California Limited Partnership
d/b/a Verizon Wireless
By Cello Partnership, Its General Partner

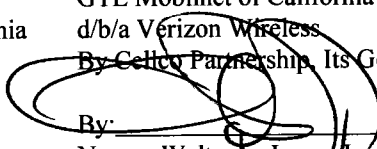

By: 
Name: Walter L. Jones, Jr.
Title: Area Vice President Network
Date: 1/29/13

EXHIBIT "A"

[See Attached]



11/06/12

SECOND AMENDMENT TO COMMUNICATIONS LEASE AGREEMENT

This SECOND AMENDMENT TO COMMUNICATIONS LEASE AGREEMENT ("Amendment"), effective as of the date of the latter signature upon full execution below, is made by and between MONTARA WATER AND SANITARY DISTRICT, a public agency in the County of San Mateo ("District"), as lessor, and GTE Mobilnet of California Limited Partnership, a California limited partnership, d/b/a Verizon Wireless ("Lessee"), as lessee, with reference to the facts set forth in the Recitals below:

RECITALS

A. District owns that certain real property located at 8888 Cabrillo Hwy., Montara, San Mateo County, California (the "Property"), as more particularly described in the Lease (defined below).

B. District and Lessee entered into that certain Communications Lease Agreement dated March 20, 2006 (the "Original Lease"), as amended by that certain First Amendment to Communications Lease Agreement dated January 28, 2013 (as amended, the "Lease"), pursuant to which Lessee leases a portion of the Property (the "Site") for the construction, operation and maintenance of a communications facility.

C. District and Lessee desire to, among other things, amend Lease provisions related to (i) approval for alterations to the Site, (ii) access to the Property, (iii) property damage, (iv) mechanics' liens, (v) rent, (vi) extension of the Lease term, and (vii) assignment of rights under the Lease.

AGREEMENT

NOW, THEREFORE, in consideration of the facts contained in the Recitals above, the mutual covenants and conditions below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. LESSEE'S FACILITIES. The fourth sentence of the second paragraph of Section 5 of the Original Lease shall be amended as follows: "In the event District does not either (i) object to the drawings and plans in writing or (ii) furnish Lessee with written approval within thirty (30) days of the date of Lessee's submission of such plans and drawings, District shall be deemed to have not approved them. Notwithstanding the foregoing, District's approval shall not be required nor shall a Rent increase apply for modifications wholly contained within the Equipment Space, or that are like kind changes on Lessee's antenna structure with equipment that is the equivalent dimension and amount as the existing equipment or smaller. If Lessee desires to make modifications to their Lessee Facilities outside of the Equipment Space, then Lessee shall submit construction drawings depicting the proposed work and modifications in their entirety for the District's prior written approval and rent increase (to be agreed upon by both parties) if said work or modifications involve an increase in the size or amount of the Lessee Facilities outside the Equipment Space. District shall have the right to not approve such

modifications in its sole discretion ([in compliance with all applicable laws](#)) if such modifications are not satisfactory from an aesthetic standpoint or if such modifications may cause interference to the operations of the District.

1(a). District's Proprietary Capacity. District and Lessee acknowledge that District enters this Agreement in its proprietary capacity as the owner or controller of the Property and agree that *any federal or state statutes, regulations or other laws applicable to District solely in its governmental capacity as a land-use regulator shall not be applied to District in its proprietary capacity as the District under this Agreement. Only the terms in this Agreement govern the criteria and timeframes for Lessee's requests for approvals submitted under this Agreement.*

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2. LIMITATIONS. The last sentence of Section 11 of the Original Lease is amended to provide: "Lessee shall not add any mast arms, antennas, or support structures or other equipment, structures or facilities not described in this Lease without first obtaining the written consent of District as provided in Section 5 of this Lease."

3. DAMAGE TO SITE. Lessee shall be responsible for repairing damage to the Site and/or Property to the extent the damage is caused by Lessee, its agents or employees. To the extent Lessee, its agents or employees caused such damage, then Lessee shall use best efforts to repair the damage, with prior approval of the District which shall not be unreasonably conditioned, withheld or delayed, and complete the cure in thirty (30) days from receipt of notice of such damage, which cure period shall be extended if Lessee has commenced and diligently worked on the cure in such thirty (30) day period and diligently prosecutes the same to completion. If Lessee fails to cure such damage as described within thirty (30) days or as extended, District reserves the right to make such repairs after notifying Lessee in writing. In this case, Lessee agrees to pay the cost of such repair within thirty (30) days from written submittal by District of evidence of the cost of such repairs.

4. ACCESS. The first paragraph of Section 25 of the Original Lease is amended to provide:

"Lessee, through its designated and approved employees and contractors, shall be solely responsible for the maintenance, repair, replacement and care of the Lessee Facilities and Site and shall maintain the same in a clean, sanitary, and safe condition and in good repair and free of any defects at all times during the Lease. Unless restricted, limited or precluded due to an emergency situation, governmental law, rule or regulation, damage or destruction or condemnation or court order, Lessee shall have access to the Lessee Facilities/antenna support structure and generator portion of the Lessee Facilities within [District's Lessor's](#) secure, gated, Property during normal business hours (8am-5pm, Monday through Friday, holidays excepted) upon at least forty-eight (48) hours advance written notice to the District at: (PLEASE PROVIDE email address and phone number). Prior to access by Lessee under this provision, Lessee shall provide to District a list of representatives with access authorization and shall provide District with updated representative information whenever necessary. At the time that such notice is given, Lessee shall inform District of the names of the persons who will be accessing the Property, the reason for entry, and the expected duration of the

work to be performed. In the event of an emergency, Lessee may, by contacting the District, access the Property on a 24-hour, seven-day per week basis (unless access is restricted, limited or precluded due to such emergency situation, any governmental law, rule or regulation, damage or destruction or court order) and shall use commercially reasonable efforts to provide prior notice to District before entering the Property. The District and its agents shall have the right in all cases to accompany Lessee during any entry by Lessee.

Unless restricted, limited or precluded due to an emergency situation, governmental law, rule or regulation, damage or destruction or condemnation or court order, Lessee shall have access to its Equipment Space (wholly contained within the garage) on a seven (7) day per week, twenty-four (24) hour per day basis with email or telephonic notice to ~~Lessor~~District at least twenty-four (24) hours in advance. In the event Lessee accesses its Equipment Space but fails to arrange in advance for access to the Lessee Facilities (outside the Equipment Space), Lessee will be prohibited from accessing such areas outside the Equipment Space and ~~Lessor~~District's secure, gated, portion of their Property, until such time that Lessee arranges with District in advance for such access as described in the Section above.

5. MECHANICS' LIENS. Lessee shall be responsible for the satisfaction and payment of all amounts due to any provider of work, labor, material or services to or on behalf of Lessee in relation to the Lease, and shall keep the Property free and clear of all liens resulting from such labor, material and services. Such liens shall be discharged by Lessee within thirty (30) days after notice of filing thereof by bonding, payment or otherwise. Lessee shall indemnify, hold harmless and defend District against such liens to the extent arising out of Lessee's failure to bond over or pay the same.

6. TERM EXTENSION. The current term of the Lease is scheduled to expire on November 30, 2022 (the "Current Term Expiration Date"). Upon the Current Term Expiration Date, the term of the Lease shall renew automatically for two (2) additional consecutive periods of five (5) years each (each a "Renewal Term") unless Lessee provides notice to District of its intention not to renew the Lease at least ninety (90) days prior to the Current Term Expiration Date or the expiration date of any Renewal Term. If the term of the Lease is extended as provided herein, Rent shall continue to increase by three percent (3%) annually as provided in this Amendment.

7. RENT. Commencing on December 1, 2022, Lessee shall pay rent to District in the amount of Four Thousand Dollars (\$4,000.00) per month. Thereafter, rent shall continue to increase annually by an amount equal to three percent (3%) of the rent in effect during the immediately preceding month in accordance with Section 7(c) of the Lease.

8. ASSIGNMENT. Paragraph 13 (Assignment) shall be deleted in the Original Lease in its entirety and replaced with the following paragraph in the Lease:

Lessee may assign this Agreement in whole or in part to any subsidiary, parent company, or any entity which is the owner of a controlling interest in Lessee. Lessee shall give the District written notice of any such assignment, including the name of the assignee, within thirty (30) days from the effective date of the assignment. Lessee also shall provide ~~Lessor~~District with any and

all documentation evidencing that the assignor is a subsidiary, parent company, or any entity that is the owner of a controlling interest in Lessee within sixty (60) days of such assignment. Such assignment shall hereafter be referred to as a Permitted Assignment. Lessee shall have no other right to sell, assign, or transfer all or any part of its interest in the Lease or in the Site or any part thereof, or permit all or any part of the Site to be used by any person or entity other than as set forth above, without the written approval of the District which may be withheld in District's sole discretion. Lessee and District agree that Lessee shall not sell, assign, or otherwise transfer its ownership interest (or any portion thereof) in this Agreement or the Site to any company generally known or operating as a tower operator, tower company, tower aggregator or Real Estate Investment Trust, without the written approval of the District which may be withheld in ~~Lessee~~District's sole discretion. This prohibition against non Permitted Assignments, shall be construed to include a prohibition against any subletting by operation of law. Any Assignment without District's consent (except for a Permitted Assignment pursuant to this new Paragraph 13) shall constitute a default by LESSEE under this Agreement, and in addition to all of District's other remedies at law, in equity or under the Agreement, such Assignment shall be voidable at District's election.

9. CONTINUED EFFECT. Except as specifically modified by this Amendment, all of the terms and conditions of the Lease shall remain in full force and effect. In the event of a conflict between any term and provision of the Lease and this Amendment, the terms and provisions of this Amendment shall control. In addition, except as otherwise stated in this Amendment, all initially capitalized terms will have the same respective defined meaning stated in the Lease. All captions are for reference purposes only and shall not be used in the construction or interpretation of this Amendment. The parties agree that this Amendment may be electronically signed (such as through "DocuSign"). The parties agree that electronic signatures appearing on this Amendment are the same as handwritten signatures for the purposes of validity, enforceability, and admissibility.

[Signatures appear on the following page.]

IN WITNESS WHEREOF, District and Lessee have caused this Amendment to be executed by each party's duly authorized representative effective as of the date of full execution last written below.

DISTRICT:

Montara Water and Sanitary District, a public agency in the County of San Mateo, California

By: _____
Name: _____
Title: _____
Date: _____

LESSEE:

GTE Mobilnet of California Limited Partnership, a California limited partnership, d/b/a Verizon Wireless

By: Cellco Partnership, its general partner

By: _____
Name: _____
Title: _____
Date: _____

NOTICE IS HEREBY GIVEN that the Board of the Montara Water and Sanitary District will hold a public hearing on the question of amending a communications lease agreement between the District and GTE Mobilnet of California Limited Partnership d/b/a Verizon Wireless ("Lessee") of a portion of District property located at the site of the District's Administrative Offices, 8888 Cabrillo Highway, Montara, California, for the installation, operation and maintenance of an antenna for mobile wireless communication services together with a portion of the interior of a garage structure on the site for related equipment storage. The amendment provides for the option to renew the lease for two additional five-year term extensions and other related items.

In granting the lease, the District Board must find that the proposed use of the leased property will be compatible with the District's uses of the property, that the lease will be of public benefit and that the extended term of the lease shall not exceed ten (10) years.

NOTICE OF PUBLIC HEARING
NOTICE IS HEREBY FURTHER GIVEN that the aforesaid hearing will be held at the following location and at the time and on the date hereinafter specified:

DATE: August 3, 2023

TIME: 7:30pm, or as soon thereafter as the matter may be considered.

PLACE:

District Board Chambers 8888
Cabrillo Highway Montara, CA
94037

Remote and telephonic attendance will additionally be permitted by visiting www.mwsd.montara.org for access information.

Published in the Half Moon Bay
Review July 19 & 26, 2023