

LEASE

THIS LEASE is executed effective as of February 1, 1996, by and between the CITY OF MENLO PARK (hereinafter referred to as "Lessor"), and JUNIOR LEAGUE OF PALO ALTO - MID PENINSULA, INC., a California non-profit corporation (hereinafter referred to as "Lessee"), who agree as follows:

1. PREMISES. Lessor leases to Lessee the premises commonly known as the Latham-Hopkins Gatehouse, 555 Ravenswood Avenue, Menlo Park, California (the "Premises").

2. TERM. The term of this Lease shall be for a period of twenty (20) years, commencing February 1, 1996, and terminating January 31, 2016. Lessee shall have two (2) options to renew the term of this Lease for five (5) years each upon all of the same terms and provisions of this Lease including Rental. Such options to renew shall be exercised by giving written notice of exercise to Lessor not less than six (6) nor more than twelve (12) months prior to the expiration of the original Lease Term or extended Lease Term if the first option is exercised.

3. RENTAL.

a. Lessee agrees to pay to Lessor as rental for the Premises the sum of Five Hundred Fifty Dollars (\$550.00) per month in lawful money of the United States on or before the first day of each and every calendar month during the term hereof, free from all claims and demands against Lessor of any kind, nature, or description whatsoever; at such place or places as may be designated from time to time by Lessor. Notwithstanding the foregoing, Lessee shall not be obligated to commence payment of rent until the earlier of the completion of Lessee's renovation work as described in Subparagraph 6d or November 1, 1996.

b. Commencing February 1, 2002, and every two (2) years thereafter, the rent shall increase by the same percentage as the annual increase in the Consumer Price Index ("CPI") published by the U.S. Department of Labor for the San Francisco-Oakland Metropolitan Area All-Urban Consumers for the two (2) years immediately preceding the adjustment date. In no event shall the CPI utilized to calculate such rent increase exceed the greater of five percent (5%) per annum or ten percent (10%) for each such two (2) year period.

4. USE. Lessee shall use the Premises for office and meeting uses in connection with its non-profit charitable activities and for no other use without Lessor's prior written consent. Lessee shall obtain all necessary licenses and shall comply with all Local, State, and Federal regulations pertaining to the use of the Premises. In the event the Lessee should fail to use said Premises for the purposes herein provided, then said Lease shall terminate, without notice or other action, at the option of the Lessor herein.

5. ALTERATIONS. Lessee shall not make any additions, alterations, or changes to the Premises without the prior written consent of the Lessor first had and obtained. Lessor agrees not to unreasonably withhold its consent. Any additions or alterations to the Premises shall become a part of the realty and shall revert to Lessor.

Lessee shall not change any of the locks on the Premises without providing Lessor with a duplicate key.

6. MAINTENANCE, REPAIR, AND UTILITIES.

a. Except as otherwise provided in Sub-Paragraphs 6c and 6d and Paragraph 10, Lessee shall be responsible for all interior and exterior maintenance, repair, and janitorial services for the Premises. Lessee shall be responsible for all costs associated with the maintenance, repair, and janitorial services, including but not limited to supplies, contract services, alterations, repairs and other maintenance costs.

b. Lessee shall be responsible for all utility costs, including gas, electricity, sewer, water and telephone, and all maintenance, repair, installation and deposits for these services and special district charges except that Lessor shall be responsible for water service for landscape irrigation.

c. Lessor shall be responsible for maintenance and repair of the paving, landscaping, and parking areas.

d. Lessor hereby approves of Lessee's plans to repair and renovate the Premises as more particularly set forth in those certain plans prepared by Nancy Wyatt dated January 8, 1996, consisting of sheets A1-A12 & S1-S3. All such work shall be subject to obtaining a Use Permit from the Menlo Park Planning Commission for the exterior modifications and obtaining a building permit from the Menlo Park Building Official. Lessor shall contribute a total of One Hundred Thirty-Four Thousand Four Hundred Thirty-Eight Dollars (\$134,438.00) toward such renovation payable 25% upon issuance of a building permit, 25% when the work is fifty percent (50%) complete and the balance upon completion of the work and sign-off by the Menlo Park Building official.

e. Lessee shall use the Premises in a careful, safe, and proper manner. Lessee agrees to pay Lessor on demand for any damages to the Premises by misuse or abuse of the facility.

7. ASSIGNMENT AND SUBLETTING. Lessee may not assign this Lease nor sublet the Premises without Lessor's prior written consent, which consent shall not be unreasonably withheld provided any such Lessee is a non-profit, non-sectarian, charitable organization financially capable of assuming Lessee's obligation hereunder.

8. ABANDONMENT. Should Lessee abandon, be dispossessed, surrender or otherwise vacate the Premises, the Lessor, at Lessor's option, may immediately terminate this Lease and enter the Premises and remove all persons and property. Lessee shall not allow the Premises to be vacant for more than a thirty day period except during any major alteration of the Premises as may be approved by Lessor.

9. DEFAULT. In the event of a non-monetary default, Lessor shall give written notice thereof to Lessee. In the event that Lessee shall not have cured the default within ten (10) days of the notice, or if the default is of a monetary nature or of a nature which cannot reasonably be cured within ten (10) days and Lessee shall not have commenced to cure the default and be diligently pursuing such cure to completion, then Lessor, besides any other right or remedies that Lessor may have, shall have the right either to terminate this Lease, or from time to time, without terminating this Lease, relet the Premises for the account and in the name of Lessee or otherwise, for any such term or terms and conditions as Lessor in its sole discretion may deem

advisable. Lessee shall pay to Lessor, as soon as ascertained, the costs and expenses incurred by Lessor in such reletting. Rentals received by Lessor from such reletting shall be applied: First, to the payment of any indebtedness, other than rent, due hereunder from Lessee to Lessor; Second, to the payment of the cost of reletting the Premises, including but not limited to real estate commissions and the cost of any repairs to the Premises necessary to return the Premises to their original condition, normal wear and tear excepted; Third, to the payment of rent due and unpaid hereunder; and the residue, if any, shall be held by Lessor and applied in payment of future rent or damages in the event of termination as the same may become due and payable hereunder and the balance, if any, at the end of the term of this Lease shall be paid to Lessee. Should such rentals, received from time to time from such reletting during any month be less than that agreed to be paid during that month by Lessee hereunder, Lessee shall pay immediately such deficiency to Lessor. Such deficiency shall be calculated and paid monthly. No such reletting of the Premises by Lessor shall be construed as an election on its part to terminate this Lease unless a notice of such intention be given to Lessee or unless the termination thereof be decreed by a court of competent jurisdiction. Notwithstanding any such reletting without termination, Lessor may at any time thereafter elect to terminate this Lease for such previous breach provided it has not been cured.

Should Lessor at any time terminate this Lease for any breach, in addition to any other remedy it may have, it may recover from Lessee all damages it may incur by reason of such breach, including the cost of recovering the Premises, and including (a) all rent due and unpaid as of the date of such termination, plus interest on said sum at the rate of ten percent (10%) per annum; (b) amounts that would have fallen due as rent between the time of termination of this Lease and the time of the judgment, or other award, less the avails of all relettings and attornments, plus interest on the balance at ten percent (10%) per year; and (c) the worth at the time of the judgment or other award, of the amount by which the unpaid rent for the balance of the term exceeds the amount of such rental loss that Lessee proves could be reasonably avoided; and (d) any other amount necessary to compensate Lessor for all the detriment proximately caused by Lessee's failure to perform Lessee's obligations under this Lease or which in the ordinary course of things would be likely to result therefrom.

10. DESTRUCTION: In the event the Premises are partially destroyed from any cause, Lessor shall repair the property--provided the cost of such repairs are fully covered by insurance and such repairs can be made within ninety (90) days. Such partial destruction shall not void this Lease.

If the repairs cannot be made within ninety (90) days, this Lease may be terminated at the option of either party. In the event the Premises suffer the destruction of more than 25 percent of the replacement cost or in the event insurance proceeds are not sufficient to cover the cost of repairs, Lessor may elect to terminate this Lease.

Lessor shall not be obligated to replace any of the Lessee's personal property which may be damaged or destroyed.

11. INSURANCE AND INDEMNIFICATION. Lessee, at its own expense, shall provide and keep in force public liability insurance for the benefit of Lessor and Lessee jointly against liability for bodily injury and property damage in an amount of not less than One Million Dollars (\$1,000,000.00) for injury to, or death of one person in any one accident or occurrence, and in an amount of not less than One Million Dollars (\$1,000,000.00) for injury to, or death of more than one person in any one accident or occurrence, and in the amount of not less than One Million Dollars (\$1,000,000.00) per occurrence in respect to damage to property, such limits to be for any greater amounts as may be reasonably indicated by circumstances from time to time existing. Lessor shall be named as an additional insured on Lessee's insurance policy.

Lessee, during the continuance of this Lease, covenants and agrees to indemnify and save harmless the Lessor, its agents and employees from each and every loss, cost, damage and expense arising out of any accident or other occurrence on the Premises causing injury to or death of persons or damage to property by reason of the condition of the Premises, or due to the use or neglect thereof by Lessee or any subtenant of Lessee if permitted. Lessee further agrees during the continuance of this Lease also to indemnify and hold harmless the Lessor from all damages and penalties arising out of any claims of Lessee's negligence or failure of the Lessee to comply with any of Lessee's obligations hereunder.

Lessee shall indemnify and hold Lessor harmless from and against any and all costs, attorneys' fees, expenses and liabilities incurred in or about any of the foregoing claims or any action or proceeding brought thereon. In case any action or proceeding be brought against the Lessor by reason of any such claim, Lessee upon notice from Lessor shall defend the same at Lessee's expense by counsel reasonably satisfactory to Lessor. Lessee, as a material part of the consideration to Lessor, hereby assumes all risk of damages to property or injury to persons in or about the Premises from any cause whatsoever except that which is caused by the failure of the Lessor to observe any of the terms and conditions of this Lease. The obligations of Lessee under this section arising by reason of any occurrence taking place during the term of this Lease shall survive any termination of this Lease. Lessor shall indemnify, defend and hold Lessee harmless from and against any and all costs arising out of Lessor's negligence, willful misconduct or breach of this Lease.

Lessor, at its cost and expense, shall provide and keep in force fire and other casualty insurance in the same manner and under the same terms and conditions as other public buildings owned by Lessor are insured.

12. QUIET POSSESSION. Except as provided in Paragraph 13, Lessor shall not disturb Lessee's quiet enjoyment and possession of the Premises during the term of this Lease.

13. LESSOR/PUBLIC USE. Lessor and the public shall be entitled, at no cost, to the reasonable use and enjoyment of the grounds surrounding the Premises, which may include continuation and/or expanding its summer concert series on the grounds of the Latham-Hopkins Gatehouse property. Lessor, at no cost, shall be entitled to utilize

the public meeting areas of the Premises on a reservation basis for meetings, conferences, and/or receptions conducted by or for Lessor and its employees, when the use of such facilities have not been previously reserved for Lessee's Board meetings or other previously scheduled meetings, conferences, or receptions of Lessee. The public meeting areas of the Premises shall be made available by Lessee to the public upon request during non-League business hours on a reservation basis for a nominal fee. All fees and hours of availability shall be subject to the approval of the Menlo Park City Manager. The "public meeting areas" referred to herein shall include the historical living room, the living room and sun porch areas and the dining room (provided the dining room shall only be available during non-League working hours).

14. PARKING. Lessee shall have the use of 15 parking spaces as designated as "reserved for JLPA" on Exhibit "A" attached hereto and incorporated herein by this reference. So long as the Menlo Park Police Department is occupying the Police Services Building, Lessee shall not utilize the spaces designated as "reserved for Police" on Exhibit "A." Upon the relocation of the Police Department to the City Administration Building, Lessor may allow Lessee to use the spaces reserved for the Police Department or Lessor may reserve the use of such spaces for future tenants or occupants of the Police Services Building.

15. INSPECTION. Lessor may enter the Premises at all reasonable times to inspect, maintain and repair the property. Lessor shall attempt to provide twenty-four (24) hours notice to Lessee prior to such entry.

16. LIENS. Lessee shall keep the Premises free from any and all liens arising out of any work performed, materials furnished, or obligations incurred by or for Lessee; and Lessee agrees to defend Lessor at his sole cost and expense against any and all law suits arising from such lien upon receipt of notice of opportunity to defend from Lessor.

17. NOTICES. All notices between the parties shall be in writing and sent by U.S. Certified Mail - Return Receipt to: Lessor: CITY OF MENLO PARK, 701 Laurel Street, Menlo Park, California 94025, Attn: David Wheaton; Lessee: JUNIOR LEAGUE OF PALO ALTO - MID PENINSULA, INC., 555 Ravenswood Avenue, Menlo Park, California 94025, Attn: President.

18. WAIVER. The waiver by Lessor of a breach by Lessee of any agreement herein, shall not be deemed to be a waiver on a part of Lessor of any covenant of this Lease. Such waiver by Lessor shall not constitute a waiver of any future breach by Lessee of the same or other covenants of this Lease.

19. MISCELLANEOUS. This Lease shall be binding on the administrators, assigns, executors, heirs and successors of Lessor and Lessee.

Should either party bring an action for breach under any of the conditions and terms of this Lease, the losing party agrees to pay to the prevailing party all reasonable attorneys' fees and cost, as fixed by the court.

Section headings are for reference only and shall have no effect upon the interpretations of this Lease.

Time is of the essence of each provision of this Lease.

This Lease contains the entire agreement between the parties. No promise, representation, warranty, or covenant not included in this Lease has been or is relied on by either party. Each party has relied on its own examination of this Lease, the counsel of its own advisors, and the warranties, representations, and covenants in the Lease itself. The failure or refusal of either party to inspect the Premises or improvements, to read the Lease or other documents, or to obtain legal or other advice relevant to this transaction constitutes a waiver of any objection, contention, or claim that might have been based on such reading, inspection, or advice.

The unenforceability, invalidity or illegality of any provision shall not render the other provisions unenforceable, invalid or illegal.

LESSOR

LESSEE

CITY OF MENLO PARK

JUNIOR LEAGUE OF PALO ALTO -
MID PENINSULA, INC.

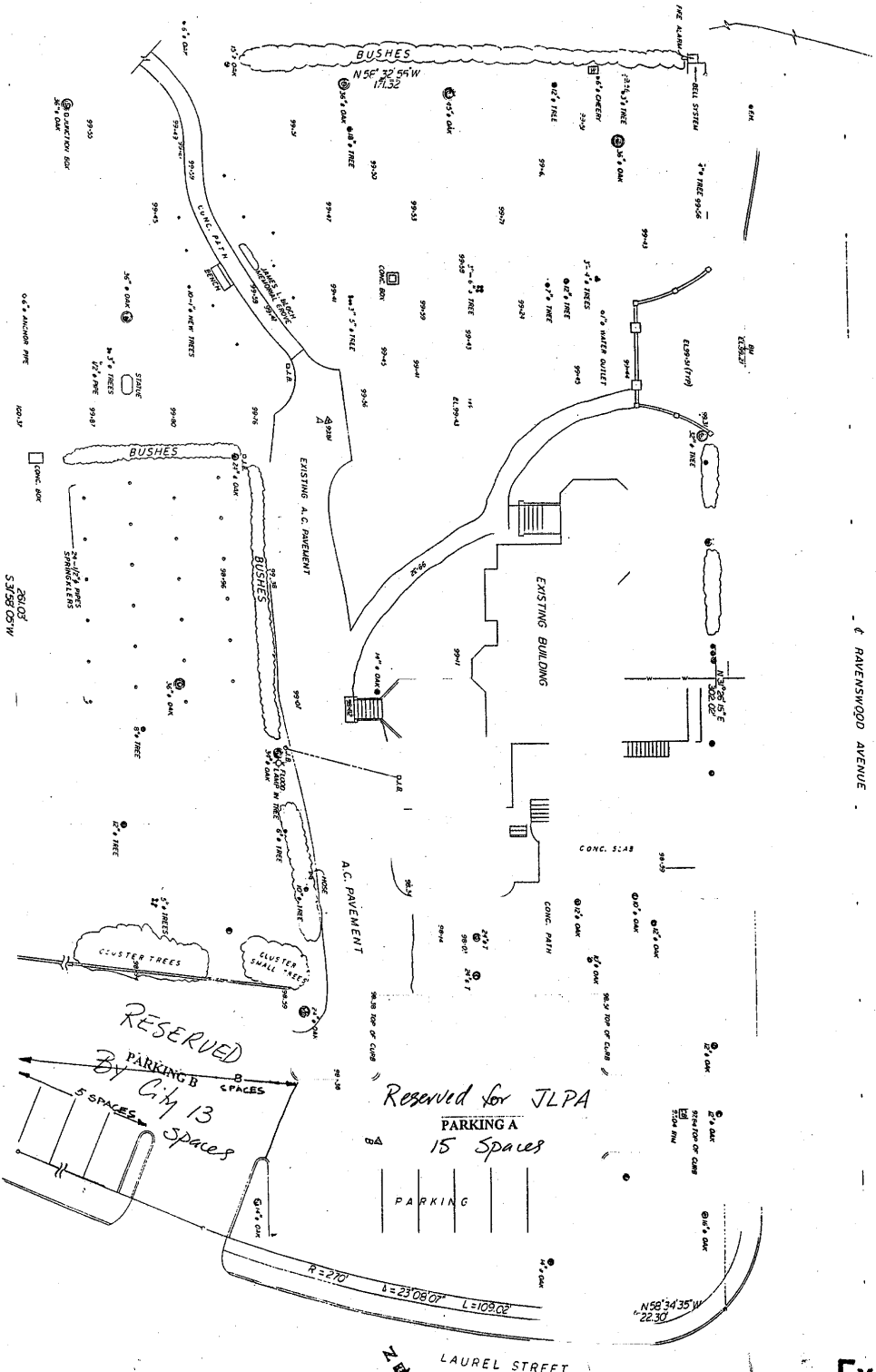
By:

J. M. Solan
CITY MANAGER
J. M. Solan.

By:

Tracey Prim
VICE PRESIDENT, FINANCE
Tracey Prim

GATEHOUSE EXISTING TOPOGRAPHY
SCALE: 1"=20'



DATE	BY	APPROVED
DATE	BY	APPROVED

CITY OF MENDOTA PARK ENGINEERING DEPARTMENT
 CITY OF MENDOTA PARK
 MENDOTA PARK, CA 94025 PH(408)388-3420

SHEET 1

Exhibit "A"