

**AMENDMENT TO THE LEASE AGREEMENT  
BETWEEN THE LAS LOMITAS SCHOOL DISTRICT  
AND WOODLAND SCHOOL**

THIS AMENDMENT TO THE LEASE AGREEMENT, entered into this 8th day of July, 2009, by and between the LAS LOMITAS SCHOOL DISTRICT, hereinafter called "LANDLORD," and WOODLAND SCHOOL, hereinafter called "TENANT";

W I T N E S S E T H:

WHEREAS, on October 15, 1997, the parties entered into a Lease Agreement for a certain parcel of school property located at 360 La Cuesta Drive, Portola Valley, California, consisting of land and buildings commonly known as the Ladera school site, with a term of August 1, 1998 to July 31, 2005; and

WHEREAS, pursuant to Section 3 of the Lease Agreement, Tenant exercised its first renewal option for the period of August 1, 2005 to July 31, 2008 and its second renewal option for the period of August 1, 2008 to July 31, 2011; and

WHEREAS, the parties wish to amend the Lease Agreement to extend the second renewal option through July 31, 2012 and to provide for a third renewal option for the period of August 1, 2012 to July 31, 2013; and

WHEREAS, the parties wish to further amend the Lease Agreement to provide LANDLORD an opportunity to notify TENANT prior to September 30, 2010 if it does not intend to terminate the Lease Agreement, in which case TENANT must notify LANDLORD within 30 days if it intends to exercise the third renewal option.

NOW, THEREFORE, IT IS HEREBY AGREED BY THE PARTIES HERETO AS FOLLOWS:

Section 3: RENEWAL OPTIONS is hereby amended to read as follows:

3. RENEWAL OPTIONS: Provided that TENANT is not in default of the lease and provided LANDLORD has not given TENANT notice of termination, LANDLORD hereby grants TENANT three (3) renewal options (respectively the "first option" covers the period August 1, 2005 to July 31, 2008, the "second option" August 1, 2008 to July 31, 2012, and the "third option" covers the period August 1, 2012 to July 31, 2013.)

If LANDLORD has not previously elected to terminate the lease as set forth below, TENANT shall have the right to exercise its options by giving written notice of its election to LANDLORD as follows:

(i) with respect to the first option, TENANT shall give such notice no earlier than July 2, 2003, and no later than July 31, 2003; and (ii) with respect to the second option, TENANT shall give such notice no earlier than July 2, 2006, and no later than July 31, 2006; and (iii) with respect to the third option, TENANT shall give notice no earlier than October 3, 2010 and no later than October 31, 2010.

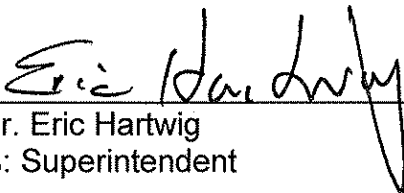
LANDLORD shall have the right to terminate the lease at the end of the initial term and any subsequent renewal options (and thus nullify any remaining option to extend) as follows: (i) with respect to the first termination right, LANDLORD shall give such notice no later than July 1, 2003; (ii) with respect to the second termination right, LANDLORD shall give such notice no later than July 1, 2006; (iii) with respect to the third termination right, LANDLORD shall give such notice no later than September 30, 2010.

Notwithstanding the termination and renewal option notice provisions set forth above, LANDLORD may give TENANT notice that it does not intend to exercise its right to terminate the lease prior to September 30, 2010. Within 30 days of receipt of such notice, TENANT shall inform LANDLORD if it intends to exercise its right to the third renewal option by giving written notice of its election to LANDLORD.

All other terms and conditions of the Lease Agreement dated October 15, 1997 shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto, by their duly authorized representatives, have affixed their hands.

LAS LOMITAS SCHOOL DISTRICT, LANDLORD

By:   
Mr. Eric Hartwig  
Its: Superintendent

WOODLAND SCHOOL, TENANT

By:   
Mr. John Ora  
Its: Head of School

**LEASE**

This LEASE, made and entered into as of the 15<sup>th</sup> day of OCTOBER, 1997, by and between THE GOVERNING BOARD OF THE LAS LOMITAS SCHOOL DISTRICT, hereinafter referred to as "LANDLORD" or "District", and WOODLAND SCHOOL, hereinafter referred to as "TENANT".

**WITNESSETH:**

WHEREAS, LANDLORD is the owner of a certain parcel of school property located at 360 La Cuesta Drive, Menlo Park, California, consisting of land and buildings commonly known as the Ladera school site which is not, and, at the time of delivery of title or possession to any part thereof, will not be needed for district purposes within the time limit set forth herein, in consideration of the mutual covenants and conditions hereinafter contained, the parties hereto do hereby agree as follows:

1. **PURPOSE:** LANDLORD hereby leases to the TENANT, and the TENANT hires from the LANDLORD, for purposes compatible with the character of the neighborhood, a portion of the premises and appurtenances contained therein situated in the Las Lomitas School District, commonly known as the Ladera School, located at 360 La Cuesta Drive, Menlo Park, California, described as all classrooms and administration area and grounds appurtenant thereto, as depicted in Exhibit A hereto (the "premises").

The premises are to be used for the purpose of operating a preschool through eighth grade private school, from 7:30 AM to 5:30 PM.

The premises shall not be used or permitted to be used in whole or in part during the said term of this lease for any purpose or use in violation of any of the laws or ordinances applicable thereto and TENANT shall at all times during the term of this lease comply with any requirements for use permits and all federal, state or municipal regulations or ordinances now or hereinafter enacted concerning the premises.

Unusual use of property, i.e. fairs, carnivals, etc. shall be with the approval of LANDLORD. Request for such approval shall be submitted in writing 30 days prior to events occurrence. For purposes of this section "unusual use" of property means any event not consistent with TENANT'S operations. LANDLORD shall not unreasonably withhold or delay its consent.

The serving and/or sale of alcoholic beverages shall not be permitted on the premises.

TENANT shall not, in any endeavor or activity conducted upon the leased premises or in any other manner, discriminate against any person on the grounds of race, color, religion, sex, or national origin. Failure by the TENANT to comply with this provision shall be deemed noncompliance with the terms and conditions of this lease.

2. TERM OF LEASE: The term of the lease will be for seven consecutive years commencing on the first day of August, 1998, and terminating on July 31, 2005.

3. RENEWAL OPTIONS: Provided TENANT is not in default of the lease and provided LANDLORD has not given TENANT notice of termination, LANDLORD hereby grants TENANT two (2) renewal options (respectively the "first option" covers the period of August 1, 2005 to July 31, 2008, the "second option" August 1, 2008 to July 31, 2011.)

If LANDLORD has not previously elected to terminate the lease as set forth below, TENANT shall have the right to exercise its options by giving written notice of its election to LANDLORD as follows:

(i) with respect to the first option, TENANT shall give such notice no earlier than July 2, 2003, and no later than July 31, 2003; and (ii) with respect to the second option TENANT shall give such notice no earlier than July 2, 2006, and no later than July 31, 2006.

LANDLORD shall have the right to terminate the lease at the end of the initial term and any subsequent renewal options (and thus nullify any remaining option to extend) as follows: (i) with respect to the first termination right, LANDLORD shall give such notice no later than July 1, 2003; (ii) with respect to the second termination right, LANDLORD shall give such notice no later than July 1, 2006.

3a. With respect to the first year of each renewal option period, if LANDLORD determines that adjusted rent appears to be below market, LANDLORD will select a California registered appraiser to render an appraisal of the market rental value of the premises at that point in time. Should TENANT dispute the appraisal, TENANT shall select a California registered appraiser to render an appraisal of the market rental value of the premises at that same point in time used for the LANDLORD'S appraisal. Should the two appraisals differ, the market rental value will be determined by the average of the two appraisals. Should the average of the two appraisals differ by more than 10% from each other, at the landlord's option and cost the tenant and landlord will then mutually select a third appraisal firm whose appraisal will be averaged with the other 2 to determine the base for the current market rate of rent for the succeeding three year option period. In no event, will the appraisal process to determine market rate for any year cause the rent for any year to be lower than it would otherwise be, as described in 6(b).

4. SURRENDER OF PREMISES: TENANT shall, at the expiration of the term of this lease or upon the earlier termination thereof for any reason, quit and surrender said premises to LANDLORD in as good state

and condition as said premises were in when possession thereof was given to TENANT, reasonable wear and tear and damage by the elements or an act of God excepted, and hazardous materials the presence of which TENANT did not cause excepted. For purposes of this lease, the term "hazardous materials" shall include but is not limited to (i) petroleum, (ii) asbestos, (iii) urea formaldehyde, (iv) polychlorinated biphenyls, (v) radioactive materials, (vi) radon gas, or (vii) any chemical, material or substance defined as or included in the definition of "hazardous substances", "hazardous waste", or "toxic substances" or words of similar impact under any applicable federal, state or local statutes, ordinances, orders, rules and regulations.

5. DUTY TO INSPECT: TENANT acknowledges that the LANDLORD makes no representations or warranties as to the repair or condition of the facilities which TENANT is entitled to use hereunder, and TENANT takes such property and facilities as is. It shall be TENANT'S obligation, not LANDLORD'S, to assure that the property and facilities are in a proper and safe condition to be used for the purpose anticipated herein; that it shall be TENANT'S obligation and duty, and not LANDLORD'S, to inspect such property and facilities before they are used and to take affirmative steps to repair, or where necessary, warn, in order to prevent injury to person or property; and that in the event such injury does occur, any claim arising therefrom shall trigger TENANT'S indemnity and defense obligations as provided in paragraph 22.

6. RENT: As and for the use of the above described premises TENANT agrees to pay LANDLORD the following rent, in monthly installments:

a. August 1, 1998 to July 31, 1999 - \$36,740.40 per month (\$1.36 per square foot per month).

August 1, 1999 to July 31, 2000 - \$38,901.60 per month (\$1.44 per square foot per month).

August 1, 2000 to July 31, 2001 - \$40,252.35 per month (\$1.49 per square foot per month).

August 1, 2001 to July 31, 2002 - \$41,603.10 per month (\$1.54 per square foot per month).

August 1, 2002 to July 31, 2003 - \$42,953.85 per month (\$1.59 per square foot per month).

August 1, 2003 to July 31, 2004 - \$44,304.60 per month (\$1.64 per square foot per month).

August 1, 2004 to July 31, 2005 - \$45,655.35 per month (\$1.69 per square foot per month).

b. Each subsequent year (twelve payments beginning August 1, 2005) the monthly rent shall be increased over the prior year's monthly rent by the same percentage that the San Francisco-Oakland CPI (July to June - All Urban Consumer) has increased. If an adjustment is made under provisions of Paragraph 3a, a CPI adjustment is not applied to the year an appraisal adjustment is made.

Rent is due on the first day of each month, beginning August 1, 1998.

Deposit: Upon execution of this lease, TENANT shall pay to LANDLORD rent for the first month of the lease term. Additionally, TENANT shall render to LANDLORD a deposit in the amount of one month's rent, adjusted

to give tenant credit for the amount of the deposit paid at the time of the original lease and currently held by LANDLORD. It is understood that this fulfills the surrender obligations stated in the lease.

**Financial Statement:** TENANT shall provide LANDLORD with a current verifiable financial statement or tax return.

**Late Payment of Rent:** TENANT hereby acknowledges that the late payment of rent or any other sums due hereunder shall cause LANDLORD to incur costs not contemplated by this lease, the exact amount of which shall be extremely difficult to ascertain. Such costs include but are not limited to administrative processing of delinquent notices, increased accounts costs, etc.

Accordingly, if any payment of rent as specified above or of any other sum due LANDLORD from TENANT under this lease is not received by LANDLORD or postmarked within ten (10) days after the due date, a late charge of one percent (1%) of the payment due shall be added to the payment, and the total sum shall become due and payable immediately to LANDLORD. A charge of one percent (1%) of said payment due, shall be added for each month or part thereof that said payment remains unpaid.

The Parties hereto agree that such late charges represent a fair and reasonable estimate of the costs that LANDLORD shall incur by reason of TENANT'S late payment. Acceptance of such late charges (and/or any portion of the overdue payment) by LANDLORD shall in no event constitute a waiver of TENANT'S default with respect to such overdue payment, nor prevent LANDLORD from exercising any of the other rights and remedies granted hereunder by any provision of law.

7. ALTERATIONS: No structures, improvements, alterations or facilities shall be constructed, erected, altered, or made on the premises without the prior written consent of LANDLORD which shall not be unreasonably withheld or delayed. TENANT shall obtain any other required approvals, such as the Department of State Architect approval, and obtain any and all necessary permits which may be required by statute, law, ordinance or regulation of any agency having legal jurisdiction, prior to any consented to construction improvement or construction of said structures, and/or improvements.

All buildings, improvements, and facilities, exclusive of trade fixtures, constructed or placed on the premises by TENANT must, upon completion, be free and clear of all liens, claims, or liability for labor or material.

All improvements constructed by TENANT within the premises shall be constructed in strict compliance with detailed plans and specifications approved by LANDLORD. Such approval shall not be unreasonably withheld or delayed.

All improvements of any kind which may be erected or installed by TENANT shall be at the expense of the TENANT and must be maintained in good condition and substantial repair by TENANT to the satisfaction of the LANDLORD.

All structural improvements constructed or placed within premises by TENANT shall become the property of LANDLORD at the expiration of this lease or upon earlier termination thereof unless otherwise agreed to in writing at the time of approval. Notwithstanding the foregoing, TENANT shall have the right to remove all portable buildings installed on the premises at any time, including, without limitation, upon the expiration or sooner termination of the lease. LANDLORD retains the right to require TENANT, at TENANT'S cost, to remove all TENANT improvements located on the premises at the expiration or termination of the lease and to restore the premises to the reasonable satisfaction of the LANDLORD.

**Indemnification - Mechanic's Liens:** TENANT shall at all times indemnify and save LANDLORD harmless for all claims for labor or materials in connection with construction, repair, alteration, or installation of structures, improvements, equipment, or facilities within the premises by TENANT, and from the cost of defending against such claims, including attorney's fees. TENANT shall provide LANDLORD with at least ten (10) days written notice prior to commencement of any work which could give rise to a mechanic's lien or stop notice.

LANDLORD has the right to enter upon the premises for the purpose of posting Notices of Non-Responsibility.

In the event a lien is imposed upon the premises as a result of such construction, repair, alteration, or installation, then, promptly upon TENANT'S receipt of actual notice of the imposition of such lien, TENANT shall either:

- (a) Record a valid Release of Lien, or
- (b) Deposit sufficient cash with LANDLORD to cover the amount of the claim on the lien in question and authorize payment to the extent of said deposit to any subsequent judgment holder that may arise as a matter of public record for litigation with regard to lien holder's claim, or
- (c) Procure and record a bond in accordance with Section 3143 of the Civil Code, which frees the demised premises from the claim of the lien from any action brought to foreclose the lien.

Should TENANT fail to accomplish one of the three optional actions within fifteen (15) days after the filing of such a lien, the lease shall be in default and shall be subject to immediate termination.

#### 8. CUSTODIAL SERVICE AND REPAIRS:

**Custodial Services:** TENANT shall provide for its own custodial supplies and services. It is understood that custodial services shall include, among other things, keeping the immediate walkways and blacktop areas swept, the lavatories in a state of cleanliness and replacement of burnt out light bulbs/lamps.

TENANT shall provide approved containers for trash and shall keep the premises free and clear of rubbish and litter and shall not store any

dangerous materials on the premises. LANDLORD shall have the right to enter upon and inspect the premises at any time for cleanliness and safety.

**Repairs:** TENANT acknowledges that the premises are in good order and repair unless otherwise indicated herein.

LANDLORD shall be responsible for major maintenance of the building, but not limited to roof, furnaces, electrical wiring, doors, windows, ceiling tiles, plumbing, sewers, parking areas, walkways and exterior landscaping, unless state of disrepair is due to the willful or negligent actions of TENANT, its agents or clients, in which event TENANT shall have the right to make necessary repairs or replacement but if made by LANDLORD the cost of such repair or replacement shall be charged to TENANT, its agents, or clients, on time and materials basis plus fifteen percent (15%) overhead costs.

TENANT shall, to the reasonable satisfaction of LANDLORD, take all steps necessary or appropriate to maintain the non structural elements of the interior of the buildings, including but not necessarily limited to: all carpeting and paint.

TENANT shall designate in writing to LANDLORD an on-site representative who shall be responsible for the day-to-day operations and level of maintenance, cleanliness and general order of the premises. If TENANT fails to maintain or make repairs as required herein, LANDLORD may notify TENANT in writing of said failure. Should TENANT fail to correct the situation within a reasonable time thereafter, as established by LANDLORD, LANDLORD may make necessary corrections and the cost thereof, including cost of labor, materials and equipment and a fifteen percent (15%) overhead fee, shall be paid by the TENANT within ten (10) days of receipt of statement. Failure to correct the situation may also be grounds for termination of this lease.

9. GROUNDS MAINTENANCE: LANDLORD shall maintain the grounds and turf area in a manner consistent with prior levels of maintenance.

LANDLORD agrees to replace existing playground equipment not meeting year 2000 requirements with like playground equipment meeting year 2000 guidelines for an amount not to exceed \$40,000.

10. ASSIGNMENT AND SUBLETTING: Any assignment of this lease, without obtaining the prior written consent of LANDLORD shall be void and, at the option of LANDLORD, shall terminate this lease.

LANDLORD'S consent to any such assignment or sublease shall not be unreasonably withheld or delayed. No consent to any assignment of this lease, voluntarily or by operation of law, or a subletting of the premises, shall be deemed to be a consent to any subsequent assignment of this lease voluntarily or by operation of law, or to any subletting of the premises, except as to the specific instance covered thereby.

Any rent received, (less expenses incurred by TENANT) from summer school



or after-school sublet, shall be shared equally between the TENANT and the LANDLORD.

11. PARTIAL OR TOTAL DESTRUCTION OF PREMISES DURING TERM:

(a) **Natural Disaster:** In the event that school operations carried on by either LANDLORD or TENANT are disrupted due to a natural disaster or other event that interferes with LANDLORD'S use of its school facilities other than the premises or with TENANT'S use of the premises, the parties will use reasonable efforts to cooperate with each other to minimize the impact of such disruption by sharing facilities to the extent practical and feasible.

(b) **Total Destruction of Premises:** If the buildings or appurtenant structures or service facilities on the premises are damaged or destroyed more than thirty-three and one-third percent (33-1/3%) and LANDLORD elects not to repair the damage, such damage shall be considered a total destruction of the leased premises. Such total destruction of the buildings or appurtenant structures or service facilities shall terminate this lease as of the date of such destruction and neither party hereto shall have any further rights or be under any further obligations on account of this lease, except TENANT for rent accrued and, if not then in default in the performance of any of the obligations under this lease, LANDLORD shall refund to TENANT any unearned rents paid in advance by TENANT. Provided, however, that TENANT can elect to prevent such termination and continue use of the premises or alternative adjacent land by giving notice to LANDLORD that TENANT will at its own expense install portable buildings so that it can continue to use the premises, in which case the rental shall be abated by a percentage equal to the proportion of space not usable less a fee for lease of land.

If LANDLORD does not elect to repair such damage, then LANDLORD shall so notify TENANT in writing within thirty (30) days following the date of such destruction. If the LANDLORD elects to repair such damage then such damage shall be treated as if it were damage described in (c) below.

(c) **Partial Damage or Destruction:** If the buildings or other improvements situated on the premises shall be partially damaged or destroyed, LANDLORD may elect not to make repairs and restorations. TENANT may thereupon elect to terminate the lease. If TENANT does not so terminate, there shall be abatement of the payment required in paragraph 6 above.

If LANDLORD elects to make repairs, it shall do so with reasonable promptness and dispatch, and providing the same can be repaired and rebuilt under state and municipal laws and regulations within sixty (60) working days, TENANT shall pay rent during such period of repair or rebuilding in the proportion that the portion of the premises occupied by TENANT bears to the entire leased premises. For purpose hereof, damage or injury which does not amount to thirty-three and one-third percent (33-1/3%) of the value of the premises leased shall be considered as a partial destruction.

12. UTILITIES: TENANT shall, during the term hereof, pay all charges for gas and electricity, light, heat, power, water (prorated), telephone, other communication services, security systems service or any other services or facilities used in connection with the premises, including, but not limited to, the removal of rubbish therefrom, sewage and the like, before they shall become delinquent and shall hold LANDLORD harmless from any liability in connection therewith. TENANT shall also, at its sole cost and expense, procure any and all necessary permits, licenses, or other authorization required for the lawful and proper installation and maintenance of any wires, pipes, conduits, tubes and other equipment or appliances used to service the premises and shall promptly pay for all such required repairs or installations made in connection with the use of the premises.

13. LIMITS OF PARKING: Parking of cars shall be confined to the facility parking area or as specified in use permit. Unless specified in the use permit, on street parking during the day will be limited to the school side of La Cuesta.

14. EVENING USE: TENANT shall stagger night use of the facility by itself and any and all Lessees, if any.

15. CIVIC CENTER ACT: TENANT agrees to make available for use the multipurpose room and playing fields in accordance with the Civic Center Act. Authorization for such use shall be solely the LANDLORD's and shall be given only after conferring with TENANT. Permission to use the facilities shall not be unreasonably withheld.

16. PUBLIC USE OF GROUNDS: At such times when TENANT is not occupying the grounds appurtenant to the leased premises, TENANT agrees that the same shall be kept open and available for public use as a playground or park. It is understood that TENANT shall be deemed to be occupying said grounds from 7:30 AM to 4:00 PM, Mondays through Fridays. However, the grounds and turf area shall be accessible to the public for any and all hours Saturdays, Sundays, and legal holidays, and between June 20 and beginning of TENANT'S school year in August (no earlier than August 15).

17. NON-DISCRIMINATION: TENANT shall not in any activity conducted on the leased premises or in any other manner discriminate against any person on the grounds of race, color, religion, sex or national origin. Failure by TENANT to comply with this condition shall be deemed non-compliant with the terms and provision of this agreement and shall serve as the basis for termination of this lease.

18. PROCURING ZONING OR USE PERMITS: The District specifically does not warrant, represent or guarantee any particular zoning or permissible use of the property to be leased. TENANT must procure on its own behalf any necessary change of zoning or use permit or other entitlement to use from the respective governmental agencies involved in the regulation of the use of said real property. The District will, however, cooperate with and reasonably assist the TENANT in obtaining any necessary rezoning and/or use permit to the extent permitted by law. The TENANT may not, however, cancel or otherwise avoid obligations under the lease, including the obligation to pay rent upon its inability to procure any particular rezoning or use permit.

19. INSURANCE: TENANT shall, at all times during the term hereof, and at its own cost and expense, procure and continue public liability insurance for a minimum amount of \$2,000,000.00 per occurrence; also TENANT shall procure and continue personal property damage insurance with limits of at least \$250,000.00. Said policies shall (1) specifically cover the indemnity provisions of this lease; (2) name LANDLORD as an additional insured; (3) not be cancelled or coverage reduced without forty-five (45) days prior notice to LANDLORD; (4) be primary over any other insurance carried by the LANDLORD. The above conditions shall be set forth on an endorsement to the TENANT'S insurance policy and shall be provided to LANDLORD prior to occupancy by TENANT.

LANDLORD shall retain the right at any time to review the coverage, form and amount of insurance required hereby. If in the opinion of District's Business Manager, the insurance provisions of this lease do not provide adequate protection for the District, District may require TENANT to obtain insurance sufficient in coverage, form and amount to provide adequate protection. LANDLORD requirements shall be reasonable but shall be designed to assure protection from and against the kind of extent of the risk which exists at the time a change in insurance is required.

LANDLORD shall notify TENANT in writing of changes in the insurance requirements and if TENANT does not deposit copies of acceptable insurance policies with LANDLORD incorporating such changes within sixty (60) days of receipt of such notice, or in the event TENANT fails to maintain in effect any required insurance coverage, this lease shall be in default without further notice to TENANT. Such failure shall constitute a substantial breach and shall be grounds for termination of this lease at the option of the LANDLORD.

The procuring of such required policy or policies of insurance shall not be construed to limit TENANT'S liability hereunder nor to fulfill the indemnification provision and requirements of this lease. Notwithstanding said policy or policies of insurance, TENANT shall be obligated for the full and total amount of any damage, injury, or loss caused by negligence or neglect connected with this lease or with use or occupancy of the Premises, except with respect to fire as to which TENANT'S liability due to negligence or neglect shall be limited to the LANDLORD'S deductible under its fire insurance policy as described in the following paragraph.

**Fire Insurance:** LANDLORD shall be solely responsible for providing standard fire insurance with extended coverage for the District owned property on leased premises.

TENANT shall be responsible for insuring contents (personal property) represented by the TENANT'S interests.

20. POSSESSORY INTEREST: In the event a possessory interest tax accrues to TENANT'S interest in the property, it is understood that the TENANT shall pay all such tax in its entirety, on or before its due date as and for additional rent.

21. SIGNS: TENANT may place or permit to be placed in, upon, about or outside the premises or any part of the building in which the premises are located any sign visible from the street only with the prior written consent of LANDLORD (which shall not be unreasonably withheld or delayed) and provided TENANT pays all permit and license fees which may be required to be paid for the erection and maintenance of any and all such signs, and provided such signs are legally permitted to be installed.

22. HOLD HARMLESS: TENANT shall defend, hold harmless and indemnify LANDLORD, its officers, and employees from any and all claims, for injuries and/or damages to persons and/or property which arise out of the terms and conditions of this lease and which result from the negligent acts or omissions of TENANT, its officers and/or employees.

It is further agreed that to the extent permitted by law, LANDLORD shall defend, hold harmless, and indemnify TENANT, its officers and employees from any and all claims for injuries or damages to persons and/or property, which arise out of the terms and conditions of this lease and which result from the negligent acts or omissions of LANDLORD, its officers, and/or employees.

In the event of concurrent negligence of LANDLORD, its officers and/or employees, and TENANT, its officers, and/or employees, then the liability for any and all claims for injuries or damages to persons and/or property which arise out of terms and conditions of this lease shall be apportioned according to the California theory of comparative negligence.

The duty to indemnify and save harmless as set forth herein shall include the duty to defend as set forth in Section 2778 of the California Civil Code.

23. NOTICES: All notices or reports required or desired to be given regarding this lease shall be in writing and may be given by personal delivery, facsimile, courier service or by mail. A notice or report addressed to TENANT at the premises or to LANDLORD at the address below, as appropriate, shall be deemed to have been given (i) on the third business day after mailing if such notice or report was deposited in the United States mail, certified or registered, postage prepaid; (ii) when delivered if given by personal delivery; (iii) on the business day following deposit, cost prepaid with Federal Express or similar private carrier; (iv) instantaneously upon confirmation of receipt of facsimile, and (v) in all other cases when actually received. Either party may change its address by giving notice of the same in accordance with this paragraph. For purposes of this paragraph, the term "business day" shall mean a day on which the carrier used (Federal Express or other private carrier, or the U.S. Postal Service, as applicable) delivers, in the ordinary course of operations.

All notices pursuant to this lease shall be addressed as set forth below or as party may designate hereafter by written notice:

To LANDLORD  
(Name)

Las Lomitas School District

(Address) Business Office  
1011 Altschul Avenue  
Menlo Park, CA 94025

To TENANT  
(Name) Woodland School  
360 La Cuesta Drive  
Portola Valley, CA 94028

24. EVENTS OF DEFAULT: Any of the following shall constitute Events of Default under this lease:

- (a) Any failure of TENANT to maintain any insurance coverage required hereunder; or
- (b) Any default made by TENANT in the payment of rent or in the performance of any of the terms, covenants or conditions herein contained to be performed by TENANT which default shall continue for a period of ten (10) days after TENANT'S receipt of notice from LANDLORD, or, in the case of a default which cannot be cured within ten (10) days, shall continue for an unreasonable period; or
- (c) TENANT'S abandonment of the premises.

In the event TENANT commits an act of default and abandons the premises, LANDLORD may elect to continue this lease in full force and effect and not terminate TENANT'S right to possession of the premises, in which event LANDLORD shall have the right to enforce any rights and remedies granted by the lease or by law against TENANT. LANDLORD shall not be deemed to have elected to terminate unless LANDLORD gives TENANT written notice of such election to terminate. In no event shall LANDLORD'S acts of maintenance or preservation of the premises, efforts to relet, or obtaining the appointment of a receiver to protect the interest of LANDLORD under the lease be deemed to constitute such a termination.

LANDLORD may elect by written notice to TENANT to terminate this lease at any time after the occurrence of an act of default, and in such event LANDLORD may, at its option, declare this lease terminated and remove TENANT'S property from the premises and store it for TENANT'S account and at TENANT'S expense, eject all persons from the premises, and recover damages from TENANT as hereinafter provided. Any such re-entry shall be permitted by TENANT without hindrance, and LANDLORD shall not be liable thereby in damages for such re-entry or be guilty of trespass or forcible entry.

In the event LANDLORD elects to so terminate this lease and TENANT'S right to possession, or termination occurs by operation of law, such termination shall cancel all TENANT'S options, if any, to extend the term.

In the event LANDLORD elects to terminate this lease and TENANT'S right to possession in accordance with the foregoing, or the same are terminated by operation of law, LANDLORD may recover as damages from

TENANT the unpaid rental and other sums due hereunder which had been earned at the time of termination of the lease plus rental and other sums due hereunder which would have been earned after the date of termination of the lease. LANDLORD shall also be entitled to any amount, including attorney's fees and court costs, necessary to compensate LANDLORD for all detriment proximately caused by TENANT'S act of default or which in the ordinary course of things would be likely to result therefrom.

25. ENTRY INSPECTION OF PREMISES: LANDLORD shall be entitled, at all reasonable times, upon reasonable notice, to go upon and into the premises for the purpose of (a) inspecting the same, (b) inspecting the performance by TENANT of the terms, covenants, agreements and conditions of this lease, or (c) posting and keeping posted thereon notices of non-responsibility for any construction, alteration or repair thereof, as required or permitted by any law or ordinance.

26. TERMINATION: It is the intent of the parties that TENANT shall enjoy the full benefit of the initial lease term (August 1, 1998 through July 31, 2005).

This lease, at the option of the LANDLORD, shall immediately cease and terminate upon the happening of any of the following events:

(a) The filing of a petition for any proceedings under the Bankruptcy Act or any amendment hereto by TENANT or any person against TENANT.

(b) A finding or judgment of insolvency of TENANT.

(c) An assignment for the benefit of creditors by TENANT.

(d) The levying of a writ of execution on the business of TENANT or on the assets of TENANT located on the premises, which is not discharged within five (5) days after the date of said levy.

(e) The appointment of a receiver to take possession of the premises or the assets of the TENANT.

(f) The failure of the TENANT to obtain insurance coverage in the amounts specified herein and/or the cancellation of the TENANT'S insurance coverage.

In the event of a sale or conveyance by LANDLORD of said real property, the same shall be made subject to this lease and shall operate to release the LANDLORD from any future liability on any of the covenants or conditions, expressed or implied, herein contained in favor of the TENANT and in such event the TENANT agrees to look solely to the responsibility of the successor in interest of the LANDLORD expressly to assume said future liability. Nothing herein contained shall relieve the LANDLORD from a liability which has accrued under this lease against it to and at the time of said sale or conveyance.

27. DISPUTE RESOLUTION: The parties intend that this contract will be implemented in a spirit of cooperation. In the event any difference or dispute occurs regarding performance under the contract, the parties

will seek to resolve it through good-faith negotiation between them. If that is not successful, the parties agree to engage in mediation with a mutually acceptable person or persons prior to the initiation of litigation.

28. ENTIRE AGREEMENT: This contract constitutes the entire agreement between the LANDLORD and the TENANT relative to the premises, and this agreement may be altered, amended, or revoked only by an instrument in writing signed by both LANDLORD and TENANT. LANDLORD and TENANT agree hereby that all prior or contemporaneous oral agreements between and among themselves and their agents or representatives relative to providing services on the premises are merged in or revoked by this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this lease as of the day and year first above written.

Dated: 10/16/97

LAS LOMITAS SCHOOL DISTRICT, LANDLORD

[Signature] Superintendent  
(Signature) (Title)

\_\_\_\_\_  
(Signature) (Title)

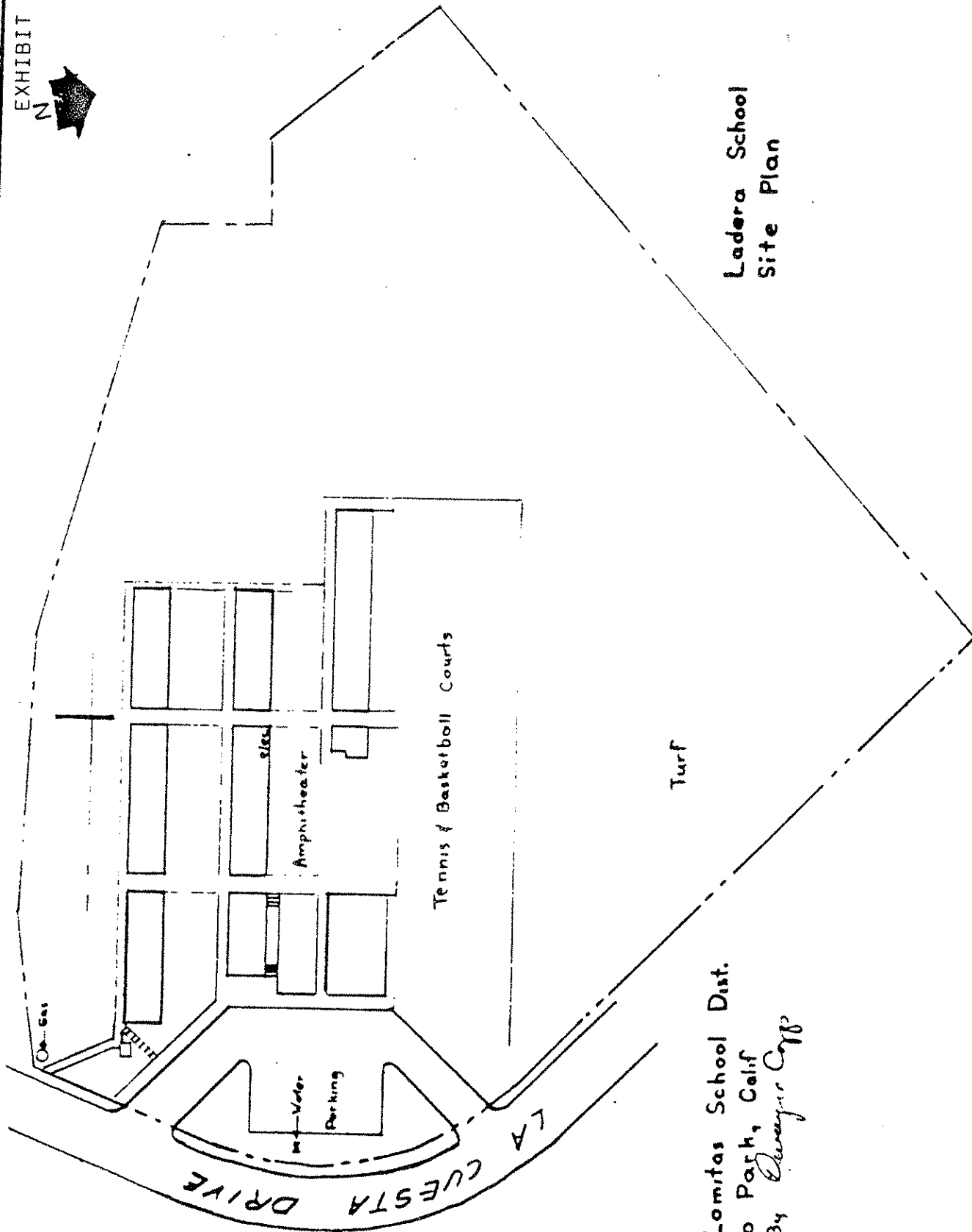
WOODLAND SCHOOL, TENANT

[Signature] CEO  
(Signature) (Title)

\_\_\_\_\_  
(Signature) (Title)

wp\dir\contract\woodlnd2

EXHIBIT A



Ladera School  
Site Plan

Los Lomitas School Dist.  
Menlo Park, Calif  
Dwn By *Everett Coff*