

L E A S E

THIS LEASE, made and entered into as of the 27 day of April, 1959, by and between THE BOARD OF TRUSTEES OF THE LELAND STANFORD JUNIOR UNIVERSITY, a body having corporate powers under the laws of the State of California, hereinafter called "Lessor", and ARNOLD DEVELOPMENT CO., a California corporation, hereinafter called "Lessee",

W I T N E S S E T H:

1. Description of Property and Term. For and in consideration of the rent herein specified and of the faithful performance by Lessee of the covenants, agreements and conditions on its part herein contained, Lessor hereby leases unto Lessee and Lessee does hereby hire from Lessor that certain parcel of real property located in the County of San Mateo, State of California, more particularly described in Exhibit 1, attached hereto and by this reference made a part hereof, for a term of ninety-nine (99) years, commencing on the 30 day of April, 1959.

2. Rent. Lessee has heretofore paid Lessor in full the initial rental for the term of this lease, and Lessor hereby acknowledges receipt of the same.

3. Payment of Taxes. As part of the consideration of this lease and as additional rent hereunder, Lessee covenants and agrees to bear, pay and discharge promptly as the same become due and before delinquency all taxes, assessments, rates, charges, license fees, municipal liens, levies, excises, imposts and all governmental charges of whatsoever name, nature or kind which may be levied, assessed, charged or imposed or may be or become a lien or charge upon the property hereby leased or any part thereof or upon any of the buildings or improvements upon the leased premises or upon the leasehold of Lessee or upon the estate hereby created or upon Lessor by reason of its ownership of the fee underlying this lease, during the term of this lease. All of said taxes, assessments, charges, imposts and levies which shall relate to a fiscal year during which the term of this lease shall commence or terminate shall be prorated between Lessor and Lessee.

4. Definitions. Said Arnold Development Co. is hereinafter referred to as the "Original Lessee" when necessary to distinguish said corporation from its successors and assigns. All references in this lease to "Lessee" shall, except when otherwise indicated, be deemed to refer to and include Original Lessee, its successors, assigns, and sublessees, as well as sublessees of such successors and assigns.

5. Development of Property. Original Lessee shall, at its expense and without any cost or expense to Lessor, forthwith:

(a) Develop the leased premises as a residential subdivision in substantial accordance with a subdivision map to be prepared by Original Lessee, approved by Lessor and recorded in the office of the Recorder of the County of San Mateo;

(b) Obtain the approval of all governmental authorities required for any aspect of such development. Original Lessee shall not be relieved of its obligations under this paragraph 5 until the same have been fully performed.

6. Use of Premises. During the term of this lease:

(a) The leased premises shall be used solely for residential purposes, provided, however, that not to exceed 3.5 acres of the premises lying easterly from the most westerly boundary of the premises may be used for park purposes;

(b) No portion of the premises shall ever be used for any commercial or industrial purpose;

(c) Lessee may erect, maintain and use on the premises such usual improvements supplemental to residences as may be permitted from time to time by applicable zoning laws;

(d) No spirituous, vinous, malt or other intoxicating liquors shall be manufactured or sold in, on or about the premises;

(e) No portion of the premises shall ever be subdivided into lots of less than 10,000 square feet;

(f) No lot in the premises shall ever be used other than for one single family residence containing at least 1600 square feet of indoor living area, (exclusive of patios, covered porches, garages and the like), except that Lessee may combine two or more lots into a lesser number of lots;

(g) Lessee shall allow no nuisance to exist or be maintained on the premises and shall not use the same for any purpose or carry on any activity thereon which results in the emanation or giving off of offensive gas, smoke, fumes, dust, odors, noise or vibration;

(h) Lessee shall comply with and abide by all present and future Federal, State, County, Municipal and other governmental statutes, ordinances, laws and regulations affecting the premises, the planning, construction and maintenance of the premises, or any activity or condition on or in the premises;

(i) No waste shall be committed or permitted upon the premises, other than to the extent necessary for the remodeling or repair of any residence or improvement on the premises or the removal of any residence or improvement from the premises;

(j) No sign shall be placed or maintained upon the premises except the customary "For Sale" or "For Rent" sign.

7. Repairs. (a) Lessee shall, during the term of this lease, at its own cost and expense, and without any cost or expense to Lessor, keep and maintain the leased premises, the improvements thereon and the grounds thereof in good and neat order and repair and in an attractive and sanitary condition, normal wear and tear excepted, provided, however, that Lessee shall have the right at any time to remodel any residence or improvement on any lot in the premises or to completely take down, demolish and remove any residence or improvement on any lot in the premises and to leave said lot entirely bare of any structure or to construct a new residence thereon. In the event any residence or improvement on any lot in the premises shall be destroyed or damaged by fire, casualty or other cause, Lessee shall either (i) restore and rehabilitate the same, (ii) completely remove said residence or improvement and leave said lot entirely bare of any structure and free from debris, foundations and underground portions of said residence or improvement, or (iii) construct a new residence thereon. Lessee shall in all cases proceed promptly with the necessary work and shall diligently carry the same to completion.

(b) Lessor shall not be called upon to make any repairs, replacements or renewals of any kind, nature or description whatsoever to the premises or the residences or improvements thereon.

(c) Lessee hereby expressly waives all right to make repairs at the expense of Lessor under Sections 1941 and 1942 of the California Civil Code or any amendments thereto or law which may hereafter be enacted during the term of this lease authorizing a tenant to make repairs at the expense of the landlord.

8. Mechanics' and Other Liens. (a) Lessee covenants and agrees to keep all of the leased premises and every part thereof and the residences and other improvements thereon free and clear of and from any and all mechanics', materialmen's and other liens and at all times promptly and fully to pay and discharge any and all claims upon which any such lien may or could be based, and to save and hold Lessor and the premises free and harmless of and from any and all such liens and claims of liens and suits or other proceedings pertaining thereto.

(b) Lessee covenants and agrees to give to Lessor written notice prior to commencement of any construction, alteration, addition, improvement or repair costing in excess of Five Thousand Dollars (\$5,000).

(c) Lessor reserves the right to go upon and into the premises for the purpose of 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.

(d) No mechanics' or materialmen's liens, or mortgages, deeds of trust, or other liens of any character whatsoever shall in any way, or to any extent, attach to or affect Lessor's title to or rights in the leased premises.

9. Liability. Lessee covenants and agrees that Lessor shall not at any time or to any extent whatsoever be liable, responsible or in any wise accountable for any loss, injury, death or damage to persons or property which at any time may be suffered or sustained by Lessee or by any person whosoever may at any time during the term of this lease be using or occupying or visiting the leased premises or be in, on or about the same, and Lessee shall forever indemnify, defend, hold and save Lessor free and harmless of, from and against, and Lessee hereby waives, any and all claims, liability, loss or damage whatsoever on account of any such loss, injury, death or damage, except those arising by reason of the negligence of Lessor, its agents or employees.

10. Voluntary Assignment. (a) Lessee may assign any portion or portions of this lease or execute a sublease of any portion or portions of the leased premises. Following any such assignment, the leasehold interest in the portion or portions of the premises so assigned may, in turn, be re-assigned.

(b) Entry into possession of the leased premises or any portion or portions thereof by an assignee or subsequent assignee pursuant to any assignment or reassignment of this lease or of any portion or portions of the leasehold interest herein granted shall be deemed an acceptance of such assignment or reassignment by such assignee or subsequent assignee and an express assumption by such assignee or subsequent assignee of the terms, covenants, agreements and conditions of this lease and of all obligations of whatsoever character which may arise subsequent to such assignment or reassignment under the provisions of this lease with respect to the leased premises or the portion or portions thereof subject to such assignment or reassignment. Any person executing any such assignment or reassignment shall upon such entry be relieved of any and all future obligations hereunder except any such obligation as may arise subsequent to such assignment or reassignment by reason of an event occurring or circumstance existing prior to the date of such assignment or reassignment.

(c) Lessee shall not in any assignment or sublease impose any restrictions on the assignee or sublessee with respect to use or occupancy of the leased premises without first securing the written approval of Lessor thereto, nor shall Lessee by any declaration of restrictions or similar instrument impose any such restrictions upon the premises, either in part or as a whole, without such prior written approval of Lessor.

11. Successors and Assigns. The terms, covenants, agreements and conditions in this lease contained shall be binding upon, inure to the benefit of and apply to the successors and assigns of Lessor and the respective heirs,

executors, administrators, successors and assigns of Lessee.

12. Ownership of Improvements. During the term of this lease title to the residences and other improvements hereafter situated upon the leased premises (but not upon road or public utility easements) shall be in Lessee; in no event shall the leasehold interest in any portion of the land comprising the premises ever be separated from ownership of the residence and improvements on such portion. However, upon expiration or sooner termination (for any reason whatsoever) of the term of this lease as to the premises as a whole or as to any portion or portions thereof, title to all residences and other improvements on that portion of the premises as to which the term has so expired or terminated shall forthwith vest in Lessor without cost or charge to Lessor and free and clear of all claims, liens and demands of every character. Lessor shall have no right, title or interest in or to the proceeds of insurance on said residences and improvements until such time as title to the same shall vest in Lessor, as aforesaid.

13. Utilities. All water, gas, electricity or other public utilities used upon or furnished to the leased premises during the term hereof shall be paid for by Lessee, and all service lines of such utilities shall be installed beneath the surface of the premises at no cost or expense to Lessor.

14. Default. In the event that any person holding any portion of the leasehold interest herein granted shall fail or neglect to observe, keep or perform any of the covenants, terms or conditions herein contained on its part to be observed, kept or performed and such default shall continue for a period of ninety (90) days after written notice from Lessor to such person setting forth the nature of such default, then, and in any such event, Lessor shall have the right at its option:

(a) to cure such default (entering upon the leased premises for such purposes, if Lessor shall so elect), in which event Lessor shall not be or be held liable or in any way responsible for any loss, inconvenience, annoyance or damage resulting to such person on account thereof, and such person shall repay to Lessor upon demand the entire cost and expense thereof, including compensation to the agents and servants of Lessor; all amounts so payable to Lessor under any of the provisions of this lease shall bear interest from the date the same become due until paid at the rate of six per cent (6%) per annum, compounded annually;

or

(b) upon written notice to such person, to terminate forthwith such person's interest in that portion of the premises as to which such default shall exist and all rights of such person hereunder as to said portion shall thereupon cease and Lessor without further notice shall have the right immediately to take possession of said portion of the premises and become the owner of all improvements located

thereon free and clear of all claims and demands. Such person shall indemnify and save Lessor harmless from all cost, loss or damage whatsoever arising or occasioned thereby.

15. Execution of Mortgages. Lessee may execute mortgages or deeds of trust, (such mortgages or deeds of trust being herein referred to collectively as the "mortgage"), upon its leasehold interest hereunder, or any portion or portions thereof, for any purpose. Lessor shall mail a copy of each notice of default provided for in paragraph 14 hereof to the mortgagee or beneficiary, if any, of record on that portion of the leased premises subject to such notice; such mortgagee or beneficiary shall have the right to do or perform in the same manner as Lessee any act or thing required by the provisions of this lease to be done or performed by Lessee, and shall have ninety (90) days after receipt of such notice and a reasonable time thereafter if it shall have commenced foreclosure or other appropriate proceedings in the nature thereof within said ninety (90) days and is diligently prosecuting the same, within which to make good such default.

16. Waiver. None of the covenants, terms or conditions of this lease can be waived except by instrument in writing signed by the waiving party.

17. Covenants of Lessee. Lessee covenants and agrees to pay the rent and all other sums required to be paid by Lessee hereunder in the amounts, at the times and in the manner herein provided and to keep and perform all the terms and conditions hereof on its part to be kept and performed, and, at the expiration or sooner termination of this lease, peaceably and quietly to quit and surrender to Lessor the property hereby leased, together with all improvements hereafter constructed and then existing thereon, in good order and condition, reasonable use and wear thereof and damage by fire, act of God or by the elements excepted, subject to the other provisions of this lease.

18. Attorney's Fees. If any action at law or in equity shall be brought to recover any rent under this lease, or for or on account of any breach of or to enforce or interpret any of the covenants, terms or conditions of this lease, or for the recovery of the possession of the leased premises, or any portion thereof, the prevailing party shall be entitled to recover from the other party as a part of the prevailing party's costs a reasonable attorney's fee, to be fixed by the court and made a part of any judgment rendered.

19. Mineral Rights Reserved by Lessor. Lessor expressly reserves the sole and exclusive right to mine or otherwise produce or extract by any means whatsoever, whether by slant drilling or otherwise, oil, gas, hydrocarbons, and other minerals (of whatsoever character) in or under or from the leased premises, such mining, production or extraction to be for the sole benefit of Lessor without obligation to pay Lessee for any or all of the substances so mined, produced or extracted; provided, however, that none of the operations for such mining, production or extraction shall be conducted

from the surface of the premises, but only at such depth beneath the land surface as not to interfere with the use or stability of the residences or any other improvements on the premises or Lessee's use thereof. Lessor shall indemnify and reimburse Lessee for any loss or damage incurred or sustained by Lessee as a result of such mining, production or extraction.

20. Effect of Termination. Termination or cancellation of a portion of the leasehold interest hereunder shall in no manner affect the leasehold interest in the remainder of the leased premises and shall not destroy or subordinate the lien of any mortgage at that time encumbering such remainder, or any part or parts thereof.

21. Time of the Essence. Time is hereby expressly declared to be of the essence of this lease and of each and every covenant, term, condition and provision hereof.

22. Notices, etc. All notices, demands or other writings in this lease provided to be given or made or sent, or which may be given or made or sent by the parties hereto, shall be deemed to have been fully given or made or sent when made in writing and deposited in the United States mail, registered or certified, postage prepaid, and addressed as follows:

To Lessor:	Stanford University Stanford, California
To Original Lessee:	P. O. Box 448 Menlo Park, California
To any assignee:	At the address of that portion of the leased premises assigned to such assignee.

The address to which any notice, demand or other writing may be given or made or sent to any party may be changed upon written notice given by such party as above provided. Any notice under this lease to be given to an assignee shall be valid if given to the assignee of record in the manner aforesaid. Any notice under this lease to be given to a mortgagee or beneficiary of record shall be valid if given in the manner aforesaid addressed to such mortgagee or beneficiary at such address as may be specified in the recorded mortgage.

23. Meaning of Terms. Whenever the context so requires, the neuter gender shall include the masculine and the feminine, and the singular number shall include the plural and the plural, the singular.

24. Paragraph Headings. The paragraph headings of this lease are for convenience only and are not a part of this lease and do not in any way limit or amplify the terms and provisions of this lease.

25. Lease Construed as Whole. The language in all parts of this lease shall in all cases be construed as a whole according to its fair meaning and not strictly for nor against either Lessor or Lessee.

26. Remedies Cumulative. All remedies hereinbefore conferred upon Lessor shall be deemed cumulative and no one exclusive of the other, or any other remedy conferred by law.

IN WITNESS WHEREOF, the parties hereto have executed this instrument in duplicate as of the day and year first hereinabove written.

Approved as to form:

[Signature]

Approved as to content:

7 [Signature]
[Signature]
[Signature]

(SEAL)

THE BOARD OF TRUSTEES OF THE
LELAND STANFORD JUNIOR UNIVERSITY

By [Signature]
Its Vice-President

By [Signature]
Its Secretary

LESSOR

ARNOLD DEVELOPMENT CO.

By [Signature]
Its Vice-President

By [Signature]
Its Secretary

LESSEE

(SEAL)

STATE OF CALIFORNIA
City and County of San Francisco } ss.

On this _____ day of _____, 1959, before me, ELIZABETH COMBITHS, a Notary Public in and for the said City, County and State, residing therein, duly commissioned and sworn, personally appeared _____ and _____, known to me to be the _____ and _____, respectively, of THE BOARD OF TRUSTEES OF THE LELAND STANFORD JUNIOR UNIVERSITY, a body having corporate powers described in and that executed the within and foregoing instrument, and also known to me to be the persons who executed the within and foregoing instrument on behalf of said Board, and acknowledged to me that said Board executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at my office in said City, County and State, the day and year in this certificate first above written.

(Notarial Seal)

NOTARY PUBLIC
in and for the City and County of
San Francisco, State of California.


My Commission Expires March 4, 1961

STATE OF CALIFORNIA
County of San Mateo } ss.

On this 22th day of April, 1959, before me, FLORENCE TIEDEMANN, a Notary Public in and for said County and State, residing therein, duly commissioned and sworn, personally appeared DAVID F. DAY and HARRY L. ARNOLD, known to me to be the VICE PRESIDENT and SECRETARY, respectively, of ARNOLD DEVELOPMENT CO., the corporation that executed the within instrument, and also known to me to be the persons who executed it on behalf of the said corporation therein named, and they acknowledged to me that such corporation executed the same pursuant to its by-laws or a resolution of its board of directors.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, at my office in the County and State aforesaid, the day and year in this certificate first above written.

(Notarial Seal)



NOTARY PUBLIC
in and for the County of SAN MATEO,
State of California.

My Commission Expires 7-10-60

Certified to be a true and correct description.

C. Blacker

Superintendent

BEGINNING at a point in the Southwesterly line of Alpine Road, County Road No. 75, distant thereon South $14^{\circ} 23' 12''$ East 25.14 feet from the Northwesterly boundary line of that certain 151.53 acre tract of land described in the Decree of Distribution in the Matter of the Estate of Jose Ramon Arguello, deceased and recorded July 2, 1879 in Book 30 of Deeds at page 549, Records of San Mateo County and conveyed by Deed from Leland Stanford and Jane Lathrop Stanford to The Board of Trustees of the Leland Stanford Junior University, recorded February 18, 1886 in Book 40 of Deeds at page 1, Records of San Mateo County; thence from said point of beginning, South $69^{\circ} 38' 55''$ West 657.75 feet; thence South $69^{\circ} 34' 20''$ West 648.94 feet; thence South $77^{\circ} 30' 44''$ West 350.38 feet; thence North $41^{\circ} 03' 16''$ West 28.47 feet to the Southerly line of Sand Hill Road, as said Road is shown upon a map entitled "Record of Survey Map of the Former Frederick W. Sharon Estate, San Mateo County, California" filed in the office of the Recorder of the County of San Mateo in Volume 2 of Licensed Land Surveyors Maps at page 26, 27, 28 and 29; thence along the last mentioned line, South $77^{\circ} 30' 44''$ West 224.95 feet; thence leaving said line, South $16^{\circ} 47'$ East 315.34 feet to a point; thence Southeasterly, along the arc of a curve to the left, having a radius of 970 feet, a central angle of $9^{\circ} 20' 43''$ and being tangent to the last mentioned course at its termination, an arc distance of 158.21 feet to a point of compound curvature; thence Southeasterly, Easterly and Northeasterly, along the arc of a curve to the left, having a radius of 20 feet, a central angle of $90^{\circ} 28' 06''$ and being tangent to the last mentioned curve at its termination, an arc distance of 31.58 feet to a point of reverse curvature; thence Northeasterly, along the arc of a curve to the right, having a radius of 575 feet, a central angle of $18^{\circ} 47' 30''$ and being tangent to the last mentioned curve at its termination, an arc distance of 188.59 feet to a point of reverse curvature; thence Northeasterly, along the arc of a curve to the left, having a radius of 20 feet, a central angle of $73^{\circ} 55' 41''$ and being tangent to the last mentioned curve at its termination, an arc distance of 25.81 feet; thence North $8^{\circ} 16'$ East, tangent to the last mentioned curve at its termination, a distance of 190.99 feet; thence Northeasterly, along the arc of a curve to the right, having a radius of 225 feet, a central angle of $8^{\circ} 12' 09''$ and being tangent to the last mentioned course at its termination, an arc distance of 32.21 feet to a point on the Northeasterly line of that certain 80 foot strip of land described in the Final Order of Condemnation, recorded December 11, 1952 in Book 2339 of Official Records of San Mateo County at page 270; thence South $73^{\circ} 49' 08''$ East, along said Northeasterly line, 744.00 feet, South $73^{\circ} 49' 28''$ East 342.64 feet and South $56^{\circ} 53' 22''$ East 637.78 feet; thence leaving said Northeasterly line, North $33^{\circ} 06' 38''$ East 129.16 feet to a point on the Westerly line of Alpine Road, as described in Parcel 6 of the Final Order of Condemnation recorded February 15, 1950 in Book 1798 of Official Records of San Mateo County at page 533; thence along said Westerly line, North $15^{\circ} 08' 08''$ East 183.74 feet, North $14^{\circ} 31' 52''$ West 182.24 feet, North $25^{\circ} 50' 52''$ West 50.99 feet, North $14^{\circ} 31' 52''$ West 75 feet,

North 0° 24' 08" East 77.62 feet, North 14° 31' 52" West 125 feet, North 20° 52' 22" West 226.39 feet, North 14° 31' 52" West 350.95 feet and North 14° 23' 12" West 45.65 feet to the point of beginning.

SUBJECT, HOWEVER, to the right, title and interest of the City and County of San Francisco in an 80 foot strip of a portion of the above described real property, as more particularly set forth in that certain Final Decree in Condemnation entered in the Superior Court of the State of California, in and for the County of San Mateo, in that certain action entitled "City and County of San Francisco, Plaintiff, vs. Edwin H. Cerney, et al., The Board of Trustees of The Leland Stanford Junior University, et al., Defendants", Case No. 50296, a certified copy of which decree was filed for record in the office of the Recorder of the County of San Mateo, State of California, on December 11, 1952, in Book 2339 of Official Records, page 270.

EXCEPTING AND RESERVING from the above described real property an easement 5 feet in width contiguous with and lying northeasterly from the northeasterly line of that certain 80 foot strip of land above referred to and extending from the southerly line of Sand Hill Road to the westerly line of Branner Drive, as said Branner Drive will be shown on the subdivision map referred to in paragraph 5(a) hereof. Said easement is excepted and reserved unto Lessor, its successors and assigns, for the purpose of constructing, installing, operating, maintaining, using, altering, repairing, inspecting, replacing and relocating therein and/or removing therefrom water pipe lines, facilities and structures and any and all appurtenances, connections and fixtures necessary or convenient thereto.

FURTHER EXCEPTING AND RESERVING from the above described property an easement 12 feet in width contiguous with and lying easterly from the easterly boundary of Jordan Boulevard, (to be constructed by Lessor), commencing at the intersection of said Jordan Boulevard and Stillman Avenue, (to be constructed by Lessor); thence northerly 270 feet, more or less; thence in a general northeasterly direction to the southerly line of Sand Hill Road. Said easement is excepted and reserved unto Lessor, its successors and assigns, for the purpose of constructing, installing, operating, maintaining, using, altering, repairing, inspecting, replacing and relocating therein and/or removing therefrom storm sewer and sanitary sewer facilities and structures and any and all appurtenances, connections and fixtures necessary or convenient thereto.