

**THIRD AMENDMENT TO LEASE AGREEMENT FOR THE YOUTH RECREATION CENTER BY
AND BETWEEN THE TOWN OF LOS GATOS AND LOS GATOS-SARATOGA COMMUNITY
EDUCATION AND RECREATION**

This AMENDMENT TO AGREEMENT is dated for identification this 1st day of July, 2025 and amends that certain Lease Agreement for the Youth Recreation Center between the Town of Los Gatos and Los Gatos-Saratoga Community Education and Recreation dated October 1, 2004, made by and between the Town of Los Gatos, ("Town,") and Los Gatos-Saratoga Community Education and Recreation, a Joint Powers Authority ("Tenant").

RECITALS

- A. The Town and Tenant entered into a Lease Agreement for the property located at 123 East Main Street, Los Gatos (Youth Recreation Center) effective October 1, 2004, and extending through June 30, 2007 ("YRC Lease Agreement"), a copy of which is attached hereto and incorporated by reference as **Exhibit A** to this Amendment.
- B. The Town and Tenant executed a First Amendment to the YRC Lease Agreement effective July 1, 2007, and extending through June 10, 2010 ("YRC First Amendment"), a copy of which is attached and incorporated by reference as **Exhibit B** to this Amendment.
- C. The Town and Tenant executed a Second Amendment to the YRC Lease Agreement effective July 1, 2010 ("YRC Second Amendment"), a copy of which is attached and incorporated by reference as **Exhibit C** to this Amendment.
- D. The Town and Tenant entered into a separate Lease Agreement for the property located at 208 East Main Street, Los Gatos (Adult Recreation Center) effective January 1, 2010, and extending through December 31, 2029 ("ARC Lease Agreement").
- E. Now, therefore, the parties hereto agree as follows:

AMENDMENT

- 1. Section 2 "Term" of YRC Lease Agreement shall be amended to read: The Lease Agreement term shall extend through December 31, 2029, subject to the termination provisions set forth in the Lease Agreement.

2. The first sentence of Section 3 (c) of the YRC Lease Agreement Section 3.c. is amended to read as follows: "Payment of rent and landscaping services fee shall be due and payable on the first day of each and every quarter (January 1, April 1, July 1, and October 1)." All other terms, covenants, and conditions of Section 3.c. of the YRC Lease Agreement remain in full force and effect except as expressly modified herein.
3. A Section 23 is added to read as follows: "Adult Recreation Center (ARC) Lease Agreement: In the event that the ARC Lease Agreement is terminated or modified, the Town shall have the right to unilaterally terminate or modify the YRC Lease Agreement."
4. All other terms, covenants, and conditions of the original YRC Lease Agreement remain in full force and effect except as expressly modified herein.

IN WITNESS WHEREOF, TOWN OF LOS GATOS and LOS GATOS-SARATOGA COMMUNITY EDUCATION AND RECREATION have executed this THIRD LEASE AMENDMENT.

TOWN OF LOS GATOS

LOS GATOS-SARATOGA
COMMUNITY EDUCATION AND
RECREATION

Chris Constantin, Town Manager

Printed Name and Title

APPROVED AS TO FORM:

Gabrielle Whelan, Town Attorney

DOCUMENT: 18128636

Pages: 13

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:



18128636

Fees.... * No Fees
Taxes...
Copies...
AMT PAID

Town of Los Gatos
Clerk Administrator
PO Box 949
Los Gatos CA 95030

BRENDA DAVIS
SANTA CLARA COUNTY RECORDER
Recorded at the request of
City

RDE # 003
12/06/2004
2:24 PM

FREE RECORDING PURSUANT TO
GOVERNMENT CODE SECTION 6103

CLERK DEPARTMENT

AGR _____

IHH _____

ORD _____

REC 04.084

RESO _____

**LEASE AGREEMENT BY AND BETWEEN
THE TOWN OF LOS GATOS AND
LOS GATOS-SARATOGA COMMUNITY
EDUCATION AND RECREATION**

SEPARATE PAGE, PURSUANT TO GOVT. CODE 27361.6

**LEASE AGREEMENT BY AND BETWEEN THE TOWN OF LOS GATOS AND
LOS GATOS-SARATOGA COMMUNITY EDUCATION AND RECREATION**

This LEASE is entered into by and between the TOWN OF LOS GATOS, a municipal corporation of the State of California, hereinafter referred to as "TOWN," and Los Gatos-Saratoga Community Education and Recreation, a Joint Powers Authority, hereinafter referred to as "TENANT," this 8th day of November, 2004.

RECITALS

WHEREAS, TOWN owns the premises and the structure, hereinafter referred to as "Building," located at 123 East Main Street, Los Gatos, California, 95030, and wishes to lease the Building to nonprofit community service organizations that will assist the TOWN in serving the needs of its residents; and

WHEREAS, TENANT desires to use the Building for the purpose of providing educational and recreational services to Los Gatos area residents; and

WHEREAS, the TOWN recognizes the need and desirability of such a community organization; and

WHEREAS, the TOWN incurs operating costs and expenses in maintaining the Building which are due in part to tenant operations; and,

WHEREAS, TENANT agrees to pay TOWN for use of the Building.

IT IS MUTUALLY AGREED by the parties as follows:

1. Leasing: TOWN hereby leases to TENANT, and TENANT hereby leases from TOWN, the property consisting of six thousand four hundred seventy-nine square feet (6,479 s.f.) located at 123 East Main Street, Los Gatos, Santa Clara County, California, for exclusive use of TENANT.
2. Term: The lease term shall commence on October 1, 2004, and extend through June 30, 2007 and continue from month to month thereafter, subject to the termination provisions set forth in this Lease.
3. Lease Fees
 - a. Rent: Upon commencement of the lease term, the rent shall be One Thousand One Hundred Thirty-Three Dollars and Eighty-Three Cents (\$1,133.83) per month. Said rent is calculated according to the agreed-upon rate of One Hundred Seventy-Five Thousandths of a Dollar (\$0.175) per square foot, multiplied by the square footage occupied by the TENANT, for a total of Thirteen Thousand Six Hundred Five Dollars and Ninety Cents (\$13,605.90) for the lease year. On each July 1 following the commencement of the lease term, the rent amount shall be increased by a percentage equal to the percentage increase, if any, in the Consumer Price Index (CPI) - All Urban Consumers, for the San Francisco-Oakland-San Jose, CA area, from the June the previous year to the June

immediately previous.

- b. Landscaping Services: The Town shall provide weekly landscaping services for the Building, consisting of maintenance of the lawn, trees, shrubbery, and irrigation system. Upon commencement of the lease term, TENANT shall pay the Town Two Hundred Dollars and No Cents (\$200.00) per month to TOWN for these services. Additional services requested by TENANT, such as new plantings, may be performed at TOWN's discretion, at an additional price to be agreed upon by TOWN and TENANT. On each July 1 following the commencement of the lease term, the landscaping services fee shall be increased by a percentage equal to the percentage increase, if any, in the Consumer Price Index (CPI) - All Urban Consumers, for the San Francisco-Oakland-San Jose, CA area, from the June the previous year to the June immediately previous.
 - c. Payment: Payment of rent and landscaping services fee shall be due and payable on the first day of each month. Payment shall be made payable to "Town of Los Gatos," and mailed to: Town of Los Gatos, Accounts Receivable, P.O. Box 697, Los Gatos, CA, 95031. Should the rent payment be thirty-one (31) or more days in arrears, a late fee of Fifty Dollars and No Cents (\$50.00) per day shall be assessed for each day payment remains outstanding, in addition to the amount of rent and landscaping services fee due.
- 4. Possessory Interest Property Tax: Pursuant to Revenue and Taxation Code section 107.6, TENANT is hereby notified that the property interest created by its lease may be subject to property taxation due to TENANT's possessory interest in the Building. In such an event, TENANT is liable under this Lease for payment of such property tax.
 - 5. Use of Premises: TENANT shall use said premises only for the purpose of providing educational and recreational services to Los Gatos area residents, and in connection therewith, shall comply with all governmental laws and regulations. Anticipated uses included recreational and informational activities, social events, and informal gatherings. No alcohol may be served on the premises at any time without the prior written consent of the TOWN.
 - 6. Signs: TENANT shall not place or permit to be placed in, upon, about or outside of said premises or any part of the building any sign without the prior written consent of the TOWN. All existing signs at the time of the commencement of this Agreement are considered approved at the signing of this lease Agreement.
 - 7. Illegality Clause: TENANT shall not use the premises or suffer or permit anything to be done in or about the premises or the property which will be in conflict with any law, statute, zoning restriction, ordinance or governmental law, rule, regulation or requirement of public authority now in force or which may hereafter be enforced. TENANT shall not commit any private or public nuisance or any other act or thing which might or would disturb the quiet enjoyment of surrounding property. TOWN at its option may terminate this Lease by giving ten (10) days written notice of its election

to terminate for any and all violations of the provisions contained herein.

8. Entry: TENANT shall permit TOWN, its agents or assigns to enter the premises at any time to inspect the premises or make repairs.
9. Assignment and Sub-Leasing: The terms and conditions of this Lease are based upon the unique and specific services to be offered by the TENANT and the TENANT's record of service in the community. TENANT shall neither assign this Lease, nor sublet the whole or any part thereof, without the prior written consent of TOWN.
10. Utilities: TENANT shall pay for all utilities including, but not limited to, water, gas, and electricity; but not including garbage removal and recycling services. TOWN shall contract for garbage removal and recycling services for Building, at no charge to TENANT.
11. Maintenance: TENANT shall maintain the interior of said premises. TENANT shall not make any structural alterations to the premises without the prior written consent of the TOWN. TOWN shall maintain the exterior of said premises and the grounds thereof, as agreed to in section 3 above. However, if repair is necessary due to the action or negligence of TENANT, its agents, assigns or clients, TENANT shall obtain those repairs at its own expense or pay the TOWN to repair at a charge to the TENANT of time and one-half for services rendered, and for the actual cost of materials.
12. Abandonment: If TENANT abandons or vacates the premises for any period in excess of thirty (30) days, TOWN may, at its option, terminate this Lease and take possession of the property.
13. Insurance: TENANT shall procure and maintain with a reputable insurance company, insurance as set forth in Exhibit A, attached, and incorporated herein by reference.
14. Property Insurance: TOWN may or may not choose to obtain property insurance for the Building. However, TENANT is solely responsible for obtaining insurance to protect any personal property that it may choose to place in the Building under this Lease, and the TOWN shall not provide such insurance on this Lease.
15. Destruction of Premises:
 - a. If the structures on the leased premises are destroyed to an extent of more than fifty percent (50%) of the total floor area existing prior to the destruction, either party is entitled to terminate this Lease Agreement and TOWN is under no obligation to repair, replace, or restore any portion of the leased premises. Termination of this Lease shall be by giving written notice of the termination to either party no later than ninety (90) days after the event causing the damage or destruction. The termination shall be effective on the date specified in the notice. Upon termination of the Lease Agreement pursuant to this section, all insurance

- proceeds payable because of the damage or destruction of the structures on the leased premises shall be paid to and be the property of TOWN.
- b. If because of the destruction or damage to the leased premises, the leased premises are entirely unsuitable or inadequate for the use specified in Paragraph 5 above, all monthly rent shall temporarily abate effective the date of the destruction or damage. If the damage or destruction to the leased premises only makes a portion of the leased premises unsuitable or inadequate for such use, then the monthly rent shall only be abated so that the rent then due and payable shall be an amount equivalent to the floor area of the structures on the leased premises usable for the use specified divided by the total floor area of all structures prior to the damage or destruction, and then multiplied by the monthly rent in effect just prior to the damage or destruction.
 - c. Under no circumstances does the TOWN have any obligation to provide the TENANT with an alternative property to conduct its operations.
 - d. TENANT agrees to fully cooperate with the TOWN in investigating the cause of any damage or destruction of the leased premises, and in permitting and allowing any repair or reconstruction to occur.
16. Indemnification: TENANT shall indemnify, save harmless, and defend TOWN from all liability from loss, damage, or injury to persons or property in any manner arising out of or incident the performance of this Lease, including without limitation all consequential damages.
17. Severability: The provisions of this Lease are declared to be severable, and if any provision is invalidated by any court, the remaining provisions shall not be affected and shall be fully enforceable, unless such enforcement would be unreasonable or would frustrate the purposes of this Lease.
18. Surrender of Premises: TENANT shall promptly surrender said premises to TOWN at the expiration of the term of this Lease, or any sooner termination thereof, in the same condition it was received, in good order and repair, reasonable wear and tear and damage by the elements excepted.
19. Termination: Either party may terminate this Lease without cause one hundred and eighty (180) days advance written notice. Such termination notice shall be sent to:

TOWN

Debra J. Figone, Town Manager
Town of Los Gatos

P.O. Box 949
Los Gatos, CA 95031

TENANT


Steve Rauwolf, Executive Director
Los Gatos-Saratoga Community Education
& Recreation
123 East Main Street
Los Gatos, CA 95030

20. Scope of Lease: This Lease constitutes the entire agreement between the parties. This Lease may not be modified except by an agreement in writing signed by the party against whom the enforcement of any waiver, change, modification or discharge is sought. The covenants and conditions in the Lease shall bind the successors in interest of the party.
21. Disputes: In any dispute between the parties over this Lease, the prevailing party shall be entitled to costs and attorney's fees.
22. Equal Access and Opportunity: TENANT warrants that it shall comply with all applicable regulations and laws governing equal access to its programs and equal employment opportunity. Neither TENANT nor any of its officers, employees, volunteers, or agents shall discriminate in the employment in or access to any of TENANT's programs because of race, color, national origin, ancestry, physical or mental disability, marital status, sex, sexual orientation, or age unless based on a bona fide occupational qualification defined under the California Fair Employment and Housing Act.

IN WITNESS WHEREOF, the parties have executed this Lease this 8th day of November, 2004.

TOWN OF LOS GATOS

LOS GATOS-SARATOGA
COMMUNITY EDUCATION AND
RECREATION

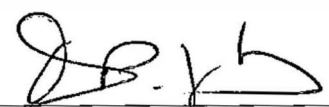

Debra J. Pigone, Town Manager


Steve Rauwolf, Executive Director


APPROVED AS TO CONTENT:


Regina A. Falkner, Community Services Director

APPROVED AS TO FORM:


Orry P. Korb, Town Attorney

ATTESTED TO:


MarLyn J. Rasmussen, Clerk Administrator

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of CALIFORNIA

County of SANTA CLARA

On NOVEMBER 8, 2004 before me, WAFFA MANSOUR, Notary Public

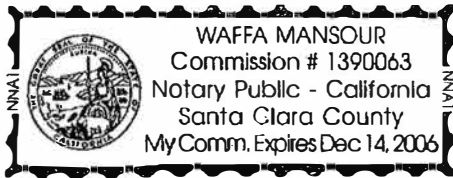
Date

Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared STEPHEN RAY WOLF

Name(s) of Signer(s)

☐ personally known to me – **OR** – ☒ proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

Waffa Mansour
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

- ☐ Individual
☐ Corporate Officer
Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney-in-Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Signer Is Representing: _____

RIGHT THUMBPRINT
OF SIGNER
Top of thumb here

Signer's Name: _____

- ☐ Individual
☐ Corporate Officer
Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney-in-Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Signer Is Representing: _____

RIGHT THUMBPRINT
OF SIGNER
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**TOWN OF LOS GATOS, CALIFORNIA
ALL PURPOSE
ACKNOWLEDGMENT**

State of California
County of Santa Clara

On November 8, 2004, before me, **MARLYN J. RASMUSSEN, CLERK**

ADMINISTRATOR, personally appeared **DEBRA J. FIGONE**, Town Manager, personally known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the within instrument the entity upon behalf of which the person acted, **The Town of Los Gatos**, executed the instrument.

WITNESS my hand and official seal.


Marlyn J. Rasmussen, CMC
Clerk Administrator, Los Gatos, California

CAPACITY CLAIMED BY SIGNER:

Municipal Officer of the Town of Los Gatos

DESCRIPTION OF ATTACHED DOCUMENT:

Title of Document: Lease/Town of Los Gatos/Los Gatos-Saratoga Community
Education and Recreation

Number of Pages: 13

Date of Document 11/8/04

Signer(s) Other than Named Above:

Steve Rauwolf, Executive Director, Los Gatos-Saratoga
Community Education and Recreation

EXHIBIT B

CLERK DEPARTMENT
AGR 07.090
REC 07.090
RES 07.090
AMENDMENT TO LEASE AGREEMENT
BY AND BETWEEN THE TOWN OF LOS GATOS
AND LOS GATOS-SARATOGA COMMUNITY EDUCATION AND RECREATION

This AMENDMENT TO AGREEMENT is entered into this 10 day of July, 2007, by and between the Town of Los Gatos, a municipal corporation of the State of California, hereinafter referred to as "TOWN," and LOS GATOS-SARATOGA COMMUNITY EDUCATION AND RECREATION, a Joint Powers Authority, hereinafter referred to as "TENANT".

RECITALS

WHEREAS, TOWN and TENANT executed a Lease Agreement effective October 1, 2004, and extending through June 30, 2007; and

WHEREAS, TOWN and TENANT wish to amend the Lease Agreement.

Now therefore, the parties hereto agree as follows:

1. Replace Section 2, "Term," of the Lease Agreement with the following: The lease term shall commence on July 1, 2007 and extend through June 30, 2010, and continue from month to month thereafter, subject to the termination provisions set forth in this Lease.
2. The terms and conditions of the Lease Agreement shall remain in full force and effect except as herein expressly amended.

In witness whereof, the parties have executed this Amendment to Lease Agreement on the date written above, effective July 1, 2007.

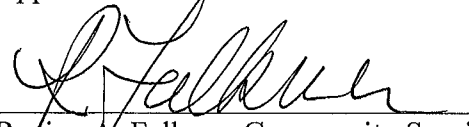
TOWN OF LOS GATOS

LOS GATOS-SARATOGA COMMUNITY
EDUCATION AND RECREATION


Orry Korb, Town Attorney


Steve Rauwolf, Executive Director

Approved as to Content:


Regina A. Falkner, Community Services Dir.


Debra Figone, Town Manager

ATTEST:


Jackie D. Rose, Clerk Administrator 7-16-07

EXHIBIT C

**SECOND AMENDMENT TO LEASE AGREEMENT
BY AND BETWEEN THE TOWN OF LOS GATOS
AND LOS GATOS-SARATOGA COMMUNITY EDUCATION AND RECREATION**

CLERK DEPARTMENT

AGR

IHH

ORD

REC

REC

This Amendment to Agreement is entered into this 1st day of July, 2010, by and between the Town of Los Gatos, a municipal corporation of the State of California, hereinafter referred to as "Town," and Los Gatos-Saratoga Community Education and Recreation, a Joint Powers Authority, hereinafter referred to as "Tenant."

RECITALS

WHEREAS, Town and Tenant executed a Lease Agreement effective October 1, 2004, and extending through June 30, 2007; and

WHEREAS, Town and Tenant executed an Amendment to Lease Agreement effective July 1, 2007 and extending through June 30, 2010; and

WHEREAS, Town and Tenant wish to again amend the Lease Agreement.

Now therefore, the parties hereto agree as follows:

1. Section 2, "Term," of the Lease Agreement shall be replaced with the following: The Lease term shall commence on July 1, 2010 and extend through December 31, 2011, and continue from month to month thereafter, subject to the termination provisions set forth in this Lease.
2. Section 3, "Lease Fees," Subsection a, "Rent," of the Lease Agreement shall be replaced with the following: Base Rent. The rent to be paid by Tenant shall be calculated via multiplication of approximate size of Premises, six thousand four hundred seventy-nine (6,479) square feet, by a percentage of the fair market rent for the Premises (the "FMR"). The initial FMR shall be two dollars and fifty cents (\$2.50) per square foot. The initial rent to be paid by Tenant shall be one thousand six hundred nineteen dollars and seventy-five cents (\$1,619.75) per month without reduction or offset (except as otherwise provided in this Lease), calculated using ten percent (10%) of FMR. The FMR shall be adjusted annually on each January 1 based on the State of California Department of Industrial Relations, Division of Labor Statistics and Research's Consumer Price Index, All Urban Consumers, All Items, San Francisco-Oakland-San Jose, California. The index for the final quarter of 2009 is established as the base index. Percentage and adjustments to the original lease payments shall be as indicated by percentage changes in said index.
3. Section 3, "Lease Fees," Subsection b, "Landscaping Services," of the Lease Agreement shall be replaced with the following: The Town shall provide weekly landscaping services for the Building, consisting of maintenance of the lawn, trees, shrubbery, and irrigation system. Upon commencement of the lease term, Tenant shall pay the Town two hundred fifty dollars and no cents (\$250.00) per month for these services. Additional services requested by Tenant, such as new plantings, may be performed at Town's discretion, at an additional price to be agreed upon by Town and Tenant. The

landscaping services fee shall be adjusted annually on each January 1 based on the State of California Department of Industrial Relations, Division of Labor Statistics and Research's Consumer Price Index, All Urban Consumers, All Items, San Francisco-Oakland-San Jose, California. The index for the final quarter of 2009 is established as the base index. Percentage and adjustments to the original lease payments shall be as indicated by percentage changes in said index.

4. The terms and conditions of the Lease Agreement shall remain in full force and effect except as herein expressly amended.

In witness whereof, the parties have executed this Amendment to Lease Agreement on the date written above, effective July 1, 2010.

TOWN:

Town of Los Gatos



Greg Larson, Town Manager

LESSEE:

Los Gatos-Saratoga Community Education
And Recreation



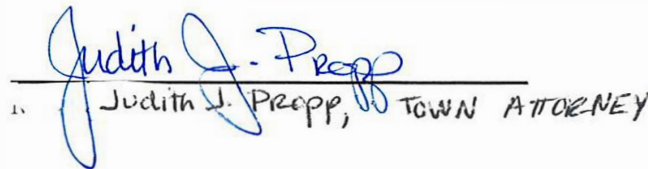
Steve Rauwolf, Executive Director

APPROVED AS TO CONTENT:



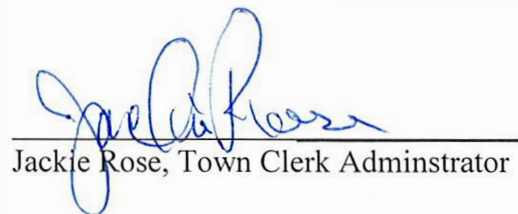
Regina A. Falkner, Community Services Director

APPROVED AS TO FORM:



Judith J. Prepp, TOWN ATTORNEY

ATTEST:



Jackie Rose, Town Clerk Administrator