

LEASE AGREEMENT BETWEEN TOWN OF LOS GATOS AND CANDLER FOR LTFJ S CORP

Summary of Key Terms

Landlord: Town of Los Gatos

Tenant: CANDLER FOR LTFJ S Corp, dba "Lisa T" Fine Jewelry

Premises: Approximately two hundred and forty-five (245) square feet of space within the Los Gatos Theatre Building (as more particularly defined in the Lease) comprising of 41 N. Santa Cruz Avenue in Los Gatos, California 95030 in the Town of Los Gatos, Santa Clara County, California ("Property"). Consists of the area marked "Existing Retail Space" in Exhibit A.

Lease Term: 23 months

Lease Commencement Date: February 1, 2024

Rent Commencement Date: Rent shall begin on the date of lease commencement. Rent is established according to the schedule below, starting at \$7.21 per square foot, rounding to the nearest dollar for monthly rent, and increasing by 3% annually in January.

Base Rent Schedule:

Year	Monthly Base Rent	Annual Base Rent
Year 1 (Months 1-11 February – December 2024)	\$1,766	\$19,426 (11 months)
Year 2 (Months 12-23 January – December 2025)	\$1,819	\$21,828

Option to Extend: At the discretion of the Landlord, one (1) twenty-four (24) month option to extend at a 3% increase of prior base year, with at least 90-day written notice from the tenant asking for the extension.

Permitted Use: Retail

Landlord's Address: The Town of Los Gatos – 110 E. Main Street, Los Gatos, California 95030, Attention: Finance Department

Landlord's Telephone: 408-354-6836

Property Manager: Town of Los Gatos Attn: Katy Nomura Assistant Town Manager

Tenant Address: Redacted

Tenant Telephone: **Redacted**

Lease Exhibits:

- Exhibit A:** Premises
- Exhibit B:** Floor Plan

Town of Los Gatos ("Landlord") and CANDLER FOR LTFJ S Corp, dba "Lisa T" Fine Jewelry ("Tenant") agree as follows:

1. **PROPERTY:** Landlord rents to Tenant and Tenant rents from Landlord, an approximately two hundred and forty-five (245) square feet of space within the Los Gatos Theatre Building comprising 41 N. Santa Cruz Avenue in Los Gatos, California 95030 in the Town of Los Gatos, Santa Clara County, California ("Property"). Consists of the area marked "Existing Retail Space" in Exhibit A.
2. **BASE RENT:** Beginning on February 1, 2024, Tenant agrees to pay a monthly Base Rent ("Base Rent") at the rate of \$1,766 per month, with a 3 percent annual increase effective January 1 of each year. The base rent schedule shall be as follows:

Months	Monthly Base Rent	Annual Base Rent
1-11	\$1,766	\$19,426 (11 months)
12-23	\$1,819	\$21,828

3. **RENT:**
 - A. **Definition:** "Rent" shall mean all monetary obligations of Tenant to Landlord under the terms of this Lease, except security deposit.
 - B. **Payment:** Rent shall be paid at Los Gatos Town Hall, Finance Department, or at any other location specified by Landlord in writing to Tenant.
 - C. **Timing:** Rent is payable in advance on the **1st day** of each calendar month and is delinquent **10 days after**.
4. **TENANT OPERATING EXPENSES:** Landlord shall provide, during normal business hours, to the extent applicable and not separately metered to the Premises, water, gas, power and electric current to the Premises. Tenant shall pay for all telephone, broadband, cable, security alarm services and other utilities and services specially or exclusively supplied and/or metered exclusively to the Premises or to Tenant, together with any taxes thereon. Under no circumstances shall Landlord be liable in damages or otherwise for any failure or interruption of any utility service being furnished to the Premises. No such failure or interruption shall entitle Tenant to terminate this Lease.

Tenant shall be responsible and directly pay for all other charges, including, but not limited to, Town permit fees, fees for any regulatory licenses or inspections, or other governmental charges such as unsecured business property tax, possessory interest tax, or ABC permits.

5. **TAXES, ASSESSMENTS, FEES, AND CHARGES:** The property interests created by this Lease may be subject to property taxation and Tenant, in whom the possessory interest is vested, will be responsible for the timely payment of any property taxes levied on such possessory interest. Tenant agrees to pay before delinquency all lawful taxes, assessments, fees or charges which at any time may be levied by the state, county, city or any tax or assessment levying body against the transfer of the leasehold interest hereunder upon recordation or otherwise, or upon any activity carried on under this Lease, any interest in this Lease or any possessory right which Tenant may have in or to the Premises by reason of its use or occupancy thereof or otherwise.

Tenant specifically acknowledges that, in accordance with Revenue and Taxation Code Section 107.6, the Premises may be subject to possessory interest tax and that Tenant is responsible for any possessory interest tax levied on Tenant's leasehold interest in the Premises.

6. **TERM:** Lease terminates on December 31, 2025 at 6:00 p.m.

7. **EXTENSION OPTION:** Provided Tenant has not been late in payment of rent more than 2 times in a calendar year, Tenant shall have one (1) option to extend the Term of the Lease beyond the expiration date for an additional period of twenty-four (24) months by giving Landlord and the Town's Property Manager a written notice of such election no later than 90 days prior to the expiration of the Lease. The option to exercise the extension notice shall be given by certified or registered mail (return receipt requested) or by Federal Express, United Parcel Service or other overnight courier service which obtains personal signatures upon delivery. If Landlord does not receive the notification to extend the term within the time period provided above, all rights under the extension option shall terminate. Tenant shall have no right to exercise the extension option notwithstanding any provision to the contrary while Tenant is in default of the Lease beyond any applicable cure period.

- A. **Monthly Base Rent During Extended Term:** Monthly Base Rent for the extended term shall include a 3% increase of prior base year with an annual increase of three percent 3% per year.

8. **SECURITY DEPOSIT:**

- A. Tenant agrees to pay Landlord \$4,000 as a security deposit.
- B. All or any portion of the security deposit may be used, as reasonably necessary, to: (i) cure Tenant's default in payment of Rent, late charges, non-sufficient funds ("NSF") fees, or other sums due; (ii) repair damage, excluding ordinary wear and tear, caused by Tenant or by a guest or licensee of Tenant; (iii) broom clean the Premises, if necessary, upon termination of

tenancy; and (iv) cover any other unfulfilled obligation of Tenant. **SECURITY DEPOSIT SHALL NOT BE USED BY TENANT IN LIEU OF PAYMENT OF LAST MONTH'S RENT.** If all or any portion of the security deposit is used during tenancy, Tenant agrees to reinstate the total security deposit within 5 days after written notice is delivered to Tenant. Within 30 days after Landlord receives possession of the Premises, Landlord shall:

(i) furnish Tenant an itemized statement indicating the amount of any security deposit received and the basis for its disposition, and (ii) return any remaining portion of security deposit to Tenant.

c. No interest will be paid on security deposit.

9. PARKING: There shall be no assigned parking spaces associated with this Lease.

10. LATE CHARGE; INTEREST; NSF CHECKS: Tenant acknowledges that either late payment of Rent or issuance of a NSF check may cause Landlord to incur costs and expenses, the exact amount of which are extremely difficult and impractical to determine. These costs may include, but are not limited to, processing, enforcement and accounting expenses, and late charges imposed on Landlord. Therefore, if Town does not receive any installment of rent due from Tenant within ten (10) days after the date such rent is due, Tenant shall pay to Town an additional sum of five percent (5%) of the overdue rent as a late charge. The parties agree this late charge represents a fair and reasonable estimate of the costs Town will incur by reason of late payment by Tenant. Acceptance of any late charge shall not constitute a waiver of Tenant's default with respect to the overdue amount, nor prevent Town from extending any of the other rights and remedies available to Town.

Landlord's right to collect a late charge or NSF fee shall not be deemed an extension of the date Rent is due under section 2.

11. CONDITION OF PREMISES: Landlord warrants that the Premises will be in the following condition on delivery:

Tenant acknowledges that Landlord has made no representation or warranty with respect to the Premises, or the suitability of the Premises for the conduct of the Tenant's business, nor has Landlord agreed to undertake any modification, alteration or improvement to the Premises except as provided in this Lease. The taking of possession of the Premises by Tenant shall conclusively establish that the Premises was at such time in satisfactory condition. Tenant shall be solely responsible for any and all costs and/or expenses associated with improvements to the Premises relative to this Lease.

Tenant has examined the Premises and acknowledges that Premises is clean and in operative condition.

Tenant is responsible for the immediate notification to Landlord of maintenance, loss, damage or any other issues related to the Premises as indicated:

Maintenance Issues, - Public Works, 408-399-5770

Claims - First, Tenant insurer as stated in Lease

Secondly, the Town Attorney's Department, 408-354-6818

All other questions – Town Manager's Office, 408-354-6836

12. ZONING AND LAND USE: Tenant accepts the Premises subject to all local, state and federal laws, regulations and ordinances ("Laws"). Landlord makes no representation or warranty that Premises are now or in the future will be suitable for Tenant's use. Tenant has made its own investigation regarding all applicable Laws.

13. USE: The Premises are for the sole use as specified:

A. **Use of the Premises:** Retail

B. **Exclusive Use:** Tenant shall have the right to use the Premises for the sale of soft goods retail and jewelry. Tenant shall have exclusive use of the Premises for the uses allowed under this Article, except that Landlord shall be allowed entry on the Premises to conduct necessary maintenance and repairs within its responsibility and as otherwise allowed under this Lease. No other use is permitted without Landlord's prior written consent. Tenant will comply with all Laws affecting its use of the Premises.

14. RULES/REGULATIONS: Tenant agrees to comply with all rules and regulations of Landlord that are at any time posted on the Premises or delivered to Tenant. Tenant shall not, and shall ensure that guests and licensees of Tenant do not, disturb, annoy, endanger, or interfere with other tenants of the building or neighbors, or use the Premises for any unlawful purposes, including, but not limited to, using, manufacturing, selling, storing, or transporting illicit drugs or other contraband, or violate any law or ordinance, or committing a waste or nuisance on or about the Premises. Tenant shall have access to operate the use upon the Premises twenty-four (24) hours a day, seven (7) days a week.

15. MAINTENANCE:

A. Tenant shall professionally maintain the interior of the Premises. If Tenant fails to maintain the interior of the Premises, Landlord may contract for or perform such maintenance, and charge Tenant for Landlord's cost. Tenant shall be responsible for all expenses for maintenance, repair, replacement and all other associated expenses for all interior tenant improvements in the Premises, including but not limited to floors, walls, and fixtures.

B. Landlord shall maintain the roof, foundation, exterior walls, common areas and exterior of the Premises and keep glass, windows and doors in operable and safe condition. Landlord will warrant the good operating condition of the HVAC and electrical systems serving the premises for the lease term.

16. LOSS OF KEY: Loss of any key will result in re-keying of lock with all costs to re-key paid for by Tenant.

17. **TENANT IMPROVEMENTS:** Tenant shall be responsible for all improvements essential to their business operation.
18. **ALTERATIONS:** Tenant shall not make any alterations in or about the Premises, including installation of trade fixtures and signs, without Landlord's prior written consent, which shall not be unreasonably withheld. Any alterations to the Premises shall be done according to law and with required permits. Tenant shall give Landlord advance notice of any planned alteration, so that Landlord, at its option, may post a Notice of Non-Responsibility to prevent potential liens against Landlord's interest in the Premises. Landlord may also require Tenant to provide Landlord with lien releases from any contractor performing work on the Premises. The Premises have been offered and accepted in an "as is" condition. Any Tenant alterations will be made at Tenant's expense.
19. **GOVERNMENT IMPOSED ALTERATIONS:** Any alterations required by law as a result of Tenant's use shall be Tenant's responsibility. Landlord shall be responsible for any other alterations required by Law.
20. **PREVAILING WAGES:** Tenant understands that any improvements to the Premises paid for in whole or in part out of public funds will require the payment of prevailing wages in accordance with California Labor Code Sections 1720 et seq. and that, in the event that improvements are paid for in whole or in part out of public funds, Tenant will be responsible for compliance with state prevailing wage laws.
21. **ENTRY:** Tenant shall make Premises available to Landlord or Landlord's agent for the purpose of entering to make inspections, necessary or agreed repairs, alterations, or improvements, or to supply necessary or agreed services, or to show Premises to prospective or actual purchasers, tenants, mortgagees, lenders, appraisers, or contractors. Landlord and Tenant agree that 24 hours' notice (oral or written) shall be reasonable and sufficient notice. In an emergency, Landlord or Landlord's representative may enter Premises at any time without prior notice.
22. **SIGNS:** Tenant authorizes Landlord to place a FOR LEASE sign on the Premises within the 30-day period preceding the termination of the Lease. Tenant may install signs in conformance with the Town's sign ordinance.
23. **SUBLETTING/ASSIGNMENT:** Tenant shall not sublet or encumber all or any part of Premises, or assign or transfer this Lease or any interest in it, without the prior written consent of Landlord, which shall not be unreasonably withheld. Unless such consent is obtained, any subletting, assignment, transfer, or encumbrance of the Premises, Lease, or tenancy, by voluntary act of Tenant, operation of law, or otherwise, shall be null and void, and, at the option of Landlord, terminate this Lease. Any proposed sublessee, assignee, or transferee shall submit to Landlord an application and credit information for Landlord's approval, and, if approved, sign a separate written Lease with Landlord and Tenant. Landlord's consent to any one sublease, assignment, or transfer, shall not be construed as consent to any subsequent sublease, assignment, or transfer, and does not release Tenant of Tenant's obligation under this Lease.

24. POSSESSION: If Landlord is unable to deliver possession of Premises on January 1, 2024, the rent commencement date shall be extended to the date on which possession is made available to Tenant. However, the expiration date shall remain the same as specified in section 5. If Landlord is unable to deliver possession within **90 calendar days** after January 1, 2024, Tenant may terminate this Lease by giving written notice to Landlord, and shall be refunded all Rent and security deposit paid.

25. TENANT'S OBLIGATIONS UPON VACATING PREMISES: Upon termination of this Lease, Tenant shall: **(i)** give Landlord all copies of all keys or opening devices to Premises, including restroom and any common areas; **(ii)** vacate Premises and surrender it to Landlord empty of all persons and personal property; **(iv)** deliver Premises to Landlord in the same condition as referenced in section 11; **(v)** clean Premises; and **(vi)** give written notice to Landlord of Tenant's forwarding address. All improvements installed by Tenant, with or without Landlord's consent, become the property of Landlord upon termination. Landlord may nevertheless require Tenant to remove any such improvement that did not exist at the time possession was made available to Tenant.

26. DEFAULT:

A. **Event of Default:** The occurrence of any of the following shall constitute an Event of Default of this Lease by Tenant:

- (i)** The failure of Tenant to pay or cause to be paid within 10 days after receipt of written notice from Landlord, any Rent or charges required by this Lease to be paid by Tenant;
- (ii)** The abandonment of the Premises by Tenant;
- (iii)** The failure of Tenant to do or cause to be done any act, other than payment of rent, monies, or charges, required by this Lease within 30 days after written notice thereof to Tenant or such longer period as may be reasonably required to complete such cure so long as such cure is promptly commenced within such 30-day period and thereafter diligently and continuously prosecuted to completion;
- (iv)** Tenant causing, permitting, or suffering, without the prior written consent of Landlord, any act when this Lease requires Landlord's prior written consent or prohibits such act, and failing to cure such act within 10 days after written notice thereof to Tenant; or
- (v)** Any act of bankruptcy caused, suffered, or permitted by Tenant that is not discharged within 60 days. For the purposes of this Lease, "act of bankruptcy" shall include any of the following: i) Any general assignment or general arrangement for the benefit of creditors; ii) The filing of any petition by or against Tenant to have Tenant adjudged a bankrupt; iii) The appointment of a trustee or receiver to take possession of substantially all of Tenant's assets;

iv) The attachment, execution, or other judicial seizure of substantially all of Tenant's assets;

(vi) The failure of Tenant to maintain insurance coverage as defined in section 31 of this Lease.

B. In the event of a Tenant default in the payment of any installment of Rent, which default continues for ten (10) days after notice to Tenant and demand in writing by Landlord to correct such default, or, in the event of any other default which continues for thirty (30) days after notice from Landlord to Tenant, or if Tenant abandons the Premises prior to the expiration of the Term provided for in this Lease, the Landlord may at his option pursue the Default Remedies contained in this Lease.

C. **Default Remedies:** If an Event of Default shall occur and continue, then in addition to any other remedies available to Landlord at law or in equity, Landlord shall have the immediate option to terminate this Lease and bring suit against Tenant and recover as an award in such suit the following:

- (i) the worth at the time of award of the unpaid Rent and all other sums due hereunder which had been earned at the time of termination;
- (ii) the worth at the time of award of the amount by which the unpaid Rent and all other sums due hereunder which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided;
- (iii) the worth at the time of award of the amount by which the unpaid Rent and all other sums due hereunder for the balance of the term after termination exceeds the amount of such rental loss that Tenant proves could be reasonably avoided;
- (iv) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease; and
- (v) such amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable California law.

27. **DAMAGE TO PREMISES:** If, by no fault of Tenant, Premises are totally or partially damaged or destroyed by fire, earthquake, accident or other casualty, Landlord shall have the right to restore the Premises by repair or rebuilding. If Landlord elects to repair or rebuild, and is able to complete such restoration within 90 days from the date of damage, subject to the terms of this section, this Lease shall remain in full force and effect. If Landlord is unable to restore the Premises within this time, or if Landlord elects not to restore, then either Landlord or Tenant may terminate this Lease by giving the other written notice. Rent shall be abated as of the date of damage. The abated amount shall be the current monthly Rent prorated on a 30-day basis. If this Lease is not terminated, and the damage is not repaired, then Rent shall be reduced based on the extent to which the damage interferes with Tenant's reasonable use of Premises. If damage occurs as a result of an act of Tenant or Tenant's guests, only Landlord shall have the right of termination, and no reduction in Rent shall be made.

- 28. HAZARDOUS MATERIALS:** Tenant shall not use, store, generate, release or dispose of any hazardous material on the Premises or the property of which the Premises are part. However, Tenant is permitted to make use of such materials that are required to be used in the normal course of Tenant's business provided that Tenant complies with all applicable Laws related to the hazardous materials. Tenant is responsible for the cost of removal and remediation, or any clean-up of any contamination caused by Tenant.
- 29. CONDEMNATION:** If all or part of the Premises is condemned for public use, either party may terminate this Lease as of the date possession is given to the condemner. All condemnation proceeds, exclusive of those allocated by the condemner to Tenant's relocation costs and trade fixtures, belong to Landlord.
- 30. INDEMNIFICATION:** Tenant agrees to indemnify, and hold harmless Landlord, and its officers, officials, agents, and employees, from any and all liabilities, claims, demands, actions, losses, damages, and costs, including all costs of defense thereof and any award of attorney's fees, caused by, arising out of, or in any way related to Tenant's use or occupancy of the leased premises. Tenant agrees to defend Landlord against any such claims.
- 31. INSURANCE:** Tenant shall procure and maintain for the duration of the Lease insurance against claims for injuries to persons or damages to property which may arise from or in connection with the Tenant's operation and use of the Premises, as described in this section. The cost of such insurance shall be borne by the Tenant.
- A. Minimum Scope Of Insurance:**
- Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001).
 - Workers' compensation insurance as required by the State of California and Employer's Liability insurance (for tenants with employees).
 - Property insurance against all risks of loss to any tenant improvements or betterments.
- B. Minimum Limits Of Insurance:** Tenant shall maintain limits no less than:
- General liability: \$2,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
 - Employer's liability: \$1,000,000 per accident for bodily injury or disease (for tenants with employees).
 - Property insurance: Full replacement cost with no coinsurance penalty provision.

- C. **Deductibles And Self-Insured Retentions:** Any deductibles or self-insured retentions must be declared to and approved by the Landlord. At the option of the Landlord, either: The insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the Landlord, its officers, officials, agents, and employees; or the Tenant shall provide a financial guarantee satisfactory to the Landlord guaranteeing payment of losses and related investigations, claim administration, and defense expenses.
- D. **Other Insurance Provisions:** The general liability policy is to contain, or be endorsed to contain, the following provisions:
- The Landlord, its officers, officials, agents, and employees are to be covered as insureds with respect to liability arising out of ownership, maintenance or use of that part of the premises leased to the Tenant.
 - The Tenant's insurance coverage shall be primary insurance as respects the Landlord, its officers, officials, agents, and employees. Any insurance or self-insurance maintained by the Landlord, its officers, officials, agents and employees shall be excess of the Tenant's insurance and shall not contribute with it.
 - Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled, except after 30 days' prior written notice by certified mail, return receipt requested, has been given to the Landlord.
- E. **Acceptability Of Insurer:** Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII.
- F. **Verification Of Coverage:** Tenant shall furnish Landlord with the original certificates and amendatory endorsements effecting coverage required by this clause. The endorsements should be on forms provided by the Landlord or on other than the Landlord's forms, provided those endorsements or policies conform to the requirements. All certificates and endorsements are to be received and approved by the Landlord before taking possession of the Premises. The Landlord reserves the right to require complete, certified copies of all required insurance policies, including endorsements effecting the coverage required by these specifications at any time.

32. TENANT REPRESENTATIONS; CREDIT: Tenant warrants that all information provided to Landlord is accurate. Tenant authorizes Landlord to obtain Tenant's credit report at time of application and periodically during tenancy in connection with approval, modification, or enforcement of this Lease. Landlord may cancel this Lease: (i) before occupancy begins, upon disapproval of the credit report(s); or (ii) at any time, upon discovering that information in Tenant's application is false. A negative credit report reflecting on Tenant's record may be submitted to a credit reporting agency, if Tenant fails to pay Rent or comply with any other obligation under this Lease.

33. DISPUTE RESOLUTION:

D. **Mediation:** Tenant and Landlord agree to mediate any dispute or claim arising between them out of this Lease, or any resulting transaction, before resorting to court action, subject to subsection (1) below. Mediation fees, if any, shall be divided equally among the parties involved. If for any dispute or claim to which this paragraph applies, any party commences an action without first attempting to resolve the matter through mediation or refuses to mediate after a request has been made, then that party shall not be entitled to recover attorney fees, even if they would otherwise be available to that party in any such action.

(1) **Exclusions From Mediation:** The following matters are excluded from Mediation hereunder:

(i) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage, or Installment land sale contract as defined in Civil Code §2985; (ii) an unlawful detainer action; (iii) the filing or enforcement of a mechanic's lien; (iv) any matter that is within the jurisdiction of a probate, small claims, or bankruptcy court; and (v) an action for bodily injury or wrongful death, or for latent or patent defects to which Code of Civil Procedure §337.1 or §337.15 applies. The filing of a court action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies, shall not constitute a violation of the mediation provision.

34. **NOTICE:** Notices may be served by certified mail, email, or courier at the following address or location or at any other location subsequently designated:

Landlord: Town of Los Gatos

Attn: Katy Nomura
Assistant City Manager
110 E. Main Street,
Los Gatos, CA 95030
408-354-6836

Tenant: Candler for LTFJ S Corp dba "Lisa T" Fine Jewelry
Attn: Jennifer Candler
41 N Santa Cruz Ave,
Los Gatos, CA 95030

Notice is deemed effective upon the earliest of the following: (i) personal receipt by either party or their agent; or (ii) written acknowledgement of notice.

35. **WAIVER:** The waiver of any Event of Default shall not be construed as a continuing waiver of the same Event of Default or a waiver of any subsequent Event of Default.

36. **OTHER TERMS AND CONDITIONS/SUPPLEMENTS:** Exhibit A – Leased Premises, Exhibit B – Floor Plan

37. NONDISCRIMINATION: The Tenant herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this Lease is made and accepted upon and subject to the following conditions: That there shall be no discrimination against or segregation of any person or group of persons, on account of race, color, creed, religion, sex, marital status, national origin, or ancestry, in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the Premises nor shall the Tenant himself or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the Premises.

38. ENTIRE CONTRACT: All prior agreements between Landlord and Tenant are incorporated in this Lease, which constitutes the entire contract. It is intended as a final expression of the parties' agreement, and may not be contradicted by evidence of any prior Lease or contemporaneous oral agreement. The parties further intend that this Lease constitutes the complete and exclusive statement of its terms, and that no extrinsic evidence whatsoever may be introduced in any judicial or other proceeding, if any, involving this Lease. Any amendment to this Lease must be in writing.

39. SEVERABILITY: Any provision of this Lease that is held to be invalid shall not affect the validity or enforceability of any other provision in this Lease.

40. BINDING ON SUCCESSORS: This Lease shall be binding upon, and inure to the benefit of, the heirs, assignees and successors to the parties.

41. GOVERNING LAW AND VENUE: This Lease is governed by the laws of the State of California and, in the event of litigation, venue will be in the County of Santa Clara.

IN WITNESS WHEREOF, TOWN OF LOS GATOS and CANDLER FOR LTFJ S Corp, dba "Lisa T" Fine Jewelry have executed this LEASE.

LANDLORD
TOWN OF LOS GATOS

TENANT
CANDLER FOR LTFJ S Corp, dba "Lisa T" Fine Jewelry

Laurel Prevetti, Town Manager

Jennifer Candler, President and CEO

APPROVED AS TO FORM:

Gabrielle Whelan, Town Attorney

EXHIBIT A
PREMISES

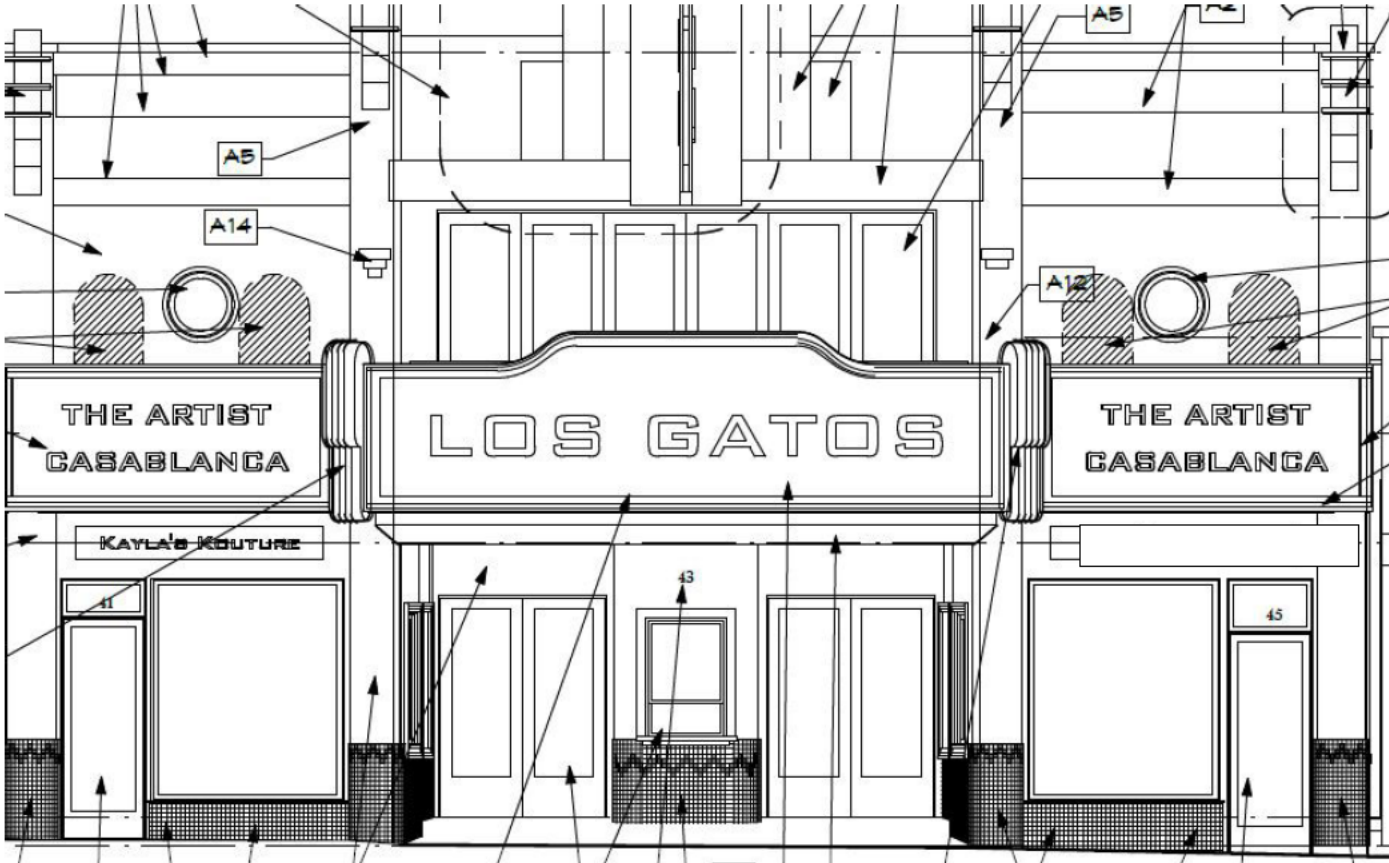


Exhibit B
FLOOR PLAN

