

LEASE AMENDMENT

(Woodside)

THIS LEASE AMENDMENT (the “**Amendment**”) is made and entered into as of _____, 2017 (the “**Effective Date**”) 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 (“**Lessor**”), and _____ (together with all successors and assigns, “**Lessee**”) in the following context:

A. Lessor holds the fee title to certain real property located in the Town of Woodside, County of San Mateo, State of California (the “**Town**”), which constitutes a portion of the lands of The Leland Stanford Junior University (“**Stanford University**”).

B. Lessor and Lessee, as successor in interest to the original ground lessee, are the parties to that certain lease dated as of _____ (the “**Lease**”), pursuant to which Lessee has a leasehold interest (the “**Leasehold Interest**”) with respect to that certain parcel of real property (the “**Parcel**”) commonly known as _____, Woodside, California, and more particularly identified on the attached **Exhibit A** (the “**Legal Description**”), on which is located a single-family home and other structures, landscaping, hardscaping and improvements (collectively, the “**Residence**”, and together with the Parcel, the “**Property**”).

C. Over the years, various residential lessees on Lessor’s lands have expressed concern about the eventual termination of their leases and their ability to sell their Leasehold Interests as the leases near their expiration dates. On or about _____, 2017, Lessor announced its offer to Lessee to amend the Lease as set forth in this Amendment. Lessor and Lessee desire to amend the Lease as between Lessor and Lessee (i) to allow Lessee to extend the term of the Lease and to provide Lessee the option to extend the Lease by payment of an extension fee; (ii) in the event Lessee desires to sell the Leasehold Interest, to provide Lessor with a right of first offer; and (iii) to make other minor, technical changes.

NOW THEREFORE, Lessor and Lessee hereby agree to amend the Lease with respect to the Property, on the terms and conditions set forth in this Amendment.

1. Extensions of Term. The following provisions are added and incorporated into the Lease:

1.1 Extension Term. The term of the Lease (the “**Term**”) is currently scheduled to expire as of _____ (the “**Lease Expiration Date**”).

1.2 Extension Rights. Subject to the terms and conditions set forth in this Article 1, Lessor grants to Lessee the continuing right to extend the Term of the Lease (the “**Extension Right**”) for as many times as desired prior to the Extension Right Expiration Date defined below, each time for a number of calendar months (calculated from the first (1st) day of a calendar month through the last day of such month) of Lessee’s choosing (the “**Extension Term**”) that, when combined with the then-remaining Term of the Lease, results in no more than a total Term of fifty-one (51) years (or 612 months) as of the date of the extension, either by actual fact or by rounding, as described in Section 1.4 below. In no event shall the final Lease Expiration Date of this Lease be later than _____ **[51 YEARS FROM ORIGINAL LEASE EXPIRATION DATE]**. The Extension Right is subject to Section 2.8 of this Amendment and is contingent upon (a) Lessee’s compliance with the requirements of Article 2 of this

Amendment, and (b) Lessee not being in default of its obligations under the Lease as of the date Lessee delivers the Extension Notice described in Section 1.3(b) or at any time prior to the Extension Fee Payment Date (as defined in Section 1.4).

1.3 Exercise of Extension Right. When Lessee desires to exercise the Extension Right, Lessee and Lessor shall proceed as follows:

(a) Upon written request by Lessee delivered to Lessor in substantially the form of the attached **Schedule 1.3(a)(i)** (the “**Appraisal Request**”), Lessor shall engage at its sole expense a Qualified Appraiser (as defined below) to conduct an appraisal of the Fee Simple Land Value of the Parcel (the “**Lessor Appraisal**”) in accordance with the appraisal guidelines attached as **Schedule 1.3(a)(ii)** (the “**Appraisal Guidelines**”). The Lessor Appraisal shall be completed and delivered to Lessee within thirty (30) days after the date Lessor receives the Appraisal Request, and shall reflect an effective date of value (the “**Effective Date of Value**”) equal to the date Lessor acknowledged receipt of the Appraisal Request. The Lessor Appraisal shall remain in effect for six (6) full months from the date the Lessor Appraisal was delivered to Lessee, and no additional Appraisal Requests shall be permitted while a Lessor Appraisal is still in effect until the date that is thirty (30) days prior to the expiration of the respective six-month period. “**Qualified Appraiser**” means an appraiser who is licensed in the State of California and an MAI or SRA designated member of the Appraisal Institute (or should the Appraisal Institute cease to exist, the successor organization and/or equivalent designations), with not less than five (5) years of experience appraising single-family residential properties in the southern San Mateo County/northern Santa Clara County area. A Qualified Appraiser must determine, prior to accepting an assignment, that he or she can perform the assignment in accord with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation, and the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

(b) Lessee may exercise the Extension Right by delivering notice to Lessor in substantially the form of the attached **Schedule 1.3(b)** (the “**Extension Notice**”). The Extension Right may be exercised at any time and as often as Lessee elects up until and including _____ **[ORIGINAL LEASE EXPIRATION DATE]** (the “**Extension Right Expiration Date**”). Subject to the terms and conditions of Article 2, the Extension Right may also be exercised by any subsequent assignee(s) of Lessee’s Leasehold Interest until the Extension Right Expiration Date. Lessor shall acknowledge the date Lessor received the fully completed Extension Notice (the “**Extension Notice Date**”) by completing the bottom portion of **Schedule 1.3(b)** and returning a copy of the Extension Notice to Lessee within three (3) business days after receipt of the completed Extension Notice; provided that Lessor shall have no obligation to do so unless and until Lessor determines that the Extension Notice is complete.

1.4 Extension Fee. In consideration for the extension of the Term, Lessee shall pay a fee to Lessor (the “**Extension Fee**”) that is based on (a) how many calendar months still remain in the then-current Term at the time of the extension, (b) how many full calendar months the Lease is to be extended from the then-current Lease Expiration Date, and (c) the then-current Fee Simple Land Value, as defined in Section 1.5 below. The Extension Fee shall be calculated by Lessor using the schedule attached as **Schedule 1.4(a)** (the “**Extension Factor Schedule**”), which assigns a percentage factor (the “**Extension Factor**”) for each month of remaining Term over a 51-year time period. The payment date for the Extension Fee (the “**Extension Fee Payment Date**”) shall establish the starting date for determining the number of calendar months remaining in the then-current Term and the desired new Term. If the Extension Fee Payment Date is the first (1st) through the fifteenth (15th) of a calendar month,

that partial month shall count as a full calendar month remaining in the current Term and in the new Term (the current Term plus the Extension Term). If the Extension Fee Payment Date is the sixteenth (16th) day of a calendar month or later, that partial month shall not count as a calendar month remaining in the current Term or the new Term. The Lease Expiration Date shall always be the last day of a calendar month. By way of example, if the Lease is scheduled to expire on December 31, 2077, and Lessee desires to purchase an additional month of term by making an Extension Fee payment on November 20, 2077, for purposes of determining the Extension Factor, the then-current Term shall be assumed to be one calendar month because the Extension Fee Payment Date is after the 15th of the month and November would not be counted as a full calendar month. Conversely, if the Lease is set to expire on December 31, 2077, and Lessee desires to purchase an additional month of term by making an Extension Fee payment on November 15, 2077, two calendar months will remain in the then-current Term, because November would be counted as a full calendar month.

The Extension Fee shall be calculated using the following formula:

[(i) the Extension Factor corresponding to the number of calendar months remaining in the current Term as of the Extension Fee Payment Date **MINUS** (ii) the Extension Factor corresponding to the number of calendar months in the new Term (the current Term **plus** the Extension Term) as of the Extension Fee Payment Date]

MULTIPLIED BY

(iii) the Fee Simple Land Value of the Parcel (as defined in Section 1.5)

An example of the Extension Fee Calculation is attached as **Schedule 1.4(b)** (the “**Extension Fee Calculation Example**”). The Extension Fee will be recalculated if the actual Extension Fee Payment Date is different than the original estimated Extension Fee Payment Date to the extent that the date change results in a new set of corresponding Extension Factors.

1.5 Determination of Fee Simple Land Value of the Parcel and Calculation of Extension Fee. The “**Fee Simple Land Value**” of the Parcel is defined as the then-current fee simple equivalent land value based on the Parcel being a finished, vacant lot, with existing site grading, streets, off-site utilities to the curb, and other supporting infrastructure, but excluding the Residence and other improvements on the Parcel. The Fee Simple Land Value of the Parcel shall be established for purposes of calculating the Extension Fee as described in **Schedule 1.5** (the “**Establishment of Fee Simple Land Value**”).

1.6 Completion of Lease Extension; Effect of Delay. After determination of the Extension Fee, and if Lessee still desires to exercise the Extension Right, Lessee shall execute the Extension Amendment and the Memorandum of Extension Amendment, both as defined in **Schedule 1.5**, and deliver them to Lessor with a cashier’s check for the Extension Fee on the Extension Fee Payment Date set forth in the Extension Notice. No later than three (3) business days after receipt of all of the foregoing, including payment of the Extension Fee, Lessor shall execute the Extension Amendment and the Memorandum of Extension Amendment, submit the Memorandum of Extension Amendment for recordation in the Official Records of San Mateo County, California, and return a fully executed original of the Extension Amendment to Lessee. If Lessee does not deliver all required funds on the Extension Fee Payment Date stipulated in the Extension Notice, or the appraisals require updating pursuant to Section (c) of **Schedule 1.5**, Lessor shall recalculate the Extension Fee (if necessary) and

promptly deliver a revised Extension Fee Calculation (as defined in **Schedule 1.5**) to Lessee, along with a revised Extension Amendment and Memorandum of Extension Amendment reflecting the revised Extension Fee Payment Date as the effective date of the Amendment. Lessee acknowledges that in either such event, the completion of the Lease extension could be delayed, and Lessor shall have no liability to Lessee resulting from such delay.

1.7 Withdrawal of Extension Notice. Once the Fee Simple Land Value of the Parcel is determined pursuant to the process described in Section 1.5 and the Extension Fee has been calculated, or in the event of any change in the Extension Fee described in Section 1.6, Lessee shall have the right to withdraw the Extension Notice by written notice to Lessor, in which case Lessee shall not be obligated to pay the Extension Fee and the Term shall not be extended. Withdrawal of the Extension Notice shall have no effect on the right of Lessee or subsequent assignees of Lessee's Leasehold Interest in the Property to exercise the Extension Right in the future.

1.8 Extension in Connection with a Sale. Notwithstanding the procedures described in Section 1.6 for the completion of a Lease extension, if the Extension Right is being exercised in connection with a Third-Party Sale (as defined in Section 2.6) of the Leasehold Interest that is permitted pursuant to Article 2 below, the extension of the Lease may be completed in connection with such Third-Party Sale, and the Extension Fee may be paid from the purchase price through escrow. In such case, to the extent Lessee has not previously done so in connection with Section 2.6, Lessee shall also promptly advise Lessor as to the title company handling the sale, the scheduled date of closing, and any other information relevant to the transaction. The closing of the Third-Party Sale may occur prior to the completion of the Lease extension, but the third-party purchaser shall not be entitled to the Lease extension and Lessor will not execute the Extension Amendment until the process for determining the Fee Simple Land Value described in **Schedule 1.5** has been completed, all requirements under Section 2.6(h) have been met, and the Extension Fee has been finally calculated and paid to Lessor (through escrow or otherwise). The provisions of Section 1.6 shall also apply to any Third-Party Sale.

2. Right of First Offer. The following provisions are added and incorporated into the Lease:

2.1 Right of First Offer. Notwithstanding the provisions of Section 10 of the Lease, Lessee grants Lessor a right of first offer ("**ROFO**") to purchase the Leasehold Interest prior to any sale of the Leasehold Interest by Lessee (a "**Sale**"); provided that Lessor shall have no obligation to exercise the ROFO and purchase the Leasehold Interest when presented to Lessor.

2.2 Lessee Offer. If Lessee desires to market its Leasehold Interest for sale, before commencing any marketing activity, Lessee shall deliver a written notice of intent to market and offer to sell its Leasehold Interest to Lessor ("**Notice of Intent to Sell**") in substantially the form of the attached **Schedule 2.2**, setting forth all the material terms and conditions (other than those specified in Section 2.5(a), (b), and (c) below, but including by way of example only, any seller leaseback, seller financing, delayed closing, and any other concessions or non-standard terms) (collectively, "**Other Material Terms**"), and the price (the "**Lessee Offer Price**") upon which Lessee proposes to sell its Leasehold Interest (collectively, the "**Lessee Offer**"). The Lessee Offer Price stipulated in the Notice of Intent to Sell shall be based on Lessee's existing Term, whether or not a Lease extension is anticipated as part of a prospective Third-Party Sale, and shall be the gross price before any deduction for closing

costs, lender fees, or brokerage commissions. Concurrently with the delivery of the Notice of Intent to Sell, Lessee shall deliver to Lessor a Real Estate Transfer Disclosure Statement (“TDS”) in the form required by California Civil Code Section 1102.6, and/or any comparable disclosure requirement subsequently imposed by applicable law. Lessor shall acknowledge the date Lessor received and deemed complete the Notice of Intent to Sell (the “**Lessee Offer Date**”) by completing the bottom portion of **Schedule 2.2** and returning a copy of the completed Notice of Intent to Sell to Lessee within two (2) business days after receipt of the completed Notice of Intent to Sell; provided that Lessor shall have no obligation to do so unless and until Lessor determines that the Notice of Intent to Sell is complete.

2.3 Initial Walk-Through. Within five (5) business days after the Lessee Offer Date, Lessor and its employees, agents and contractors (“**Lessor’s Agents**”) will have access to the Property for the purpose of conducting a walk-through of the Property. Lessee shall make the Property available at reasonable times for such walk-through. Lessor shall indemnify, defend and hold Lessee harmless from and against any and all claims, liens, demands, losses, damages, liabilities, costs and expenses (collectively, “**Claims**”) incurred by Lessee and resulting from the activities of Lessor or Lessor’s Agents in the course of Lessor’s walk-through; provided that such indemnity shall not extend to any Claims arising from the mere discovery of any condition of the Property during the course of such walk-through. During this period, Lessee shall also complete and deliver to Lessor any supplemental disclosure information reasonably requested by Lessor or generally in use with respect to residential home sales in the southern San Mateo County/northern Santa Clara County area.

2.4 Lessor Election. Lessor shall have until the later of (a) ten (10) business days after the Lessee Offer Date, and (b) five (5) business days after the date Lessee grants Lessor access to the Property for its walk-through, to elect in writing (in its sole discretion) whether to purchase the Leasehold Interest on the terms and conditions set forth in the Lessee Offer by delivery of its response in substantially the form attached as **Schedule 2.4** (the “**Lessor ROFO Response**”). Lessee shall promptly acknowledge receipt of the Lessor ROFO Response and return a copy to Lessor.

2.5 Documentation of Purchase. If Lessor elects in the Lessor ROFO Response to purchase the Leasehold Interest, within ten (10) business days after the date of the Lessor ROFO Response, Lessor shall prepare and the parties shall enter into a purchase and sale contract for the Leasehold Interest in a form then being commonly used for residential home sales in the southern San Mateo County/northern Santa Clara County area, and subject to the following terms:

(a) Escrow. Within three (3) business days after execution of the purchase and sale contract, the parties shall open escrow with a title company selected by Lessor, and Lessor shall deliver to escrow a deposit towards the purchase price equivalent to three percent (3%) of the purchase price.

(b) Due Diligence Contingency. Lessor shall have the right to conduct a due diligence investigation of the Property in accordance with standard terms of a residential purchase and sale contract, for a period of ten (10) business days, and shall have the right to terminate the purchase and sale contract and revoke its election to purchase the Leasehold Interest as provided in the purchase and sale contract with or without cause, for any reason or no reason, in accordance with standard market practice. Lessee grants Lessor the right to reasonably access the Property (including without limitation the interior of the Residence) to perform any investigations pursuant to the purchase of the Property.

(c) **Title.** Lessor shall accept title to the Property subject to the lien of current real estate taxes not yet due or payable, public utility easements, and other public rights and assessments. Lessee shall remove all monetary liens and other encumbrances as of the close of escrow.

(d) **Closing.** The parties shall mutually agree on a closing date, which shall be no later than ten (10) business days after removal of Lessor's due diligence contingency, unless otherwise agreed between Lessor and Lessee as an Other Material Term of the Lessee Offer.

(e) **Broker's Commission.** Lessee shall pay any broker commissions due in connection with the ROFO and Sale of the Property to Lessor. Lessor shall not charge to Lessee any Lessor brokerage costs associated with Lessor's purchase of the Leasehold Interest, nor will Lessor require credit against the purchase price for any Lessor brokerage costs.

2.6 Third-Party Sale. If Lessor does not elect to purchase the Leasehold Interest on the terms and conditions of the Lessee Offer, or fails to respond to the Lessee Offer within the time period prescribed in Section 2.4 above, Lessee shall have the right to sell its Leasehold Interest to a third party (a "**Third-Party Sale**") at any time within one (1) year after the Lessee Offer Date (which, in the event there has been no Lessor ROFO Response, shall be the date Lessee submitted the Notice of Intent to Sell) (the "**Outside Closing Date**"), without having to reoffer the Leasehold Interest to Lessor; provided that the Third-Party Sale price, excluding any Extension Fee intended to be paid from the Third-Party Sale price at the time of such purchase but prior to any deduction for closing costs, lender fees, or brokerage commissions (the "**Net Sale Price**"), is no less than ninety-five percent (95%) of the Lessee Offer Price set forth in the Notice of Intent to Sell (the "**Threshold Price**"), and the Other Material Terms of the Third-Party Sale do not significantly differ from those stated in the Notice of Intent to Sell.

(a) When Lessee has received an acceptable written offer from a third party (the "**Third-Party Offer**"), and Lessee and such third party have come to terms on a sale of the Leasehold Interest, whether or not the proposed Third-Party Sale incorporates an extension of the Term, Lessee shall deliver written notice to Lessor in substantially the form of the attached **Schedule 2.6(a)** (the "**Notice of Pending Sale**") setting forth the price and the Other Material Terms of the Third-Party Offer, and indicating whether the Other Material Terms in the Third-Party Offer are consistent with the Other Material Terms of the Lessee Offer. The Notice of Pending Sale shall also include all documents, whether executed or not, between Lessee and the third party in connection with the Third-Party Offer. Lessor shall acknowledge the date Lessor received the Notice of Pending Sale (the "**Notice of Sale Date**") by completing the bottom portion of **Schedule 2.6(a)** and returning a copy of the completed Notice of Pending Sale to Lessee within two (2) business days after receipt of the Notice of Pending Sale. Lessee need not have signed a purchase contract with the third party in order to submit the Third-Party Offer. If a purchase contract is signed by Lessee, it must include the following language: "This purchase contract may be subject to a right in favor of the Board of Trustees of the Leland Stanford Junior University ("Stanford") to match Buyer's offer and purchase the Property. This purchase contract is effective only after Stanford has either confirmed that it has no right to purchase the Property, or has waived such right."

(b) Lessor shall respond to the Notice of Pending Sale within three (3) business days after the Notice of Sale Date in substantially the form of the attached **Schedule**

2.6(b) (the “**Lessor Sale Response**”), in which Lessor shall indicate its decision to match the Third-Party Offer pursuant to Section 2.6(d) below, if applicable. If a Lease extension is contemplated to be paid from escrow and the Third-Party Offer price is for an extended Term, the Net Sale Price shall be calculated as follows, with the Extension Fee being calculated assuming the Extension Fee Payment Date is the closing date of the Third-Party Sale:

(i) If the Extension Fee has been calculated pursuant to Article 1 above and the Fee Simple Land Value of the Parcel has been finally determined, the actual Extension Fee shall be deducted from the Third-Party Sale price; or

(ii) If the Extension Fee has not yet been calculated and the Fee Simple Land Value of the Parcel has not yet been finalized pursuant to Article 1, for purposes of Lessor issuing its decision as to whether or not it will match the Net Sale Price, if applicable, the Extension Fee shall be calculated based on the Lessor Appraisal in effect as of the Notice of Sale Date (or in the absence of an unexpired Lessor Appraisal, Lessor’s good faith estimate of the then current Fee Simple Land Value) and an Extension Fee Payment Date equal to the anticipated Third-Party Sale closing date, and then deducted from the Third-Party Offer price.

(c) Subject to requirements of this Article 2, any proposed Third-Party Sale that occurs prior to the Outside Closing Date with a Net Sale Price at or above the Threshold Price, where the Other Material Terms are not significantly different than the Lessee Offer, and which has been confirmed to be a permitted sale by Lessor shall be deemed a “**Permitted Sale**”.

(d) If the Net Sale Price is below the Threshold Price, or the Other Material Terms of the Third-Party Offer are significantly different from those in the Lessee Offer, Lessor shall have the right to match the Net Sale Price and the Other Material Terms of the Third-Party Offer and purchase the Leasehold Interest in accordance with Section 2.5. In case Section 2.6(b)(ii) applies, the Net Sale Price to be paid to Lessee at closing will be calculated when the Fee Simple Land Value of the Parcel and the Extension Fee have been finally determined. If Lessor elects not to purchase the Leasehold Interest on the terms and conditions of the Third-Party Offer, the proposed sale shall be deemed a Permitted Sale (subject to final confirmation as noted in Section 2.6(e) below). Notwithstanding the foregoing, in the event there is any subsequent change in the Other Material Terms, or a change in the purchase price that results in the Net Sale Price being reduced below the Threshold Price prior to closing, Lessee shall submit a revised Notice of Pending Sale and the foregoing provisions of this Section 2.6 shall apply.

(e) Any Third-Party Sale must be consummated on or before the Outside Closing Date. Upon consummation of any Sale, Lessee shall deliver to Lessor a notice of assignment in substantially the form of the attached **Schedule 2.6(e)**, indicating the closing date of the Third-Party Sale and the name of the assignee, along with a copy of the final escrow closing statement, a copy of the final executed purchase and sale contract with the third party, and a recorded copy of the leasehold deed, assignment of lease, or other instrument conveying the Leasehold Interest in the Property (collectively, the “**Notice of Assignment**”). Lessor’s acknowledgement of the Notice of Assignment shall include acknowledgement of the assumption of the Lease by the new Lessee of record (the “**Successor Lessee**”), and shall indicate whether the Sale remains a Permitted Sale.

(f) If a Third-Party Sale does not occur before the expiration of the Outside Closing Date (whether or not the contract for the proposed Third-Party Sale remains in effect), but Lessee still desires to sell its Leasehold Interest, Lessee shall again deliver to Lessor a Lessee Offer in accordance with Section 2.2 (but offering the Leasehold Interest to Lessor on terms at least as favorable to Lessor as the terms of the Third-Party Offer or those being offered to the public at the time the new Lessee Offer is delivered), and Lessor shall have the right to accept or reject the new Lessee Offer in accordance with this Article 2.

(g) If a proposed Third-Party Sale includes an extension of the Lease, and the Extension Fee determination pursuant to Article 1 is not completed by the time Lessee desires to close the Third-Party Sale, or by the Outside Closing Date, Lessee may elect to close the Third-Party Sale prior to completion of the Lease extension, but the third-party purchaser shall not be entitled to the Lease extension, and Lessor shall have no obligation to sign the Extension Amendment until the process for determining the Extension Fee described in Article 1 has been completed, the Sale is deemed to be a Permitted Sale pursuant to Section 2.6(h) below, and the Extension Fee has been paid to Lessor (through escrow or otherwise). The provisions of Section 1.6 shall apply to the Third-Party Sale.

(h) If a proposed Third-Party Sale includes an extension of the Lease, Lessor shall receive a copy of the final escrow closing statement and a copy of the final executed purchase and sale contract with the third party, and Lessor shall have the right to confirm compliance with the requirements of this Article 2 before executing the Extension Amendment and finalizing the extension of the Lease. If Lessor determines that Lessee has not complied with the requirements of this Article 2, the provisions of Section 2.8 shall apply.

(i) The ROFO and subsequent right to match a Third-Party Offer in the event of a proposed Third-Party Sale shall be ongoing, and except as otherwise provided in Section 2.7 below, shall apply to all transfers of the Leasehold Interest proposed at any time during the Term of the Lease, whether by the original Lessee named in this Amendment or any Successor Lessee.

2.7 Exclusions from ROFO. Notwithstanding the foregoing, the ROFO shall not apply to any transfer of a Leasehold Interest occurring due to (a) the creation of a revocable trust by Lessee as an estate planning tool, (b) the dissolution of a marriage or domestic partnership or other living arrangement in which one named Lessee of the Leasehold Interest transfers his or her interest to the other named Lessee, (c) the death of Lessee and inheritance of the Leasehold Interest pursuant to a will or trust agreement; provided that a probate sale of the Leasehold Interest shall not be excluded from the ROFO, or (d) the Sale or gift of the Leasehold Interest by Lessee to a direct lineal descendant of Lessee. Lessee shall deliver to Lessor a Notice of Assignment upon the consummation of any of the foregoing transfers. Additionally, Lessor agrees for the benefit of any existing or future lender having a lien on the Property (a "**Leasehold Mortgage**") that foreclosure of a Leasehold Mortgage or any sale thereunder, whether by judicial proceedings or by virtue of any power of sale contained in the Leasehold Mortgage, or any conveyance of the Leasehold Interest under the Lease from Lessee to a lender by virtue or in lieu of foreclosure or other appropriate proceedings in the nature thereof, shall not constitute a breach of Article 2 of this Amendment, and upon such foreclosure, sale or conveyance, Lessor shall recognize Lender, or any other foreclosure sale purchaser or recipient of any deed in lieu, as the Lessee under the Lease. Any subsequent Sale of the Leasehold Interest by the Lender, or any other foreclosure sale purchaser or recipient of any deed in lieu shall be subject to the requirements of Article 2 of this Amendment.

Any assignees of the Lease pursuant to this Section 2.7 shall be subject to all of the terms of the Lease.

2.8 Breach of ROFO Rights. In the event Lessee fails to make a Lessee Offer when required to do so, Lessee misrepresents any material information, or Lessee otherwise breaches its obligations set forth in this Article 2, (a) Lessee shall be in breach of the Lease, and subject to all rights and remedies available to Lessor under the Lease or pursuant to applicable laws, and (b) the right to any further Lease extensions shall terminate as to Lessee and any Successor Lessee(s), and the provisions of Article 1 of this Amendment shall have no further force or effect during the remainder of the Term.

2.9 Effect of Assignment. Upon the consummation of a Permitted Sale, a transfer permitted pursuant to Section 2.7, the foreclosure of a mortgage or conveyance of a deed-in-lieu of foreclosure of a mortgage:

(a) The Successor Lessee shall be deemed (without the requirement of any additional documentation) to have (i) acknowledged that Lessor will have made no representations or warranties with respect to the Lease or the Property, and (ii) waived, released and discharged Lessor from any and all claims, damages, liabilities, costs and expenses of any kind or nature relating in any manner, directly or indirectly, in whole or in part, to the Property, the Leasehold Interest, or the Lease;

(b) The Successor Lessee shall be deemed to have acknowledged (i) that it is the responsibility of the Successor Lessee to ascertain whether the requirements of this Article 2 have been complied with and (ii) that the Extension Right remains in full force and effect; and

(c) The Successor Lessee shall be (i) liable for any uncured defaults in the performance of the terms and conditions of the Lease existing as of the date of the assignment, (ii) subject to any remedies available to Lessor as a result of any breach of this Article 2 by the assigning Lessee and (iii) subject to the potential loss of the Extension Right as described in Section 2.8.

3. Other Provisions. The following provisions are added and incorporated into the Lease:

3.1 Confirmation of Use Restrictions. Section 3 of the Lease provides that the Premises is leased for residential use only. The Premises shall not be used for any other purpose. Without limiting the foregoing, Lessee agrees and acknowledges that any activities that result in third parties visiting the Premises on a regular basis for business activities, including the boarding of horses for third parties (whether for monetary consideration or otherwise), are not considered residential uses.

3.2 Time of the Essence. Time is of the essence of the Lease and this Amendment, and of each and every covenant, term, condition and provision of the Lease and this Amendment.

3.3 Notices, etc. Notwithstanding the provisions of Section 23 of the Lease, all notices, demands or other writings to be sent pursuant to the Lease and this Amendment, or which may be sent by the parties to this Amendment, shall be deemed to have been sent when

made in writing, sent by certified mail with a return receipt requested, or delivered in person or by reputable overnight courier, and addressed as follows:

To Lessor: Stanford Real Estate Office
3160 Porter Drive, Suite 200
Palo Alto, CA 94304-8442
Attention: Managing Director, Asset Management

To Lessee: At the address of the Property

The address to which any notice, demand or other writing may be sent to either party may be changed upon written notice given by such party as above provided. Any notice under the Lease to be given to an assignee shall be valid if given to the assignee of record. Any notice under the Lease to be given to the holder of a mortgage shall be valid if given to the holder of a mortgage at such address as may be specified in the recorded mortgage.

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

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

3.6 Unenforceability or Invalidity of Provision. To the extent that any provision of the Lease or this Amendment is found invalid, void, or unenforceable by a court of competent jurisdiction, or so rendered by legislative or administrative action, the validity of the remainder of the Lease shall not be affected and shall remain in full force and effect as if the Lease had been executed in the absence of the portion held to be invalid, void, or unenforceable.

3.7 Entire Agreement of the Parties. This writing expresses the entire agreement of the parties with respect to the matters contained in the Lease and this Amendment. There are no other representations, oral or written, which in any manner alter its terms.

3.8 Lessee's Representations. Lessee represents and warrants to Lessor that as of the Effective Date, Lessee is the sole owner(s) of the Leasehold Interest created by the Lease with respect to the Property, and Lessee has not assigned or encumbered (in part or in whole) any rights, claims, defenses or offsets it may have had under the Lease prior to the execution of this Amendment. Other than any mortgage of record in the Official Records of San Mateo County that encumbers the Leasehold Interest as of the Effective Date, Lessee has not granted any party a security interest affecting the Property.

3.9 Written Statement of Disclosure. In connection with any subsequent transfers of the Leasehold Interest by Lessee, Lessee shall be solely responsible for providing such disclosure to its assignees.

3.10 Memorandum of Lease Amendment. Concurrently with the execution of this Amendment, the parties shall execute and acknowledge a memorandum of this Amendment in substantially the form of the attached **Schedule 3.9** (the "**Memorandum of**

Lease Amendment”), which Lessor shall cause to be recorded in the Official Records of San Mateo County, California.

3.11 Effect of Amendment. As modified by this Amendment, the Lease remains in full force and effect. All of the provisions added by this Amendment shall be incorporated as terms and conditions of the Lease as of the Effective Date, and future references to the Lease shall be deemed to mean the Lease as modified by this Amendment.

IN WITNESS WHEREOF, Lessor and Lessee have executed this Amendment as of the Effective Date.

LESSOR: THE BOARD OF TRUSTEES OF THE LELAND
STANFORD JUNIOR UNIVERSITY

By: _____

Its: _____

LESSEE: _____

Print Name: _____

Exhibit A
LEGAL DESCRIPTION

**Schedule 1.3(a)(i)
APPRAISAL REQUEST**

To be completed by Lessee

Lessee: _____

Parcel Address: _____

Lessee Request

Lessee hereby requests that Lessor engage a Qualified Appraiser at Lessor's sole expense to conduct an appraisal of the Fee Simple Land Value of the Parcel (the "Lessor Appraisal") in accordance with the Appraisal Guidelines attached to the Lease Amendment.

Lessee Signature

Date

LESSOR ACKNOWLEDGEMENT

To be completed by Lessor

Effective Date of Value of Lessor Appraisal shall be
(date Lessor acknowledges receipt of the Appraisal Request): _____

Lessor Appraisal to be delivered to Lessee on or before
(within thirty (30) days of the date
Lessor receives Appraisal Request): _____

Lessor Signature

Date

This form does not change the terms of the Lease (as amended by the Lease Amendment) in any way, and the terms of the Lease are controlling. Definitions for terms used in this form can be found in the Lease Amendment.

Schedule 1.3(a)(ii)
APPRAISAL GUIDELINES

- (a) **Purpose of the Appraisal:** The purpose of the appraisal is to establish the Market Value of the fee simple interest in the subject Parcel. The Parcel commonly known as _____ [*insert subject property street address*].
- (b) **Hypothetical Property Condition – Vacant Site:** The appraisal is to assume the Parcel to be a finished, vacant lot, with existing site grading, streets, off-site utilities to the curb and other supporting infrastructure, but excluding the Residence and all other improvements on the Parcel.
- (c) **Client and Intended Use of the Appraisal:** The client is _____ (*the client is the person who engages the appraiser to perform the assignment*). This appraisal is to be utilized exclusively by the client and Stanford University to assist in determining the Extension Fee for a ground lease extension.
- (d) **Property Rights Appraised:** The fee simple estate is to be appraised, defined as absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat. The ground lease with Stanford University is to be disregarded.
- (e) **“Market Value”** is defined as “the most probable price that the specified property interest should sell for in a competitive market after a reasonable exposure time, as of a specified date, in cash, or in terms equivalent to cash, under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, for self-interest, and assuming that neither is under duress.”
- (f) **Exposure Time:** Exposure time consists of the reasonable marketing period for the Parcel preceding the Effective Date of Value (defined below). The exposure time presumes an adequate, sufficient, and reasonable marketing effort. The appraisal shall include an opinion of the reasonable exposure time reflecting market conditions as of the Effective Date of Value.
- (g) **Highest and Best Use:** The highest and best use of the Parcel shall be assumed to be for one single-family residence, consistent with the use provisions of the Lease.
- (h) **Effective Date of Value:** The date of the appraised value shall be specified in the appraisal as the “**Effective Date of Value**”.
- (i) **Applicable Valuation Techniques:** For the appraised Parcel, the sales comparison approach, utilizing sales of individual vacant lots and sales of improved properties for land value only, shall be the primary appraisal technique. For this appraisal, sales of improved properties for land value only means that the purchaser intends to demolish the existing improvements, or in fact has demolished the existing improvements after the purchase. Absent any comparable sales of vacant lots and land-value properties, the market extraction technique shall be the secondary valuation technique. By the market extraction technique, land value is extracted from the sale price of an improved property comparable sale by deducting the contributory value of the improvements.

- (j) **Comparable Sales:** The primary location of the comparable sales, including vacant lots and improved properties, utilized in the sales comparison approach and/or market extraction technique, shall be within the Comparable Area, as defined below.
- (k) **Comparable Area:** The “Comparable Area” shall mean the Woodside/Portola Valley residential neighborhoods in the general vicinity of the Parcel: provided, however, that if in the professional opinion of the appraiser there are too few comparable sales in the Comparable Area, the Qualified Appraiser may use other comparable transactions in other proximate neighborhoods, if necessary, so long as the Qualified Appraiser provides a written explanation justifying the reasons for doing so, and continues to use comparables in the Comparable Area as the primary basis for determining the Fee Simple Land Value. Sales of the 11 Stanford leasehold estates located within the Town of Woodside shall be excluded as comparable sales, as these transactions are leaseholds with prices impacted by the terms and conditions of the Lease.
- (l) **Appraiser Qualifications:** The appraiser must indicate that he or she is licensed in the State of California and an MAI or SRA designated member of the Appraisal Institute (or should the Appraisal Institute cease to exist, the successor organization and/or equivalent designations) with not less than five years of experience appraising single-family residential properties in the southern San Mateo County/northern Santa Clara County area. The appraiser must determine, prior to accepting the assignment, that he or she can perform the assignment in accord with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation, and the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- (m) Any appraiser whose Lessee Appraisals (as defined in **Schedule 1.5** of this Amendment) are not averaged with a Third Appraisal, as defined in **Schedule 1.5** of this Amendment, (when a Third Appraisal is required) more than Five (5) times in any two-year period shall be disqualified from an engagement by Lessee, and Lessor shall notify Lessee of such disqualification.
- (n) Lessor reserves the right to make reasonable modifications to these guidelines to conform to changes in appraisal practices.

Schedule 1.3(b)
EXTENSION NOTICE

To be completed by Lessee

Lessee: _____

Parcel Address: _____

Extension Request

Current Lease Expiration Date: _____

Number of Extension Months Requested (no partial months—new Term after extension cannot exceed 612 months (51 years) from Extension Fee Payment Date): _____

Election Regarding Lessor Appraisal (please check the appropriate box):

- Lessee accepts Lessor Appraisal of: \$ _____
- Lessee rejects Lessor Appraisal and provides Lessee Appraisal (attached) of: \$ _____

Extension Fee Payment Method (please check the appropriate box):

- Cashier's check
- Funded through escrow as part of Third-Party Sale of the Leasehold Interest

Extension Fee Payment Date

(date Lessee expects to remit Extension Fee to Lessor): _____

Lessee Signature

Date

Required Attachments to This Form

- ❖ Lessee Appraisal, if applicable pursuant to above

LESSOR ACKNOWLEDGEMENT

To be completed by Lessor

Extension Notice Date

(date Lessor deems this Notice complete): _____

Third Appraisal Required: Yes No

Lessor Signature

Date

This form does not change the terms of the Lease (as amended by the Lease Amendment) in any way, and the terms of the Lease are controlling. Definitions for terms used in this form can be found in the Lease Amendment.

Schedule 1.4(a)
EXTENSION FACTOR SCHEDULE

Lease Years Remaining	Lease Months Remaining	Extension Factor	Lease Years Remaining	Lease Months Remaining	Extension Factor	Lease Years Remaining	Lease Months Remaining	Extension Factor
51	612	14.326%	47	564	16.684%	43	516	19.431%
	611	14.372%		563	16.738%		515	19.493%
	610	14.417%		562	16.791%		514	19.555%
	609	14.463%		561	16.844%		513	19.617%
	608	14.509%		560	16.898%		512	19.679%
	607	14.555%		559	16.951%		511	19.742%
	606	14.602%		558	17.005%		510	19.805%
	605	14.648%		557	17.059%		509	19.868%
	604	14.695%		556	17.114%		508	19.931%
	603	14.741%		555	17.168%		507	19.994%
602	14.788%	554	17.223%	506	20.058%			
601	14.835%	553	17.277%	505	20.122%			
50	600	14.882%	46	552	17.332%	42	504	20.186%
	599	14.930%		551	17.388%		503	20.250%
	598	14.977%		550	17.443%		502	20.314%
	597	15.025%		549	17.498%		501	20.379%
	596	15.073%		548	17.554%		500	20.444%
	595	15.121%		547	17.610%		499	20.509%
	594	15.169%		546	17.666%		498	20.574%
	593	15.217%		545	17.722%		497	20.639%
	592	15.265%		544	17.778%		496	20.705%
	591	15.314%		543	17.835%		495	20.771%
590	15.362%	542	17.892%	494	20.837%			
589	15.411%	541	17.948%	493	20.903%			
49	588	15.460%	45	540	18.005%	41	492	20.970%
	587	15.509%		539	18.063%		491	21.036%
	586	15.559%		538	18.120%		490	21.103%
	585	15.608%		537	18.178%		489	21.170%
	584	15.658%		536	18.236%		488	21.238%
	583	15.708%		535	18.294%		487	21.305%
	582	15.758%		534	18.352%		486	21.373%
	581	15.808%		533	18.410%		485	21.441%
	580	15.858%		532	18.469%		484	21.509%
	579	15.908%		531	18.527%		483	21.578%
578	15.959%	530	18.586%	482	21.646%			
577	16.010%	529	18.645%	481	21.715%			
48	576	16.061%	44	528	18.705%	40	480	21.784%
	575	16.112%		527	18.764%		479	21.853%
	574	16.163%		526	18.824%		478	21.923%
	573	16.214%		525	18.884%		477	21.992%
	572	16.266%		524	18.944%		476	22.062%
	571	16.318%		523	19.004%		475	22.133%
	570	16.370%		522	19.064%		474	22.203%
	569	16.422%		521	19.125%		473	22.274%
	568	16.474%		520	19.186%		472	22.344%
	567	16.526%		519	19.247%		471	22.415%
566	16.579%	518	19.308%	470	22.487%			
565	16.632%	517	19.370%	469	22.558%			

Schedule 1.4(a)
EXTENSION FACTOR SCHEDULE (continued)

Lease Years Remaining	Lease Months Remaining	Extension Factor	Lease Years Remaining	Lease Months Remaining	Extension Factor	Lease Years Remaining	Lease Months Remaining	Extension Factor
39	468	22.630%	35	420	26.355%	31	372	30.694%
	467	22.702%		419	26.439%		371	30.792%
	466	22.774%		418	26.523%		370	30.890%
	465	22.847%		417	26.608%		369	30.988%
	464	22.919%		416	26.692%		368	31.087%
	463	22.992%		415	26.777%		367	31.185%
	462	23.065%		414	26.862%		366	31.285%
	461	23.139%		413	26.948%		365	31.384%
	460	23.212%		412	27.033%		364	31.484%
	459	23.286%		411	27.119%		363	31.584%
	458	23.360%		410	27.206%		362	31.684%
457	23.434%	409	27.292%	361	31.785%			
38	456	23.509%	34	408	27.379%	30	360	31.886%
	455	23.584%		407	27.466%		359	31.988%
	454	23.659%		406	27.553%		358	32.089%
	453	23.734%		405	27.641%		357	32.191%
	452	23.809%		404	27.729%		356	32.294%
	451	23.885%		403	27.817%		355	32.396%
	450	23.961%		402	27.906%		354	32.500%
	449	24.037%		401	27.994%		353	32.603%
	448	24.114%		400	28.083%		352	32.707%
	447	24.190%		399	28.173%		351	32.811%
	446	24.267%		398	28.262%		350	32.915%
445	24.344%	397	28.352%	349	33.020%			
37	444	24.422%	33	396	28.442%	29	348	33.125%
	443	24.499%		395	28.533%		347	33.230%
	442	24.577%		394	28.623%		346	33.336%
	441	24.656%		393	28.714%		345	33.442%
	440	24.734%		392	28.806%		344	33.548%
	439	24.813%		391	28.897%		343	33.655%
	438	24.891%		390	28.989%		342	33.762%
	437	24.971%		389	29.081%		341	33.869%
	436	25.050%		388	29.174%		340	33.977%
	435	25.130%		387	29.267%		339	34.085%
	434	25.210%		386	29.360%		338	34.193%
433	25.290%	385	29.453%	337	34.302%			
36	432	25.370%	32	384	29.547%	28	336	34.411%
	431	25.451%		383	29.641%		335	34.520%
	430	25.532%		382	29.735%		334	34.630%
	429	25.613%		381	29.830%		333	34.740%
	428	25.694%		380	29.924%		332	34.851%
	427	25.776%		379	30.020%		331	34.962%
	426	25.858%		378	30.115%		330	35.073%
	425	25.940%		377	30.211%		329	35.184%
	424	26.023%		376	30.307%		328	35.296%
	423	26.106%		375	30.403%		327	35.408%
	422	26.189%		374	30.500%		326	35.521%
421	26.272%	373	30.597%	325	35.634%			

Schedule 1.4(a)
EXTENSION FACTOR SCHEDULE (continued)

Lease Years Remaining	Lease Months Remaining	Extension Factor	Lease Years Remaining	Lease Months Remaining	Extension Factor	Lease Years Remaining	Lease Months Remaining	Extension Factor
27	324	35.747%	23	276	41.632%	19	228	48.486%
	323	35.861%		275	41.765%		227	48.640%
	322	35.975%		274	41.897%		226	48.795%
	321	36.089%		273	42.031%		225	48.950%
	320	36.204%		272	42.164%		224	49.106%
	319	36.319%		271	42.298%		223	49.262%
	318	36.435%		270	42.433%		222	49.418%
	317	36.551%		269	42.568%		221	49.576%
	316	36.667%		268	42.703%		220	49.733%
	315	36.783%		267	42.839%		219	49.891%
	314	36.900%		266	42.975%		218	50.050%
313	37.018%	265	43.112%	217	50.209%			
26	312	37.136%	22	264	43.249%	18	216	50.369%
	311	37.254%		263	43.387%		215	50.529%
	310	37.372%		262	43.524%		214	50.690%
	309	37.491%		261	43.663%		213	50.851%
	308	37.610%		260	43.802%		212	51.013%
	307	37.730%		259	43.941%		211	51.175%
	306	37.850%		258	44.081%		210	51.338%
	305	37.970%		257	44.221%		209	51.501%
	304	38.091%		256	44.362%		208	51.665%
	303	38.212%		255	44.503%		207	51.829%
	302	38.333%		254	44.644%		206	51.994%
301	38.455%	253	44.786%	205	52.159%			
25	300	38.578%	21	252	44.929%	17	204	52.325%
	299	38.700%		251	45.071%		203	52.491%
	298	38.823%		250	45.215%		202	52.658%
	297	38.947%		249	45.359%		201	52.826%
	296	39.071%		248	45.503%		200	52.994%
	295	39.195%		247	45.647%		199	53.162%
	294	39.320%		246	45.793%		198	53.331%
	293	39.445%		245	45.938%		197	53.501%
	292	39.570%		244	46.084%		196	53.671%
	291	39.696%		243	46.231%		195	53.842%
	290	39.822%		242	46.378%		194	54.013%
289	39.949%	241	46.525%	193	54.185%			
24	288	40.076%	20	240	46.673%	16	192	54.357%
	287	40.203%		239	46.822%		191	54.530%
	286	40.331%		238	46.971%		190	54.703%
	285	40.459%		237	47.120%		189	54.877%
	284	40.588%		236	47.270%		188	55.052%
	283	40.717%		235	47.420%		187	55.227%
	282	40.847%		234	47.571%		186	55.402%
	281	40.977%		233	47.722%		185	55.579%
	280	41.107%		232	47.874%		184	55.755%
	279	41.238%		231	48.026%		183	55.933%
	278	41.369%		230	48.179%		182	56.110%
277	41.500%	229	48.332%	181	56.289%			

Schedule 1.4(a)
EXTENSION FACTOR SCHEDULE (continued)

Lease Years Remaining	Lease Months Remaining	Extension Factor	Lease Years Remaining	Lease Months Remaining	Extension Factor	Lease Years Remaining	Lease Months Remaining	Extension Factor
15	180	56.468%	11	132	65.764%	7	84	76.590%
	179	56.647%		131	65.973%		83	76.834%
	178	56.828%		130	66.183%		82	77.078%
	177	57.008%		129	66.393%		81	77.323%
	176	57.190%		128	66.604%		80	77.569%
	175	57.371%		127	66.816%		79	77.816%
	174	57.554%		126	67.029%		78	78.063%
	173	57.737%		125	67.242%		77	78.312%
	172	57.921%		124	67.456%		76	78.561%
	171	58.105%		123	67.670%		75	78.810%
	170	58.290%		122	67.885%		74	79.061%
169	58.475%	121	68.101%	73	79.313%			
14	168	58.661%	10	120	68.318%	6	72	79.565%
	167	58.847%		119	68.535%		71	79.818%
	166	59.035%		118	68.753%		70	80.072%
	165	59.222%		117	68.972%		69	80.326%
	164	59.411%		116	69.191%		68	80.582%
	163	59.600%		115	69.411%		67	80.838%
	162	59.789%		114	69.632%		66	81.095%
	161	59.979%		113	69.853%		65	81.353%
	160	60.170%		112	70.075%		64	81.612%
	159	60.361%		111	70.298%		63	81.871%
	158	60.553%		110	70.522%		62	82.131%
157	60.746%	109	70.746%	61	82.393%			
13	156	60.939%	9	108	70.971%	5	60	82.655%
	155	61.133%		107	71.197%		59	82.917%
	154	61.327%		106	71.423%		58	83.181%
	153	61.522%		105	71.650%		57	83.446%
	152	61.718%		104	71.878%		56	83.711%
	151	61.914%		103	72.107%		55	83.977%
	150	62.111%		102	72.336%		54	84.244%
	149	62.308%		101	72.566%		53	84.512%
	148	62.507%		100	72.797%		52	84.781%
	147	62.705%		99	73.028%		51	85.051%
	146	62.905%		98	73.260%		50	85.321%
145	63.105%	97	73.493%	49	85.592%			
12	144	63.305%	8	96	73.727%	4	48	85.865%
	143	63.507%		95	73.962%		47	86.138%
	142	63.709%		94	74.197%		46	86.412%
	141	63.911%		93	74.433%		45	86.686%
	140	64.115%		92	74.669%		44	86.962%
	139	64.318%		91	74.907%		43	87.238%
	138	64.523%		90	75.145%		42	87.516%
	137	64.728%		89	75.384%		41	87.794%
	136	64.934%		88	75.624%		40	88.073%
	135	65.141%		87	75.864%		39	88.353%
	134	65.348%		86	76.106%		38	88.634%
133	65.555%	85	76.348%	37	88.916%			

Schedule 1.4(a)
EXTENSION FACTOR SCHEDULE (continued)

Lease Years Remaining	Lease Months Remaining	Extension Factor
3	36	89.199%
	35	89.483%
	34	89.767%
	33	90.053%
	32	90.339%
	31	90.626%
	30	90.915%
	29	91.204%
	28	91.494%
	27	91.785%
	26	92.077%
25	92.369%	
2	24	92.663%
	23	92.958%
	22	93.253%
	21	93.550%
	20	93.847%
	19	94.146%
	18	94.445%
	17	94.746%
	16	95.047%
	15	95.349%
	14	95.652%
13	95.957%	
1	12	96.262%
	11	96.568%
	10	96.875%
	9	97.183%
	8	97.492%
	7	97.802%
	6	98.113%
	5	98.425%
	4	98.738%
	3	99.052%
	2	99.367%
1	99.683%	
0	0	100.000%

Schedule 1.4(b)
EXTENSION FEE CALCULATION EXAMPLE

If a Lessee exercises the Extension Right when there are 36 years remaining on the Lease Term (432 calendar months) and wants to extend the Lease by an additional 15 years to create the maximum allowable term of 51 years (612 calendar months), and the Fee Simple Land Value of the Parcel has been determined to be \$3,800,000, the first step to calculating the Extension Fee is to determine the Extension Factors in the Extension Fee Formula. The Extension Factor corresponding to the current Term of 432 calendar months is 25.370%, and the Extension Factor corresponding to the new desired Term of 612 calendar months is 14.326%. The difference between these two Extension Factors is $25.370\% - 14.326\% = 11.044\%$. The Extension Fee can now be calculated as follows: $11.044\% \times \$3,800,000 = \$419,672$. If, instead, Lessee only desires a 10-year Lease extension to create a new Term of 46 years (552 calendar months), the Extension Factor corresponding to the desired new Term would change to 17.332%. In this case, the Extension Fee would be calculated as follows: $25.370\% - 17.332\% = 8.038\%$, which is multiplied by \$3,800,000 to result in an Extension Fee of \$305,444.

Schedule 1.5

ESTABLISHMENT OF FEE SIMPLE LAND VALUE

(a) At any time Lessee exercises the Extension Right, Lessee shall indicate on the Extension Notice whether Lessee accepts or declines the Fee Simple Land Value of the Parcel specified in the unexpired Lessor Appraisal as defined in **Section 1.3(a)** of this Amendment.

(b) If Lessee declines the Lessor Appraisal but wants to proceed with the exercise of the Extension Right, Lessee shall engage a Qualified Appraiser at its sole expense prior to submitting the Extension Notice, who shall provide a written appraisal of the Fee Simple Land Value of the Parcel (the "**Lessee Appraisal**") in accordance with the Appraisal Guidelines. The Effective Date of Value of the Lessee Appraisal shall be no earlier than thirty (30) days prior to, and no later than, the Extension Notice Date. Upon request by Lessee, Lessor shall make available a list of at least three (3) Qualified Appraisers (the "**Appraiser List**"), but except as provided in the Appraisal Guidelines, Lessee will have the right to select any Qualified Appraiser to conduct the Lessee Appraisal, whether or not included on the Appraiser List. Lessor shall have the right to modify the Appraiser List from time to time in Lessor's sole discretion. The Lessee Appraisal, if any, shall be delivered to Lessor concurrently with the Extension Notice.

(i) If the Lessee Appraisal and the Lessor Appraisal differ by an amount that is equal to or less than ten percent (10%) of the higher of the two appraised values, the two appraised values will be averaged to determine the Fee Simple Land Value of the Parcel.

(ii) If the Lessee Appraisal and the Lessor Appraisal differ by more than ten percent (10%) of the higher of the two appraised values, then within ten (10) business days after the Extension Notice Date, Lessee shall select a third appraiser, who must be on the Appraiser List and who will be engaged by Lessor. The third appraiser will within forty-five (45) days from the Extension Notice Date make an independent determination of the Fee Simple Land Value of the Parcel (the "**Third Appraisal**") in accordance with the Appraisal Guidelines and submit such determination to Lessor and Lessee. The Third Appraisal will then be averaged with the closer (in dollars) of either the Lessor Appraisal or the Lessee Appraisal to determine the final Fee Simple Land Value of the Parcel; if the Third Appraisal is exactly the average of the values in the Lessor Appraisal and Lessee Appraisal, the Third Appraisal shall determine the final Fee Simple Land Value of the Parcel. The Effective Date of Value in the Third Appraisal shall be the same as in the Lessee Appraisal. The Third Appraisal shall be paid for by the party whose appraisal was not averaged with the Third Appraisal to arrive at the Fee Simple Land Value of the Parcel.

(c) Both the Lessee Appraisal and the Third Appraisal, if applicable, shall be valid for six (6) full months from the Extension Notice Date. If the Lessee Appraisal and any applicable Third Appraisal expire during the appraisal process, Lessee must deliver a new Extension Notice, and the Fee Simple Land Value of the Parcel shall be determined pursuant to the process outlined in Sections (a) and (b) above. The Extension Fee shall be recalculated once the Fee Simple Land Value of the Parcel is re-determined. If the Extension Fee Payment Date has not occurred before the expiration of the Lessor Appraisal, a new Appraisal Request and Extension Notice must be filed and the appraisal process shall start over, as outlined in Sections (a) and (b) above. If the expired Lessor Appraisal was declined and the appraisal process then underway included a Lessee Appraisal and a Third Appraisal, if applicable, that have not yet expired, Lessee may elect to apply the existing appraisals to the updated Lessor Appraisal or obtain a new updated Lessee Appraisal pursuant to Section (b) above. Lessee shall notify Lessor of such election in the revised Extension Notice. Under any of the circumstances

described above, the Extension Fee shall be recalculated as necessary once the Fee Simple Land Value of the Parcel has been re-determined.

(d) If Lessee accepts the Lessor Appraisal, or the difference between the two appraisals is equal to or less than ten percent (10%) of the higher of the two appraisals, as described in Section (b)(i) above, then within ten (10) business days after the Extension Notice Date, Lessor shall provide a calculation of the Extension Fee and deliver it to Lessee in substantially the form attached to this **Schedule 1.5** as **Attachment A** (the “**Extension Fee Calculation**”), along with two (2) execution originals of an amendment of the Lease (in substantially the form attached to this **Schedule 1.5** as **Attachment B**) that identifies the new Lease Expiration Date (the “**Extension Amendment**”), and a recordable memorandum of the Extension Amendment (in substantially the form attached to this **Schedule 1.5** as **Attachment C**) (the “**Memorandum of Extension Amendment**”). If a Third Appraisal is necessary, as described in Section (b) above, or if any appraisals are updated pursuant to this **Schedule 1.5**, Lessor shall deliver the Extension Fee Calculation, the Extension Amendment and the Memorandum of Extension Amendment within ten (10) business days after the date the Fee Simple Land Value of the Parcel can be finally determined. Lessee agrees that except as provided in this **Schedule 1.5**, neither the Lessor Appraisal nor the determination of the Qualified Appraiser engaged pursuant to Section (b)(ii) above shall be appealable.

Attachment A to Schedule 1.5 EXTENSION FEE CALCULATION

To be completed by Lessor

Lessee: _____

Parcel Address: _____

I. Determination of Fee Simple Land Value of the Parcel

- | | |
|--|----------|
| <input type="checkbox"/> Lessor Appraisal (if accepted by Lessee): | \$ _____ |
| <input type="checkbox"/> Average of Lessee Appraisal and Lessor Appraisal
(if <i>difference</i> between the two is less than or equal to
10% of the higher of the two values): | \$ _____ |
| <input type="checkbox"/> Average of Third Appraisal with Closer (in dollars) of
 Lessee Appraisal or Lessor Appraisal
(if the above <i>difference</i> is higher than 10%): | \$ _____ |

II. Extension Fee Calculation

- | | |
|--|-------|
| A. Extension Fee Payment Date: | _____ |
| B. Current Term Expressed in Full Calendar Months
(full calendar months remaining in the then-current Term as of the
Extension Fee Payment Date): | _____ |
| C. Current Term Extension Factor
(% from Extension Factor Schedule): | _____ |
| D. Requested New Term Expressed in Full Calendar Months
(the current Term plus the Extension Term,
maximum of 612 months): | _____ |
| E. New Term Extension Factor
(% from Extension Factor Schedule): | _____ |
| F. Extension Factor to be Applied to Fee Simple Land Value
 of the Parcel (C minus E): | _____ |

G. Extension Fee (F multiplied by Fee Simple Land Value of the Parcel as determined above):

_____	X	_____	=	_____
Extension Factor (F)		Fee Simple Land Value		Extension Fee

Date

This form does not change the terms of the Lease (as amended by the Lease Amendment) in any way, and the terms of the Lease are controlling. Definitions for terms used in this form can be found in the Lease Amendment.

**Attachment B to Schedule 1.5
EXTENSION AMENDMENT**

[_____] **LEASE AMENDMENT**

(Insert number of amendment, depending on number of previous extensions)

This _____ Lease Amendment (the “**Amendment**”) is made and entered into as of _____ (the “**Effective Date**”), 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 (“**Lessor**”), and _____ (“**Lessee**”) in the following context:

A. Lessor and Lessee are the current parties to that certain Lease with respect to that certain real property known as _____, Woodside, California dated as of _____ (and as subsequently amended, the “**Lease**”). Capitalized terms used herein and not defined shall have the meanings given to them in the Lease. Pursuant to the terms of the Lease and any previous amendments, the Term of the Lease is currently scheduled to expire as of _____.

B. Lessee hereby represents and warrants to Lessor that as of the Effective Date, Lessee is the sole owner of the Leasehold Interest created by the Lease, and Lessee has not assigned or encumbered (in part or in whole) any rights, claims, defenses or offsets it may have had under the Lease prior to the execution of this Amendment. Other than any mortgage of record in the Official Records of San Mateo County as of the Effective Date, Lessee has not granted any party a security interest in the Property.

C. Lessor and Lessee now desire to extend the Term of the Lease, as described in this Amendment.

NOW, THEREFORE, the parties agree as follows:

1. Extension of Term. The Term of the Lease is hereby extended, with a new Lease Expiration Date of _____, unless earlier terminated or further extended as provided in the Lease.

2. Effect of Amendment. As modified by this Amendment, the Lease remains in full force and effect. All of the provisions added by this Amendment shall be incorporated as terms and conditions of the Lease as of the Effective Date, and future references to the Lease shall be deemed to mean the Lease as modified by this Amendment.

3. Counterparts. This Amendment may be executed in counterparts, each of which shall constitute an original and all of which taken together shall constitute one instrument.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have executed this Amendment as of the Effective Date.

LESSOR:	LESSEE:
THE BOARD OF TRUSTEES OF THE LELAND STANFORD JUNIOR UNIVERSITY, a body having corporate powers under the laws of the State of California By: _____ Its: _____	_____ [INSERT NAME]

Attachment C to Schedule 1.5
MEMORANDUM OF EXTENSION AMENDMENT

Recording Requested By
and When Recorded Return To:

THE UNDERSIGNED DECLARE THAT NO DOCUMENTARY TRANSFER TAX IS DUE UNDER REVENUE AND TAXATION CODE SECTION 11911. THERE IS NO TAXABLE TRANSFER OF REAL PROPERTY AS THIS IS A FURTHER EXTENSION OF TERM OF A RESIDENTIAL LAND LEASE WITH AN ORIGINAL TERM OF MORE THAN 35 YEARS.

MEMORANDUM OF EXTENSION AMENDMENT

THIS MEMORANDUM OF EXTENSION AMENDMENT is entered into as of _____ (the “**Effective Date**”), 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 (“**Lessor**”), and _____ (“**Lessee**”).

A. Lessor is the owner of that certain property located in Woodside, California, commonly known as _____, and more particularly described in attached **Exhibit “A”** (the “**Property**”).

B. Lessor and Lessee are the current parties to that certain Lease with respect to that certain real property known as _____, Woodside, California dated as of _____ (and as subsequently amended, the “**Lease**”).

C. In reliance upon Lessee’s representation and warranty that as of the Effective Date of the Extension Amendment, Lessee is the sole owner of the leasehold estate created by the Lease, Lessor has entered into that certain Lease Amendment dated as of _____ (the “**Extension Amendment**”) with Lessee, pursuant to which the Term of the Lease has been extended.

NOW THEREFORE, for valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

1. **Extension Term.** The Term of the Lease is hereby extended, with a new Lease Expiration Date of _____.

2. **Controlling Document.** This Memorandum of Extension Amendment is subject to all the terms and conditions of the Lease and the Extension Amendment. Should there be any inconsistency between the terms of this instrument and the Lease, the terms of the Lease shall prevail.

3. **Effect of Amendment.** As modified by this Extension Amendment, the Lease remains in full force and effect. All of the provisions added by this Extension Amendment shall be incorporated as terms and conditions of the Lease as of the Effective Date, and future references to the Lease shall be deemed to mean the Lease as modified by this Extension Amendment.

4. **Counterparts.** This Memorandum of Extension Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Memorandum of Extension Amendment as of the Effective Date.

LESSOR:

THE BOARD OF TRUSTEES OF THE LELAND
STANFORD JUNIOR UNIVERSITY

By: _____

Its: _____

LESSEE:

[LEGAL DESCRIPTION AND ACKNOWLEDGEMENTS TO BE ATTACHED]

Schedule 2.2
NOTICE OF INTENT TO SELL

To be completed by Lessee

Lessee: _____

Parcel Address: _____

Lessee Offer

Current Lease Expiration Date: _____

Lessee Offer Price (for current Term): \$ _____

Other Material Terms: _____

Lessee Signature

Date

Required Attachments to This Form

- ❖ Real Estate Transfer Disclosure Statement

LESSOR ACKNOWLEDGEMENT

To be completed by Lessor

Lessee Offer Date

(date Lessor deems this Notice complete): _____

Requested Date of Property Walk-Through

(within five (5) business days of Lessee Offer Date): _____

Lessor Signature

Date

This form does not change the terms of the Lease (as amended by the Lease Amendment) in any way, and the terms of the Lease are controlling. Definitions for terms used in this form can be found in the Lease Amendment.

Schedule 2.4
LESSOR ROFO RESPONSE

To be completed by Lessor

Lessee: _____

Parcel Address: _____

Lessor Election

Lessor Accepts Lessee Offer

Outside date to execute purchase and sale contract: _____

Lessor Rejects Lessee Offer

Threshold Price (95% of Lessee Offer Price): \$ _____

Outside Closing Date for Third-Party Sale
(12 months from Lessee Offer Date): _____

Lessor Signature

Date

Required Attachments to This Form

- ❖ Copy of completed Notice of Intent to Sell
- ❖ Purchase and sale contract if Lessor accepts Lessee Offer

LESSEE ACKNOWLEDGEMENT

To be completed by Lessee

Lessee acknowledges receipt of Lessor ROFO Response and Lessor election regarding the Lessee Offer.

Lessee Signature

Date

This form does not change the terms of the Lease (as amended by the Lease Amendment) in any way, and the terms of the Lease are controlling. Definitions for terms used in this form can be found in the Lease Amendment.

Schedule 2.6(a)
NOTICE OF PENDING SALE

To be completed by Lessee

Lessee: _____

Parcel Address: _____

Third-Party Offer

A. Third-Party Offer Price: \$ _____

B. Estimated Closing Date for Third-Party Sale: _____

C. Other Material Terms of Third-Party Offer:

Lessee Signature

Date

Required Attachments to This Form

- ❖ Copy of the applicable Notice of Intent to Sell
- ❖ Copy of the applicable Lessor ROFO Response
- ❖ Copy of the applicable Extension Notice
- ❖ Copy of the Third-Party Offer documents

LESSOR ACKNOWLEDGEMENT

To be completed by Lessor

Notice of Sale Date

(within two (2) business days of receipt): _____

Outside Lessor Response Date

(three (3) business days from Notice of Sale Date): _____

Lessor Signature

Date

This form does not change the terms of the Lease (as amended by the Lease Amendment) in any way, and the terms of the Lease are controlling. Definitions for terms used in this form can be found in the Lease Amendment.

Schedule 2.6(b)
LESSOR SALE RESPONSE

To be completed by Lessor

Lessee: _____

Parcel Address: _____

Determination of Net Sale Price

A. Third-Party Offer Price: \$ _____

B. Extension Fee (if applicable): \$ _____

C. Net Sale Price (A minus B): \$ _____

D. Threshold Price (95% of Lessee Offer Price): \$ _____

Lessor Response

Third-Party Offer is Deemed a Permitted Sale

(all three conditions below are met):

Net Sale Price \geq Threshold Price

Other Material Terms not significantly different than terms in Notice of Intent to Sell

Closing date of Third-Party Sale to occur prior to Outside Closing Date

Third-Party Offer Subject to Match by Lessor

(all three conditions above are not met):

Lessor will match the terms and conditions of the Third-Party Offer, and will purchase the Leasehold Interest for the Net Sale Price.

Outside date to execute a purchase and sale contract: _____

Lessor elects **NOT** to purchase the Leasehold Interest and the Third-Party Offer is deemed a Permitted Sale

Lessor Signature

Date

Required Attachments to This Form

❖ Extension Fee Calculation, if applicable

❖ Lessor purchase and sale contract, if applicable

This form does not change the terms of the Lease (as amended by the Lease Amendment) in any way, and the terms of the Lease are controlling. Definitions for terms used in this form can be found in the Lease Amendment.

Schedule 2.6(e)
NOTICE OF ASSIGNMENT

To be completed by Lessee

Seller of Leasehold Interest: _____

Parcel Address: _____

Final Sale Information

Date Third-Party Sale Closed: _____

Successor Lessee (buyer of Leasehold Interest): _____

Required Attachments to This Form

- ❖ Copy of final third-party purchase and sale contract
- ❖ Final escrow closing statement
- ❖ Instrument conveying title to Leasehold Interest in Property to Buyer of Leasehold Interest

LESSOR ACKNOWLEDGEMENT

To be completed by Lessor

- Sale Remains a Permitted Sale.
- Sale is NOT a Permitted Sale and no lease extensions will be granted to the Successor Lessee or any future Successor Lessees due to the following reasons: _____

Lessor acknowledges assignment of Lease and recognizes Successor Lessee.

Lessor Signature

Date

This form does not change the terms of the Lease (as amended by the Lease Amendment) in any way, and the terms of the Lease are controlling. Definitions for terms used in this form can be found in the Lease Amendment.

Schedule 3.9
MEMORANDUM OF LEASE AMENDMENT

Recording Requested By
and when Recorded Return To:

THE UNDERSIGNED DECLARE THAT NO DOCUMENTARY TRANSFER TAX IS DUE UNDER REVENUE AND TAXATION CODE SECTION 11911. THERE IS NO TAXABLE TRANSFER OF REAL PROPERTY AS THIS IS A FURTHER EXTENSION OF TERM OF A RESIDENTIAL LAND LEASE THAT ALREADY HAS A REMAINING TERM OF MORE THAN 35 YEARS.

MEMORANDUM OF LEASE AMENDMENT

THIS MEMORANDUM OF LEASE AMENDMENT is entered into as of _____ (the "**Effective Date**"), 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 ("**Lessor**"), and _____ ("**Lessee**").

A. Lessor is the owner of that certain property located in Woodside, California, commonly known as _____, and more particularly described in attached **Exhibit A** (the "**Property**").

B. Lessor and Lessee are the current parties to that certain Lease with respect to the Property dated as of _____ (and as subsequently amended, the "**Lease**"), whereby Lessor leased the Property to Lessee's predecessor-in-interest for a term of ninety-nine (99) years, commencing on _____ and ending on _____. The Property includes a single-family home and other improvements.

C. Lessor and Lessee are the parties to that certain Lease Amendment dated as of _____, 2017 (the "**Lease Amendment**"), a true and correct copy of which is attached as **Exhibit B**, which Lessor and Lessee have entered into, without any monetary consideration being exchanged, to extend the term of the Lease from _____ to _____, to provide for various Lessee options to further extend the term of the Lease and to provide Lessor a right of first offer to purchase the leasehold on terms Lessee proposes should Lessee ever decide to sell its leasehold interest in the Property.

NOW THEREFORE, for valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

1. **Property.** Lessor leases the Property to Lessee and Lessee leases the Property from Lessor, upon the terms and conditions of the Lease, which terms and conditions are incorporated herein by this reference.

2. **Term.** The term of the Lease expires, if not sooner terminated pursuant thereto, on _____ (the “**Term**”).

3. **Extension Right.** Subject to Article 2 of the Lease Amendment, Lessee has the right to extend the Term of the Lease pursuant to Article 1 of the Lease Amendment.

4. **Right of First Offer.** Lessor has a right of first offer to purchase Lessee’s leasehold interest in the Property upon terms presented by Lessee, as more particularly described in Article 2 of the Lease Amendment. Under certain circumstances, Lessor also has the right to match a third-party offer to purchase Lessee’s leasehold interest in the Property, as more particularly described in Section 2.6 of the Lease Amendment. IF LESSEE BREACHES ITS OBLIGATIONS REGARDING LESSOR’S RIGHT OF FIRST OFFER AND LESSOR’S RIGHT TO MATCH A THIRD-PARTY OFFER (IF APPLICABLE), OR BREACHES ANY OTHER REQUIREMENTS OF ARTICLE 2 OF THE LEASE AMENDMENT, OR IF LESSEE MISREPRESENTS ANY MATERIAL INFORMATION REGARDING A THIRD-PARTY OFFER OR ANY MODIFICATIONS OF SUCH OFFER, (A) LESSEE SHALL BE IN BREACH OF THE LEASE, AND SUBJECT TO ALL RIGHTS AND REMEDIES AVAILABLE TO LESSOR UNDER THE LEASE OR PURSUANT TO APPLICABLE LAWS, AND (B) THE RIGHT TO ANY FURTHER LEASE EXTENSIONS (OTHER THAN THOSE PREVIOUSLY EXERCISED AND PAID FOR) SHALL TERMINATE AS TO LESSEE AND ANY SUCCESSOR LESSEE(S), AND THE PROVISIONS OF ARTICLE 1 OF THE LEASE AMENDMENT SHALL HAVE NO FURTHER FORCE OR EFFECT DURING THE REMAINDER OF THE TERM.

5. **Controlling Document.** This Memorandum of Lease Amendment is subject to all the terms and conditions of the Lease and the Lease Amendment. Should there be any inconsistency between the terms of this instrument and the Lease and the Lease Amendment, the terms of the Lease shall prevail.

6. **Effect of Amendment.** As modified by the Lease Amendment, the Lease remains in full force and effect. All of the provisions added by the Lease Amendment shall be incorporated as terms and conditions of the Lease as of the Effective Date, and future references to the Lease shall be deemed to mean the Lease as modified by the Lease Amendment.

7. **Counterparts.** This Memorandum of Lease Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have executed this Memorandum of Lease Amendment as of the Effective Date.

LESSOR:

THE BOARD OF TRUSTEES OF THE LELAND
STANFORD JUNIOR UNIVERSITY

By: _____

Its: _____

LESSEE:

[ACKNOWLEDGEMENTS, LEGAL DESCRIPTION (EX. A)
AND SIGNED COPY OF LEASE AMENDMENT (EX. B) TO BE ATTACHED]