REAL ESTATE LEASE

This Lease Agreement ("Lease") is made effective as of December 1, 2000, by and between the Faye G. Belardi Memorial Board of Trustees ("Landlord") and the Santa Cruz City-County Libraries ("Tenant"). The parties agree as follows:

PREMISES

Landlord, in consideration of the lease payments provided in this Lease, leases to Tenant the premises to be used as a library (the "Premises") located at 6299 Gushee St., Felton, California 95018.

TERM

The lease shall be a month to month tenancy, terminable by either party on thirty days written notice.

LEASE PAYMENTS

Tenant shall pay to Landlord monthly lease payments of \$1,250. per month, payable in advance on the first day of each month. Payments shall be made to the Landlord at c/o Eddy, 7343 Hacienda, Felton, California 95018, unless a new and different address is provided to Tenant by written notice as set forth below. Landlord shall not increase tenant's monthly lease payments for at least two calendar years from the inception of this lease (i.e., the first possible rental increase would be December 1, 2002). Within the next thirty (30) days, tenant shall pay Landlord the additional sum of \$1,320., constituting performance of the parties' agreement that the recently noticed monthly lease payment increase from \$900. to \$1,250. took effect on and after August 8, 2000.

POSSESSION

Tenant shall be entitled to possession on the first day of the term of this Lease and shall yield possession to Landlord on the last day of the term of this Lease, unless otherwise agreed by both parties in writing.

USE OF PREMISES

Tenant may use the Premises only as a public library. The Premises may be used for any other purpose with the prior written consent of Landlord, which shall not be unreasonably withheld. Tenant shall notify Landlord of any anticipated extended absence from the Premises not later than the first day of the extended absence.

MAINTENANCE

Tenant shall have the responsibility to maintain the Premises in a condition comparable to that at the inception of the tenancy. Tenant shall allow Landlord, and its agents, access to the premises for purposes of inspections and necessary repairs.

UTILITIES AND SERVICES

Tenant shall be responsible for all utilties and services in connection with the Premises.

PROPERTY INSURANCE

Landlord and Tenant shall each be responsible to maintain appropriate insurance for their respective interests in the Premises and property located on the Premises.

DEFAULTS

Tenant shall be in default of this Lease, if Tenant fails to fulfill any lease obligation or term by which Tenant is bound. Subject to any governing provisions of law to the contrary, if Tenant fails to cure any financial obligation within 7 days (or any other obligation within 30 days) after written notice of such default is provided by Landlord to Tenant, Landlord may take possession of the Premises without further notice, and without prejudicing Landlord's rights to damages. In the alternative, Landlord may elect to cure any default and the cost of such action shall be added to Tenant's financial obligation under this Lease. Tenant shall pay all costs, damages, and expenses suffered by Landlord by reason of Tenant's defaults. All sums of money or charges required to be paid by Tenant

under this Lease shall be additional rent, whether or not such sums or charges are designated as "additional rent".

ASSIGNABILITY/SUBLETTING

Tenant may not assign or sublease any interest in the Premises, nor effect a change in the majority ownership of the Tenant (from the ownership existing at the inception of this Lease), without the prior written consent of Landlord, which shall not be unreasonably withheld.

NOTICE

Notices under this Lease shall not be deemed valid unless given or served in writing and forwarded by mail, postage prepaid, addressed as follows:

LANDLORD:

Faye G. Belardi Memorial Board of Trustees C/o Eddy 7343 Hacienda Felton, CA 95018

TENANT:

Santa Cruz City-County Libraries 1543 Pacific Avenue Santa Cruz, CA 95060

Such addresses may be changed from time to time by either party by providing notice as set forth above.

ENTIRE AGREEMENT/AMENDMENT

This Lease Agreement contains the entire agreement of the parties and there are no other promises or conditions in any other agreement whether oral or written. This Lease may be modified or amended in writing, if the writing is signed by the party obligated under the amendment.

SEVERABILITY

If any portion of this Lease shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Lease is invalid or unenforceable, but that by limiting such provision, it would become valid and enforceable, then such provision

shall be deemed to be written, construed, and enforced as so limited.

WAIVER

The failure of either party to enforce any provisions of this Lease shall not be construed as a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Lease.

CUMULATIVE RIGHTS

The rights of the parties under this Lease are cumulative, and shall not be construed as exclusive unless otherwise required by law.

GOVERNING LAW

This Lease shall be construed in accordance with the laws of the State of California.

10-27-00 DATED:

Faye G. Belardi Memorial Board of Trustees

Mike Elmore, President

DATED:

Santa Cruz City-County Libraries

Anne M. Turner,