

**RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:**

City of Burlingame
City Hall
501 Primrose Avenue
Burlingame, California 94010

Attn: City Attorney

EXEMPT FROM RECORDING FEES PER
GOVERNMENT CODE §§6103, 27383

Space above this line for Recorder’s use.

APN: _____

DOCUMENTARY TRANSFER TAX IS:
\$0.00. Exempted under Rev. & Tax. Code §
11911 [Lease less than 35 years]

LEASE AGREEMENT

This Lease Agreement (“**Agreement**”) is made _____, 2026 between the City of Burlingame, a California municipal corporation (“**Lessor**”) and Gigi’s Café, LLC. A California limited liability company (“**Lessee**”), collectively referred to herein as the “**Parties**” or singularly as “**Party**.”

RECITALS

WHEREAS, Lessor is the owner of real property and improvements, inclusive of the 590 square foot restaurant building (the “**Depot Building**”), located at 1080 Howard Avenue, Burlingame, California, and more particularly described in **Exhibit A**, attached hereto and incorporated by reference (the “**Premises**”); and

WHEREAS, the Premises includes a single-stall restroom, storage closet, two double doors, a sink, and hookups to domestic water, sewer, Pacific Gas and Electric power and heat;

WHEREAS, the Premises also includes dedicated area for enclosure and storage of up to three (3) bins for garbage, recycling and/or compost, with said storage area to be located generally along the California Drive frontage and measuring no more than 3 feet by 8 feet, in an area to be designated, with approval from the Lessor, in writing by Lessor following the Commencement Date; and

WHEREAS, the Premises does not include any dedicated parking spaces given that Lessee will operate a to-go, takeout-only deli; and

WHEREAS, Lessee desires to continue the operation and maintenance of a to-go, takeout-only deli with facilities for a catering service at the Premises; and

WHEREAS, Lessor and Lessee desire to enter into this Agreement, that the lease of the Premises will be pursuant to the provisions stated in this Agreement, and that this Agreement replaces the Prior Lease in its entirety; and

WHEREAS, the Premises does not include central air conditioning or assigned parking spaces; and

NOW, THEREFORE, the Parties, intending to be legally bound hereby and in consideration for the mutual promises and covenants contained herein and for other good and valuable consideration, agree as follows:

AGREEMENT

1. LEASE OF PREMISES

- 1.1. Agreement to Lease. Lessor agrees to lease the Premises to Lessee. Lessee agrees to lease the Premises from Lessor.
- 1.2. Purpose of Lease. The Parties acknowledge and agree that the primary purpose of this Agreement is the operation of a to-go, takeout-only deli.

2. USE OF PREMISES

- 2.1. Permitted Uses. The Premises shall be used only as a to-go, takeout-only deli (the “**Permitted Use**”).
- 2.2. Change of Use. Any change in the Permitted Use shall constitute a breach of this Agreement by Lessee.
- 2.3. Continuous Operation. Subject to any force majeure, condemnation, closures for remodeling or repairs in accordance with Sections 8, 9, 13, and 14 herein, actions and causes beyond the control of Lessee, and except while the Premises is not occupiable by reason of fire or other unavoidable casualty, Lessee shall continuously use, occupy and operate the Premises solely for Lessee’s Permitted Use and for no other purpose. If any governmental license or permit shall be required for the proper and lawful conduct of Lessee’s Permitted Use, then Lessee, at Lessee’s expense, shall procure and maintain such license or permit. Lessee shall be open and operating for service a minimum of 6 days per week with a minimum of 6 hours per day.
- 2.4. Lessee shall operate the restaurant in a manner calculated to produce the maximum profitable volume of business and to enhance the reputation and attractiveness of the Premises.

- 2.5. No Hazardous Materials. Lessee shall not bring any “**Hazardous Materials**” (as defined in **Exhibit B** attached hereto) onto the Premises, except for those normally and typically incidental to the Permitted Use and only in quantities suitable for immediate use.
- 2.6. Use Inconsistent with Permitted Use. If at any time during the Term of this Agreement the City Council of the City of Burlingame determines that the purposes of this Agreement are inconsistent with public convenience and necessity, and that the Premises shall not be used for said purposes during the remainder of this Agreement, then Lessor shall have the right to terminate this Agreement upon 6 months’ written notice to Lessee. In the event of termination of this Agreement in accordance with this Section, Lessor shall not demolish, destroy, or remove any improvement or structure situated upon the Premises added by Lessee without prior written consent of Lessor.

3. **TERM**

- 3.1. Term. The term of this Agreement is five years (“**Term**”), commencing on the first day of the month after execution of the Agreement (the “**Commencement Date**”) and expiring exactly five years thereafter.
- 3.2. Option to Extend. The Parties acknowledge and agree that Lessee may request to extend the Term by up to two additional five-year terms (each a “**Renewal Term**”) for a maximum of 15 years. Lessee must request to exercise the option for a Renewal Term at least six months but no more than one year prior to expiration of the preceding Term or Renewal Term. If Lessee fails to request a Renewal Term within this time frame, this Agreement shall not be extended. Rent for any Renewal Term is due in accordance with Section 4 below.

4. **RENT**

- 4.1. Rent. “**Rent**” to be paid by Lessee for the Premises shall be comprised of Base Rent and Renewal Term Rent, as applicable.
 - 4.1.1. Base Rent. The base rent to be paid by Lessee for the Premises (“Base Rent”) shall be \$28,800.00 per year, payable by Lessee to Lessor in equal monthly installments of \$2,400.00 commencing on the first day of the first full calendar month following the Commencement Date, and thereafter due and payable in advance on or before the first day of each calendar month during the Term, without setoff or deduction.

Notwithstanding the foregoing, during the first six (6) months following the Commencement Date, Base Rent shall be adjusted as follows:

(a) For the first three (3) months following the Commencement Date, Lessee shall pay Base Rent in the amount of \$200.00 per month while Lessee's work on the Depot Building is in progress, provided that any delay in opening for business is not caused by the fault or omission of Lessee. Rent due under this subsection shall commence on the first day of the first full calendar month following the Commencement Date, and thereafter due and payable in advance on or before the first day of each calendar month during the Term, without setoff or deduction.

(b) For months four (4) through six (6) following the Commencement Date, Lessee shall pay Base Rent in the amount \$400.00 per month.

(c) If Lessee is issued a certificate of occupancy prior to the expiration of the initial 6-month period, the monthly Base Rent shall immediately increase to \$2,100.00 per month and shall continue at such rate until the first anniversary of the Commencement Date, after which the monthly Base Rent shall increase to \$2,400.00 per month.

(d) If Lessee does not obtain a certificate of occupancy prior to expiration of the initial 6-month period, Lessee shall pay Base Rent at a rate of \$2,100.00 per month until such time as the certificate is obtained, except that the Base Rent shall be \$2,400.00 per month beginning on the first anniversary of the Commencement Date regardless of whether the business has received a certificate of occupancy.

The Lessor recognizes and acknowledges that the rent for the first year following the Commencement Date may not amount to the full \$28,800.00 in Base Rent. Lessee recognizes and acknowledges that the Annual Base Rent Adjustment detailed in section 4.1.2 below shall be based upon the Base Rent of \$28,800.00 despite the initial Base Rent reductions for the first year of the Term contemplated in subsections (a)-(d) above. Lessee further recognizes and acknowledges that Base Rent paid pursuant to subsections (c)-(d) above shall be prorated based on the date that the certificate of occupancy is issued and calculated based on the total number of days in that month.

4.1.2. Annual Base Rent Adjustment. Beginning on the second anniversary of the Commencement Date, Base Rent shall increase annually at the end of each 12-month period by any increase in the Consumer Price Index as determined by the U.S. Bureau of Labor Statistics for all Urban Consumers for the San Francisco/Oakland/San Jose Metropolitan Area for the month of February over the previous year.

- 4.2. Payment of Rent. Lessee shall cause Rent to be delivered within the applicable time periods in Sections 4.1.1 and 4.1.2 to Lessor at the address below, or to such other address as Lessor will notify Lessee in writing:

Finance Department
City of Burlingame
City Hall
501 Primrose Avenue
Burlingame, California 94010

- 4.3. Late Charge. Lessee acknowledges that late payment by Lessee to Lessor of Base Rent will cause Lessor to incur costs not contemplated by this Agreement, the exact amount of such costs being extremely difficult and impracticable to determine. Such costs include, without limitation, processing and accounting charges, and late charges that may be imposed on Lessor by the terms of any encumbrance and note secured by any encumbrance covering the Premises. Therefore, if any installment of Rent due from Lessee is not received by Lessor when due, Lessee shall pay to Lessor an additional sum of five percent of the overdue monthly Rent as a late charge after the fifth day of the due date; provided, however, if the Rent is not paid within fifteen calendar days of the due date, Lessee shall pay to Lessor a sum of ten percent of the overdue monthly Rent as a late charge. The Parties agree that these late charges represent a fair and reasonable estimate of the costs that Lessor will incur by reason of late payment by Lessee.

5. **MAINTENANCE AND INSPECTION OF RECORDS**

- 5.1. Maintenance of Financial Records. Lessee shall keep on the Premises true and complete financial records and accounts of its business operation, which shall be made available to Lessor upon reasonable notice. Lessee shall use regularly accepted accounting principles and procedures in the preparation of its financial records and accounts.
- 5.2. Audit. Lessor shall have the right, from time to time, upon reasonable prior written notice to Lessee, to cause a complete audit of all statements of gross receipts and in connection with such audit to examine Lessee's books of account and records; and Lessee shall make all such records available to Lessor for such examination

6. **TAXES AND ASSESSMENTS**

- 6.1. Personal Property Taxes. Lessee shall pay before delinquency all taxes, assessments, license fees and other charges ("**Taxes**") that are levied and assessed against Lessee's personal property installed on or located on the Premises, and that become payable during the Term. On demand from Lessor, Lessee shall furnish Lessor with satisfactory evidence of these payments.

7. **CONDITION OF PREMISES**

- 7.1. Condition of Premises at Commencement of Term. Lessee takes Premises in “as-is” condition. Lessor shall not be responsible for any preparation of the Premises. Lessee’s taking of possession of the Premises on commencement of the Term shall constitute Lessee’s acknowledgement that the Premises is in good condition.
- 7.2. Condition of Premises at Expiration of Term. Upon expiration of the Term, Lessee shall surrender to Lessor the Premises and all Lessee’s improvements and permitted alterations in as good condition as delivered, ordinary wear and tear excepted.

Lessee shall remove all of its personal property and shall perform all restoration made necessary by removal of such personal property prior to the expiration of the Term.

Lessee shall remove, unless otherwise in default under this Agreement, Lessee’s goods, wares, inventory, merchandise, trade fixtures, furniture, accessories, and signage located on or within the Premises (“**Lessee’s Property**”) not later than the expiration of the Term or termination of this Agreement. For the purposes of this Section, Lessee’s Property does not include kitchen equipment and trade fixtures that are physically attached to the Premises. The Premises shall be delivered clean, with all equipment in working order and pest free. Title to any of Lessee’s Property remaining in or on the Premises or the improvements after such date shall be vested in Lessor without further act or instrument. If Lessee fails to remove Lessee’s Property as required, Lessor may remove, sell or destroy them at Lessee’s expense. Lessee shall bear the reasonable cost of any repair to the Premises as a result of removal, sale or destruction of the trade fixtures.

Lessor may deem abandoned any real or personal property remaining on the Premises after Lessee’s departure. Lessor may remove and sell any abandoned property and retain the proceeds from any such sale.

8. **MAINTENANCE AND REPAIR OF PREMISES**

- 8.1. Lessee’s Duty to Maintain. Lessee covenants and agrees, throughout the Term, without cost to Lessor, to take good care of the Premises and to maintain the same in good order and condition. Lessee shall promptly, at Lessee’s own cost and expense, make all necessary repairs to the interior of the Depot Building, including the HVAC/ventilation system, whether contemplated or not contemplated at the time of execution of this Agreement, and shall keep the Premises in a well maintained, safe, clean, and sanitary condition. Exterior paint and minor interior improvements that pierce interior walls are permitted with prior written City approval, but Lessee shall not pierce the roof or permit ventilation through the

roof. Lessee is permitted to have exterior signage as long as Lessee obtains a City sign permit and the Greyhound logo with Greyhound name is preserved.

- 8.2. Lessor's Duty to Maintain. Lessor covenants and agrees, throughout the Term, without cost to Lessee, to maintain the exterior of the Depot Building, including the roof and foundation.
- 8.3. Repairs. The term “**repairs**” shall include replacements or renewals when necessary, and all such repairs made by Lessee shall be at least equal in quality and class to the original work. Lessee waives any rights created under any law now or hereafter in force to make repairs to the Premises at Lessor's expense. If Lessee constructs, enlarges, alters, repairs, moves, demolishes or changes any structure, electrical, gas, mechanical or plumbing system, the installation of which is regulated by the California Building Code, or causes any such work to be performed, Lessee shall submit an application to the City of Burlingame for a Building Permit and obtain the required Building Permit. Lessee shall keep and maintain all portions of the Premises and the sidewalks adjoining the same in a clean and orderly condition, free of accumulation of dirt, rubbish, and graffiti.
- 8.4. Right of Entry and Inspection of Premises. From time to time during the Term, upon not less than 48 hours prior notice from Lessor, Lessor may enter the Premises, or portions thereof, to determine if Lessee is properly maintaining the Premises. If, following any such inspection by Lessor, Lessor delivers notice of any deficiency to Lessee, Lessee shall promptly prepare and deliver to Lessor Lessee's proposed plan for remedying the indicated deficiencies, and complete the remedial work within 30 days of Lessor's notice. If, within 30 days of receipt of notice, Lessee fails to complete such repairs or maintenance, or to commence diligently and continuously perform such repairs or maintenance (if they cannot be reasonably performed within 30 days) Lessor may make or cause to be made the necessary repairs or maintenance and include the cost thereof on the following monthly Rent.
- 8.5. Failure to Remedy. Lessee's failure to deliver a remedial plan and to complete, within a reasonable time, any remedial work shall be a default under this Agreement. Lessor's failure to deliver, following any Lessor's inspection, any notice of deficiency to Lessee, shall not be a waiver of any default by Lessee under this Section. Lessee shall defend, indemnify and hold Lessor harmless from and against any claim, loss, expense, cost, or liability incurred by Lessor arising out of Lessee's failure to fully and timely fulfill its obligations to maintain and repair the Premises as required by this Section.
- 8.6. Landscaping. Lessee shall maintain all landscaping in and around the Premises.

9. ALTERATIONS TO PREMISES

9.1. Consent Required for Alterations. Lessee shall not make any Alterations to the Premises without Lessor's prior written consent, which shall not be unreasonably withheld. For the purposes of this Section, "**Alterations**" means: (1) any new buildings, structures or outdoor facilities to be located on the Premises, (2) any substantial alterations, remodeling, or rehabilitation of existing buildings, structures, or outdoor facilities, (3) construction of additional spaces or facilities, (4) any other alteration, construction, remodeling or reconstruction. Any Alterations made shall remain on, and be surrendered with, the Premises on expiration or termination of this Agreement. If Lessee makes any approved Alterations to the Premises, such Alterations shall not be commenced until 30 days after Lessor has received notice from Lessee. Such notice shall state the date the Alterations are to commence, so that Lessor can post and record an appropriate notice of non-responsibility.

10. LESSOR'S ENTRY ONTO PREMISES

10.1. Lessor and its authorized representatives shall have the right to enter the Premises at all reasonable times for any of the following purposes:

- a. To determine whether the Premises is in good condition and whether Lessee is complying with its obligations under this Agreement;
- b. To do any necessary maintenance and to make any restoration to the Premises that Lessor has the right or obligation to perform;
- c. To construct, maintain, replace, or add utility facilities, including but not limited to, sanitary sewer mains, storm drain mains, gas mains, water mains, telephone, and electrical distribution facilities;
- d. To serve, post, or keep posted any notices required or allowed under the provisions of this Agreement;
- e. To post "For Sale" or "For Lease" signs at any time during the Term;
- f. To show the Premises to prospective brokers, agents, buyers, tenants or persons interested in an exchange, at any time during the Term; and
- g. To conduct investigations, studies, research, testing and inspections related to future use of the Premises.

10.2. Lessor shall not be liable in any manner for any inconvenience, disturbance, loss of business, nuisance, or other damage arising out of Lessor's entry on the Premises as provided in this Section, except damage resulting from the acts or omissions of Lessor or its authorized representatives.

- 10.3. Lessee shall not be entitled to an abatement or reduction of Rent if Lessor exercises any rights reserved in this Section, except to the extent the exercise of such rights precludes Lessee from using the Premises. Lessor shall conduct its activities on the Premises as allowed in this Section in a manner that will cause the least possible inconvenience, annoyance, or disturbance to Lessee.

11. INSURANCE

- 11.1. At Lessee's sole cost and expense and commencing on the Commencement Date and continuing throughout the Term, Lessee shall keep and maintain in full force and effect policies of insurance pursuant to and in accordance with the requirements set forth in this Section. Lessor shall review and update the insurance requirements no more often than every two years during the Term and shall provide to Lessee written notice of the updated insurance requirements.

11.1.1. General Liability. Lessee and any contractors working on behalf of Lessee at the Premises shall maintain a commercial general liability policy in the amount of Two Million Dollars (\$2,000,000) each occurrence, Four Million Dollars (\$4,000,000) annual aggregate, together such other policy limits as Lessor may require in its reasonable discretion, including coverage for bodily injury, property damage, products, completed operations, and contractual liability coverage. Such policy or policies shall be written on an occurrence basis and shall name the City of Burlingame and its elected and appointed officials, officers, employees, and agents as additional insureds.

11.1.2. Automobile Insurance. Lessee and all contractors working on behalf of Lessee shall maintain a comprehensive automobile liability coverage in the amount of One Million Dollars (\$1,000,000), combined single limit including coverage for any owned or hired and non-owned vehicles and shall furnish or cause to be furnished to Lessor evidence satisfactory to Lessor that Lessee and any contractor with whom Lessee has contracted for the performance of work on the Premises carries workers' compensation insurance as required by law. Automobile liability policies shall name the City of Burlingame and its elected and appointed officials, officers, employees, and agents as additional insureds.

11.1.3. Property Damage and Loss. Lessee shall maintain property insurance covering all risks of loss (other than earthquake), including flood (if required) for 100% of the replacement value of the improvements on the Premises with deductible, if any, in an amount acceptable to Lessor, naming Lessor as loss payee.

11.1.4. Worker's Compensation . Workers' compensation insurance having limits not less than those required by state statute and federal statute, if applicable, and covering all persons employed by Lessee in the conduct of its

operations on the Premises including coverage for all states and, if applicable, voluntary compensation, together with employer's liability insurance coverage in the amount of at least \$1,000,000;

11.1.5. Other Insurance. Any other form or forms of insurance as Lessor may reasonably require from time to time in form, in amounts and for insurance risks against which a prudent tenant would protect itself;

11.1.6. Companies writing the insurance required hereunder shall be licensed to do business in the State of California. Insurance shall be placed with insurers with a current A.M. Best's rating of no less than A-VII.

11.1.7. If any insurance policy or coverage required hereunder is canceled or reduced, Lessee shall, within fifteen (15) days after receipt of notice of such cancellation or reduction in coverage, but in no event later than the effective date of cancellation or reduction, file with Lessor a certificate showing that the required insurance has been reinstated or provided through another insurance company or companies. Upon failure to so file such certificate, Lessor may, without further notice and at its option, procure such insurance coverage at Lessee's expense, and Lessee shall promptly reimburse Lessor for such expense upon receipt of billing from Lessor. Failure to file such certificate shall also constitute an event of default.

11.1.8. Coverage provided by Lessee shall be primary insurance and shall not be contributing with any insurance, or self-insurance maintained by Lessor, and the policies shall so provide. The Lessee's full insurance limit, including limits that exceed the requirements of this Agreement shall be available to cover claims against the Lessor. The insurance policies shall contain a waiver of subrogation for the benefit of the Lessor. Lessee shall furnish the required certificates and endorsements to Lessor prior to execution of this Agreement, and shall provide Lessor with certified copies of the required insurance policies upon request of Lessor.

12. INDEMNIFICATION

12.1. Lessee shall indemnify, defend, protect, save, and hold harmless Lessor and its elected and appointed officials, officers, employees, and agents (all of the foregoing, collectively the "**Indemnitees**") from and against any and all claims, liabilities, losses, damages, fines, penalties, demands, suits, actions, causes of action, judgments, judicial or administrative proceeding, deficiency, order, costs and expenses (including without limitation reasonable attorney's fees and court costs) (all of the foregoing, collectively "**Claims**") which directly or indirectly, in whole or in part, are caused by, arise in connection with, result from, relate to, or

are alleged to be caused by, arise in connection with, or relate to: the construction, renovation, use, operation, or management of, the Premises or the improvements thereon; any breach or default on the part of Lessee in the performance of any covenant or agreement to be performed by Lessee pursuant to this Agreement; any negligence of Lessee or any of its agents, contractors, employees, sublessees or licensees; any accident, injury or damage caused to any person in or on the Premises or the improvements thereon; the furnishing of labor or materials by, to, or from Lessee; or the failure to comply with any applicable laws (including, without limitation, all claims that may be made by contractors, subcontractors or other third party claimants pursuant to Labor Code Sections 1726 and 1781); whether or not any insurance policies shall have been determined to be applicable to any such Claims.

- 12.2. Lessee shall at all times indemnify, defend, protect, save, and hold harmless Lessor from any and all claims for labor and materials in connection with the construction, repair, alternation, or installment of structures, improvements, equipment, fixtures, or facilities at, in, or on the Premises, and from the cost of defending against such claims, including without limitation reasonable attorney's fees and court costs.
- 12.3. It is further agreed that Lessor does not and shall not waive any rights against Lessee which Lessor may have by reason of this indemnity and hold harmless agreement because of the acceptance by Lessor, or Lessee's deposit with Lessor of any of the insurance policies described in this Agreement. Lessee's indemnification obligations set forth in this Section shall not apply to Claims arising solely from the gross negligence or willful misconduct of the Indemnitees.
- 12.4. Lessee's obligation to indemnify, as set forth in this Section, are in addition to, and shall not be limited by, any additional obligation to indemnify the Lessor pursuant to any other agreement between the parties, or any approval provided by the Lessor to the Lessee in connection with the Premises in the Lessor's capacity as a governmental authority. The provisions of this Section shall survive expiration of the Term or other termination of this Agreement, and shall remain in full force and effect and are not limited by the amount of insurance as may be required.

13. DAMAGE OR DESTRUCTION

- 13.1. Damage and Destruction. Lessee shall have the right to terminate the Lease in any of the following instances, provided that Lessee shall fulfill its obligations under Section 13.3 herein to pursue and collect all valid claims and provide all resultant proceeds to Lessor:
 - a. If the Premises is destroyed or damaged by fire or any other cause during the Term such that the Premises is totally unusable and the insurance proceeds are insufficient to cover the actual cost of reconstruction;

- b. If the Premises is damaged by fire or any other cause during the Term and uninsured damage exceeds one hundred thousand dollars (\$100,000) in estimated restoration costs; or
 - c. If the Premises is destroyed or damaged by fire or any other cause within the last twelve (12) months of the Lease Term.
- 13.2. No loss or damage by fire or any other cause resulting in either partial or total destruction of any buildings or other improvements now or hereafter located in, upon or on the Premises, or any fixtures, equipment or machinery used or intended to be used in connection with the Premises shall operate to terminate this Agreement, or to relieve or discharge the Lessee from the payment of any Rent or other amounts payable under this Agreement, as Rent or otherwise, as and when they become due and payable, or from the performance and observance of any of the agreements, covenants and conditions herein contained to be performed and observed by the Lessee. Lessee hereby waives the provisions of Section 1932, subsection 2, and of Section 1933, subsection 4, of the California Civil Code, as either or both may from time to time be amended, replaced or restated. Lessee shall promptly repair, or cause the prompt repair of, any damage or destruction caused to the Premises and restore the Premises to at least as good a condition as existed prior to the damage or destruction. Lessee's failure to make such full repair and restoration under any conditions in which it has elected or is required so to do shall constitute an event of default under the Lease.
- 13.3. In the event of any damage or destruction to the Premises, Lessee shall promptly give Lessor written notice of such damage or destruction, setting forth the cause (if known), the date on which such damage or destruction occurred, and the estimated cost of repair and restoration as certified by a professional cost estimator experienced in such matters. Whenever any part of the Premises shall have been damaged or destroyed, Lessee shall promptly make proof of loss and shall proceed promptly to collect, or cause to be collected, all valid claims which Lessee may have against insurers or others based upon any such damage or destruction. Except as otherwise provided below, sums of money received as payments for any losses pursuant to said insurance policies shall be used and expended for the purpose of fully repairing or reconstructing the portions of the Premises which have been destroyed or damaged in accordance with the procedures of Sections 13.4 and 13.5 below, unless Lessee has established alternate procedures that, in Lessor's reasonable judgment, will accomplish the use and expenditure of the insurance proceeds to effectuate full repair or reconstruction of the portions of the Premises which have been destroyed or damaged in a more effective manner than the procedures set forth in Sections 13.4 and 13.5 below.

The provisions of Section 13.6 below shall apply regardless of the procedure employed for the use and expenditure of insurance proceeds.

- 13.4. Within one hundred eighty (180) days after the event of damage or destruction, Lessee shall make available to the Insurance Trustee, described in Section 13.5 below, the difference, if any, between the certified estimated cost of repair and restoration and the amount of insurance proceeds anticipated to be received for such repair and restoration (such amount is hereinafter referred to as the “**Lessee Contribution**”).
- 13.5. All proceeds of insurance together with the Lessee Contribution, if any, shall be paid by the Lessee to the Insurance Trustee, which insurance trustee shall be a commercial bank or trust company experienced in such matters and designated by Lessor (the “**Insurance Trustee**”). The Insurance Trustee shall hold such proceeds in trust and shall disburse same to Lessee as follows: from time to time as the work of restoration progresses, Lessee shall submit to the Insurance Trustee a certificate of Lessee, signed by an authorized officer or representative thereof, and approved by an architect selected by Lessee and approved by Lessor (the “**Architect**”), which certificate shall: (i) accurately describe the work for which Lessee is requesting payment and the cost incurred by Lessee in connection therewith, (ii) certify that Lessee has not theretofore received payment for such work, (iii) condition lien releases based upon payment executed by all persons or entities supplying labor or materials in connection with such work; and (iv) contain or be accompanied by a statement by Lessee that the work for which Lessee is requesting payment has been performed substantially in accordance with plans and specifications therefor approved by Lessor.

Within five (5) days after receipt of any such certificate, the Insurance Trustee shall pay to Lessee, from the funds on hand, an amount equal to ninety percent (90%) of the amount of the cost of the work for which Lessee is requesting payment, as shown on such certificate. Upon completion of such work, the remainder of such cost (to the extent of the balance of the funds held by the Insurance Trustee) and all other insurance proceeds held by the Insurance Trustee shall be paid to Lessee within five (5) days after the delivery to the Insurance Trustee of a certificate of Lessee, signed by an authorized officer or representative thereof and approved by the Architect for the work, stating that the work has been completed and setting forth the total cost thereof, which certificate shall: (i) contain or be accompanied by a statement by Lessee that the work has been completed substantially in accordance with plans and specifications therefor approved by Lessor; and (ii) be accompanied by either (A) an unconditional waiver or release of mechanics’ and materialmen’s liens executed by all persons or entities supplying labor or materials in connection with such work or (B) other evidence reasonably satisfactory to Lessor that the period for filing any such lien has expired and no such lien has been

filed, or, if filed, has been bonded by Lessee to the reasonable satisfaction of Lessor and the Insurance Trustee. The Insurance Trustee shall not be required to invest or pay interest on any funds held by such trustee, except in accordance with any agreement between Lessee and the Insurance Trustee.

- 13.6. Lessee shall promptly commence and complete, in a good and workmanlike manner the reconstruction or repair of any part of the Premises damaged or destroyed after (i) Lessor has approved Lessee's plans, drawings, specifications and construction schedule for such reconstruction or repair, and (ii) the proceeds of insurance, if any, applicable to such reconstruction or repair have been made available for such purpose.

14. CONDEMNATION/EMINENT DOMAIN

14.1. Total Taking. If either the entire Premises or a substantial and essential portion of the Premises, the taking of which portion materially impairs the use of the Premises then being made by Lessee and renders the remainder of the Premises unsuitable or economically not feasible for such use, as reasonably determined by Lessee in good faith, is taken under the power of eminent domain during the Term, then this Agreement shall terminate as of the date of such taking. Lessor and Lessee shall together make one claim for an award for their combined interests in the Premises including all buildings, structures, improvements, and fixtures thereon which are so taken. Such award shall be paid to and divided between Lessor and Lessee in priority as follows:

- a. All compensation and damages payable for or on account of the underlying fee title to the Premises including buildings, structures and improvements thereon shall be payable to and be the sole property of Lessor.
- b. All compensation and damages payable for or on account of Lessee's Property (as defined in Section 7.2 above) shall be payable to and be the sole property of Lessee.

14.2. Partial Taking Exceeding Twenty Percent (20%) of Floor Area. If less than the entire Premises is taken under the power of eminent domain during the Term, and such taking results in the inability to use 20 percent or more of the floor area of the Depot Building, Lessee shall have the right to terminate this Agreement. Lessor and Lessee shall together make one claim for an award and apportion any award as described in Section 14.1 above. If Lessee does not exercise its right to terminate the Lease as described herein, the Base Rent shall be reduced in proportion to the amount of floor area rendered unusable by such partial taking as of the effective date of such taking.

14.3. Other Partial Taking. If less than the entire Premises is taken under the power of eminent domain during the Term and this Agreement is not terminated as provided

in Section 14.1 or 14.2 above, then the Lease shall terminate only with respect to the portion of the Premises taken and the Lease shall continue in full force and effect with respect to the portion of the Premises not taken. Lessee shall, but only to the extent of the amount of the award received, promptly reconstruct and restore the portion of the Premises not taken and the buildings and improvements located on the portion of the Premises not taken as an integral unit of the same general quality and character as existed prior to such taking. Such reconstruction and restoration shall be performed in a good and workmanlike manner and undertaken in accordance with plans and specifications submitted to and approved by Lessor.

All awards or other payments received on account of a partial taking as described in this Section shall be paid to the Insurance Trustee referred to in Section 13.5 above to be held and disbursed in the same manner as insurance proceeds.

- 14.4. Temporary Taking. If the use of all or any part of the Premises is taken under the power of eminent domain during the Term on a temporary basis for a period less than the time remaining after the date of such taking to the end of the Term, then this Agreement shall continue in full force and effect and Lessee shall continue to be obligated to perform and observe all of the agreements, covenants and conditions on the part of Lessee to be performed and observed as and when performance and observance is due to the full extent that such agreements, covenants and conditions are physically capable of performance and observance by Lessee after such taking. The award payable for or on account of such taking shall be paid to Lessee.

15. ENCUMBRANCES, ASSIGNMENT OF LEASE, SUBLETTING, LIENS

- 15.1. Prohibition against Encumbrance of Premises. Lessee shall not encumber the Premises or its leasehold interest by, including, but not limited to, a leasehold deed of trust or mortgage, or other security financing interest, lien, or other encumbrance.

- 15.2. Voluntary Assignment and Subletting. Lessee shall not assign or encumber its interest under this Agreement or in the Premises, or sublease all or any part of the Premises, or allow any other person or entity (except Lessee's authorized representatives) to occupy or use all or any part of the Premises, without first obtaining Lessor's written consent. Such consent is in Lessor's sole and absolute discretion. Any assignment, encumbrance, or sublease without Lessor's consent shall be voidable and, at Lessor's election, shall constitute a default. No consent to any assignment, encumbrance, or sublease shall constitute a further waiver of the provisions of this Section.

- 15.2.1. Lessee Corporation. Because Lessee is a corporation, any dissolution, merger, consolidation, change of controlling percentage, or other reorganization of Lessee, or the sale of at least fifty-one percent (51%) of

the value of the assets of Lessee, shall be deemed a voluntary assignment. The phrase “**controlling percentage**” means the ownership of, and the right to vote, stock possessing at least fifty-one percent (51%) of the total combined voting power of all classes of Lessee’s capital stock issued, outstanding, and entitled to vote for the election of directors. This Paragraph shall not apply to corporations, the stock of which is traded through an exchange or over the counter.

15.2.2. Lessee immediately and irrevocably assigns to Lessor, by this Agreement, as security for Lessee’s obligations under this Agreement, all rent from any subletting of all, or any part of the Premises as permitted by this Agreement, and Lessor, as assignee and as attorney-in-fact for Lessee, or a receiver for Lessee appointed on Lessor’s application, may collect such rent and apply it toward Lessee’s obligations under this Agreement; except that, until the occurrence of an act of default by Lessee, Lessee shall have the right to collect such rent.

15.3. Involuntary Assignment. No interest of Lessee under this Agreement shall be assignable by operation of law (including, without limitation, the transfer of this Agreement by testacy or intestacy), provided that in no event shall the Premises be used by the transferee for any other purpose than contemplated by this Agreement. Each of the following acts shall be considered an involuntary assignment:

- a. If Lessee is or becomes bankrupt or insolvent, makes an assignment for the benefit of creditors, or institutes a proceeding under the United States Bankruptcy Code in which Lessee is the bankrupt; or, if Lessee is a partnership or consists of more than one person or entity, if any partner of the partnership or other person or entity is or becomes bankrupt or insolvent, or makes an assignment for the benefit of creditors;
- b. If a writ of attachment or execution is levied on this Agreement; or
- c. If, in any proceeding or action to which Lessee is a party, a receiver is appointed with authority to take possession of the Premises.

15.3.1. An involuntary assignment shall constitute a default by Lessee, and Lessor shall have the right to terminate this Agreement, in which case this Agreement shall not be treated as an asset of Lessee.

15.3.2. If a writ of attachment or execution is levied on the Lease, Lessee shall have ten (10) days in which to cause the attachment or execution to be removed. If any involuntary proceeding in bankruptcy is brought against Lessee, or if a receiver is appointed, Lessee shall have sixty (60) days in

which to have the involuntary proceeding dismissed or the receiver removed.

- 15.4. Liens. Neither the Lessee nor anyone claiming through the Lessee shall have the right to file mechanics liens or any other kind of liens on the Premises. The recordation of this Agreement constitutes notice that such liens are invalid. Further, Lessee agrees to give actual advance notice to any contractors, subcontractors, or suppliers of goods, labor, or services that such liens will not be valid.

16. DEFAULT AND REMEDIES

16.1. Lessee's Default. The occurrence of any of the following shall constitute a default by Lessee:

- a. Failure to pay Rent when due.
- b. Abandonment and vacation of the Premises (failure to occupy and operate the Premises for 90 consecutive days shall be deemed an abandonment and vacation), except for failures to operate the Premises during Alterations pursuant to Section 9 or reconstruction pursuant to Section 13 and provided the completion of such Alterations or reconstruction are being diligently pursued.
- c. Failure to comply with all applicable ordinances and regulations of the City of Burlingame and State and Federal laws and regulations.
- d. Any voluntary assignment, encumbrance, or sublease without Lessor's consent, or any involuntary assignment, as described in Section 15.
- e. Failure to perform any other provision of this Agreement if the failure to perform is not cured within 30 days after notice has been given to Lessee. If the default cannot reasonably be cured within thirty 30 days, Lessee shall not be in default of this Agreement if Lessee commences to cure the default within the thirty-day period and diligently and in good faith continues to cure the default.

16.1.1. Notices given under this Section shall specify the alleged default and the applicable Lease provisions and shall demand that Lessee perform the provisions of this Agreement within the applicable period of time, or quit the Premises. No such notice shall be deemed a forfeiture or a termination of this Agreement unless Lessor so elects in the notice.

16.1.2. The purpose of the notice requirements set forth in this Section is to extend the notice requirements of the unlawful detainer statutes of California.

16.2. Lessor's Remedies. Lessor shall have the remedies set forth below if Lessee commits a default. These remedies are not exclusive, but are cumulative, in addition to any remedies now or later allowed by law.

- a. Lessee's Right to Possession Not Terminated. Lessor can continue this Agreement in full force and effect, and this Agreement will continue in effect as long as Lessor does not terminate Lessee's right to possession, and Lessor shall have the right to receive all benefits due under this Agreement.
- b. Termination of Lessee's Right to Possession. Lessor can terminate Lessee's right to possession of the Premises at any time that Lessee commits a default that has not been cured. No act by Lessor other than giving notice to Lessee shall terminate this Agreement. Acts of maintenance, efforts to relet the Premises, or the appointment of a receiver on Lessor's initiative to protect Lessor's interest under this Agreement shall not constitute a termination of Lessee's right to possession.
- c. Lessor's Right to Cure Lessee's Default. Lessor, at any time after Lessee commits a default, can cure the default at Lessee's cost. If Lessor at any time, by reason of Lessee's default, pays any sum or does any act that requires the payment of any sum, the sum paid by Lessor shall be due immediately from Lessee to Lessor at the time the sum is paid, and if paid at a later date shall bear interest at the maximum rate an individual is permitted by law to charge from the date the sum is paid by Lessor until Lessor is reimbursed by Lessee. The sum, together with interest on it, shall be additional rent.

17. UTILITIES AND SERVICES

17.1. Lessee Responsible for Utilities and Services. Lessee is responsible and will pay for all utilities and services furnished to, or used by it, including but not limited to, gas, electricity, water, telephone and/or internet service, sewer, and waste collection.

18. NOTICES

18.1. Any notice which is required to be given hereunder, or which either Party may desire to give to the other, shall be in writing and may be personally delivered or given by mailing the same by registered or certified mail, postage prepaid, and addressed as follows:

LESSOR:	LESSEE:
City of Burlingame City Hall 501 Primrose Avenue	Gigi's Café, LLC, a California limited liability company

<p>Burlingame, California 94010</p> <p>Attn: City Manager & City Attorney</p> <p>(or such other person and place Lessor may designate by written notice)</p>	<p>Attn: Teresa Gee</p> <p>(or such other person and place Lessee may designate by written notice)</p>
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18.2. Either Party may change its address and designee to receive notices by notifying the other Party of such change in writing. Notice shall be deemed given at the time of personal delivery or after 48 hours from the time of mailing of such notice by registered or certified mail, postage prepaid, and addressed to the other Party.

19. REPRESENTATIONS AND WARRANTIES

19.1. Independent Legal Counsel. Each Party represents, warrants, and acknowledges that it had the opportunity to consult with independent legal counsel of its own choosing in connection with the negotiation and execution of this Agreement.

19.2. Authority to Enter Agreement. Each Party represents, warrants, and acknowledges that it has read this Agreement and signs this Agreement freely and voluntarily. Each individual signing this Agreement represents that he/she/they is authorized to act as agent for, and to bind, the Party indicated to the terms of this Agreement.

20. GOVERNING LAW, VENUE, ATTORNEY’S FEES

20.1. This Agreement is made under and shall be governed by and interpreted in accordance with the laws of the State of California.

20.2. Any action to enforce or interpret this Agreement shall be filed and heard in the Superior Court of California in and for the County of San Mateo.

20.3. In the event any litigation or proceeding is initiated as a result of any controversy, claim or dispute relating to this Agreement or the breach thereof, the prevailing party shall be entitled to recover from the losing party reasonable expenses, attorney’s fees and costs.

20.4. If the Parties, based on any litigation filed or proceeding brought by one Party against the other arising out of this Agreement, shall enter into a negotiated settlement prior to final judgment upon such litigation or proceeding, each Party shall be responsible for its own attorney’s fees and neither Party shall qualify as a “prevailing party” for purposes of an award of attorney’s fees.

21. COUNTERPARTS

21.1. This Agreement may be executed in several counterparts each of which shall be deemed an original, but all of such counterparts shall constitute one such Agreement.

22. ENTIRE AGREEMENT

- 22.1. This Agreement supersedes any prior agreements, negotiations and communications, oral or written, and contains the entire agreement between Lessor and Lessee relating to the subject matter hereof.
- 22.2. The terms of this Agreement shall not be modified or amended except by an instrument in writing executed by each of the Parties hereto.

23. WAIVER

- 23.1. No breach or default of any provision in this Agreement can be waived unless in writing.
- 23.2. The waiver by one Party of performance of any term, condition, or covenant in this Agreement shall not invalidate this Agreement, nor shall it be deemed to be a waiver of any other term, condition, or covenant in this Agreement.

24. SEVERABILITY

- 24.1. If any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision herein and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein, unless such invalidity, illegality or unenforceability materially affects the transactions contemplated in this Agreement or the ability of either party to perform its obligations under this Agreement.

25. MISCELLANEOUS PROVISIONS

- 25.1. Time of Essence. Time is of the essence of each provision of this Agreement.
- 25.2. Corporate Authority. If Lessee is a corporation, Lessee shall deliver to Lessor on execution of this Agreement, a certified copy of a resolution of its Board of Directors authorizing execution of this Agreement and naming the officer(s) who are authorized to execute this Agreement on behalf of Lessee.
- 25.3. Headings and Section Titles. The headings and section titles of this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope or intent of any provisions of this Agreement and shall not be construed to affect the terms and provisions of this Agreement or the interpretation or construction of the terms and provisions of this Agreement.
- 25.4. No Presumption Against the Drafter. This Agreement shall be interpreted and construed only by the contents hereof and there shall be no presumption or standard of construction in favor of or against either Party. Neither of the Parties shall be deemed the drafter of this Agreement and the presumption against the drafter under Civil Code section 1654 shall not apply.
- 25.5. Recitals and Exhibits. All recitals and exhibits referred to herein, and any exhibits or schedules which may from time to time be referred to in any duly executed amendment hereto, are by such reference incorporated herein and shall be deemed a part of this Agreement as if set forth fully herein.

- 25.6. Days. Unless stated otherwise, “day” or “days” as used herein means calendar days. “Business day” or “business days” as used herein means weekdays, excluding holidays.
- 25.7. No Joint Venture. The terms and provisions of this Agreement shall not cause the Parties hereto to be construed in any manner whatsoever as partners, joint venturers, or agents of each other in the performance of their respective duties and obligations under this Agreement. Cooperation. Each Party to this Agreement agrees to cooperate by performing any further acts and by executing and delivery any and all additional documents which may be reasonably necessary to carry out the terms, provisions, duties, and obligations of this Agreement. Each Party to this Agreement agrees that it will not act in any manner whatsoever which would hinder, impede, interfere, or prohibit, or make more onerous or difficult, the performance of the other Party under this Agreement.

LESSOR:

CITY OF BURLINGAME, a California municipal corporation located in the County of San Mateo, State of California, acting by and through its City Manager.

By: _____
Lisa K. Goldman, City Manager

Dated: _____, 2026

APPROVED AS TO FORM:

By: _____
Michael Guina, City Attorney

LESSEE:

Gigi’s Café, LLC, a California limited liability company

By: _____
Teresa Gee, Owner/Manager

Dated: _____, 2026

EXHIBIT B – HAZARDOUS MATERIALS

“Hazardous Materials” shall mean any and all (a) substances, products, by-products, waste, or other materials of any nature or kind whatsoever which is or becomes listed, regulated or addressed under any Environmental Laws, and (b) any materials, substances, products, by-products, waste, or other materials of any nature or kind whatsoever whose presence in and of itself or in combination with other materials, substances, products, by-products, or waste may give rise to liability under any Environmental Laws or any statutory or common law theory based on negligence, trespass, intentional tort, nuisance, strict or absolute liability or under any reported decisions of any state or federal court; and (c) any substance, product, by-product, waste or any other material which may be hazardous or harmful to the air, water, soil, environment or affect industrial hygiene, occupational, health, safety and/or general welfare conditions, including without limitation, petroleum and/or asbestos materials, products, by-products, or waste.

“Environmental Laws” shall mean and include all federal, state, and local laws, statutes, ordinances, regulations, resolutions, decrees, and/or rules now or hereinafter in effect, as may be amended from time to time, and all implementing regulations, directives, orders, guidelines, and federal or state court decisions, interpreting, relating to, regulating or imposing liability (including, but not limited to, response, removal, remediation and damage costs) or standards of conduct or performance relating to industrial hygiene, occupational, health, and/or safety conditions, environmental conditions, or exposure to, contamination by, or clean-up of, any and all Hazardous Materials, including without limitation, all federal or state superlien or environmental clean-up statutes.