

CLUBHOUSE LEASE

This Clubhouse Lease ("Lease") is made and entered into by and between the Watchorn Lincoln Memorial Association, a California Non-Profit Public Benefit Corporation ("Landlord") and The Contemporary Club, a California Non-Profit Public Benefit Corporation ("Tenant"), with each a "Party", and collectively the "Parties".

RECITALS

- A. Immediately prior to the execution of this Lease, the Parties are entering into a Real Estate Sale Agreement ("Sale Agreement") for the sale by Tenant to Landlord of the clubhouse building, all improvements, appurtenances, parking, certain Personal Property (as identified therein), and all land on which the building, improvements and parking are located (collectively the "Building"), located at 173 S. Eureka Street, in Redlands, CA. (with the definition of "Building" in this Lease also including any and all replacement buildings and improvements). The Parties acknowledge that the Building is being sold to Landlord at a significant discount from fair market value, with the return consideration to Tenant being this Lease where Tenant's Lease costs are also considerably below fair market value. Landlord's funds for its purchase of the Building are being provided by a significant and generous donation from a third-party benefactor ("Benefactor").
- B. This Lease is between the Landlord and the Tenant, even though it is possible that at a later date and after completion of the Improvements (as defined in this Lease), that the Building, as well as the Landlord's interest in this Lease, will both transferred by the Landlord to the City of Redlands ("City"), with the Building and this corresponding Lease then being operated and managed by the A.K. Smiley Library's ("Library") Administration, on behalf of the Landlord. Prior to any such potential transfer. The Building will be operated and managed by the Landlord's President or designee on behalf of the Landlord.
- C. The Parties desire through this Lease to cooperate together in an amicable fashion to best insure that the Building is used in a fashion which serves the charitable, cultural, educational, and community needs of Redlands and the surrounding area.
- D. Based upon all of the above background, the Parties agree as follows:

LEASE AGREEMENT PROVISIONS

ARTICLE 1

BUILDING LEASE

1.1. *Lease of Building.* On the terms as described in this Lease, Landlord leases to Tenant and Tenant leases from Landlord, generally on a non-exclusive basis as described hereinafter (except where exclusive usage is provided for under the terms of this Lease), the Building located at 173 S. Eureka Street, in Redlands, CA.

Tenant acknowledges that Landlord has made no representation or warranty regarding the condition of the Building, except as specifically stated in this Lease.

ARTICLE 2

LEASE TERM

2.1. *Lease Term.* The provisions of this Lease shall be effective as of the date of this Lease. The term of this Lease ("Lease Term") shall be for Fifty Five (55) years, with the Lease Term commencing on the date of execution of this Lease by the Parties ("Lease Commencement Date"), with the Lease Term expiring on the 55th anniversary date of the Lease Commencement Date (the "Lease Expiration Date), unless this Lease is sooner terminated as provided herein.

2.2. *Notice of Renewal.* Landlord shall be obligated to give notice to Tenant ("Renewal Notice") no later than ten (10) years prior to the Lease Expiration Date, which Renewal Notice shall affirmatively state whether the Landlord intends to renew the Lease ("Lease Renewal") with Tenant for another Fifty Five (55) years, or for the maximum term allowed by law, if less (the "Renewal Term"), on the same and identical terms which have been in effect under the Lease (other than for the Lease Commencement Date and Lease Expiration Date both being Fifty Five (55) years later than for the initial Lease Term, with other related applicable changes regarding the years to which the Renewal Term applies). Any renewal lease shall be referred to as the "Renewal Lease", with there being one (1) Renewal Lease to which the provisions of this Section 2.2 shall apply (for a total potential Lease Term [including the one renewal] of one hundred ten [110] years). Should Landlord in the Renewal Notice indicate its intent to enter into a Lease Renewal, then the Parties shall execute a Renewal Lease within thirty (30) days of the Renewal Notice, with the commencement of the Renewal Term occurring on the same day as the Lease Expiration Date. To encourage the Landlord to renew the Lease (which decision is within the sole discretion and power of the Landlord), if Landlord states in the Renewal Notice that it does not intend to renew the Lease as of the Lease Expiration Date, then the Lease will automatically convert to an exclusive Lease for the last ten (10) years of the Lease Term ("Exclusive Use Period), such that Tenant's right to use of the Building during such Exclusive Use Period would be absolute and exclusive, with no other Party (including the

Landlord) having any rights to use the Building in any manner during such Exclusive Use Period, regardless of anything to the contrary in this Lease.

2.3. *Lease Year.* For purposes of this Lease, the term Lease Year ("Lease Year") means each consecutive twelve-month (12-month) period during the Lease Term, provided, however:

- (a) The first Lease Year commences on the Lease Commencement Date and ends on the last day of December, 2016;
- (b) The second (2nd) and each succeeding Lease Year commences on the first day of the next calendar year; and
- (c) The last Lease Year ends on the Lease Expiration Date or earlier date of termination.

2.4. *Tenant's Right to Terminate Lease.* At any time during the Lease Term or during any Renewal Term, Tenant shall have the right, upon thirty (30) days prior written notice to Landlord, to terminate the Lease, with neither Party having any further obligations to each other upon such Lease termination, other than an obligation to mutually cooperate together to facilitate such Lease termination. Further, at any time during the Lease Term or during any Renewal Term, should Tenant fail to use the Building (as described in Section 5.2) for a continuous five (5) year term, it shall be deemed that Tenant has abandoned the Lease, and Landlord shall have the right to terminate the Lease upon written notice to the Tenant.

2.5. *Material Negative Changes in Tenant's Corporate Object or Operations.* Should Tenant intend to materially change its "Object", as described in its existing Corporate Bylaws ("The object of The Contemporary Club shall be to improve the welfare and quality of life in the community and serve the cultural, philanthropic and education interests of its members"), it shall first notify the Landlord in writing of such proposed change ("Proposed Change"). If the Landlord in good faith determines both (i) that the Proposed Change so materially and adversely changes the operations and Object of Tenant, so that its continued Lease of the Building from the Landlord would negatively & materially reflect on the Landlord, and (ii) that Tenant after the Proposed Change would no longer meet the eligibility criteria of the Library for organizations which use Library facilities, it must so notify Tenant in writing with such specificity that it is clear what language in the Proposed Change is unacceptable to Landlord and why.

Further, if the Landlord determines in good faith that Tenant, even without any such Proposed Change, has both (i) so materially and adversely changed its operations so that its continued Lease of the Building from the Landlord is negatively & materially reflecting on the Landlord, and (ii) that Tenant's operations also no longer meet the eligibility criteria of the Library for organizations which use Library facilities, it must so notify Tenant in writing with such specificity that it is clear what elements of Tenant's operations are unacceptable to Landlord and why. The Parties agree to quickly meet and discuss any and all issues raised under this Section, so that each Party's position and rationale is clear to the other Party, with a good faith attempt being made on behalf of both Parties to reach a resolution of any such dispute,

without the need for either Party to invoke the Dispute Resolution procedures specified in Article 18. If in spite of this, should Tenant still disagree with any such Landlord determination, either Party may invoke the Dispute Resolution procedures in Article 18 of this Lease, up to and including potential Arbitration. Should the dispute go to Arbitration, and the Arbitrator upholds the position of the Landlord, then, as applicable: (a) Tenant may either not proceed with the Proposed Change, or it may proceed with the Proposed Change (with written notice to Landlord), but with Landlord then having the right for a thirty (30) day period after receipt of such notice to terminate the Lease upon written notice to Tenant, or (b), as applicable, Tenant may modify its operations so that its operations either (i) no longer negatively & materially reflect on the Landlord, or (ii) so that its operations would again meet the eligibility criteria for organizations which use Library facilities. Should the Parties disagree on whether Tenant has made sufficient operational changes, the Dispute Resolution procedures in Article 18 of this Lease could again be invoked by either Party, including Arbitration, if necessary. Should this dispute go to Arbitration, and the Arbitrator uphold the position of the Landlord, then, as applicable: (a) Tenant must either further modify its operations so that its operations either (i) no longer would negatively & materially reflect on the Landlord, or (ii) so that its operations would again meet the eligibility criteria for organizations which use Library facilities, or (b) Tenant may decide (and must give Landlord written notice) that it will not make such operational changes, but with corresponding right of Landlord for a thirty (30) day period after receipt of such notice to terminate this Lease upon written notice to Tenant.

2.6. *Landlord's Sale of Building.* During the Lease Term, Tenant agrees to the potential transfer of this Lease and the Building, as provided for in Section 14.1, without Landlord having to meet the standard for transfer set forth in this Section 2.6. For any other transfer, Landlord agrees that it will only be permitted to sell the Building upon Landlord incurring severe financial challenges which necessitated the sale of the Building, with Landlord providing supporting documentation to Tenant confirming the severe financial challenges. Landlord agrees to meet and confer in good faith with Tenant prior to initiating any steps for any such contemplated sale. Landlord covenants and agrees that in any such sale of the Building the purchaser must specifically agree to be bound by and honor the terms of this Lease, unless the Landlord and Tenant specially agree in writing to modifications to this covenant of Landlord prior to such sale.

ARTICLE 3

BASE RENT

3.1. *Base Rent.* Tenant shall pay to Landlord base rent (Base Rent) in the amount of Fifty Dollars (\$50) in advance on or before the first day of every calendar year during the Lease Term, beginning in 2016, without any prior demand, setoff, or deduction. Payment shall be made at any place that Landlord may from time to time designate in writing, or if there is no such designation, to the address for notice to Landlord hereinafter described.. Payment must be in United States dollars, either in the form of a check (drawn on a bank located in the State of California) or via electronically transmitted funds.

3.2. *Security Deposit.* No Security Deposit shall be required from Tenant.

ARTICLE 4

ADDITIONAL RENT/OPERATING COSTS

4.1. *Additional Rent.* Tenant shall have no liability or obligation to pay any additional rent of any kind to Landlord, but Tenant's sole obligation concerning the payment of rent is to pay the Base Rent specified above.

Landlord, in recognition of the significant discount being given by Tenant in the purchase price for the sale of the Building (as described above in the Recitals), shall be solely responsible for paying all expenses, costs and amounts related in any manner to the operation, ownership, management, maintenance, security, usage, upkeep, and/or repair of the Building (collectively "Operations"), so as to maintain the Building in a good and satisfactory condition. Such Landlord obligations shall include, but not be limited to, the following expenses and expense categories (collectively the "Operating Costs"):

The definition of "Operating Costs" includes, but is not limited to, any and all amounts paid or incurred for the following:

- (a) The cost of supplying all utilities.
- (b) The cost of operating, managing, maintaining, and repairing the following systems: utility, electrical, mechanical, and water and sanitation.
- (c) The cost of supplies, tools and equipment necessary for Operations, and the costs of service contracts necessary for the Building
- (d) The cost of licenses, certificates, permits, and inspections.
- (e) The cost of all insurance carried by Landlord.
- (f) Fees, charges, and other costs including management fees (or amounts in lieu of such fees), consulting fees, legal fees, or any other fees of all persons engaged by Landlord or otherwise reasonably incurred by Landlord in connection with the Operations.
- (g) The cost of parking area maintenance, repair, and restoration, including resurfacing, repainting, restriping, and cleaning.
- (h) Wages, salaries, and other compensation and benefits of all persons engaged in the Operations of the Building, plus employer's Social Security taxes, unemployment taxes, insurance, and any other taxes imposed on Landlord that may be levied on those wages, salaries, and other compensation and benefits.

- (i) Amortization and/or Depreciation
- (j) The cost of capital improvements, replacements, or other costs incurred in connection with the Building.
- (k) Modification, alteration, or repair of any portion of the Building, including all fixtures and personal Property of Landlord in the Building;
- (l) Correcting defects in the Building or any equipment or fixtures appurtenant to, or used in, the Building; and
- (m) Any form of taxes related in any manner to the Building

ARTICLE 5

USE OF BUILDING

5.1. *Landlord's Use.* Landlord agrees that its use of the Building will be generally consistent with present uses of the Library facilities, in enhancing the culture and education of the community.

5.2. *Tenant's Use.* Tenant agrees that its use of the Building will be generally consistent with its present uses of the Building, as it strives to fulfill its Corporate Object, through meetings, luncheons and dinners, events and activities.

5.3. *Tenant's Allocated Hours for Its Exclusive Usage.* Landlord agrees that Tenant will be allocated Twenty Five Percent (25%) of the total hours at the Building, with this allocation being calculated as follows: 365 days x 9 hours a day x 25% = 821 hours of allotted time ("Tenant Hours") which is dedicated to Tenant's exclusive use of the Building during such Tenant Hours. Tenant's use of Tenant Hours is not limited to day- time hours, but may also be used for evening hours.

Tenant may allow other organizations/individuals (such as the Kimberly Juniors ["KJs"], another non-profit entity for which Tenant has served as the sponsor for many years) to use such part of Tenant Hours as Tenant determines (so that Tenant may serve as gracious hosts in the Redlands community), but with all such other non-Tenant usage subject to non-Tenant meetings the Landlord's current insurance (with such non-Tenant insurance being primary insurance, with Landlord and Tenant both named as additional insureds) and eligibility requirements, similar to the requirements for use of the Library's Assembly Room, as well as non-Tenant's execution of an Indemnification Agreement with Landlord and Tenant-- reasonably establishing that any such non-Tenant is responsible for any claims or damages that arise in connection with its usage of the Property. Failure by a non-Tenant to satisfy the requirements of this Section, including but not limited to insurance and indemnification requirements, shall entitle Landlord to prevent such non-Tenant's use of the Property until such requirements are satisfied. The total amount of Tenant Hours which Tenant may allocate out of its Tenant Hours

to other individuals/groups (excluding KJs) shall be limited to not more than 33% of the Tenant Hours.

Tenant also agrees that it will no longer rent out the Building, or enter into arrangements with other organizations/individuals, where Tenant Hours for usage of the Building are provided to such other organization/individuals in exchange for a contribution to TENANT.

5.4. *Scheduling Usage of Tenant's Exclusive Hours.* Tenant's Liaison (as defined below) shall submit a schedule of its reserved exclusive Tenant Hours (which can incorporate KJs requested hours, which must come through Tenant to Landlord) by August 1 of each year ("Tenant Reservation Schedule"), with the dates and times listed that Tenant is reserving for the following 12 month period, commencing with October 1 of that year through September 30 of the following year ("Reservation Year"). Tenant shall have first priority, on a yearly basis, in reserving the times and dates on which it shall use its Tenant Hours.

If subsequent to August 1 during any Lease Year, Tenant determines that additional hours will be needed which were not included on the Tenant Reservation Schedule previously submitted to Landlord, and so notifies Landlord, and Tenant had not already reserved its full allocation of Tenant Hours for that Reservation Year, then Landlord shall make such additional time available for Tenant usage if Landlord has not previously committed the Building to other activities for the requested time. Both Parties agree to use good faith efforts in this scheduling process, so that only actual and contemplated events are scheduled, such that the master calendar (maintained by Library Administration) is not filled with speculative events.

5.5. *Cooperation.* The Parties agree to cooperate together in an amicable fashion to best insure that the Building is effectively used in a manner as described herein. Further, Landlord and City will coordinate with Tenant in making Library facilities available to Tenant, if necessary, with such use of Library facilities being counted against Tenant's Hour allocation at the Building.

5.6. *Open Access for Tenant.* In addition to Tenant Hours, Landlord is committed to allowing open access to the Building to the Tenant and its members at times that they reasonably desire. The goal is that there is a good faith ongoing feeling that the Building remains a welcome home for Tenant and its members. To clarify the intent of this Section 5.6, "open access" shall not expand the number of Tenant Hours specified above in Section 5.3 herein; rather, consistent with this Section, "open access" refers to the ability of the members to have access to the Building for purposes ancillary to Tenant's use of the Building in accordance with the terms of this Lease. However, Tenant on behalf of its members agrees; to be respectful of, and to minimize disruption to, any Landlord/Library events that may be taking place in the Building, even as Tenant has access to the Building.

5.7. *Tenant Liaison & Library Administration of Building.* Should the Landlord Assignment (as hereinafter described) occur, Tenant shall have the right, in its discretion, to appoint a liaison to the Library Board, who would have the right to be in attendance at all public Library Board of Trustee Meetings, as well as any other scheduled Library Board of Trustee

Meetings where the Building is an agenda item. This representative ("Liaison") would also serve as Tenant's Liaison with the Landlord for ongoing Lease and related issues, with day-to-day operational issues affecting Tenant's use of the Building being handled between the Liaison and Landlord's President or designee on behalf of the Landlord (with this and all other references in the Lease to services and management being provided by Landlord's President or designee to be fulfilled by Library Administration after – any Landlord Assignment).

5.8. *Rental Income.* Landlord will honor, coordinate, oversee and receive the income from any and all rentals of the Building which rental arrangements were made by Tenant prior to the Lease Commencement Date, for a period of three months after the Lease Commencement Date.

ARTICLE 6

COMPLIANCE WITH LAWS

6.1. *Definition of "Laws and Orders."* For purposes of this Article 6, the term Laws and Orders ("Laws and Orders") includes all federal, state, county, or government agency laws, statutes, ordinances, standards, rules, requirements, or orders now in force or hereafter enacted, promulgated, or issued. The term also includes government measures regulating or enforcing public access, occupational, health, or safety standards for employers, employees, landlords, or tenants.

6.2. *Compliance.* Both Parties agree to comply with Laws and Order regarding their respective rights and obligations during the term of this Lease.

ARTICLE 7

HAZARDOUS MATERIAL

7.1. *Use of Hazardous Material.* Tenant shall not cause or permit any Hazardous Material, as defined in this Article 7, to be generated, brought onto, used, stored, or disposed of in or about the Building by Tenant or its agents, employees, contractors, subtenants, or invitees, except for such substances that are required in the ordinary course of Tenant's operations in the Building, or are otherwise approved by Landlord. Tenant shall:

- (a) Use, store, and dispose of all such Hazardous Material in compliance with all applicable statutes, ordinances, and regulations in effect during the Lease Term that relate to public health and safety and protection of the environment (Environmental Laws); and
- (b) Comply at all times during the Lease Term with all Environmental Laws.

If, during the Lease Term, either Landlord or Tenant becomes aware of (a) any actual or threatened release of any Hazardous Material on, under, or about the Building or (b) any inquiry, investigation, proceeding, or claim by any government agency or other person regarding the presence of Hazardous Material on, under, or about the Building, that Party shall give the other Party written notice of the release or investigation within five (5) days after learning of it and shall simultaneously furnish to the other Party copies of any claims, notices of violation, reports, or other writings received by the Party providing notice that concern the release or investigation.

7.2. *Definition of Hazardous Material.* As used in this Article 8, the term Hazardous Material (“Hazardous Material”) shall mean any hazardous or toxic substance, material, or waste at any concentration that is or becomes regulated by the United States, the State of California, or any local government authority having jurisdiction over the Building. Hazardous Material includes:

- (a) Any “hazardous substance,” as that term is defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA) (42 USC §§9601–9675);
- (b) “Hazardous waste,” as that term is defined in the Resource Conservation and Recovery Act of 1976 (RCRA) (42 USC §§6901–6992k);
- (c) Any pollutant, contaminant, or hazardous, dangerous, or toxic chemical, material, or substance, within the meaning of any other applicable federal, state, or local law, regulation, ordinance, or requirement (including consent decrees and administrative orders imposing liability or standards of conduct concerning any hazardous, dangerous, or toxic waste, substance, or material, now or hereafter in effect);
- (d) Petroleum products;
- (e) Radioactive material, including any source, special nuclear, or by-product material as defined in 42 USC §§2011–2297g–4; and
- (f) Polychlorinated biphenyls (PCBs) and substances or compounds containing PCBs.

ARTICLE 8

UTILITIES AND SERVICES

8.1. *Standard Tenant Utilities and Services.* Subject to applicable government rules, regulations, and guidelines and the rules or actions of the public utility furnishing the service, Landlord shall provide on all days during this Lease, (except that Landlord is not responsible for utilities not being temporarily available at the Building for causes beyond the reasonable control

of the Landlord, at its expense, all utilities and services customarily available at either Landlord buildings or at comparable office buildings, which utilities and services shall include, but not limited to, the following:

8.1.1. *Heating and Air Conditioning.*

8.1.2. *Electricity.* Landlord shall provide electricity for lighting and power in the Building

8.1.3. *Water.* Landlord shall provide water from the regular Building outlets for drinking, lavatory, and toilet purposes.

8.1.4. *Janitorial Services.* Landlord shall provide janitorial services as reasonably needed in and about the Building and for the restrooms.

8.1.5. *Trash Services.* Landlord shall arrange for regular trash removal.

ARTICLE 9

REPAIRS AND MAINTENANCE

9.1. *Landlord's Repair and Maintenance Obligations.* Landlord shall, at Landlord's sole expense, and consistent with Article 4, repair, replace as necessary, and maintain in good order and condition the Building, including all kitchen equipment located therein.

9.2. *Tenant's Liaison Coordination.* The Tenant's Liaison will be the designated individual to raise, discuss and negotiate issues with Library Administration concerning any conditions or issues of concern at the Building, with the Parties committing to work together in good faith to resolve any such issues of concern.

ARTICLE 10

ALTERATIONS, MODIFICATIONS, AND ADDITIONS

10.1. *Tenant Alternations.* Tenant shall not be permitted to make any alterations, modifications, deletions and/or additions ("Alterations") to the Building without the prior written consent of Landlord, which consent shall be in the sole discretion of the Landlord.

10.2. *Landlord Alterations.* Should Landlord contemplate making any Alterations to the Building, it agrees to first consult with Tenant about any such Alterations. Further, if any such Alterations would materially negatively impact Tenant's usage of the Building and/or for its use of Tenant's Hours (which specifically would include, but not be limited to, any material reduction in size of the auditorium and/or the kitchen), the written approval of Tenant shall be

required prior to commencement of any such Alterations, which approval shall not be unreasonably withheld.

ARTICLE 11

INSURANCE

11.1. *Tenant's Liability Coverage.* Tenant shall, at Tenant's sole expense, maintain the coverages set forth in this section.

11.1.1. *General Liability Insurance.* Tenant shall obtain commercial general liability insurance written on an "occurrence" policy form, covering bodily injury and property damage, arising out of or relating (directly or indirectly) to Tenant's use or occupancy of the Building, with coverage limits of \$1,000,000 per occurrence, \$2,000,000 annual aggregate, with Tenant also required to carry liquor liability insurance with the same coverage limits should Tenant, or any of its invitees (per Section 5.3) plan on making any alcoholic beverages available at the Building. The coverage limits of such insurance as specified above are subject to reasonable adjustment by Landlord over time, consistent with commercial practices for Buildings of similar use in the Southern California area.

11.1.2. *Additional Insureds.* Landlord shall be named as an additional insured under Tenant's general liability insurance. In addition, the general liability insurance must provide that the insurance may not be canceled, nonrenewed, or the subject of material change in coverage or available limits of coverage, except on thirty (30) days' prior written notice to Landlord.

11.1.3. *Failure to Obtain Insurance.* Should Tenant willfully fail and refuse to obtain such General Liability Insurance as is required under Section 11.1.1 and 11.1.2 above, and such failure continues after Landlord follows the default cure procedures provided for hereinafter used Section 16.1, then Landlord shall have the right to terminate the Lease, upon written notice to Tenant.

11.2. *Landlord's Property Insurance.* Landlord shall, at Landlord's sole expense, procure and maintain during the Lease Term, all-risk commercial property insurance for the full replacement cost of the Building, with broad coverage for various casualties, or, in the alternative, Landlord shall self-insure to provide comparable property insurance also for the full replacement cost of the Building, with actuarial sound reserves for such self-insurance, and with excess insurance in commercially reasonable amounts. On inquiry by Tenant from time to time, Landlord shall inform and provide confirming documentation to Tenant of the details of such insurance carried by, or self-insurance provided by Landlord.

11.3. *Landlord Indemnification by Tenant.* Tenant agrees to indemnify, defend (with counsel reasonably acceptable to Landlord), and hold harmless Landlord against and from any and all claims, actions, proceedings, liabilities, costs or expenses (collectively "Claims") arising

out of or related to the use and occupancy of the Building by Tenant and Tenant's agents, employees, and members, including without limitation, any Claims arising from any activity, work, or thing done or permitted or suffered (except as such are done by Landlord, its agents, employees or contractors) by Tenant in or about the Building (as described in Recital A), and Tenant shall further indemnify, defend, and hold harmless Landlord against and from any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease, or arising from any act, neglect, fault or omission of Tenant, or of Tenant's agents, contractors or employees. However, notwithstanding anything herein to the contrary, Tenant shall have no obligation to indemnify, defend, or hold harmless Landlord: (1) from any Claims resulting from the intentional or grossly negligent acts of Landlord or Landlord's agents, contractors or employees, nor (2) from any Claims for which Landlord, pursuant to Section 11.4 hereinafter, has an obligation to indemnify, defend and hold harmless Tenant.

11.4. *Tenant Indemnification by Landlord.* Landlord agrees to indemnify, defend (with counsel reasonably acceptable to Tenant), and hold harmless Tenant against and from any and all Claims arising out of or related to the ownership, management, operation, and/or use and occupancy of the Building by Landlord and Landlord's agents, employees, guests, invitees or customers, including without limitation, any Claims arising from any activity, work, or thing done or permitted or suffered by Landlord in or about the Building (as described in Recital A), and Landlord shall further indemnify, defend, and hold harmless Tenant against and from any breach or default in the performance of any obligation on Landlord's part to be performed under the terms of this Lease or arising from any act, neglect, fault or omission of Landlord, or of Landlord's agents, contractors or employees. However, notwithstanding anything herein to the contrary, Landlord shall have no obligation to indemnify, defend, or hold harmless Tenant: (1) from any Claims resulting from the intentional or grossly negligent acts of Tenant or Tenant's agents, members or employees, nor (2) from any Claims for which Tenant, pursuant to Section 11.3 hereinabove, has an obligation to indemnify, defend and hold harmless Landlord.

ARTICLE 12

DAMAGE AND DESTRUCTION

12.1. *Rebuilding/Restoration.* Should the Building be destroyed or materially damaged during the course of the Lease Term, where the destruction or loss is covered by Landlord's casualty insurance, the Landlord agrees to rebuild or fully restore the Building, as applicable, during the first Twenty Five (25) years of the Lease ("Rebuilding Term"), in such a manner that Tenant's usage of the Building will not be negatively impacted. During such rebuilding/restoration period, Landlord would provide alternate meeting space for TENANT (and TENANT can incorporate KJ meeting space needs along with its own, but all of which must be coordinated through TENANT) at no cost to Tenant.

12.2. *Alternate Arrangements.* After expiration of the Rebuilding Term, should the Building be destroyed or materially damaged, with the Landlord in good faith desiring to not rebuild or restore the Building, the Parties agree to in good faith meet and confer with each other

to reach agreement on alternate arrangements for satisfactorily meeting Tenant's needs (and TENANT can again incorporate KJ space needs along with its own, but all of which must be coordinated through TENANT) for meeting space and events, such that TENANT is not negatively materially impacted by such decision of Landlord to not rebuild/restore.

12.3. *No Casualty Insurance Coverage.* Should the Building be destroyed or materially damaged during the course of the Lease where the destruction or loss is not covered by Landlord's casualty insurance, and other critical buildings owned by the Landlord are also destroyed or materially damaged from the same catastrophic event (i.e., major earthquake), then the Landlord in good faith will prioritize and develop a schedule for rebuilding such affected buildings, including the Building, recognizing that such a rebuilding schedule will have to take into account the financial resources available to the Landlord. Until such time that the Building is rebuilt/restored, Landlord will in good faith provide (taking into account the level of overall destruction to Landlord facilities) alternate meeting space for TENANT (and TENANT can incorporate KJ meeting space needs along with its own, but all of which must be coordinated through TENANT) at no charge to Tenant.

12.4. *Waiver of Statutory Provisions.* The provisions of this Lease, including those in this Article 12 constitute an express agreement between Landlord and Tenant that applies in the event of any casualty to the Building. Landlord and Tenant, therefore, each fully waives the provisions of any statute or regulation, including California Civil Code §§1932(2) and 1933(4), or any successor statute, relating to any rights or obligations concerning a casualty.

ARTICLE 13

INITIAL ENHANCEMENTS & IMPROVEMENTS TO BUILDING

13.1. *Improvements.* It is acknowledged by the Parties that there are enhancements and improvements needed for the Building, which will be addressed through a generous charitable contribution to the Landlord in the amount of \$200,000 from the Benefactor ("Improvement Funding") to fund such necessary Improvements ("Improvement(s)"). This charitable contribution will be made shortly before the Lease Commencement Date. In the event that the Improvements cost more than the Improvement Funding, the City will have no responsibility or financial exposure for paying for any such Improvements where the cost exceeds the Improvement Funding.

13.2. *Priorities for Improvements.* The Parties agree that the priority for the Improvements and use of the Improvement Funding, in addition to paying for the cost of Building inspections and preparation of Improvement plans, will be for upgrades to the following areas: (1) ADA compliant restrooms, (2) reasonably address the identified issues from the Building Inspection Report dated 10/05/15 from PillarToPost, Inspection No. 26753073, and (3) safety and security upgrades, as necessary. The City has agreed to use good faith efforts to expedite any necessary review and approval of the Improvement plans, as it is recognized that the Building will be unusable (in whole or in part) for the community, Library/Landlord and

Tenant functions during the work on such Improvements. The goal of the Parties is to fast track the Improvements, so as to rapidly bring the Building fully on line for Landlord/Library functions, and to minimize disruptions to Tenant and others. The Improvement plans must be jointly agreed upon and approved in writing by Landlord and Tenant, in consultation with the City and Board of Trustees of the Library.

13.3. Timing of Improvements. The scheduling and timely completion of the Improvements is critical to all the Parties. It is contemplated that the major Improvements would commence on May 1, 2016 (with minor Improvements which do not disrupt ongoing use of the Building commencing prior to that date), with a goal of completion of the Improvements by September 30, 2016. The Parties agree that the early retention of a mutually acceptable Architect or Consultant to commence work on potential plans for the Improvements (including the priority items described above in Section 13.2) is critical. Use of financial incentives to encourage the mutually approved and selected contractor to timely complete the Improvements will be considered. Should the Improvements, despite such efforts, not be completed by that September 30th date, the City agrees to make available to Tenant at no charge other facilities at the Library for meetings/events which were on Tenant Reservation Schedule. Recognizing the vagaries of remodeling work, the Parties and the City agree to cooperate in good faith in coordinating the various meeting/event schedules during any such delay in completing the Improvements. Commencing as of May 1, 2016, Landlord agrees to provide bi-weekly reports to the City on the progress of the Improvements.

ARTICLE 14

ASSIGNMENT AND SUBLEASING

14.1. Potential Building Transfer & Lease Assignment by Landlord. The Parties agree and acknowledge that it is possible that both the Building and this Lease will subsequently be transferred/assigned by the Landlord and accepted/assumed by the City at some later time after completion of the Improvements described above in Article 13. Such an assignment and assumption of the Lease shall be implemented through execution of a Lease Assignment Form which will be in a form reasonably satisfactory to, and agreed upon by, all the Parties and the City ("Landlord Assignment"). Upon due execution by Landlord and the City of the Landlord Assignment, Landlord shall be released from any further responsibilities, obligations or liabilities under the Lease, other than for such responsibilities, obligations or liabilities which were outstanding at the time of the Landlord Assignment.

14.2. Assignment of Tenant Rights to KJs, with Limitations. If the Corporate existence of Tenant was dissolved in the future, with Tenant no longer existing in any form as an entity, then the Parties agree that Tenant's rights under the Lease will be assigned to the KJs, so long as the KJs are then in existence, upon written agreement from the KJs that it will assume all obligations, liabilities and responsibilities of Tenant under the Lease. However, with such assignment and assumption of the Lease to KJs, the following limitations on Tenant's rights will apply:

14.2.1. The number of Tenant Hours will be reduced to 150 hours (with up to 125 hours being Saturday morning hours) per Lease Year, to reflect the fact that as Contemporary Club would no longer be a Party to the Lease, there would be a corresponding reduction in the required usage of the Building by Tenant.

14.2.2. Should the KJs cease to be in existence as an organization after any such assignment but still during the Lease Term, then upon any such cessation, the Lease will automatically terminate. Further, at any time during the Lease Term or during any Renewal Term, should KJs fail to use the Building for a continuous five (5) year term after any such assignment, it shall be deemed that KJs have abandoned the Lease, and Landlord shall have the right to terminate the Lease upon written notice to the KJs.

14.3 *Non-Assignability* Except as expressly provided in Section 14.2 hereof, Tenant's rights to utilize the Building pursuant to this Lease shall not be assignable, without the prior written consent of Landlord, which may be granted or denied in its sole discretion. Any purported assignment which violates this Section shall be null and void.

ARTICLE 15

HOLDING OVER

15.1. *Holdover.* If Tenant remains in non-exclusive possession of the Building after expiration or earlier termination of this Lease with Landlord's consent, Tenant's occupancy shall be on a year-to-year tenancy on the terms and conditions of this Lease which were in effect during the immediately preceding Lease Year. If Tenant remains in possession of the Premises after expiration or earlier termination of this Lease without Landlord's consent, Tenant's continued possession shall be on the basis of a tenancy at sufferance and Tenant shall pay as rent during the holdover period an amount equal to the fair market rental rate at the time of the holdover.

ARTICLE 16

DEFAULTS AND REMEDIES

16.1. *Tenant's Default.* Tenant's failure to perform any material obligations under this Lease shall constitute a default by Tenant under the Lease if the failure continues for thirty (30) days after written notice of the failure from Landlord to Tenant. If the required cure of the noticed default cannot reasonably be completed within thirty (30) days, Tenant's failure to perform shall constitute a default under the Lease unless Tenant undertakes to cure the failure promptly, and in any event within thirty (30) days, and diligently and continuously attempts to complete the cure as soon as is reasonably possible. Tenant, however, may dispute whether in

fact such a failure to perform has occurred by following the Dispute Resolution procedures described below in Article 18, and no default shall be deemed to have occurred until such a determination has been made in the Arbitration.

16.2. **Landlord's Remedies on Tenant's Default.** **Subject to any potential Lease termination as provided for under Sections 2.4, 2.5 and 11.1.3, on the occurrence of an uncured default by Tenant, the Parties agree that Landlord's remedies will be limited strictly to monetary damages (as more fully described below in Article 18, Dispute Resolution), and except as provided above, Landlord specifically waives any right to terminate this Lease and recover possession of the Premises upon any such uncured default by Tenant.**

16.3. *Tenant's Remedies on Landlord's Default.* Landlord's failure to perform any of its material obligations under this Lease shall constitute a default by Landlord under the Lease if the failure continues for thirty (30) days after written notice of the failure from Tenant to Landlord. If the required performance cannot reasonably be completed within thirty (30) days, Landlord's failure to perform shall constitute a default under the Lease unless Landlord undertakes to cure the failure promptly after notice, and in any event, within thirty (30) days and thereafter diligently and continuously attempts to complete this cure as soon as reasonably possible. Landlord, however, may dispute whether in fact such a failure to perform has occurred by following the Dispute Resolution procedures described below in Article 18, and no default shall be deemed to have occurred until such a determination has been made in the Arbitration.

16.4. **Tenant's Remedies on Landlord's Default.** **On the occurrence of an uncured default by Landlord, the Parties agree that Tenant's remedies will be strictly limited to monetary damages, as more fully described below in Article 18.**

ARTICLE 17

NONWAIVER

17.1. *Nonwaiver.* No waiver of any provision of this Lease shall be implied by any failure of either Party to enforce any remedy for the violation of that provision, even if that violation continues or is repeated. Any waiver by a Party of any provision of this Lease must be in writing. Such written waiver shall affect only the provision specified and only for the time and in the manner stated in the writing.

ARTICLE 18

DISPUTE RESOLUTION

18.1. *Meet & Confer.* The Parties shall attempt in good faith to resolve any dispute, claim or controversy ("Dispute") which arises out of or relates to the Lease, its terms or operation. Any Party may give the other Party written notice of any Dispute not resolved in the

normal course of business. Within fifteen (15) days after delivery of the notice, the Parties agree to have representatives with the authority to settle any such Dispute initially “meet & confer,” in a good faith attempt to resolve any such Dispute in a mutually cooperative spirit, reflective of both organizations commitment to the Redlands community.

18.2. *Mediation.* Should any such Dispute not be resolved between the Parties during the “meet & confer” process described above, then either Party may by written request submit the dispute to mandatory mediation (“Mediation”) conducted by IVAMS Arbitration & Mediation Services (“IVAMS”), or any successor entity if IVAMS is no longer in existence. The Parties will cooperate with IVAMS and each other in selecting a mediator from the IVAMS panel and in scheduling the Mediation proceedings. The Parties agree that they will participate in the Mediation in good faith. Both Parties further commit that all reasonable good faith efforts shall be made by both Parties to resolve any such Dispute through this Mediation process, as the mutual goal of both Parties is that the binding Arbitration step which follows is never needed between the Parties. All offers, promises, conduct and statements, whether oral or written, made in the course of the Mediation and/or Arbitration are confidential and inadmissible for any purpose, provided that evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the Mediation.

18.3. *Binding Arbitration.* Should any such Dispute not be resolved between the Parties through the Mediation process, then the Dispute shall be resolved by neutral binding arbitration (“Arbitration”), which shall be initiated by either Party by filing a written demand for arbitration at any time following the initial mediation session, or within 60 days from the date of the initial written request for Mediation, whichever occurs first. The Arbitration shall be conducted by a single arbitrator mutually agreed to from the arbitration panel of IVAMS, or successor entity thereto, with the Arbitration to be held in accordance with the IVAMS Arbitration Rules, other than as specifically described herein. Such arbitrator must be a different individual from the mediator previously used between the Parties, as described above. Judgment on the award rendered by the arbitrator may be entered in any Court having jurisdiction over the Dispute. However, irrespective of anything to the contrary in this Section, the Parties shall each have the right to file with a court of competent jurisdiction an action for equitable relief. Further, upon termination of the Lease, with Tenant refusing to vacate the Building, Landlord may pursue an unlawful detainer action with the court of competent jurisdiction to obtain full possession of the Building. These limited exceptions shall not waive any Party’s arbitration rights under this Lease.

18.3.1. *Qualifications of Arbitrator(s).* The arbitrator(s) shall be either a retired judge or an attorney with a minimum of ten (10) years’ experience handling commercial real estate lease matters.

18.3.2. *Venue.* Any Arbitration Hearing shall be held within forty miles of Redlands, California, or at another venue determined by mutual written agreement of the Parties.

18.3.3. *Limitation on Claims.* No demand for Arbitration may be made after the date on which the institution of legal proceedings based on the claim, dispute, or other matter is barred by the applicable statute of limitations. **The arbitrator shall only have the power to award monetary damages, and no damages may be awarded for punitive or exemplary damages, or for any incidental, indirect or consequential damages.**

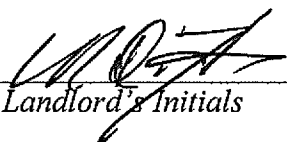
18.3.4. *Powers and Duties of Arbitrator.* The arbitrator shall be required to follow California law in rendering their decision. The arbitrator shall prepare and provide to the Parties a written decision on all matters subject to the Arbitration, including factual findings and the reasons that form the basis of the arbitrator's decision. The award of the arbitrator shall be mailed to the Parties no later than thirty (30) days after the close of the Arbitration Hearing.

18.3.5. *Discovery.* The Parties right to discovery in the Arbitration shall be available only to the extent approved by the arbitrator, and subject to any limitations placed on such discovery by the arbitrator. All discovery disputes shall be resolved by the arbitrator.

18.3.6. *Costs and Fees of Arbitrator(s).* Costs and fees of the arbitrator shall initially be equally divided between the Parties, subject to final determination by the arbitrator.

18.3.7. NOTICE: BY INITIALING IN THE SPACE BELOW, EACH PARTY IS AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THIS ARTICLE 18 BE DECIDED BY NEUTRAL ARBITRATION, AND EACH PARTY IS GIVING UP ANY RIGHTS THEY MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR BY JURY TRIAL. BY INITIALING IN THE SPACE BELOW, EACH PARTY IS GIVING UP ITS JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, SUBJECT TO THE PROVISIONS OF THIS ARTICLE 18. IF A PARTY REFUSES TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, IT MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. EACH PARTY'S AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY.

WE HAVE READ AND UNDERSTOOD THE FOREGOING AND AGREE TO SUBMIT DISPUTES AS DESCRIBED IN THIS ARTICLE 18 TO NEUTRAL ARBITRATION.



Landlord's Initials



Tenant's Initials

ARTICLE 19

BUILDING NAME & SIGNAGE

19.1. *Exterior Building Signs & Building Name.* The Parties specifically agree that the permanent name for the Building (and any replacement building) shall be "The Contemporary Club Building at the A.K. Smiley Public Library", and that the original signage will remain on the Building. The Parties will cooperate to determine a prominent location in/on the Building for a permanent plaque honoring the generosity of the Tenant to the community, along with the Cornerstone from the Tenant's original building and with the original gas lamp which is at present in the front courtyard of the Building. The Landlord agrees to acknowledgment of the Tenant's contributions to the community through a permanent, mutually agreed upon sized exhibit to be located in the Building foyer, with the contents of the exhibit to be originally determined and periodically updated by Tenant (but with input from the Landlord).

ARTICLE 20

JOINT PRESS RELEASES

20.1. *Press Releases.* The Parties agree to release joint press releases announcing the overall Sale Agreement and Lease at appropriate times (but with maintaining the identity of Benefactor confidential in respect of his wishes, but with appreciation), upon approval of the language of such press releases by Landlord and Tenant.

ARTICLE 21

PARKING/ DESIGNATED SPACE/KEYS

21.1. *Reserved Parking.* All parking at the Building to be used directly by Tenant and its members shall be reserved for Tenant's exclusive use during the Tenant Hours on the yearly Tenant Reservation Schedule ("Parking Reserved Hours). Landlord agrees to have the parking lot locked by 8 a.m. in the morning on the days of such Parking Reserved Hours as described above, so as to insure the availability of the parking to Tenant later that day. No storage of vehicles in the parking lot will be allowed. Further, Tenant shall have permanently reserved for its exclusive use two (2) parking spaces near the front entrance of the Building, which parking spaces shall be appropriately marked as reserved for the Contemporary Club usage.

21.2. *Keys/Locked Space.* Landlord agrees that Tenant will have four (4) keys to the Building and the alarm code to any security system to facilitate preparation for and conduct of the various meetings and events conducted by Tenant and KJs at the Building.

21.3. *Designated Space.* Designated locked space ("Designated Space") in the Building will be reserved for the exclusive use of Tenant (including for storage), including both

space in the Building, and cabinet space in the kitchen. The approximate square footage of this locked space (not including cabinet space) for Tenant is one hundred fifty (150) square feet. This space will initially be mutually agreed to in writing between the Parties prior to execution of this Lease, with the Parties acknowledging that the location(s) of the Designated Space may be modified as part of the Improvements planning and construction process, which modification will also require the prior written approval of both Parties.

ARTICLE 22

MISCELLANEOUS

22.1. *Captions.* The captions of Articles and Sections of this Lease are for convenience only and have no effect on the interpretation of the provisions of this Lease.

22.2. *Construction.* Whenever in this Lease the context so requires, references to the masculine shall be deemed to include the feminine and the neuter, reference to the neuter shall be deemed to include the masculine and feminine, references to the plural shall be deemed to include the singular and the singular to include the plural, and references to the words “and” and “or” shall be deemed to include the inclusive usage “and/or” as applicable.

22.3. *Entire Agreement; Amendments.* This Lease and all exhibits referred to in this Lease constitute the final, complete, and exclusive statement of the terms of the agreement between Landlord and Tenant pertaining to this Lease, and supersedes all prior and contemporaneous understandings or agreements of the Parties. Neither Party has been induced to enter into this Lease by the other Party, and neither Party is relying on any understanding, agreement, representation, or warranty outside those expressly set forth in this Lease. This Lease may be amended only by an agreement in writing signed by Landlord and Tenant.

22.4. *Exhibits.* The Exhibits attached to this Lease are a part of this Lease and incorporated into this Lease by reference.

22.5. *Reasonableness and Good Faith.* Except as limited elsewhere in this Lease, whenever this Lease requires Landlord or Tenant to give its consent or approval to any action on the part of the other, such consent or approval shall not be unreasonably withheld or delayed.

If either Landlord or Tenant disagrees with any determination covered by this Section and reasonably requests the reasons for that determination, the determining Party shall furnish its reason in writing and in reasonable detail within ten (10) business days following the request.

22.6. *Partial Invalidity.* If an arbitrator of competent jurisdiction holds any Lease clause to be invalid or unenforceable in whole or in part for any reason, then the validity and enforceability of the remaining clauses, or portions of them, shall not be affected.

22.7. *Binding Effect.* This Lease shall bind and benefit the Parties to this Lease and their legal representatives and successors in interest.

22.8. *Governing Law.* This Lease shall be construed and enforced in accordance with the laws of the State of California.

22.9. *Notices.* All notices (including requests, demands, approvals, or other communications) under this Lease shall be in writing.

22.9.1. *Method of Delivery.* Notice shall be sufficiently given for all purposes when delivered by either the United States Postal Service Express Mail, or by any other nationally recognized overnight delivery service which delivers to Post Office Boxes, with charges prepaid or charged to the sender's account, with notice effective on delivery.

22.9.2. *Addresses.* Addresses for purposes of giving notice under this Lease are as follows:

Landlord:
Watchorn Lincoln Memorial Association
Attention: President
125 W. Vine Street
Redlands, Ca. 92373

Tenant:
The Contemporary Club
Attention: President
P.O. Box 8363
Redlands, Ca. 92374

Either Party may change its address by giving the other Party notice of the change in any manner permitted by this Section.

22.10. *Force Majeure—Specific Exceptions.* The time for performance of an obligation under this Lease shall be extended for the period during which a Party is prevented from performing by acts of God, government, or other force or event beyond the reasonable control of that Party.

22.11. *Time of the Essence.* Time is of the essence of this Lease and each of its provisions.

22.12. *Recording—Memorandum of Lease.* This Lease shall not be recorded, but the Parties shall execute and acknowledge before a notary public a Memorandum of Lease which will be in a form reasonably satisfactory to, and agreed upon by, all the Parties and the City ("Memorandum"). The Memorandum shall be recorded with the San Bernardino County Recorder at the Parties joint expense.

22.13. *Legal Authority.* Each individual signing this Lease on behalf of any Party represents and warrants that he/she is duly authorized to execute and deliver this Lease on behalf of the respective Party, and that the Lease is binding on the entity in accordance with its terms; and simultaneously with the execution of this Lease, each Party shall deliver to the other Party a duly certified copy of a resolution from the Party's Governing Body authorizing execution of this Lease.

22.14. *Brokers.* Landlord and Tenant each represents to the other that it has had no dealings with any real estate broker or agent in connection with the negotiation of this Lease.

22.15. *Minimization of Interference.* Landlord shall exercise its rights and perform its obligations under this Lease, and otherwise operate the Building, in such a way as to reasonably minimize any resulting interference with Tenant's use of the Building, except as otherwise provided under this Lease. Tenant shall exercise its rights and perform its obligations under this Lease, in such a way as to reasonably minimize any resulting interference with the operation of the Building, except as otherwise provided under this Lease.

22.16. *CASp Inspection.* The Parties acknowledge and agree that the Building has not undergone inspection by a Certified Access Specialist (CASp) (as defined in California Civil Code §1938), and the Parties specifically waive this requirement.

22.17. *Incorporation of Recitals.* The Recitals are specifically incorporated into and made a part of this Lease.

22.18. *Revenue & Tax Code Notification.* Upon the assignment of the Lease, as described above in Section 14.1, this Lease will then have potentially created a possessory interest from a local public entity which may be subject to property tax, and this Section is to provide the required notification under Revenue and Taxation Code Section 107.6 that the Tenant may be subject to the payment of property taxes levied on the interest.

22.19. *Counterparts.* This Lease, and any amendments hereto, may be executed in counterparts, each of which shall constitute an original document, but which together shall constitute one and the same instrument.

22.20. *Further Assurances.* The Parties shall take such actions and execute and deliver such further documentation as may reasonably be required in order to give effect to the transaction contemplated by this Lease and the intentions of the Parties hereto.

22.21. *Power of Termination.* Notwithstanding anything to the contrary set forth herein, the Parties intend and agree that this Lease shall not be terminated by exercise of any Power of Termination relating to the Building which is or may be in force pursuant to the California Civil Code Section 885. However, if it is subsequently determined that this Lease was in fact terminated by the exercise of any such Power of Termination, then Landlord and Tenant agree that Landlord (or any other Remainder Beneficiary under any such Power of Termination) and

Tenant shall enter into a new lease for the Building upon the same terms as are set forth in this Lease, immediately upon Landlord or any Remainder Beneficiary obtaining title to the Building following exercise of the Power of Termination.

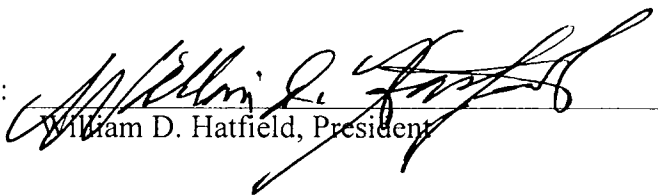
22.22. *Jointly Drafted.* This Lease shall be deemed jointly drafted by all of the Parties.

IN WITNESS WHEREOF, the undersigned have executed this Lease.

DATED: 12/30/15

WATCHORN LINCOLN MEMORIAL ASSOCIATION

By:


William D. Hatfield, President

DATED: 12-30-15

CONTEMPORARY CLUB

By:

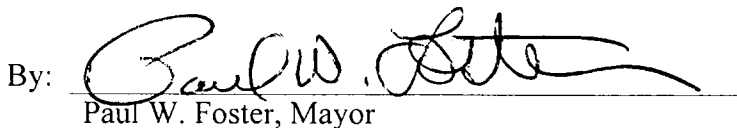

Maxine E. Flater, President

The City of Redlands, by its execution of this Lease below, specifically agrees to be bound by the provisions of Section 5.5 and Article 13 of the Lease which apply to the City even before the Assignment of the Lease:

DATED: 1-7-16

THE CITY OF REDLANDS

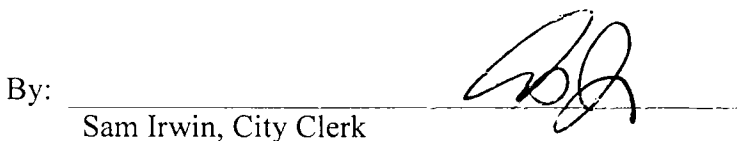
By:


Paul W. Foster, Mayor

DATED: 1-7-16

ATTEST

By:


Sam Irwin, City Clerk