

LEASE

It is agreed on this 21st day of October, 1997, by and between City of Redlands, hereinafter referred to as Lessor, and GTE California Incorporated, a corporation, hereinafter referred to as Lessee, that:

1. Lessor does hereby lease to Lessee that certain parcel of land being legally described as:

All of that portion of N ½ of Government Lot 13 in Section 7, T25, R2W, SBB&M, in the County of San Bernardino, State of California, according to Government Survey described as follows:

Beginning at the southwest corner of that certain parcel of land conveyed to the City of Redlands, by Redlands Security Company, September 13, 1927, and recorded in Book 265, page 302, Official Records of San Bernardino County; thence north 1° 09' west 30.00 feet along the west line of said Section 7; thence south 46° 09' east 61.76 feet to a point on the south line of the north ½ of said Government Lot 13; thence north 87° 13' 50 west 43.63 feet to the southwest corner of said north ½; thence northerly along the west line of said Section 7, 10.70 feet to the true point of beginning.

2. The term of this lease shall be for a period of five (5) years beginning September 16, 1997, and ending September 15, 2002.

3. Lessee agrees to pay rent for the leased land in the total amount of Two Thousand Six Hundred and Fifty Dollars (\$2,650), payable yearly in advance at the rate of Five Hundred and Thirty Dollars (\$530.00).

4. It is understood that Lessee has constructed a building and erected a pole antenna on the leased land under a previous ten year lease agreement with Lessor dated August 1, 1967, and that Lessee retains ownership of said building and antenna during the term of this lease. The leased land shall be used by Lessee only in connection with its business as a telephone company to provide mobile radio facilities and for any other purpose in connection with such telephone business. Lessee may alter its existing improvements and may add additional improvements as it deems necessary to carry out its use of the leased land.

5. Lessee shall pay any and all taxes and licenses which may, during said term, be levied or assessed on the personal property or business owned by Lessee and located on the leased land, and Lessee shall pay for all utility services used by it. Lessee further agrees to pay any real property taxes and assessments on the leased land; provided, however, that real property taxes shall not include any tax, fee, levy, assessment or charge, or any increase therein, imposed by reason of a change in ownership of the leased land. Lessee acknowledges and agrees that, in accordance with California Revenue and Taxation section 107.6, the leased land may be subject

to property taxation and that Lessee may be deemed to have a possessory interest in such land and may be subject to the payment of property taxes levied on such interest.

6. Lessee shall, at its own expense, keep all and every part of the leased land in a clean condition, and Lessee further agrees that its use of the leased land shall not violate any City or County ordinance or state or national law during the use of said land during the term hereof.

7. Lessee agrees that Lessor, or Lessor's agent, may upon three days prior written notice have access, to the leased land during reasonable business hours for the purpose of examining or inspecting the condition thereof or for exercising any right of this lease or extension hereof.

8. At the termination of this lease, Lessee shall yield possession to Lessor of the leased land in good order and repair, damage by the elements and ordinary wear and tear excepted, and in a clean and orderly condition, together with all improvements constructed by Lessee. Lessee shall have the right to remove all its trade fixtures, telephone facilities and other personal property.

9. In the event any legal action is instituted by either of the parties hereto to enforce the terms, conditions and covenants of this lease, the party prevailing in any such action shall be entitled to recover costs and expenses, including without limitation court costs and reasonable attorney's fees.

10. In the event that during the term of this Lease Agreement, or any renewal or extension hereof, it shall be or become unlawful for Lessee to operate and maintain on the leased land the said telephone business for the uses contemplated in this Lease Agreement by reason of any law or ordinance, or in the event that the whole or any part of the leased land shall be condemned by any governmental authority, or Lessee is forced to evacuate said land under governmental order, Lessee shall have and hereby reserves the right to terminate this Lease Agreement as and from the effective date of such illegality, condemnation or order, and thereupon this Lease Agreement shall be terminated as to all parties, and all parties shall be released from all obligations hereunder.

11. The terms of this lease shall inure to the benefit of and be binding upon the heirs, executors, successors and assigns of the parties hereto, provided, however, the Lessee may not assign this lease or sublet any part of the leased land without first obtaining the written consent of Lessor, which consent shall not be unreasonably withheld.

12. All notices hereunder shall be in writing and may be given by either party to the other by sending the same by mail, postage prepaid, and addressed as set forth below, or at such other address as the parties may from time to time notify each other in writing.

13. This lease contains all the agreements, representations, and understandings of the parties hereto and supercedes and replaces any and all previous understandings, commitments or agreements, oral or written, related thereof and cannot be amended or modified except by written agreement.

EXECUTED on the day and year first written above.

GTE CALIFORNIA INCORPORATED
21700 Oxnard Street, Suite 1450
Woodland Hills, CA 91367

CITY OF REDLANDS
35 Cajon, PO Box 3005
Redlands, CA 92373



Michael J. Baumann
Manager - Real Estate Services,
Support Assets



Mayor

ATTEST:



Deputy City Clerk