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Auditor/Controller – Recorder

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Other			0.00
PAID			\$0.00

City Clerk
City of Redlands
PO Box 3005
Redlands, CA 92373-1505

FEES NOT REQUIRED
PER GOVERNMENT CODE
SECTION 6103

MEMORANDUM OF GROUND LEASE AGREEMENT

This Memorandum of Ground Lease Agreement dated May 3, 2005, is made by and between the City of Redlands, a municipal corporation ("Landlord"), and the Boys and Girls Club, a California non-profit corporation ("Tenant").

WITNESSETH:

That Landlord hereby leases to Tenant and Tenant hereby leases from Landlord that certain real property (the "Property") located in the City of Redlands, identified as County of San Bernardino Assessor's Parcel Numbers 167-242-15, 16 and 17, a legal description of which is shown in Exhibit "A" attached hereto and incorporated herein by reference, under the terms and conditions of the unrecorded Ground Lease Agreement by and between Landlord and Tenant dated May 3, 2005, and incorporated herein by reference (the "Agreement") for a term of fifty-five (55) years pursuant to the terms of the Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties hereto have set their hands and affixed their seals the day and year first above written.

LANDLORD
CITY OF REDLANDS
A municipal corporation

TENANT
BOYS AND GIRLS CLUB,
a California non-profit corporation

By: *Juan Pepler*
Mayor

By: *Neil Macready*
Neil Macready, President BGCR

ATTEST:

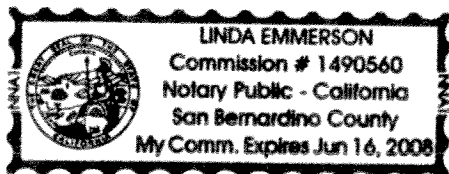
Janie Pappas
City Clerk

STATE OF CALIFORNIA
COUNTY OF SAN BERNARDINO

On May 2, 2005 before me, Linda Emmerson, Notary Public for the State of California, personally appeared Neil Macready

☐ personally known to me - **OR** -

☒ proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity(~~ies~~), and that by his/~~her/their~~ signature(~~s~~) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

Signature: *Linda Emmerson*

ALL-PURPOSE ACKNOWLEDGMENT

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO) SS
CITY OF REDLANDS)

By the authority granted under Chapter 4, Article 3, Section 1181, of the California Civil Code, and Chapter 2, Division 3, Section 40814, of the California Government Code, on May 3, 2005, before me, Beatrice Sanchez, Deputy City Clerk, on behalf of Lorrie Poyzer, City Clerk of the City of Redlands, California, personally appeared Susan Pepler and Lorrie Poyzer { X } personally known to me - or - { } proved to me on the basis of satisfactory evidence to be the persons whose names) are subscribed to the within instrument and acknowledged to me that they executed the same in their authorized capacities and that by their signatures on the instrument the persons, or the entity upon behalf of which the persons acted, executed the instrument.



WITNESS my hand and official seal.

LORRIE POYZER, CITY CLERK

By: Beatrice Sanchez
Beatrice Sanchez, Deputy City Clerk
(909)798-7531

~~~~~  
**CAPACITY CLAIMED BY SIGNER(S)**

- ☐ ☐ **Individual(s) signing for oneself/themselves**  
☐ ☐ **Corporate Officer(s)**  
    Title(s) \_\_\_\_\_  
    Company \_\_\_\_\_  
☐ ☐ **Partner(s)**  
    Partnership \_\_\_\_\_  
☐ ☐ **Attorney-In-Fact**  
    Principal(s) \_\_\_\_\_  
☐ ☐ **Trustee(s)**  
    Trust \_\_\_\_\_  
☒ ☐ **Other**  
    Title(s):   Mayor and City Clerk  
    Entity Represented:   City of Redlands, a municipal corporation

~~~~~  
THIS CERTIFICATE MUST BE ATTACHED TO THE DOCUMENT DESCRIBED BELOW:

Title or Type of Document: Memorandum of Ground Lease Agreement

Date of Document: May 3, 2005

Signer(s) Other Than Named Above: Neil Macready

Parcel No. 1:

That portion of the Northeast 1/4 of the Northwest 1/4 of the Northeast 1/4 of the Southwest 1/4 of Section 22, Township 1 South, Range 3 West, more particularly described as follows:

Beginning at the intersection of the South line of Lugonia Ave., with the West line of Clay Street; thence West on the South line of Lugonia Ave. 134.2 feet; thence South parallel with Clay Street, 146.5 feet; thence at right angles East 134.2 feet to the West line of Clay Street; thence North along the West line of said Street 146.5 feet, to the point of beginning.

Parcel No. 2:

That portion of the Northeast 1/4 of the Northwest 1/4 of the Northeast 1/4 of the Southwest 1/4 of Section 22, Township 1 South Range 3 West, San Bernardino Base and Meridian, in the City of Redlands, County of San Bernardino, State of California, as per Government Survey, described as follows:

Beginning at a point 146.5 feet South of the Southwest corner of Lugonia Avenue and Clay Street; thence South 150 feet to a point on the West side of Clay Street; thence West 134.2 feet; thence North 150 feet; thence East 134.2 feet to the point of beginning.

Assessor's Parcel No: 167-242-15,16,17

EXHIBIT "A"

GROUND LEASE

This Lease is entered into on this 3rd day of May, 2005 ("Effective Date"), by and between the City of Redlands, a municipal corporation ("Landlord"), and the Boys and Girls Club, a California non-profit corporation ("Tenant").

A. Landlord is the owner of certain real property located in the City of Redlands identified as County of San Bernardino Assessor's Parcel Numbers 0167-242-15,16 and 17 (the "Premises").

B. Tenant desires to lease the Premises for the purpose of constructing a "Boys and Girls Club" building, an appurtenant parking area and other related improvements (collectively, the "Improvements") on the Premises as set forth in this Lease.

ARTICLE 1. LEASE OF PREMISES AND TERM OF LEASE

Section 1.01. Agreement to Lease. In consideration of the rents to be paid and covenants to be performed by Tenant, Landlord hereby leases the Premises to Tenant on the terms and conditions set forth in this Lease. Except as expressly otherwise provided in this Lease, the Premises includes the real property plus any appurtenances and easements described in Exhibit "A" of this Lease, exclusive of any improvements now or hereafter located on the Premises, notwithstanding that any such improvements may or shall be construed as affixed to and as constituting part of the described Premises and without regard to whether ownership of the improvements is in the Landlord or in the Tenant.

Section 1.02. Term. The term of this Lease shall be for a period of fifty-five (55) years, commencing on the Effective date of this Lease, unless terminated earlier as provided in this Lease. Tenant shall have the right to renew this Lease for an additional term of fifty-five (55) years, by providing ninety (90) days written notice to Landlord prior to the end of the Term of this Lease.

Section 1.03. No Partnership or Joint Venture. Nothing in this Lease shall be construed to render the Landlord in any way or for any purpose a partner, joint venturer or associate in any relationship with Tenant other than that of Landlord and Tenant, nor shall this Lease be construed to authorize either to act as agent for the other.

ARTICLE 2. RENT

Section 2.01. Minimum Rent. Tenant shall pay to Landlord annual rent ("Rent") for each year during the term of this Lease in the amount of \$1.00 per year.

Section 2.02. Time and Place for Payment of Rent. All Rent shall be paid by Tenant on an annual basis on the Effective Date of this Lease and every anniversary date of the Effective Date thereafter. The Rent shall be paid to Landlord at the office of the City Manager, City Hall, 35 Cajon Street, Suite 200 (P.O. Box 3005 mailing), Redlands, California or any other place that Landlord may designate by written notice to Tenant.

ARTICLE 3. USE OF PREMISES

Section 3.01. Permitted Use. Tenant shall use the Premises solely for the purpose of constructing and operating a "Boys and Girls Club." Tenant shall not change the use of the Premises without obtaining the prior written consent of Landlord.

Section 3.02. Compliance With Laws. Tenant shall, at Tenant's own cost and expense, comply with all statutes, ordinances, regulations and requirements of all governmental entities relating to the use and occupancy of the Premises, whether those statutes, ordinances, regulations and requirements are now in force or are subsequently enacted. If any license, permit or other governmental authorization is required for the lawful use or occupancy of the Premises, Tenant shall procure and maintain it throughout the term of this Lease. The judgment of any court of competent jurisdiction or the admission by Tenant in a proceeding brought against Tenant by any governmental entity that Tenant has violated any such statute, ordinance, regulation or requirement shall be conclusive as between Landlord and Tenant and shall constitute grounds for termination of this Lease by Landlord.

Section 3.03. Prohibited Uses. Tenant shall not use or permit the Premises to be improved, developed, used or occupied in any manner or for any purpose that is in any way in violation of any law, ordinance or regulation of any federal, state, county or local governmental agency, body or entity. Furthermore, Tenant shall not maintain, commit or permit the maintenance or commission of any nuisance as now or hereafter defined by any statutory or decisional law applicable to the Premises.

ARTICLE 4. TAXES AND UTILITIES

Section 4.01. Tenant to Pay Taxes.

A. Tenant shall pay during the term of this Lease, without abatement, deduction or offset, any and all real and personal property taxes, general and special assessments and other charges (including any increase caused by a change in the tax rate or by a change in assessed valuation) of any description levied or assessed during the term of this Lease by any governmental agency or entity on or against the Premises, the Improvements located on the Premises, personal property located on or in the Premises or Improvements and the leasehold estate created by this Lease.

B. Possessory Interest Tax. Tenant shall pay any and all taxes and assessments which may, during the Term of this lease, be levied or assessed on the personal property or business owned by Tenant and located on the Premises. Tenant acknowledges and agrees that, in accordance with California Revenue and Taxation section 107.6, the Premises may be subject to property taxation and that Tenant may be deemed to have a possessory interest in such property and may be subject to the payment of property taxes levied on such interest.

Section 4.02. Payment Before Delinquency. All taxes and assessments and installments of taxes and assessments required to be paid by Tenant under this Lease shall be paid by Tenant

at least ten (10) days before each such tax, assessment or installment of tax or assessment becomes delinquent. On the written request of Landlord, Tenant shall deliver to Landlord the official and original receipt evidencing the payment of any taxes, assessments and other charges required under this Article.

Section 4.03. Tax Returns and Statements. Tenant shall, as between Landlord and Tenant, have the duty of attending to, preparing, making and filing any statement, return, report or other instrument required or permitted by law in connection with the determination, equalization, reduction or payment of any taxes, assessments or other charges that are or may be levied on or assessed against the Premises, the Improvements located on the Premises, personal property located on or in the Premises or Improvements and the leasehold estate created by this Lease.

Section 4.04. Tax Hold-Harmless Clause. Tenant shall defend against, indemnify and hold Landlord and the property of Landlord, including the Premises and any Improvements now or hereafter located on the Premises, free and harmless from any liability, loss or damage resulting from any taxes, assessments or other charges required by this Article to be paid by Tenant and from all interest, penalties and other sums imposed thereon and from any sales or other proceedings to enforce collection of any such taxes, assessments or other charges.

Section 4.05. Utilities. Tenant shall pay or cause to be paid, and hold Landlord and the property of Landlord including the Premises free and harmless from all charges for the furnishing of gas, water, electricity, telephone service and other public utilities to the Premises during the term of this Lease and for the removal of garbage and rubbish from the Premises.

Section 4.06. Payment by Landlord. Should Tenant fail to pay within the time specified in this Article any taxes, assessments or other charges Landlord may, without notice to or demand on Tenant, pay, discharge or adjust that tax, assessment or other charge for the benefit of Tenant. In that event, Tenant shall promptly on written demand of Landlord reimburse Landlord for the full amount paid by Landlord in paying, discharging or adjusting that tax, assessment or other charge together with interest thereon at the then-maximum legal rate from the date of payment by Landlord until the date of repayment by Tenant. If this Article does not specify the time within which Tenant must pay any charge required by this Article, Tenant shall pay that charge before it becomes delinquent.

ARTICLE 5. CONSTRUCTION BY TENANT

Section 5.01. Duty to Construct. Tenant shall, at Tenant's sole cost and expense, construct or cause to be constructed on the Premises, a Boys and Girls Club in the manner and according to the terms and conditions specified in this Article.

Section 5.02. Requirement of Landlord's Written Approval. No structure or other improvement of any kind shall be constructed on the Premises unless and until the plans, specifications and proposed location of that structure or improvement have been approved in

writing by Landlord. Furthermore, no structure or other improvement shall be constructed on the Premises that does not comply with plans, specifications and locations approved in writing by Landlord.

Section 5.03. Preparation and Submission of Plans. Tenant shall, at Tenant's own cost and expense, engage a licensed architect or engineer to prepare plans and specifications for the Boys and Girls Club and shall submit to Landlord for approval drawings and materials in the form of plans, elevations, sections and rendered perspectives sufficient to convey the architectural design of the Boys and Girls Club.

Section 5.04. All Work on Written Contract. All work required in the construction of the Boys and Girls Club, including any site preparation work, landscaping work and utility installation work, as well as actual construction work on the Boys and Girls Club, shall be performed only by competent contractors licensed under the laws of the State of California and shall be performed pursuant to written contracts with those contractors. Each such contract shall provide that the final payment under the contract due to the contractor shall be in an amount equaling at least ten (10) percent of the full amount payable under the contract and shall not be paid to contractor until whichever of the following last occurs:

(a) The expiration of thirty five (35) days from the date of recording by Tenant as owner of a Notice of Completion of the Boys and Girls Club, Tenant agreeing to record that Notice of Completion promptly within the time specified by law for the recording of that notice; or

(b) The settlement and discharge of all liens of record claimed by persons who supplied either labor or materials for the construction of the Boys and Girls Club.

Section 5.05. Performance and Lien Bonds. Each contractor engaged by Tenant to perform any services for construction of the Boys and Girls Club, including any construction, site preparation, utility installation, landscaping or parking lot construction services, shall furnish to Tenant, who shall deliver copies to Landlord, at the contractor's own expense at the time of entering a contract with Tenant for those services:

(a) A bond issued by a corporate surety authorized to issue surety insurance in California in an amount equal to one hundred (100) percent of the contract price payable under the contract securing the faithful performance by the contractor of its contract with Tenant; and

(b) A bond issued by a corporate surety authorized to issue surety insurance in California in an amount equal to one hundred (100) percent of the contract price payable under the contract securing the payment of all claims for the performance of labor or services on or the furnishing of materials for, the performance of the contract.

Section 5.06. Compliance With Law and Standards. The Boys and Girls Club shall be constructed, all work on the Premises shall be performed and all buildings or other improvements on the Premises shall be erected in accordance with all valid laws, ordinances,

regulations and orders of all federal, state, county or local governmental agencies or entities having jurisdiction over the Premises; provided, however, that any structure or other improvement erected on the Premises, including the Boys and Girls Club, shall be deemed to have been constructed in full compliance with all such valid laws, ordinances, regulations and orders when a valid final Certificate of Occupancy entitling Tenant to occupy and use the structure or other improvement has been duly issued by proper governmental agencies or entities. All work performed on the Premises pursuant to this Lease or authorized by this Lease shall be done in a good workmanlike manner and only with new materials of good quality and high standard.

Section 5.07. Mechanics' Liens. At all times during the term of this Lease, Tenant shall keep the Premises and all improvements now or hereafter located on the Premises free and clear of all liens and claims of liens for labor, services, materials, supplies or equipment performed on or furnished to the Premises. Should Tenant fail to pay and discharge or cause the Premises to be released from any such lien or claim of lien within twenty (20) days after service on Tenant of written request from Landlord to do so, Landlord may pay, adjust, compromise and discharge any such lien or claim of lien on any terms and in any manner that Landlord may deem appropriate. In that event, Tenant shall, on or before the first day of the next calendar month following any such payment by Landlord, reimburse Landlord for the full amount paid by Landlord in paying, adjusting, compromising and discharging that lien or claim of lien, including any attorneys' fees or other costs expended by Landlord, together with interest at the then-maximum legal rate from the date of payment by Landlord to the date of repayment by Tenant.

Section 5.08. Zoning and Use Permits. Should Tenant deem it necessary or appropriate to obtain any use permit, variance or rezoning of the Premises in order to construct or operate the Boys and Girls Club, Landlord agrees to execute any documents that may be necessary or appropriate to execute in the name and on behalf of Landlord any such documents; provided, however, that any such permits, variances or rezoning shall be obtained at the sole cost and expense of Tenant.

Section 5.09. Ownership of Improvements. Title to all Improvements, including the Boys and Girls Club, to be constructed on the Premises by Tenant shall be owned by Tenant until expiration of the term or earlier termination of this Lease. All Improvements, including the Boys and Girls Club, on the Premises at the expiration of the term or earlier termination of this Lease shall, without compensation to Tenant, then automatically and without any act of Tenant or any third party become Landlord's property. Tenant shall surrender the Improvements to Landlord at the expiration of the term or earlier termination of this Lease, free and clear of all liens and encumbrances, other than those, if any, permitted under this Lease or otherwise created or consented to by Landlord. Tenant agrees to execute, acknowledge and deliver to Landlord any instrument requested by Landlord as necessary in Landlord's opinion to perfect Landlord's right, title and interest to the Improvements and the Premises.

ARTICLE 6. REPAIRS AND RESTORATION

Section 6.01. Maintenance by Tenant. During the term of this Lease Tenant shall, at Tenant's own cost and expense, keep and maintain the Premises, all Improvements and all appurtenances (including landscaped and parking areas) now or hereafter on the Premises in a first-class condition, in good order and repair and in a safe and clean condition.

Section 6.02. Requirements of Governmental Agencies. During the term of this Lease, Tenant, at Tenant's own cost and expense, shall:

(a) Make all alterations, additions or repairs to the Premises or the Improvements on the Premises required by any valid law, ordinance, statute order or regulation now or hereafter made or issued by any federal, state, county, local or other governmental agency or entity;

(b) Observe and comply with all valid laws, ordinances, statutes orders and regulations now or hereafter made or issued respecting the Premises or the Improvements on the Premises by any federal, state, county, local or other governmental agency or entity;

(c) Indemnify and hold Landlord and the property of Landlord, including the Premises, free and harmless from any and all liability, loss, damages, fines, penalties, claims and actions resulting from Tenant's failure to comply with and perform the requirements of this Section.

Section 6.03. Tenant's Duty to Restore Premises. If at any time during the term of this Lease, any Improvements now or hereafter on the Premises are destroyed in whole or in part by fire, theft, the elements or any other cause not the fault of Landlord, this Lease shall continue in full force and effect and Tenant, at Tenant's own cost and expense, shall repair and restore the damaged Improvements. Any restoration by Tenant shall comply with original plans for the Improvements described in Article 5, or except as may be otherwise modified by Tenant and approved in writing by Landlord. The work of repair and restoration shall be commenced by Tenant within one hundred twenty (120) days after the damage or destruction occurs and shall be completed with due diligence not later than one (1) year after the work is commenced. In all other respects, the work of repair and restoration shall be done in accordance with the requirements for original construction work on the Premises set forth in Article 5 of this Lease. Tenant's obligation for restoration described in this Section shall exist whether or not funds are available from insurance proceeds.

Section 6.04. Option to Terminate Lease for Destruction. Notwithstanding Section 6.03 of this Lease, Tenant shall have the right to terminate this Lease if the Improvements are damaged or destroyed by a casualty for which Tenant is not required under this Lease to carry insurance and the cost to repair or restore the damaged or destroyed Improvements exceeds fifty (50) percent of the fair market value of the Improvements immediately prior to the damage or destruction.

Section 6.05. Application of Insurance Proceeds. Any and all fire or other insurance proceeds that become payable at any time during the term of this Lease because of damage to, or

destruction of, any Improvements on the Premises shall be paid to Tenant and applied by Tenant toward the cost of repairing and restoring the damaged or destroyed Improvements.

ARTICLE 7. INDEMNITY AND INSURANCE

Section 7.01. Indemnity Agreement. Tenant shall defend against, indemnify and hold Landlord and the property of Landlord, including the Premises and Improvements now or hereafter on the Premises, free and harmless from any and all liability, claims, loss, damages or expenses resulting from Tenant's occupation and use of the Premises, specifically including, without limitation, any liability, claim, loss, damage or expense arising by reason of:

(a) The death or injury of any person, including Tenant or any person who is an employee or agent of Tenant or by reason of the damage to or destruction of any property, including property owned by Tenant or by any person who is an employee or agent of Tenant, from any cause whatever while that person or property is in or on the Premises or in any way connected with the Premises or with any of the Improvements or personal property on the Premises;

(b) The death or injury of any person, including Tenant or any person who is an employee or agent of Tenant or by reason of the damage to or destruction of any property, including property owned by Tenant or any person who is an employee or agent of Tenant, caused or allegedly caused by either (1) the condition of the Premises or some building or improvement on the Premises or (2) some act or omission on the Premises of Tenant or any person in, on or about the Premises with the permission and consent of Tenant;

(c) Any work performed on the Premises or materials furnished to the Premises at the instance or request of Tenant or any person or entity acting for or on behalf of Tenant; or

(d) Tenant's failure to perform any provision of this Lease or to comply with any requirement of law or any requirement imposed on Tenant or the Premises by any duly authorized governmental agency.

Section 7.02. Liability Insurance. Tenant shall, at Tenant's own cost and expense, procure and maintain during the entire term of this Lease a broad form comprehensive coverage policy of public liability insurance issued by an insurance company licensed by the State of California insuring Tenant and Landlord against loss or liability caused by or connected with Tenant's occupation and use of the Premises under this Lease in amounts not less than:

(a) One Million (\$1,000,000) for injury to or death of one person and, subject to that limitation for the injury or death of one person, of not less than Two Million (\$2,000,000) for injury to or death of two or more persons as a result of any one accident or incident; and

(b) One Million (\$1,000,000) per occurrence for damage to or destruction of any property.

Section 7.03. Fire and Casualty Insurance. Tenant shall, at Tenant's own cost and expense, at all times during the term of this Lease, keep all Improvements on the Premises insured for their full replacement value by insurance companies authorized to do business in the

State of California against loss or destruction by fire and the perils commonly covered under the standard extended coverage endorsement to fire insurance policies in San Bernardino County.

Section 7.04. Deposit of Insurance With Landlord and Lender. Tenant shall, within 10 days after the execution of this Lease and promptly thereafter when any such policy is replaced, rewritten or renewed, deliver to Landlord a true and correct copy of each insurance policy required by this Article of this Lease or a certificate executed by the insurance company or companies or their authorized agent evidencing that policy or policies.

Section 7.05. Notice of Cancellation of Insurance. Each insurance policy required under this Article shall contain a provision that it cannot be cancelled for any reason unless at least thirty (30) days prior written notice of the cancellation is given to Landlord and to Lender in the manner required by this Lease for service of notices on Landlord by Tenant.

ARTICLE 8. ASSIGNMENT AND SUBLEASING

Section 8.01. No Assignment Without Landlord's Consent. Tenant may assign this Lease or any interest in this Lease, subject to the prior written consent of Landlord. Landlord shall not unreasonably withhold or delay its consent and shall grant consent if the proposed assignee is financially qualified and has sufficient experience in the operation and management of a "Boys and Girls Club" to perform all the agreements, undertakings and covenants of this Lease and all other agreements entered into by Tenant which relate to the management, operation, maintenance, construction and restoration of the Improvements and the Premises. To assist Landlord in determining whether or not the proposed assignee is so qualified, Tenant shall furnish to Landlord at no expense to Landlord, prior to that assignment, detailed and complete financial statements of the proposed assignee, audited by a certified public accountant reasonably satisfactory to Landlord (if the proposed transferee causes its statements to be so audited in its normal course of business), together with detailed and complete information about the business of the proposed assignee, including its experience in operating a "Boys and Girls Club." Landlord shall have thirty (30) days after receipt of the information described above to notify Tenant of whether it consents or does not consent to the proposed assignment. Absent any such notification by Landlord during the thirty (30) day period, Landlord shall be conclusively deemed to have consented to the assignment. A consent by Landlord to one assignment shall not be deemed to be a consent to any subsequent assignment. Any assignment made contrary to the terms of this Section shall be null and void unless otherwise permitted by this Article.

ARTICLE 9. DEFAULT AND REMEDIES

Section 9.01. Continuation of Lease in Effect. Should Tenant breach this Lease and abandon the Premises prior to the natural expiration of the term of this Lease, Landlord may continue this Lease in effect by not terminating Tenant's right to possession of the Premises, in which event Landlord shall be entitled to enforce all Landlord's rights and remedies under this Lease, including the right to recover the Rent specified in this Lease as it becomes due under this Lease.

Section 9.02. Termination and Unlawful Detainer. In the event of a Tenant default under this Lease, Landlord may terminate this Lease by written notice to Tenant and:

(a) Bring an action to recover from Tenant:

1. The worth at the time of award of the unpaid Rent that had been earned at the time of termination of the lease; and

2. Any other amount necessary to compensate Landlord for all detriment proximately caused by Tenant's failure to perform Tenant's obligations under this Lease; and

(b) Bring an action, in addition to or in lieu of the action described in subparagraph (a) of this Section, to reenter and regain possession of the Premises in the manner provided by the laws of unlawful detainer of the State of California then in effect.

Section 9.03. Breach and Default by Tenant. All covenants and agreements contained in this Lease are declared to be conditions to this Lease and to the term hereby leased to Tenant. Should Tenant fail to perform any covenant, condition or agreement contained in this lease and the default not be cured within thirty (30) days after written notice of the default is served on Tenant by Landlord, then Tenant shall be in default under this Lease. In addition to Tenant's failure to perform any covenant, condition or agreement contained in this lease within the cure period permitted by this Section, the following shall constitute a default by Tenant under this Lease:

(a) The appointment of a receiver to take possession of the Premises or Improvements or of Tenant's interest in, to and under this Lease, the leasehold estate or of Tenant's operations on the Premises for any reason, including, without limitation, assignment for benefit of creditors or voluntary or involuntary bankruptcy proceedings, when not released within sixty (60) days;

(b) An assignment by Tenant for the benefit of creditors; or the voluntary filing by Tenant or the involuntary filing against Tenant of a petition, other court action or suit under any law for the purpose of (1) adjudicating Tenant a bankrupt, (2) extending time for payment, (3) satisfaction of Tenant's liabilities or (4) reorganization, dissolution or arrangement on account of or to prevent, bankruptcy or insolvency; provided, however, that in the case of an involuntary proceeding, if all consequent orders, adjudications, custodies and supervisions are dismissed, vacated or otherwise permanently stayed or terminated within ninety (90) days after the filing or other initial event, then Tenant shall not be in default under this Section.

(c) The subjection of any right or interest of Tenant to or under this Lease to attachment, execution or other levy or to seizure under legal process when the claim against Tenant is not released within ninety (90) days.

Section 9.04. Cumulative Remedies. The remedies given to Landlord in this Article shall not be exclusive but shall be cumulative with and in addition to all remedies now or hereafter allowed by law and elsewhere provided in this Lease.

Section 9.05. Waiver of Breach. The waiver by Landlord of any breach by Tenant of any of the provisions of this Lease shall not constitute a continuing waiver or a waiver of any subsequent breach by Tenant of either the same or a different provision of this Lease.

Section 9.06. Surrender of Premises. On expiration or earlier termination of this Lease, Tenant shall surrender the Premises and all Improvements in or on the Premises to Landlord in as good, safe and clean condition as practicable, reasonable wear and tear excepted.

ARTICLE 10. MISCELLANEOUS

Section 10.01. Force Majeure. Except as otherwise expressly provided in this Lease, if the performance of any act required by this Lease to be performed by either Landlord or Tenant is prevented or delayed by reason of any act of God, strike, lockout, labor trouble, inability to secure materials, restrictive governmental laws or regulations or any other cause (except financial inability) not the fault of the party required to perform the act, the time for performance of the act will be extended for a period equivalent to the period of delay and performance of the act during the period of delay will be excused. However, nothing contained in this section shall excuse the prompt payment of rent by Tenant as required by this Lease or the performance of any act rendered difficult or impossible solely because of the financial condition of the party required to perform the act.

Section 10.02. Attorneys' Fees. In the event any action or proceeding is commenced between the parties to this Lease concerning the Premises, this Lease or the rights and duties of either in relation thereto, the party prevailing in such action or proceeding shall be entitled, in addition to any other relief that may be granted, to a reasonable sum as and for that party's attorneys' actual fees.

Section 10.03. Notices to Landlord. Except as otherwise expressly provided by law, all notices or other communications required or permitted by this Lease or by law to be served on or given to Landlord by Tenant or any Lender described in Article 6 of this Lease shall be in writing and shall be deemed duly served and given when personally delivered to Landlord, or, in lieu of personal service, when deposited in the United States mail, first-class postage prepaid, addressed to Landlord at City Manager, City of Redlands, P.O. Box 3005, Redlands California 92373. Landlord may change Landlord's address for the purpose of this section by giving written notice of that change to Tenant in the manner provided in Section 10.04;

Section 10.04. Notices to Tenant. Except as otherwise expressly provided by law, any and all notices or other communications required or permitted by this Lease or by law to be served on or given to Tenant by Landlord shall be in writing and shall be deemed duly served and given when personally delivered to Tenant, any managing employee of Tenant or, in lieu of personal service, when deposited in the United States mail, first-class postage prepaid, addressed to Tenant at P.O. Box 8416, Redlands, CA 92375. Tenant may change its address for the purpose of this section by giving written notice of that change to Landlord in the manner provided in Section 10.03 of this Lease.

Section 10.05. Governing Law. This Lease, and all matters relating to this Lease, shall be governed by and construed in accordance with the laws of the State of California.

Section 10.06. Binding on Heirs and Successors. This Lease shall be binding on and shall inure to the benefit of the successors and assigns of the parties hereto.

Section 10.07. Partial Invalidity. If any provision of this Lease is held by a court of competent jurisdiction to be either invalid, void or unenforceable, the remaining provisions of this Lease shall remain in full force and effect unimpaired by the holding.

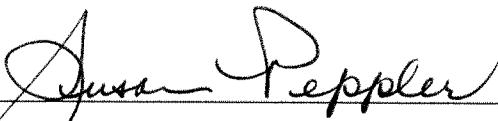
Section 10.08. Sole and Only Agreement. This instrument constitutes the sole and only agreement between Landlord and Tenant respecting the Premises, the leasing of the Premises to Tenant, the construction of the Boys and Girls Club described in this Lease on the Premises and the lease terms set forth in this Lease and correctly sets forth the obligations of Landlord and Tenant to each other as of its date. Any agreements or representations respecting the Premises, their leasing to Tenant by Landlord or any other matter discussed in this Lease not expressly set forth in this instrument are null and void.

Section 10.09. Time of Essence. Time is expressly declared to be of the essence of this Lease.

Section 10.10. Memorandum of Lease for Recording. Landlord shall execute a memorandum of this Lease for purposes of and in a form suitable for recordation. The memorandum of this Lease shall describe the parties, set forth a description of the leased premises, specify the term of this Lease and incorporate this Lease by reference.

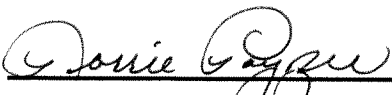
EXECUTED on May 3, 2005, at Redlands, California.

LANDLORD



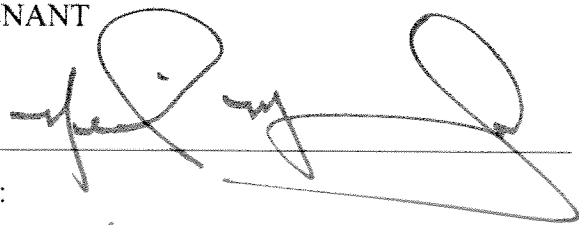
Susan Pepler, Mayor

ATTEST:



Lorrie Poyzer, City Clerk

TENANT



By:
NEIL MACREADY, PRESIDENT BGCR

4/14/05

Date