

## LEASE

This lease agreement ("Lease") is dated this 21st day of October, 1997 by and between the City of Redlands, a municipal corporation, ("Landlord"), Caleb Woolard ("Tenant") and the Friends of Prospect Park, a nonprofit corporation.

Landlord, for and in consideration of the covenants and provisions to be kept and performed by Tenant under this Lease hereby leases to Tenant, and Tenant agrees to lease from Landlord, the following: Carriage House in Prospect Park, 1352 Prospect Drive, Redlands, California (the "Premises").

### ARTICLE 1. TERM OF LEASE

#### Term

Section 1.01. This Lease shall be on a month to month basis, commencing at 12:01 a.m. on October 21, 1997 ("Commencement Date"), and continue until terminated by Landlord or Tenant by providing written notice of such termination to the other thirty (30) days prior to the date of termination.

### ARTICLE 2. CONSIDERATION

#### Tenant Duties

Section 2.01. As consideration for City's leasing of the Premises to Tenant, Tenant shall perform the following duties with regard to the Premises:

1. Open and close the Carriage House for scheduled functions and events;
2. Open and close the chain crossing the driveway for scheduled functions and events;
3. Accept bookings of scheduled functions and events;

In addition, Tenant shall perform the duties in the Tenant-Caretaker Agreement which is attached hereto as Exhibit "A" and incorporated herein by this reference.

### ARTICLE 3. USE OF PREMISES

#### Permitted Use

Section 3.01. During the term of this Lease the Premises shall be used by Tenant solely as a private residence. Tenant shall not use or permit the Premises to be used for any other purpose, without the prior written consent of the Landlord.

### Insurance Hazards

Section 3.02. Tenant shall not commit or permit the commission of any acts on the Premises, nor use or permit the use of the Premises in any manner, that will increase the existing rates for, or cause the cancellation of, any fire, liability or other insurance policy insuring the Premises or the improvements on the Premises. Tenant shall, at its own cost and expense, comply with any and all requirements of Landlord's insurance carriers necessary for the continued maintenance at reasonable rates of fire and liability insurance policies on the Premises and the improvements on the Premises.

### Waste or Nuisance

Section 3.03. Tenant shall not commit, or permit the commission by others of, any waste on the Premises. Tenant shall not maintain, commit or permit the maintenance or commission of any nuisance on the Premises and Tenant shall not use or permit the use of the Premises for any unlawful purpose.

### Compliance with Laws

Section 3.04. Tenant shall, at Tenant's own cost and expense, comply with all statutes, ordinances, regulations and requirements of all governmental entities, both federal and state, and municipal, relating to Tenant's use and occupancy of the Premises whether those statutes, ordinances, regulations and requirements are now in force or are subsequently enacted. 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.

## ARTICLE 4. TAXES AND UTILITIES

Section 4.01. Tenant shall pay the sum of \$75.00 dollars per month directly to the Friends of Prospect Park for the furnishing of water, sewer and waste disposal to the Premises during the term of this Lease.

Section 4.02. Tenant shall pay any and all taxes and licenses 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 Premise. Tenant acknowledges and agrees that, in accordance with California Revenue and Taxation section 107.6, the Premise 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.

## ARTICLE 5. ALTERATIONS AND REPAIRS

### Condition of Premises

Section 5.01. Tenant accepts the Premises, as well as the improvements located on the Premises, in their present condition and stipulates with Landlord that the Premises and improvements are in good, clean, safe and tenantable condition as of the date of this Lease.

### Maintenance by Landlord

Section 5.02. Landlord shall, at its own cost and expense, maintain in good condition and repair the structural elements of the Premises. For purposes of this section, "structural elements" shall mean the exterior roof, exterior walls, structural supports and foundation of the Premises. Landlord shall not be liable for any damages to Tenant or the property of Tenant resulting from Landlord's failure to make any repairs required by this section unless written notice of the need for those repairs has been given to Landlord by Tenant and Landlord has failed for a period of thirty (30) days after receipt of the notice, unless prevented by causes not the fault of the Landlord, to make the needed repairs. Notwithstanding anything in this section to the contrary, Tenant shall promptly reimburse Landlord for the full cost of any repairs made pursuant to this section required because of the negligence or other fault, other than normal and proper use, of Tenant or its employees, agents, subtenants or invitees if any. Landlord and its agents shall have the right to enter the Premises at all reasonable times (and at any time during an emergency) for the purpose of inspecting them or to make any repairs required to be made by Landlord under this Lease.

### Maintenance by Tenant

Section 5.03. Except as otherwise provided for in Section 5.02 of this Lease, Tenant shall at its own cost and expense keep and maintain all portions of the Premises and all portions of the Premises and all improvements located on the Premises in good order and repair and in as safe and clean a condition as they were when received by Tenant from Landlord, reasonable wear and tear excepted; provided, however, that Tenant shall not undertake any repairs without prior written notice to, and the prior written consent of, Landlord.

### Alterations and Liens

Section 5.04. Tenant shall not make or permit any other person to make any alterations to the Premises or to any improvements on the Premises without the prior written consent of Landlord. Furthermore, any and all alterations, additions, improvements and fixtures, except furniture and trade fixtures, made or placed in or on the Premises by Tenant or any other person shall on expiration or earlier termination of this Lease, become the property of Landlord and remain on the Premises. Landlord shall have the option, however, on expiration or termination of this Lease, of requiring Tenant, at Tenant's sole cost and expense, to remove any or all such alterations, additions, improvements or fixtures from the Premises.

### Inspection by Landlord

Section 5.05. Tenant shall permit Landlord and Landlord's agents, representatives or employees to enter the Premises at all reasonable times for the purpose of inspecting the Premises to determine whether Tenant is complying with the terms of this Lease, for the purpose of doing other lawful acts that may be necessary to protect Landlord's interest in the Premises, or for the purpose of performing Landlord's duties under this Lease.

### Surrender of Premises

Section 5.06. On expiration or earlier termination of this Lease, Tenant shall promptly surrender and deliver the Premises to Landlord in as good condition as they are now at the date of this Lease, excluding reasonable wear and tear, and repairs required to be made by Landlord under this Lease.

## ARTICLE 6. INDEMNITY AND INSURANCE

Section 6.01. Tenant shall defend, indemnify and hold Landlord and its elected officials, officers and employees harmless from and against any all liability resulting from Tenant's occupation and use of the Premises, including without limitation, any claim, liability, loss or damage arising by reason of:

(a) The death or injury of any person or persons, 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, and caused or allegedly caused by either the condition of the Premises, or some act or omission of Tenant or of some agent, contractor, employee, servant, subtenant or concessionaire of Tenant on the Premises;

(b) Any work performed on the Premises or materials furnished to the Premises at the insistence or request of Tenant or any agent or employee of Tenant; and

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

### Tenant's Personal Property

Section 6.02. Tenant shall, during the full term of this Lease and any renewals or extensions hereof, maintain at Tenant's own cost and expense an insurance policy issued by a reputable company authorized to conduct insurance business in California insuring for their full insurable value all fixtures and equipment in or on the Premises against damage or destruction by fire, theft or the elements. Landlord shall be named an additional insured on such policy and the insurance coverage evidenced by the policy shall be primary and non-contributing to any insurance or self-insurance maintained by Landlord.

## Cancellation Requirements

Section 6.03. The insurance policy shall be in a form reasonably satisfactory to Landlord and shall carry an endorsement that, before changing or canceling the policy, that the issuing insurance company shall give Landlord at least 30 days' prior written notice. Duplicate originals or certificates of such insurance policy shall be delivered to Landlord within ten (10) days of the date of execution of this Lease.

## ARTICLE 7. DEFAULT, ASSIGNMENT, AND TERMINATION

### Restriction Against Subletting or Assignment

Section 7.01. Tenant shall not encumber, assign, or otherwise transfer this Lease, any right or interest in this Lease, or any right or interest in the Premises or any of the improvements that may now or hereafter be constructed or installed on the Premises, without first obtaining the express prior written consent of Landlord. Tenant shall not sublet the Premises or any part of the Premises or allow any other person, other than Tenant's agents, servants and invitees to occupy the Premises or any part of the Premises without the prior written consent of Landlord. A consent by Landlord to one assignment, one subletting or one occupation of the Premises by another person shall not be deemed to be a consent to any subsequent assignment, subletting or occupation of the Premises by another person. Any encumbrance, assignment, transfer or subletting without the prior written consent of Landlord, whether voluntary or involuntary, by operation of law or otherwise, is void and shall at the option of Landlord, terminate this Lease. The consent of Landlord to any assignment of Tenant's interest in this Lease or the subletting by Tenant of the Premises or parts of the Premises shall not be unreasonably withheld.

### Default Defined

Section 7.02. The occurrence of any of the following shall constitute a material default and breach of this Lease by Tenant:

- (a) Any failure by Tenant to pay the rent or to make any other payment required to be made by Tenant under this Lease.
- (b) A failure by Tenant to observe and perform any other provision of this Lease to be observed or performed by Tenant, after written notice of Tenant's failure is given by Landlord to Tenant.
- (c) The making by Tenant of any general assignment for the benefit of creditors; the filing by or against Tenant of a petition to have Tenant adjudged a bankrupt or of a petition for reorganization or arrangement under any law relating to bankruptcy (unless, in the case of petition filed against Tenant, it is dismissed within 60 days); the appointment of a trustee or receiver to take possession of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, when possession is not restored to Tenant within 30 days; or the attachment, execution, or

other judicial seizure of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, when that seizure is not discharged within 30 days.

#### Termination of Lease and Recovery of Damages

Section 7.03. In the event of any default by Tenant under this Lease, in addition to any other remedies available to Landlord at law or in equity, Landlord shall have the right to terminate this Lease and all rights of Tenant hereunder by giving written notice of the termination. No act of Landlord shall be construed as terminating this Lease except written notice given by Landlord to Tenant advising Tenant that Landlord elects to terminate the Lease. In the event Landlord elects to terminate this Lease, Landlord may recover from Tenant:

(a) The worth at the time of award of any unpaid rent that had been earned at the time of termination of this Lease;

(b) The worth at the time of award of the amount by which the unpaid rent that would have been earned after termination of the lease until the time of award exceeds the amount of rental loss that Tenant proves could have been reasonably avoided;

(c) The worth at the time of award of the amount by which the unpaid rent for the balance of the term of this Lease after the time of award exceeds the amount of rental loss that Tenant proves could be reasonably avoided; and

(d) Any other amount necessary to compensate Landlord for all detriment proximately caused by Tenant's failure to perform its obligations under this Lease.

The term "rent" as used in this section shall mean the Minimum Rent, the Percentage Rent, and all other sums required to be paid by Tenant pursuant to the terms of this Lease. As used in subsections (a) and (b) above, the "worth at the time of award" is computed by allowing interest at the rate of 10 percent per year. As used in subsection (c), the "worth at the time of award" is computed by discounting that amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus 1 percent.

#### Landlord's Right to Continue Lease in Effect

Section 7.04. (a) If Tenant breaches this lease and abandons the Premises, 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 its rights and remedies under this Lease, including the right to recover the rent specified in this lease as it becomes due under this Lease. For as long as Landlord does not terminate this Lease, Tenant shall have the right to assign or sublease the Premises with the Landlord's prior written consent. Landlord shall not unreasonably withhold consent.

(b) No act of Landlord, including but not limited to Landlord's entry on the Premises, efforts

to relet the Premises, or maintenance of the Premises, shall be construed as an election to terminate this Lease unless a written notice of that intention is given to Tenant or unless the termination of this Lease is decreed by a court of competent jurisdiction.

#### Landlord's Right to cure Tenant Defaults

Section 7.05. If Tenant breaches or fails to perform any of the covenants or provisions of this Lease, Landlord may, but shall not be required to, cure Tenant's breach. Any sum expended by Landlord, with the then maximum legal rate of interest, shall be reimbursed by Tenant to Landlord with the next due rent payment under this Lease.

#### Cumulative Remedies

Section 7.06. The remedies granted to Landlord in this section shall not be exclusive but shall be cumulative and in addition to all remedies now or hereafter allowed by law or provided in this Lease.

#### Waiver of Breach

Section 7.07. The waiver of 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 either of the same or another provision of this Lease.

### ARTICLE 8. MISCELLANEOUS

#### Force Majeure - Unavoidable Delays

Section 8.01. 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 an act of God, strike, lockout, labor troubles, inability to secure materials, restrictive governmental laws or regulations, or any other cause except financial inability that is 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 solely because of the financial condition of the party required to perform the act.

#### Attorneys' Fees

Section 8.02. If any legal action is commenced between the parties to this Lease concerning the Premises, this Lease, or the rights and duties of either in relation to the Premises or to this Lease, the party prevailing in that action shall be entitled to, in addition to any other relief that may be granted in the action, a reasonable sum as and for its attorneys' fees in that action that are determined by the court.

## Notices

Section 8.03. 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 either party to this Lease by the other party to this Lease shall be in writing and shall be deemed duly served and given when personally delivered to the party to whom they are directed, or in lieu of personal service, when deposited in the United States mail, first-class postage Pre-paid, addressed to Tenant at 1352 Prospect Drive, Redlands, California, 92373 or to Landlord at 35 Cajon Street, Suite 200, P. O. Box 3005, Redlands, California, 92373. Either party, tenant or Landlord, may change its address for the purpose of this section by giving written notice of that change to the other party in the manner provided in this section.

## Entire Agreement

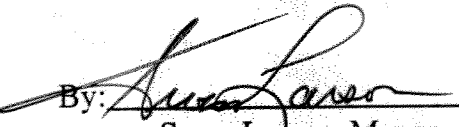
Section 8.04. This Lease constitutes the entire agreement between Landlord and Tenant respecting the Premises, the leasing of the Premises to Tenant and correctly sets forth the obligations of Landlord and Tenant to each other as of its date. Any agreements or representations respecting the Premises or their leasing by Landlord to Tenant not expressly set forth in this instrument are null and void.

## Time of Essence

Section 8.05. Time is expressly declared to be of the essence in this Lease.

Executed on this 21st day of October, 1997.

CITY OF REDLANDS

By: 

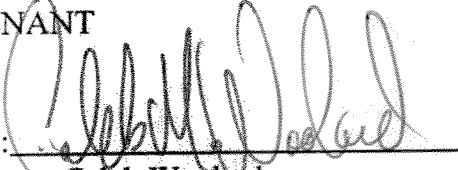
Swen Larson, Mayor

Attest:

By: 

Deputy City Clerk

TENANT

By: 

Caleb Woolard

FRIENDS OF PROSPECT PARK

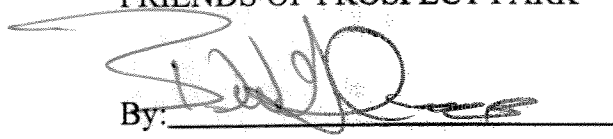
By: 

EXHIBIT "A"

FRIENDS OF PROSPECT PARK (FOPP)  
TENANT - CARETAKER AGREEMENT

GENERAL TERMS

- A 1 Tenant agrees to perform the following duties to the satisfaction of the FOPP. FOPP has the right to dismiss tenant on written thirty days notice for unsatisfactory performance.
- A 2 Tenant will occupy the caretaker's apartment in the Carriage House (CH) in Prospect Park, Redlands, Ca. Apartment to be occupied by a maximum of two persons. All utilities except tenant's personal telephone and TV cable will be responsibility of FOPP.
- A 3 Tenant has use of designated enclosed storage area in lower level. Tenant may use apartment appliances; namely clothes washer and dryer and the refrigerator.
- A 4 Tenant is provided parking on the lower level for two automobiles (no RV vehicles).
- A 5 Tenant is allowed two weeks "off duty" during first year with 30 days prior notice to FOPP.

TENANT'S DUTIES

- B 1 Tenant shall always be courteous to the public and demonstrate pride in the Carriage House and park.
- B 2 Responsible for the security of the building. Respond to alarms, report emergencies to the police and FOPP coordinator.
- B 3 Respond daily to telephone, mail and other inquiries about use of the CH. Mail brochure and reservation forms requested in a timely manner. Review parking requirements of renters for each reservation. (The parking lot is not for the exclusive use of the CH.)
- B 4 Make appointments to show the facilities to interested groups. Establish a specific schedule when the CH is available for public inspection, or by arrangement as necessary.
- B 5 Maintain a calendar of reservation dates. Coordinate CH events with Kimberly Crest, theater use, schools, Redlands park department when necessary.
- B 6 Review reservations weekly with FOPP coordinator. Maintain records of rental agreements and deposits received. Transmit money collected to FOPP treasurer.
- B 7 Open building for scheduled events. Inspect the facilities with renter prior to event. Verify the number of people using the facility does not exceed fire regulations. Certain events may require Tenant attendance during the event. Inspect building with renter at end of event, noting any damage and rule violations. Secure building, set alarm.
- B 8 Tenant is responsible to keep CH neat and clean at all times. FOPP will purchase necessary supplies including paper towels, toilet paper and cleaning supplies.
- B 9 Tenant is responsible to keep outside patio, sidewalks, and steps swept and clean.
- B 10 Tenant will insure that the irrigation system is adequately watering the landscaping in front of CH and will hand-water any dry spots that may appear. Tenant will adequately water all potted plants both inside and outside building.

- B 11 Tenant will help set-up tables and chairs for scheduled events.
- B 12 Tenant will empty building trash containers into park dumpster.
- B 13 Tenant will daily close access roads to Carriage House at sundown and open access roads each morning.

FOPP RESPONSIBILITIES

- C 1 FOPP will appoint a member to be the contact person (coordinator) for the tenant. The tenant's communications shall come only from this coordinator
- C 2 Coordinator will always be available to assist with rental problems.
- C 3 FOPP will be responsible for major repairs and for hiring professional services to routinely clean and wax main wooden floor.
- C 4 FOPP will be responsible for all communication with city officials.

Agreement agreed to and signed on

Call - 11-97  
[Signature]  
Tenant  
[Signature]  
For FOPP