

RETURN TO:
City of Hollister
375 Fifth Street
Hollister, Ca. 95023

DOCUMENTARY TRANSFER TAX \$ No Tax Due
 COMPUTED ON FULL VALUE OF PROPERTY CONVEYED, OR
 COMPUTED ON FULL VALUE LESS LIENS & ENCUMBRANCES
REMAINING THEREON AT TIME OF SALE.

MAIL RECEIVED
DEC 6 1977

BLDG 24

[Signature]
Signature of declarant or agent determining tax - firm name
LEASE

NOV 10 1977
OFFICIAL RECORDS, SAN BENITO COUNTY - LORRAINE A. LOWES, Recorder
AT 511 BISHOP ST. 3P
INDEXED COMPARED
FILED BY *[Signature]* Deputy Recorder

THIS LEASE, made and executed in duplicate at Hollister, California, from the CITY OF HOLLISTER, a Municipal Corporation, to HOLLISTER ELKS BUILDING ASSOCIATION, a California Corporation, hereinafter referred to respectively, as "Lessor" and "Lessee", without regard to number or gender.

IT IS AGREED by and between the parties hereto as follows:

DESCRIPTION

Lessor hereby leases to Lessee, and Lessee hereby lets from Lessor, on the terms and conditions hereinafter set forth, those certain premises with appurtenances situate at the Hollister Municipal Airport in the City of Hollister, County of San Benito, State of California, particularly described as follows:

In "Exhibit A", attached hereto and made a part hereof by reference.

TERM

The term of this lease shall be for fifty (50) years commencing on July 1, 1977, and shall terminate at 12:00 o'clock midnight, June 30, 2027.

RENT

The monthly rent during the initial five (5) years of the term is One Hundred Eighty and 00/100 Dollars (\$180.00), lawful money of the United States of America, which Lessee shall pay to Lessor, without deduction or offset, at such place or places as may be designated from time to time in writing by Lessor, on or before the 5th day of each and every month, commencing July 5, 1977.

PERIODIC COST-OF-LIVING RENT INCREASE

The monthly rent provided for in the paragraph entitled RENT shall be subject to increase at the commencement of the sixth (6th) year of the term and each fifth (5th) year thereafter ("the increase date") as follows:

The base for computing the increase is the Consumer Price Index (All Items) for the San Francisco-Oakland Metropolitan Area, published by the United States Department of Labor, Bureau of Labor Statistics ("Index"), which is published for the month of June nearest the date of the commencement of the term ("Beginning Index"). If the Index published the increase date ("Increase Index") has increased over the Beginning Index, the monthly rent for the following five (5) years (until the next rent increase) shall be set by multiplying the monthly rental set forth in the paragraph entitled RENT by a fraction, the numerator of which is the Increase Index and the denominator of which is the Beginning Index. In no event shall the monthly rent be reduced. On increase of the monthly rent as provided herein, the parties hereto shall immediately execute an Amendment of Lease stating the new monthly rent.

If the Index is changed so that the base year differs from that used as of the month of June immediately preceeding the month in which the term commences, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If the Index is discontinued or revised during the term, such other Government Index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the Index had not been discontinued or revised.

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USE

The premises are leased to Lessee for use as a benevolent, fraternal and social club and such other uses incidental thereto as may conveniently be carried on in connection therewith.

REPAIRS

Lessor, at its sole cost and expense, shall keep and maintain the roof of the building currently situate on the demised premises in good and sanitary order, condition and repair.

MAINTENANCE OF LANDSCAPING

Lessor, at its sole cost and expense, shall keep and maintain the landscaping on the demised premises, but shall have no duty, obligation or liability whatsoever to landscape the demised premises or to replace landscaping on the demised premises.

PARKING LOTS

The parking lots at the Hollister Municipal Airport are public property and shall, at all times during the term hereof, be available for use by the public.

On or before June 30, 1978, Lessor, at its sole cost and expense, shall surface, mark and light the following parkings lots adjacent to the demised premises:

1. The lot on the Westerly part of the demised premises; and
2. The lot Southerly of the above referred lot and Westerly of the tennis courts.

On or before June 30, 1979, Lessor, at its sole cost and expense, shall surface, mark and light the parking lot on the Westerly side of Astro Drive and Westerly of the demised premises.

PERIODIC COST-OF-LIVING LIABILITY INSURANCE INCREASE

Liability insurance coverage provided for in the paragraph entitled LIABILITY INSURANCE shall be subject to increase in accordance with the provisions of, and computed as set forth in, the paragraph entitled PERIODIC COST-OF-LIVING RENT INCREASE.

SURRENDER OF PRIOR AGREEMENT AND LEASES

This Lease supersedes any and all prior agreements and/or leases by and between the parties hereto, including, but not limited to, that certain Lease dated August 17, 1972, and that certain Modification of Lease dated May 7, 1973, and any and all such prior agreements and leases are hereby surrendered, terminated and declared to be null and void.

INCORPORATION BY REFERENCE

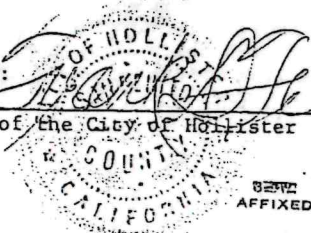
Except where completely and wholly inconsistent and irreconcilable with the provisions hereof, the terms, covenants and conditions of "Exhibit B", attached hereto, are hereby incorporated herein and made a part hereof by reference.

Dated: November 7, 1977.

CITY OF HOLLISTER
A Municipal Corporation

By [Signature]
Mayor of the City of Hollister

ATTEST: [Signature]
Clerk of the City of Hollister



SEMP AFFIXED

SEAL
AFFIXED

HOLLISTER ELKS BUILDING ASSOCIATION
A California Corporation

By *Ante Morris*
President

By *O.J. Beaulieu*
Secretary

CERTIFICATION

I, Frank D. Felice, City Clerk of the City of Hollister, hereby certify that the foregoing is a full, true and correct copy of the original Lease between the City of Hollister, a Municipal Corporation, and Hollister Elks Building Association, a California Corporation, made and executed on the 7 day of November, 1977, the original copy of which is of record in my office.

Dated: November 9, 1977.

Frank Felice
Clerk of the City of Hollister

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EXHIBIT "A"

All that real property situated in the City of Hollister, County of San Benito, State of California, being more particularly described as follows:

Being a portion of Lot Q of the Rancho Bolsa de San Felipe, according to the map thereof filed May 25, 1880 in Volume I of Maps, at page 22, San Benito County Records;

Commencing at a point on the South line of the land of the State of California, point bearing South $49^{\circ} 41'$ West, 444.65 feet from the West line of State Highway 156; thence along said southerly line of the said State of California property North $49^{\circ} 41'$ East, 444.65 feet to a point on the westerly line of State Highway 156;

Thence southerly along the West line of the State Highway 156 South $7^{\circ} 22' 30''$ East, 290 feet more or less;

Thence leaving said westerly line South $49^{\circ} 41'$ West, 205 feet more or less;

Thence North $40^{\circ} 19'$ West, 130.00 feet more or less;

Thence South $49^{\circ} 41'$ West, 100.00 feet more or less to a point on the easterly line of Astro Drive;

Thence northwesterly along the easterly line of Astro Drive North $40^{\circ} 19'$ West, 100.00 feet to the point of beginning.

EXHIBIT B

DELAY IN DELIVERY OF POSSESSION

If Lessor, for any reason whatsoever, cannot deliver possession of the demised premises to the Lessee at the commencement of the term of this lease, as hereinbefore specified, this lease shall not be void or voidable, nor shall Lessor be liable to Lessee for any loss or damage resulting therefrom, but in that event there shall be proportionate deduction of rent covering the period between the commencement of the term and the time when Lessor can deliver possession. The term of this lease shall not be extended by such delay.

EASEMENTS AND RIGHTS OF WAY

Lessee is hereby granted non-exclusive easements and rights of way for purposes of ingress and egress across, on and over all existing streets, roads and ways at the Hollister Municipal Airport, subject at all times to the right of Lessor to keep, maintain, repair, construct, re-construct, locate, re-locate, alter, close and substitute the same in any manner whatsoever other than so as to exclude Lessee's right of ingress and egress to the demised premises.

USE BY AIRCRAFT

There is hereby reserved to Lessor, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the demised premises, together with the right to cause in such airspace such noise as may be inherent in the operation of aircraft, now known or hereafter used for navigation of or flight in the air, using said airspace, or landing at, taking off from or operating on the Hollister Municipal Airport.

Lessee expressly agrees for itself, its successors and assigns, that it will not erect or permit the erection of any structure or object nor permit the growth of any tree on the demised premises above a mean sea level elevation of the number of feet mean sea level applicable to the most critical area of the demised premises in accordance with Technical Standard Order N-18. In the event this covenant is breached, Lessor reserves the right to enter on the demised premises and to remove the offending structure or object and to cut the offending tree, all of which shall be at the cost and expense of Lessee.

Lessee expressly agrees for itself, its successors and assigns, that it will not make use of the demised premises in any manner which might interfere with the landing or taking off of aircraft from the Hollister Municipal Airport or otherwise constitute a hazard. In the event of the breach of this covenant, Lessor reserves the right to enter upon the demised premises and cause the abatement of such interference at the cost and expense of Lessee.

ACCEPTANCE OF PREMISES AND SURRENDER AT END OF TERM

By entry hereunder, Lessee accepts the demised premises as being in good and sanitary order, condition and repair, and, on the last day of the term hereof, or sooner termination thereof, Lessee shall surrender to Lessor the demised premises and appurtenances in the same condition as when received, or as hereafter may be put, reasonable use and wear thereof and damage by fire, Act of God or the elements excepted.

On the last day of the term hereof, or sooner termination thereof, Lessee shall surrender to Lessor all additions, facilities and improvements made or constructed to or on the demised premises during the term hereof in good and sanitary order, condition and repair, reasonable use and wear thereof and damage by fire, Act of God or the elements excepted.

USE

Lessee shall not use, or permit the demised premises, or any part or parts thereof, to be used for any purpose or purposes other than the purpose or purposes for which the said premises are hereby let, without the written consent of Lessor being first had and obtained.

UTILITIES

Lessee shall pay for all utilities and services supplied to the demised premises.

TAXES AND ASSESSMENTS

Lessee shall, prior to delinquency, pay all taxes and all general and/or special assessments levied or assessed against the demised premises and/or Lessee's property situate thereon, during the term hereof.

COMPLIANCE WITH LAW

Lessee shall, at its sole cost and expense, comply with all of the requirements of all municipal, county, state and federal authorities now in force, or which may hereafter be in force, pertaining to the said premises, and shall faithfully observe in the use of the premises all municipal and county ordinances and state and federal statutes now in force, or which may hereafter be in force. The judgment of any court of competent jurisdiction, or the admission of Lessee in any action or proceeding against Lessee, whether Lessor be a party thereto or not, that Lessee has violated any such authority, ordinance or statute pertaining to the premises or in the use of the premises shall be conclusive of that fact as between Lessor and Lessee.

DUTY IMPOSED BY LAW TO ALTER PREMISES

In the event that any addition, alteration, change or otherwise to the demised premises and appurtenances, or any part thereof, be required by any regulation, rule or law, the same shall be made by Lessee at Lessee's sole cost and expense.

NEW CONSTRUCTION

Lessee shall not undertake, or cause to be undertaken, the construction of any addition, facility or improvement to or on the demised premises, or any part thereof, without first (1) submitting to Lessor written plans and specifications therefor; (2) obtaining the written approval thereof by the Director of Public Works of the City of Hollister; and (3) obtaining Lessor's written consent thereto. Any addition, facilities or improvements, except moveable furniture and trade fixtures, shall become at once a part of the realty and belong to Lessor.

All plans and specifications shall provide for such off-street parking and landscaping as may be required by the Director of Public Works of the City of Hollister.

ALTERATIONS

Lessee shall not make, or suffer to be made, any additions, alterations or improvements to the demised premises, or any part thereof, without first (1) submitting to Lessor written plans and specifications therefor; (2) obtaining the written approval thereof by the Director of Public Works of the City of Hollister; and (3) obtaining Lessor's written consent thereto. Any additions, facilities or improvements, except moveable furniture and trade fixtures, shall become at once a part of the realty and belong to Lessor.

1 All plans and specifications shall provide for such off-street parking
2 and landscaping as may be required by the Director Public Works of the City
3 of Hollister.

4 REPAIRS

5 As a material part of the consideration for the leasing of the
6 demised premises at the rental herein provided, Lessee, at its sole cost and
7 expense, keep and maintain the demised premises and appurtenances, and every
8 part thereof, in good and sanitary order, condition and repair, hereby
9 waiving all rights to make repairs at the expense of Lessor.

10 Excepting only as in this lease expressly provided, Lessor shall have
11 no duty, obligation or liability whatsoever to care for or maintain the
12 demised premises. In the event that, by any express provision of this lease,
13 Lessor agrees to care for or maintain the, or any part of, the demised pre-
14 mises, such agreement on the part of Lessor shall constitute a covenant only,
15 and no obligation or liability whatsoever shall exist on the part of Lessor
16 unto Lessee by reason thereof unless Lessee shall first serve upon Lessor a
17 written notice specifying with particularity the provisions of this lease
18 whereunder said duty is claimed to exist on the part of Lessor, and the facts
19 existing that require the performance of such duty, and the failure or
20 omission on the part of the Lessor to commence the performance or observance
21 thereof with reasonable diligence after actual receipt of said notice.

22 LIENS

23 Lessee shall keep the demised premises free from any liens arising
24 out of any work performed, materials furnish or obligations incurred by
25 Lessee.

26 INSPECTION FEES AND CHARGES

27 Lessee, shall, in addition to all other sums, pay all fees for
28 permits, inspections or examination of the demised premises, or any part
29 thereof, or any thing pertaining thereto, charged by any public authority
30 having jurisdiction over the demised premises.

31 DESTRUCTION OF IMPROVEMENTS

32 In the event of a partial destruction of any or all of the improvements
situate on the demised premises during the term hereof, from any cause or
causes, Lessor may either (1) elect to repair the same, this lease continuing
in full force and effect, except that Lessee shall be entitled to a proportion-
ate deduction of rent while such repairs are being made, such proportionate
deduction to be based upon the extent to which the making of such repairs
shall interfere with the activities of Lessee in and on the demised premises,
or (2) terminate this lease.

In respect to any partial destruction which Lessor may elect to repair,
the provisions of Section 1932, Sub-Section 2, and of Section 1933, Sub-
Section 4, of the Civil Code of the State of California are hereby waived
by Lessee.

The total destruction of all improvements situate on the demised
premises shall terminate this lease.

NONLIABILITY OF OWNER FOR DAMAGES

This lease is made upon the express condition that Lessor is to be
free from all liability and claim for damages by reason of any injury to any
person or persons, including Lessee, or property of any kind whatsoever and
to whomsoever belonging, including Lessee, from any cause or causes whatsoever,
while in, upon, or in any way connected with the demised premises, Lessee

1 hereby covenanting and agreeing to indemnify and save harmless Lessor from
2 all liability, loss, cost and obligations on account of or arising out of
any injuries or losses, however occurring.

3 LIABILITY INSURANCE

4 Additionally to and independently of all other provisions of this
5 lease, Lessee shall take out and keep in force during the term hereof, at
6 Lessee's sole cost and expense, a policy of comprehensive public liability
7 insurance, products liability insurance and contractual liability insurance
8 to protect against any liability to the public incident to the use of or
9 resulting from any accident occurring in or about the demised premises, the
liability under such insurance to be not less than \$ 500,000.00 for any
one person injured, or \$ 1,000,000.00 for any one accident, or \$ 100,000.00
for property damage. The policies shall insure the contingent liability of
Lessor.

10 Within ten (10) days after the date of the execution of this lease,
11 Lessee shall secure and deliver to Lessor a certificate of said insurance
12 together with a receipt for the payment of the premium thereof and a written
undertaking on the part of the insurance carrier to notify Lessor in writing
at least thirty (30) days prior to any cancellation thereof.

13 Lessee agrees, if Lessee does not keep such insurance in full force
14 and effect, that Lessor may take out the necessary insurance and pay the
premium therefor and the repayment thereof shall be deemed to be a part of
the rental and payable as such on the next day upon which rent become due.

15 CASUALTY INSURANCE

16 Lessee shall take out, maintain and keep in force during the term
17 hereof, at Lessee's sole cost and expense, such policy or policies of
casualty insurance as Lessee may deem advisable or necessary to insure
18 Lessee's personal property and tenant's improvements against loss.

19 WAIVER OF INSURER'S SUBROGATION RIGHTS

20 Lessor and Lessee each hereby release the other from any and all
21 liability for loss or damage insured against under all policies of insurance,
now or hereafter during the term hereof existing and purchased by either or
22 both insuring or covering the demised premises or any portion thereof and/or
Lessee's operations in the demised premises, and hereby waive all rights of
subrogation which the insurer under said policies might otherwise, if at all,
23 have as against the other hereto.

24 WASTE AND NUISANCE

25 Lessee shall not commit, nor suffer to be committed, any waste on the
26 demised premises, or any nuisance, or any other act or thing which may dis-
turb any other person or persons.

27 ENTRY BY OWNER

28 Lessee shall permit Lessor and its agents to enter into and upon
29 the demised premises at all reasonable times for the purpose of inspecting
the same and for any other lawful purpose or purposes without any rebate of
30 rent and without any liability to Lessee for any loss or occupation or quiet
enjoyment of the premises thereby occasioned.

1 ASSIGNMENT OR SUBLETTING

2 Lessee shall not assign this Lease, or any interest therein, and shall
3 not sublet the said premises or any part thereof, or any right or privilege
4 appurtenant thereto, or suffer any other person to occupy or use the said
5 premises, or any part thereof, without the written consent of Lessor being
6 first had and obtained. Any such assignment, subletting, occupation or use
7 without such consent shall be void, and shall at the option of Lessor,
8 terminate this lease. This lease shall not, nor shall any interest therein,
9 be assignable, as to the interest of Lessee, by operation of law, without
10 the written consent of Lessor.

11 BANKRUPTCY

12 Either the appointment of a receiver to take possession of all or
13 substantially all of the assets of Lessee, or a general assignment by Lessee
14 for the benefit of creditors, or any action taken or suffered by Lessee
15 under any insolvency or bankruptcy act shall constitute a breach of this lease
16 by Lessee.

17 REMEDIES OF OWNER ON DEFAULT

18 In the event of any breach of this lease by Lessee, then Lessor
19 besides other rights or remedies it may have, shall have the immediate right
20 of re-entry and may remove all persons and property from the premises, such
21 property may be removed and stored in a public warehouse or elsewhere at the
22 cost of, and for the account of, Lessee. Should Lessor elect to re-enter as
23 herein provided, or should it take possession pursuant to legal proceedings
24 or pursuant to any notice provided by law, it may either terminate this
25 lease or it may from time to time, without terminating this lease, re-let
26 said premises or any part thereof for such term or terms (which may be for a
27 term extending beyond the term of this lease) and at such rental or rentals
28 and upon such other terms and conditions as Lessor, in its sole discretion,
29 may deem advisable, with the right to make alterations and repairs to said
30 premises; upon each such re-letting (a) Lessee shall be immediately liable
31 to pay to Lessor, in addition to any indebtedness other than rent due here-
32 under, the cost and expenses of such re-letting and of such alterations and
repairs, incurred by Lessor, and the amount, if any, by which the rent re-
served in this lease for the period of such re-letting, (up to but not beyond
the term of this lease) exceeds the amount agreed to be paid as rent for the
demised premises for such period on such re-letting; or (b) at the option of
Lessor rents received by the Lessor from such re-letting shall be applied;
first, to the payment of any indebtedness, other than rent due hereunder from
Lessee to Lessor; second, to the payment of any costs and expenses of such re-
letting and of such alterations and repairs, third, to the payment of rent due
and unpaid hereunder; and the residue, if any, shall be held by Lessor and
applied in payment of future rent as the same may become due and payable here-
under. If Lessee has been credited with any rent to be received by such re-
letting under option (a) and such rent shall not be promptly paid to Lessor
by the new tenant, or if such rentals received from such re-letting under
option (b) during any month be less than that to be paid during that month by
Lessee hereunder, Lessee shall pay any such deficiency to Lessor. Such
deficiency shall be calculated and paid monthly. No such re-entry or taking
possession of said premises by Lessor shall be construed as an election on
its part to terminate this lease unless a written notice of such intention
be given to Lessee or unless the termination thereof be decreed by a court of
competent jurisdiction. Notwithstanding any such re-letting without termina-
tion, Lessor may at any time thereafter elect to terminate this lease for any
previous breach. Should Lessor at any time terminate this lease for any
breach, in addition to any other remedy that it may have, it may recover

1 by Lessee of the demised premises be disturbed or interfered with or affected
2 in any manner whatsoever, and irrespective of how caused or by whom, excepting
3 only the intentional, wrongful, affirmative and willful eviction of Lessee
by Lessor.

4 BINDING ON SUCCESSORS

5 The covenants and conditions herein contained shall, subject to the
6 provisions as to assignment, apply to and bind the heirs, successors,
7 executors, administrators, and assigns of all of the parties hereto, and all
of the parties hereto shall be jointly and severally liable hereunder.

8 WAIVER

9 The waiver by Lessor of any breach of any term, covenant, or con-
10 dition herein contained shall not be deemed to be a waiver of such term,
11 covenant, or condition or any subsequent breach of the same or any other
12 term, covenant, or condition herein contained. The subsequent acceptance of
rent hereunder by Lessor shall not be deemed to be a waiver of any preceding
13 breach by Lessee of any term, covenant, or condition of this lease, other
than the failure of Lessee to pay the particular rental so accepted, regardless
14 of Lessor's knowledge of such preceding breach at the time of acceptance of
such rent.

15 GRACE PERIOD

16 No default or breach of any covenant or condition on the part of
17 Lessor shall exist unless and until Lessee shall serve upon Lessor a written
18 notice, specifying with particularity wherein it is claimed that Lessor has
19 failed or omitted to perform or observe any covenant or condition on its
20 part, and the failure or omission on the part of Lessor to commence the per-
21 formance or observance thereof with reasonable diligence after actual receipt
of said notice.

22 TIME

23 Time is of the essence of this lease.

24 HOLDING OVER

25 Any holding over after the expiration of the term of this lease, with
26 the consent of Lessor, shall be construed as a tenancy from month to month
27 and shall otherwise be on the same terms and conditions herein specified,
as far as applicable.

28 INDEPENDENT CONDITIONS

29 All terms, covenants, conditions, promises and agreements of the
30 Lessee herein contained are independent conditions, and should Lessee fail to
31 keep or perform any of them, then Lessor, at its option, may cancel and ter-
minate this lease and all of Lessee's rights hereunder.

32 SCOPE

This lease constitutes the entire agreement between the parties and
no representations, warranties, conditions, understandings or agreements of
any kind shall be binding on any party unless incorporated herein. This lease
shall not be modified or altered except by written agreement signed by the
parties hereto.

CAPTIONS

The title or headings to the paragraphs of this lease are not a part
of this lease and shall have no effect upon the construction or interpretation
of any part thereof.