BOYS CLUB OF THE HARBOR AREA, INC./CITY OF COSTA MESA, CA RESTATEMENT OF LEASE AGREEMENT

THIS RESTATEMENT OF LEASE AGREEMENT ("Restatement") is by and between the City of Costa Mesa, a municipal corporation ("Lessor"/"City"), and Boys Club of the Harbor Area, Inc., a California nonprofit public benefit corporation ("Lessee").

WITNESSETH:

WHEREAS, Lessor is the owner of real property located at 2131 Tustin Avenue, Costa Mesa, California and all structures and appurtenances thereon which real property is more specifically described in Exhibit A ("Property"), as well as the adjoining real property in use as a park.

WHEREAS, Lessor and Lessee first entered into a Lease Agreement on April 19, 1965 for the lease of the Property for the purpose of Lessee conducting a supervised and recreational activities program for youth for a term of fifty (50) years with an option to renew the term for an additional forty-eight (48) years. The City issued a Certificate of Occupancy on November 14, 1966.

WHEREAS, on June 9, 1971, an Addendum to Original Lease Agreement was executed by the Parties authorizing the addition of a gymnasium to the Property. All other provisions of the original lease remained in full force and effect.

WHEREAS, on August 5, 1975, the City purchased certain real property owned by the Boys Club located at 594 Center Street in Costa Mesa with the intent that the City would use the Center Street property to expand Lion's Park. The City entered into a one-year leaseback agreement so the Boys Club could continue to operate at that location for a one-year period after the purchase terminated on September 1, 1976, at which time, the Boys Club vacated the Center Street property.

WHEREAS, on May 2, 2006, the Costa Mesa City Council approved an amendment to the Original Lease Agreement, making numerous material changes including authority to construct a multi-use sports court at the Property; changing the name of the Lessee to the Boys and Girls Club of the Harbor Area, Inc.; updating the insurance requirements to current law by deleting and replacing Sections V titled "Fire Insurance" and VI titled "Public Liability Insurance of the 1965 Lease Agreement"; updating the language in regards to obligation to pay taxes by deleting and replacing Section XVI titled "Real Estate Taxes"; and the addition of language regarding the handling of hazardous materials. The remaining portions of the Original Lease Agreement remained in full force and effect (Original Lease and all subsequent amendments collectively referred to as the "Original Lease" and "Original Lease Agreement").

WHEREAS, Lessee has completed, at Lessee's cost, all Property improvements required by the Original Lease.

WHEREAS, neither Lessor nor Lessee is aware of any defaults of the other party under the Original Lease.

WHEREAS, on September 3, 2013, Lessee submitted a letter to Lessor which exercised Lessee's right under the Original Lease Agreement to renew the term of the Original Lease

Agreement for an additional forty-eight (48) years and further update some of the terms of the Lease Agreement.

WHEREAS, Lessor and Lessee now desire to execute this Restatement to fully set forth the parties' terms and obligations into one document which shall supersede and replace the Original Lease Agreement as one document for the remaining term of forty-eight (48) years.

NOW, THEREFORE, the parties hereby agree as follows:

SECTION 1. TERM

The current term of the Lease Agreement expires on November 13, 2016. Lessor and Lessee hereby confirm Lessee's previous exercise of Lessee's right of renewal of the Original Lease term to lease the Property and all improvements thereon for an additional forty-eight (48) years commencing on November 13, 2016 ("Renewal Date") and terminating on November 14, 2064 (the "Term"), unless sooner terminated as provided herein.

SECTION 2. CONSIDERATION

2.1 Rent. The rent of said Property shall be the sum of One Dollar ($1.00) per year, due and payable to Lessor commencing on the Renewal Date ("Rent"). Subsequent Rent shall be due on the first (1st) day of each year during the Term, and Lessee shall have the right, but not the obligation, to prepay Rent in advance. As further consideration, Lessee shall provide and pay for all maintenance, repair, upkeep, taxes, and such other costs and expenses that are associated with the use and operation of the Property.

2.2 Tax and Assessments. Lessee acknowledges and understands that this Lease may create a possessory interest that is subject to the payment of taxes levied on such interest. It is understood and agreed that all taxes and assessments (including but not limited to said possessory interest tax) that become due and payable upon the Property or upon fixtures, equipment or other property installed or constructed thereon, shall be the full responsibility of Lessee such that Lessee shall cause said taxes and assessments to be paid promptly.

SECTION 3. WARRANTIES OF TITLE AND QUIET ENJOYMENT

Lessor covenants that Lessor is the owner of the Property and has full right to make and perform under this Restatement. Upon payment by Lessee of the Rent for the Property and the observance and performance of all of the material covenants, conditions and provisions on Lessee's part to be observed and performed under this Restatement, Lessee shall have the quiet use, possession and enjoyment of the Property for the entire Term, subject to all of the provisions of this Restatement.

SECTION 4. USE OF PROPERTY; COMPLIANCE WITH LAWS

4.1 Use. Lessee shall use the Property for the sole purpose of operating a Boys and Girls Club on said Property in conformity with the rules, regulations and policies established by Boys and Girls Club of America and consistent with its stated purpose of benefiting children. Notwithstanding the foregoing, Lessee may engage in any use compatible with or in support of the operation of a Boys and Girls Club including but not limited to sports programs and activities and fundraising efforts. If Lessee would like to use the Property for anything other than what is set forth in this Restatement, Lessee shall obtain prior written consent from

Lessor. Additionally, upon request, Lessee shall submit a report to Lessor that sets forth the activities and operation of Lessee for the period of time requested by Lessor.

The following information shall also be submitted by Lessee to Lessor within 90 days after the end of each year of the Term:

- The identity of the Board of Directors, including contact information for Board Chair and Executive Director;
- Any construction or improvements made to the building and any information related to funding source(s), date(s), description(s), etc.
- Summary of programs and services provided to 1) Costa Mesa community specifically; and 2) greater area including the estimated number of participants in each; and;

4.2 Compliance with Laws; No Waste or Nuisance. Lessee, in its use of the Property, shall comply at all times with all applicable federal, state and local governmental laws and regulations applicable to the Property. In addition, Lessee shall not use the Property in a manner that will cause the cancellation of any insurance policy covering the Property required by this Restatement to be maintained by Lessee unless Lessee has first replaced such policy at Lessee's cost. In this regard, Lessee shall, at its sole cost and expense, comply with all commercially reasonable requirements pertaining to the Property or any reasonable insurance organization or company necessary for the maintenance of insurance on and for said Property. Lessee shall not commit or permit any waste in or on the Property or any nuisance or any other act or thing which may disturb the quiet enjoyment of adjoining landowners or tenants.

Lessee shall remain solely and exclusively responsible and liable for any and all damage caused to the Property by Lessee's use of said Property.

Noncompliance with this section shall constitute a material breach of this Restatement.

SECTION 5. MAINTENANCE; ALTERATIONS; SURRENDER

5.1 Maintenance. Lessee shall, throughout the Term, at its sole cost and expense, keep and maintain the Property in neat order, good condition and repair; and shall restore and, subject to Section 26, to the extent of insurance proceeds received from policies required to be maintained by Lessee hereunder, rehabilitate any improvements which may be destroyed or damaged by any cause whatsoever. Lessor shall not be obligated to make any repairs, replacements or renewals of any kind, nature or description whatsoever to the Property, except to the extent caused by Lessor or its agents or representatives. Without limiting the foregoing, Lessee shall be solely responsible for: (a) maintenance of the roof, interior and exterior walls, the exterior sports court, all heating and air conditioning equipment, kitchen facilities, and plumbing; (b) repair, maintenance, and upkeep of the interior of the Property, including but not limited to paint, floor coverings, partitions, light fixtures, plumbing fixtures, electrical systems, window glass, and all other interior portions of the Property; (c) maintenance and upkeep of the exterior of the Property, including parking lot maintenance and repair, and maintenance and upkeep of landscape and hardscape on the Property exterior; and (d) using commercially reasonable maintenance and repair practices to keep all and every part of the Property, the fixtures and appurtenances, in good order and repair, in a clean and wholesome condition, free from dirt and accumulation of waste, boxes or other rubbish.

Lessor retains the right to inspect the Property at any reasonable time on at least five (5) business days' prior written notice to Lessee (except in emergencies where Lessor shall provide such prior notice as is reasonably practicable) to determine if Lessee is in compliance with its repair and maintenance obligations under this Restatement. Lessee agrees that in the event Lessee fails to perform hereunder, following notice and reasonable opportunity to cure the alleged "Default" (as provided below in this Restatement), Lessor may, at its option, enter upon the Property and repair the same as in its judgment may be necessary, and the reasonable cost and expense of such repairs shall be paid by Lessee within thirty (30) days after Lessee's receipt of an invoice for the same and reasonable supporting documentation. Notwithstanding any of the foregoing, the Lessor shall not be obligated to repair any damage caused by Lessee.

5.2 Alterations and Improvements. Subject to this section and Section 26, Lessee shall not make or permit any alteration or improvement to the Property, or any part thereof, without the prior written consent of Lessor, which consent shall not be unreasonably withheld by Lessor if it is consistent with Lessee's permitted use of the Property pursuant to this Restatement. Any structural additions to or permanent alterations of the Property (except for trade fixtures and personal property) shall become at once a part of the Property and belong to Lessor on expiration or earlier termination of this Restatement. Notwithstanding anything to the contrary in this Restatement, during each year of the Term, Lessee shall have the right, but not the obligation, to make non-structural alterations to the Property in a cumulative amount of $50,000 without the consent of Lessor so long as: (a) Lessee provides Lessor with written notice of the scheduled improvements at least thirty (30) days prior to commencement of construction of the improvements, and notice shall include a reasonably detailed description of the improvements; and (b) the improvements are consistent with the use permitted by this Restatement.

5.3 Surrender. Upon expiration of the Term or earlier termination of this Restatement, and subject to Section 26, Lessee shall deliver to Lessor the Property, together with all improvements and appurtenances thereto, in good order and condition, reasonable wear and tear excepted. Notwithstanding the previous sentence, on such expiration or earlier termination, Lessee shall have the right, but not the obligation, to remove its personal property and trade fixtures and equipment from the Property.

SECTION 6. UTILITIES

To the extent permitted by the applicable utility, Lessee shall cause to be installed separate meters and/or cause to be invoiced separate from Lessor for Lessee's use of any utility at the Property. All separately metered or invoiced water, sewer, gas, electricity, trash and, telephone services; sanitation district fees; and other utility services used on or furnished to the Property for Lessee's use during the Term shall be paid for by the Lessee.

SECTION 7. LESSEE'S SIGNS

No sign or other permanent advertisement shall be displayed on the outside of the Property without the prior written consent of Lessor, which consent shall not be unreasonably withheld. Temporary banners and similar devices shall be permitted so long as they are consistent with Lessee's permitted use hereunder and with all applicable zoning and land use requirements. In addition, a permanent sign or advertisement shall be reasonable if: (a) it is consistent with Lessee's permitted use of the Property; and (b) is in compliance with applicable laws and regulations. Lessor consents to all existing signs or advertisements displayed on the exterior of the Property on the commencement of the Term.

SECTION 8. LIENS

Lessee shall keep the fee estate of said Property free and clear from all mechanics and materialmen liens and other liens for work or labor done, services performed, materials, appliances used, or furnished or to be used in or about the Property for or in connection with any operation of Lessee, for any repairs or improvements which Lessee may make or permit to cause to be made, or any work or construction by, for or permitted by Lessee on or about said Property.

SECTION 9. INDEMNIFICATION

Lessee agrees to defend, indemnify, hold free and harmless Lessor, its elected officials, officers, agents, volunteers and employees ("Indemnitees") at Lessee's sole expense from and against any and all claims, demands, suits, actions or proceedings of any kind or nature including, but not by way of limitation, all civil claims, workers' compensation claims, damages to property, or injuries to or death of any person or persons, and all other claims resulting from or arising out of the use or occupancy of the Property by or the acts, errors or omissions of Lessee, its officers, agents, volunteers, employees, occupants, visitors or other users and/or authorized subcontractors, whether intentional or negligent, except to the extent such claim, demand, suit, action or proceeding, civil claim, worker's compensation claim, damage to property, injury to or death of any person arises from the sole active negligence or willful misconduct of Indemnitees.

The defense obligation provided for hereunder shall apply without any advance showing of negligence or wrongdoing by Lessee, its officers, agents, volunteers, employees, occupants, visitors or other users and/or authorized subcontractors, but shall be required whenever any claim, demand, suit, action or proceeding, civil claim, worker's compensation claim, damage to property, injury to or death of any person asserts liability against Indemnitees based upon Lessee, its officers, agents, volunteers, employees, occupants, visitors or other users and/or authorized subcontractors use or occupancy of the Property or the acts, errors or omissions of Lessee, its officers, agents, volunteers, employees, occupants, visitors or other users and/or authorized subcontractors.

SECTION 10. ASSIGNMENT AND SUBLETTING

Without the prior written consent of Lessor, Lessee shall not assign this Lease or sublet the Property or any part thereof without first obtaining the written consent of the Lessor, which consent may require an increase in Rent. Notwithstanding the foregoing, Lessee may sublet portions of the Property for a period of time not to exceed ninety (90) consecutive days without getting consent of Lessor. A sublease in excess of ninety (90) days but less than one hundred and twenty (120) days may be approved at the City's Chief Executive Officer's sole discretion. At no point in time shall Lessee sublease more than of thirty-three percent (33%) of the Property.

SECTION 11. ENCUMBRANCE OF LEASEHOLD INTEREST

Lessee may not encumber or mortgage by deed of trust or other instrument its leasehold interest and estate in the Property.

SECTION 12. DEFAULT; REMEDIES

12.1 Default. Either party to this Restatement shall be in Default under this Restatement ("Default") if:

(a) Such party shall fail to pay any amount due under this Lease within fifteen (15) business days after written notice from the other party describing the alleged Default in reasonable detail and demanding payment, which notice shall not be sent until after the due date of such payment; or

(b) Such party shall neglect to observe, keep or perform any of the covenants, terms or conditions herein contained on its part to be observed, kept or performed other than the payment of money covered by subpart (a) above, and if such alleged Default shall continue for a period of sixty (60) calendar days after written notice from the other party, which notice shall describe the alleged Default in reasonable detail and demand cure of the Default, and shall not be sent until after the due date of such performance; provided, however, that if the nature of the alleged Default is such that it cannot reasonably be cured within such 60 day period, then the party alleged to be in Default shall not be in Default if such party commences the cure of such alleged Default within such period and diligent continues the cure to completion.

12.2 Remedies. If either party is in Default under this Lease, then the other party shall have all applicable legal and equitable rights and remedies, including without limitation the right to terminate this Restatement and all rights of each party hereunder.

SECTION 13. NOTICES

Wherever in this Lease it shall be required or permitted that notice be given by either party, such notice must be in writing and be given personally or forwarded by certified mail or overnight delivery service such as FedEx, addressed as follows:

IF TO LESSEE:	IF TO LESSOR:
Boys & Girls Club of the Harbor Area 2131 Tustin Avenue Costa Mesa, CA 92627 Attn: Chief Professional Officer/ CEO & Board of Directors	City of Costa Mesa 77 Fair Drive Costa Mesa, CA 92626 Attn: Chief Executive Officer

The effective date of any notice or written communications sent by one party to the other shall be the date received if by personal service, the date of the overnight delivery company's confirmation of delivery if sent by overnight delivery, or three (3) business days after deposit in the US Mail if sent by mail (as reflected by official US postmark). Either party may change its address by giving notice in writing to the other party.

SECTION 14. BANKRUPTCY

A. The Lessor and the Lessee hereby expressly agree and acknowledge that it is the intention of both parties that in the event that during the term of this Restatement if Lessee shall become a debtor in any voluntary or involuntary bankruptcy proceeding (a "Proceeding") under the United States Bankruptcy Code, 11 U.S.C. 101, et seq. (the "Code"), this Restatement is and shall be treated for all purposes and considered for all intents as an unexpired lease of nonresidential real property for purposes of Section 365 of the Code, 11 U.S.C. 365 (as may be amended), and, accordingly, shall be subject to the provisions of subsections (d)(3) and (d)(4) of said Section 365 (as may be amended).

B. Any person or entity to which this Restatement is assigned pursuant to the provisions of the Bankruptcy Code, 11 USC Sections 101, et seq., shall be deemed without further act to have assumed all of the obligations of Lessee arising under this Restatement both before and after the date of such assignment. Any such assignee upon demand shall execute and deliver to Lessor an instrument confirming such assumption. Any monies or other considerations payable or otherwise to be delivered in connection with such assignment shall be paid to Lessor, shall be the exclusive property of Lessor, and shall not constitute property of the Lessee or of the estate of Lessee within the meaning of the Bankruptcy Code. Any monies or other considerations constituting Lessor's property under the preceding sentence not paid or delivered to Lessor shall be held in trust for the benefit of Lessor and be promptly paid to Lessor.

SECTION 15. ABANDONMENT BY LESSEE

If Lessee shall fail to use the Property, which is fit for occupancy, for a period of ninety (90) consecutive days, the Property shall be considered abandoned and the Term terminated.

SECTION 16. WAIVER

The delay or failure of either party at any time to require performance or compliance by the other of any of its obligations or agreements shall in no way be deemed a waiver of those rights to require such performance or compliance. No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the party against whom enforcement of a waiver is sought. The waiver of any right or remedy in respect to any occurrence or event shall not be deemed a waiver of any right or remedy in respect to any other occurrence or event, nor shall any waiver constitute a continuing waiver.

SECTION 17. INSURANCE

17.1 Minimum Scope and Limits of Insurance. Lessee shall obtain, maintain, and keep in full force and effect during the term of this Lease all of the following minimum scope of insurance coverages:

(a) Commercial general liability, including premises-operations, products/completed operations, broad form property damage, blanket contractual liability, independent contractors, personal injury or bodily injury with a policy limit of not less than One Million Dollars ($1,000,000.00), combined single limits, per occurrence. If such insurance contains a general aggregate limit, it shall apply separately to this Restatement or shall be twice the required occurrence limit,

(b) Automobile liability for owned vehicles, hired, and non-owned vehicles, with a policy limit of not less than One Million Dollars ($1,000,000.00), combined single limits, per occurrence for bodily injury and property damage.

(c) Workers' compensation insurance as required by the State of California.

(d) All Risk Property Insurance including coverage for improvements and betterments with a minimum limit equal to full replacement cost of the Property as approved by Lessor and with no coinsurance penalty provision. Subject to Section 26, Lessor shall be loss payee (as its interests appear) and the insurer shall waive all rights of recovery against Lessor.

17.2 Endorsements. The commercial general liability policy shall contain or be endorsed to contain the following provisions:

(a) Additional insureds: "The City of Costa Mesa and its elected and appointed boards, officers, agents, and employees are additional insureds with respect to the Property and contract with the City."

(b) Other insurance: "Any other insurance maintained by the City of Costa Mesa shall be excess and not contributing with the insurance provided by this policy."

17.3 Certificates of Insurance: Upon written request from Lessor, Lessee shall provide to City certificates of insurance showing the insurance coverages and required endorsements described above in a form and content approved by City.

17.4 Non-limiting: Nothing in this Section shall be construed as limiting in any way the indemnification provision contained in this Restatement or the extent to which Lessee may be held responsible for payments of damages to persons or property.

17.5 Right of Reasonable Increase. Lessor reserves the right to review industry standards and a comparison of similar buildings in the area and impose a reasonable increase of the insurance limits every three (3) years from the effective date of this Restatement.

17.6 Lessee will provide notice to Lessor of cancellation, suspension, or reduction in coverage immediately upon receipt of notice of same by Lessee, but in no event shall Lessee notify Lessor later than thirty (30) days following Lessee's receipt of said notice.

SECTION 18. SUBSTITUTE PERFORMANCE

If Lessor fails to perform any material obligation of Lessor under this Restatement within thirty (30) days after written notice from Lessee describing the performance in reasonable detail, which notice shall not be sent until after the due date for such performance, then Lessee shall have the right to perform the obligation at the cost of Lessor, and Lessor shall pay Lessee the reasonable cost of such performance within thirty (30) days after Lessor's receipt of an invoice for the same and reasonable supporting documentation.

SECTION 19. ATTORNEYS' FEES

In the event that litigation is brought by any party in connection with this Restatement, the prevailing party shall be entitled to recover from the opposing party all costs and expenses including reasonable attorneys' fees incurred by the prevailing party in the exercise of any of its rights or remedies hereunder or the enforcement of any of the terms, conditions, or provisions hereof.

SECTION 20. REPRESENTATIVES

Lessor's Chief Executive Officer or his/her designee shall be the representative of Lessor for purposes of this Restatement and may issue all consents, approvals, directives and agreements on behalf of Lessor called for by this Restatement. The current Chief Executive Officer for Lessor on commencement of the Term is Thomas Hatch.

The Chief Executive Officer of Lessee or his/her designee shall be the representative of Lessee for purposes of this Restatement, and Brittney Thomas of Lessee is the Interim CEO on commencement of the Term.

Either party to this Restatement shall have the right to change such party's representative at any time by written notice to the other party.

SECTION 21. HAZARDOUS MATERIALS

As used herein the term "Hazardous Material" means any hazardous or toxic substance, material or waste which is or shall become regulated by any governmental entity, including without limitation, City acting in its governmental capacity, the State of California or the United States Government.

21.1 Lessee shall not cause or permit any Hazardous Material to be brought upon, kept or used in or about the Property except as specifically authorized by Lessor in writing. Any such authorization by Lessor shall not alter or reduce Lessee's obligations under this section, including but not limited to its duty to indemnify and defend Lessor for any contaminations which may occur as a result of Lessee's use of the authorized material.

21.2 If Lessee is in Default of its obligations under Section 21.1 and thereby causes contamination of the Property by Hazardous Materials for which Lessee is legally liable to Lessor for damage resulting therefrom, then Lessee shall indemnify, defend and hold Lessor harmless from any and all claims, judgments, cleanup costs, remediation orders, damages, penalties, fines, costs, liabilities or losses (includes, without limitation, diminution in value of the Property, damages for the loss or restriction on use of rentable or usable space or any amenity of the Property, damages arising from any adverse impact

on marketing of space in the Property or portion of any building of which the Property is a part, and sums paid in settlement of claims, attorney's fees, consultant fees and expert witness fees) that arise as a result of such contamination.

21.3 The indemnification requirement herein includes, without limitation, costs incurred by Lessor in connection with any investigation of site conditions or any cleanup, remediation, removal or restoration work required by any federal, state or local governmental entity because of Hazardous Material being present in the soil, ground water or under the Property. Lessee shall promptly take all actions at its sole cost and expense as are necessary to clean, remove, and restore the Property to its condition prior to the introduction of such Hazardous Material by Lessee; provided, however, that Lessee shall first have obtained Lessor's approval and the approval of any necessary governmental entities.

SECTION 22. HOLDING OVER

Any holding over after the expiration of the term hereof, or any extension thereof, with the consent of Lessor, shall be deemed to be a tenancy from month to month only, on the same terms, conditions and covenants as are herein provided so far as applicable.

SECTION 23. MEMORANDUM OF LEASE

Concurrently with the execution and delivery of this Restatement, Lessor and Lessee shall cooperate to prepare and record a short form memorandum of this Restatement. Lessee shall bear all costs and expenses associated with preparation and recordation of such memorandum.

SECTION 24. SUBORDINATION AND NON-DISTURBANCE

24.1 Subordination. Subject to compliance with Section 24.3 and subject to Section 25, this Restatement shall be subject and subordinate to any mortgage, deed of trust, or any other hypothecation or security device (collectively a "Security Device") now or hereafter placed by Lessor upon the Property, to any and all advances made on the security thereof, and to all renewals, modifications, consolidations, replacements and extensions thereof. Subject to compliance with Section 24.3, if any Lessor lender shall elect to have this Restatement superior to the lien of its Security Device and shall give written notice thereof to Lessee, then this Restatement shall be deemed prior to such Security Device, notwithstanding the relative dates of the documentation or recordation thereof.

24.2 Attornment. Subject to the non-disturbance provisions of Section 24.3, Lessee agrees to attorn under this Restatement to any Lessor lender or other party who acquires ownership of the Property by reason of a foreclosure of a Security Device.

24.3 Non-Disturbance. With respect to all Security Devices entered into by Lessor (whether existing prior to the commencement of the Term or thereafter), Lessee's subordination of this Restatement shall be subject to receiving a non-disturbance agreement, in form and content reasonably acceptable to Lessee, providing that so long as Lessee performs its obligations under this Restatement, Lessee's quiet use, enjoyment and possession of the Property shall not be disturbed by any holder of a Security Device. Concurrently with execution and delivery of this Restatement, Lessor shall deliver to Lessee a non-disturbance agreement for each Security Device (if any exists) relating to the Property that is in existence as of the commencement of the Term.

24.4 Self-Executing. Subject to Lessee's receipt of the non-disturbance agreement(s) specified in Section 24.3, the agreements contained in this Section 24 shall be effective without the execution of any further documents; provided however, that upon written request from Lessor or a Lessor lender in connection with a sale, financing or refinancing of the Property, Lessee and Lessor shall execute such further writings as may be reasonable required to separately document any such subordination, attornment and/or non-disturbance agreement as is provided for herein.

SECTION 25. NO REPRESENTATION, WARRANTY, OR GUARANTEE

Lessee acknowledges and agrees the Lessor is not making any representation, warranty, or guarantee in this Restatement regarding any certificate, permit, or other approval that may be required by any Federal, State, or local authority, including by Lessor in its capacity as municipal land use authority, which may be required of Lessee.

By way of explanation, this Section is not intended to prohibit or restrict Lessee's use of the Property during the term of this Restatement, but IS intended to establish that the Lessor is not making any promises in regards to approval of any future proposed uses of the Property or in regards to any governmental approval Lessee may require in the future.

SECTION 26. DAMAGE AND DESTRUCTION

In the event of any damage or destruction of the Property or the improvements to the Property:

A. If caused by Lessor or its representatives or agents, then Lessor shall, at Lessor's cost, promptly repair and restore the Property to the condition in effect immediately prior to the casualty.

B. If not caused by Lessor or its representatives or agents, then: (i) within one hundred and twenty days (120) days after the casualty, Lessee shall notify Lessor in writing of Lessee's election to either repair and restore the Property; or (ii) terminate this Restatement. If Lessee elects to terminate the Restatement, then: (a) the Restatement shall terminate on the date set forth in notice from Lessee, which date shall be within 180 days after the date of the casualty; and (b) any available insurance proceeds from insurance required to be carried by Lessee or Lessor pursuant to this Restatement shall be paid to Lessor. If Lessee elects to repair and restore the Property, then: (1) any available insurance proceeds from insurance required to be carried by Lessee or Lessor pursuant to this Restatement shall be applied to such repair and restoration efforts; (2) Lessee shall commence such repair and restoration efforts within one hundred and eighty (180) days after the date of the casualty and shall use commercially reasonable efforts to complete the same, with due allowance for any fund-raising efforts of Lessee required to supply any funds not provided by insurance proceeds under (1) of this sentence; and (3) this Restatement shall remain in full force and effect, except Rent shall be abated during the repair and restoration.

27. ENTIRE AGREEMENT

This Restatement: (a) is intended by the parties hereto as the final expression and the complete and exclusive statement of their agreement with respect to the terms included in this Restatement, and any prior or contemporaneous agreements or understandings, oral or written, which may contradict, explain or supplement these terms shall not be admissible or effective for any purpose; (b) amends, restates and replaces in its entirety the Original Lease Agreement; (c) shall be binding upon and inure to the benefit of the parties hereto and their permitted successors and assigns; and (d) may not be amended or modified except by a writing signed by the parties which expressly states that it amends this Restatement.

IN WITNESS WHEREOF, the parties hereto have caused this Restatement to be executed by and through their respective authorized officers, as of the date first above written.

BOYS CLUB OF THE HARBOR AREA, INC., a California nonprofit public benefit corporation

By: _____
Brittney Thomas,
Director of Operations

CITY OF COSTA MESA,
A Municipal Corporation

By: _____
Stephen M. Mensinger,
Mayor

APPROVED AS TO FORM:

Dated: _____

JONES & MAYER

By: _____
City Attorney-City of Costa Mesa