ATTACHMENT 2

L E A S E

THIS LEASE, made this 19th day of April 1965, by and between the CITY OF COSTA MESA, a Municipal Corporation; and the BOY'S CLUB OF THE HARBOR AREA, INC., a California non-profit corporation hereafter respectively referred to as Lessor and Lessee without regard to number or gender.

WITNESSETH:

I - USE

Lessor hereby leases to Lessee, and Lessee hires from Lessor for the purpose of conducting therein a supervised recreational and activities program for male youths between the ages of eight and eighteen, those certain premises as hereinafter set forth.

II - DEMISED PREMISES

The premises leased to Lessee are hereinafter referred to as the Demised Premises. The Demised Premises are described on "Exhibit A," attached hereto and made a part hereof.

III - TERM

The term of this lease shall be for a period of fifty (50) years.

The term of this lease and Lessee's obligation to pay rent shall commence upon completion of the Demised Premises as provided hereinafter under "Performance."

Lessee shall have the option to extend this lease for an additional term of forty-eight (48) years by giving Lessor twelve (12) months written notice, prior to the end of the term of this lease, of its intention to exercise said option.

IV - PERFORMANCE

Lessee shall complete and submit to Lessor for approved detailed working drawings and specifications for the construction of the

ATTORNEYS AT LAW
1500 ADAMS
P. O. BOX 1730
COSTA MESA, CALIFORNIA 92627
540-0950

Demised Premises. Lessor shall not unreasonably refuse to approve said drawings and shall approve same within forty-five days after they have been submitted for approval.

Lessee shall upon mutual approval of said plans and specifications, proceed within thirty days to bid said Demised Premises.

On receipt of an acceptable bid, Lessee shall diligently prosecute construction of the Demised Premises until completion.

In the event such bidding is not undertaken Lessor shall have the right to cancel this lease and be released and discharged from any and all responsibility hereunder.

It is mutually agreed that the working drawings and specifications shall provide for, but not necessarily be limited to, the following, as listed on Exhibit B, attached hereto and made a part hereof.

V - FIRE INSURANCE

Lessee shall maintain in full force, fire insurance with extended coverage on the Demised Premises to the extent of eighty per cent of the insurable value of the building. Lessee shall have included in the policy or policies of fire insurance procured by him, standard waiver of right of subrogation against the Lessor by the insurance company issuing said policy or policies.

VI - PUBLIC LIABILITY INSURANCE

Lessee agrees at its sole expense to maintain in force during the term of this lease full comprehensive public liability insurance, insuring against any and all claims for injuries to persons or property occurring in, upon, or about the Demised Premises. Said policy shall have limits of not less than $500,000.00 and $1,000,000.00 for injuries to person or persons, and not less than $150,000.00 for property damage. Lessee shall upon demand of the Lessor supply Lessor with a copy or with a certificate of insurance of such policy.

VII - RENTAL

Lessee agrees to pay to Lessor as rental for said Demised Premises during the full term of the lease as described in Section III above, the sum of fifty dollars. Said sum should be paid by the Lessee in yearly installments of one dollar. Said installments shall be paid by the tenth day of the month.

VIII - REPAIR AND MAINTENANCE

Lessee shall at its own cost and expense keep, maintain and repair the exterior and interior of the Demised Premises together with the parking area, landscaping, and mechanical equipment.

Lessee shall also furnish all janitorial services, including cleaning, vacuuming, dusting, etc., in addition to furnishing all labor, materials, and equipment necessary to perform said janitorial services.

IX - UTILITIES

Lessee shall be responsible for all charges for utilities supplied to the Demised Premises.

X - DESTRUCTION OF PREMISES

In the event of: (a) partial destruction of Demised Premises, or, (b) Demised Premises being declared unsafe or unfit for occupancy by any authorized public authority for any reason other than Lessee's act, use or occupation, except as otherwise provided herein, which declaration requires repairs to said Demised Premises. Lessor shall forthwith make such repairs within sixty days after the occurrence of said destruction or said declaration by said recognized public authority, but such destruction (including any destruction necessary in order to make repairs required by any such declaration) shall in no way render this Lease null and void. If such repairs cannot be made within the aforementioned sixty days, Lessee may at its option, terminate this lease.

1501 NEWPORT BOULEVARD
P. O. BOX 1025
COSTA MESA, CALIFORNIA
MIDWAY 6-8831

XI - ALTERATIONS

Lessee may, having first obtained the consent of Lessor, make such improvements and changes in the leased area, including but not limited to the installation of such fixtures, partitions, counters, shelving, and equipment in Demised Premises as Lessee may deem necessary; and it is agreed that any such items attached to or placed in or upon the Demised Premises shall be considered as personal property and shall remain the property of Lessee, who shall have the right to remove same within thirty days prior to the expiration or prior termination of this lease.

XII - DEFAULTS AND REMEDIES

In the event of any breach of this lease by Lessee, Lessor shall notify Lessee in writing of such breach, and Lessee shall have thirty days in which to cure said breach, and if Lessee shall fail to cure such breach or default within such time limit, Lessor besides other rights or remedies given to either party by law, shall have the immediate right of re-entry and may remove all persons and property from the premises, and such property may be removed and stored in a public warehouse at the cost of the Lessee.

XIII - HOLDING OVER

In the event the Lessee shall hold over after the term herein created, then such holding shall be a tenancy from month to month only, and governed by the same conditions and covenants as contained in the lease.

XIV - NOTICES

All notices given, or to be given, by either party to the other, shall be given in writing and shall be addressed to the parties at the addresses hereinafter set forth or at such other address as the parties may, be written notice, hereafter designate. Notices and payments to Lessor, and Notices to Lessee shall be addressed as follows:

TO: LESSOR	LESSEE:
City of Costa Mesa	Boy's Club of Harbor Area
City Hall, 695 W.19th Street	594 Center Street
Costa Mesa, California	Costa Mesa, California

XV - AMENDMENTS TO BE IN WRITING

This lease sets forth all of the agreements and understandings of the parties and is not subject to modification except in writing.

XVI - REAL ESTATE TAXES

It is presumed that the Demised Premises is exempt from real estate texes under the provisions of Section 202 of the Revenue and Taxation Code, and the Lessor will not be responsible for ad valorem taxes to the Demised Premises. However, if ad valorem taxes are levied against the Demised Premises they shall be cancelled or paid by the Lessee.

XVII - ASSIGNMENT AND SUBLETTING

Lessee shall not assign this lease or any interest therein or sublet any portion of the Demised Premises without the written concent of Lessor.

XVIII - SUCCESSORS IN INTEREST

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

XIX - FORCE MAJEURE

If either party hereto shall be delayed or prevented from the performance of any act required hereunder by reason of acts of God, strikes, lockouts, labor troubles, inability to procure materials, restrictive governmental laws or regulations or other cause without fault and beyond the control of the party obligated (financial inability excepted), performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such

delay; provided, however, nothing in this Section XIX contained shall excuse Lessee from the prompt payment of any rental or other charge required of Lessee hereunder except as may be expressly provided elsewhere in this Lease.

XX - PARTIAL INVALIDITY

If any term, covenant, condition or provision of this lease is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired, or invalidated thereof.

XXI - ABANDONMENT

If Lessee shall abandon or be dispossessed by process of law or otherwise, any personal property belonging to Lessee and left on the premises shall be deemed to have been transferred to Lessor, and Lessor shall have the right to remove and to dispose of the same without liability to account therefore to Lessee, or to any person claiming under Lessee.

XXII - MARGINAL CAPTIONS

The various headings and numbers herein and the grouping of the provisions of this Lease into separate Sections and paragraphs are for the purpose of convenience only and shall not be considered a part hereof.

XXIII - TIME

Time is of the essence of this lease.

IN WITNESS WHEREOF, the parties hereto have executed this agreement the date shown opposite their respective signatures.

LESSOR:

CITY OF COSTA MESA, a Municipal Corporation

By Peter M. Wilson
Mayor

Date: April 19, 1965

By [illegible]
City Clerk

LESSEE:

Boy's Club of Harbor Area, Inc., a non-profit orginigation

By: [illegible]
President, Board of Directors

Date: 4/14/65

By: [illegible]
Secretary