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BY-LAWS
FOR THE REGULATION, EXCEPT
AS OTHERWISE PROVIDED BY STATUTE
OR ITS ARTICLES OF INCORPORATION,
OF
CHAFFEY COMMUNITIES CULTURAL CENTER

Article I

Offices

The principal office for the transaction of the business of this corporation is hereby fixed and located at 650 North Euclid Avenue, Upland, California. The Board of Directors may, at any time, and from time to time, change the location of the principal office from one location to another in the County of San Bernardino, California.

Article II

Purpose

Subject to and in accordance with the purposes as set forth in the Articles of Incorporation, this corporation will engage exclusively in charitable, scientific, literary and/or educational activities, with particular attention to aiding and advancing the welfare and services of a museum and cultural center for the community, encompassing a museum, art gallery, amphitheatre and multi-purpose recreation hall for the education, use and benefit of all interested persons.

Article III

Members

Sec. 1. Membership in this organization shall be open to all individuals in sympathy with its purposes, and to representatives of organizations and clubs when such representation is desired, in which case the dues may be paid by the organization.

Sec. 2. No member, other than a Board member, shall be entitled to a vote for the election of Directors or in the management of the affairs or business of the corporation or to vote for any amendment to the Articles of Incorporation or By-laws of this corporation, or in any other respect except as specifically provided for in these By-laws.

Sec. 3. The corporation shall have the following classes of members, whose voting rights shall be unequal, as follows;

a. Board Members shall be the persons from time to time elected as members of the Board of Directors of the corporation, and who, for the purpose of any statutory provisions or rule of law relating to nonprofit corporations, shall be and are the members of this corporation and who are the members referred to in Article IV of these By-laws; and

b. Non-voting members, consisting of Perpetual Members, Life Members, Benefactor Members, and Annual Members. A Perpetual Member shall be any person upon payment of \$1,000.00 or more, entitling him to perpetual membership, which may be either in the name of such person or in the name of such deceased person as designated, and which membership shall entitle the holder to permanent record in the reports of the corporation. Any person or firm may become a Life Member upon payment of \$500.00. Any person or firm may become an Annual Benefactor Member upon payment of \$100.00. Any person may become an Annual Member upon payment of \$5.00.

Article IV

Meetings of Members

Sec. 1. Place of Meetings: All annual meetings of members shall be held at the principal office of the corporation, and all other meetings of members shall be held either at the principal office or at any other place within the State of California which may be designated by the Board of Directors pursuant to authority hereinafter granted to said Board.

Sec. 2. Annual Meetings: The annual meetings of members shall be held in the month of June of each year on such date and at such time as may be arranged by the Board of Directors. Written notice of each annual meeting shall be given to each member, either personally or by mail or other means of written communication, charges prepaid, addressed to such member at his address appearing on the books of the corporation or given by him to the corporation for the purpose of notice. If a member gives no address, notice shall be deemed to have been given and sent by mail or other means of written communication addressed to the place where the principal office of the corporation is situated, or published at least once in some newspaper of general circulation in the county in which said office is located. All

such notices shall be sent to each member entitled thereto not less than ten (10) days nor more than fifty (50) days before each annual meeting, and shall specify the place, the date and hour of such meeting, and shall state such other matters, if any, as may be expressly required by statute.

Sec. 3. Special Meetings: Special meetings of the members, for any purpose whatsoever, may be called at any time by the President or by the Board of Directors, or by at least one-fifth of the members of the corporation. Except in special cases where other express provision is made by statute, notice of such special meeting shall be given in the same manner as for annual meetings of members. Notices of any special meeting shall specify, in addition to the place, date and hour of such meeting, the general nature of the business to be transacted.

Sec. 4. Adjourned Meetings and Notice Thereof: Any members' meeting, annual or special, whether or not a quorum is present, may be adjourned from time to time by a vote of the majority of the members who are either present in person or represented by proxy thereat, but in the absence of a quorum, no other business may be transacted at such meeting.

When any members' meeting, either annual or special, is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting other than by an announcement at the meeting at which such adjournment is taken.

Sec. 5. Quorum: The presence in person or by ^{proxy of} a majority of the members shall constitute a quorum for the transaction of business. The members present at a duly called or held meeting at which a quorum is present, may continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.

Sec. 6. Consent of Absentees: The transactions of any meetings of members, either annual or special, however called and noticed, shall be as valid as though had at a meeting duly held after regular called and noticed, if a quorum be present, either in person or by proxy, and if, either before or after the meeting, each of the members entitled to vote, not present or by proxy, sign a written notice of waiver, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, approvals or consents shall be filed with the corporate records or made a part of the minutes of the meeting.

Sec. 7. Action without meeting: Any action which, under any provision of the California Corporations Code, may be taken at a meeting of the members, except approval of an agreement for merger or consolidation of the corporation with other corporations, may be taken without a meeting if authorized by a writing signed by all of the persons who would be entitled to vote upon such action at a meeting, and filed with the secretary of the corporation.

Sec. 8. Proxies: Every person entitled to a vote or execute consent shall have the right to do so either in person or by one or more agents authorized by a written proxy executed by such person or his duly authorized agent and filed with the secretary of the corporation; provided that no such proxy shall be valid after the expiration of the eleventh (11) month from the date of its execution, unless the person conducting it specifies therein the length of time for which such proxy is to continue in force, which in no case shall exceed seven years (7) from the date of its execution.

Article V

Directors

Sec. 1. Powers: All corporate powers shall be vested in and exercised by or under the authority of, and the business affairs of the corporation shall be controlled by, the Board of Directors. Without prejudice to such general powers, but subject to the same limitations, it is hereby expressly declared that the Directors shall have the following powers, to wit:

a. To select and remove all the other officers, agents and employees of the corporation, prescribe such powers and duties for them as may not be inconsistent with law, with the Articles of Incorporation, of the By-laws, fix their compensation, and require from them security for faithful service.

b. To conduct, manage and control the affairs and business of the corporation, and to make such rules and regulations therefor not inconsistent with law, or with the Articles of Incorporation or the By-laws, as they may deem best.

c. To change the principal office for the transaction of the business of the corporation from one location to another within the same county provided in Article I, Sec. 1, hereof; to fix and locate from

time to time one or more subsidiary offices of the corporation within the State of California; to designate any place within the State of California for the holding of any members' meeting or meetings except annual meetings; and to adopt, make and use a corporate seal, and to alter the form of such seal from time to time, as in their judgment they may deem best, provided such seal shall at all times comply with the provisions of law.

d. To borrow money and incur indebtedness for the purposes of the corporation, and to cause to be executed and delivered therefor, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, or other evidences of debt and securities therefor.

e. To appoint an executive committee and other committees, and to delegate to such committees any of the powers and authorities of the Board in the management of the business and affairs of the corporation, except the power to adopt and to repeal By-laws or Articles of Incorporation. The executive committee shall be composed of two or more directors.

f. To appoint a nominating committee to propose annually the names of persons for election by the Board of Directors as officers and members of the Board of Directors of this corporation.

Sec. 2. Number and qualifications of Directors: The authorized number of Directors of the corporation, acting as the sole voting members of the corporation, shall be eleven (11) until changed by amendment to the Articles of Incorporation or by a By-law duly adopted by the Directors amending this Sec. 2 of Article V.

Sec. 3. Election and term of office: The Directors shall be self-perpetuated and shall be elected at the annual meeting of the members, but may be elected at any special meeting of the Board of Directors. The normal term of office of a Director shall be three (3) years, except that Directors may be elected for shorter terms upon the initial organization of the Board of Directors so that thereafter the term of office will not all expire at the same time. All Directors shall hold office until their respective successors are elected.

Sec. 4. Vacancies: Vacancies in the Board of Directors may be filled by a majority of the remaining Directors, though less than a quorum, or by a sole remaining Director, and each Director so elected shall hold office until his successor is elected at an annual or a special meeting of the Board of Directors.

A vacancy or vacancies in the Board of Directors shall be deemed to exist in case of the death, resignation or removal of any Director, or if the authorized number of Directors be increased, or if the Board of Directors fails at any annual or special meeting of the Board at which any Director of Directors are elected to elect the full authorized number of Directors to be voted for at that meeting.

If the Board of Directors accepts the resignation of a Director tendered to take effect at a future time, the Board shall have power to elect a successor to take office when the resignation is to become effective.

No reduction of the authorized number of Directors shall have the effect of removing any Director prior to the expiration of his term of office.

Sec. 5. Place of Meeting: Regular meetings of the Board of Directors shall be held at any place within the State of California which has been designated from time to time by resolution of the Board or by written consent of all members of the Board. In the absence of such designation, regular meetings shall be held at the principal office of the corporation. Special meetings of the Board may be held either at a place so designated or at the principal office.

Sec. 6. Organization Meeting: Unless conducted at the annual meeting of members, the Board of Directors shall hold a regular meeting immediately following each annual meeting of members for the purpose of organization, election of officers, and the transaction of other business. Notice of such other meeting is hereby dispensed with.

Sec. 7. Other Regular Meetings: Other regular meetings of the Board of Directors shall be held without call at such time as the Board of Directors may from time to time designate; provided, however, should said day fall upon a legal holiday, then said meeting shall be held at the same time on the next day thereafter ensuing which is not a legal holiday. Notice of all such regular meetings of the Board of Directors is hereby dispensed with.

Sec. 8. Special Meetings: Special meetings of the Board of Directors for any purpose or purposes shall be called at any time by the President or, if he is absent or unable or refuses

to act, by any Vice President or by any two Directors.

Written notice of the time and place of special meetings shall be delivered personally to each Director, or sent to each Director by mail or by other form of written communication, charges prepaid, addressed to him at his address as it is shown upon the records of the corporation, or if it is not so shown on such records or is not readily ascertainable, at the place in which the meetings of the Directors are regularly held. In case such notice is mailed or telegraphed, it shall be deposited in the United States mail or delivered to the telegraph company in the place in which the principal office of the corporation is located at least forty-eight (48) hours prior to the time of the holding of the meeting. In case such notice is delivered as above provided, it shall be so delivered at least twenty-four (24) hours prior to the time of the holding of the meeting. Such mailing, telegraphing or delivery as above provided shall be due, legal and personal notice to such Director.

Sec. 9. Notice of Adjournment: Notice of time and place of holding an adjourned meeting need not be given to absent Directors if the time and place be fixed at the meeting adjourned.

Sec. 10. Waiver of Notice: The transactions of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present, and if, either before or after the meeting, each of the Directors not present signs a written waiver of notice, or a consent to holding such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Sec. 11. Quorum: One-third of the authorized number of Directors shall be necessary to constitute a quorum for the transaction of business, except to adjourn as hereinafter provided. Every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors, unless a greater number be required by law or by the Articles of Incorporation.

Sec. 12. Adjournment: A quorum of the Directors may adjourn any Directors' meeting to meet again at a stated day and hour; provided, however, that in the absence of a quorum, a majority of the Directors present at any Directors' meeting, either regular or special, may adjourn from time to time until the time fixed for the next regular meeting of the Board.

Sec. 13. Fees and Compensation: Directors shall not receive any stated salary for their services as Directors, but, by resolution of the Board, a fixed fee, with or without expenses of attendance, may be allowed one or more of the Directors for attendance at each meeting. Nothing herein contained shall be construed to preclude any Director from serving the corporation in any other capacity as an officer, agent, employee, or otherwise, and receiving compensation therefor.

Sec. 14. Indemnification of Directors and Officers: When a person is sued, either alone or with others, because he is or was a Director or officer of the corporation in any proceeding arising out of his alleged misfeasance or nonfeasance in the performance of his duties or out of any alleged wrongful act against the corporation or by the corporation, he shall be indemnified for his reasonable expenses, including attorneys' fees incurred in the defense of the proceeding, if both of the following conditions exist:

(1) The person sued is successful in whole or in part, or the proceeding against him is settled with the approval of the court.

(2) The court finds that his conduct fairly and equitably merits such indemnity.

The amount of such indemnity which may be assessed against the corporation, its receiver, or its trustee, by the court in the same or in a separate proceeding shall be so much of the expenses, including attorneys' fees incurred in the defense of the proceeding, as the court determines and finds to be reasonable. Application for such indemnity may be made either by the person sued or by the attorney or other person rendering services to him in connection with the defense, and the court may order the fees and expenses to be paid directly to the attorney or other person, although he is not a party to the proceeding. Notice of the application for such indemnity shall be served upon the corporation, its receiver, or its trustee, and upon the plaintiff and other parties to the proceeding. The court may order notice to be given also the Members in the manner provided in Article IV, Sec. 2 for giving notice of Members' meetings, in such form as the court directs.

Article VI

Officers

Sec. 1. Officers: The officers of the corporation shall be a president, two vice-presidents, a recording secretary, a

corresponding secretary, and a treasurer. The corporation may also have, at the discretion of the Board of Directors, a Chairman of the Board, one or more assistant treasurers, and such other officers as may be appointed in accordance with the provisions of Sec. 3 of this Article VI. One person may hold two or more offices, except those of President and secretary.

Sec. 2. Election: The officers of the corporation, except such officers as may be appointed in accordance with the provisions of Sec. 3 of Sec. 5 of this Article VI shall be chosen annually by the Board of Directors, and each shall hold his office until he shall resign or shall be removed or otherwise disqualified to serve, or his successor shall be elected and qualified.

Sec. 3. Subordinate Officers, etc.: The Board of Directors may appoint such other officers as the business of the corporation may require, each of whom shall have such authority and perform such duties as are provided in these By-Laws or as the Board of Directors may from time to time specify, and shall hold office until he shall resign or shall be removed or otherwise disqualified to serve.

Sec. 4. Removal and Resignation: Any officer may be removed, either with or without cause, by a majority of the Directors at the time in office, at any regular or special meeting of the Board, or, except in case of an officer chosen by the Board of Directors, by any officer upon whom such power of removal may be conferred by the Board of Directors.

Any officer may resign at any time by giving written notice to the Board of Directors or to the President, or to the Recording secretary of the corporation. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein; and, unless otherwise specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Sec. 5. Vacancies: A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in the By-Laws for regular appointments to such office.

Sec. 6. Chairman of the Board: The Chairman of the Board, if there shall be such an officer, shall, if present, preside at all meetings of the Board of Directors, and exercise and perform such other powers and duties as may be from time to time assigned to him by the Board of Directors or prescribed by these By-Laws.

Sec. 7. President: Subject to such supervisory powers, if any, as may be given by the Board of Directors to the Chairman of the Board, if there be such an officer, the President shall be the chief executive officer of the corporation and shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business and officers of the corporation. He shall preside at all meetings of the Members and, in the absence of the Chairman of the Board, at all meetings of the Board of Directors. He shall be ex-officio a member of all the standing committees, including the executive committee, if any, and shall have the general powers and duties of management usually vested in the office of President of a corporation, and shall have such other powers and duties as may be prescribed by the Board of Directors or these By-Laws.

Sec. 8. Vice Presidents: In the absence of disability of the President, the Vice Presidents in order of their rank as fixed by the Board of Directors, or if not ranked, the Vice President designated by the Board of Directors, shall perform all the duties of the President, and when so acting shall have all the powers of, and be subject to all the restrictions upon, the President. The Vice Presidents shall have such other powers and perform such other duties as from time to time may be prescribed for them respectively by the Board of Directors or these By-Laws.

Sec. 9. Recording Secretary: The Recording Secretary shall have charge of all records and papers relating to the business of the corporation and he shall correctly and regularly enter in books provided for that purpose, all the rules and regulations of the corporation, and shall register therein the names and addresses of all members. He shall take the minutes of all meetings and shall keep or cause to be kept a book of minutes at the principal office or such other place that the Board of Directors may order, of all meetings of Directors and Members, with the time and place of holding, whether regular or special, and if special, how authorized, the notice thereof given, the names of those present at Directors' and Members' meetings, and the proceedings thereof.

Sec. 10. Corresponding Secretary: The Corresponding Secretary shall give, or cause to be given, notice of all the meetings of the Members and of the Board of Directors required by these By-Laws or by law to be given, and he shall keep the seal of the corporation in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or these By-Laws.

Sec. 11. Treasurer: The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts

of the properties and business transactions of the corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital and surplus. Any surplus, including earned surplus, paid-in surplus and surplus arising from a reduction of stated capital, shall be classified according to source and shown in a separate account. The books of account shall at all reasonable times be open to inspection by any Director.

The Treasurer shall deposit all moneys and other valuables in the name and to the credit of the corporation with such depositories as may be designated by the Board of Directors. He shall disburse the funds of the corporation as may be ordered by the Board of Directors, shall render to the President and Directors, whenever they request it, an account of all of the transactions as Treasurer and of the financial condition of the corporation, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or these By-Laws.

Article VII

Miscellaneous

Sec. 1. Checks, Drafts, Etc.: All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness, issued in the name of or payable to the corporation, shall be signed or endorsed by such person or persons and in such manner as, from time to time, shall be determined by resolution of the Board of Directors.

Sec. 2. Annual Report: The annual report of shareholders referred to in Section 3006 of the California Corporations Code is expressly dispensed with, but the Board of Directors of the corporation may cause to be sent to the Members, not later than one hundred twenty (120) days after the close of the fiscal or calendar year, an annual report, in such form as may be deemed appropriate by the Board of Directors.

Sec. 3. Contract, etc. - How Executed: The Board of Directors, except as in these By-Laws otherwise provided, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances; and unless so authorized by the Board of Directors, no officer, agent or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or in any amount.

Sec. 4. Representation of Shares of Other Corporations: The President or any Vice President and the Recording Secretary of Corresponding Secretary of this corporation are authorized to vote, represent and exercise on behalf of this corporation all rights incident to any and all shares of any other corporation or corporations standing in the name of this corporation. The authority herein granted to said officers to vote or represent on behalf of this corporation any and all shares held by this corporation in any other corporation or corporations may be exercised either by such officers in person or by any person authorized so to do by proxy or power of attorney duly executed by said officers.

Sec. 5. Inspection of By-Laws: The corporation shall keep in its principal office for the transaction of business the original or a copy of these By-Laws as amended or otherwise altered to date, certified by the Recording Secretary, which shall be open to inspection by the Members at all reasonable times during office hours.

Sec. 6. Fiscal Year: The fiscal year of this corporation shall begin on the 1st day of July in each year. ✓

Article VIII

Amendments

Sec. 1. Power of Members: New By-Laws may be adopted or these By-Laws may be amended or repealed and the Articles of Incorporation may be amended or restated by the vote of a majority of the members of the Board of Directors of the corporation at any Directors' meeting.

L E A S E

Lease made by City of Upland, a municipal corporation hereinafter called Lessor, and Euclid Avenue Chapter of the San Bernardino County Museum Association, an unincorporated association, hereinafter called Lessee,

WITNESSETH:

RECITALS

WHEREAS, Lessor now owns in its proprietary capacity, land consisting of approximately five acres adjacent to other land which Lessor plans to improve with a public park also consisting of approximately five acres, and

WHEREAS, Lessee desires to lease the following described land from the Lessor for the purpose of placing thereon a complete cultural center, encompassing a museum, a multi-purpose recreational hall, an amphitheatre, art gallery, and the St. Mark's Church building as an historical land mark, said real property being more particularly described as follows:

and,

WHEREAS, it appears to be mutually beneficial to the parties herein that said facilities should be leased to Lessee so that the development anticipated by the Lessee can take place for the benefit of citizens of Upland and others using the facilities,

NOW, THEREFORE, in consideration of the acts and promises contained herein, the parties agree with each other as follows:

LEASING:

Lessor hereby leases to Lessee the right to use the acreage hereinabove described for the purpose of improving the same with a museum building and eventually a complete cultural center encompassing a multi-purpose recreational hall, amphitheatre, art gallery, St. Mark's Church, and such other building and improvements as may be compatible with such a center.

TERM:

The term of this lease shall be twenty (20) years commencing on the 1st day of April, 1965, and ending on the 31st day of March, 1985.

IMPROVEMENTS:
TO BE CONSTRUCTED
BY THE LESSEE:

Lessee shall construct with reasonable diligence after the commencement of this lease, at its sole cost, a museum building, parking area, streets, curbs and gutters, and all incidental appurtenances to said museum building necessary and appropriate for its use.

Lessee shall further construct, consistent with its financial ability through its fund raising activities, a multi-purpose recreation building as may be compatible with a cultural center, and Lessee shall further, at its sole expense, move the St. Mark's Church and place the same on the leased property as an historical land mark, providing the same is economically feasible and possible under the Building Codes.

Lessee shall pay all the normal connection fees and fees chargeable for use of the sewers, water and building permit fees, unless specifically waived by the Council.

No construction or improvement shall commence until a plot plan, showing in general the position of the proposed buildings on the premises and the type of improvements to be placed on the premises by the Lessee to be used in conjunction with the use of said buildings, has been submitted.

AA 2
land required

After said plot plan has been established by the mutual agreement of the parties, no deviation shall be allowed on said plan, except by the mutual consent of the parties. This plan shall be in the nature of a site plan, and shall show the proposed parking, landscaping, lighting, buildings, walls and all other improvements which are generally required for a site plan approval as the same is now defined in the Upland Municipal Code.

**MAINTENANCE
OF IMPROVEMENTS:**

The lessee shall maintain the buildings on the leased premises in good order and repair at their sole cost and expense.

The lessor shall after the initial installation of the improvements around the buildings and facilitating the use thereof maintain said improvements, using the same standard of maintenance as is used in the parks generally in the City of Upland.

UTILITIES:

Lessee shall pay for all telephone bills incurred on the premises. Lessee shall pay for all electrical energy furnished to the buildings and used in connection therewith. Lessor shall pay for all of the lighting outside the buildings and used on the leased premises for general lighting of the area.

Lessor shall furnish the water used on the premises.

**STAGE DEVELOPMENT
OF LEASED PREMISES:**

It is understood and agreed that the primary objective of the lessee is to construct a museum building on said premises and that the lessee plans to construct other facilities in the cultural center as specified above as funds become available to it from its fund raising programs. It is further understood that the lessor has conducted for a number of years citrus farming on the leased premises and that the lessor will continue to operate this farming operation on the portions of the leased premises remaining undeveloped by the lessee. The lessee shall have the use of only such portions of the premises as are reasonably required for its improvements, including parking, driveways, curbs and landscaping for the buildings constructed. The improvements so constructed shall

**PARKING
REGULATIONS:**

not unreasonably interfere with the irrigation system of the citrus grower for its citrus grove, and lessor shall be entitled to all rents, issues and profits from said grove.

It is understood that the right to park on all parking lots of the property leased shall be granted to the public generally, however, lessee may designate certain parking spaces reasonably required for their key personnel and special guests.

The Upland Police Department shall have the right to and shall be charged with the duty of policing the parking areas just as it enforces the law in all the other parks of the City.

INSURANCE:



Lessee shall procure in a reliable company liability insurance insuring lessee and lessor respectively against liability for personal injury on the premises in the amount of \$100,000.00 for injury to any one person and in the amount of \$300,000.00 for any one accident and in the amount of \$10,000.00 for damage to property in any one accident.

**TAXES AND
ASSESSMENT:**

It is anticipated that neither of the parties shall be taxed on the improvements put upon the demised premises, however, in the event there is any tax levied upon any personal property on the premises or any quasi real property for any reason the lessee shall assume and pay said tax.

**MECHANIC'S
LIEN:**

Lessee shall save Lessor harmless from any Mechanic's Lien or stop notice placed upon the improvements for unpaid labor and materials, and in the event that any stop notice is filed upon the improvements for either labor or materials, Lessee shall file bond with the City against the claimant in a sum equal to one and one-fourth times the sum of the principal of said stop notice.

ASSIGNMENT:

It is understood that the lessee is contemplating the formation of a corporation which shall succeed to the unincorporated association and lessee shall have the ability to assign its

interest in this lease to such a corporation so formed and the consent of lessor to such assignment is hereby given.

No further assignments shall be permitted of the lessee's interest nor shall lessee sub-lease any portion of the premises without the written consent of the lessor.

CONDEMNATION:

In the event that the property is taken by eminent domain, the Lessor shall pay Lessee only the reasonable value of all the improvements made by lessee in pursuance to the terms of this agreement at the time of said taking. If the governmental authority requiring eminent domain is not lessor, lessor shall be entitled to the entire value of the land less the reasonable value of the improvements put upon the portion of the property so taken in eminent domain which shall be given to lessee.

In the event of a partial condemnation by eminent domain, the amount paid to the lessee shall be the reasonable value of the improvement taken at the time of their taking and the balance shall be paid to the lessor.

DEFAULT:

Lessor in the event of default by lessee of the terms of this lease shall be entitled to retake the premises and reimburse to lessee the reasonable value of the improvements, off-set by the reasonable rental value of the premises for the period of the leasing from the beginning until the time of taking. Under no circumstances shall the lessee be in default until lessor has given to lessee at least 20 days written notice of default and in the event the lessee remedies the default within the 20 day period set forth in the notice, lessee shall be reinstated to all rights in pursuance to this agreement as if no default had occurred.

**LACK OF CONSTRUCTION
OF IMPROVEMENTS AS A
GROUND FOR BREACH OF
LEASE:**

In so far as the building of the museum building is concerned, lessee agrees to either have the building constructed or have funds committed and in hand for its construction on or before 2 years from the date of the making of this lease. In the event that either the funds are not in hand or committed to the construction

of the museum building or the museum building has not been constructed within the 2 year period indicated above, the lessor shall have a right to retake the premises under the default paragraph above and said failure shall be construed as a breach of this lease.

Insofar as the other improvements are concerned which are mentioned in this lease which are to be constructed by lessee, the lessee shall be given a reasonable length of time to construct these improvements which shall not be over 10 years in length and which shall be determined by arbitration in the event that either party request this arbitration as to the time to be allowed.

In the event that the parties mutually agree that the improvements constructed are all those improvements which will be reasonably constructed by the lessee in the time allowed by the mutual consent of the parties or by arbitration, then the parties shall further mutually agree upon the portion of the property to be retained under this lease and the portion which shall be returned to the lessor as unnecessary for the improvements constructed and the part to be returned shall be considered as if a breach of the lease had taken place as to that portion.

**OPTION TO
PURCHASE:**

Provided lessee is not in default under the terms of this lease, lessee shall have the option to purchase the premises above mentioned at any time after 10 years from the execution of this lease to the end of the term of this lease. This option shall be exercised by the lessee by giving to the lessor at least 6 months written notice of its intention to exercise this option. The purchase price under this option shall be the reasonable market value of the land at the time of the exercise of this option which shall be determined by mutual agreement between the parties. In the event that the parties cannot agree as to the purchase price for the land, this purchase price shall be referred to arbitration as set forth in this agreement, and the decision of the arbitrators shall be binding on the parties as to the purchase price to be paid. The premises shall not thereafter be used for any purpose at any time other than the purposes set forth above upon penalty of reversion and forfeiture to the lessor, and the deed or other conveyance to the property shall recite these facts so that this restriction may become a matter of record and serve as a ground for reversion and forfeiture to the lessor.

**OPTION TO
RENEW:**

Lessee shall have an option to renew this lease at the termination of the same provided lessee is not in default. This option to renew shall be exercised by

giving 6 months written notice of lessee's intention to exercise said option and the renewal terms shall be for an additional 20 years upon the same terms and conditions specified in this lease except that no further options to renew shall be given.

RENTAL PRICE:

Lessee shall pay as the rental for the premises above mentioned the sum of \$1.00 per year and shall at all times hold said premises open to the public at large for visitation at reasonable times, except that lessee may schedule special events in the buildings and rent rooms contained therein for cultural purposes on a temporary basis such as for special demonstrations, classes, theatre presentations and the like, excluding the public.

WAIVER:

No acquiescence, failure or neglect of either lessor or lessee to insist on strict performance of any or all of the terms hereof in one instance shall be considered or constitute a waiver of the right to insist upon strict performance of the terms hereof in any subsequent instance.

**GENERAL CONDITIONS
OF AGREEMENT:**

Each and all of the terms and agreements herein contained shall be binding upon and inure to the benefit of the successors in interest of lessor and lessee respectively. It is hereby covenanted and agreed that time is of the essence of this agreement except where otherwise expressly provided.

If any section, paragraph, sentence, clause, phrase, or portion of this lease is invalid or shall be held to be invalid, such invalidity shall not affect the validity of the balance or remainder.

There are no covenants, and warranty other than those expressed herein, other than the warranty of title.

ARBITRATION:

In the event that the parties have any disagreement as to the construction of the lease or as to any of the terms or conditions of this agreement, the same should be submitted to arbitration in pursuance to the laws of arbitration as

set forth in the California Code and this lease and agreement shall be construed by the use of California Law.

IN WITNESS WHEREOF, the parties hereto have set their hands this 4th day of March, 1965.

CITY OF UPLAND, A MUNICIPAL CORPORATION

BY s/ A. M. Hawkins, Jr.
Mayor

BY s/ Bonita L. Hunt
City Clerk

EUCLID AVENUE CHAPTER OF THE SAN BERNARDINO
COUNTY MUSEUM ASSOCIATION, an unincorporated
association

BY s/ Robert H. Oyley, President

BY s/ Isabel C. Whitney, Secretary

U. S. TREASURY DEPARTMENT
INTERNAL REVENUE SERVICE

DISTRICT DIRECTOR

P. O. BOX 231

LOS ANGELES, CALIFORNIA 90053

May 25, 1966

IN REPLY REFER TO

Form L-178

0-100-117 HJG

LA-EO-66-536

.Chaffey Communities Cultural Center
P. O. Box 772
Upland, California 91786

PURPOSE Educational, Charitable
Scientific and Literary

ADDRESS INQUIRIES & FILE RETURNS WITH
DISTRICT DIRECTOR OF INTERNAL REVENUE

Los Angeles

FORM 990-A RE-
QUIRED

ACCOUNTING PERIOD
ENDING

☒ YES ☐ NO☐ NO☐ NO

December 31

Gentlemen:

On the basis of your stated purposes and the understanding that your operations will continue as evidenced to date or will conform to those proposed in your ruling application, we have concluded that you are exempt from Federal income tax as an organization described in section 501(c)(3) of the Internal Revenue Code. Any changes in operation from those described, or in your character or purposes, must be reported immediately to your District Director for consideration of their effect upon your exempt status. You must also report any change in your name or address.

You are not required to file Federal income tax returns so long as you retain an exempt status, unless you are subject to the tax on unrelated business income imposed by section 511 of the Code, in which event you are required to file Form 990-T. Our determination as to your liability for filing the annual information return, Form 990-A, is set forth above. That return, if required, must be filed on or before the 15th day of the fifth month after the close of your annual accounting period indicated above.

Contributions made to you are deductible by donors as provided in section 170 of the Code. Bequests, legacies, devises, transfers or gifts to or for your use are deductible for Federal estate and gift tax purposes under the provisions of section 2055, 2106 and 2522 of the Code.

You are not liable for the taxes imposed under the Federal Insurance Contributions Act (social security taxes) unless you file a waiver of exemption certificate as provided in such act. You are not liable for the tax imposed under the Federal Unemployment Tax Act. Inquiries about the waiver of exemption certificate for social security taxes should be addressed to this office, as should any questions concerning excise, employment or other Federal taxes.

This is a determination letter.

Very truly yours,

R. A. Riddell
District Director

Our letter to you dated February 24, 1966, advising that you are not relieved of the requirements for filing Federal income tax returns, may be disregarded.

You are cautioned that if you engage to a substantial degree in activities which are unrelated to your purposes, you will jeopardise your exempt status.