

## LEASE

This Lease is made this first day of July, 2015, by and between The Congregation of the Passion, Mater Dolorosa Community, the Lessor, hereinafter designated as the Landlord, and Mater Dolorosa Passionist Retreat Center, a California nonprofit corporation, 700 N. Sunnyside Ave., Sierra Madre, CA 91024, the Lessee, hereinafter designated as the Tenant. This Lease replaces the Lease previously executed by Landlord and Tenant which was renewed July 1, 2015.

In consideration of the rents to be paid and the mutual covenants, promises and agreements set forth here, the Landlord and the Tenant agree as follows:

### SECTION 1: DEMISE OF THE PREMISES

1.01 The Landlord, in consideration of the rents to be paid and the covenants and agreements to be performed by the Tenant, does lease to the Tenant the following described premises situated in the City of Sierra Madre, County of Los Angeles, State of California, to wit:

Real property commonly known as 700 N. Sunnyside Ave., Sierra Madre, CA 91024, including all buildings (except that certain portion of the Retreat Center comprising the third floor of the East Wing) and all of the grounds (the Premises;

to have and to hold for a term of thirty (30) years (to June 30, 2045), with an option to renew for two additional terms of ten (10) years beginning July 1, 2045 and 2055 after the commencement of the term of the Lease.

### SECTION 2: TERM OF LEASE

2.01 The term of this Lease shall begin on July 1, 2015 (the Commencement Date) and shall end on June 30, 2065 unless sooner terminated as set forth below.

2.02 This Lease shall be renewable upon terms to be agreed to by the Landlord and the Tenant provided that the Tenant continues to use the premises for the operation of a Passionist retreat center according to the specific purposes stated by the Tenant in Article III of its Articles of Incorporation, to wit:

The specific purposes of this corporation are:

- A. To sponsor, design and direct religious retreats and programs that promote spiritual development and renewal according to the traditions and history of the

- Roman Catholic Church and the Congregation of the Passion;
- B. To provide facilities, hospitality and incidental services to groups and individuals who wish to convene for religious programs, retreats or meetings that promote spiritual development;
  - C. To provide services and programs without regard to an individual's or group's race, color, national or ethnic origin;

and is not otherwise in default of the other terms of this Lease.

### SECTION 3: NET RENTAL

3.01 The Tenant covenants and agrees to pay the Landlord at such place as the Landlord may designate in writing, rent equal to 3% ( three percent) of Tenant's previous fiscal year's operating revenues, excluding development fund proceeds, payable annually in installments as instructed by the Landlord. Before each of the two ten year optional renewal dates (i.e. July 1, 2045 and 2055) the rent amount will be evaluated and negotiated between Landlord and Tenant. If agreement cannot be reached before any renewal date, the Lease may be terminated by either party providing a 180 day written notice of termination. During this notification period of lease termination, the latest rent in force at the time of notice shall be paid on a month to month basis.

3.02 The Landlord and the Tenant intend that rent shall be absolutely net to the Landlord so that this Lease shall yield, net to the Landlord, not less than the amount specified in Section 3.01 above during the term of the Lease. All costs, expenses and charges of every kind and nature relating to the premises which may be attributable to or become due during the term of this Lease shall be paid by the Tenant. The Tenant shall indemnify defend and hold the Landlord harmless from and against all such costs, expenses and charges.

### SECTION 4: TAXES, ASSESSMENTS AND UTILITIES

4.01 The Tenant agrees to pay as additional rent for the Premises all taxes and assessments, general and special, and all water rates, and all other governmental impositions related to ownership of the Premises or the privilege of renting the Premises which may be levied upon or shall otherwise accrue against the Premises or any part thereof, or upon any building or improvements at any time situated there, during the term of this Lease. All of such taxes, assessments, water rates, and other impositions shall be paid by the Tenant before they shall become delinquent. In the event that during the term of this Lease (i) the real property taxes (if any) levied or assessed against the real property shall be reduced or eliminated, whether the cause is a judicial determination of unconstitutionality, a change in the nature of the taxes imposed, or otherwise, and (ii) there is levied, assessed or otherwise imposed upon the Landlord, in substitution for all or part of the tax thus reduced or eliminated, a tax (hereinafter called the Substitute Tax) which imposes a burden upon the Landlord by reason of its ownership of the real property, then

to the extent of such burdens the Substitute Tax shall be deemed a real estate tax for purposes of this paragraph.

4.02 The Tenant also agrees to pay all charges made against the Premises for gas, heat, electricity, and all other utilities during the continuance of this Lease as the same shall become due.

#### SECTION 5: USE OF THE PREMISES

5.01 It is agreed that the Premises during the continuance of this Lease shall be used and occupied only for the nonprofit corporate purposes and activities identified in Section 2.02 above. No activities unrelated to the operation of a Passionist retreat center shall be conducted upon the Premises without the Landlord's prior written consent. The Tenant further agrees that it will not use or permit any person to use the Premises or any part thereof for any use or purpose in violation of the statutes, regulations, ordinances or lawful orders of the United States, the State of California, the County of Los Angeles, the City of Sierra Madre or of any other governmental authority having jurisdiction. During the original term or any extended term the Tenant will keep the Premises and every part thereof and all buildings at any time situated there in a clean and wholesome condition and generally will comply with all lawful health and police regulations.

5.02 Notwithstanding anything to the contrary herein, Landlord shall retain the right to access and use the Third Floor of the East Wing of the Retreat Center for living quarters for its members and invited guests without charge.

#### SECTION 6: LIABILITY INSURANCE AND INDEMNITY

6.01 From and after the commencement of the term of the Lease, the Tenant agrees to indemnify, defend and hold the Landlord harmless from any liability for damages, including costs and reasonable attorney fees, to any person or property upon the Premises from any cause whatsoever excepting only the consequences of the Landlord's own negligence. The Tenant further agrees that it will obtain at or prior to the commencement of the Lease term and maintain at all times thereafter until the termination of this Lease for the benefit of the Landlord, general public liability insurance including blanket contractual coverage against claims for or arising out of personal injury, death or property damage, occurring in, on or about the Premises. Such insurance shall afford protection to a single limit at the beginning of the term of not less than \$1,000,000 (one million dollars) with respect to any one occurrence of personal injury or property. The Tenant shall furnish evidence suitable to the Landlord that such insurance policy or policies is or are in force at or prior to the commencement of the original term of the Lease and shall continue to provide the Landlord with such evidence with respect to such policies as are from time to time in force until the termination of this Lease. Such policy or policies shall provide for thirty (30) days' prior written notice of cancellation to the Landlord.

SECTION 7:  
REPAIRS

7.01 The Tenant covenants and agrees that at its own expense it will keep all buildings on the Premises, including but not limited to the structure and all electrical, mechanical and plumbing systems, at all times in good appearance and repair except for reasonable and normal wear and tear. The Tenant shall also pay all other expenses in connection with the proper maintenance of the premises including repair and upkeep of grounds, sidewalks, driveways and parking areas.

7.02 Any repairs, additions, alterations or improvements to any part of the Premises which are required of any insurance carrier, as a condition of initial or continued coverage, or by any law, statute, ordinance, rule, regulation or governmental order, shall be the obligation of the Tenant. The Landlord shall assign to the Tenant the benefit of all guarantees and warranties covering the building and its systems.

SECTION 8:  
ALTERATIONS

8.01 Subject to Section 7.02 the parties agree that the Tenant shall not make any structural alterations, additions or improvements to the Premises without the written consent of the Landlord. All alterations, additions or improvements shall be the property of the Landlord and shall remain upon and be surrendered with the Premises at the termination of this Lease. All related guarantee and warranties shall be assigned in writing to the Landlord at the time of the termination of this Lease.

SECTION 9:  
FIRE INSURANCE AND EXTENDED COVERAGE

9.01 The Tenant agrees that it will at all times during the term of the Lease, at its own expense, keep all buildings and other improvements on the Premises insured for the replacement cost thereof against the loss by fire with standard extended risk coverage including coverage for vandalism and malicious mischief. Such insurance shall be procured from an insurance company or companies reasonably satisfactory to the Landlord and shall insure the Landlord and the Tenant as their interests may appear. Each policy shall provide for thirty (30) days' written notice to the Landlord of any cancellation. An original policy evidencing such insurance shall be delivered to the Landlord together with receipts evidencing payment of the premiums relating to such insurance. Certificates of renewal shall be delivered to the Landlord at least thirty (30) days prior to the expiration dates of the respective policies to which they relate.

9.02 The Tenant shall cause each insurance policy described in Section 9.01 to be written in a manner so as to provide that the insuring company waives all right of recovery by way of subrogation against the Landlord in connection with any loss or damage covered by any such policies.

9.03 In case the Tenant shall at any time fail, neglect or refuse to maintain insurance as required by Section 9.01 the Landlord may at its election procure or renew such insurance. Any amounts paid by the Landlord for insurance shall be so much additional rent due from the Tenant to the Landlord on the first day of the month following such payment. The Landlord may charge interest at the rate of the current ninety (90) day U.S. Treasury Bill from the date of payment until repayment in full by the Tenant.

9.04 In the event of loss under any such policy or policies the insurance proceeds shall be paid to the Landlord or the Tenant as their interests may appear.

#### SECTION 10: EMINENT DOMAIN

10.01 In the event during the term of this Lease, proceedings shall be instituted under the power of eminent domain which shall result in the taking of such part of the Premises that continued operation of Mater Dolorosa Passionist Retreat Center is not feasible or economically viable, then this Lease shall be void and shall terminate as of the date of such taking. If the Tenant shall continue in possession of the Premises or any part thereof it shall be a lease from month to month and no longer term, anything in this instrument to the contrary notwithstanding. If there is a partial taking, of a lesser order of magnitude than is described above, the Landlord shall restore the Premises to the extent necessary to permit the Tenant to continue its use of the Premises. In either event, the whole of any award for any portion of the Premises taken by reason of condemnation proceedings, whether in respect of diminution of the leasehold or of the fee, shall be the sole property of, and be payable to, the Landlord. The whole of any award for removal and relocation expenses shall be the sole property of the Tenant. It is further agreed that in any such condemnation proceedings the Landlord and the Tenant shall each see their own award at their own expense.

#### SECTION 11: ASSIGNMENT

11.01 The Tenant shall not assign or sublet the Premises or any part thereof without first obtaining the Landlord's written consent.

#### SECTION 12: INSPECTION OF PREMISES

12.01 The Tenant agrees to permit the Landlord and the authorize representatives of the Landlord with prior reasonable notice to enter the Premises at all reasonable times during normal business hours for the purpose of inspecting the same.

#### SECTION 13: PERSONAL PROPERTY

13.01 All fixtures, non-moveable equipment, and other personal property which are an integral part of or contained in the building paid for by the Landlord and all fixtures and non-moveable equipment and other personal property which may be paid for by the Tenant from time to time but which are so contained in or attached to the Premises that their removal would involve damage or structural change to improvements shall be and remain the property of the Landlord.

SECTION 14:  
NOTICE OR DEMANDS

14.01 All notices to or demands upon the Landlord or the Tenant desired or required to be given under any of the provision of the Lease shall be in writing. Any notices or demands from the Landlord to the Tenant shall be deemed to have been duly and sufficiently given if a copy has been mailed by certified mail (return receipt requested) in an envelope properly stamped and addressed to the Tenant at its address set forth above, or at such other address as the Tenant may have last furnished in writing to the Landlord for such purpose. Any notices or demands from the Tenant to the Landlord shall be deemed to have been duly and sufficiently given seven (7) days after being mailed by certified mail (return receipt requested) in an envelope properly stamped and addressed to the Landlord at its address set forth above, or at such other address as the Landlord may have last furnished in writing to the Tenant for such purposes.

SECTION 15:  
BANKRUPTCY

15.01 The Tenant covenants and agrees that if anyone or more of the following events occurs, to wit:

- a. The Tenant shall be adjudged bankrupt or insolvent or a trustee or receiver shall be appointed by a court of competent jurisdiction for the Tenant or for the bulk of its property, and any such adjudication or appointment shall not have been vacated or stayed or set aside within sixty (60) days from the date of the entry or granting of such an order; or
- b. The Tenant shall file or consent to any petition for reorganization or other relief from its obligations under the federal Bankruptcy Code or for receivership under the laws of any state; or
- c. The Tenant shall make any general assignment for the benefit of creditors;

then it shall be lawful for the Landlord, at its election, to declare the term of the Lease ended. In such event the Landlord shall have all of the remedies contemplated by Sections 16.01 and 16.02 below.

SECTION 16:  
DEFAULT, RE-ENTRY AND DAMAGES

16.01 In case any rent shall remain unpaid for more than ten (10) days after the same shall become due, or if default is made in any of the other covenants, agreements, stipulations or conditions contained in this Lease, and such default shall continue for a period of thirty (30) days after written notice of that default shall have been given by the Landlord to the Tenant, or if the Premises shall be permanently vacated, the Landlord, in addition to other rights and remedies it may have, shall have the immediate right of re-entry and may remove all persons and property from the Premises. Such property may be stored in any other place for the account of, and at the expense and at the risk of the Tenant. The Tenant expressly waives all claims for damages which may be caused by the re-entry by the Landlord and the taking of possession of the Premises or removing or storing furniture and property as provided here. The Tenant will hold the Landlord harmless from any loss, cost or damages incurred. No such re-entry shall be considered or construed to be a forcible entry if the Tenant is in default as described above.

16.02 Should the Landlord elect to re-enter as provided here or should it take possession pursuant to legal proceedings or pursuant to any notice provided for by law, it may terminate this Lease. If the Landlord elects to terminate this Lease the Landlord may at any time and from time to time thereafter re-let the Premises or any part of them for such term or terms and at such rent or rents and upon such other terms and conditions as the Landlord, in its sole discretion, may deem advisable. Should the Landlord elect to terminate this Lease, the prevailing party as determined by a court having jurisdiction over the parties, shall be entitled to recover the reasonable attorney fees and costs incurred.

#### SECTION 17: SURRENDER OF PREMISES ON TERMINATION

17.01 Whenever this Lease shall be terminated, whether by lapse of time, forfeiture, or in any other way, the Tenant will yield and deliver up the Premises, including the building and improvements and the fixtures and equipment belonging to the Landlord contained there, peaceably and in as good repair as when taken, except for reasonable and normal wear and tear, and except for the damage or destruction in respect to which the full cost of restoration is covered by insurance obtained in accordance with Section 9.01 above. All areas shall be clean and all rubbish, debris and property of the Tenant shall have been removed from the Premises.

#### SECTION 18: COVENANT OF QUIET ENJOYMENT

18.01 The Landlord covenants and agrees with the Tenant that at all times during the term of this Lease, the Tenant's quiet and peaceable enjoyment of the Premises shall not be disturbed or interfered with by the Landlord or any person claiming authority by, through or under the Landlord; provide, however, that Landlord reserves the right to build a residence on or to sell any or all of the undeveloped portions of the Premises if Tenant's operations as contemplated herein by the parties during the term of this Lease are not impaired.

SECTION 19:  
HOLDING OVER

19.0 In the event of the Tenant holding over after the expiration of the term of this lease without the Landlord having given notice of termination to the Tenant, in the absence of a written agreement to the contrary, the tenancy shall be from month to month but otherwise subject to all of the conditions, provision and obligations of this Lease.

SECTION 20:  
REMEDIES NOT EXCLUSIVE; WAIVER

20.01 Each and every of the rights, remedies and benefits provided by this Lease shall be cumulative, and shall not be exclusive of any other of said rights, remedies and benefits, or of any other rights, remedies and benefits allowed by law.

SECTION 21:  
RIGHT TO SHOW PREMISES

21.01 If the Landlord and the Tenant shall not have agreed to extend the term of this Lease by mutually acceptable terms, the Tenant agrees that for a period commencing six (6) months prior to the expiration of such term, the Landlord may show the Premises to prospective lessees or purchasers upon reasonable prior notice.

SECTION 22:  
MISCELLANEOUS

22.01 This Lease shall be construed and enforced in accordance with the laws of the State of California.

22.02 If any term or provision of this Lease shall to any extent be held invalid or unenforceable the remaining terms and provision shall not be affected by it. Each term and provision of this lease shall be valid and enforceable to the fullest extent permitted by law.

22.03 The captions of this Lease are for convenience only and not to be construed as part of this Lease and shall not be construed as defining or limiting in any way the scope or intent of the provisions of this Lease.

22.04 Whenever, in this Lease, the singular number is used, the same shall include the plural, and whenever the masculine used, the same shall include the feminine and neuter genders.

22.05 The designated representatives of the Landlord and Tenant shall fairly negotiate for the proportional payment of those costs and services that belong to both parties. In like manner, the said representatives shall also fairly negotiate for the use of those facilities subject to shared usage, such as driveways, visitor rooms, grounds, etc.



These agreements shall be held separately from this document but should be reviewed annually or as necessary.

22.06 This Lease contains the entire agreement between the parties and all previous negotiations regarding the subject matter of it are merged here and held for naught. The Landlord and the Tenant acknowledge that no representations have been made other than those expressly set forth here. This Lease may be modified only by an agreement in writing signed by the Landlord and the Tenant.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals on the day and year first above written.

CONGREGATION OF THE PASSION,  
MATER DOLOROSA COMMUNITY

By: Alan Phillip  
Fr. Alan Phillip, C.P.  
Local Superior

MATER DOLOROSA PASSIONIST RETREAT CENTER, INC.

By: Michael Higgins  
Fr. Michael Higgins, C.P.  
Retreat Director, President