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JAN 11 2007

ORDINANCE NO. 3860

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CHANDLER, ARIZONA, APPROVING A LEASE AGREEMENT BETWEEN THE CHANDLER HISTORICAL SOCIETY AND THE CITY OF CHANDLER FOR THE PROPERTY LOCATED AT 178 EAST COMMONWEALTH, CHANDLER, ARIZONA.

BE IT ORDAINED by the City Council of the City of Chandler, Arizona as follows:

Section 1. The City Council of the City of Chandler, Arizona does hereby authorize and approve a lease in the form attached as Exhibit "A", for the property located at 178 East Commonwealth, Chandler, Arizona. This lease agreement is from January 1, 2007 to December 31, 2008, with two (2) options to extend, each for an additional year.

Section 2. The Mayor of the City of Chandler, Arizona is hereby authorized to sign this lease.

INTRODUCED AND TENTATIVELY APPROVED by the City Council this _____ day of _____, 2006.

ATTEST:

CITY CLERK

MAYOR

PASSED AND ADOPTED by the City Council this _____ day of _____, 2006.

ATTEST:

CITY CLERK

MAYOR

CERTIFICATION

I HEREBY CERTIFY that the above and foregoing Ordinance No. 3860 was duly passed and adopted by the City Council of the City of Chandler, Arizona, at a regular meeting held on the ____ day of _____, 2006, and that a quorum was present thereat.

CITY CLERK

APPROVED AS TO FORM:

ANDH
CITY ATTORNEY

LEASE AGREEMENT

This Lease Agreement made and entered into this ____ day of _____, 2006, by and between the City of Chandler, a municipal corporation of the State of Arizona, hereinafter referred to as Lessor; and the Chandler Historical Society, a private, non-profit corporation, as Lessee.

The City of Chandler is authorized to enter into this Agreement by virtue of its incorporation pursuant to Article 13 of the Constitution of the State of Arizona and through the powers granted to charter cities in Title 9 of the Arizona Revised Statutes.

The Chandler Historical Society as a private, non-profit corporation is authorized to enter into this Agreement by virtue of the Articles of Incorporation, the By-Laws and A.R.S. § 10-1005.

WITNESSETH:

Lessor hereby leases the building located at 178 E. Commonwealth Avenue, Chandler, Arizona, otherwise described as Lots 101-104, inclusive, of the Municipal Complex on the terms and conditions set forth below. Any outside storage is specifically prohibited.

Lessee shall use the leased premises for the purpose of conducting services and business of an Historical Society Museum and for no other purpose.

The term of this lease shall begin on the 1st day of January, 2007, and end on the 31st day of December, 2008.

Lessee agrees to pay as rent the sum of One Dollar (\$1.00) per year, due in advance.

The following terms and conditions shall apply:

1. Lessee specifically acknowledges that the building is being leased in an "as is" condition.
2. Lessee, with the consent of Lessor, may make such improvements as the Lessee deems reasonably necessary to make the leased premises suitable for the use stated above. Lessor shall in no way be responsible for loss or damage to any such improvements unless such loss is due to the sole negligence of the Lessor. Lessor shall not unreasonably withhold consent to make such improvements.
3. Lessee shall purchase and maintain, at its own expense, hereinafter stipulated minimum insurance with insurance companies duly licensed by the State of Arizona (admitted insurer) with an AM

Best, Inc. rating of B++6 or above or an equivalent qualified unlicensed insurer by the State of Arizona (non-admitted insurer) with policies and forms satisfactory to the City of Chandler. Failure to maintain insurance as specified may result in termination of this lease at City of Chandler's option. Coverage will be at least as broad as Insurance Services Office, Inc. Policy Form CG 00011093 or any replacement thereof. The coverage shall not exclude X, C, U.

Lessee shall obtain and maintain Commercial General Liability Insurance with a limit of not less than \$2,000,000 for each occurrence with a \$2,000,000 Products/Completed Operations Aggregate and a \$2,000,000 General Aggregate Limit. The policy shall include coverage for bodily injury, broad form property damage, including fire damage, personal injury, and products and completed operation aggregates.

Such insurance shall cover Lessee for any liability that may arise from Lessee's operation, ownership and maintenance of any of the facilities, grounds and equipment comprising the Chandler Historical Society and contain a Fire Legal Liability endorsement. The coverage provided under the policy shall serve as primary and cover all activities of Chandler Historical Society and the Lessor during such times as the grounds, facilities and equipment are in the care, custody and control of Lessee.

Lessee further agrees to name the Lessor as an additional insured on said insurance and notify the Lessor within thirty (30) days of any modifications, changes or cancellations that may occur.

The contents of the building shall be the sole property of Lessee and responsibility for any and all such articles shall remain with Lessee. The Lessor shall in no way be liable for any damage, theft, or other loss of said contents unless such loss is due to the sole negligence of the Lessor or its employees.

4. It is the intention of the parties to this contract that the City of Chandler, its Mayor and Council, appointed boards and commissions, officials, officers, employees, individually or collectively, are to be indemnified against their own negligence unless and except their negligence is found to be the sole cause of injury to persons or damages to property.
5. Lessor shall furnish at no cost water, sewer, electricity, gas and refuse collection services. Lessor shall also provide preventative maintenance (filter changing), normal maintenance (repair/

replacement of a/c units, replacing light bulbs, carpet repair, electrical requirements and general maintenance problems) and custodial care of one cleaning per week at no cost. Provided however the Lessee shall be responsible for any repair or replacement which is required due to intentional or negligent acts of Lessee.

6. At the expiration of this lease, Lessee will return the leased building to the Lessor in good condition. Lessee may, in its discretion, remove Lessee's property and improvements within ten (10) days of expiration of lease hereby created, or sooner termination of this lease, and surrender unto Lessor the building in the same condition as when received, ordinary wear and tear excepted. Any such property and/or improvements not removed at the expiration of above-mentioned ten (10) day period shall become the property of the Lessor.
7. For the consideration stated in this agreement, Lessor grants to Lessee the option of renewing this lease for two (2) additional terms of one (1) year at the same rate of rental and on the conditions as herein set forth. To exercise this option, Lessee shall give Lessor written notice not more than ninety (90) days nor less than thirty (30) days before expiration of this lease.
8. Lessee shall not assign this lease or sublet the leased building without the written consent of the Lessor.
9. Either party may terminate this agreement during the term hereof by giving the other party ninety (90) days notice in writing.
10. Lessor shall have the right to inspect the leased building at reasonable times after reasonable notice to Lessee.
11. All notices herein required shall be sent to Lessor at the City of Chandler Community Services Department, P.O. Box 4008, MS 501, Chandler, Arizona 85244-4008. Notices to Lessee shall be sent to Chandler Historical Society, P.O. Box 926, Chandler, Arizona 85224.
12. This lease shall be binding upon the heirs, successors and assigns of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this lease the day and year hereinabove written.

City of Chandler, a Municipal Corporation

ATTEST:

City Clerk

Mayor

Approved as to form:


Chandler City Attorney

Chandler Historical Society

PRESIDENT

By: 