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NOV 16 2009

ORDINANCE NO. 4194

AN ORDINANCE OF THE CITY OF CHANDLER, ARIZONA, AUTHORIZING AND APPROVING A LEASE BETWEEN THE CITY OF CHANDLER AND THE BOYS AND GIRLS CLUB OF THE EAST VALLEY, INC. FOR A PORTION OF THE REAL PROPERTY LOCATED AT 304 EAST CHANDLER BOULEVARD, 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 substantially the form attached as Exhibit "A" for a portion of the real property located at 304 East Chandler Boulevard, Chandler, Arizona.

INTRODUCED AND TENTATIVELY approved by the City Council of the City of Chandler, Arizona, this ____ day of _____,2009.

ATTEST:

_____ _____

CITY CLERK MAYOR

PASSED AND ADOPTED by the City Council of the City of Chandler, Arizona, this _____ day of _____, 2009.

ATTEST:

_____ _____

CITY CLERK MAYOR

CERTIFICATION

I HEREBY CERTIFY that the above and foregoing Ordinance No. 4194 was duly passed and adopted by the City Council of the City of Chandler, Arizona, at a regular meeting held on the _____ day of _____, 2009, and that a quorum was present thereat.

_____

CITY CLERK

APPROVED AS TO FORM:

_____

CITY ATTORNEY GAB

LEASE AGREEMENT

THIS LEASE AGREEMENT (this "Lease") is made and entered into this ___ day of _____, 2009, by and between the CITY OF CHANDLER, an Arizona municipal corporation, hereinafter referred to as "Landlord", and the BOYS & GIRLS CLUB OF THE EAST VALLEY, INC., an Arizona nonprofit corporation, hereinafter referred to as "Tenant".

Recitals

A. In 1990, Landlord acquired title to the real property described in attached Exhibit "A" (the "City Property"). At the time of the acquisition, Tenant was using a portion of the improvements on the real property for the operation of a youth recreation facility. Landlord continued to allow Tenant to operate the youth facility on the real property pursuant to one or more leases.

B. Recently, Landlord undertook to demolish the existing improvements and to design, finance and construct a new replacement building on the real property. The new building is intended to provide a facility or center for youth recreation and character development.

C. Tenant desires to lease the new building for use as a youth recreation and development center. Landlord desires to lease the new building to Tenant for use as a youth recreation and development center.

D. Landlord has determined that the use of the new building by Tenant for purpose of operating a youth recreation and development center will provide a direct and substantial benefit to the residence of the Chandler community and offers an economical means by which Landlord, as an Arizona municipality, can make additional recreational facilities available to the youth of the community.

Agreement

NOW, THEREFORE, in consideration of the mutual promises and representations set forth herein and in the Recitals hereto, Landlord and Tenant covenant and agree as follows:

1. Leased Premises. Landlord leases to Tenant and Tenant leases from Landlord for the Term (as defined below), at the rental, and upon all of the conditions set forth herein, the premises located at 304 East Chandler Boulevard, which consists of a newly-constructed building of approximately 31,000 gross rentable square feet (the "Premises"), together with a nonexclusive right to use the Common Areas, as defined in Paragraph 11. The Premises and the Common Areas are situated upon the City Property. The location of the Premises, the parameters of the Common Areas, and the site plan for the City Property, as newly improved, are conceptually shown on attached Exhibit "B". The interior layout of the Premises is shown in attached Exhibit "C".

2. **Term.** The term (the "Term") of this Lease shall be for a period of twenty (20) years, commencing on the _____ day of _____, 2009, and ending on the ____ day of _____, 2029, unless sooner terminated in accordance with other provisions of this Lease.

3. **Rent.**

3.1. Base Rent. Tenant shall pay to Landlord an annual base rent of One and 00/100 Dollars ($1.00) at the commencement of the Term and on each one (1) year anniversary of the commencement of the Term.

3.2. Additional Rent. Tenant shall pay to Landlord, as additional rent, all monetary obligations of Tenant to Landlord arising pursuant to Sections ***5, 6, or 9*** of this Lease, and all such additional rent shall be paid on or before the first day of the calendar month following the calendar month in which the obligation represented by the additional rent is incurred.

3.3. Rent Payments. All such rent shall be paid without notice, demand, deduction or any setoff whatsoever to Landlord at the address and pursuant to the requirements stated in Paragraph 24 of this Lease.

4. **Use.**

4.1. Specific Purpose. The Premises shall be used only for the operation of a youth recreation and development center and for no other business or purpose whatsoever without the prior written consent of Landlord's governing body (the "City Council"). In conducting such operation, Tenant shall abide by and comply with the provisions of Tenant's Articles of Incorporation and By-Laws and with such general rules and regulations that Tenant has established or may establish for similar facilities operated by Tenant at other locations within Maricopa County, *provided that* any such provisions, rules or regulations are not in conflict with provisions of this Lease.

4.2. Basic Conduct and Use. No act shall be done in or about the Premises that is unlawful or that is in violation of any applicable local, state, or federal law, code, ordinance, rule or regulation, including, but not limited to, any applicable zoning, building, fire or health and safety codes. Tenant shall comply with all laws relating to Tenant's use and occupancy of the Premises, the Common Areas or other portions of the City Property, and shall observe such reasonable rules and regulations as may be adopted and made available to Tenant by Landlord from time to time for the safety, care and cleanliness of the Premises or the City Property and for the preservation of good order therein. Tenant shall not commit or permit any act or failure to act in or about the Premises which may in any way impair or invalidate any policy or policies of insurance that are otherwise in effect for the Premises or the City Property.

4.3. Nuisance. Notwithstanding anything in this Lease to the contrary, Tenant shall not commit or permit any nuisance or other act, whether noise, odor, smoke, sewage, chemical wastes or otherwise, which may disturb the quiet enjoyment of the surrounding neighborhood or of any other tenants, invitees, licensees or other guests of Landlord on the City Property. Tenant

shall not obstruct or cause to be obstructed any public or private roadways, sidewalks or common areas appurtenant to the Premises or the City Property.

4.4. Continuous Use by Tenant. During the term of this Lease, Tenant shall regularly and continuously operate a youth recreation and development center on the Premises and shall maintain regular and reasonable days and hours of operation consistent with the function of a youth recreational and development center.

4.5. Material Breach. The failure of Tenant to comply with the terms and provisions of Paragraph 4 herein shall be deemed to constitute a material breach of this Lease.

5. Taxes. Tenant shall be responsible for payment, prior to delinquency, of all taxes and assessments of any kind, including but not limited to real property taxes and assessments, that may be levied or assessed by any governmental authority against the Premises, or any improvements thereon, or any personal property, equipment or fixtures of Tenant that are on or about the Premises.

6. Utilities.

6.1. Availability of Utilities. During the Term of this Lease, Landlord shall cause utilities to be available to the Premises.

6.2. Tenant's Obligation for Utilities. Tenant shall arrange for service and pay all utilities supplied to the Premises, including without limitation water, sewer, electric, gas, refuse collection, telephone, internet or cable service, together with any taxes thereon.

6.3. Utility Stipend. Landlord shall provide an annual stipend to Tenant of up to, but never exceeding, the sum of Sixty-Thousand and 00/100 Dollars ($60,000.00) to assist with Tenant's utility payments. The actual amount of the stipend will be based on utility statements submitted by Tenant to Landlord on a quarterly basis, and Landlord will pay the stipend to Tenant on a quarterly basis within fifteen (15) days following receipt of the utility statements.

7. Condition of Premises. Tenant acknowledges that it is taking the Premises "as is" and in such physical condition as it is upon the commencement of the Term of this Lease. Landlord shall not be liable for any damage or injury to either persons or property sustained by Tenant, its agents, employees, guests, invitees, members, licensees, any subtenant or any other person or entity whatsoever, due in any way to the condition of the Premises, including without limitation damage or loss caused by water, sewage, sewer, leaking of pipes or plumbing works, or by robbery or theft, whether such damage or loss be caused or occasioned by any thing or any circumstances, whether of a like nature or of a wholly different nature, unless due to Landlord's intentional misconduct.

8. Maintenance, Repairs and Alterations.

8.1. Landlord's Obligations.

(a) Except for damage caused by any negligence or intentional act or omission of Tenant, Tenant's agents, contractors, employees, customers or invitees, Landlord, at Landlord's expense, shall keep in good order, condition, and repair: (i) the foundations, exterior walls, and the structural portions of the exterior roof of the Premises; (ii) the plumbing, heating, ventilating, and air conditioning equipment, electrical equipment, wiring, and electrical fixtures serving the Premises; and (iii) other aspects of the Premises not identified as Tenant's obligations under Paragraph 8.2(a) below.

(b) Landlord shall maintain the Common Areas, including landscaping, hardscape, and parking areas to a standard kept at all public parks maintained by Landlord. Landlord shall be responsible for pest control. The exterior restroom facility generally serving users of the Common Area and located on the north side of the Premises will be cleaned, maintained and programmed by the Landlord.

(c) Landlord shall assist Tenant in providing custodial services for the Premises. Specifically, Landlord shall provide thirty (30) hours of custodial services for the Premises on a weekly basis; however, Landlord's participation in providing custodial service does not include cleaning or maintaining any specialized equipment, which includes, but is not limited to, the following: the two gyms and gym flooring; the kitchen equipment; the fitness equipment; the computer/data/phone equipment; the security system; the fire sprinkler system; any sports equipment (backboards, scoreboards); and the membership tracking system.

(d) Tenant expressly waives the benefits of any statute now or hereafter in effect which would otherwise afford Tenant the right to make repairs of the Premises at Landlord's expense except in the case of an emergency or to terminate this Lease because of Landlord's failure to keep the Premises in good order, condition and repair.

8.2. Tenant Obligations.

(a) Tenant, at Tenant's expense, shall maintain, service, replace, and keep in good repair the interior of the Premises, including such items as the gym floors, ceilings, walls, doors, glass, paint, kitchen equipment, fitness equipment, fire sprinkler monitoring system, and any permanently-affixed sports equipment, and any of Tenant's personal property or any of the Landlord's assets (defined in Paragraph 8.2(c)), and shall repair all damage to the Premises and the City Property caused by the negligent or intentional act or omission of Tenant, its agents, contractors, employees, guests, invitees, members, licensees, or any subtenant. Tenant shall give Landlord prompt written notice of any defects or breakage in the structure, equipment, fixtures, or of any unsafe condition upon or within the Premises. Tenant's maintenance obligation also includes providing or performing custodial services for the Premises except those custodial services provided by Landlord pursuant to Paragraph 8.1(c) above.

(b) On the last day of the Term, or on any sooner termination, Tenant shall surrender the Premises to Landlord in the same condition as the Premises exists upon Landlord's delivery of the Premises to Tenant, broom clean, ordinary wear and tear excepted. Tenant shall repair any damage to the Premises occasioned by the removal of its trade fixtures, furnishings

and equipment pursuant to Paragraph 8, which repair shall include without limitation the patching and filling of holes and repair of structural damage.

(c) Tenant acknowledges that, separate from Tenant's personal property, Landlord has provided certain equipment, furnishings, and other personal property as itemized in Exhibit "D", which Landlord has acquired with bond proceeds and which are intended to remain the property of Landlord ("Landlord's assets"). Tenant agrees that Landlord's assets shall remain on-site and any damage or destruction of any of the Landlord's assets shall be reported to Landlord. Any of Landlord's assets requiring replacement due to negligent or intentional misuse by Tenant, Tenant's staff or patrons and participants shall be done in accordance with City of Chandler purchasing policies at Tenant's expense. Disposal of any of Landlord's assets shall be done in accordance with City of Chandler policies.

(d) The cost of repairs made necessary by ordinary wear and tear to original construction and to all applicable equipment, furnishings, fixtures and materials, shall be Tenant's obligation up to the amount of $500 and any such repair cost above $500 shall be the obligation of Landlord. Any damage caused or permitted by Tenant or Tenant's employees, agents, members, licensees, sub-tenants, or invitees to the Premises shall be repaired by Tenant. Such repairs must be approved by Landlord prior to any work and must be conducted by a City of Chandler approved vendor. Tenant will pay the full cost of such repairs.

(e) For the purpose of keeping all Heating, Ventilating and Air Conditioning (HVAC) equipment in good working order, Tenant shall reasonably control such equipment with the following limits: Air Conditioning should not be set cooler than 65°F and Heating should not be set hotter than 85°F.

8.3. Alterations and Additions.

Tenant, at Tenant's expense, may make such alterations and improvements to the interior of the Premises as may be necessary or desirable for the conduct of Tenant's operation; provided, however, that Tenant shall make no alterations or improvements which may impair the structural strength of the building that comprises the Premises; and provided, further, that Tenant shall first obtain Landlord's written consent for such alterations and improvements. Landlord may require, as a condition to consenting to such alterations or improvements, that the work therefore be done by Landlord's own employees or under Landlord's direction, but at the expense of the Tenant. Landlord also may require that Tenant give security that the work will be completed free and clear of liens and in a manner satisfactory to Landlord. Any alteration or improvement made by Tenant shall be completed expeditiously, subject to any delays beyond the control of Tenant, and in compliance with all laws and ordinances and all rules and regulations of any and all governmental authorities having jurisdiction of or over the Premises. Tenant, at Tenant's expense, shall repair all damages to the Premises that are occasioned by the installation or removal of Tenant's improvements or alterations. Landlord shall not be responsible or liable for any loss of or damage to Tenant's improvements or alterations.

9. Insurance; Indemnity.

9.1. Tenant's Liability Insurance. During the Term of this Lease, Tenant, at Tenant's expense, shall obtain and keep in force a policy of general public liability insurance written on an occurrence basis insuring Tenant against any liability arising out of the use, occupancy, or maintenance of the Premises, the Common Areas or other areas appurtenant thereto. Such insurance shall be primary and not contributing with any insurance maintained by Landlord, shall have a combined single limit of liability of at least $2,000,000 and shall name Landlord as an additional insured. The limits of said insurance shall not, however, limit the liability of Tenant hereunder. Said insurance shall contain a contractual liability endorsement covering all indemnification obligations of Tenant hereunder. If Tenant shall fail to procure and maintain said insurance, Landlord may, but shall not be required to, procure and maintain the same, but at the expense of Tenant.

9.2. Tenant's Property Insurance. During the Term of this Lease, Tenant, at Tenant's expense, shall obtain and keep in force a policy or policies of insurance covering loss or damage to the building that comprises the Premises, and covering loss or damage to all furnishings, fixtures, equipment, other improvements, and other personal property located on the Premises from time to time, in the amount of the full replacement value thereof, providing protection against all perils included within the classification of fire, extended coverage, vandalism, and malicious mischief. Landlord shall be made a named insured or a loss payee on such insurance policy.

9.3. Insurance Policies. Prior to commencement of the Term of this Lease, Tenant shall deliver to Landlord copies of policies of liability insurance required under Paragraph 9.1 and policies of casualty insurance required by Paragraph 9.2 or certificates evidencing the existence and amounts of such insurance, and evidence indicating that Landlord has been named an additional insured or loss payee as required by this the two paragraphs. All such policies and certificates of insurance shall state explicitly that such insurance shall not be cancelable or subject to reduction of coverage or other modification except upon at least thirty (30) days advance written notice by the insurer to Landlord. Tenant shall furnish Landlord with renewals or "binders" thereof, or Landlord may order such insurance and charge the cost thereof to Tenant, which amount shall be payable by Tenant upon demand. Tenant shall not do or permit to be done anything that shall invalidate the insurance policies referred to in this Lease or Landlord's coverage. Either party may provide any required insurance under a so-called blanket policy or policies covering other parties and locations and may maintain the required coverage by a so-called umbrella policy or policies, so long as the required coverage is not thereby diminished.

9.4. Waiver of Subrogation. Tenant and Landlord each hereby waive any and all rights of recovery against the other, or against the officers, partners, employees, agents, and representatives of the other, for loss of or damage to such waiving party or its property or the property of others under its control: (i) where such loss or damage is insured against and actually covered under any property insurance policy in force at the time of such loss or damager, but such waiver extends only to the extent of the actual insurance coverage; or (ii) where such loss or damage would have been insured against under an insurance policy required to be maintained by the waiving party under this Lease had such insurance been maintained as required, but such waiver extends only to the extent of the insurance coverage required to be maintained under this Lease. Tenant and Landlord shall, upon obtaining the policies of insurance required here under,

give notice to the insurance carrier or carriers that the foregoing mutual waiver of subrogation is contained in this Lease.

9.5. Indemnity. Tenant shall indemnify, defend and hold harmless Landlord for, from and against any and all claims arising from the use of the Premises by Tenant or Tenant's employees, contractors, agents, invitees and guests, or from the operation of Tenant's youth recreation facility, or from any activity, work, or things done, permitted, or suffered by Tenant in or about the Premises or elsewhere, and shall further indemnify, defend and hold harmless Landlord from and against any and all claims arising from any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease or arising from any negligence of the Tenant, or any of the Tenant's agents, contractors, invitees, guests or employees, and from and against all costs, attorneys' fees, expenses, and liabilities incurred in the defense of any such claim or any action or proceeding brought thereon. Tenant, as a material part of the consideration to Landlord, hereby assumes all risk of damage to property or injury to persons, in, upon, or about the Premises arising from any cause and Tenant hereby waives all claims in respect thereof against Landlord.

9.6. Exemption of Landlord from Liability.

(a) Tenant hereby agrees that Landlord and its agents shall not be liable for injury to Tenant's youth recreation center operation or for damage to the equipment, inventory or other personal property of Tenant, Tenant's employees, invitees, customers, or any other person in or about the Premises, nor shall Landlord be liable for injury to the person of Tenant, Tenant's employees, agents or contractors, whether such damage or injury is caused by or results form fire, steam, electricity, gas, water or rain, or from the breakage, leakage, obstruction or other defects of pipes, sprinklers, wires, appliances, plumbing, air conditioning or light fixtures, or from any other cause whether said damage or injury results from conditions arising upon Premises or from other sources or places, and regardless of whether the cause of such damage or injury or the means of repairing the same is inaccessible to Tenant.

(b) No individual partners, shareholders, directors, officers, employees or agents of Landlord or individual member of a joint venture, tenancy in common, firm or partnership, general or limited, which may be the Landlord or any successor in interest, shall be subject to personal liability with respect to any of the covenants or conditions of this Lease. Tenant will not seek recourse against individual partners, shareholders, directors, officers, employees or agents of Landlord or individual member of a joint venture, tenancy in common, firm or partnership, general or limited, which may be the Landlord or any successor in interest or any of their personal assets for such satisfaction.

9.7. Right to Self Insure. Notwithstanding the insurance requirements of this Paragraph 9, Tenant shall have the right, in lieu of the insurance requirement to be maintained by Tenant hereunder, to maintain a self-insurance fund pursuant to all applicable laws, ordinances, codes and regulations in effect from time to time ("Self-Insurance"); provided, however, that such Self-Insurance shall be in effect at all times that any insurance coverage is required to be maintained by Tenant hereunder. Any such Self-Insurance maintained by Tenant shall apply to any loss, damage, liability or claim that would be covered under any insurance policy required to

be maintained by Tenant hereunder. Anything in this Paragraph 9.7 to the contrary notwithstanding, Tenant's liability shall not be affected by its election to maintain Self-Insurance as provided above. Notwithstanding this Paragraph 9.7, Tenant shall name Landlord as an additional insured and loss payee on any umbrella policy or coverage maintained by Tenant from time to time, up to the amount of insurance required to be maintained by Tenant under Paragraphs 9.1 and 9.2.

10. Casualty. If the Premises are wholly or partially destroyed by fire or other casualty insured against by Tenant, Tenant shall give immediate notice thereof in writing to Landlord, and shall fully cooperate with Landlord in filing all necessary proofs of claim with insurance companies. The proceeds of such insurance applicable to the Premises shall be paid to Landlord, and Landlord may rebuild, repair or restore the Premises to their condition at the time immediately preceding the loss or damage; provided, however, that Landlord may elect to retain such insurance proceeds other than proceeds relating to Tenant's personal property and may not be required to rebuild, repair or restore the Premises. This Lease may be terminated if such damage or destruction occurs within the last twelve (12) months of the Term of this Lease, or if more than one-third (1/3) of the Premises is damaged or destroyed. In the event of total destruction of the Premises, the Tenant may terminate the Lease.

11. Common Areas.

11.1. Common Areas Defined. The term "Common Areas" includes all portions of the City Property that are not within the exterior walls of the Premises and which Landlord may from time to time make available for shared usage by others or by the public generally, including without limitation parking areas, driveways, sidewalks, walkways, and outdoor athletic or recreational fields. Landlord expressly reserves the right and privilege in its sole discretion to determine the nature and extent of the Common Areas.

11.2. Rules and Regulations. Landlord has the right to establish and from time to time change, alter and amend such reasonable rules and regulations as may be deemed necessary or desirable for the proper and efficient operation and maintenance of the Common Areas and the City Property. Such rules and regulations may include, without limitation, the hours during which the Common Areas are open for use. Tenant agrees to conform to and abide by all such rules and regulations in its use of the Common Areas and shall enforce such rules and regulations against its customers or patrons. Landlord shall have the sole and exclusive control of the parking areas, driveways, sidewalks, athletic or recreational fields and other Common Areas. The rights of Tenant to use the Common Areas are at all times subject to the rights of Landlord to use such areas in common with Tenant. Tenant shall keep the Common Areas free and clear of any obstructions created or permitted by Tenant or resulting from Tenant's operation.

11.3. Priority Use of Common Areas. Notwithstanding the other provisions of Paragraph 11, Tenant shall have the non-exclusive right to use the parking lot, basketball court and multipurpose athletic field around the Premises during the Term of this Lease. Tenant shall have priority use of the baseball field as follows: (a) Tenant shall submit to Landlord a schedule of use for the baseball field no more than once a quarter (every three months); (b) times not reserved by Tenant shall be made available to the general public; and (c) if Tenant reserves the

baseball field and then fails to use it as scheduled, this may result in loss of priority use of the baseball field.

12. Assignment and Subletting.

12.1. Landlord's Consent Required. Tenant shall not voluntarily or by operation of law assign, transfer, mortgage, encumber, sublet, rent out or otherwise transfer or encumber all or any part of Tenant's interest in this Lease or in the Premises without the prior written consent of Landlord's governing body. Any attempted assignment, transfer, mortgage, encumbrance, rental or subletting without such consent shall be void, and shall constitute a breach of this Lease.

12.2. No Release of Tenant. Regardless of Landlord's consent, no subletting or assignment shall release Tenant of Tenant's obligation or alter the primary liability of Tenant to pay the rent and to perform all other obligations to be performed by Tenant hereunder. The acceptance of rent by Landlord from any other person shall not be deemed to be a waiver by Landlord of any provision hereof. Consent to one assignment or subletting shall not be deemed consent to any subsequent assignment or subletting.

12.3. Other Nonprofit Entities. Notwithstanding the above, Tenant shall cooperate with Landlord to allow the use of limited portions of the Premises to be made available by Landlord for use, on a single or separate occurrence basis, by other nonprofit entities for their legitimate purposes.

13. Defaults; Remedies.

13.1. Default by Tenant. The occurrence of any one or more of the following events shall constitute a material default and breach of this Lease by Tenant:

(a) The vacating or abandonment of the Premises by Tenant for more than ten (10) days.

(b) The failure by Tenant to make any payment of rent or any other payment required to be made by Tenant hereunder within five (5) days of the date when due.

(c) The failure by Tenant to perform or observe any of the covenants, conditions or provisions of this Lease to be performed or observed by Tenant, other than described in subsection (b) above, where such failure shall continue for a period of thirty (30) days after written notice thereof from Landlord to Tenant.

(d) (i) The making by Tenant of any general assignment or general arrangement for the benefit of creditors; (ii) the filing by or against Tenant of a petition to have Tenant adjudged a bankrupt or a petition for reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against Tenant, the same is dismissed within sixty (60) days); (iii) the appointment of a trustee or receiver to take possession of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where possession is not restored to Tenant within thirty (30) days; or (iv) the attachment,

execution, or other judicial seizure of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where such seizure is not discharged within thirty (30) days.

13.2. Remedies. In the event of any material default or breach by Tenant, Landlord may at any time thereafter, with or without notice or demand and without limiting Landlord in the exercise of any other right or remedy, which Landlord may have by reason of such default or breach:

(a) Terminate this Lease by any lawful means, in which case Tenant shall immediately surrender possession of the Premises to Landlord.

(b) Re-enter the Premises and dispossess the Tenant by any means permissible under applicable law.

(c) Pursue any other or additional remedy now or hereafter available to Landlord under the laws or judicial decisions of the State of Arizona, including, without limitation, the imposition of a landlord's lien.

The remedies set forth herein shall be deemed cumulative and not exclusive.

13.3. Default by Landlord. Landlord shall not be deemed in default unless Landlord fails to perform obligations required of Landlord within a reasonable time, but in no event later than thirty (30) days after Landlord's receipt of written notice by Tenant to Landlord specifying the obligations that Landlord has failed to perform; provided, however, that if the nature of Landlord's obligation is such that more than thirty (30) days are required for performance, then Landlord shall not be in default if Landlord commences performance within such 30-day period and thereafter diligently prosecutes the same to completion. In no event shall Tenant have the right to terminate this Lease as a result of Landlord's default, and Tenant's remedies shall be limited to damages and/or an injunction.

14. Safety. Tenant shall maintain on the Premises at all times during the Term an adequate number, size and type of fire extinguishers as are appropriate to Tenant's business. Tenant will at all times adhere to good safety practices or as may be required by safety inspectors. No goods, merchandise or materials shall be kept, stored or sold by Tenant on or about the Premises which are in any way hazardous, and Tenant shall not suffer, permit or perform any acts on or about the Premises which will increase the existing rate of fire insurance. If said insurance rate is increased by such an act, then the increased cost of such insurance shall be paid by Tenant to Landlord with the next succeeding installment of rental. Tenant, at its sole expense, shall comply with any and all requirements of any insurance organization or company necessary for the maintenance of reasonable fire and public liability insurance covering the Premises or any portion thereof.

15. No Access to Roof. Except as may be necessary to comply with Tenant's maintenance and repair obligations under this Lease, Tenant shall have no right of access to the roof of the building that comprises the Premises and shall not install or replace any aerial, fan, air conditioner or other device on the roof of such building or structure on the Premises without the

prior written consent of Landlord. Any aerial, fan, air conditioner or device installed without such written consent shall be subject to removal, at Tenant's expense, without notice, at any time.

16. Successors and Assigns. This Lease, and the covenants and conditions contained herein, inure to the benefit of and are binding upon the heirs, successors, executors, administrators and assigns of the parties hereto.

17. Acceptance. This Lease shall only become effective and binding upon full execution hereof by Landlord and Tenant.

18. Consents and Approvals. Except as otherwise stated herein, all consents or approvals requested of Landlord hereunder may be granted or denied by Landlord in its sole, absolute and unfettered discretion.

19. Signs. No signs, advertisements or notice shall be placed by Tenant on any part of the outside of the building that comprises the Premises, whether walls, roofs, windows, doors or otherwise, except such as shall be approved by Landlord, which shall not be unreasonably withheld. If such approval by Landlord is given, such signs, advertisements or notices shall be installed and maintained at Tenant's expense and shall conform to all applicable governmental laws, rules and regulations.

20. Building Rules. Tenant shall abide by all rules and regulations imposed by Landlord for the good order and reasonable use of the Premises and/or the Common Areas. Breach of building rules and regulations shall be a material breach of this Lease.

21. Right of Entry. Landlord may, during the Term of this Lease, at all reasonable times and during usual business hours, upon reasonable notice to Tenant, enter upon the Premises for the purpose of inspecting the same, and show the Premises to prospective lessees or prospective purchasers after 48 hours notice to Tenant.

22. Surrender. Upon the expiration of the Term of this Lease, or upon the earlier termination of this Lease, Tenant shall surrender peaceable possession of the Premises in the same condition as the Premises were at the commencement of this Lease, reasonable wear and tear and acts of God excepted.

23. Liens. If the Premises or the City Property, or Tenant's leasehold interest in the Premises, shall at any time during the term of this Lease become subject to any vendor's, mechanic's, laborer's, or materialmen's lien based upon the furnishing of material or labor to Tenant, or become subject to any lien levied or assessed against the Premises or the City Property as a result of Tenant's failure to make utility payments, Tenant shall cause the same, at Tenant's expense, to be discharged within forty-five (45) days after notice thereof.

24. Notices and Payments. All notices and demands which may be required or permitted to be given to either party hereunder shall be in writing, and all such notices and demands hereunder shall be sent by certified United States mail, return receipt requested, postage prepaid,

or hand delivered to the addresses set out below or to such other person or place as each party may from time to time designate in a notice to the other. All payments due hereunder shall be sent by first class United States mail, postage prepaid or hand delivered to the address of the Landlord set out below or to such other person or place as Landlord may from time to time designate in a notice to Tenant. Notices and payments shall be deemed given and made upon actual receipt. Any notice, demand or payment required or permitted to be given or made hereunder shall be addressed to Landlord and Tenant, respectively, at the addresses set forth below:

Landlord:

By mail to: Community Services
Attn: Mark Eynatten, Director
P. O. 4008
Mail Stop 501
Chandler, Arizona 85244

or in person at: Community Services
125 East Commonwealth Avenue
Chandler, AZ 85244

Tenant: Boys & Girls Club of the East Valley, Inc.
1405 E. Guadalupe Road, Suite 4
Tempe, Arizona 85283

25. **Nondiscrimination.** In its operation and use of the Premises, Tenant shall not discriminate against any individual in any way on account of such individual's race, color, religion, sex, age, handicap or national origin. Executive Order Number 75.5 of the State of Arizona is hereby incorporated into this Lease by reference, as if set forth in full herein.

26. **General Provisions.**

26.1. Severability. The invalidity of any provision of this Lease as determined by a court of competent jurisdiction shall in no way affect the validity of any other provision hereof.

26.2. Time of Essence. Time is of the essence for all matters contained herein.

26.3. Headings. The caption and paragraph headings contained herein are inserted only for convenience of reference and are in no way to be construed as a part of this Lease or as a limitation of the scope of the particular paragraph to which they refer.

26.4. Incorporation of Prior Agreements; Amendments. This Lease contains all agreements of the parties with respect to any matter mentioned herein. No prior agreement or

understanding pertaining to any such matter shall be effective. This Lease may be modified in writing only, signed by the parties in interest at the time of the modification.

26.5. Legal Expenses. In the event of any suit instituted by either Landlord or Tenant against the other in any way connected with this Lease, or for the recovery of rent or possession of the Premises, the successful party to any such action shall recover from the other party reasonable attorneys' fees and court costs in connection with said suit.

26.6. Broker. Landlord and Tenant each represent to the other that there are no broker's commissions in connection with this Lease.

26.7. No Waiver. Any waiver by any of the parties hereto of any breach of this Lease or of any right of any party shall not constitute a waiver of any other breach or of any other right.

26.8. Entire Agreement. This Lease contains the entire agreement between the parties hereto, and no term or provision hereof may be changed, waived, discharged or terminated unless the same is in writing executed by both parties hereto.

26.9. Applicable Law. Arizona law shall govern the construction, performance and enforcement of this Lease.

26.10. Benefit. This Lease shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, legal representatives, successors and assigns.

26.11. Quiet Enjoyment. So long as Tenant is not in default under the terms of this Lease, Tenant shall be entitled to the quiet enjoyment and use of the Premises according to the provisions of this Lease.

26.12. Cancellation of Lease. This Lease is subject to cancellation in accordance with A.R.S. Sec. 38-511.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Lease on the date first above written.

TENANT: BOYS & GIRLS CLUB OF THE EAST VALLEY, INC., an Arizona nonprofit corporation

By: Ramon Elias

Its: President CEO.

LANDLORD: CITY OF CHANDLER, an Arizona municipal corporation

By: _____

Its: _____

APPROVED AS TO FORM:

_____

CITY ATTORNEY GMB

EXHIBIT "A"
(The City Property)

Parcel 1

THAT PORTION OF THE PLAT OF GREATER CHANDLER ADDITION, ACCORDING TO BOOK 31 OF MAPS, PAGE 22, RECORDS OF MARICOPA COUNTY, ARIZONA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF LOT 2 OF BLOCK 9 OF SAID PLAT OF GREATER CHANDLER ADDITION;

THENCE SOUTH 89 DEGREES 29 MINUTES 00 SECONDS EAST, 62.64 FEET ALONG THE SOUTH LINE OF SAID LOT 2;

THENCE DEPARTING SAID SOUTH LINE NORTH 0 DEGREES 31 MINUTES 00 SECONDS EAST, 17.05 FEET TO THE POINT OF BEGINNING;

THENCE NORTH 0 DEGREES 06 MINUTES 46 SECONDS EAST, 24.66 FEET;

THENCE SOUTH 89 DEGREES 53 MINUTES 14 SECONDS EAST, 95.87 FEET;

THENCE NORTH 0 DEGREES 06 MINUTES 46 SECONDS EAST, 9.00 FEET;

THENCE SOUTH 89 DEGREES 53 MINUTES 14 SECONDS EAST, 165.42 FEET;

THENCE SOUTH 0 DEGREES 06 MINUTES 46 SECONDS WEST, 29.76 FEET;

THENCE NORTH 89 DEGREES 53 MINUTES 14 SECONDS WEST, 162.32 FEET;

THENCE SOUTH 0 DEGREES 06 MINUTES 46 SECONDS EAST, 3.17 FEET;

THENCE NORTH 89 DEGREES 53 MINUTES 14 SECONDS WEST, 84.41 FEET TO THE POINT OF BEGINNING.

Parcel 2

THAT PORTION OF THE PLAT OF GREATER CHANDLER ADDITION, ACCORDING TO BOOK 31 OF MAPS, PAGE 22, RECORDS OF MARICOPA COUNTY, ARIZONA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF LOT 2 OF BLOCK 9 OF SAID PLAT OF GREATER CHANDLER ADDITION;

THENCE SOUTH 89 DEGREES 29 MINUTES 00 SECONDS EAST, 4.53 FEET ALONG THE SOUTH LINE OF SAID LOT 2;

THENCE DEPARTING SAID SOUTH LINE NORTH 0 DEGREES 31 MINUTES 00 SECONDS EAST, 281.10 FEET TO THE POINT OF BEGINNING;

THENCE NORTH 0 DEGREES 00 MINUTES 20 SECONDS WEST, 140.15 FEET;

THENCE NORTH 89 DEGREES 59 MINUTES 41 SECONDS EAST, 16.82 FEET;

THENCE SOUTH 0 DEGREES 00 MINUTES 20 SECONDS EAST, 20.02 FEET;

THENCE NORTH 89 DEGREES 59 MINUTES 41 SECONDS EAST, 15.42 FEET;

THENCE SOUTH 0 DEGREES 00 MINUTES 20 SECONDS EAST, 120.12 FEET;

THENCE SOUTH 89 DEGREES 59 MINUTES 41 SECONDS WEST, 32.24 FEET TO THE POINT OF BEGINNING.

Parcel 3

LOTS 1, 2, 3 AND 4 AND THE WEST HALF OF LOT 5 AND WEST HALF OF LOT 6, BLOCK 9, GREATER CHANDLER ADDITION RECORDING TO BOOK 31 OF MAPS, PAGE 27, RECORDS OF MARICOPA COUNTY, ARIZONA.

EXCEPT THE SOUTH 5 FEET OF LOTS 2 AND 4; AND

EXCEPT ALL OIL, GAS, COAL AND MINERALS AS RESERVED IN DEED RECORDED IN BOOK 441 OF DEEDS, PAGE 527, RECORDS OF MARICOPA COUNTY, ARIZONA; AND

EXCEPT COMMENCING AT THE SOUTHWEST CORNER OF LOT 2 OF BLOCK 9 OF SAID PLAT OF GREATER CHANDLER ADDITION;

THENCE SOUTH 89 DEGREES 29 MINUTES 00 SECONDS EAST, 62.64 FEET ALONG THE SOUTH LINE OF SAID LOT 2;

THENCE DEPARTING SAID SOUTH LINE NORTH 0 DEGREES 31 MINUTES 00 SECONDS EAST, 17.05 FEET TO THE POINT OF BEGINNING;

THENCE NORTH 0 DEGREES 06 MINUTES 46 SECONDS EAST, 24.56 FEET;

THENCE SOUTH 89 DEGREES 53 MINUTES 14 SECONDS EAST, 95.87 FEET;

THENCE NORTH 0 DEGREES 06 MINUTES 46 SECONDS EAST, 9.00 FEET;

THENCE SOUTH 89 DEGREES 53 MINUTES 14 SECONDS EAST, 165.42 FEET;

THENCE SOUTH 0 DEGREES 06 MINUTES 46 SECONDS WEST, 19.76 FEET;

THENCE NORTH 89 DEGREES 53 MINUTES 14 SECONDS WEST, 162.32 FEET;

THENCE SOUTH 0 DEGREES 06 MINUTES 46 SECONDS WEST, 7.07 FEET;

THENCE NORTH 89 DEGREES 53 MINUTES 14 SECONDS WEST, 14.56 FEET;

THENCE NORTH 0 DEGREES 06 MINUTES 46 SECONDS EAST, 3.17 FEET;

THENCE NORTH 89 DEGREES 53 MINUTES 14 SECONDS WEST, 84.41 FEET TO THE POINT OF BEGINNING; AND

EXCEPT COMMENCING AT THE SOUTHWEST CORNER OF LOT 2 OF BLOCK 9 OF SAID PLAT OF GREATER CHANDLER ADDITION;

THENCE SOUTH 89 DEGREES 29 MINUTES 00 SECONDS EAST, 4.53 FEET ALONG THE SOUTH LINE OF SAID LOT 2;

THENCE DEPARTING SAID SOUTH LINE NORTH 0 DEGREES 31 MINUTES 00 SECONDS EAST, 281.10 FEET TO THE POINT OF BEGINNING;

THENCE NORTH 0 DEGREES 00 MINUTES 20 SECONDS WEST, 140.15 FEET;

THENCE NORTH 89 DEGREES 59 MINUTES 41 SECONDS EAST, 16.82 FEET;

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THENCE NORTH 89 DEGREES 59 MINUTES 41 SECONDS EAST, 15.42 FEET;

THENCE SOUTH 0 DEGREES 00 MINUTES 20 SECONDS EAST, 120.12 FEET;

THENCE SOUTH 89 DEGREES 59 MINUTES 41 SECONDS WEST, 32.24 FEET TO THE POINT OF BEGINNING.