

140-2-009B

LEASE AGREEMENT

BETWEEN

P R E H A B

AND

THE CITY OF MESA

REGARDING

[REDACTED]

THIS LEASE AGREEMENT is made and entered into on this _____ day of January, 1992, by and between the City of Mesa, an Arizona Corporation as lessor (hereinafter known as "City") and _____ P R E H A B _____, an Arizona non-profit corporation under the terms of Section 501(c)(3) of the U.S. Internal Revenue Code as lessee (hereinafter known as PREHAB OR SUBRECIPIENT).

W I T N E S S E T H :

THAT WHEREAS, the City is the owner of the following described real property, including improvements as described:

Legal: [REDACTED] aka: [REDACTED]

(Note: This lot purchased with City General Funds, BUT is part of facilities at [REDACTED])

The above-described property is located : _____
[REDACTED], Mesa, AZ 85203

(NOTE: Addresses to be kept confidential for clients)

1. NON-PROFIT:

- 1.1 The _____ PREHAB _____ is a non-profit corporation that provides services for a youth crises counseling in Mesa and desires to lease the described property.
- 1.2 **Lease:** The City agrees to lease the land and improvements to the _____ PREHAB Agency _____ and the _____ PREHAB _____ agrees to lease the _____ land and facilities from the City, subject to all of the covenants, terms and conditions hereinafter set forth.

2. TERM:

- 2.1 **Term.** The initial term of this lease shall commence on the date heretofore mentioned as twenty (20) years, and shall expire on January 1, 2012. The City may, at its sole discretion, offer to extend the term of this lease for an additional five (5) years. The City may exercise this option by giving written notice to the PREHAB Agency at least six (6) months, but no more than one (1) year, prior to the expiration of the initial term. The PREHAB shall declare its intent to accept each extension term by conveying said intent to accept the extension term by conveying such intent to the City no later than six (6) months prior to the expiration of the initial lease in effect.
- 2.2 **Termination Rights.** The PREHAB Agency or the City shall have the right to terminate this lease on six (6) months prior written notice to the other party at any time during the term of this lease, except on the event of default on the part of the PREHAB, in which case the provisions of Section 8 of the lease shall apply and except as otherwise provided in paragraph 2.3 and 5.1 of this lease.
- 2.3 **Insolvency of Lessee.** Either (a) the appointment of a receiver to take possession of all, or substantially all of the assets of the Lessee, or (b) a general assignment of Lessee to benefit of creditors, or (c) any action taken or suffered by Lessee under any insolvency or bankruptcy act shall, if any such appointment, assignment or action continues for a period of thirty (30) days, shall constitute a breach of this Lease by Lessee, subject to termination as herein provided.

1-1-2017

3. RENT:

On the date of execution of this lease, the PREHAB Agency shall pay the City full rent of \$1.00 per year for the initial 20 year term of the lease, in the amount of \$20.00.

4. OPTION TO RENEW:

As long as the Lessee is not in default of any of their terms of this Lease Agreement, the Lessee shall have the right to extend this Lease Agreement for two (2) additional terms of five (5) years each by giving thirty (30) days prior notice to the Lessor.

5. USE:

5.1 **Use of Property.** Lessee shall use the leased premises for a shelter for a youth crises counseling and other available services facility. Lessee's failure, or inability for any reason to use the leased premises for those purposes or Lessee's failure to use the leased premises for a period of ninety (90) consecutive days, shall constitute a default within the meaning of this Lease Agreement.

5.2 **The City's Use.** The City retains the right to use the [REDACTED] [REDACTED] [REDACTED] free of charge for City sponsored activities. Scheduling of those activities will be coordinated through _____PREHAB_____, and will not take precedence over nor interfere with bonafide PREHAB activities.

5.3 **Subrecipient Agreement.** The _____PREHAB_____ shall sign a subrecipient agreement that further defines the record keeping and administrative requirements for the described use of this leased property located at [REDACTED] [REDACTED]. See 10 is referenced on allowable uses in conjunction with the Subrecipient Agreement.

6. PERSONAL PROPERTY:

The personal property of the _____PREHAB_____ set forth in Exhibit A, attached hereto and incorporated herein by reference, as well as other personal property placed in the [REDACTED] facilities during the term of this lease by the PREHAB Agency shall remain the property of the PREHAB Agency and may be removed from the described facilities at any time during the lease term or upon the expiration or

sooner termination of this lease, provided that the PREHAB shall repair any damage caused to the FACILITIES by such removal. The City shall have no right to use such personal property of the PREHAB unless the City obtains prior permission of the PREHAB, which may be given or withheld at the PREHAB sole discretion. The City shall be responsible for repairing or replacing any personal property of the PREHAB facilities that is damaged or destroyed while it is being used by the City. The City retains ownership of all personal property, appurtenances and equipment attached to or contained in the _____ facility, excepting those items outlined in Exhibit A. The PREHAB may use said personal property, appurtenances and equipment, but may not remove them from the _____ facilities without prior written permission from the City. The PREHAB shall be responsible for repairing or replacing any of the personal property, appurtenances and equipment of the City that is damaged or destroyed while being used by the PREHAB/Subrecipient.

7. UTILITIES, CUSTODIAL SERVICES AND MAINTENANCE:

- 7.1 **Maintenance, Repairs and Alterations.** The Lessee agrees during the term hereof, at its own expense, to keep in good order the repair, the entire leased premises and all improvements thereon. The Lessee shall have the right to improve, reconstruct, or alter the improvements on the leased premises after first securing the written permission of the Lessor, which will not be unreasonably withheld.
- 7.2 **Utilities.** The Lessee agrees that it will at all times during the term of this Lease Agreement, pay for all utilities, including irrigation, of every nature used by it on the leased premises before the charges therefore become delinquent.
- 7.3 **Mechanic's Liens.** The Lessee agrees that it will save and hold the Lessor harmless from any claim or demand of every nature whatsoever against the Lessor by reason of any mechanic or materialman's liens arising out of any improvement or work done on the leased premises for the Lessee herein.

8. DEFAULT:

The parties agree that in the event at any time a default shall be made by the Lessee in the payment of any rent herein provided on the day same becomes due and payable, or in the event the Lessee shall fail to perform any of the covenants herein contained to be kept and performed by the Lessee, any such default continues for a period of thirty (30) days after written notice of such default shall have been received by the Lessee, then and in any or either of such events it shall be lawful for the Lessor, at its election, to declare the term of this Lease ended and this Lease cancelled and the Lessor shall have the right to re-enter and take possession of said premises, provided, however, that any such default shall be deemed cured or same be corrected within thirty (30) days after written notice by the Lessee, in which event this Lease and its terms and conditions shall continue in full force and effect, the same as though no default has been made.

9. TAXES AND INSURANCE:

9.1 **Taxes.** The PREHAB AGENCY agrees to pay all taxes of every nature levied or assessed on the property described herein during the term of this Lease Agreement and on all personal property of the _____PREHAB_____ placed upon the leased premises.

9.2 **General Insurance Responsibility.** The ___PREHAB___ agrees that it will at all times during the term of this Lease Agreement provide in full force and effect commercial general liability insurance, including personal injury and blanket contractual liability insurance coverage in an amount of not less than one million dollars (\$1,000,000) per occurrence and one million dollars (\$1,000,000) if there be an aggregate coverage. The ___PREHAB___ shall also provide Worker's Compensation Insurance at all times during which any employees of the _PREHAB_ are on the premises for any purpose. The Worker's Compensation Insurance shall include employer's liability protection in the same limits as the comprehensive general liability policy. The _PREHAB_ shall cause the City to be named as an additional insured on all such policies within the provision that said policies are primary to any insurance or self-insurance of the City. The PREHAB shall furnish copies of the policies of insurance

in all instances as described above to the City. All policies shall contain a notice that the City be notified of any cancellations, non-renewal or material alterations of the policy terms thirty (30) days in advance of such action by the carrier.

9.3 **Fire Insurance Responsibility.** The City agrees that during the term of this Lease Agreement it will annually consider whether to provide structural fire insurance for the [REDACTED] facilities, and that the extent and manner of provision of said insurance, if authorized, may be included in a funding agreement with the _____PREHAB_____, separate from this Lease Agreement. If funding for structural fire insurance coverage is not provided by the City, it shall be the _____PREHAB Agency_____ responsibility to secure and maintain said insurance on the _____ [REDACTED] facilities, to the City's satisfaction.

10. **ASSIGNMENTS AND SUB-LEASES:**

Neither the _____PREHAB_____ nor its successors may assign this Lease Agreement or sub-let any portion of the leased premises without first securing the written consent of the City, provided that any use of the leased property shall not be inconsistent with the purposes for which the _____ [REDACTED] _____ facility was provided, nor with the allowable uses as detailed in the federal Community Development Block Grant Regulations.

11. **WAIVER OF BREACH:**

The parties agree that no waiver of any breach of any of the covenants herein contained shall be construed to be a waiver of any succeeding breach.

12. **INDEPENDENT OPERATOR:**

The _____PREHAB_____ shall at all times be an independent operator and shall not at any time purport to act as an agent of the City or any of its officers or agents.

13. INDEMNIFICATION:

Each party does hereby covenant and agree to indemnify, defend and hold harmless the other party, its employees, officers, contractors and agents, individually and collectively, from any and all fines, suits, claims, demands or actions of any kind, other than those caused by the willful or negligent conduct of the other party, its officers, employees, contractors or agents, arising out of or in connection with the indemnifier's use or occupancy of the [REDACTED] facility as outlined in this Lease Agreement.

14. NOTICES:

All notices pursuant to this Lease Agreement shall be addressed to the Youth Crises Center _____ as follows: Michael Hughes, Director, PREHAB Agency, P.O. Drawer 5860, Mesa, AZ 85211-5860, unless or until the _____PREHAB Agency_____ notifies the City in writing of some other address. Any notice given by the City pursuant to this article shall be deemed to be received by the _____PREHAB_____ within three (3) working days after same is deposited in the United States mail, postage prepaid, addressed to the PREHAB Agency as above indicated.

All notices pursuant to this Lease Agreement shall be addressed to the City as follows: City of Mesa, Community Development Department, P.O. Box 1466 - RC262, (55 North Center Street), Mesa, AZ 85201, unless or until the City notifies the PREHAB in writing of some other address.

IN WITNESS WHEREOF, the parties have caused this Lease Agreement to be executed the day and year first hereinabove written.

SJW:pmb
011392
LeaseAgr.sub

SIGNATURES

For PREHAB _____

For the City: _____

Milt L. Loh

, Executive Director

C.K. Luster

C.K. Luster, City Manager

Date

Date

Attest:



Barbara Hogue

Barbara Hogue, City Clerk

Date

STATE OF ARIZONA)
)ss.
County of Maricopa)

The foregoing Lease Agreement was acknowledged before me this _____ day of _____, 19____, by _____, and _____, respectively of _____, an Arizona non-profit corporation, they being thereunto duly authorized.

Notary Public

My Commission Expires:
