

**LEASE AGREEMENT**

Between

**SAVE THE FAMILY FOUNDATION OF ARIZONA, INC.**

and

**THE CITY OF MESA**

Regarding



THIS LEASE AGREEMENT is made and entered into on this 9th day of August, 1995, by and between the City of Mesa, a municipal corporation as lessor (hereinafter known as "City") and Save The Family Foundation of Arizona, Inc., an Arizona non-profit corporation under the terms of Section 501(c)(3) of the U.S. Internal Revenue Code as lessee (hereafter known as "Save The Family").

WITNESSETH:

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

(see attached Exhibit A)

The above-described property is also known as:



**1. NON-PROFIT:**

1.1 Save The Family is a non-profit corporation that provides services to low income families in Mesa and desires to lease the property described herein.

1.2 **Lease:** The City agrees to lease the [REDACTED] property to Save The Family and Save The Family agrees to lease the [REDACTED] [REDACTED] land and facility 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 be for twenty (20) years, commencing on July 24, 1995, and expiring on July 30, 2015. The City may, at its sole discretion, offer to extend the term of this lease for two additional five (5) year terms. The City may exercise this option by giving written notice to Save The Family at least six (6) months, but no more than one (1) year, prior to the expiration of the initial term. Save The Family shall declare its intent to accept each extension term by conveying said intent to the City no later than six (6) months prior to the expiration of the initial lease in effect.

2.2 **Termination for Convenience.** Save The Family or the City shall have the right to terminate this lease at the end of five (5) years for any reason, without penalty, on six (6) months prior written notice to the other party at any time during the remaining term of this lease. Save the Family shall at that time have an option to acquire the property from the City at its full fair market value as determined by an independent appraisal.

Tenants that are displaced as a result of lease termination, who were occupants of the property at the time a termination notice is given, may be entitled to relocation benefits as allowed under the Uniform Relocation Act of 1970, as amended. The party which requests termination of the lease shall be responsible for providing such benefits.

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.

**3. RENT:**

On the date of execution of this lease, Save The Family shall pay the City full rent of \$1.00 per year for the initial twenty (20) year term of the lease, in the amount of \$20.00.

**4. USE:**

**4.1 Use of Property.** Lessee shall use the leased premises only for transitional housing for homeless families with children. 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.

**4.2 Subrecipient Agreement.** Save The Family and the City of Mesa have executed a separate Subrecipient Agreement that further defines the record keeping and administrative requirements for the described use of this leased property located at [REDACTED] Section 10 is referenced on allowable uses in conjunction with the Subrecipient Agreement.

**5. PERSONAL PROPERTY:**

The personal property of Save The Family set forth in Exhibit B, attached hereto and incorporated herein by reference, as well as other personal property placed in the [REDACTED] facility during the term of this lease by Save The Family shall remain the property of Save The Family and may be removed from the [REDACTED] facility at any time during the lease term or upon the expiration or sooner termination of this lease, provided Save The Family shall repair any damage caused to the property by such removal. The City shall have no right to use such personal property of Save The Family unless the City obtains prior permission of Save The Family, which may be given or withheld at their sole discretion. The City shall be responsible for repairing or replacing any personal property of Save The Family 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 [REDACTED]

██████████ facility, excepting those items outlined in Exhibit B. Save The Family may use said personal property, appurtenances and equipment, but may not remove them from the ██████████ ██████████ facility without prior written permission from the City. Save The Family 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 Save The Family, and shall return the premises to the City in the same condition they were in at the inception of this lease, normal wear and tear excepted.

**6. UTILITIES, CUSTODIAL SERVICES AND MAINTENANCE:**

6.1 **Maintenance, Repairs and Alterations.** The Lessee agrees during the term hereof, at its own expense, to keep in good order and 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.

6.2 **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 on the leased premises before the charges therefor become delinquent.

6.3 **Mechanic's Liens.** The Lessee agrees that it will save and hold the Lessor harmless from any claim or demand of any 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.

**7. 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.

**8. TAXES AND INSURANCE:**

8.1 **Taxes.** Save The Family agrees to pay all taxes of every nature levied or assessed on the property and leasehold interest described herein during the term of this Lease Agreement and on all personal property of Save The Family placed upon the leased premises.

8.2 **General Insurance Responsibility.** Save The Family 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 two million dollars (\$2,000,000) if there be an aggregate coverage. Save The Family shall also provide Worker's Compensation Insurance at all times during which any employees of Save The Family 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. Save The Family 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. Save The Family 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.

8.3 **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 [REDACTED] and that the extent and manner of provision of said insurance, if authorized, may be included in a funding agreement with Save The Family, separate from this Lease Agreement. If funding for structural fire insurance coverage is not provided by the City, it shall be Save The Family's

responsibility to secure and maintain said insurance on [REDACTED]  
[REDACTED] to the City's satisfaction.

**9. HOMEOWNERS ASSOCIATION:**

Save The Family shall be responsible for the payment of any dues, fees, or charges incurred as directed by the Homeowners Association for [REDACTED] during the term of this Lease Agreement. Evidence of payment of such is to be submitted by Save The Family to the City.

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

Neither Save The Family nor its successors may assign this Lease Agreement or sub-let all or 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:**

Save The Family 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:**

Save The Family does hereby covenant and agree to indemnify, defend and hold the City, 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 solely negligent conduct of the City, its officers, employees, contractors, or agents, arising out of or in connection with the use or occupancy of the [REDACTED]  
[REDACTED] facility as outlined in this Lease Agreement.

**14. NOTICES:**

All notices pursuant to this Lease Agreement shall be addressed to Save The Family as follows: 450 West 4th Place, Suite 202, Mesa, Arizona 85201, unless or until Save The Family 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 Save The Family within three (3) working days after same is deposited in the United States mail, postage prepaid, addressed to Save The Family as above indicated.

All notices pursuant to this Lease Agreement shall be addressed to the City as follows: City of Mesa, Community Development Department, RC262, P.O. Box 1466, Mesa, Arizona 85201-1466, unless or until the City notifies Save The Family 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.

SIGNATURES

For Save The Family Foundation  
of Arizona, Inc.:

*Janice Parker*  
Janice Parker, Executive Director

8-4-95  
Date



For the City:

*C.K. Luster*  
C.K. Luster, City Manager

8/9/95  
Date

*Barbara Hogue*  
Barbara Hogue, City Clerk

Date 8/10/95

STATE OF ARIZONA )  
  )ss.  
County of Maricopa )

The foregoing Lease Agreement was acknowledged before me this 4 day  
of August, 1995, by JANICE PARKER  
of Save The Family Foundation of Arizona, Inc., an Arizona non-profit corporation, he/she being  
thereunto duly authorized.

*Lisa Kent*  
Notary Public

My Commission Expires:  
6-28-95





EXHIBIT 'A'



LEGAL DESCRIPTION:



## **EXHIBIT B**

### **PERSONAL PROPERTY**



*The personal property owned by Save the Family Foundation consists of all household furnishings and refrigerators in each residential unit. Household furnishings consist of all furniture; lamps; bedding; linens; cleaning equipment and supplies; telephones; electronics; kitchen supplies including dishes, cookware, utensils, and microwave ovens; and other such personal furnishings provided by Save the Family for use by the tenants of each unit.*

*Because tenants are given household furnishings needed when they move into permanent housing, the inventory of personal property may fluctuate as households move into and out of each apartment and furnishings are replaced.*