

REAL PROPERTY LEASE AGREEMENT

(LOCATION: 45404 Division Street, Lancaster, California 93535)

THIS LEASE AGREEMENT (this "Lease"), is made and entered into this 1st day of July, 2014 (the "Date of this Lease"), by and between the LANCASTER HOUSING AUTHORITY, a public body, corporate and politic (the "Lessor") and the ANTELOPE VALLEY BOYS AND GIRLS CLUB, a California non-profit corporation (the "Lessee").

WHEREAS, the Lessor owns that real property (the "Premises"), which is illustrated and designated on the "Premises Map" attached to this Lease as Attachment No. 1 and incorporated herein by reference, and is more particularly described in the "Legal Description of the Premises", attached to this Lease as Attachment No. 2 and incorporated herein by reference; and

WHEREAS, pursuant and subject to the terms and conditions set forth herein, the Lessee shall lease the premises from the Lessor and the Lessor shall lease the Premises to the Lessee in order to accommodate the Lessee's continued use of the Premises.

NOW, THEREFORE, in consideration of the foregoing and of the mutual conditions, promises and covenants hereinafter contained, the parties hereto hereby agree as follows:

1. LEASE OF PREMISES

Lessor agrees to lease to Lessee, and Lessee agrees to lease from Lessor the Premises in in an "as-is" condition, in accordance with the following terms and conditions.

2. USE OF PREMISES

During the term hereof, the Premises shall be used by Lessee solely for the purpose(s) described on Attachment No. 3 to this Lease and incorporated herein by reference.

3. TERM OF LEASE

A. The term of this Lease shall commence on the Date of this Lease (the "Effective Date") and shall terminate one (1) year thereafter (the "Initial Term"); provided, however, that the Lessor's Executive Director, or his or her designee, shall have the authority to grant extensions in addition to the Initial Term of the Lease in one (1) year increments upon the Lessee first providing a written request to the Lessor. Upon any extension of the Initial Term, the Lessor and Lessee shall complete the "Schedule of Extensions to the Initial Term" that is attached hereto as Attachment No. 4 and incorporated herein by reference by indicating the effective date of such extension, the new expiration/termination date of this Lease each initialing. The Lessee's request for an extension of the Initial Term shall be submitted to the Lessor no later than thirty (30) days prior to the end of the Initial Term, or, if applicable, any previous extension thereof. At Lessee's sole discretion, the Lease may be terminated sooner upon thirty (30) days written notice to the Lessor, or as otherwise provided herein

4. HOLDING OVER

In the event Lessee holds over beyond the end of the term with the implied or express consent of Lessor, such holding over shall be at the annual rent established in Paragraph 5 of this Lease and subject to all other terms and conditions of the Lease. Lessee may not hold over without the express consent of Lessor.

5. RENT

The Lessee agrees to and shall pay the Lessor annual rent in the amount of One Dollar (\$1.00) (the "Rent") during the Initial Term. The Rent shall be payable on or before the Effective Date. In the event the Lessee extends the Initial Term by providing written notice to the Lessor as set forth in Section 3, the amount of rent to be paid by the Lessee to the Lessor during such extension period shall be negotiated and agreed to in writing prior to the commencement of such extension period.

6. TENANT IMPROVEMENTS

Lessee shall be solely responsible for tenant improvements required to utilize the Premises as permitted and contemplated by this Lease.

7. REPAIR AND MAINTENANCE

During the term of this Lease, including both the Initial Term and any extension thereof, the Lessee shall be responsible for all minor repairs and day-to-day maintenance of the Premises. The Lessor shall be responsible for those repairs and maintenance pertaining to HVAC systems, existing electrical and mechanical equipment, plumbing (excluding minor fixture repair), and structural repairs and maintenance to the building.

8. UTILITIES AND SERVICES

The Lessee shall be solely responsible for payment of all utilities and services furnished to, or used by the Lessee at the Premises, including without limitations, gas, electricity, water, sewer, telephone, cable, janitorial service, waste refuse and all pertinent taxes, levies, connection charges, fees, and surcharges, if applicable. The Lessor may pay the same after giving the Lessee fifteen (15) days prior written notice, and any amount so paid by the Lessor shall thereupon become immediately due to the Lessor from the Lessee as additional rent. The Effective Date shall not be delayed by reason of any failure by the Lessee to so contract for utilities and or other services.

9. ALTERATIONS AND REPAIRS

The Lessee acknowledges that it accepts the Premises in an "as-is" condition and agrees to make no demands upon the Lessor for any alterations or improvements, unless agreed to by the Lessor. The Lessee shall have the right to make alterations or improvements only upon receipt of written approval thereof from the Lessor, which will not be unreasonably denied.

10. TAXES

The Lessee shall pay prior, to delinquency all taxes and assessments which may be levied upon or assessed against the Premises and all taxes and assessments of every kind and nature

whatsoever arising in any way from the use, occupancy or possession of the Premises or assessed against the improvements situated thereon, together with all taxes levied upon or assessed against Lessee's Property. To that end the Lessor shall not be required to pay any taxes or assessments whatsoever which relate to or may be assessed against this Lease, the Premises, improvements and Lessee's Property. The Lessee may, at its option, contest in good faith and by appropriate and timely legal proceedings any such tax and assessment; provided, however, that the Lessee shall indemnify and hold harmless the Lessor from any loss or damage resulting from any such contest, and all expenses of same (including, without limitation, all attorneys' fees, court and other costs) are paid solely by the Lessee.

11. INDEMNIFICATION

The Lessee agrees to indemnify, defend and save harmless the Lessor, its agents, officers and employees from and against any and all liability, expense, including defense costs and legal fees, and claims for damages of any nature whatsoever, including, but not limited to, bodily injury, death, personal injury, or property damage arising from or connected with Lessee's operations, or its services hereunder, including any workers' compensation suits, liability, or expense, arising from or connected with services performed on behalf of the Lessee by any person pursuant to this Lease.

12. INSURANCE

Without limiting the Lessee's indemnification of the Lessor, the Lessee shall provide and maintain at its own expense insurance covering its operations hereunder. Such insurance shall be provided by insurer(s) satisfactory to the Lessor and evidence of such programs satisfactory to the Lessor shall be delivered to the Lessor on or before the Effective Date of this Lease. Such evidence shall specifically identify this Lease and shall contain express conditions that the Lessor is to be given written notice at least thirty (30) days in advance of any notification or termination of any program of insurance.

Such insurance shall be primary to and not contributing with any other insurance maintained by the Lessor, and shall name the Lessor as an additional insured, and shall include, but not be limited to:

Comprehensive General Liability insurance endorsed for Premises-Operations, Contractual, Broad Form Property Damage, and Personal Injury with a combined single limit of not less than \$1,000,000 per occurrence.

13. FAILURE TO PROCURE INSURANCE

Failure on the part of the Lessee to procure or maintain required insurance shall constitute a material breach of this Lease upon which the Lessor may immediately terminate this Lease or, at its discretion, procure or renew such insurance and pay any and all premiums in connection therewith, and all monies so paid by the Lessor shall be repaid by the Lessee to the Lessor upon demand, or the Lessor may offset the cost of the premiums against any monies due to the Lessee from the Lessor.

14. DEFAULT

The Lessee agrees that if a default is made in any of the covenants and agreements herein contained to be kept by the Lessee, the Lessor may forthwith revoke and terminate this Lease.

15. ASSIGNMENT

This Lease is personal to the Lessee, and in the event the Lessee shall attempt to assign or transfer the same in whole or part, all rights hereunder shall immediately cease and come to an end.

16. OPERATIONAL RESPONSIBILITIES

During the term of this Lease, including both the Initial Term and any extension thereof, the Lessee shall:

- (a) Use the Premises for the purpose of operating a Boys and Girls Club as that use is permitted by the City of Lancaster's Zoning Ordinance;
- (b) Comply with the terms and conditions set forth in this Lease;
- (c) Comply with and abide by all applicable rules and regulations required by the Lessor;
- (d) Comply with all applicable local, state and federal ordinances, laws and regulations and, in the course thereof, obtain and keep in effect all permits and licenses required to conduct the authorized activities on the Premises;
- (e) Maintain the Premises in a clean and sanitary condition;
- (f) Conduct the activities permitted herein in a courteous and non-profane manner and remove any agent, servant or employee who fails to do so;
- (g) Assume the risk of loss, damage or destruction due to theft, fire and casualty of any and all fixtures and personal property belonging to the Lessee that are installed or placed upon or within the Premises;
- (h) Repair any and all damage to the Premises caused by or arising out of the Lessee's use of the Premises;
- (i) Permit the Lessor and/or its authorized representatives to enter the Premises at any time during business hours for the purpose of determining whether the Lessee is in compliance with the terms and conditions of this Lease;
- (j) Prohibit signs or matter to be displayed upon or within the Premises, other than signs displaying the Lessee's name.

17. NOTICES

Notices desired or required to be given by this Lease or by any law now or hereafter in effect may be given by personal service or by enclosing the same in a sealed envelope addressed to the party for whom intended and by depositing such envelope with postage prepaid in the United States Post Office or any substation thereof, or any public letter box, and any such notice and the envelope containing the same shall be addressed to Lessee as follows:

Lancaster Housing Authority
44933 N. Fern Avenue
Lancaster, CA 93534
Attention: Executive Director

or such other place as may hereinafter be designated in writing by the Lessee and the notices and envelopes containing the same to Lessor shall be addressed to:

Antelope Valley Boys and Girls Club
P.O. Box 901055
Palmdale, CA 93550
Attn: Executive Director

18. WARRANT OF AUTHORITY

Each of the undersigned signatories for the Lessee hereby personally covenant, warrant and guarantee that each of them, jointly and severally, have the power and authority to execute this Lease upon the terms and conditions stated herein and each agrees to indemnify and hold harmless the Lessor from all damages, costs, and expenses, which result from a breach of this material representation.

19. TERMINATION OF LEASE

Termination of this Lease for any reason whatsoever shall not release either party from liability or obligation hereunder resulting from an event which may have occurred before such termination, or thereafter in case by the terms of this Lease it is provided that certain things shall or may have to be done after such termination (including, but not limited to, removal of fixtures and equipment placed on the Premises by the Lessee)

20. LIENS

The Lessee shall have no power to do any act or make any contract which may be created or be the foundation for any lien, mortgage or other encumbrance upon the Premises or in the buildings or improvements thereon; it being agreed that should the Lessee cause any alterations, rebuilding, replacements, changes, additions, improvements, or repairs to be made to the Premises, or labor performed or material furnished therein, thereon or thereto, neither the Lessor nor the Premises under any circumstances be liable for the payment of any expense incurred or for the value of any work done or material furnished, but all such alterations, rebuilding, replacements, changes, additions, improvements, and repairs, and labor and material, shall be made, furnished and performed at the Lessee's expense, and the Lessee shall be solely and wholly responsible to the contractors, laborers and materialmen furnishing and performing such labor and material.

If, because of any act or omission (or alleged act or omission) of the Lessee, any mechanic's or other lien, charge or order for the payment of money shall be filed against the demised Premises or any buildings or improvements thereon, or against the Lessor (whether or not such lien, charge or order is valid or enforceable as such), the Lessee shall, at its own cost and expense, cause the same to be cancelled and discharged of record or bonded within ten (10) days after notice to the Lessee of the filing thereof, and the Lessee shall indemnify and save harmless the Lessor against and from all

costs, expenses, liabilities, losses, damages, suits, fines, penalties, claims and demands, including reasonable counsel fees, resulting therefrom.

21. LESSEE ADMINISTRATION OF LEASE

The Lessor's Executive Director, or his or her designee shall have the authority to administer the Lessor's responsibilities under this Lease in accordance with its terms.

IN WITNESS WHEREOF, the parties hereto have executed this Lease, or caused it to be duly executed, as of the day, month and year first above written.

LESSOR:

LANCASTER HOUSING AUTHORITY, a public body, corporate and politic

By: _____

Its: _____

ATTEST:

Housing Authority Secretary

APPROVED AS TO FORM:

Housing Authority Counsel

APPROVED BY DIRECTOR:

Elizabeth Brubaker
Director, Housing & Neighborhood
Revitalization

LESSEE:

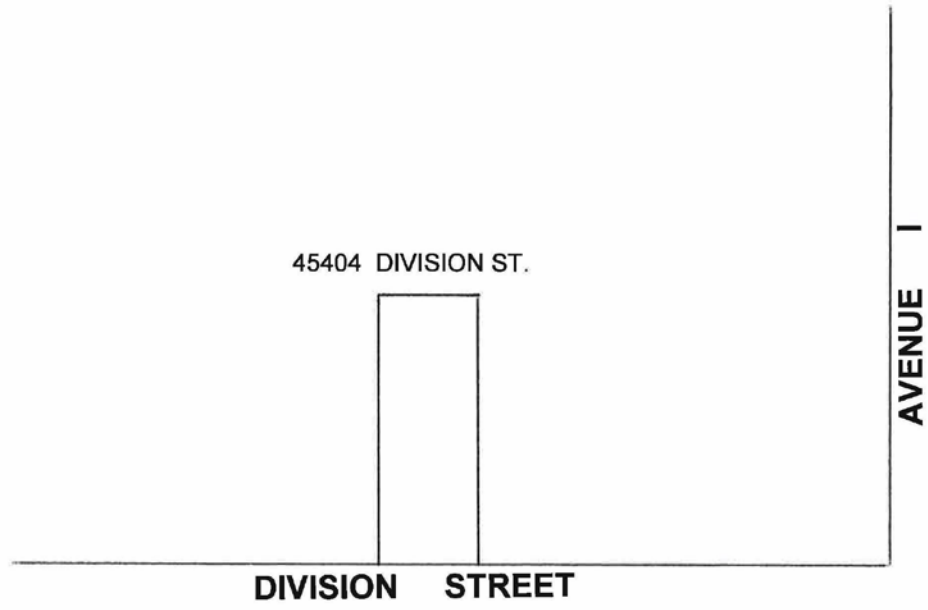
ANTELOPE VALLEY BOYS AND GIRLS CLUB, a California non-profit corporation

By: _____

Its: _____

Attachment No. 1

Premises Map



Attachment No. 1

Attachment No. 2

Legal Description

Lot 9 of Tract 61166 in the City of Lancaster, County of Los Angeles, State of California as recorded in Map Book 1309, Pages 17 to 19 in the Office of the County Recorder of said county, described as 45404 N. Division Street.

APN: 3176-005-923

Attachment No. 3

Use of Premises

The Lessee shall use the Premises to meet its operational objective of providing facilities for youth recreation, group activities and instruction, individual office space for counseling and administration, storage rooms and restrooms. The Lessee may be permitted to use the area immediately adjacent to the Premises for special activities related to the foregoing, upon the Lessor's prior written approval. Upon the expiration or earlier termination of this Lease, including any extension(s), Lessee shall remove all materials and equipment that it placed upon or within the Premises, or shall transfer ownership of such property to the Lessor.

The Premises shall at all times be open to inspection by all local, state and federal governmental authorities. In the event the Lessor determines that the Lessee's use of the Premises creates an unnecessary and/or unreasonable risk to the Premises or to public health, safety or welfare, the Lessor may require that the Lessee cease using the Premises until such risk no longer exists.

Attachment No. 4

Schedule of Extensions to the Initial Term

Effective Date of Extension	New Expiration Date	Lessor's Initials	Lessee's Initials