

LEASE

THIS LEASE made and entered into this 28th day of May, 2010, by and between the City of Prosser, Washington herein called "Lessor" and the Boys and Girls Club of Benton and Franklin Counties, a Washington non-profit corporation, herein called "Lessee".

WHEREAS, the City Council of Prosser, Washington has duly passed a Resolution approving this Lease, and

WHEREAS, the Board of Directors of the Boys and Girls Club of Benton and Franklin Counties has duly passed a Resolution approving this Lease,

WITNESSETH:

1. Premises: Lessor hereby leases to Lessee, upon the terms and conditions herein set forth, the real property situated in the City of Prosser, County of Benton, State of Washington, commonly known as 823 Park Avenue, Prosser, Washington, and legally described as follows:

That portion of the following described property containing the building commonly known as 823 Park Avenue, Prosser Washington, and the curtilage of such building including its parking lot shown on the map attached hereto and incorporated herein by reference as Exhibit "A" and located in the northeast corner of such property:

Beginning at a point 184 feet west and 15 feet south of the northeast corner of the northwest quarter of the northeast quarter of Section 11, Township 8 North, Range 24 East of the Willamette Meridian, Benton County, Washington (which is also a point on the east line of Lot 15, Le Francq's Addition to Prosser, according to Plat thereof recorded in Volume 1 of Plats, Page 30, records of said County, 15 feet south of the northeast corner thereof); thence south along the east line of said Lot 15 a distance of 687 feet to the south line of Lot A Brown's Addition to Prosser according to the Plat thereof recorded in Volume 1 of Plats, Page 29, records of said County; thence west along the said south line a distance of 436

feet to the east line of Kinney Way; thence north along said east line a distance of 701 feet to the south line of Park Avenue; thence south 88° 09' east 436 feet to the point of beginning; Except that portion described as follows:

That portion of the northwest quarter of the northeast quarter of Section 11, Township 8 North, Range 24 East, W. M., and of Lot A, Brown's Addition to Prosser, according to the plat thereof recorded in Volume 1 of plats, page 29, records of Benton County, Washington, described as follows:

Beginning at the southwest corner of said Lot A; thence north along the east line of Kinney Way a distance of 138 feet; thence east parallel with the south line of said Lot A a distance of 248 feet; thence south parallel with said east line of Kinney Way a distance of 138 feet to the south line of said Lot A; thence west along said south line a distance of 248 feet to the point of beginning.

Having Benton County Parcel Number 1-1184-100-0007-001

2. Use of Premises: The premises shall be used to provide the recreational programs which Lessee is required to provide to Lessor pursuant to that certain professional services agreement entered into on the same date as this lease by the parties hereto and for the provision of other non-city programs offered by Lessee, and for purposes reasonably related and incident thereto and for no other purpose without the prior consent of Lessor. Lessee shall not allow use of the premises for any illegal purpose. Lessee shall comply with all governmental rules, orders, regulations or requirements relating to the use and occupancy of the premises.

3. Term: This lease shall be for an indefinite term and shall terminate on the same date as the professional services agreement entered into by and between the parties hereto, the terms of which agreement are hereby incorporated by reference.

4. Rental, Utilities: No rent shall be paid pursuant to this Lease. This lease is provided in consideration of the professional services being provided by Lessee to Lessor and the

value of this lease has been taken into consideration in the negotiation of the cost for such professional services. Lessee shall timely pay all utilities provided to the premises including, but not limited to, electricity, water, sewer, irrigation, garbage, television service, and any other utility provided to the premises.

5. Delivery of Possession: In no event shall Lessor be liable for damages caused by failure to deliver possession of the premises. If possession of the premises is not tendered to Lessee, Lessee may terminate this lease by giving Lessor notice at any time prior to the date Lessor tenders possession to Lessee.

6. Quit Enjoyment. Lessee shall lawfully and quietly hold, occupy and enjoy the premises during the term of this lease without disturbance by Lessor or by any person claiming under Lessor, subject to the other terms and provisions of this lease.

7. Acceptance of premises: The taking of possession of the premises by Lessee shall constitute acknowledgment by Lessee that the premises were then in good and tenantable condition as represented by Lessor.

8. Maintenance by Lessor: Lessor shall maintain in good condition the structural components of the building. Lessee shall maintain and repair all other portions of the building. Lessor shall not be obligated to repair or replace any fixtures or equipment installed by Lessee and Lessor shall not be obligated to make any repair or replacement occasioned by any act or omission of Lessee, its employees, agents, invitees or licensees. The heating, ventilation, and air conditioning system (HVAC) shall not be considered a structural component of the building.

9. Alterations, Repairs and Maintenance by Lessee: Lessee shall make no changes, improvements or alterations to the premises without the prior consent of Lessor.

Other than as provided for in section 4(a) of the professional services agreement entered into by and between the parties hereto on the same date as this lease, Lessee shall provide janitorial services as necessary to keep the premises in a neat, clean and sanitary condition and shall keep the premises and all items therein installed by Lessee in good condition, except only reasonable wear and tear and damage caused other than by any act or omission by Lessee, its employees, agents, invitees or licensees.

10. Taxes: The premises are currently are exempt from general real estate taxes. The Lessee shall pay for any State Leasehold Taxes assessed by the State of Washington due because of this lease.

11. Lessor's Access to Premises: Lessor may inspect the premises at all reasonable times and enter the same for purposes of repairing, altering, improving the same, but nothing herein shall be construed as imposing any obligation on Lessor to perform any such work.

12. Liability Insurance: Lessee shall, at Lessee's expense, maintain public liability and property damage insurance, insuring against any and all claims for injury to or death of persons and loss of or damage to property occurring upon, in or about the premises. Such insurance shall have liability limits of not less than Three Million Dollars (\$3,000,000) with respect of injury or death to any one person, and not less than Four Million Dollars (\$4,000,000) in respect of any and one occurrence or accident, and not less than Three Hundred Thousand Dollars (\$300,000) for property damage with a maximum deductible amount of Ten Thousand

Dollars (\$10,000). All such insurance shall name Lessor and Lessee as co-insured, with severability of interest endorsements.

Lessee shall, at Lessee's expense, maintain on all of Lessee's personal property and leasehold improvements and alterations on the premises a policy of standard fire insurance, with extended coverage, in the amount of their replacement value.

On or before taking possession of the premises pursuant to this lease, Lessee shall furnish Lessor with a certificate evidencing the aforesaid insurance coverage and renewal certificates shall be furnished to Lessor at least thirty (30) days prior to the expiration date of each policy for which a certificate was theretofore furnished. All certificates shall contain a provision that the respective insurers will not cancel the insurance coverage required under this lease without giving thirty (30) days prior written notice to Lessor.

Lessor shall, at Lessor's expense, maintain a policy of standard fire insurance with extended coverage in an amount of its replacement value. Lessor may cause such insurance to name Lessee as a co-insured. All proceeds of any such insurance shall be payable to Lessor and shall be applied to the restoration of the premises to the extent provided for in paragraph 13 below and any proceeds of such insurance shall belong to Lessor.

All insurance policies required to be furnished by Lessee or Lessor under this lease may be blanket policies covering the demised premises and other properties operated by Lessee or Lessor.

13. Damage or Destruction: If the premises or the building are damaged or destroyed by fire or any cause other than any act or omission of Lessee, its employees, agents, invitees, or

licensees, Lessor shall restore the premises, except for such fixtures, improvements and alterations as are installed by Lessee, as nearly as practicable to their condition, immediately prior to such damage or destruction. Lessee, at Lessee's expense shall so restore all such fixtures, improvements and alterations installed by Lessee. Lessee, at Lessee's expense, shall so restore the premises and the building with respect to all damages caused by any act or omission of Lessee, its employees, agents, invitees or licensees. The obligations to restore provided in this paragraph shall be subject to Lessee and Lessor's termination rights provided below. Any restoration shall be promptly commenced and diligently prosecuted.

Notwithstanding any of the foregoing provisions of this Section, in the event the premises or the building shall be destroyed or damaged to such extent that Lessor deems that it is not economically feasible to restore the same, the Lessor may terminate this lease as of the date of the damage or destruction by giving Lessee notice to that effect.

Notwithstanding any of the foregoing provisions of this Section in the event the premises shall be destroyed or damaged to such an extent the Lessee deems that it is not able to economically continue to do business on the leased premises, the Lessee may terminate this agreement by giving Lessor notice to that effect.

14. Liens: Lessee shall not suffer or permit any lien to be filed against the premises or building or any part thereof or the Lessee's leasehold interest, by reason of work, labor, services or materials performed or supplied to Lessee or anyone holding the premises or any part thereof under Lessee. If any such lien is filed against the building or Lessee's leasehold interest, Lessee shall cause the same to be discharged of record within thirty (30) days after the date of

filing the same.

15. Indemnity by Lessee: The Lessee shall defend, indemnify and hold Lessor, its elected officials, officers, employees and agents harmless from and against any and all claims, demands, liabilities, damages and expenses (including attorneys fees) for injury to persons or damage to property caused or asserted to have been caused by the negligent acts of the Lessee, its agents, servants or employees. This indemnity agreement is intended to apply to but is not limited to those situations wherein the Lessor is vicariously liable for negligent acts of the Lessee or wherein it is claimed that the Lessor is vicariously liable for said negligent acts.

16. Assignment and Subletting: Neither this lease nor any right hereunder may be assigned, transferred, encumbered or sublet in whole or in part by Lessee, by operation of law or otherwise, without Lessor's prior consent.

17. Default; Remedies: The occurrence of any of the following events shall be deemed a breach of this lease, namely if Lessee shall make an assignment for the benefit of creditors or shall file a voluntary petition under any bankruptcy act or under any other law for the relief of debtors, or if an involuntary petition is filed against Lessee under any such law and is not dismissed within sixty (60) days; or if any department of any government or any officer thereof shall take possession of the business or property of Lessee; or if the Lessee is adjudicated a bankrupt. Upon such occurrence, Lessor, at its option, may terminate this lease by notice to Lessee and upon such termination, Lessee shall quit and surrender the premises to Lessor, but Lessee shall remain liable as hereinafter provided.

If Lessee shall default in performance of any of Lessee's obligations under this lease or shall violate any term or provision of this lease or the professional services agreement incorporated herein, or if the premises shall be left vacant or unoccupied for a period of thirty (30) days, Lessor may, upon giving Lessee any notice required by law, terminate this lease and upon such termination Lessee shall quit and surrender the premises to Lessor.

If this lease shall be terminated as herein provided, Lessor may immediately or at any time thereafter re-enter the premises and remove any and all persons and property therefrom by any suitable proceeding at law or otherwise, without liability therefore and re-enter the premises.

Lessee shall pay to Lessor all charges required to be paid by Lessee up to the time of such termination of this lease.

The parties hereto may terminate this lease by mutual agreement.

18. Trade Fixtures: Lessee may install on the premises such equipment as is customarily used in the type of business conducted by Lessee on the premises. Upon the expiration or sooner termination of this lease, Lessee shall, at Lessee's expenses, remove from the premises all such equipment and all other property of Lessee and repair any damage to the premises occasioned by the removal thereof.

19. Condemnation: If all of the premises is taken by any public authority under the power of eminent domain, this lease shall terminate as of the date possession is taken by said public authority, pursuant to such condemnation.

If any part of the premises is so taken and, in the opinion of either Lessor or Lessee, it is not economically feasible to continue this lease in effect, either party may terminate this lease.

Such termination by either party shall be made by notice to the other, given no later than thirty (30) days after possession is so taken, the termination to be effective as of the later of thirty (30) days after said notice or the date of possession is taken.

If part of the premises or part of the building is so taken and neither Lessor nor Lessee elects to terminate this lease, or until termination is effective, as the case may be, the rental shall be abated in the same proportion as the portion of the premises so taken bears to the whole of the premises and Lessor shall make such repairs or alterations, if any, as are required to render the remainder of the premises tenantable.

All damages awarded for the taking or damaging of all or any part of the building or the premises shall belong to and be the property of Lessor, and Lessee hereby assigns to Lessor any and all claims to such award, but nothing herein contained shall be construed as precluding Lessee from asserting any claim Lessee may have against such public authority for disruption or relocation of Lessee's business on the premises.

20. Notices: All notices, demands and requests to be given by either party to the other shall be in writing. All notices, demands and request by Lessor to Lessee shall be sent by United States registered or certified mail, postage prepaid, addressed to Lessee at 801 N 18th Avenue, Pasco, WA 99301, or at such other place as Lessee may from time to time designate by notice to Lessor. All notices, demands and requests by Lessee to Lessor shall be sent by United States registered or certified mail, postage prepaid, addressed to Lessor at 601 7th Street, Prosser Washington, or at such other place as Lessor may from time to time designate by notice to Lessee. Notices, demands and requests serviced upon Lessor or Lessee as provided in this

Section, in the manner aforesaid, shall be deemed sufficiently served or given for all purposes hereunder at the time such notice, demand or request shall be so mailed in any post office.

21. For Rent Signs; Showing Premises: Lessor may place for rent or for sale signs on the exterior of the premises and may enter the premises for the purpose of showing the premises or the building to prospective tenants, purchasers and lenders.

22. Surrender of Premises: Lessee, at the expiration or sooner termination of this lease, shall quit and surrender the premises in good, neat, clean and sanitary condition, except for reasonable wear and tear and damage not caused by any act or omission by Lessee, its employees, agents, invitees or licensees.

23. Force Majeure: Lessor's failure to perform any of its obligations under this lease shall be excused if due to causes beyond the control and without the fault or negligence of the Lessor, including but not restricted to acts of God, acts of the public enemy, acts of any government.

24. Miscellaneous:

(a) Non-waiver. No failure of Lessor to insist upon the strict performance of any provision of this lease shall be deemed to have been made unless expressed in writing and signed by Lessor. No acceptance of rent or of any other payment by Lessor from Lessee after any default by Lessee shall constitute a waiver of any such default or any other default. Consent by Lessor in any one instance shall not dispense with necessity of consent by Lessor in any other instance.

(b) Attorney's fees. If an action be commenced to enforce any of the provisions of this lease, the prevailing party shall, in addition to its other remedies, be entitled to recover its reasonable attorneys' fees.

(c) Captions and Construction. The captions in this lease are for the convenience of the reader and are not to be considered in the interpretation of its terms.

(d) Partial Invalidity. If any term or provision of this lease or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this lease, or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this lease shall be invalid and be enforced as written, to the fullest extent permitted by law.

(e) Governing Law. This lease shall be governed by the law of the State of Washington.

(f) Entire Agreement. This document, together with the Professional Services Agreement executed by and between the parties hereto, contains the entire and integrated agreement of the parties and may not be modified except in writing, signed and acknowledged by both parties.

(g) Lessor's Consent. Except in the case of assignment or subletting, Lessor shall not unreasonably withhold its consent where such consent is expressly provided for in this lease.

(h) Interpretation. This lease has been submitted to the scrutiny of all parties hereto and their counsel, if desired, and shall be given a fair and reasonable interpretation in accordance with the words hereof, without consideration or weight being given to its having been drafted by any party hereto or its counsel.

(i) Remedies Cumulative. The specified remedies to which Lessor may resort under the terms of this lease are cumulative and are not intended to be exclusive of any other remedies or means of redress to which Lessor may lawfully be entitled in case of any breach or threatened breach by Lessee, of any provision of this lease. In addition to the other remedies in this lease provided, Lessor shall be entitled to the restraint by injunction of the violation or attempted or threatened violation, of any of the covenants, conditions or provisions of this lease.

(j) Number; Gender; Permissive Versus Mandatory Usage. Where the context permits, references to the singular shall include the plural and vice versa, and to the neuter gender shall include the feminine and masculine. Use of the word maybe "may" ought to denote an option of privilege and shall impose no obligation upon the party which may exercise such option of privilege; use of the word "shall" shall denote a duty or an obligation.

(k) Lessee's Liability. Each Lessee, and all general partners of any partnership which is

a Lessee, shall be jointly and severally liable under this lease.

(l) Commissions. The parties warrant and represent to each other that no broker's commission is payable as a result of this lease.

(m) Lease Year. As used herein, the term "lease year" shall mean a 12 month period commencing on the date the term of this lease commences and each 12 month period commencing on each anniversary thereof.

(n) Time. Time is of the essence to this lease.

(o) Conflict of Provisions. In case of conflict, the more specific provision of this lease shall control.

(p) Binding Effect. This agreement shall be binding upon the parties hereto and upon their respective executors, administrators, legal representatives, successors and assigns.

Executed as of the date first above written.

LESSOR:

THE CITY OF PROSSER BY:



PAUL WARDEN, ITS MAYOR

ATTEST:



SHERRY BIGGS, CITY CLERK

APPROVED AS TO FORM BY:

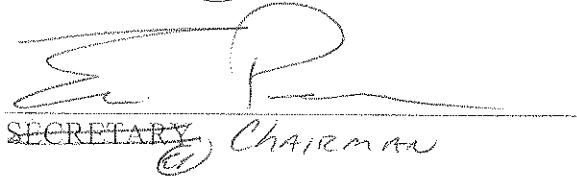


HOWARD SAXTON, CITY ATTORNEY

LESSEE:

THE BOYS AND GIRLS CLUB OF BENTON
AND FRANKLIN COUNTIES BY:


PRESIDENT


~~SECRETARY~~ CHAIRMAN

STATE OF WASHINGTON)
)
County of Benton)

I certify that I know or have satisfactory evidence that Paul Warden is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Mayor of the City of Prosser, Washington to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

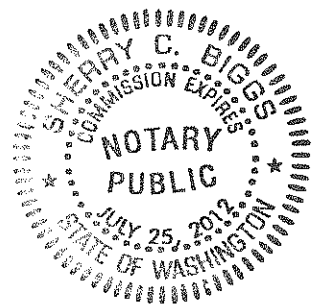
Dated: 5/28, 2010


NOTARY PUBLIC IN AND FOR THE STATE OF
WASHINGTON RESIDING AT PROSSER

NOTARY'S PRINTED NAME:

SHERRY C BIGGS

MY COMMISSION EXPIRES: 07/25/2012



CITY OF PROSSER, WASHINGTON
RESOLUTION NO. 10-1326

A RESOLUTION OF THE CITY OF PROSSER, WASHINGTON APPROVING A PROFESSIONAL SERVICES AGREEMENT AND A LEASE WITH THE BOYS AND GIRLS CLUB OF BENTON AND FRANKLIN COUNTIES FOR PROPERTY COMMONLY KNOWN AS 823 PARK AVENUE, PROSSER, WASHINGTON, DECLARING THE LEASED PROPERTY SURPLUS TO THE CITY'S NEEDS DURING THE TERM OF SUCH LEASE, AND AUTHORIZING THE MAYOR TO EXECUTE THE PROFESSIONAL SERVICES AGREEMENT AND LEASE ON BEHALF OF THE CITY

WHEREAS, the City of Prosser, Washington, hereinafter "City" is the owner of a building, hereinafter "building" located on Park Avenue within E. J. Miller Park, commonly known as 823 Park Avenue, Prosser Washington, which building is currently used by the Prosser School District, hereinafter "District" and;

WHEREAS, the City is a code city organized pursuant to RCW 35A.12 and is vested with those powers enumerated in RCW 35A.12.020; and

WHEREAS, those powers include the rendering of local social, cultural, recreational, educational, and similar services to its citizens; and

WHEREAS, the City has limited financial resources to provide much needed recreational programs; and

WHEREAS, the City believes providing recreational programs to young children prevents later behavioral problems and will decrease the likelihood that such youth will engage in socially destructive behavior; and

WHEREAS, the City does not have the expertise or resources to adequately create these youth programs in a cost-effective manner; and

WHEREAS, the District is willing to vacate the building in order to provide an opportunity to house a program for recreational activities sponsored by the Boys and Girls Club of Benton and Franklin Counties hereafter "Club;" and

WHEREAS, the Club has expressed a desire to use the building to provide a wide variety of recreational activities to youth primarily ages 6 to 12 years; and

WHEREAS, the Club has demonstrated, by operation of a similar program in Pasco, Washington, that it has the capacity to provide such programs; and

WHEREAS, the City Council finds the proposed use by the Club of the building will provide a benefit to the community at large and, in particular, to at-risk youth in the City, in a cost-effective manner; and

WHEREAS, the City Council finds that the terms of the professional services agreement with the Club are acceptable and will provide a benefit to the City; and

WHEREAS, the City Council finds that the terms and conditions of the lease with the Club are acceptable and will provide a benefit to the City; and

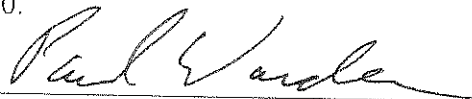
WHEREAS, the City Council finds that by entering into the professional services agreement and the lease, the City will enable more youth living in the City to participate in appropriate programs;

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF PROSSER, WASHINGTON DOES HEREBY RESOLVE that City Council approves the professional services agreement with the Boys and Girls Club and Benton and Franklin Counties, attached hereto as Exhibit "A" to provide youth oriented recreational programs as provided for in the agreement.

BE IT FURTHER RESOLVED that that City Council approves the lease agreement with the Boys and Girls Club and Benton and Franklin Counties, attached hereto as Exhibit "B" for the use of the City's building located on Park Avenue for the uses and purposes stated in the lease and finds that the leased property is surplus to the city's needs for the term of the lease.

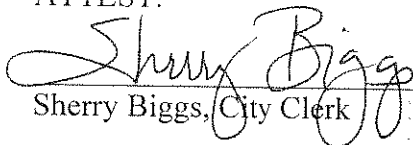
BE IT FURTHER RESOLVED that the Mayor is authorized to execute both the professional services agreement and lease approved by this Resolution after acceptance by the Boys and Girls Club of Benton and Franklin Counties.

ADOPTED by the City Council of Prosser and **APPROVED** by the Mayor of the City of Prosser this 25th day of May, 2010.

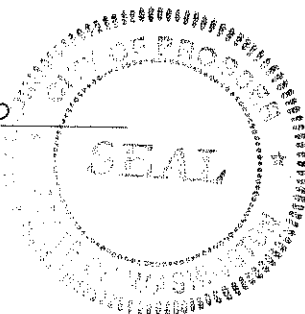


MAYOR PAUL WARDEN

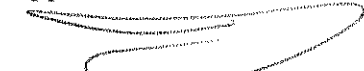
ATTEST:



Sherry Biggs, City Clerk



Approved as to form:



Howard Saxton, City Attorney

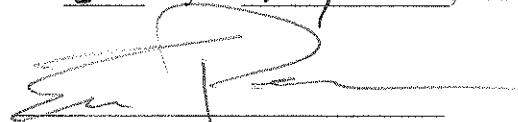
Boys & Girls Clubs of Benton and Franklin Counties
City of Prosser Partnership

**A RESOLUTION OF THE BOARD OF DIRECTORS FOR
THE BOYS & GIRLS CLUBS OF BENTON AND
FRANKLIN COUNTIES APPROVING THE
PROFESSIONAL SERVICES AGREEMENT AND
BUILDING LEASE FOR THE FACILITY LOCATED AT
823 PARK AVENUE, PROSSER, WA.**

BE IT RESOLVED, by the Board of Directors of the Boys & Girls Clubs of Benton and Franklin Counties that:

1. The Lease Agreement for the Building located at 823 Park Avenue, Prosser, WA, a copy of which is attached hereto and incorporated herein as if fully set forth is hereby approved and the Chairman of the Board or his designee is authorized to execute the agreement in multiple originals.
2. The Prosser Professional Services Agreement Between the City of Prosser and the Boys & Girls Clubs of Benton and Franklin Counties, a copy of which is attached hereto and incorporated herein as if fully set forth is hereby approved and the Chairman of the Board or his designee is authorized to execute the agreement in multiple originals.

ADOPTED by the Boys & Girls Clubs of Benton and Franklin Counties and **APPROVED** by the Chairman of the Board this 20th day of May, 2010.



CHAIRMAN OF THE BOARD
ERIC PEARSON

WITNESSED:



GREG FALK, PRESIDENT