

AGENDA ITEM NO.

COUNCIL MEETING 06/3/08

APPROVED BY

DEPARTMENT DIRECTOR

CITY MANAGER

June 3, 2008

FROM: RANDALL L. COOPER, Director
Parks, After School, Recreation and Community Services Department

BY: JERRY HAYNES, Assistant Director
PAUL MELIKIAN, Administrative Manager
Parks, After School, Recreation and Community Services Department

SUBJECT: APPROVE THE RENEWAL OF A LEASE AGREEMENT BETWEEN THE CITY OF FRESNO AND THE BOYS AND GIRLS CLUBS FOR THE PURPOSE OF PROVIDING YOUTH GUIDANCE AND DEVELOPMENT PROGRAMS AND ACTIVITIES TO THE CHILDREN OF FRESNO

KEY RESULT AREA Customer Service

RECOMMENDATIONS

Staff recommends that the City Council approve the attached resolution approving the renewal of the \$1.00 a year lease agreement between the City of Fresno (City) and the Boys and Girls Clubs of Fresno County (B&GC) for the real property located at 1621 South Cedar, Fresno, California for the purpose of providing youth guidance and development programs and activities.

EXECUTIVE SUMMARY

The B&GC has been leasing property located at 1621 South Cedar from the City of Fresno for 31 years. Subject to Council approval, it is our intent to renew the B&GC's lease agreement for youth development programming and activities to the Fresno community.

KEY OBJECTIVE BALANCE

Customer and Employee Satisfaction and Financial Management are enhanced. The renewal of the lease agreement to the B&GC will enhance their ability to provide services to the community and increase job satisfaction for the B&GC's staff. Employee pride and enhanced job satisfaction will result for the successful lease renewal for this property to the B&GC. The City will no longer be responsible for the maintenance and utilities of this real property, resulting in annual savings of approximately \$40,000.

BACKGROUND

The B&GC has been in existence since 1949, and they serve over 12,000 children annually in the most underserved neighborhoods of Fresno County. In 1962, the East Fresno Club opened at Hamilton and Chance, and in 1976 the East Fresno Club was moved to 1612 South Cedar.

The B&GC provide diverse activities that meet the interests of all youth. Core Programs engage young people in activities with adults, peers and family members that enable them to reach their full potential. Based on physical, emotional, cultural and social needs and interests of girls and boys, and recognizing developmental principles, Clubs offer program activities in five areas:

1. Character & Leadership Development
2. Education & Career Development
3. The Arts
4. Sports, Fitness & Recreation
5. Technology & Specialty Initiatives

Parks, After School, Recreation and Community Services (PARCS) knows the value of programming provided by the B&GC because we are in the same business of providing diverse activities and programming to youths. Additionally, PARCS has a long standing history of working together with the B&GC of Fresno County as a resource for additional programming and activities. The renewal of the lease agreement for the Cedar property will strengthen this relationship through community unity and satisfaction.

Currently, in the B&GC of Fresno County East Fresno agreement, the City is responsible for the maintenance and repair of the property. The lease agreement is for a 10-year term commencing June 1, 1994 to May 30, 2004. In FY 2006 PARCS spent approximately \$34,300 for maintenance and repair for the East Fresno B&GC, which makes the lease renewal terms cost-effective.

Additionally, the B&GC nationally and locally have continued to deliver valuable programming and activities to the youth of Fresno City and County. The Fresno community benefits from their programming and services and PARCS believes it is in the City's best interest to renew the lease agreement for the property.

Presently, the B&GC are in the process of improving the property, and the Lease Agreement is subject to and contingent upon environmental review in compliance with the California Environmental Quality Act (CEQA) and such review is a condition precedent to the continuing effectiveness of this Agreement.

FISCAL IMPACT

The Department has established a review process to ensure that organizations requesting to lease surplus City property meet certain criteria to ensure a mutually beneficial partnership of providing services to the community. The 'value' of the services provided by the non-profit is subtracted from the fair market rent of a surplus property to determine the subsidized rent and compare the request against competing interests for use of the property. The Department has determined that the ongoing 'value' of the services provided by the Boys & Girls Clubs of Fresno County far exceed the fair market value of the rent at the subject property, resulting in a \$1 per year lease.

The fiscal impact will be positive to the City in that the Boys & Girls Clubs of Fresno County will now be responsible for all maintenance and utilities under the new lease agreement, equating to an approximate

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\$40,000 annual savings to the City. The property leased to Boys & Girls Clubs of Fresno County is in furtherance of their mission to enable all young people, especially those who need help the most, to reach their full potential as productive, caring, responsible citizens, and considering the purpose, it is a benefit to the public.

K:\JosieK\Report to CC\2008....
6/28/08

Attachment: Contract

LEASE AGREEMENT

FOR BUILDING AND LAND PARCELS AT

1621 S. CEDAR AVENUE

FRESNO, CALIFORNIA

between

CITY OF FRESNO, CALIFORNIA

and

**BOYS & GIRLS CLUBS OF FRESNO, INC.,
A CALIFORNIA NON-PROFIT CORPORATION**

_____, 2008

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THIS LEASE AGREEMENT (hereinafter "Lease"), made and entered into effective _____, 2008 by and between the CITY OF FRESNO, CALIFORNIA, a municipal corporation, (hereinafter called "City") and, BOYS & GIRLS CLUBS OF FRESNO COUNTY, a California nonprofit corporation, hereinafter called "Tenant."

WITNESSETH

WHEREAS, City owns the property commonly known as 1621 S. Cedar, Fresno California, APN 471-140-18T, 471-140-02T and a portion of 471-140-19T as illustrated in crosshatching on the attached Exhibit "A", and more particularly described as follows:

THE SOUTH 229.65 FEET OF THE WEST 209.73 FEET OF LOT 1 OF GORDONDALE, IN THE COUNTY OF FRESNO, STATE OF CALIFORNIA, ACCORDING TO THE MAP THEREOF RECORDED IN BOOK 8, PAGE 45 OF PLATS, FRESNO COUNTY RECORDS.

EXCEPTING THEREFROM THE WEST 10 FEET THEREOF.

WHEREAS, the City deems it advantageous to itself to lease said property to TENANT for a twenty-five-year (25) period since the property has been leased to the Boys & Girls Club of Fresno County since 1994 for the purpose of much needed services to the underserved youth living in the neighborhoods. The Club provides youth character and leadership development and educational services, as well as much needed sports and recreation, for the benefit of the youth of Southeast Fresno; and

WHEREAS, Tenant's target population is youth between 6-18 years old. The service area surrounding the East Club is one of the most densely populated, and includes within its boundaries eight public and one private school. Current membership is 650 members, and plans to serve an additional 130 youth are foregoing.

NOW, THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:

ARTICLE I

DESCRIPTION OF LEASED PREMISES

The City, in consideration of the compensation and the covenants and agreements set forth herein to be kept and performed by Tenant, does hereby lease to Tenant, upon the conditions hereinafter set forth all of which Tenant accepts, and Tenant does hereby hire and take from City the property located at 1621 S. Cedar, Fresno, California, as shown on Exhibit "A" ("Leased Premises"), together with attendant privileges, rights, uses and interests.

ARTICLE II

GENERAL PROVISIONS CONCERNING THE MANNER OF USE

The Leased Premises shall be used for purposes of providing a centralized facility for the Boys & Girls Clubs of Fresno County, known as the East Fresno Boys & Girls Club. The mission of Tenant is "to enable young people, especially those who need us most, to realize their full potential as productive, caring, responsible citizens." The facility will provide a safe refuge for all area youth with programs that provide hope and opportunity. A full range of social and recreational services for the benefit of the underprivileged youth of the City of Fresno will be provided including, but not limited to:

- A. A schedule of proposed activities to be operated on the Leased Premises.
- B. A written statement as to the actual and proposed funding for the Tenant's activities on the Leased Premises, including a copy of its yearly budget.
- C. Such additional items as may be deemed necessary by City to assure itself that the Tenant's utilization of the Leased Premises is a public use and in the public interest.
- D. Tenant may at any time during the term of this lease, create and implement City approved Boys & Girls Clubs programs on the premises for the youth being served. Tenant shall not use or permit the premises, or any party thereof, to be used for any purpose other than those set forth herein. Tenant shall neither permit on the premises any act, sale, or storage that may be prohibited under standard forms of the fire insurance policies, nor the use of the premises for any such purpose. In addition, no use shall be made or permitted to be made that shall result in: (1) waste on the premises; (2) a public or private nuisance that may disturb the quiet enjoyment of other residents of the neighborhood; and (3) improper, unlawful, or objectionable use, including sale, storage, of alcoholic beverages, or materials generating an odor on the premises. Tenant shall comply with all governmental regulations and statutes affecting the Tenant's use of the premises either now or in the future.

ARTICLE III

TERMS

The term of this Lease shall be for a twenty-five-year term (25) commencing on February 1, 2008 and shall continue through February 28, 2033. Should Tenant retain possession after the expiration or earlier termination of this lease, Tenant shall become

holdover tenant on a month-to-month basis on the same terms and conditions as then in effect and either City or Tenant may terminate the holdover tenancy by giving the other at least thirty (30) days prior written notice in the manner otherwise provided in this lease.

ARTICLE IV TERMINATION OF LEASE

If either party defaults in the performance of any condition or covenant in this Lease, the other party, at its option, may terminate this Lease, but only if the defaulting party fails to rectify said default within thirty (30) Days after written notice thereof is served upon defaulting party by the other party. In the event, however, that any default complained of hereunder is of such nature that the same cannot be rectified in such 30-Day period, then such default shall be deemed to be rectified if the defaulting party shall have commenced the compliance of the provisions hereof breached by it and in the performance of which it is claimed to be in default within such 30-Day period and shall with all diligence prosecute work or perform the particular provisions until the same shall have been fully rectified or performed.

ARTICLE V RENT

Tenant shall pay the City rent for the demised premises without demand or invoice in the amount of \$1.00 per year, payable on the first day of July of each year during the term hereof. Upon termination of this Lease by either party pursuant to Article III herein, rent shall be prorated as necessary. Payment shall be forwarded to the following address:

City of Fresno
Parks, After-School, Recreation and Community
Services Department
Administration Division
2326 Fresno Street, Room 101
Fresno, CA 93721-3622

ARTICLE VI MAINTENANCE

Tenant shall, at its sole expense, keep and maintain the Leased Premises and appurtenance in good and sanitary condition and repair during the term of this lease and any renewal thereof, except as specified otherwise herein. In particular, Tenant shall keep

the fixtures in the house or on or about the leased premises in good order and repair; keep the furnace clean; keep the electric bills in order; keep the walks free from dirt and debris; and, at Tenant's sole expense, shall make all required repairs to the plumbing, range, heating apparatus, and electric and gas fixtures. City reserves the right to enter the premises for the purpose of contract compliance, making sure that the Leased Premises is kept in a clean, safe and orderly condition.

Tenant agrees that no signs shall be placed or painting done on or about the Leased Premises by Tenant without prior written consent from City, which shall not be unreasonably withheld. Tenant shall be permitted to maintain its existing signage. The City warrants that the roof of the facility is in good condition.

ARTICLE VII

TOXIC MATERIAL/HAZARDOUS SUBSTANCE

Tenant agrees to indemnify, defend and hold City harmless from and against any and all liabilities, including but not limited to, losses, claims, actions, damages, penalties, fines, attorneys' fees, expert fees, court costs, remediation costs, investigation costs or other expenses, whether administrative or judicial, arising from or in any way related to hazardous substances contamination caused by Tenant, or that of its employees, suppliers, customers, invitees or any third party, from actions or negligence at the Leased Premises during Tenant's occupation of the site, during the term of this lease.

The term "Hazardous Substances," as used in this Lease, shall include, without limitation, flammables, explosives, radioactive materials, asbestos, polychlorinated biphenyls (PCBs), chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic substances or related materials, petroleum and petroleum byproducts, or substances defined as hazardous substances, hazardous materials, toxic substances, pollutants, or contaminants under the Clean Water Act (33 USC SS 12-1387), the Comprehensive Environmental Response, Compensation and Liability Act of 1990 (42 USC SS6921-6987), the California Porter-Cologne Water Quality Control Act (Cal. Water Code SS 1300014076), those substances defined as hazardous under the California Health and Safety Code (or any successor statutes thereto), all regulations promulgated pursuant to the above statutes, or any substance the presence of which causes or threatens to cause a nuisance upon the adjacent property or the health and safety of persons on or about the Leased Premises or in the general vicinity.

If at any time during the term of this Lease, Hazardous Substances are discovered by either party to be on the Leased Premises, said party shall immediately notify the other party in writing of such occurrence. City and Tenant each further agree to promptly notify the other of any communication received from any governmental entity concerning Hazardous Substances or the violation of any law or regulation that related to such

substances.

Tenant shall not use, handle, store, transport, generate, release, or dispose of any Hazardous Substances on, under, or about the Leased Premises. In the event of any release of Hazardous Substances caused or permitted by Tenant on the Leased Premises during the term of this Lease, City shall have the right to cause Tenant to immediately take all reasonable steps City deems necessary or appropriate, at Tenant's sole cost and expense, to remediate such release and prevent any similar release to the satisfaction of any applicable federal, state, or local regulatory agency.

Upon discovery of Hazardous Substances on the Leased Premises (i) within fifteen (15) days from such discovery, the City and Tenant shall meet and confer and City shall provide to the Tenant time estimates for City to remove the Hazardous Substances or otherwise to make the Leased Premises safe and lawful under this Lease: (ii) if City is unable at the meeting required under (iii) to assure removal of the Hazardous Substances within sixty (60) days thereof, then Tenant may, at its sole discretion, terminate this Lease within ten (10) days after said meeting upon prior written notice to City. Said termination shall be subject to Section 11 of this Agreement.

The relevant provisions of this section shall survive any termination or expiration of this Lease.

ARTICLE VIII SURRENDER

At the expiration of the life of this Lease or any prior termination thereof, Tenant agrees to quietly and peacefully surrender possession of said Leased Premises to the City in a neat and clean condition. City will not be responsible for any equipment and /or supplies left on the Leased Premises.

ARTICLE IX INDEMNIFICATION AND INSURANCE

Indemnification: Tenant will protect, indemnify, defend, and save Landlord, its officers, officials, employees, agents and volunteers harmless from and against any liability to third parties resulting from Tenant's occupation or use of the Premises including, without limitation, any claim, liability, loss, damages, and attorneys' fees and litigation expenses arising from: (a) The death or injury of any person or persons including, without limitation, any person who is an employee, agent, invitee, consultant, contractor or subcontractor of Tenant, or (b) the damage to or destruction of any property including, without limitation, property owned by Tenant or any person who is an employee, agent, invitee, consultant, contractor or subcontractor of Tenant, and caused or allegedly caused by the condition of the Premises, (c) any act or omission of Tenant or any employee, agent, invitee, consultant,

contractor or subcontractor of Tenant, or (d) any work done on, or materials furnished to, the Premises at the Tenant's request, or the request of Tenant's employees agents invitees consultants, contractors or subcontractors, or (e) Tenant's failure to perform any provision of this Lease, or to comply with any requirement of law or any requirement imposed on Tenant or the Premises by any duly authorized governmental agency or political subdivision, relating to the Tenant's use or occupancy of the Premises, or (f) Tenant's use of the Property and any adjoining parking lots or sidewalks. Tenant's obligations under this paragraph shall not include any claims, costs, damages, demands, or liability caused directly and solely from Landlord's willful misconduct or grossly negligent acts or omissions.

Should Tenant contract any work on the Property or subcontract any of its obligations under this Lease, Tenant shall require each consultant, contractor and subcontractor to indemnify, hold harmless and defend CITY and each of its officers, officials, employees, agents and volunteers in accordance with the terms of the preceding paragraph.

This requirement shall survive termination or expiration of this Lease.

Tenant's Insurance: Throughout the life of this Lease, Tenant shall pay for and maintain in full force and effect all policies of insurance required hereunder with an insurance company(ies) either (i) admitted by the California Insurance Commissioner to do business in the State of California and rated not less than "A- VII" in Best's Insurance Rating Guide, or (ii) authorized by CITY'S Risk Manager. The following policies of insurance are required:

(i) **COMMERCIAL GENERAL LIABILITY** insurance which shall be at least as broad as the most current version of Insurance Services Offices (ISO) Commercial General Liability Coverage Form CG 00 01 and include insurance for "bodily injury," "property damage" and "personal and advertising injury" with coverage for premises and operation, products and completed operations, and contractual liability with limits of liability of not less than 2,000,000 per occurrence for bodily injury and property damage; \$1,000,000 per occurrence for personal and advertising injury; and \$2,000,000 aggregate for products and completed operations.

(ii) **COMMERCIAL AUTOMOBILE LIABILITY** insurance which shall be at least as broad as the most current version of Insurance Services Offices (ISO) Commercial General Liability Coverage Form CA 00 00 and include coverage for all owned, hired and non-owned automobiles or other licensed vehicles with limits of liability of not less than \$1,000,000 per accident for bodily injury and property damage.

(iii) **PROFESSIONAL LIABILITY** insurance (Errors and Omissions) with a limit of liability of not less than \$1,000,000 per claim/occurrence. **Only required if Tenant contracts any work on the Property with any consultant, architect, engineer, construction project manager or other design professional.**

(iv) WORKERS' COMPENSATION insurance as required under the California Labor Code.

(v) EMPLOYERS' LIABILITY insurance with minimum limits of \$1,000,000 each accident, \$1,000,000 disease policy limit and \$1,000,000 disease each employee.

Tenant shall be responsible for payment of any deductibles contained in any insurance policies required hereunder and Tenant shall also be responsible for payment of any self-insured retentions.

The above described policies of insurance shall be endorsed to provide an unrestricted 30 calendar day written notice in favor of Landlord of policy cancellation of coverage, except for the Workers' Compensation policy which shall provide a 10 calendar day written notice of such cancellation of coverage. **In the event any policies are due to expire during the term of this Lease, Tenant shall provide a new certificate evidencing renewal of such policy not less than 15 calendar days prior to the expiration date of the expiring policy(ies).** Upon issuance by the insurer, broker, or agent of a notice of cancellation in coverage, Tenant shall file with Landlord a new certificate and all applicable endorsements for such policy(ies).

The General Liability and Automobile Liability insurance policies shall be written on an occurrence form and shall name Landlord, its officers, officials, agents, employees and volunteers as an additional insured. Such policy(ies) of insurance shall be endorsed so Tenant's insurance shall be primary and no contribution shall be required of Landlord. In the event claims made forms are used for any Professional Liability coverage, either (i) the policy(ies) shall be endorsed to provide not less than a 5 year discovery period, or (ii) the coverage shall be maintained for a minimum of 5 years following the termination of this Agreement and the requirements of this section relating to such coverage shall survive termination or expiration of this Lease. Any Workers' Compensation insurance policy shall contain a waiver of subrogation as to Landlord, its officers, officials, agents, employees and volunteers. **Tenant shall have furnished Landlord with the certificate(s) and applicable endorsements for ALL required insurance prior to Landlord's execution of the Lease.**

Tenant shall furnish Landlord with copies of the actual policies upon the request of Landlord's Risk Manager at any time during the life of the Lease or any extension, and this requirement shall survive termination or expiration of this Lease.

Any failure to maintain the required insurance shall be sufficient cause for Landlord to terminate this Lease.

If Tenant should contract any work on the Property or subcontract any of its obligations under this Lease, Tenant shall require each consultant, contractor or subcontractor to provide insurance protection in favor of Landlord, its officers, officials, employees, agents and volunteers in accordance with the terms of each of the preceding paragraphs, except that the consultants', contractors' and subcontractors' certificates and

endorsements shall be on file with Tenant and Landlord prior to the commencement of any work by the consultant, contractor or subcontractor.

Tenant's Personal Property Insurance: Tenant shall also maintain throughout the term hereof, including any renewal term, property insurance, for full replacement value, relating to all improvements constructed on the Property by Tenant and personal property of Tenant or its officers, employees, agents and volunteers which are located or kept on the Premises. Tenant shall provide Landlord, prior to the commencement of this Lease, with a certificate of insurance evidencing said property insurance.

Waiver of Subrogation: Tenant and its insurers hereby waive all rights of recovery against Landlord and its officers, officials, employees, agents and volunteers, on account of injury, loss by or damage to the Tenant or its officers, employees, agents and volunteers, or its property or the property of others under its care, custody and control, to the extent that such injury, loss or damage is insured against under any insurance policy which may have in force at the time of the injury, loss or damage. Tenant shall, upon obtaining the policies of insurance required under this Lease, give notice to its insurance carrier or carriers that this waiver of subrogation is contained in this Lease.

This requirement shall survive termination or expiration of this Lease.

ARTICLE X

OBSERVATION OF GOVERNMENTAL REGULATIONS

Tenant agrees, during the life of this Lease, to comply with and conform to all rules, regulations and ordinances of the City of Fresno and County of Fresno and all laws of the State of California and the United States, and all orders of any governmental agency which shall be applicable to Tenant's use of the facilities or to the Tenant's use of the said Leased Premises or the business thereon being conducted by Tenant. Nothing in this Lease shall be construed as a limitation on the City's police power.

Tenant acknowledges that Tenant, not the City, is responsible for determining applicability of and complying with all local, state and federal laws. The City makes no express or implied representation as to the applicability or inapplicability of any such laws to this Lease or the parties' respective rights or obligations hereunder. Tenant further acknowledges that the City shall not be liable or responsible in law or equity for any failure by Tenant to comply with any such laws, regardless of whether the City knew, could have known or should have known of the need for such compliance or whether the City failed to notify Tenant of the need for such compliance.

ARTICLE XI
POSSESSORY INTEREST

Tenant shall pay all taxes of every description which during the term of this Lease may be levied upon or assessed against the Leased Premises, any interest therein and other property thereon belonging to City or Tenant, or possessory interest pertaining thereto. **Tenant acknowledges that any possessory property interest arising by entering into this Lease may be subject to property taxation and that Tenant shall pay any and all property taxes levied on such interest.** Tenant agrees to protect and hold harmless City and the Leased Premises and all interest therein and improvements thereof from any and all such taxes and assessments, including any interest, penalties and other expenses which may be thereby imposed, and from any lien therefore or sale or other proceeding to enforce payment thereof. The preceding sentence shall survive expiration or termination of this Lease.

ARTICLE XII
TENANT'S RESPONSIBILITIES TO CITY

Tenant shall provide proof of service availability and quantitative reports of services provided annually for the preceding year.

Tenant's hours of operation for the East Fresno Boys & Girls Club shall be every day from 1:00 pm – 9:00 pm, Monday – Friday and on Saturdays from 11:00 am – 4:00 pm. Exceptions to these hours of operation may include holidays and special events that may occur from time to time.

Tenant shall track daily attendance at the Club, and program participation shall be documented in reports that list the various types of youth programs and how many youth were involved in activities.

Tenant shall provide a profile of the clientele being served. The current population is youth between 6-18 years old. The economic levels of the youth and families served are primarily from six schools: Sequoia, Terronez, Balderas, Winchell, Lane, and bussed-in children from Storey. An average of 94% of the youth served are eligible for the Free Lunch Program due to the low income and densely populated neighborhood surrounding the club.

Tenant shall provide diverse activities that meet the interests of all youth. Core Programs will engage young people in activities with adults, peers and family members that enable them to reach their full potential. Based on physical, emotional, cultural and social needs and interests of girls and boys, and recognizing developmental principles, Tenants offer program activities in five areas:

- 1) **Character & Leadership Development:** Empowers youth to support and influence their Club and community, sustain meaningful relationships with others,

develop a positive self-image, participate in the democratic process and respect their own and others' cultural identities.

2) Education & Career Development: Enables youth to become proficient in basic educational disciplines, set goals, explore careers, prepare for employment, and embrace technology to achieve success in a career.

3) Health & Life Skills: Develops young people's capacity to engage in positive behaviors that nurture their own well-being, set personal goals and live successfully as self-sufficient adults.

4) The Arts: Enables youth to develop their creativity and cultural awareness through knowledge and appreciation of the visual arts, crafts, performing arts and creative writing.

5) Sports, Fitness & Recreation: Develops fitness, positive use of leisure time, skills for stress management, appreciation for the environment and social skills.

An additional **Specialized Initiative** program will also be offered. This initiative focuses on meeting significant, specific needs that have been identified within the Boys & Girls club Movement. Due to the broad scope, they complement or encompass several or all of the Core Program Areas.

ARTICLE XIII

INSPECTION BY THE CITY

The City or any of its authorized officers and employees shall, at all reasonable times, have the right to enter upon the Leased Premises, either in person or by nominee, for the purpose of inspecting said Leased Premises to ascertain that the Leased Premises and the covenants of this Lease are being kept, observed and performed.

ARTICLE XIV

RIGHT TO ASSIGN AND SUBLET

Tenant shall not without first receiving the written consent and approval of the City, make any assignment or sub-lease in whole or in part of this Lease, it being understood and agreed that consent to one or more assignment or sub-lease shall not constitute a waiver of the City's rights under this article for further or other assignments or sub-leases.

ARTICLE XV
SUCCESSORS AND ASSIGNS BOUND

This Lease shall extend to and bind the heirs, executors, administrators, and assigns of the respective parties hereto.

ARTICLE XVI
PARAGRAPH HEADINGS

Paragraph headings contained herein are for convenience and reference and are not intended to define or to limit the scope of any provision of this Lease.

ARTICLE XVII
ALTERATIONS AND IMPROVEMENTS

Tenant shall make no alterations to the building on the demised premises or construct any building or make other improvements on the demised premises without the prior written consent of City. All alterations, changes, and improvements built, constructed, or placed on the demised premises by Tenant, with the exception of fixtures removable without damage to the premises and movable personal property, shall unless otherwise provided by written agreement between Tenant and City, be the property of City and remain on the demised premises at the expiration or sooner termination of this lease. Except for the City and Tenant's obligation under Article VI, Tenant waives all right to make repairs at the expense of City under the provisions of Civil Code of the State of California, Section 1941 and 1942. All alterations, improvements, and changes that Tenant may desire shall be done either by or under the direction of City, but at the expense of Tenant and shall become the property of City and remain on the premises, except that at the option of City. Tenant shall, at its expense, remove from the premises all partitions, counters, railings, and similarly installed improvements when surrendering the premises. Except for City and Tenant's obligations under Article VI, all repairs or improvements done by Tenant, shall be done at Tenant's expense. All damage or injury done to the premises by Lessee or any person who may be in or on the premises with the consent of Tenant shall be paid for by Tenant. The City agrees that Tenant may install security alarm system, locks and other security devices from time to time without the need for additional City consent.

ARTICLE XVIII
MISCELLANEOUS

A. This Lease shall be construed and enforced in accordance with the laws of the State of California and venue shall be in Fresno County.

B. The City represents that it has the right to lease the premises described

herein, together with all, rights, licenses, services and privileges herein granted and has power and authority to enter into this Lease by virtue of and under its Charter and all applicable laws. The Tenant represents and warrants its authority to enter this lease and its signatory is authorized to execute.

C. The City agrees that on payment of the rent, charges and performance of the covenants, conditions and agreements on the part of Tenant to be performed, Tenant shall have and enjoy the exclusive use of the Leased Premise and all of the rights and privileges granted herein.

D. No waiver by the City or the Tenant of any breach of any provision of this Lease shall be deemed for any purpose to be a waiver of any breach of any other provision hereof or of a continuing or subsequent breach of the same provision.

E. In the event any covenant, condition or provision herein contained is held to be invalid by final judgment of any Court of competent jurisdiction, the invalidity of such covenant, condition or provision shall not in any way affect any of the other covenants, conditions or provisions herein contained.

F. If either party is required to commence any proceeding or legal action to enforce or interpret any term, covenant or condition of this Agreement, the prevailing party in such proceeding or action shall be entitled to recover from the other party its reasonable attorney's fees and legal expenses.

G. All notices required herein shall be in writing and shall be given by registered or certified mail, postage prepaid, and addressed to the City or Tenant at their respective addresses as provided on the signature page of this Lease.

H. It is the intention of the parties hereto to act reasonably in fulfilling their respective obligations and exercising their authority under this Lease.

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IN WITNESS WHEREOF, the parties hereto have set their hands the day first above written.

CITY OF FRESNO,
a municipal corporation

BOYS & GIRLS CLUBS OF FRESNO
COUNTY, a California Non-Profit
Corporation

By: Randall Cooper, Director
Parks, After-School Recreation,
and Community Services
Department


By:
Name: Kenneth Quenzer
Title: President

ATTEST:

Rebecca E. Klisch
City Clerk


By:
Name: Sue Quigley
Title: Treasurer

By: _____
Deputy

APPROVED AS TO FORM:
James C. Sanchez
City Attorney


By: K. BRADLEY, Date
Deputy

ADDRESS OF CITY:
Parks, After-School, Recreation and
Community Services Department
2326 Fresno Street, Room 101
Fresno, CA 93721-3623

ADDRESS OF TENANT:
540 N. Augusta
Fresno CA 93701
Telephone: (559) 266-3117
Fax: (559) 266-0664

Attachments: Exhibit A-Leased Property

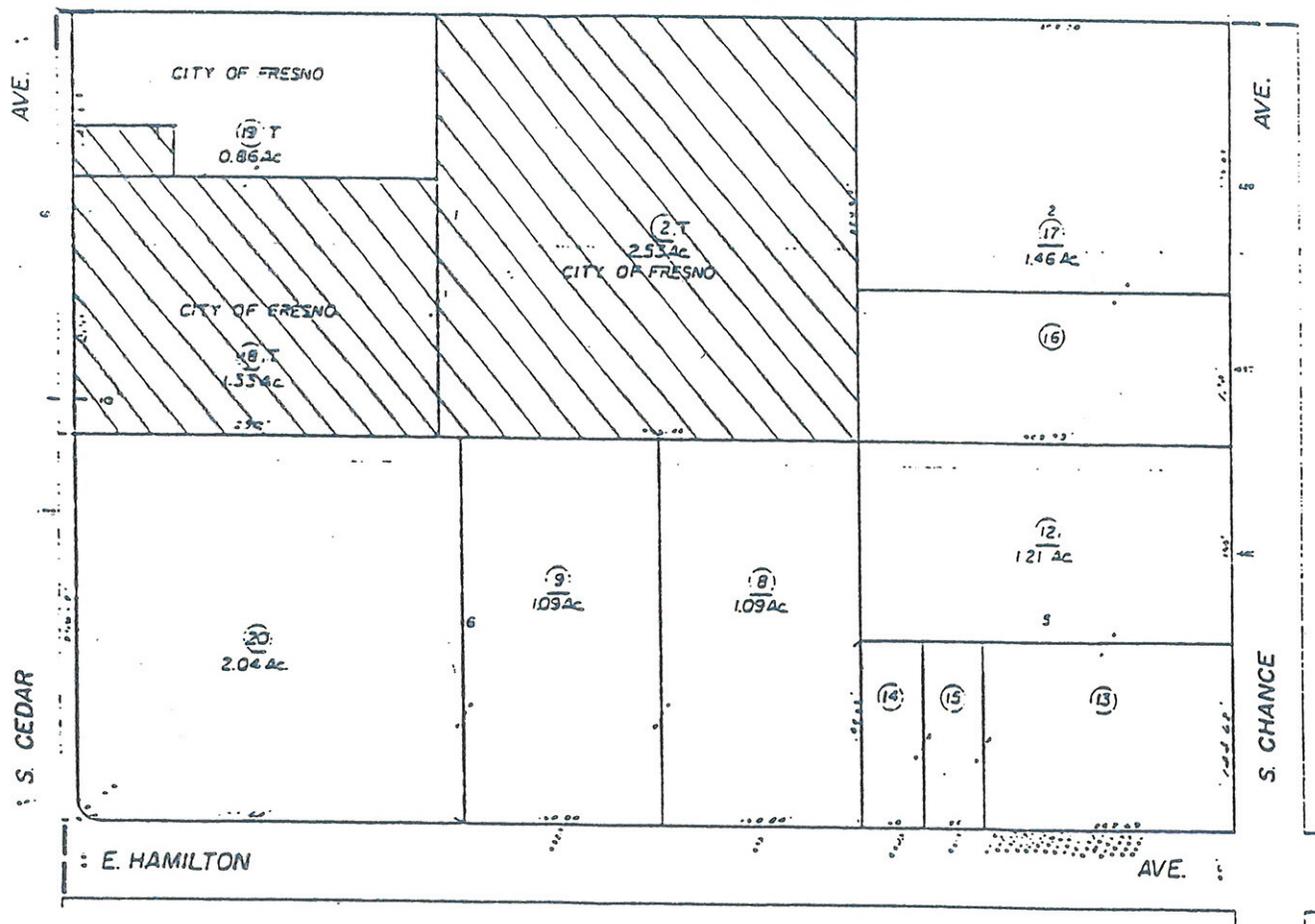
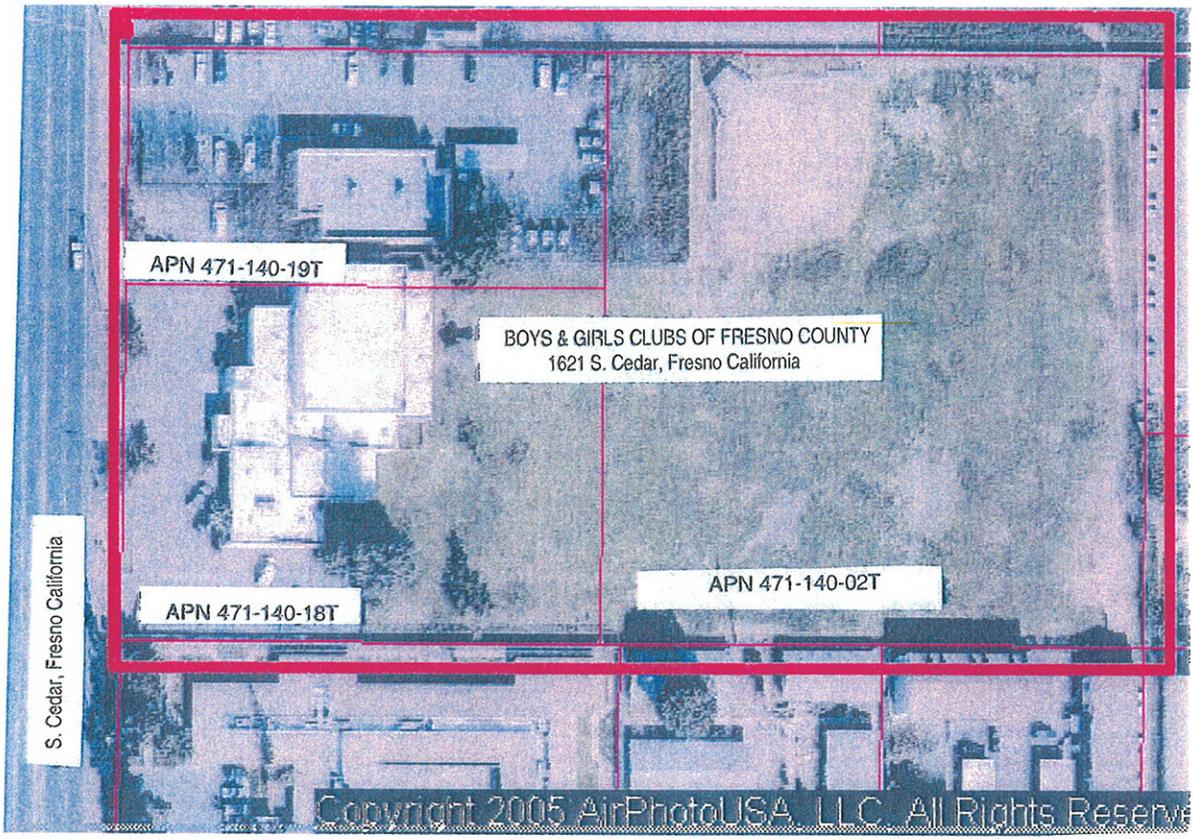


EXHIBIT A