LEASE AGREEMENT

This Lease Agreement made and entered into the _____ day of _____, 2009, by and between the City of Overland Park, Kansas, a municipal corporation organized and existing under the laws of the State of Kansas (hereinafter referred to as "City"), as landlord and TRIAD, Inc., a Kansas not-for-profit corporation (hereinafter referred to as "Tenant"), as tenant.

WITNESSETH:

WHEREAS, the Tenant is a not-for-profit corporation organized and existing under the laws of the State of Kansas and its Articles of Incorporation, and has received a determination letter from the Internal Revenue Service to the effect that it is an organization which is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (a "Tax-Exempt Organization"); and

WHEREAS, the City is possessed of fee simple title to certain property known as the Overland Park Soccer Complex (the "Complex"), located at 135th Street and Switzer, Overland Park, Kansas; and

WHEREAS, the Complex consists of, in part, 12 tournament-quality synthetic turf fields, lighted fields for night use, a multi-purpose building (the "Building"), concession areas, and scoreboards, signage and other amenities; and

WHEREAS, the City is desirous of utilizing the aforementioned property in a manner which will benefit the citizens of the surrounding community by the provision of necessary services and facilities; and

WHEREAS, Tenant desires to use the facilities, as identified herein, through the lease of a portion of the Building, for the purpose of providing soccer programs to the public as a part of its Tax-Exempt Organization purposes; and

WHEREAS, the City deems it to be in furtherance of the City's goals and of the public interest to lease to the Tenant the premises described herein to be utilized by the Tenant solely for the purposes described herein;

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein below, be it agreed as follows:

1 - GENERAL PROVISIONS

The City does hereby lease, let and demise to the Tenant the "Leased Premises", located in the Building at the Complex, as shown on Exhibit "A", which is attached hereto and incorporated herein. As indicated on the floor plans filed with the plat of the Building and grounds in connection with the Declaration for Condominium for Soccer Field House Condominium at Overland Park Soccer Complex, the Leased Premises are identified as Condo

Unit 102 consisting of 2382 square feet. Tenant shall have access to the limited common areas on the first floor, as identified in such floor plans.

The lease of the Leased Premises to Tenant also includes the nonexclusive right to use the common areas of the Building for the Tenant's intended and normal purposes in connection with its occupancy of the Leased Premises. The common areas are those areas and facilities in or serving the Building which from time to time are provided by the City for use in common by or for the benefit of the tenants and occupants of the Building and their employees, clients, customers, and invitees, whether or not such areas or facilities are accessible to the public.

2 - CONSIDERATION

Monthly rent shall be due and payable in monthly installments in advance on the first day of each and every month throughout the lease term at the City office or at such place designated by City. The monthly rental rate is defined in Exhibit "B". Periodic increases to such rent include a 3% increase starting at the beginning of the fourth year of the lease. The rental amount for any lease renewal after the conclusion of the fifth year of this lease, if any, shall be negotiated between the parties. The City and Tenant shall negotiate the lease renewal terms, if any, in good faith.

The Tenant is also responsible to pay as additional rent any amounts identified herein, at such times and in such amounts as may be indicated by this Lease.

3 - TERM OF THE LEASE

The term of this Lease shall begin on November 1, 2009, and shall extend for a period of 5 years. The City has the right to market the property to other qualified potential tenants for a lease(s) to commence after the end of the 5 year term, provided that the City shall give the Tenant twelve months prior written notice of its intent to market the property, which notice must be delivered at least twelve months prior to the end of the 5 year term. Nothing contained herein is intended to prohibit the City and the Tenant from renewing this Lease for an additional term upon mutual agreement of both parties in the event the City does not market the property or does not enter a lease(s) with another tenant(s) following such marketing of the property.

This Lease shall be terminable by the City as provided in Section 29.

4 - MAINTENANCE OF LEASED PREMISES, GROUNDS AND FACILITIES

The Tenant agrees to maintain the Leased Premises, grounds and facilities in a clean and orderly manner by removing all debris of every kind deposited upon said property by the Tenant, its members, its patrons and other Tenant's Parties (as defined below), at its own expense. The Tenant further agrees it will ensure the Leased Premises, facilities and grounds shall be in good condition upon the termination or cancellation of this Lease, for whatever reason it may be terminated or cancelled. The City makes no agreement whatsoever to make improvements, alterations or repairs to the Leased Premises.

By taking and continuing its possession of the Leased Premises, the Tenant shall be deemed to have accepted the Leased Premises as being in good and sanitary order, condition and repair. Tenant shall, at Tenant's sole cost and expense, maintain the Leased Premises and the related grounds and facilities, in good, clean and first-class condition and repair. Without limiting the generality of the foregoing, Tenant shall be solely responsible for maintaining and repairing all fixtures, non-building-standard electrical lighting, ceilings and floor coverings, windows, doors, plate glass, skylights, and interior walls within the Leased Premises using the same quality of materials as used in the original construction. In addition, Tenant shall be responsible for all repairs made necessary by Tenant or its invitees, agents, representatives, guests, employees, visitors, contractors or subcontractors (individually and collectively, "Tenant's Parties"). The City acknowledges that Tenant shall have no obligation to repair or maintain any areas outside of the Leased Premises, unless such repair or maintenance is required due to acts of Tenant or Tenant's Parties. City shall have no obligation to alter, remodel, improve, repair, decorate or paint the Leased Premises except as specifically set forth in this Lease. Under no circumstances shall Tenant make any repairs to the Leased Premises or to the mechanical, electrical or heating, ventilating, air conditioning, fire sprinkler or energy management control systems of the Leased Premises, unless such repairs are previously approved in writing by the City.

Excepting maintenance, repairs or replacements required due to the negligence or willful misconduct of the City, its agents, employees, contractors and subcontractors, and except as otherwise required by Law, City shall have no obligation to provide, maintain, repair or replace any telephone, satellite, cable, other media, communications, or computer equipment or services (collectively, "**Technology Services**"), or related cabling, wiring, or services or connections including from any Technology Services or providers thereof, to the Leased Premises (all of the foregoing are collectively referred to herein as "**Technology Utilities**"). Tenant shall not alter, modify, add to, or disturb any Technology Utilities without City's prior written consent.

The City shall be responsible for maintaining and repairing all structural portions of the Building and shall maintain the roof, sidewalls, and foundations of the Building in good, clean and safe condition and repair. The City shall be responsible for maintenance and repair of all building-standard plumbing, heating, electrical, air conditioning and ventilation systems; provided, however, that City shall have no responsibility whatsoever for any Technology Services, Technology Utilities, or any other plumbing, heating, electrical, air conditioning and ventilation systems (including temperature control and ventilation systems) installed by or for Tenant's use in connection with its server room, other computers, server, or other specialized equipment, all of which Tenant shall repair and maintain at Tenant's sole cost and expense.

The City shall provide basic routine janitorial service for normal business use of the facility. The "basic routine janitorial service" is defined as weekly basic cleaning, and daily cleaning of all restrooms.

The City shall have no liability to Tenant for, nor shall Tenant's obligations under this Lease be reduced or abated in any manner whatsoever by reason of, any inconvenience, annoyance, interruption or injury to business arising from the City making any repairs or changes which City is required or permitted by this Lease or by any other tenants' lease or required by law to make to any portion of the premises of the Complex. City shall use reasonable efforts to

minimize any interference with Tenant's business at the Leased Premises. Notwithstanding, this paragraph shall not apply if Tenant is prevented from using a substantial part or all of the Leased Premises for its stated business purpose.

If Tenant fails to maintain the Leased Premises as required herein, the City may give Tenant 30 days' written notice to do such acts as are reasonably required to so maintain the Leased Premises. If Tenant fails to promptly commence such work within such time period and diligently prosecute it to completion, then City shall have the right to do such acts and expend such funds at the expense of Tenant as are reasonably required to perform such work. Any amount so expended by the City shall be paid by Tenant promptly after demand. The City shall have no liability to Tenant for any damage, inconvenience, or interference with the use of the Leased Premises by Tenant as the result of performing any such work.

Tenant shall not use the Leased Premises in any manner that will constitute waste, nuisance, or unreasonable annoyance (which includes excessive noise and/or vibration) to the City or occupants of adjacent properties.

5 – OPERATIONS

The Tenant agrees to limit its use of the Leased Premises to the following operations, activity and functions:

General office purposes, fitness training, sport training, research, education and comparable uses consistent with its Tax-Exempt Organization purposes.

Nothing herein shall give Tenant the right to use the property for any other purpose or to sublease, assign or license the use of the property to any sub-lessee, assignee, or licensee, for any other use without the written approval from the City.

6 – OUIET ENJOYMENT

The City agrees that upon Tenant paying the rent and observing and performing all of the terms, covenants and conditions set forth in this Lease, that Tenant may peaceably and quietly have, hold, occupy and enjoy the Leased Premises in accordance with the terms of this Lease. City represents that City is the owner of the Leased Premises and there are no restrictions of record that would interfere with the quiet use and enjoyment of the Leased Premises by Tenant. City represents that it has the full right and lawful authority to execute this Lease for the term, in the manner and upon the conditions and provisions herein contained, and that there is no legal impediment to the use of the Leased Premises as set out herein.

7 – <u>UTILITIES</u>

The City will provide standard utility service at its cost unless otherwise specifically excluded in this agreement. Standard utility service includes electricity, gas, water, sewer, and refuse/recycling. As specified herein, the City has no obligations for any telecommunication service, equipment or facilities, including but not limited to any Technology Services or Technology Utilities.

If the City from time to time reasonably determines that the use of any utility or service provided by the City or used by the Tenant in the Leased Premises is disproportionate to the use of other occupants, the City may separately charge Tenant for the excess cost attributable to such disproportionate use. Tenant will be responsible for the cost of any submeters which may be installed by the City to measure such disproportionate use, if any.

8 - CONSTRUCTION AND IMPROVEMENTS

The Tenant agrees to obtain written permission from the Director of the Parks and Recreation Department, or his designee, prior to making any improvements or engaging in any construction activity upon the Leased Premises. All improvements shall become exclusive property of the City upon completion, and shall not be subject to any lien, mortgage or financial encumbrance. Tenant shall not be entitled to any compensation for improvements or construction, nor any adjustment in rent by the City unless the parties so agree, in writing, prior to the commencement of the improvement or construction.

The Tenant accepts the Leased Premises in the condition in which they shall be on the date this Lease is executed. The City reserves the right to make improvements and engage in construction upon the Leased Premises. However, the City shall notify Tenant of its intent to make improvements or engage in construction prior to the commencement of any such activity.

9 - INDEMNITY AND INSURANCE

The Tenant covenants and agrees as follows:

- (a) Tenant shall defend, indemnify and save forever harmless the City, its officers, employees and agents from any and all loss, liability, costs, damages and expenses of any kind or nature which may occur or be claimed on account of any personal injuries (including wrongful death) or property damage resulting from the use of said Leased Premises by the Tenant, its agents, patrons, members, employees, invitees, volunteers and assigns, or from the conduct of Tenant's business or from any activity, work, or other acts or things done, permitted or suffered by Tenant in or about the Leased Premises or the Building.
- (b) Tenant shall purchase, or cause to be purchased, and cause to be maintained in effect for the term of this Lease, insurance coverage of the types and minimum liability as set forth below.
 - (1) Commercial General Liability insurance on an occurrence basis in amounts

- no less than \$500,000 bodily injury and property damage per occurrence, including personal and advertising injury; \$500,000 general aggregate.
- (2) Workers' Compensation and Employers' Liability, protecting against all claims under applicable state Workers' Compensation laws. Tenant shall also be protected against claims for injury, disease or death of employees which, for any reason may not fall within the provisions of a Workers' Compensation law. The policy shall include "all states" insurance, and the liability limits shall not be less than Statutory (Workers' Compensation); \$100,000 / \$500,000 / \$100,000 (Employers Liability).
- (c) Tenant shall furnish to the City a Certificate of Insurance verifying such coverage, listing the certificate holder as an additional insured for the general liability coverage. The certificate holder on the Certificate of Insurance shall be as follows:

City of Overland Park, Kansas 8500 Santa Fe Drive Overland Park, KS 66212

Prior to any material change or cancellation, the Tenant shall give the City thirty (30) days advance written notice by registered mail to the stated address of the certificate holder.

- (d) The City will only accept coverage from an insurance carrier who carries a Best's policyholder rating of A-:VII or better; or is a company mutually agreed upon by the City and Tenant.
- (e) The Tenant may purchase personal property insurance for the contents of the demised premises as it deems appropriate, at Tenant's sole cost and expense.
 - (f) The City will be responsible for fire and casualty insurance for the Building.

The City agrees to look only to the Tenant for any and all liability and obligations of the Tenant under this Lease and shall not look to any officers, directors, owners or other individuals affiliated with said Tenant to fulfill said obligations of the Tenant under said Lease.

10 - PERSONS AND PROPERTY ON LEASED PREMISES

All persons who may be on said Leased Premises during the term hereof shall be at the sole risk of the Tenant or those claiming under it, and the City shall not be liable to the Tenant, or any person whomsoever, for any injury, loss or damage to any persons or property in or upon the Leased Premises. The Tenant hereby covenants and agrees to assume all liability for or on account of any injury, loss, or damage above described and to defend and save harmless the City, its officers, employees and agents from any and all loss, liability, costs, damages and expenses of any kind or nature which may occur or be claimed on account of any such injury, loss or damage, unless caused by the negligent acts or omissions of the City.

11 - ASSIGNMENT AND SUBLETTING

The Tenant shall not assign or transfer this Lease or any interest herein, nor sublet any portion of the Leased Premises without the prior written consent of the City. This Lease shall not be assignable or transferable by operation of law or by any process or proceeding of any court, or otherwise without the prior written consent of the City.

12 - THE CITY'S RESERVED RIGHTS

The City, through its duly authorized agents, shall have, at any and all reasonable times the full and unrestricted right to enter the Leased Premises for the purpose of inspection or maintenance and for the purpose of doing any and all things which it is obligated and has a right to do under this Lease. The waiver by the City of any breach of any terms, covenant or condition herein shall not be deemed to be a waiver of such term, covenant or condition on any subsequent breach of the same, or any other term, covenant or condition herein. The subsequent acceptance of rent by the City shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease, other than the failure of the Tenant to pay the particular rent so accepted.

13 - COMPLIANCE WITH AUTHORITY

The Tenant agrees to observe and comply with any and all requirements of the City and with all federal, state or local laws, ordinances, regulations and standard rules applicable to the Tenant or its use of the Leased Premises, including by way of example, but not of limitation, all general rules and regulations promulgated from time to time by the Director of the Parks and Recreation Department.

14 - NON-DISCRIMINATION

The Tenant agrees not to discriminate against any applicant or employee because of race, religion, color, creed, sex, age, ancestry, national origin, or disability as defined by the Americans With Disabilities Act of 1990, Sec. 3(2), as amended, in the employment, upgrading, demotion or transfer, recruiting, advertising, lay-off or termination and selection for training, including apprenticeship.

The Tenant also agrees not to discriminate against any person or group with regard to participation or membership in the Tenant's programs or activities because of race, religion, color, creed, sex, age, ancestry, national origin, or disability as defined by the Americans with Disabilities Act of 1990, Sec. 3(2), as amended.

15 - MISCELLANEOUS PROVISIONS

The language in all parts of the Lease shall in all cases be construed as a whole according to their fair meaning and not strictly for, nor against the City or the Tenant.

This Lease is the complete agreement between the parties hereto and shall be governed by the laws of the State of Kansas.

16 - NOTICES

Bills, statements, notices or communications shall be sufficient if sent by mail, postage prepaid, or if hand delivered, to:

For the Tenant:
Bill and Statements:

Becca Moody 5216 West 166th ST Stillwell, KS 66085

Notices or Communications:

Becca Moody 5216 West 166th ST Stillwell, KS 66085

For the City:
The City of Overland Park
Director, Parks and Recreation Department
8500 Santa Fe Drive Overland Park, KS 66212

17 - INVALIDITY OF PARTICULAR PROVISIONS

If any term or provision of this Lease or the application hereto to any person or circumstance shall, to any extent, be held 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 held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

18 - CAPTIONS

The captions of the sections of this Lease are for convenience only and are not a part of this Lease and do not in any way limit or amplify the terms and provisions of this Lease.

19 - STATUS OF TENANT

This Lease shall terminate if Tenant does not maintain its status as a not-for-profit entity and a Tax-Exempt Organization as recognized by the Internal Revenue Service. Tenant shall provide City with documentation of its status prior to execution of this Lease, and shall provide City with copies of annual Certificates of Good Standing reports during the existence of this lease.

Tenant covenants and agrees that it has not and shall not perform any act or enter into any agreement which shall adversely affect its status as a Tax-Exempt Organization and shall conduct its operations so as to maintain its status as a charitable organization within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code") which is exempt from federal income taxes under Section 501(a) of the Code, or any successor provisions of federal income tax law.

Reference is also made to the agreements of Tenant relating to the tax-exempt bonds issued by the City to finance the Complex as set forth in the Agreement With Respect to Bond-Financed Facilities between the City and the Tenant.

20 - <u>SURRENDER OF PREMISES</u>

At the expiration of the term hereby created, Tenant shall surrender the Leased Premises in good condition, reasonable wear and tear excepted, and shall surrender all keys for the Leased Premises to the City.

21 - PARKING

Tenant, its employees or visitors, shall have the right to use in common with other the public parking provided for the Complex and will not have the exclusive use of any parking spaces. Tenant's use of the Leased Premises shall not interfere with public access and use of the remainder of the Complex.

22 - DESTRUCTION OF PREMISES

If all or any part of the Leased Premises is so damaged or destroyed by fire or other casualty without the fault of Tenant as to be unfit for use by Tenant as provided herein, then the rent, or a fair and just proportion thereof, according to the nature and extent of the damages sustained, shall be suspended or abated until the premises are rebuilt and put in proper condition for the use and occupancy provided herein, or, the City and Tenant may, at the election of either, upon written notice to the other party within 30 days after such damage or destruction, terminate this Lease.

23 - CONDEMNATION

If all or any part of the Leased Premises is taken or condemned, then the City or Tenant shall have the right to terminate this Lease as of the date title thereto vests in the condemnor by giving to the other party written notice of such termination; but should neither party so terminate this Lease when a portion of the Leased Premises is so taken, this Lease shall terminate as to the part taken, and the rent shall be adjusted for the remainder of the Leased Premises so that Tenant shall be required to pay for the balance of the term a fair and just proportion of the rent based on the remaining Leased Premises.

24 - SECURITY DEPOSIT

No security deposit is required for this tenant lease.

25 - TENANT FINISH ALLOWANCE

The City shall provide Tenant with a Tenant Finish Allowance as outlined in Exhibit "B". The Tenant shall repay the City for said expenditure with equal payments on a monthly, quarterly or annual basis over the 5 year term of this Lease. An annual interest rate of 3.99% shall be applied to the outstanding balance. In the event the Lease shall be terminated for any reason prior to completion of the full 5 year term, the balance of the Tenant Finish Allowance remaining due and unpaid shall balloon and become due and payable in full within ninety days of the effective date of said early termination.

26 - EARLY TERMINATION PAYMENT

In the event of early termination of this Lease through fault of the Tenant, the Tenant shall be obligated, in addition to any other payments due to the City under the terms of this Lease, to pay to City as an Early Termination Payment all payments due under the Lease until the Leased Premises are relet to another person or entity, but in no instance shall Tenant ever be liable to City for more than an amount equal to one year's annual rent as an Early Termination Payment.

27 - TAXES

The City, by virtue of leasing the Leased Premises to the Tenant for other than exclusive municipal purposes, shall be obligated for payment of real estate taxes on the condominium unit leased to the Tenant. The Tenant agrees to be fully responsible for timely payment of any and all such taxes or other obligations related to said taxes and shall make such payments to or at the direction of the City, within 30 days of receipt from the City of an invoice or statement therefor, which may be in the form of the tax bill from Johnson County. Tenant shall be responsible for paying all personal property taxes with respect to Tenant's personal property at the Leased Premises.

29 - CITY'S REMEDIES ON DEFAULT

If Tenant defaults in the payment of rent or of any additional rent, or defaults in the performance of any of the other covenants or conditions hereof, City may give Tenant notice of such default and if Tenant does not cure any such default within 30 days, after the giving of such notice (or if such other default is of such nature that it cannot be completely cured within such period, if Tenant does not commence such cure within such 10 days and thereafter proceed with reasonable diligence and in good faith to cure such default pursuant to a plan for cure approved by the Director of the Parks and Recreation Department), then City may terminate this lease on not less than 10 days' notice to Tenant. On the date specified in such notice the term of this lease shall terminate, and Tenant shall then quit and surrender the premises to City, but Tenant shall remain liable as hereinafter provided. If this lease shall have been so terminated by City, City may at any time thereafter resume possession of the premises by any lawful means and remove Tenant or other occupants and their effects.

It shall also be an event of default hereunder if a petition is filed by or against Tenant

under any section or chapter of the Federal Bankruptcy Act, as amended, or under any similar law or statute of the United States or any state thereof, if Tenant becomes insolvent or makes a transfer in fraud of creditors, if Tenant makes an assignment for benefit of creditors, or if a receiver is appointed for Tenant or any of the assets of Tenant, or if Tenant uses or permits use of the Leased Premises for any unlawful or felonious criminal activity. In any of such events, the City may terminate this Lease upon written notice to Tenant.

In addition to termination of the Lease, the City may also pursue any remedy available at law and in equity upon an event of default by the Tenant hereunder. Should the City breach the terms and conditions of the Lease, Tenant may pursue any remedy available to it at law or equity.

No failure to enforce any term of this Lease shall be deemed a waiver. No waiver of any defect or default shall be deemed to waive any subsequent defect or default.

30 - ATTORNEY'S FEES

In case suit should be brought for recovery of the Leased Premises or for any sum due hereunder, or because of any act which may arise out of the Tenant's possession and use of the Leased Premises for which the Tenant has indemnified the City as provided herein, the City shall be entitled to all costs incurred in connection with such action, including reasonable attorney's fee.

31 - HEIRS, ASSIGNS, SUCCESSORS

This Lease is binding upon and inures to the benefit of the heirs, successors in interest to the parties.

32 - ENTIRE AGREEMENTS

The foregoing constitutes the entire agreement between the parties and may be modified only in a writing signed by both parties.

33 - ENTRY AND INSPECTION

Tenant shall permit City or City's agents to enter upon the premises at reasonable times and upon reasonable notice, for the purposes of inspecting the same, and will permit City at any time within sixty (60) days prior to the expiration of this lease, to place upon the premises any usual "To Let" or "For Lease" signs, and permit persons desiring to lease the same to inspect the premises thereafter.

34 - NO WAIVER

No waiver of any default of City or Tenant hereunder shall be implied from any omission to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect any default other than the default specified in the express waiver and that only

for the time and to the extent therein stated. One or more waivers by the City or Tenant shall not be construed as a waiver of a subsequent breach of the same covenant, term or condition.

35 - FOOD SERVICE OPERATION

Tenant acknowledges that City has entered into an agreement for the provision of food service operations at the Complex. Any catering and other provisions of food services to be provided by a food service operator, other than the City's food service operator, must be approved by City prior to the event.

36 - SOCCER COMPLEX

The parties understand that because the Complex was financed with proceeds of governmental tax-exempt bonds of the City, the City is unable to enter into long-term agreements with any private party for the use of the soccer fields, and that the City cannot make any binding commitments concerning Tenant's use of the soccer fields.

IN WITNESS WHEREOF, the Tenant and the City have caused this Lease Agreement to be executed in their names by their duly authorized representatives as of the date first above written.

	TRIAD, Inc
	By: Name: Title:
	THE CITY OF OVERLAND PARK
	Carl Gerlach, Mayor
ATTEST:	
Marian Cook, City Clerk	·
APPROVED AS TO FORM:	
J. Bart Budetti	
Senior Assistant City Attorney	

Exhibit A

The Leased Premises

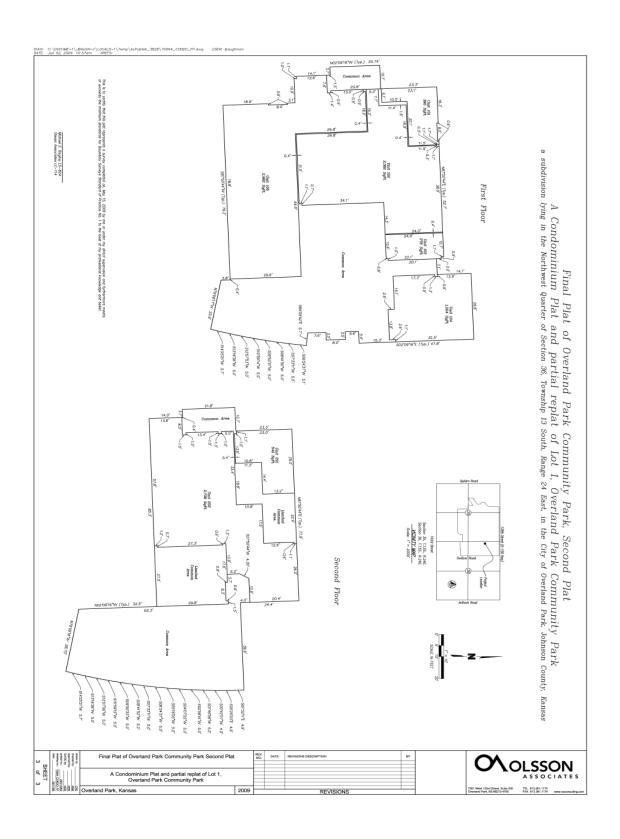


Exhibit "B"

Tenant rental rate \$14.00 per square foot

Tenant rental area 2382 Monthly Rental Rate \$2779

Tenant Rental Increases:

Beginning Year 4 3.0%

Tenant Improvement Allowance \$36,000.00