

RANCHO LA LOMA RANCH HOUSE #5

(AUNT MARY'S HOUSE)

SUBLEASE AGREEMENT

THIS SUBLEASE AGREEMENT ("Sublease") is entered into as of the 1st day of May, 2023, by and between the City of Litchfield Park, an Arizona municipal corporation ("Sublessor") and the Litchfield Park Historical Society, an Arizona non-profit corporation ("Sublessee"). Sublessor and Sublessee may hereinafter be referred to individually as a "Party" or collectively as the "Parties." The Parties hereby agree as follows:

INTRODUCTION

THE FOLLOWING BASIC SUBLEASE INFORMATION IS A PART OF THIS SUBLEASE, BUT DOES NOT CONSTITUTE THE ENTIRE SUBLEASE. SUBLESSEE ACKNOWLEDGES THAT IT HAS READ ALL OF THE PROVISIONS CONTAINED IN THE ENTIRE SUBLEASE AND ALL EXHIBITS WHICH ARE A PART THEREOF AND AGREES THAT THIS SUBLEASE, INCLUDING THE BASIC SUBLEASE INFORMATION AND ALL EXHIBITS, REFLECTS THE ENTIRE UNDERSTANDING OF SUBLESSOR AND SUBLESSEE REGARDING THE PREMISES. SUBLESSEE ALSO ACKNOWLEDGES THAT IT HAS HAD THE OPPORTUNITY TO REVIEW THIS SUBLEASE PRIOR TO EXECUTION WITH LEGAL COUNSEL AND SUCH OTHER ADVISORS AS SUBLESSEE DEEMS APPROPRIATE.

1. BASIC SUBLEASE INFORMATION

1.1 Parties

SUBLESSOR: City of Litchfield Park, an
Arizona municipal corporation

Address: 214 West Wigwam Boulevard
Litchfield Park, Arizona 85340
Attn: City Manager

SUBLESSEE: Litchfield Park Historical Society,
an Arizona non-profit corporation

Address: 13912 W. Camelback Road
P.O. Box 1936
Litchfield Park, Arizona 85340
Attn: Nancy Schaefer, President

1.2 Premises. The Premises are known as La Loma Ranch House #5 (Aunt Mary's House) which contains approximately 1,178 gross square feet as depicted on Exhibit A. The Premises is the subject to a lease between Sun Health Services and Sublessor.

1.3 Term. The term of this Sublease (the "Term") shall commence on the Commencement Date and continue for twelve (12) months thereafter; provided, if the Commencement Date occurs other than on the first (1st) day of a month, the Term shall include the remainder of the month during which the Commencement Date occurs plus the foregoing referenced number of months.

1.4 Commencement Date. May 1, 2023.

1.5 Minimum Rent. The term "Minimum Rent" shall mean One Dollar and No/100 (\$1.00) per year.

- 1.6 **Permitted Use.** The Permitted Use for the Premises shall be the provision of space to Sublessee for general office, meeting space, museum display and associated gift shop ("Permitted Use").
 - 1.7 **Property.** The Property is described as Rancho La Loma Ranch House #5 (Aunt Mary's House), located at 13912 W. Camelback Road, Litchfield Park, Arizona 85340, consisting of approximately two acres of land area, to include both the Premises and appurtenant parking, landscape, and other areas as depicted on Exhibit "B."
 - 1.8 **Sublessee's Proportionate Share.** One Hundred percent (100%) for each calendar year or portion thereof within the Term; provided, that with respect to any calendar year of which the Term constitutes only a part, the Sublessee's Proportionate Share shall equal the product of 100% times a fraction, the numerator of which is the number of months (rounded upwards to the next whole number if the Sublease Term begins or concludes in the middle of the month) during such calendar year in which the Sublease Term is in existence, and the denominator of which is 12.
 - 1.9 **INTENTIONALLY LEFT BLANK**
 - 1.10 **INTENTIONALLY LEFT BLANK**
 - 1.11 **Applicable Law.** The term "Applicable Law" shall mean any and all municipal, county, state, federal or other statutes, regulations, ordinances, codes or other laws applicable to the Property, including the use, occupancy, operation and condition thereof.
 - 1.12 **Rules and Regulations.** This Sublease shall be further subject to the Rules and Regulations as contained in Exhibit "C."
2. **PREMISES.** Sublessee hereby subleases from Sublessor, and Sublessor hereby subleases to Sublessee, the Premises as depicted on Exhibit "A" on the terms and conditions set forth herein.
3. **SUBLEASE TERM**
- 3.1 **Commencement Date and Sublease Year.** The Term shall commence on _____, 2023 (the "Commencement Date"). Each successive twelve (12) month period during the Term, starting with the first day of the first month following the Commencement Date (if the Commencement Date falls other than on the first day of a month) is referred to herein as a "Sublease Year."
 - 3.2 **Option to Extend.** Provided Sublessee has not previously been in default in performing any of its obligations under the Sublease, that Sublessor lease remains in place and subject to providing Sublessor written notice no less than ninety (90) calendar days prior to the termination of the then current sublease term ("Option Notice") of Sublessee's desire to exercise this Option to Extend, then Sublessee shall have and is hereby granted an "Option to Extend Sublease," for two (2) additional One (1) year periods ("Sublease Extension Term") to commence immediately upon the expiration of the then existing Sublease Term and run successively thereafter. The terms, provisions and conditions of each Sublease Extension Term will be mutually agreed upon by Sublessor and Sublessee ("Terms") within 30 days of Sublessee's exercise of the Option to Extend. Any such Sublease Extension shall be subject to extension of the lease between the Sublessor and Sun Health Services. If Sublessor and Sublessee are unable to agree on the Terms for the Sublease Extension Terms, this Sublease shall terminate at the end of the then existing term.

3.3 Proration of Payments. All Rents and other sums payable under this Sublease for fractional calendar month(s) shall be prorated, calculated on the basis of a thirty (30) day month.

4. SUBLESSEE PAYMENTS

4.1 Sublessee Payments. Throughout the Term, Sublessee agrees to pay Sublessor as rent hereunder, at such place as Sublessor may designate, without prior demand therefor and without any deduction or setoff, in lawful money of the United States of America, the following (sometimes singularly or collectively referred to herein as "Rent"):

- (a) The Minimum Rent, in advance, on the Commencement Date and thereafter on or before the first day of each calendar month during the Term;
- (b) All excise, sales, use, rental and/or transaction privilege taxes levied or imposed, or hereafter levied or imposed, against or on account of the terms of the Sublease (including rights and obligations of the parties hereto), including but not limited to any or all amounts payable hereunder by Sublessee or the receipt thereof by Sublessor (except Sublessor's income taxes), such taxes ("Rental Taxes") to be paid at the same time and in addition to the Minimum Rent, or as the Sublessor may otherwise designate;
- (c) Sublessee's Proportionate Share of Property Taxes; and,
- (d) All other sums from time to time payable by Sublessee pursuant to this Sublease.

5. PROPERTY TAXES. "Property Taxes" shall mean all property taxes and special assessments levied upon the Property (including all appurtenant real property), and all personal property taxes levied on equipment, furniture, and other property of Sublessor located at or used for and in connection with the operation of the Property.

5.1 Sublessee's Proportionate Share. Sublessee shall pay to Sublessor as Rent with respect to each calendar year or portion thereof during the Term, an amount equal to the Property Taxes for such calendar year, prorated for portions thereof during the Term, payable as follows: (a) in the event the Mortgagee does not require Property Tax impounds, in connection with its Mortgage, Sublessee shall pay Sublessee's Proportionate Share of Property Taxes for the Premises and Property to Sublessor at or prior to the date Property Taxes are due to the assessment authorities (currently on a semi-annual basis, with one-half (1/2) of Property Taxes for each calendar year due and payable on October 1 of that calendar year with the remaining one-half (1/2) due and payable on March 1 of the subsequent calendar year); and (b) if and to the extent a Mortgagee requires impounds for Property Taxes, Sublessee shall pay Property Taxes (or an estimate thereof, as determined by the Mortgagee) to Sublessor not later than five (5) days prior to the due date for Sublessor's corresponding impound payment for Property Taxes to the Mortgagee (with Sublessor and Sublessee to make appropriate adjusting payments, to reconcile estimated payments of Property Taxes so paid by Sublessee to actual payments of Property Taxes due, within twenty (20) days following request by either Sublessor or Sublessee to the other). Sublessor shall provide Sublessee with confirmation of the actual Property Taxes, in the form of copy of actual billing for Property Taxes, statement from reputable property tax service, or otherwise.

6. TAXES ON PERSONAL PROPERTY. Sublessee shall pay, prior to delinquency, all taxes levied upon fixtures, furnishings, equipment, and all other personal property belonging to Sublessee and placed on, or used in connection with Sublessee's use of, the Property

("Sublessee's Property"). In the event and to the extent any of Sublessee's fixtures, furnishing, equipment and other personal property shall be at any time assessed and taxed with the Property, Sublessee shall: (a) pay to Sublessor its share of such taxes within ten (10) days after delivery to Sublessee by Sublessor of a statement in writing setting forth Sublessee's share of such taxes based on reasonable allocation thereof to Sublessee's property; and (b) diligently and in good faith proceed to cause Sublessee's Property to be assessed and billed separately from the Property.

7. COMPLETION OF PREMISES

7.1 Sublessee Improvements. Sublessee is leasing the Premises in as is condition.

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8. ALTERATIONS, ADDITIONS AND IMPROVEMENTS

8.1 Written Consent. Sublessee shall not make, or allow to be made, any alternations, additions or improvements to the Premises costing more that \$5000 ("Sublessee Improvements") without the prior written approval of Sublessor (with any Sublessee Improvements so approved by Sublessor referred to herein as "Approved Sublessee Improvements"); provided, that Sublessor shall not in any event have any obligation to approve any Sublessee Improvements obviously visible from the exterior of the Premises, or in any way materially affecting the structural integrity of, or servicing within or to, the Property or Premises.

8.2 Surrendering Improvements.

(a) Any Approved Sublessee Improvements to the Premises shall be surrendered by Sublessee as part of the Premises, in good condition and without disturbance or injury, upon the expiration or earlier termination of this Sublease; provided, if Sublessor at any time designates in writing that such Approved Sublessee Improvements shall be removed, Sublessee shall at or prior to expiration or earlier termination of this Sublease and at Sublessee's sole expense, remove such Approved Sublessee Improvements and restore the Premises to their original condition as existed prior to installation of such Approved Sublessee Improvements, normal wear and tear only excepted.

(b) In the event of any injury or damage to the Premises resulting from the removal by Sublessee of any Sublessee Improvements or other fixtures, equipment, furnishings or property, Sublessee shall: (i) promptly repair the same at its sole cost and expense, in a good and workmanlike manner; or (ii) at Sublessor's election, pay to Sublessor an amount reasonably determined by Sublessor to be sufficient to repair the same and to compensate Sublessor for any such injury or damage to the Premises deriving therefrom.

8.3 No Liens. Sublessee shall: (a) keep the Premises and the Property free from any obligation or liability (including liens) deriving from work or materials furnished to or located on, the Property by or through Sublessee; and (b) indemnify, hold harmless and defend Sublessor for, from and against any and all liens and encumbrances (including costs and attorney fees), deriving therefrom.

9. USE

9.1 Use. The Premises shall be used and occupied by Sublessee only for the Permitted Use described in Section 1.6 and shall not be used or occupied for any other purposes whatsoever without obtaining the prior written consent of Sublessor,

which consent may be withheld in Sublessor's sole and arbitrary discretion.

9.2 Sublessee Not To Jeopardize Insurance. Sublessee shall not knowingly do or permit anything to be done in or about the Premises which will increase the existing rate of Sublessee's Insurance upon the Premises or Property ("Sublessee's Insurance"), cause the cancellation of any Sublessee's Insurance, or in any way obstruct or interfere with the rights of Sublessor under or with respect to Sublessee's Insurance. Sublessee shall at its sole cost and expense promptly comply with all laws, statutes, ordinances and governmental rules, regulations or requirements now or which may hereafter be in force, and with the requirements of any board of fire underwriters or other similar body nor or hereafter constituted, relating to or affecting the condition, use or occupancy of the Premises or Property by or through Sublessee.

10. INSURANCE

10.1 Minimum Insurance Request.

- (a) During the Term, Sublessee shall at its sole cost and expense, procure and maintain the following insurance coverage ("Sublessee's Insurance"):
 - (i) Comprehensive general public liability insurance against claims for personal injury, death and property damage occurring upon, in or about the Property, with a combined single limit of not less than \$2,000,000.00 (increased from time to time as reasonably requested by Sublessor, but not more often than annually); and
 - (ii) Fire and extended coverage, vandalism, malicious mischief, and special extended perils (all risk) insurance in an amount not less than the full cost of replacement of improvements on the Property and all of Sublessee's personal property, inventory, decorations, trade fixtures, furnishings, equipment and other contents in or on the Property.
- (b) All Sublessee's Insurance shall name both Sublessor and Sublessee as insured (and/or such additional party or parties, including Mortgagee(s), as Sublessor may require) and shall be issued by insurance carriers reasonably acceptable to Sublessor; provided, that if, when and to the extent permitted in writing by all Mortgagee(s), Sublessee may, at its option self-insure as to all or any portion of Sublessee's Insurance.
- (c) Sublessee agrees to furnish Sublessor, on or before the Commencement Date, with certificates of Sublessee's Insurance showing that Sublessee's Insurance has been obtained and fully paid for by Sublessee, and providing that each insurance carrier notify Sublessor and any Mortgagee in writing at least thirty (30) days prior to, and as a condition to, any cancellation, expiration or modification of all or any portion of Sublessee's Insurance, thereof.
- (d) Sublessee shall pay for all Insurance required under this Sublease.

10.2 Waiver. Notwithstanding the other provisions of this Section 10, Sublessee and Sublessor each hereby waive any and all rights of recovery against the other, or against the officers, employees, agents and representatives of the other, for loss of or damage to such waiving party or its property or the property of others under its control, but only to the extent that: (i) such loss or damage is insured against and recovery actually occurs under any insurance policy in force at the time of such loss or damage; and (ii) such insurance policies permit and do provide for

such waiver.

11. UTILITIES AND SERVICES

11.1 Maintenance, Utilities and Services. Sublessor and Sublessee intend and agree that this Sublease shall be an absolutely triple net sublease to Sublessor, with Sublessor not, except as expressly otherwise set forth in this Sublease, to incur any expense (whether for maintenance, Property Taxes, Sublessee's Insurance, utilities, repairs, replacements, capital improvements, or otherwise) in connection with the Property or this Sublease, other than payments of principal and interest required under any Mortgage. Sublessee shall, at its expense, furnish to and pay for any and all utilities, repairs, replacements and services required for Sublessee's use of the Premises and Property. Sublessee shall timely pay for any and all utility and other costs, perform any and all such maintenance, in a safe, lien-free manner. And indemnify and hold Sublessor harmless for, from and against any and all costs and liabilities (including attorneys' fees and costs) deriving therefrom.

11.2 Interruption of Utilities. Sublessor shall in no event be liable for any interruption or failure of utility services on the Premises or Property, or for any reduction of energy consumption within the Premises as required by any mandatory fuel or energy allocation or conservation statute, regulation, order or program (a "Utility Interruption"), nor shall this Sublease be affected thereby. Notwithstanding the foregoing, if any Utility Interruption or failure not cause by Sublessee occurs and continues for more than thirty (30) consecutive days, then Sublessee shall have the right to offset that portion of Minimum Monthly Rent proportionate to the extent the Premises are not habitable as a result of such Utility Interruption by commencing not earlier than thirty (30) days following written notice thereof to Sublessor.

12. MAINTENANCE AND REPAIR. Sublessee agrees to at all times to maintain the Premises in a safe, clean, neat and sanitary condition including the making of all repairs and replacements to the Property, including capital improvements, and the performing of all redecorating, remodeling, alternations and painting required by Sublessee and permitted by Sublessor during the Sublease Term.

13. DAMAGES TO PROPERTY: INJURY TO PERSONS. Sublessee hereby agrees to indemnify and hold Sublessor and Sun Health Services harmless for, from and against any and all claims of damages or injury arising by or through Sublessee's (or its guests', contractors', employees', invitees' or agents') use of the Premises or the conduct of business or from any activity, work or thing done, permitted or suffered by Sublessee in or about the Premises, and shall: (a) indemnify and hold Sublessor and Sun Health Services harmless for, from and against any and all: (1) claims directly arising from any breach or default in the performance of any obligation on Sublessee's part to be performed under the terms of this Sublease, or arising from any act or negligence of Sublessee, its employees, guests, agents or invitees; and (2) all costs, attorneys' fees, expenses and liabilities incurred from any such claim or any action or proceeding brought against Sublessor or Sun Health Services by reason of any such claim, upon written notice from Sublessor or Sun Health Services, defend the same at Sublessee's expense by counsel reasonably satisfactory to Sublessor or Sun Health Services if the claim is against Sun Health Services.

14. DAMAGE OR DESTRUCTION

14.1 Sublessor's Obligation to Repair.

(a) In the event all or substantially all of the Premises or the Property are destroyed by fire or any other casualty so as to become untenable, or by casualty not insured by Sublessee's Insurance, Sublessee may elect to terminate this Sublease effective as of the date of such damage or destruction, by written notice given to Sublessor within ninety (90) days

thereafter. In the alternative, Sublessee, in its sole discretion, may elect to repair or rebuild the Premises as promptly as possible at the expense of Sublessee.

(b) If the Premises shall be partially damaged or injured by casualty covered by insurance, Sublessee shall promptly repair or rebuild the same.

14.2 Termination by Sublessor. Notwithstanding anything contained herein to the contrary, in the event the holder of any indebtedness (a "Mortgagee") secured by a mortgage, deed of trust or other security arrangement covering all or any portion of the Property (a "Mortgage") requires that any insurance proceeds be applied to Mortgage, then Sublessor shall have the right to terminate this Sublease by delivering written notice of termination to Sublessee, whereupon all rights and obligations thereafter accruing under this Sublease shall cease and terminate. Except to the extent caused by Sublessor's intentional acts or Sublessor's gross negligence, Sublessee shall not otherwise have any claims for damages, compensation, inconvenience, loss of business or annoyance from any repair or rebuilding of any portion of the Premises or the Property or from the termination of this Sublease pursuant to this Section 14.2.

15. CONDEMNATION. If all or any part of the Property (including the Premises) shall be taken for public or quasi-public use under any governmental law, ordinance or regulation, or by right of eminent domain, or consent to sale in lieu thereof (a "Taking"), and such Taking renders the Property untenable for Sublessee's Permitted Use, then: (a) this Sublease shall terminate (as to all rights and obligations thereafter accruing), as of the effective date of the Taking; (b) Sublessee shall have no claim as a result thereof against Sublessor (whether for the value of any unexpired Term of this Sublease or otherwise); and (c) all compensation or damages awarded for such Taking shall belong to and be the property of Sublessor, except for any specific award to Sublessee for Approved Sublessee Improvements, and other fixtures and equipment installed in the Premises by and at the expense of Sublessee.

16. SALE BY SUBLESSOR. Sublessor may sell, transfer, encumber, assign or otherwise dispose of the Premises, the Property or this Sublease, or any part thereof or interest therein, at any time without the consent of Sublessee (a "Sublessor Transfer"). Upon any such Sublessor Transfer (other than a collateral assignment or similar transaction not yet matured into an actual transfer), Sublessor shall be relieved of all obligations hereunder on the condition that Sublessor's successor-in-interest shall expressly assume such obligations. This Sublease shall otherwise not be affected by any such Sublessor Transfer, sale, transfer, encumbrance, assignment or disposal of Sublessor's interest. Sublessee agrees to in all respects attorn to and recognize the transferee (or equivalent party) to a Sublessor's Transfer as the "Sublessor" hereunder.

17. ASSIGNMENT AND SUBLETTING

17.1 No Unauthorized Assignment. Sublessee shall not: (a) assign, transfer, mortgage, pledge, hypothecate or encumber this Sublease, or any interest therein; or (b) sublet the Premises or any part thereof, or any right or privilege appurtenant thereto without obtaining the prior written consent of Landlord, which consent may be withheld by Landlord in its sole discretion ("Sublessor's Consent").

17.2 Consent not a Waiver. Any consent obtained hereunder to one Sublessee Transfer shall not be deemed to be: (a) Sublessor's Consent to any subsequent Sublessee Transfer; or (b) a waiver of Sublessor's right to withhold Sublessor's consent as to any subsequent Sublessee Transfer.

17.3 Sublessor Bound. Any Sublessee Transfer permitted under this Sublease shall expressly provide, and be permitted solely upon the condition, that: (a) the transferee, the assignee or sublessee, as the case may be ("Sublessee Transferee"), shall be fully bound to Sublessor, its successors or assigns, by full

privity of contract, as well as by privity of estate; (b) each such Sublessee Transferee shall be fully bound to perform all covenants of this Sublease; (c) neither the initial named Sublessee nor any subsequent Sublessee Transferee shall be relieved of all or any liability under this Sublease; and (d) an appropriate document evidencing the Sublessee Transfer, executed by all parties thereto, is delivered to Sublessor.

17.4 Attorney's Fees. Sublessee shall pay Sublessor's reasonable attorneys' fees and costs in connection with considering any request for Sublessor's Consent to any Sublessee Transfer.

18. ESTOPPEL CERTIFICATE

18.1 Sublessee shall, within ten (10) days following written request from Sublessor (or any Ground Lessor or Mortgagee), execute, acknowledge and deliver to Sublessor a written statement executed by Sublessee (a "Sublessee Estoppel") certifying:

- (a) Identification of this Sublease (including any amendments), with true and correct copies thereof attached thereto;
- (b) Whether this Sublease is in full force and effect, and stating the nature of any termination, waiver or modification thereto;
- (c) The amounts of all Rent and other charges payable and the dates to which the Rent and other charges are paid in advance, if any;
- (d) The amount of any security, damage deposit paid to Sublessor;
- (e) Whether, to Sublessee's knowledge, there are any defaults on the part of the Sublessee or Sublessor hereunder, and specifying such default if claimed; and,
- (f) The status or confirmation of such other matters (including most current financial statements of Sublessee then available) as may reasonably be requested by Sublessor, Ground Lessor or Mortgagee.

18.2 Any Sublessee Estoppel may be relied upon by any prospective purchaser or lender with respect to all or any portion of the Premises or the Property. Sublessee's failure to deliver a Sublessee Estoppel as requested shall, at Sublessor's option, constitute a default by Sublessee under this Sublease, and authorize Sublessor to execute a Sublessee Estoppel for and on behalf of, and conclusive and binding upon, Sublessee (provided so executed based on Sublessor's good faith and actual knowledge).

19. PARKING. All parking spaces shall be designated for the exclusive use of Sublessee, Sublessee's employees, guests, invitees, patients, customers and contractors.

20. DEFAULT

20.1 Sublessor's Rights Upon Sublessee Default. If: (i) Sublessee should fail to pay any part of the Rent herein provided, or any other sum required by this Sublease to be paid to Sublessor, within ten (10) days (without notice) following the due date thereof; or (ii) Sublessee should default in any of the other covenants, terms or provisions to be performed by Sublessee hereunder and, if and to the extent such default is reasonably susceptible to cure fail to cure such default within ten (10) days after written notice thereof (extended for any reasonable time, not to exceed thirty (30) days required to diligently effect such cure): or (iii) should Sublessee's interest herein be terminated or assigned by operation of law or otherwise,

including without limitation, the filing of a petition by or against Sublessee under any insolvency or bankruptcy act; or (iv) should Sublessee make a general assignment for the benefit of creditors; or (v) if Sublessee should become insolvent; or (vi) if Sublessee otherwise defaults under any other covenant, term or provision of this Sublease, then Sublessor, in addition to any other rights and remedies it may have under this Sublease or at law or in equity, shall have the right, without any further demand or notice, to pursue any one or more of the following remedies:

- (a) Re-enter the Premises without breach of the peace, or any liability for damages or injury sustained by reason of such re-entry;
- (b) Without termination of this Sublease, lock the doors to Premises and exclude Sublessee (and any parties claiming by or through Sublessee) therefrom;
- (c) Retain or take possession of any property belonging to Sublessee upon the Premises pursuant to Sublessor's Sublessor lien, and remove and store such property in a public warehouse or elsewhere at cost of and for the account of Sublessee (with Sublessor to in no event be liable for any damage or loss thereto except to the extent due to Sublessor's gross negligence or willful acts);
- (d) Terminate this Sublease by written notice to Sublessee, in which event Sublessee shall have no further interest in this Sublease or in the Premises, and Sublessor may recover from Sublessee all damages Sublessor may incur by reason of Sublessee's breach including the cost of recovering the Premises, other costs and reasonable attorneys' fees and the value at the time of such termination of the excess if any, of the amount of Rent and charges equivalent to the remaining Rent owing under this Sublease for the remainder of the Term over then reasonable rental value of the Premises for the remainder of the Term;
- (e) Sue for Rent or any other sums due Sublessor under this Sublease;
- (f) Render such performances required of Sublessee, other than the payment of Minimum Monthly Rent, and charge all cost and expenses incurred in connection therewith to Sublessee, with all amounts so charges shall be due and payable immediately to Sublessor upon presentment of a statement to Sublessee indicating the amount and nature of such costs and expenses;
- (g) Without termination of this Sublease, relet the Premises or any part thereof, a agent and for the account of Sublessee, upon such terms and conditions as Sublessor, in its sole discretion, may deem advisable, with the right to make alterations and repairs to the Premises, the expense of which shall constitute an indebtedness from Sublessee to Sublessor immediately payable. If the rents received from such reletting during any month are less than that to be paid, during that month by Sublessee hereunder , Sublessee hall pay any such deficiency to Sublessor, and Sublessor may bring an acting therefor as such monthly deficiencies may arise. No such re-entry or taking of possession by Sublessor shall be construed as an election on Sublessor's part to terminate this Sublease unless a clear and unambiguous written notice of such intention is given by Sublessor to Sublessee or unless the termination thereof be decreed by a court of competent jurisdiction. Notwithstanding any such reletting without termination, Sublessor may, at any time thereafter, elect to terminate this Sublease for such previous breach; and/or

- (h) Pursue any and all other remedies available under applicable law.

20.2 LATE CHARGES IS INTENTIONALLY DELETED.

20.3 Sublessor's Default

- (a) In the event Sublessor shall fail to perform any of the material covenants and conditions agree to be performed by Sublessor hereunder and such failure to perform shall continue for thirty (30) days after notice thereof from Sublessee to Sublessor, Sublessee shall be entitled to exercise all rights, powers or remedies provided by law; provided, however, that if the nature of Sublessor's failure to perform is such that more than thirty (30) days are required for performance, then Sublessor shall not be in default hereunder if Sublessor commences performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion. Upon written request by Sublessor, thereafter diligently prosecutes the same to completion. Upon written request by Sublessor, or any Ground Lessor or Mortgagee, Sublessee shall serve notice of any alleged default or breach by Sublessor under this Sublease upon any Ground Lessor or Mortgagee and, notwithstanding any other provision of this sublease or applicable law, shall allow such Ground Lessor or Mortgagee a reasonable amount of time (but not less than thirty (30) days), after the grace period in favor of Sublessor, to cure the same, including such time as is reasonably necessary for such Ground Lessor or Mortgagee to complete Ground Sublease termination or Mortgage foreclosure or other proceedings and obtain possession of the Property from Sublessor.
- (b) Except as otherwise expressly provided herein, Sublessee agrees that it shall look solely to the estate and property of Sublessor in the Property (subject to prior right of any Ground Lessor or Mortgagee), for the collection of any judgment (or other judicial process) requiring the payment of money by Sublessor in the event of any default or breach by Sublessor under this Sublease, with Sublessor not to otherwise be liable to Sublessee, and Sublessee not to otherwise have any remedies against Sublessor, therefore.

20.4 Surrender of Premises. No act or conduct of Sublessor, whether consisting of the acceptance of the keys to the Premises or otherwise, shall be deemed to be or constitute an acceptance of or surrender of the Premises by Sublessor prior to the expiration of the Term hereof, and such acceptance by Sublessor of surrender by Sublessee shall only be effected, and must be evidenced by written acknowledgement of acceptance or surrender signed by Sublessor.

21. ACCESS BY SUBLESSOR. Sublessor and Sublessor's agents and representatives shall, upon providing Sublessee with reasonable notice, have the right to enter into and upon the Property (including the Premises) at all reasonable times, including before or after usual business hours, for the purpose of inspecting the Property showing the Property to any current or prospective Ground Lessor, Mortgagee, buyers or similar parties, or for any other lawful purpose. In the last three (3) months of the Term, Sublessor, its agents and prospective Tenants or purchasers may enter the Property during reasonable business hours for the purpose of showing the Property to prospective tenants or purchasers, and to place on or about the Property appropriate signs indicating that the Property is available for sale or lease.

22. SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT.

22.1 This Sublease shall automatically be subordinate to the lien or interest of any Ground Lease or Mortgage heretofore or hereafter placed upon or affecting the Property, to any and all advances made or to be made thereunder, to the interest

or the obligations secured thereby, and to all renewals, replacements and extensions thereof; provided, however, that in the event any proceedings are brought for default under or termination of any such Ground Lease or Mortgage, or in the event of foreclosure, exercise of the power of sale, transfer in lieu of foreclosure, or other remedy under any Mortgage, Sublessee shall attorn to the resultant purchaser or other transferee to Sublessor's interest in the Property (a "Property Transferee") as Sublessor under this Sublease, provided such Property Transferee expressly agrees in writing that the Sublease and Sublessee's rights thereunder shall continue and not be terminated or disturbed, except in accordance with the provisions of this Sublease. In consideration of the foregoing, Sublessee agrees that any such Property Transferee shall not be:

- (a) Liable for any act or omission of a prior landlord (including Sublessor); or
- (b) Subject to any offsets or defenses that Sublessee may have against any prior landlord (including Sublessor); or
- (c) Bound by and Rent or other payments Sublessee might have paid in advance to any prior landlord (including Sublessor) for a period in excess of one month; or
- (d) Bound by any agreement or modification of the Sublease made without its prior consent.

22.2 If any Ground Lessor or Mortgagee elects to have this Sublease superior to its Ground Lease or Mortgage and gives notice of such election to Sublessee, this Sublease shall thereupon become superior to the effect or lien of such Ground Lease or Mortgage.

22.3 Sublessee agrees to execute and deliver upon demand, and without charge therefor, such further instruments evidencing subordination of this Sublease to any ground Lease or Mortgage as may from time to time be required by Sublessor, Ground Lessor or Mortgagee.

23. SURRENDER OF PREMISES AND HOLDING OVER. Except as provided hereinafter, upon the expiration or earlier termination of this Sublease, Sublessee shall quit and surrender the Premises to Sublessor, in good condition and repair (reasonable wear and tear excepted). If the Premises are not surrendered at the end of the Term, Sublessee shall indemnify Sublessor against any loss or liability resulting from delay by Sublessee in so surrendering the Premises, including without limitation, any claims made by any succeeding Sublessee based on such delay. Nothing contained herein shall be construed as Sublessor's permission for Sublessee to hold over or as limiting Sublessor's remedies against a holdover Sublessee. All keys shall be returned to the Sublessor upon surrender of the Premises or expiration of the Term, and failure of Sublessee to return all keys shall obligate Sublessee to pay all necessary cost in re-keying the locks pertaining to the Premises. Title to any property remaining on the Premises following vacating thereof by Sublessee shall, at Sublessor's option exercisable upon written notice at any time thereafter to Sublessee, transfer to and vest in Sublessor or its designee.

24. QUIET ENJOYMENT. Sublessee shall and may peaceably and quietly have, hold and enjoy the Premises for the Term without hindrance or molestation from Sublessor. This covenant shall not extend to any disturbance, act or condition caused or committed by any other tenant or occupant of the Property, or by any third party. In the event Sublessee suffers any damage resulting from the acts of any other tenant or occupant of the Property, Sublessor agrees Sublessee shall be subrogated to any rights of action Sublessor may have, if any, against such other tenant or occupant for the damages suffered.

25. SIGNS AND LIGHT IS INTENTIONALLY DELETED.

26. **FORCE MAJEURE.** If either party hereto shall be delayed or prevented from the performance of any act required hereunder by reason of acts of God, strikes, lockouts, labor disputes, civil disorder, inability to procure materials, restrictive governmental laws or regulations or other cause without fault and beyond the control of the party obligated (financial inability or payments of moneys excepted), performance of such act shall be excused for the period of delay; provided, however, nothing in this Article 26 shall excuse Sublessee from the prompt payment of any Rent or other charge required of Sublessee hereunder.

27. **BROKERS' COMMISSIONS.** Sublessee represents and warrants that there are no claims for brokerage commissions or finder's fees in connection with this sublease on their behalf and agrees to indemnify and hold Sublessor harmless for, from and against all liabilities arising from such claims, including any costs or attorneys' fees connected therewith.

28. **MISCELLANEOUS**

28.1 **Notices.** All notices, demands and communications of any kind which either party to this Sublease may be required or desires to serve upon the other shall be in writing and served to the Sublessor and to Sublessee by personal service (which may be by facsimile transmission) or by leaving a copy of such notice, demand or communication at the appropriate address indicated below, whereupon such service shall be deemed complete, or by mailing a copy thereof by certified or registered mail certified with return receipt requested and postage paid, such services to be deemed complete on the day of actual delivery as shown by the addressee's receipt or at the expiration of the third day after mailing, whichever first occurs. Either party may change its address from time to time by giving written notice to the other:

Sublessee: See Section 1.1

Sublessor: See Section 1.1

28.2 **Governing Law and Construction.** This Sublease shall be construed in accordance with and governed by the laws of the State of Arizona. Any term or provision of this Sublease now or hereafter declared invalid or unenforceable under any law, order, ordinance or requirement of any governmental authority, whether now in force or enacted or promulgated in the future, or otherwise invalid, shall be deemed stricken from this Sublease to the extent of such invalidity or unenforceability, without impairing the validity of the remainder of this Sublease. This Sublease has been drafted and/or negotiated by each and all of the parties hereto and, therefore, any rules of construction, interpretation or the like, whether with respect to ambiguities or otherwise shall not be applied in favor of any party hereto.

28.3 **Time is of the Essence.** Time is of the essence on this Sublease.

28.4 **Time/Binding Effect.** Subject to Section 16 hereof, the terms and provisions hereof shall be binding upon and inure to the benefit of the heirs, executors, administrators, personal representatives, successors, and assigns of the parties hereto. If Sublessee shall be more than one party (whether as a result of a Sublessee Transfer or otherwise), the obligations imposed upon Sublessee hereunder shall be joint and several as to all such parties.

28.5 **Non-Waiver.** All rights and remedies of Sublessor or Sublessee under this sublease shall be cumulative and in addition to, and not exclude, any other rights or remedies allowed by law or equity. No delay or omission or either party to exercise any right or power arising from any default shall impair any such right or power, or shall be construed to be waiver of any such default or any acquiescence therein. No waiver by either party shall be construed as a waiver of any preceding

or succeeding breach of the same or any other covenant or provision of this Sublease, nor shall the acceptance of Rent during any period in which Sublessee is in default in any respect, other than the payment of such Rent, be deemed to be a waiver of such default by Sublessor.

- 28.6 Captions.** The captions appearing herein are for convenience only, are not a part of this Sublease, and do not limit or amplify any terms or provisions herein. The terms and provisions hereof shall apply without regard to the number or gender of words and expressions used herein.
- 28.7 Entire Agreement.** This Sublease contains the entire understanding and agreement of the parties hereto with respect to all matters referred to herein, and all prior negotiations and understandings are superseded hereby and merged into this Sublease. No party hereto shall be liable or bound to any other party in any manner or by any agreement, warranty, representation or guarantee except as specifically set forth herein. This Sublease may be amended or modified only by a written instrument signed by the parties hereto.
- 28.8 Sublessor/Sublessee Relationship.** The relationship of the parties created by this Sublease shall be solely that of Sublessor and Sublessee and under no circumstances shall one party be considered as partner, joint venturer, or agent of the other.
- 28.9 INTEREST ON LATE PAYMENT- IS INTENTIONALLY DELETED.**
- 28.10 Attorneys' Fees and Costs.** In any legal action or proceeding brought by either party against the other arising out of this Sublease, the prevailing party shall be entitled to recover its taxable costs, other chargeable expenses and actual attorneys' fees in such legal action or proceeding (and such attorneys' fees shall be included in any judgment rendered, as determined by the Court, and not by a jury). If Sublessor is involuntarily and without cause made a party defendant to any legal action or proceeding involving Sublessee, Sublessee shall indemnify, defend and save Sublessor harmless from all liability by reason thereof, including actual attorneys' fees and all costs incurred by Sublessor.
- 28.11 Conditions Precedent to Recordation of Sublease.** Sublessee shall not record this Sublease (or any evidence or memorandum hereof) without Sublessor's prior written consent, and any such recordation without Sublessor's consent shall, at the option of Sublessor, constitute a non-curable default of Sublessee.
- 28.12 Authority of Non-Person Sublessee to Execute Sublease.** Each individual executing this Sublease on behalf of Sublessee represents and warrants that he is duly authorize to so execute and deliver this Sublease in accordance with a duly adopted and binding resolution or other corporate action of Sublessee, and that this Sublease is binding upon Sublessee in accordance with its terms, Sublessee shall, upon execution of this Sublease and as a condition of Sublessor's obligations hereunder, deliver to Sublessor a certified copy of such a resolution authorizing or ratifying the execution of this Sublease.
- 28.13 Authority of Sublessor to Execute Sublease.** Sublessor represents and warrants that this Sublease was duly authorized to be executed and delivered on behalf of Sublessor, and is binding upon Sublessor in accordance with its terms.
- 28.14 Submission of This Sublease.** Submission of this instrument for examination or signature by Sublessee does not constitute a reservation of or option for sublease, and shall not be effective as a sublease or otherwise, until fully executed by and delivered to both Sublessor and Sublessee.

28.15 Joint and Several Liability. If Sublessee consists of two or more persons, corporations or other entities, all agreements, covenants, representations and warranties of Sublessee herein are the joint and several obligations of the persons or entities constituting Sublessee. If Sublessee consists of a husband and wife, the obligations hereunder shall extend individually to the sole and separate property of each as well as to all of their community property. Notice given to any one of the individuals or entities constituting Sublessee shall be deemed as having been given to all such individuals or entities.

28.16 Negotiated Sublease. This Sublease is the result of negotiations between Sublessor and Sublessee and therefore the language contained in this Sublease shall be construed as a whole according to its fair meaning and not strictly for or against either Sublessor or Sublessee.

28.17 Hazardous Materials.

- (a) As used herein, the term "Hazardous Materials" means and includes any hazardous or toxic substance, material or waste which is or subsequently becomes regulated by any local or governmental authority, the State of Arizona or the United States, including, without limitation, any hazardous substances, hazardous material, pollutants, contaminants or regulated substances defined in or the purposes of, the Comprehensive Environmental Response Compensation and Liability Act, any applicable "Superfund" or "Superlien" law, Toxic Substances Control Act, the Solid Waste Disposal Act, the Clean Water Act or any other applicable law, statute, rule, regulation or ordinance, regulating, relating to or imposing liability for, or a standard of conduct concerning, any such materials, substances or waste ("Environmental Laws").
- (b) Sublessee shall exercise all due diligence in order to comply with any and all laws, regulations or orders with respect to the use, discharge, removal, and presence of any Hazardous Materials on or with respect to the Premises. Sublessee shall indemnify, defend and hold Sublessor harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities, losses, obligations, suits, taxes, charges and disbursements (including, without limitation, diminution in value of the Property, damages arising from any adverse impact on marketing the Property, and sums paid in settlement of claims, actual attorneys' fees, consultant fees and expert fees) which arise during or after the Term of this Sublease to the extent resulting from any failure by Sublessee, or any of Sublessee's officers, directors, employees, agents, licensees or invitees, to exercise all due diligence with respect to any and all Hazardous Materials. The foregoing indemnification includes, without limitation, costs incurred in connection with any investigation of site conditions or any clean up remedial or restoration work required by any federal, state or local governmental agency or political subdivision because of Hazardous Material to the extent caused or permitted by Sublessee to be present in the soil or groundwater on, in or under the Property.
- (c) Without limiting the generality of the foregoing, if Sublessee negligently or willfully fails to comply with any law, regulation or order with respect to Hazardous Material, Sublessee shall promptly take all action, at its sole expense, as may be necessary to return the Property to the condition existing prior to the occurrence of any such Hazardous Materials situation; provided that Sublessor's approval of such action shall first be obtained, not to be unreasonably withheld provided such action, in Sublessor's sole and absolute discretion, will not have any material and adverse effect on the Property.

- (d) Sublessee will, when requested by Sublessor, or any Ground Lessor or Mortgagee, provide a detailed for, and thereafter evidence of, compliance with Environmental Laws in connection with use and occupancy of the Property pursuant to this Sublease (a "Compliance Program"); provided, neither such request for, nor Sublessees' providing and complying with, a Compliance Program shall in any way be deemed to: (i) make Sublessor responsible for any such use or operation; (ii) affect, resublease or limit Sublessee's obligations under this Sublease, whether with respect to Environmental Laws or otherwise, or (iii) treat the Compliance Program as evidence of Sublessee's compliance with any Environmental Laws.
- (e) The indemnity, hold harmless and other obligations of Sublessee under this Section 28.17 shall survive the termination or expiration of this Sublease.

28.18 Exhibits. The following Exhibits are attached to and made a part of this Sublease: Exhibit "A" Premises Floor Plan; Exhibit "B" Property Site Plan; and Exhibit "C" Rules and Regulations. Wherever the word "Tenant" is used in the Rules and Regulations, it shall mean "Sublessee" and wherever the word "Landlord" is used in the Rules and Regulations, it shall mean "Sublessor."

28.19 Consents. Unless otherwise expressly provided in this Sublease, all requests, consents and approvals required to be processed by Sublessor or Sublessee at the request of the other shall not be unreasonably or untimely withheld.

IN WITNESS WHEREOF, the Parties hereto have executed this Sublease on the day and at the place first written above.

SUBLESSOR:

**City of Litchfield Park, an
Arizona municipal corporation**

By: _____
Thomas L. Schoaf, Mayor

ATTEST:

By: _____
Terri Roth, MMC, City Clerk

APPROVED AS TO FORM:

By: _____
Gust Rosenfeld, PLC, City Attorney
By: Joseph D. Estes

SUBLESSEE:

**Litchfield Park Historical Society, an
Arizona non-profit corporation**

By: _____
Nancy Schaefer, President

EXHIBIT "A" PREMISES FLOOR PLAN

La Loma Ranch House #5 (Aunt Mary's House)
13912 West Camelback Road Litchfield Park, Arizona 85340

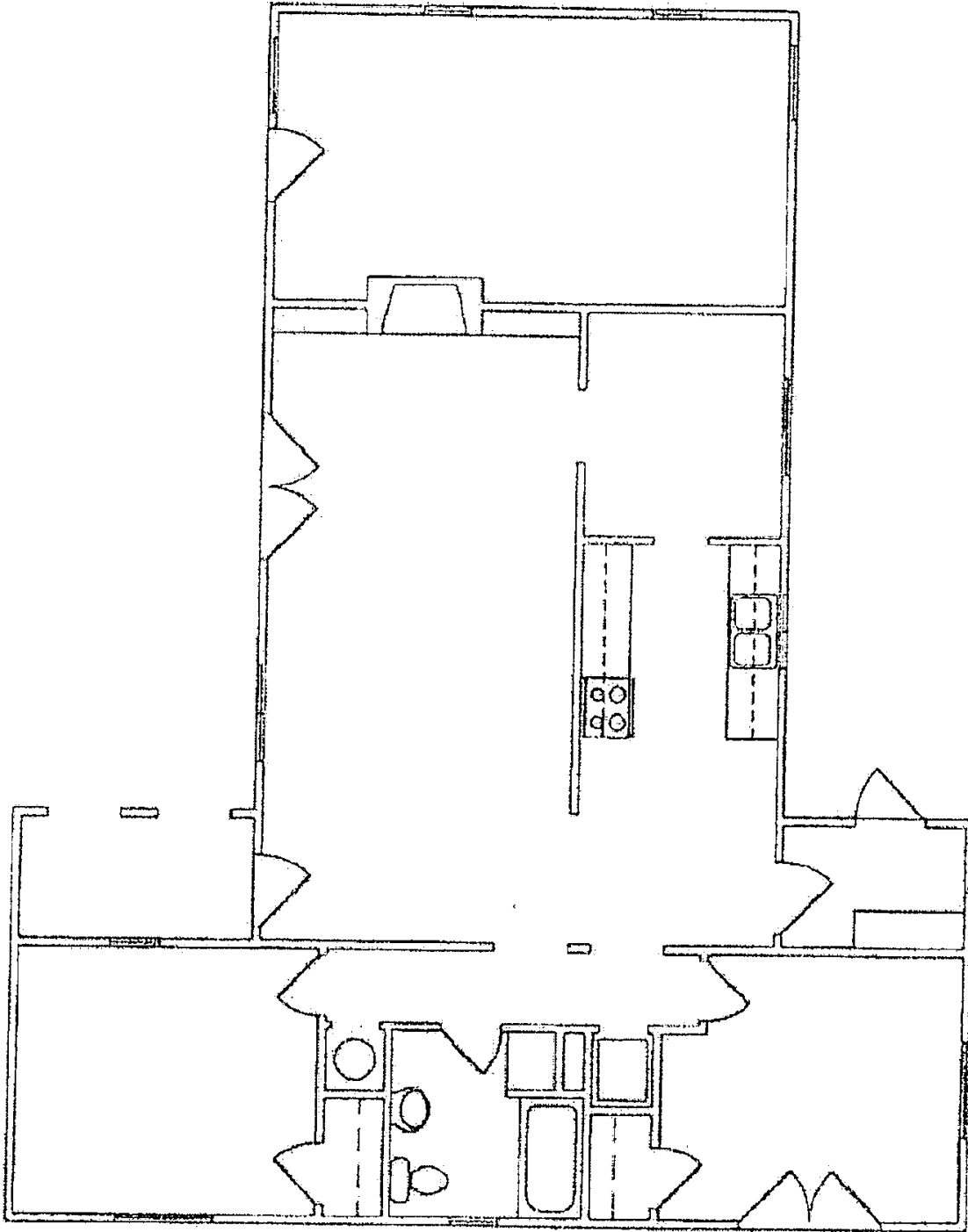


EXHIBIT "B"

PROPERTY SITE PLAN

La Loma Ranch House #5 (Aunt Mary's House)
13912 West Camelback Road Litchfield Park, Arizona 85340

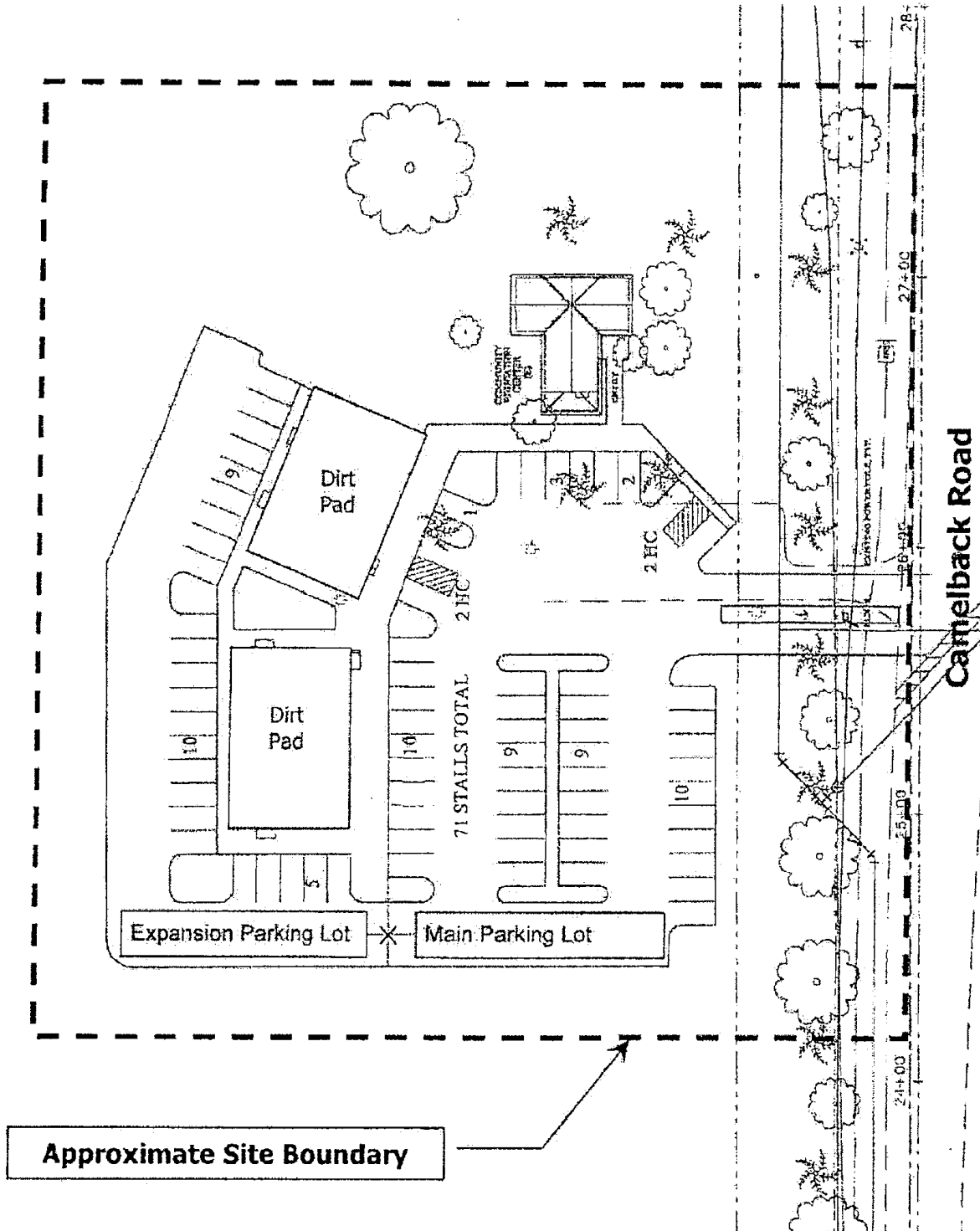


EXHIBIT "C"

RULES AND REGULATIONS

The following "Rules and Regulations" are hereby made a part of this Sublease (the "Lease"). All capitalized phrases are defined in the Lease. Tenant, its employees and agents, or any others permitted by Tenant to occupy or enter the Premises or Property (collectively, "Tenant's Visitors"), will at all times abide by these Rules and Regulations. A Default in the performance and observance of the Rules and Regulations shall operate the same as any Default under the Lease.

1. Signs, notices, advertisements, or other inscriptions shall not be placed upon any part of the Premises except where designated by Landlord, and then only by a sign writer approved in writing by Landlord or its property manager.
2. Tenant shall not do or permit anything to be done in the Premises, or bring anything therein, which will in any way increase the rate of insurance on the Premises or Property, or on property kept therein, or obstruct or interfere with the rights of other tenants, or in any way injure or annoy them, or conflict with the laws relating to fire, or with any regulations of the fire department or with any insurance policy upon the Property or any part thereof, or conflict with any of the applicable law, rules, regulations or ordinances of any governmental entity.
3. Tenant acknowledges that the laws, ordinances, rules and regulations governing proper waste management may be amended from time to time by City, State, County or Federal Government Agencies. The waste management company may change its policies and practices governing the disposal of waste from time to time. Notwithstanding these or any other changes in the rules, regulations, manner of handling or other manner affecting waste management, Tenant agrees to fully cooperate and abide by all of the foregoing as they may be amended or changed from time to time. If an individual Tenant wishes to handle its wastes in a manner which differs from that used by other tenants in the Premises, then Tenant shall submit a written description of the proposed manner of handling waste to Landlord for prior review and approval. Tenant shall pay all costs incurred in connection with the review of that proposal, including, but not limited to, legal fees, review by waste management agencies, etc. Failure to abide by a written directive from Landlord or its management company concerning the handling of waste material constitutes an immediate and dangerous Default of the terms of the Lease and is treated in the same fashion as a non-monetary breach under the terms of the Lease.
4. Water closets and other water fixtures shall not be used for any purpose other than that for which the same are intended. Any damage resulting to the same from misuse on the part of Tenant, or Tenant's Visitors shall be paid for by Tenant. No person shall waste water by tying back or wedging the faucets, or in any other manner interfering with the normal operation of any utility.
5. No animals are allowed in the offices, halls, corridors and elevators in the Premises except for assistive animals as may be required by State or Federal law.
6. No additional lock or locks shall be placed by Tenant on any door in the Premises without the prior written consent by Landlord. Landlord will furnish Tenant, free of charge, with two keys to the Leased Premises. Landlord may make a reasonable charge for any additional keys. Tenant shall not make or have made additional keys, and Tenant shall not alter any lock or install a new additional lock or bolt on any door or window of the Leased Premises. Tenant, upon termination of the Term, shall deliver to Landlord the keys which have been furnished to Tenant, and in the event of loss of any keys shall pay Landlord for the cost to replace keys. Additional keys, if requested, will be provided to Tenant, only by Landlord at Tenant's cost.
7. No awnings or other obstructions may be placed over the windows or doorways except with the prior written consent of Landlord.

8. If any tenant desires telegraphic, telephonic, computer, data processing or other electrical connections, Landlord or its agents will direct electricians as to where and how the wires may be introduced. It is the sole responsibility of Tenant to obtain and pay for such architectural, electrical, or other structural advice as may be necessary to persuade Landlord or its agents as to the wisdom of allowing boring, cutting or other interference in the structural members and/or walls of the Premises. It is Tenant's responsibility to obtain Landlord's prior consent to any boring, cutting or other intrusion into the structure. Tenant is responsible for all damages arising from installation or removal of any such items.

9. Without such directions, no boring or cutting for wires is permitted. Any such installation and connection will be made at Tenant's expense. No wires for electric or other purposes may be introduced nor will boring nor cutting of present wires be allowed without the written consent of Landlord and then only under his direction. Tenant shall remove all such installations at its expense and repair all damage in connection with the removal and repair of these items. Failure to promptly undertake these repairs may result in a loss of the Security Deposit and will also be considered as a Default under the terms of the Lease giving rise to the right of Landlord to sue for and recover damages for failure to make these repairs.

10. Except as permitted by Landlord, Tenant shall not mark upon, paint signs upon, cut, drill into, drive nails or screws into or in any way deface the walls, ceilings, partitions or floors of the Leased Premises or of the Premises. Any defacement, damage or injury caused by Tenant, its agents or employees, to the Premises shall be paid for by Tenant. Tenant may hang medical diplomas and other reasonable wall decorations from walls of its Leased Premises, but is responsible for the cost of repair of this damage upon expiration of the Lease Term.

11. Landlord shall at all times have the right to issue additional Rules and Regulations as in its judgment may from time to time be needed and desirable for the safety, care and cleanliness of the premises and for the preservation of good order thereon or for any other purpose deemed necessary by Landlord in its sole discretion.

12. Amended Rules and Regulations are effective upon receipt by Tenant.

13. Landlord will not be responsible to Tenant for any loss of property from the Leased Premises however occurring, provided, however, that if a loss of property is covered by Landlord's insurance and is not covered by Tenant's insurance, then Landlord will bear the loss but only to the extent of Landlord's available insurance proceeds.

14. Tenant agrees to comply with the Americans With Disabilities Act ("ADA") which became effective January 26, 1992. Tenant is responsible for compliance with the ADA for the Property at its cost. Any changes made by Tenant to comply with this law must be approved in writing and in advance by Landlord in accordance with the Lease. Approval by Landlord will not be withheld unreasonably. Tenant will indemnify, defend and hold Landlord harmless from all costs, claims or charges arising from Tenant's breach of its obligations under the Lease including, but not limited to, the ADA.

15. Within ten days after receipt, Tenant shall advise Landlord in writing, and provide Landlord with copies of (as applicable), any notices alleging violation of the Americans With Disabilities Act of 1990 ("ADA") relating to any portion of the Property or of the Leased Premises; any claims made or threatened in writing regarding noncompliance with the ADA and relating to any portion of the Property or of the Leased Premises; or any governmental or regulatory actions or investigations instituted or threatened regarding noncompliance with the ADA and relating to any portion of the Property or the Leased Premises.

16. Communication Device Installation Rule. Tenants may install one satellite or other communication dish ("Communication" or "Device") only to the extent Landlord is required by law to allow such Device and then only in conformance with these rules and regulations:

16.1 A Device may be installed only within the area defined in the Lease as Tenant's Leased Premises for Tenant's exclusive use. Devices may not be installed in the Common Areas or in the portions of the Premises owned by Landlord and not leased to any specific tenant, such as the roof, exterior wall, fire escape or other similar Premises elements. Tenant may install the Device entirely inside the Leased Premises. If Tenant's Lease Premises includes exclusive rights to use a patio balcony, or other exterior space, then the Device may be installed in that area.

16.2 The Device must be professionally installed by a licensed contractor subject to Landlord's prior written approval.

16.3 The Device may not be larger than one meter (three feet, three inches) in diameter measured across its widest part.

16.4 The Device must be securely mounted and may not extend beyond the edge of the Premises and must be mounted so that it cannot become dislodged and must be installed strictly in accordance with the manufacturer's installation instructions. It may not extend beyond the edge of the Premises set back or balcony railing. The Device may not hang out of a window.

16.5 Tenant's installation must not damage either the Leased Premises or any other area of the Premises. Tenant's contractor may neither drill holes nor use nails nor screws in railings or exterior walls nor in any other location where holes might impair the Premises weather proofing, where there is a risk of striking electrical or water lines, or where there would be any other damage to the Premises.

16.6 Tenant is liable for all injuries or damages to persons or property caused by, or arising from, the installation or use of the Device. Prior to installing the Device and annually thereafter during the Term of the Lease, Tenant must provide Landlord with written proof of appropriate insurance coverage for all injuries or damage arising from the installation or use of the Device. Tenant is Installing and operating the Device at its own risk.

17. Tenant's failure provide Landlord with proof of insurance on an annual basis is a breach of the Lease.

18. Any provision of these Rules and Regulations which is contrary to law shall be deleted so that the remaining Rules and Regulations may be preserved and enforced.

SUBLESSOR:

City of Litchfield Park

By: _____
Thomas L. Schoaf, Mayor

Date: _____

SUBLESSEE:

Litchfield Park Historical Society

By: _____
Nancy Schaefer, President

Date: _____