

**CITY CLERK
ORIGINAL**

**C-9268
10/14/2014**

**GLENDALE MUNICIPAL AIRPORT
RESTAURANT LEASE AGREEMENT**

This Lease Agreement (“this Lease”) is between the City of Glendale, an Arizona municipal corporation (the “City”), and Something Special Events LLC, an Arizona limited liability company (“Lessee”).

WHEREAS, the City is the owner of the Glendale Municipal Airport located at 6801 North Glen Harbor Blvd. (the “Airport”) and the Terminal Building located at that site; and

WHEREAS, the City desires to lease to Lessee, in connection with Lessee’s operations, certain areas of the Terminal Building; and

WHEREAS, Lessee desires to lease or otherwise secure from the City certain areas, facilities, rights, licenses, services and privileges at the Airport, on the terms and conditions specified below.

THEREFORE, in consideration of the following mutual covenants and conditions, the parties hereby agree as follows:

1. LEASE; PRIVILEGES; RESTRICTIONS.

- A. The City hereby leases to Lessee approximately 1729 square feet of restaurant space and a patio dining area of approximately 512 sq. ft. located within the existing Airport Terminal Building as shown and designated as Suite 104 on Exhibit A (the “Property”).
- B. The City grants to Lessee the following privileges, uses and rights:
 - 1. The general use of all public facilities and improvements which are now or may hereafter be constructed at the Airport, including the runways, approach areas, taxiways and navigational aids.
 - 2. The right of ingress and egress from the Property over and across designated Airport property and the public roadways serving the Airport, and the public parking areas, to be utilized by the Lessee, its agents, employees and invitees.
 - 3. In addition to said general privileges, uses and rights, the City hereby grants to Lessee the right to engage in the business of a full service restaurant from the leased premises, subject to the conditions and covenants hereinafter set forth. The leased premises shall be used for no purpose other than the operation of a full service restaurant and catering business.
- C. All rights granted to Lessee under this Lease are non-exclusive. The City may, in

its sole discretion and at any time, permit third parties to conduct any and all business activities at the Airport which the City deems appropriate, or conduct such activities itself, provided that such activities do not require the use of the Property.

- D. Lessee is required to operate its restaurant seven days per week, from 6:30 A.M. until 2:30 P.M., every week, legal holidays excluded, unless Lessee obtains permission from the Airport Administrator not to remain open every day. Lessee's restaurant shall be open to the public during normal breakfast, lunch and optional dinner hours.

2. TERM.

- A. Lessee's lease on the premise is for five (5) years, commencing on October 15, 2014, or the date the City executes the Lease, and expires on October 15, 2019, unless sooner terminated pursuant to the provisions of this agreement.
- B. Lessee may renew this agreement five (5) times each for a two-year period, subject to the same terms and conditions set forth herein, provided that the Lessee is not in default of its obligations at the time of renewal or on more than one occasion during the term of this Agreement, and the Lessee and the City agree upon the rent for the premises during the extension period.

3. RENT.

- A. As rent for its right to use the Property, Lessee shall pay, without notice and free from all claims, deductions and setoffs against the City, the following amounts:

Eight Hundred Dollars (\$800) per month.

- B. Lessee's base rent shall be due in advance on or before the first day of each calendar month.
- C. If Lessee fails to pay any rent in full on or before the due date, Lessee shall be responsible for interest on the unpaid principal balance at the rate of 18% per annum from the due date until payment in full is made.

4. BOOKS AND RECORDS.

At all times during the term of this Lease, Lessee shall keep, in accordance with generally accepted accounting principles, separate and accurate records of Lessee's gross revenues, showing in detail all business transacted on or from the leased premises. The City shall have the right to inspect and copy the books and records of Lessee with respect to Lessee's operations under this Lease at any time during normal business hours. Information acquired by the City concerning Lessee's financial records shall not be made public except as required by law.

Lessee shall maintain all such books and records at a mutually agreeable location in the

City.

5. EQUIPMENT.

The City shall supply for Lessee's use, the equipment, furnishings and supplies listed in Exhibit B, attached hereto. Lessee shall have the exclusive right to use the listed property in its operations of the leased premises during the term of this Lease. Such property shall remain the property of the City and shall not be removed from the leased premises without the written permission of the Airport Administrator. Lessee shall be responsible for all repairs, maintenance and replacement of such property and shall return such property (or replacements thereof) to the City at the termination of this Lease in as good a condition as such property was in at the start of this Lease, normal wear and tear expected. All replacement property must be purchased by the Lessee and may not be leased by the Lessee. Lessee shall supply all other equipment, furnishings and supplies, which Lessee deems necessary to operate its business, at its sole expense.

6. UTILITIES.

Monthly sewer and garbage service is provided by the City. Lessee shall be responsible for electricity, gas, and telephones, and water. The City will separately meter electricity and gas and bill Lessee for such utilities provided indirectly to Lessee through the City's metering (the parties acknowledge that the gas submeter is not yet installed, and that until the submeter is installed Lessee will pay Four Hundred Fifteen Dollars (\$415) per month for gas). With respect to water, City will bill Lessee for the difference between the average water bill during the six month period preceding the execution of this Lease when the Property was unoccupied (the "Unoccupied Period") and the monthly water bill received following execution of this Lease. The average monthly water bill during the Unoccupied Period was Forty Dollars and Ninety-Eight Cents (\$40.98). Lessee is solely responsible for its telephone service. Lessee shall pay all utility charges billed directly to it by third parties before such charges are delinquent, and Lessee shall pay all billings from the City within fifteen (15) days of receipt of the City's bills. If Lessee fails to pay utility bills due to the City on or before the due date, Lessee shall be responsible for interest on the unpaid principal balance at the rate of 18% per annum from the due date until payment in full is made, and may be subject to default of this agreement. Lessee is encouraged to recycle materials and use the containers provided on the south side of the terminal building. Lessee is responsible for all on-premises janitorial and maintenance services, including routine service of the kitchen evaporative cooling units, fire suppression and hood system, and sanitary sewer system (grease trap).

7. IMPROVEMENTS.

A. Lessee shall make no additional improvements or modifications to the leased premises without the prior written consent of the City. Before commencing improvements or modifications, Lessee shall submit detailed construction plans

and specifications to the City and upon completion of any improvements or modifications, Lessee shall furnish to the City two complete sets of detailed plans and specifications of the work as completed. Prior to the start of any construction, improvements or modifications to the leased premises, Lessee shall secure all applicable building permits and approvals from the City. In addition, Lessee shall furnish any additional information concerning any proposed improvements or modifications which the City may deem necessary with regard to the safety of the leased premises and/or compatibility with the general use of the Airport.

B. The City may require modifications to the leased premises necessary for the safety of air navigation. If any improvements or modifications to the leased premises made by Lessee should interfere with any FAA navigational aid, Lessee shall be responsible for removing the interference at its sole cost. All improvements and modifications made by Lessee shall be constructed in a good, workmanlike manner and must comply with applicable City ordinances and building codes.

C. Lessee shall keep the leased premises and all improvements thereon free of any mechanic's or materialmen's liens or liens of any kind or nature for any work done, labor performed or material furnished on or to the leased premises. If any such lien is filed, Lessee shall, at its sole cost, cause such lien to be removed from the leased premises within thirty days (30) of notice thereof.

D. Lessee shall begin construction of any improvements and modifications to the leased premises within a reasonable period of time following the City's approval and, if necessary, the issuance of a building permit for the construction. Lessee shall diligently pursue construction of the improvements or modifications and shall complete construction in accordance with the schedule for completion to be agreed upon by the City. All improvements and modifications made by Lessee which become fixtures to the leased premises shall become the property of the City, at no cost to the City, upon the expiration or termination of this Lease, free of any security interest or claims of any kind from or through Lessee. If Lessee is not in default of any of its obligations under this Lease and can remove any of its trade fixtures at its own expense without materially damaging the leased premises, Lessee may remove such fixtures at the termination or expiration of this lease.

8. LEASE PERFORMANCE BOND.

In addition to any other bond required by this Lease, Lessee shall, no later than thirty (30) days from the effective date of this Lease, provide the City with a cash deposit, certified check or performance bond in the amount of \$30,000.00. The performance bond shall be

conditioned upon Lessee's faithful performance of all of its obligations under this Lease. The bond shall include a provision allowing the prevailing party in any litigation or arbitration on such bond to recover as part of its judgment or award such party's reasonable attorney's fees incurred in the litigation or arbitration. The bond shall be executed by a surety company duly authorized to do business in Arizona and acceptable to the City's Risk Manager.

9. ACCEPTANCE; MAINTENANCE; REPAIRS.

- A. Lessee warrants that it has inspected the Property and accepts possession of the Property and the improvements thereon "as is" in its present condition, and subject to all limitations imposed upon the use thereof by the rules and regulations of the F.A.A. and by ordinances of the City, and Lessee acknowledges the suitability and sufficiency of the Property for the uses permitted hereunder. Except as may otherwise be specifically provided for herein, the City shall not be required to maintain or to make any improvements, repairs or restorations upon or to the Property or to any of the improvements presently located thereon. Under no circumstances shall the City have any obligation to repair, maintain or restore any improvements placed upon the Property by Lessee.
- B. Lessee shall be solely responsible, at its cost, for all repairs and maintenance whatsoever on the Property and shall maintain all improvements thereon in a good workmanlike manner, whether such repair or maintenance be ordinary or extraordinary. Additionally, Lessee, without limiting the generality hereof, shall:
 - 1. Keep at all times, in a clean and orderly condition and appearance, the Property, all improvements thereon and all of Lessee's fixtures, equipment and personal property which are located on any part of the Property. Lessee shall be responsible for all janitorial services on the Property;
 - 2. Be responsible for the maintenance and repair of all existing utility services lines or lines subsequently placed on the Property and used by Lessee exclusively; and
 - 3. Repair any damage caused by Lessee, or its agents, employees, customers, or invitees, to the Airport caused by any hazardous materials, including oil, gasoline, grease, lubricants or other flammable liquids and substances having a corrosive or detrimental effect thereon.
- C. If Lessee fails to maintain, clean, repair, replace, rebuild or repaint within a period of thirty (30) days after written notice from the City to do any maintenance or repair work required to be done by Lessee, the City may terminate this Lease or, at its option, enter the Property, without such entering causing or constituting a

termination of this Lease or any interference with the possession of the Property, and repair, replace, rebuild or paint any part of the Property or the improvements thereon, and do all things reasonably necessary to accomplish the work required. All costs thereof shall be payable on demand to the City by Lessee. If in the opinion of the City, Lessee's failure to perform any such maintenance endangers the safety of the public, the employees or property of the City or other tenants at the Airport, the City may, in its sole discretion, elect to perform such maintenance at any time after the giving of such notice.

Lessee shall pay on demand to the City all costs of such work. If the City, its officers, employees or agents undertake any work hereunder, Lessee hereby waives any claim for damages, consequential or otherwise, resulting there from except for claims for damages arising from the City's sole negligence. The foregoing shall in no way affect or alter the primary obligations of the Lessee as set forth in this Lease and shall not impose upon the City any obligations unless stated otherwise herein.

10. ADDITIONAL OBLIGATIONS OF LESSEE.

- A. Lessee shall at all times employ and designate a manager to supervise and manage its operations hereunder. Lessee shall employ a sufficient number of trained personnel on duty to provide for the efficient and proper compliance with its obligations under this Lease. Upon request of the Airport Administrator, Lessee shall provide, and its employees shall wear or carry, badges or other suitable means of identification.
- B. Lessee shall conduct its operations hereunder in an orderly and proper manner, considering the nature of such operation, so as not to unreasonably annoy, disturb, endanger or be offensive to others. Lessee shall take all reasonable measures:
 - 1. Not to produce on the Airport any disturbance that interferes with the operation by the City or the F.A.A., of air navigational, communication or flight equipment on the Airport.
 - 2. To reduce to a minimum vibrations tending to damage any equipment, structure or building.
- C. Lessee shall control the conduct and demeanor of its officers, agents, employees, customers, or invitees, and upon objection from the City concerning the conduct or demeanor of any such person, Lessee shall immediately take all lawful steps necessary to remove the cause of the objection.
- D. Lessee shall comply with all written instructions of the City in disposing of its trash and refuse and shall use a system of refuse disposal and recycling approved by the City.
- E. Lessee shall not commit nor permit to be done anything which may result in the

commission of a nuisance, waste or injury on the Property.

- F. Lessee shall not do, nor permit to be done, anything which may interfere with the effectiveness or accessibility of the drainage system, sewerage system, fire protection system, sprinkler system, alarm system and fire hydrants and hoses, if any, installed or located on the Property.
- G. Lessee shall take measures to ensure security in accordance with generally accepted security procedures.
- H. Lessee shall not do, nor permit to be done, any act or thing upon the Property:
 - 1. Which may constitute a hazardous condition so as to increase the risks attendant upon the operations permitted by this Lease; or
 - 2. Which will invalidate or conflict with any fire insurance policies or regulations, Uniform Fire Code, N.F.P.A. Standard No. 409 for operation of aircraft, and other provisions as applicable to the Property or other contiguous premises at the Airport.
- I. Lessee shall at all times employ and designate an on-site manager to supervise and manage its operations hereunder. Lessee shall employ a sufficient number of trained personnel on duty to provide for the efficient and proper compliance with its obligations under this Lease. Upon request of the Airport Administrator, Lessee shall provide and its employees shall wear or carry, badges or suitable means of identification.
- J. Lessee shall not overload any floor, structure or structural member on the Property, or any paved area on the Airport. Lessee will pay the City for any repairs required due to Lessee's negligence.
- L. Lessee shall maintain a 100% percent rating with the Maricopa County Health Department. Lessee shall file each Maricopa County Health Department inspection report with Airport Administrator within five (5) days after Lessee's receipt of the same. If Lessee receives an inspection report of less than 100% percent, Lessee shall remedy the defects noted by the Maricopa County Health Department within fourteen (14) days after Lessee's receipt of such report.

11. ASSIGNMENT AND SUBLETTING.

Lessee shall not assign or sublease any of its interest under this Lease, nor permit any other person to occupy the Property without the prior written consent of the City, such consent not to be unreasonably withheld. The City may, as a condition of approval, require that any potential transferee submit biographical and financial information to the City at least thirty days prior to any transfer of Lessee's interest.

12. ADVERTISING SIGNS.

Lessee may install on the Property, subject to the City's sign ordinance, signs identifying its business. The number, general type, size and location of signs must be approved in writing by the Airport Administrator and City Planning Department prior to installation.

13. INGRESS AND EGRESS.

In accordance with the Airport Rules and Regulations, the City may, at any time, temporarily or permanently, close or consent to or request the closing of, any roadway or taxiway at the Airport and any other way at, in or near the Property presently or hereafter used as such, so long as a reasonable means of ingress and egress remain available to Lessee. Lessee hereby releases and discharges the City, its officers, employees and agents, and all other governmental authorities from all claims, demands, or causes of action which Lessee may at any time have against any of the foregoing, arising out of the closing of any roadway or other area, provided that a reasonable means of access to the Property remain available to Lessee. Lessee shall not do or permit anything to be done, which will interfere with the free access and passage of others to space adjacent to the Property or to any roadways near the Property.

14. DEFAULT; TERMINATION BY CITY.

A The City may terminate this Lease by giving Lessee thirty (30) days written notice after the happening of any of the following events:

1. The failure of Lessee to perform any of its obligations under this Lease, provided that Lessee fails to cure any default within said 30-day notice period;
2. The filing of any lien against the Property because of any act or omission of Lessee which is not discharged within thirty (30) days of receipt of actual notice by Lessee.

B. The City may place Lessee in default of this Lease by giving Lessee 10 days written notice of Lessee's failure to timely pay the rent provided for in this Lease or any other charges required to be paid by Lessee pursuant to this Lease. During said 10-day notice period, Lessee shall cure said default; otherwise, the City may elect to terminate this Lease or do any of the following:

1. Institute action(s) to enforce this Lease;
2. Take possession of the Property, together with improvements, fixtures, and equipment therein contained without terminating this Lease, and on behalf of

Lessee relet the same or any part thereof for a term, shorter, longer, or equal to the then unexpired remainder of the Lease term. The City may at any time after taking possession terminate this Lease by giving notice to Lessee and sue for damages;

3. Terminate this Lease, without further notice to Lessee, re-enter the Property and recover damages, including but not limited to, all costs of repossession and reletting and brokerage commissions for services performed by or for the City;
 4. Exercise the "Remedies of Landlord" as set forth in Arizona Revised Statutes, Title 33;
 5. Exercise any other remedy allowed by law or equity.
- C. The City may terminate this Lease immediately, upon written notice to Lessee, if Lessee abandons its operations at the Airport. For purposes of this Lease, Lessee shall be conclusively deemed to have abandoned its operations at any time that Lessee fails to offer or provide authorized services for a period of ten (10) consecutive days without the written consent of the Airport Administrator.
- D. If Lessee at any time fails to maintain all insurance coverage required by this Lease, the City shall have the right, upon written notice to Lessee, to immediately terminate this Lease or to secure the required insurance at Lessee's expense.
- E. Upon the termination of this Lease for any reason, all rights of Lessee shall terminate, including all rights of Lessee's creditors, trustees, and assigns, and all others similarly situated as to the Property.
- F. Failure by the City to take any authorized action upon default by Lessee of any of its obligations hereunder shall not constitute a waiver of said default nor of any subsequent default by Lessee. Acceptance of rent and other fees by the City under the terms hereof for any period after a default by Lessee of any of its obligations shall not be deemed a waiver or estoppel of the City's right to terminate this Lease for any subsequent failure by Lessee to comply with its obligations.

15. TERMINATION BY LESSEE.

Lessee may terminate this Lease at any time that it is not in default in its obligations by giving the City thirty (30) days written notice after the happening of any of the following events:

- A. Issuance by a court of competent jurisdiction of an injunction in any way preventing or restraining Lessee's use of any substantial portion of the Property and the remaining in force of such injunction for a period of thirty (30) consecutive days.

- B. The inability of Lessee to use any substantial portion of the Property for a period of thirty (30) days, due to the enactment or enforcement of any law or regulation or because of fire, earthquake or similar casualty, or Acts of God or the public enemy.
- C. The lawful assumption by the United states Government of the operation, control or use of the Airport or any substantial part of it for military purposes in time of war or national emergency.

16. INDEMNIFICATION.

Lessee shall defend, indemnify and hold harmless the City and its elected or appointed officials, agents, boards, commissions and employees (hereinafter referred to collectively as the "City" in this Section) from all loss, damages or claims of whatever nature, including attorney's fees, expert witness fees and costs of litigation, which arise out of any act or omission of Lessee or its agents, employees, customers, and invitees (hereinafter referred to collectively as "Lessee" in this Section) in connection with Lessee's operations at the Airport and which result directly or indirectly in the injury to or death of any persons or the damage to or loss of any property, or arising out of the failure of Lessee to comply with any provisions of this Lease. The City shall in all instances, except for loss, damages or claims resulting from the sole negligence of the City, be indemnified by Lessee against all such loss, damages or claims, regardless of whether the loss, damages or claims are caused in part by the negligence, gross negligence or fault of the City. The City shall give Lessee prompt notice of any claim made or suit instituted which may subject Lessee to liability under this Section, and Lessee shall have the right to compromise and defend the same to the extent of its own interest. The City shall have the right, but not the duty, to participate in the defense of any claim or litigation with attorneys of the City's selection without relieving Lessee of any obligations hereunder. Lessee's obligations hereunder shall survive any termination of this Lease or Lessee's activities at the Airport.

17. INSURANCE.

Lessee shall procure and at all times maintain the proper insurance that relates to its operations from the Property. :

- A. Comprehensive general public liability and property damage insurance in the amount of \$500,000 per person and \$1,000,000 combined single limit per occurrence.
- B. Comprehensive automobile liability insurance for all owned, non-owned and leased vehicles in the amount of \$500,000 per person and \$1,000,000 combined single limit for bodily injury and property damage per occurrence.
- C. Worker's compensation and employer's liability coverage in the amounts required by law.

- D. Such other insurance as the City's Risk Manager determines to be necessary for Lessee's operations.

Such insurance shall be in a form satisfactory to and from a company acceptable to the City's Risk Manager, shall name the City as an additional insured and shall require 30 days' written notice to the City before modification or termination. The insurance must also include contractual liability coverage for the obligation of indemnity assumed in this Lease.

18. QUIET ENJOYMENT.

So long as Lessee shall timely pay the rent required under this Lease and perform all of its other obligations under this Lease, Lessee shall peaceably have and enjoy the exclusive use of the Property and all the privileges granted herein for use of the Airport.

19. DAMAGE OR DESTRUCTION.

- A. If the Property or any improvements thereon, insurable or uninsurable, are damaged or destroyed (except damage or destruction caused by Lessee as set forth in Subsection C) to such an extent Lessee is prevented from continuing operations, the City shall have the option of repairing or reconstructing the Property and improvements substantially as they were immediately prior to such casualty, or in a new or modified design, or to terminate this Lease by written notice to Lessee. If the City elects not to repair or reconstruct the Property, Lessee may terminate this Lease by written notice to the City.

If the City elects to repair or reconstruct as set forth above, the rent provided for herein shall be fully abated during the period from the date of such damage or destruction until the same is repaired or reconstructed. Such abatement shall not exceed the actual time required for arranging for and the doing of such work. The City shall have no obligation to repair or rebuild any fixtures, equipment or other personal property installed by Lessee pursuant to this Lease, whether damage or destruction to the Property is partial or entire.

- B. If damage or destruction to the Property (except damage or destruction caused by Lessee as set forth in Subsection C) is partial and does not prevent Lessee from continuing operations, the City shall promptly commence repairing such partial damage and complete the same with diligence. To the extent that such partial damage is covered by any of Lessee's insurance, Lessee shall reimburse the City for its costs of repair or replacement. If the insurance proceeds exceed the City's costs of repair or replacement, Lessee shall retain the excess.

- C If the improvements on the Property are damaged or destroyed by fire or any cause whatsoever attributable in whole or in part to any act or omission of Lessee or its agents, employees or invitees, Subsections A and B shall not apply and this Lease shall continue in full force and effect. Lessee shall promptly repair or rebuild the

improvements so damaged or destroyed, at Lessee's own cost, in a good workmanlike manner to the same standards existing at the time of the casualty, subject to applicable building codes existing at the time of repair or rebuilding.

Upon the failure of Lessee to promptly repair or rebuild, the City may repair or rebuild the damaged or destroyed improvements, and Lessee shall reimburse the City, on demand, for all costs of such work.

- D. There shall be no obligation on the part of the City to reimburse Lessee for the loss or damage to fixtures, equipment or other personal property of Lessee. Lessee, for its own protection, may separately insure such fixtures, equipment or other personal property as it so desires.

20. SURRENDER OF POSSESSION.

Upon the expiration or termination of this Lease, Lessee's right to occupy the Property and exercise the privileges and rights herein granted shall cease, and it shall surrender the same and leave the Property in good condition, normal wear and tear excepted. Unless otherwise provided herein, all trade fixtures, equipment, and other personal property installed or placed by Lessee on the Property shall remain the property of Lessee, and Lessee shall have the right at any time during the term of this Lease, and for an additional period of ten (10) days after its expiration, to remove the same from the Property; provided that Lessee is not in default of any of its obligations hereunder and that Lessee shall repair, at its sole cost, any damage caused by such removal. Any property not removed by Lessee within said 10-day period shall become a part of the Property, and ownership thereto shall vest in the City.

21. NOTICE.

All notices required or permitted to be given under this Lease may be personally delivered or mailed by certified mail, return receipt requested, postage prepaid, to the following addresses:

TO THE CITY: City of Glendale
 Attention: Airport Administrator
 6801 N Glen Harbor Blvd., #201
 Glendale, Arizona 85307

TO LESSEE: Something Special Events, LLC
 Attention:
 Michelle Robinson
 7311 E. Evans Rd.
 Scottsdale AZ 85260

Any notice given by certified mail shall be deemed to be received on the next business day after the date of mailing. Either party may designate in writing a different address for notice purposes pursuant to this Section.

22. SEVERABILITY.

Should any provision of this Lease be declared invalid by a court of competent jurisdiction, the remaining terms shall remain effective, provided that elimination of the invalid provision does not materially prejudice either party with regard to its respective rights and obligations.

23. TAXES AND LICENSES.

A Lessee shall pay any leasehold tax, possessory interest tax, sales tax, personal property tax, transaction privilege tax or other exaction assessed or assessable as a result of its occupancy of the Property or conduct of business at the Airport under authority of this Lease, including any such tax assessable on the City. In the event that laws or judicial decisions result in the imposition of a real property tax on the interest of the City, such tax shall also be paid by Lessee for the period this Lease is in effect.

B. Lessee shall, at its own cost, obtain and maintain in full force and effect during the term of this Lease all licenses and permits required for the operations authorized by this Lease.

24. LITIGATION.

This Lease shall be governed by the laws of the State of Arizona. In the event of any litigation or arbitration between the City and Lessee arising under this Lease, the successful party shall be entitled to recover its attorney's fees, expert witness fees and other costs incurred in connection with such litigation or arbitration. Both parties hereby waive any right to a jury trial which they may otherwise have in the event of litigation arising under this Lease and consent to a trial to the court.

25. RULES AND REGULATIONS.

Lessee shall at all times comply with all federal, state and local laws, ordinances, rules and regulations which are applicable to its operations, the Property (including the Americans with Disabilities Act), or the operation, management, maintenance or administration of the Airport, including all laws, ordinances, rules and regulations adopted after the effective date of this Lease. Lessee shall display to the City, upon request, any permits, licenses, or other evidence of compliance with such laws. All rules and regulations and minimum operating standards for the Airport, as currently existing or as may be amended or adopted, are hereby incorporated in this Lease.

26. RIGHT OF ENTRY RESERVED.

- A. The City shall have the right at all reasonable times to enter upon the Property for any lawful purpose, provided such action does not unreasonably interfere with Lessee's use, occupancy or security of the Property.
- B. Without limiting the generality of the foregoing, the City and any furnisher of utilities and other services shall have the right, at its own cost, whether for its own benefit or for the benefit of others at the Airport, to maintain existing and future utility, mechanical, electrical and other systems and to enter upon the Property at all reasonable times to make such repairs, replacements or alterations thereto which may, in the opinion of the City, be deemed necessary or advisable and from time to time to construct or install over, in or under the Property such systems or parts thereof and, in connection with such maintenance, use the Property for access to other parts of the Airport otherwise not conveniently accessible; provided that in the exercise of such right of access, repair, alteration or new construction, the City shall not unreasonably interfere with the actual use and occupancy of the Property by Lessee.
- C. If any personal property of Lessee shall obstruct the access of the City or any utility company furnishing utility service to any of the existing utility, mechanical, electrical or other systems, thus interfering with the inspection, maintenance or repair of any such system, Lessee shall move such property, as directed by the City or utility company, in order that access may be had to the system for inspection, maintenance or repair. If Lessee fails to move such property after direction from the City or utility company to do so, the City or the utility company may move it, and Lessee shall pay on demand the cost of such moving. Lessee hereby waives any claim for damages as a result therefrom, except for claims for damages arising from the City's sole negligence.
- D. Exercise of any or all of the foregoing rights by the City or others pursuant to the City's rights shall not constitute an eviction of Lessee, nor be made the grounds for any abatement of rent or any claim for damages.

27. F.A.A. REQUIRED PROVISIONS.

- A. Lessee shall, in the event facilities are constructed, maintained or otherwise operated on the Property for a purpose for which a D.O.T. program or activity is extended or for another purpose involving the provision of similar services or benefits, maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations ("C.F.R."), D.O.T., Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and any amendments thereto.
- B. Lessee agrees that: (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of or be otherwise subjected to discrimination in the use of the Property;

- C. (2) in the construction of any improvements on, over or under the Property and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of or otherwise be subject to discrimination; and
(3) Lessee shall use the Property in compliance with all other requirements imposed by or pursuant to Title 49, C.F.R., D.O.T., Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and any amendments thereto.
- D. In the event of breach of any of the above nondiscrimination covenants, the City shall have the right to terminate this Lease and to reenter and repossess the Property and hold the same as if this Lease had never been made or issued. This provision does not become effective until the procedures of 49 C.F.R. Part 21 are followed and completed including expiration of appeal rights.
- E. Lessee shall furnish its accommodations and/or services on a fair, equal and not unjustly discriminatory basis to all users thereof and it shall charge fair, reasonable and not unjustly discriminatory prices for each unit or device; provided that Lessee may be allowed to make reasonable and nondiscriminatory discounts, rebates or other similar types of price reductions to volume purchasers.
- F. Non-compliance with Subsection D shall constitute a material breach thereof, and in the event of such non-compliance, the City shall have the right to terminate this Lease without liability therefore, or, at the election of the City or the United States, either shall have the right to judicially enforce Subsection D.
- G. Lessee shall insert the above five provisions in any lease by which Lessee grants a right or privilege to any person, firm or corporation to render accommodations and/or services to the public on the Property.
- H. Lessee shall undertake an affirmative action program as required by 14 C.F.R. Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, national origin or sex be excluded from participating in any employment activities covered in 14 C.F.R. Part 152, Subpart E. Lessee agrees that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this Subsection. Lessee shall require its covered sub-organizations to provide assurances to Lessee that they similarly will undertake affirmative action programs and that they will require assurances from their sub-organizations, as required by 14 C.F.R. 152, Subpart E, to the same effect.
- I. The City reserves the right to further develop or improve the Airport as it sees fit, regardless of the desires or view of Lessee, and without interference or hindrance.
- J. The City reserves the right, but shall not be obligated to Lessee, to maintain and keep in repair the landing area of the Airport and all publicly-owned facilities of the Airport, together with the right to direct and control all activities of Lessee in this regard.

- K. This Lease shall be subordinate to the provisions and requirements of any existing or future agreement between the City and the United States relative to the development, operation or maintenance of the Airport.
- L. There is hereby reserved to the City, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the Property. This public right of flight shall include the right to cause in said airspace any noise inherent in the operation of any aircraft used for navigation or flight through said airspace or landing at, taking off from or operation on the Airport.
- M. Lessee shall comply with the notification and review requirements covered in Federal Aviation Regulations (“F.A.R.”) Part 77 in the event future construction of a building is planned for the Property, or in the event of any planned modification or alteration of any present or future building or structure situated on the Property.
- N. Lessee shall not erect nor permit the erection of any structure or object, nor permit the growth of any tree on the Property that exceeds the mean sea level elevations contained in F.A.R. Part 77 or amendments thereto, or interferes with the runway and/or taxiway “line of sight” of the control tower. If these covenants are breached, the City reserves the right to enter upon the Property and to remove the offending structure or object and cut the offending tree, all of which shall be at the expense of Lessee.
- O. Lessee shall not make use of the Property in any manner which might interfere with the landing and taking off of aircraft from the Airport or otherwise constitute a hazard. If this covenant is breached, the City reserves the right to enter upon the Property and cause the abatement of such interference at the expense of Lessee.
- P. Nothing in this Lease shall be construed to grant or authorize the granting of any exclusive right within the meaning of Section 308a of the Federal Aviation Act of 1985 (49 U.S.C. 1349a).

28. SURVIVAL OF LESSEE’S OBLIGATIONS.

If this Lease is terminated by the City in accordance with the provisions herein or if the City reenters or resumes possession of the Property as provided herein, all of Lessee’s obligations under this Lease shall survive such termination, re-entry or resumption of possession and shall remain in full force and effect for the full term of this Lease, and the amounts of damages or deficiencies shall become due and payable to the City to the same extent, at the same times, and in the same manner as if no termination, re-entry or resumption of possession had taken place. The City may, at its option and at any time, sue to recover the full deficiency for the entire unexpired term of this Lease. The amount of damages for the period of time subsequent to termination (or re-entry or resumption of possession) shall include all expenses incurred by the City in connection with regaining possession, restoring the Property, acquiring a new lease for the Property, putting the Property in order, maintenance and brokerage fees.

29. REMEDIES TO BE NONEXCLUSIVE.

All remedies provided in this Lease shall be deemed cumulative and additional, not in lieu of or exclusive of each other, or of any other remedy available to the City or Lessee at law or in equity, and the exercise of any remedy, or the existence herein of other remedies, shall not prevent the exercise of any other remedy.

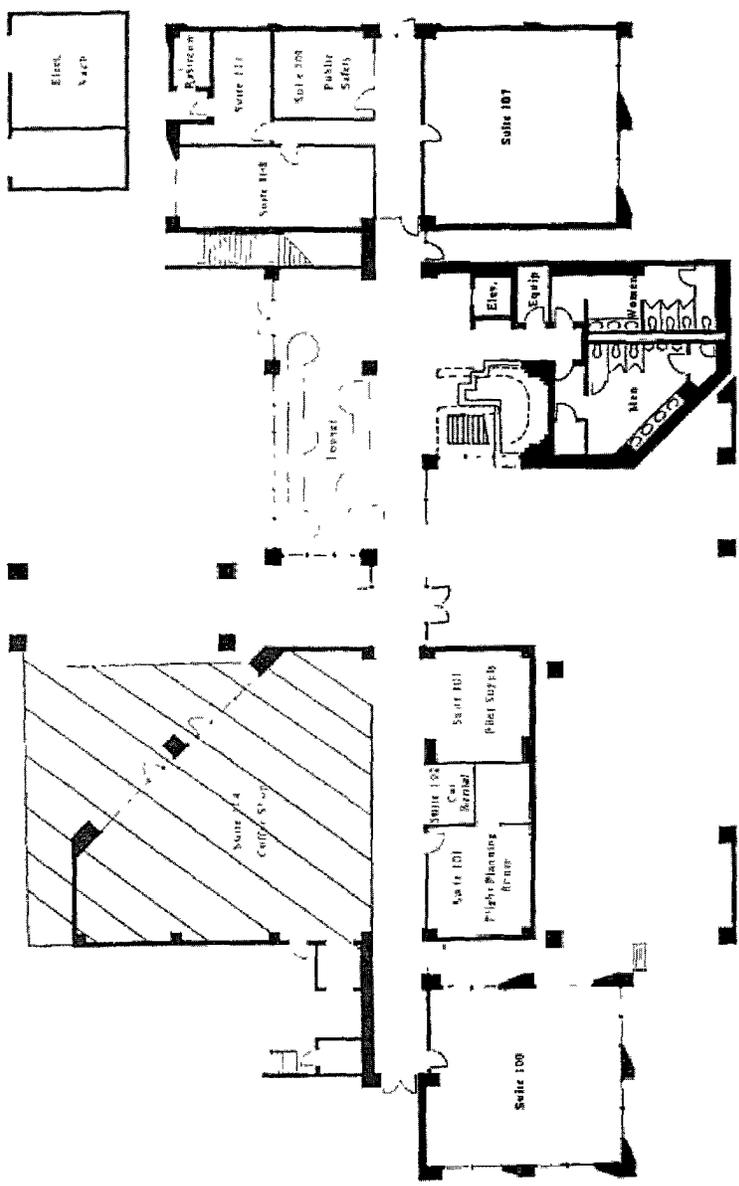
30. IMMIGRATION LAW COMPLIANCE

- 30.1 Contractor, and on behalf any Sub-contractor, warrants, to the extent applicable under A.R.S. § 41-4401, compliance with all federal immigration laws and regulations that relate to their employees as well as compliance with A.R.S. § 23-214(A) which requires registration and participation with the E-Verify Program.
- 30.2 Any breach of warranty under subsection 8.1 above is considered a material breach of this Agreement and is subject to penalties up to and including termination of this Agreement.
- 30.3 City retains the legal right to inspect the papers of any Contractor or Sub-contractor employee who performs work under this Agreement to ensure that the Contractor or any Sub-contractor is compliant with the warranty under subsection 8.1 above.
- 30.4 City may conduct random inspections, and upon request of City, Contractor shall provide copies of papers and records of Contractor demonstrating continued compliance with the warranty under subsection 8.1 above. Contractor agrees to keep papers and records available for inspection by the City during normal business hours and will cooperate with City in exercise of its statutory duties and not deny access to its business premises or applicable papers or records for the purposes of enforcement of this section 8.
- 30.5 Contractor agrees to incorporate into any subcontracts under this Agreement the same obligations imposed upon Contractor and expressly accrue those obligations directly to the benefit of the City. Contractor also agrees to require any Sub-contractor to incorporate into each of its own subcontracts under this Agreement the same obligations above and expressly accrue those obligations to the benefit of the City.
- 30.6 Contractor's warranty and obligations under this section to the City is continuing throughout the term of this Agreement or until such time as the City determines, in its sole discretion, that Arizona law has been modified in that compliance with this section is no longer a requirement.
- 30.7 The "E-Verify Program" above means the employment verification program administered by the United States Department of Homeland Security, the Social Security Administration, or any successor program.

31. MISCELLANEOUS

This Lease constitutes the entire agreement between the parties concerning the matters contained herein and supersedes all prior negotiations, understandings and agreements between the parties concerning such matters. This Lease shall be interpreted, applied and enforced according to the fair meaning of its terms and shall not be construed strictly in favor of or against either party, regardless of which party may have drafted any of its provisions. No provision of this Lease may be waived or modified except by a writing signed by the party against whom such waiver or modification is sought to be enforced. The terms of this Lease shall be binding upon and inure to the benefit of the parties successors and assigns.

**EXHIBIT A
FLOOR PLAN**



Glendale Municipal Airport Terminal
1st Floor

EXHIBIT A

GUEST AREA

EXHIBIT B INVENTORY

1. Built-in counter with showcase (in seating area & cash register area)
2. Tables:
 - (1) Round with space for six chairs
 - (5) Square with space for two chairs
 - (12) Rectangular with space for four chairs
3. Chairs: (64)
4. Counter Stools: (6) Floor Mounted
5. Childs High Chair: (1)
6. Lamps:
 - Hanging –small, 6” diameter shades (10)
 - Hanging – large, 18” diameter shades (3)
7. Roll –up window screens on all outside windows.
8. Wall Décor:
 - Air Race Framed Poster (1)
 - Balloon Classic Framed Poster (2)
 - Around the World Framed Poster (1)
 - Spitfire Squadron Framed Poster (1)
 - Space shuttle mission (1)
 - Pie Framed Art “Light Spread”
 - *Other items available*
9. Décor – hanging wooden aircraft models (9) [3 wooden and 6 metal]
10. Cash Register with manual [Sharp Model XE-A302] (1)
11. Clear Plastic Pastry/Cookie Display Box
12. Salt Shakers (27)
13. Pepper Shakers (28)
14. Sugar/sweetener Packet Dispensers (small table top boxes) (25)
15. Delfield Ice Cream Cabinet N227 inserted into stainless counter
16. Delfield Salad/Dessert Display Case, F15MCC48N with 4 adjustable top shelves and 1 lower removable shelf

**EXHIBIT B
INVENTORY**

17. Stainless Steel Counter /Cabinet 29" x 108" includes: (1.) Soup Well (SS-10TD) – warmer section only, no insert; (2) Roll Warmer, Wells RW-2; (3) glass tray rack storage; (4) Shielded Hand Sink; and (5) Water Dispenser
18. Heat Lamp Hatco GRAH-36
19. Stainless Steel Counter 29" x 50" includes: glass tray rack storage and shelf open storage

KITCHEN

20. Steam tray/hot table/warmer : with (3) compartment and lower shelf – Supremetal #345-93-E
21. True Sandwich Preparation Table with Refrigerator and (13) 6" deep 1/6 type bins, #TSSU-60-16 with 4 adjustable shelves inside refrigerator
22. Stainless Steel Prep Table 27" x 58" with lower shelf and drawer
23. True Compact Freezer (TWT-27)
24. DCS Gas Range Convection Oven with griddle top G284-24 THRC2
25. Starmax Grooved Griddle on table with lower shelf & vertical utensil tree
26. Pitco Frialator Gas Fryer with (4) baskets
27. Stainless Steel Prep Table Next to Fryer with 1 lower shelf 12" x 30" (surface)
28. Stainless Steel Prep Table Next to Fryer with 1 lower shelf 18" x 30" (surface)
29. Walk-In Freezer/Refrigerator
30. Free Standing Shelving:
 - 72" x 45" x 14" in freezer – 4 shelves each (2)
 - 72" x 58" x 14" in cooler – green with 5 shelves each (2)
 - 72" x 72" x 24" in office – 4 shelves (1)
 - 12" x 6" x 18" on floor - 1 shelf (1)
31. Stainless Steel Preparation Table 27" x 90" with Sink and Drawer
32. Manitowac Ice Machine and bin with scoop
33. Berkel Brand Food/Meat Slicer with safety handle missing
34. Large Aluminum Colander

EXHIBIT B INVENTORY

35. Stainless Steel Cake Stand
36. Mixer Table 24" x 24" with lower shelf
37. Mixer - Blakeslee B20T w/Attachments: 13" Bowl/Vegetable Slicer w/ Hopper/Dough Hook/Mixer Paddle
38. Office File 2 Drawer Cabinet
39. Office File 4 Drawer Cabinet (2)
40. Table 30" x 48" in office (1)
41. Wall Mounted Zenith Air Conditioner Unit in Office
42. Cork board 36"x48"
43. Hand Sink (kitchen)
44. Water Softener
45. Hot Water Tank/Heater New 2014
46. InSinkerator Commercial Disposer SS-150
47. Jackson Dishwasher with Heater Booster
48. Three-Compartment Sink and Dish table
49. Wall Hanging Pot Rack with 5 Hooks [installed over # 46]
50. Stainless Wall Flashing [Installed along area #47 & #48]
51. Wringer Mop & Bucket

PATIO

52. 3-Tier Stone Planter with stone bowl
53. Metal Sculpture [small agave-type]
54. Concrete Planter/ Trash Bin
55. Patio Furniture:
 - Umbrellas with large concrete bases (3)
 - Square tables with space for four chairs (4)
 - Chairs (20)

EXHIBIT B
INVENTORY

Recorded by
City Clerk's Office
City of Glendale
5850 West Glendale Avenue
Glendale, Arizona 85301

OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
HELEN PURCELL
ELECTRONIC RECORDING
20140693403,10/20/2014 02 48,
C9268-25-1-1--,N

CITY OF GLENDALE, ARIZONA

DOCUMENT TO BE RECORDED:

**GLENDALE MUNICIPAL AIRPORT
RESTAURANT LEASE AGREEMENT**
(Agreement C-9268)

(PLEASE DO NOT REMOVE ~ THIS IS PART OF THE OFFICIAL DOCUMENT)