
LEASE AGREEMENT

THIS IS A LEASE AGREEMENT entered into on November 13, 2024, whereby the City of Coachella (hereafter called "Lessor"), leases to the Coachella Valley Boxing Club & Fitness Center, Inc., a California Not-For-Profit Corporation (hereafter called "Lessee") those certain premises (hereafter called "Premises") located at Bagdouma Park, 51-301 Douma Street, Coachella, California consisting of a commercial building containing approximately 5,000 square feet and more particularly described in Exhibit A attached hereto.

ARTICLE 1. LEASE TERM

1.1 Original Term. This lease shall be for a term of five (5) years commencing on October 1, 2024 at 12:00am and terminating at 11:59pm on September 30, 2029 (original term).

1.2 Termination. During the Original Term of the Lease, Lessee/Lessor may terminate the Lease, without cause, by serving Lessor with six (6) months prior written notice of such termination.

1.3 Hold Over. Should Lessee hold over and continue in possession of said Premises after expiration of the term of this lease or any extension thereof, Lessee's continued occupancy of said Premises shall be considered a month-to-month tenancy subject to all the terms and conditions of this lease.

1.4 Lessor's Inability to Deliver Possession. Should Lessor for any reason be unable to deliver possession of said Premises to Lessee on the date specified in Section 1.1 of this lease as the date on which the term of this lease is to commence, this lease shall not be void or voidable nor shall Lessor be liable to Lessee for any loss or damage resulting from such failure to deliver possession to Lessee so long as Lessor has exercised, and continues to exercise, reasonable diligence to deliver possession of said Premises to Lessee. No rent shall, however, accrue or become due from Lessee to Lessor under this lease until the actual physical possession of said Premises is delivered, or the right to actual unrestricted physical possession of said Premises under this lease is tendered, by Lessor to Lessee. Furthermore, the term of this lease shall not be extended by Lessor's inability to deliver possession of said Premises to Lessee on the date specified in Section 1.1 for commencement of the term of this lease.

ARTICLE 2. RENT

2.1 Rent. Lessee agrees to pay to Lessor \$1.00 per year for the use and occupancy of the Premises payable on the first day of each month commencing October 1, 2024.

Lessee shall pay said rent to the Lessor at 53462 Enterprise Way, Coachella, California 92236, or at such other place as the Lessor may designate in writing to Lessee.

ARTICLE 3. USE OF PREMISES

3.1 Permitted Use. Said Premises shall, during the term of this lease and any extension thereof, be used for the purpose operating and conducting thereon and therein a Boxing Club program and Fitness Center and such uses normally incidental to such purpose, and for no other purpose.

3.2 Operation of Boxing Club and Fitness Center. Lessee shall during the term of this lease and any extensions thereof, unless prevented by conditions beyond Lessee's control, conduct business of the nature specified in Section 3.1 of this lease on said Premises in an efficient and diligent manner.

3.3 Insurance Hazards. Lessee shall not commit or permit the commission of any acts on said Premises nor use or permit the use of said Premises in any manner that will increase the existing rates for or cause the cancellation of any fire, liability, or other insurance policy insuring said Premises or the improvements on said Premises. Lessee shall, at his own costs and expense, comply with any and all requirements of Lessor's insurance carrier necessary for the continued maintenance at reasonable rates of fire and liability insurance policies on said Premises and the improvements on said Premises.

3.4 Waste or Nuisance. Lessee shall not commit or permit the commission by others of any waste on said Premises. Lessee shall not maintain, commit, or permit the maintenance or commission of any nuisance as defined in Section 3479 of the California Civil Code on said Premises; and Lessee shall not use or permit the use of said premise for any unlawful purpose.

3.5 Compliance With Law. Lessee shall at Lessee's own cost and expense comply with all statutes, ordinances, regulations, and requirements of all governmental entities, whether federal, state, county or municipal, relating to Lessee's use and occupancy of said Premises whether such statutes, ordinances, regulations, and requirements be now in force or hereinafter enacted. The judgment of any court of competent jurisdiction, or the admission by Lessee in a proceeding brought against Lessee by any government entity, that Lessee has violated any such statute, ordinance, regulation, or requirement shall be conclusive as between Lessor and Lessee and shall be ground for termination of this lease by Lessor.

ARTICLE 4. TAXES AND UTILITIES

4.1 Payment of Utility Charges. Lessor shall pay or provide electricity and water for said Premises during the term of this lease and extensions thereof. Lessee shall pay, and hold Lessor harmless from, all other utility charges for said Premises during the term of this lease or any extensions thereof. All other utility charges will be paid by Lessee.

4.2 Personal Property Taxes. Lessee shall pay before they become delinquent all taxes, assessments, or other charges levied or imposed by any governmental entity on the furniture, trade fixtures, appliances, and other personal property placed by Lessee in, on, or about said Premises including, without limiting the generality of the other terms used in this section, any shelves, counters, vaults, vault doors, wall safes, partitions, fixtures, equipment, music equipment, television or radio antennas, or communication equipment brought on said Premises by Lessee.

4.3 Real Property Taxes. All real property taxes and assessments levied or assessed against said Premises by any governmental entity, including any special assessments imposed on or against said Premises for the construction or improvement of public works in, on, or about said Premises, shall be paid, before they become delinquent, by Lessee.

ARTICLE 5. ALTERATIONS AND REPAIRS

5.1 Condition of Premises. The Premises will be inspected by the Building Inspector for the City of Coachella to determine that the Premises is in compliance with the Uniform Building Code. Lessee accepts said Premises, as well as the improvements thereon and the facilities appurtenant thereto, in their present condition and stipulates with

Lessor that said Premises as well as the improvements thereon and the facilities appurtenant thereto are in a condition suitable for Lessee purpose as of the date of this lease. Lessee further agrees with and represents to Lessor that said Premises have been inspected by Lessee and that he has been assured by means independent of Lessor or any agent of Lessor of the truth of all facts material to this lease and that said Premises are being leased by Lessee as a result of his inspection and investigation and not as a result of any representations made by Lessor or any agent of Lessor.

5.2 Maintenance by Lessee. Lessee shall at his own cost and expense keep and maintain all portions of the Premises, including all improvements and all facilities appurtenant to said Premises, in good repair and in as good condition as they were when received by Lessee, reasonable wear and tear excepted.

5.3 Alterations and Liens. Lessee shall not make or permit any other person to make any alterations to said Premises or to make any improvement thereon or facility appurtenant thereto without the written consent of Lessor which Lessor shall not withhold unreasonably. Prior to any alteration, construction or remodeling of the Premises, Lessee shall notify Lessor of the commencement date thereof such that the Lessor may record a "Notice of Non Responsibility" for any such work performed by the Lessee or at his request. Lessee shall keep the Premises free and clear from any and all liens, claims, and demands for work performed, materials furnished, or operations conducted on said Premises at the instance or request of Lessee. Furthermore, any and all alterations, additions, improvements, and fixtures, except furniture and trade fixtures, made or placed in or on said Premises by Lessee or any other person shall upon the expiration, or sooner termination, of this lease become the property of Lessor and remain on said Premises; provided, however, that Lessor shall have the option on expiration, or sooner termination, of this lease of requiring Lessee, at Lessee's sole cost and expense, to remove any or all such alterations, additions, improvements, or fixtures from said Premises.

5.4 Inspection by Lessor. Lessee shall permit Lessor or Lessor's agents, representatives, or employees to enter said Premises at all reasonable times for the purpose of inspecting said Premises to determine whether Lessee is complying with the terms of this lease and for the purpose of doing other lawful acts that may be necessary to protect Lessor's interest in said Premises under this lease or to perform Lessor's duties under this lease.

5.5 Surrender of Premises. On expiration or sooner termination of this lease, Lessee shall promptly surrender and deliver said Premises to Lessor in as good condition as they are now at the date of this lease, reasonable wear and tear and repairs herein required to be made by Lessor excepted.

ARTICLE 6. INDEMNITY AND INSURANCE

6.1 Hold Harmless Clause. Lessee agrees to indemnify and hold Lessor and the Premises, free and harmless from any and all claims, liability, loss, damage, or expenses resulting from Lessee's occupation and use of said Premises, specifically including, without limitation, any claim, liability, loss or damage arising by reason of:

(a) The death or injury of any person or persons, including Lessee or any person who is an employee or agent of Lessee, or by reason of the damage to or destruction of any property, including property owned by Lessee or any person who is an employee or agent of Lessee, and caused or allegedly caused by either the condition of said Premises, or some act or omission of Lessee or of some agent, contractor, employee, servant, sublessee, or concessionaire of Lessee on said Premises;

(b) Any work performed on said Premises or materials furnished to said Premises at the instance or request of Lessee or any agent or employee of Lessee; or

(c) Lessee's failure to perform any provision of this lease or to comply with any requirement of law or any requirement imposed on Lessor or the leased Premises by any duly authorized governmental agency or political subdivision.

6.2 Liability Insurance. Lessee shall, at his own cost and expense, secure ten (10) days prior to the effective date of this lease and maintain during the entire term of this lease, and any renewals or extensions thereof, a broad form comprehensive coverage policy of public liability insurance issued by an insurance company acceptable to Lessor and insuring Lessor against loss or liability caused by or connected with Lessee's occupation and use of said Premises under this lease in amounts not less than:

(a) \$1,000,000 (one million dollars) for injury to or death of one person and, subject to such limitation for the injury or death of one person, of not less than \$1,000,000.00 for injury to or death of two or more persons as a result of any one accident or incident; and

(b) \$1,000,000.00 for damage to or destruction of any property of others.

6.3 Fire Insurance. In order that the business of Lessee may continue with as little interruption as possible, Lessor shall, during the full term of this lease, and any renewals or extensions thereof, maintain an insurance policy issued by a reputable company authorized to conduct insurance business in California insuring for the full insurable value of the Premises and all fixtures and equipment in or on said Premises against damage or destruction by fire, theft, or the elements. The Lessor shall be an additional insured on any such policy of insurance. The coverage under said insurance shall not be for an amount less than \$1,000,000.00, and Lessee shall reimburse Lessor for the cost of providing same.

6.4 Insurance by Lessor. Should Lessee at any time fail to procure or maintain the insurance required by this Article, Lessor may obtain such insurance and pay the premiums on such insurance for the benefit of Lessee. Any amounts paid by Lessor to procure or maintain insurance pursuant to this section shall be immediately due and repayable to Lessor by Lessee.

ARTICLE 7. TRADE FIXTURES

7.1 Installation and Removal of Trade Fixtures. With the written consent of Lessor, Lessee shall have the right at any time and from time to time during the term of this lease, and any renewal or extension of such term, at Lessee's sole cost and expense, to install and affix in, to, or on said Premises such items, herein called "trade fixture," for use in Lessee's boxing club and fitness center as Lessee may deem advisable. Any and all such

trade fixtures that can be removed without structural damage to said Premises or any building or improvements on said Premises shall, subject to Section 7.2 of this lease, remain the property of the Lessee and may be removed by Lessee at any time or times prior to the expiration or sooner termination of this lease.

7.2 Trade Fixtures as Security for Lease. As security for the faithful performance of all the terms, conditions, and covenants of this lease to be performed by Lessee, Lessee hereby grants to Lessor a security interest in all trade fixtures and equipment owned by Lessee and now or hereafter placed on said Premises by Lessee. Any right or rights of removal of trade fixtures given Lessee by the provisions of Section 7.1 of this lease shall be exercisable only if, at the time of the removal, Lessee is not in default in performance of this lease. Lessee may, however, at any time it is not in default in performance of this lease, trade in or replace any trade fixture free of the security interest created by this section and this security interest will then attach to the item that replaced such trade fixture. On default in performance of any obligation of this lease to be performed by Lessee, Lessor shall immediately have as to the trade fixtures the remedies provided to a secured party under the Uniform Commercial Code as enacted in California.

7.3 Unremoved Trade Fixtures. Any trade fixtures described in this Article that are not removed from said Premises by Lessee within sixty (60) days after the expiration or sooner termination, regardless of cause, of this lease shall be deemed abandoned by Lessee and shall automatically become the property of Lessor as owner of the real property to which they are affixed and not simply because of the lien described in Section 7.2 of this lease.

ARTICLE 8. DESTRUCTION AND CONDEMNATION

8.1 Partial Destruction. Should said Premises be partially destroyed by any cause not the fault of the Lessee, or any agent or employee or member of Lessee, this lease shall continue in full force and effect and Lessor, at Lessor's own cost and expense, shall promptly commence the work of repairing and restoring said Premises to their prior condition provided that the cost thereof does not exceed twenty five percent (25%) of the insured value thereof and provided that Lessor shall not be obligated to repair or replace any alterations, construction or remodeling performed by Lessee nor repair or replace any of Lessee's fixtures.

8.2 Total Destruction. Should said Premises be so far destroyed by any cause that they cannot be repaired or restored to their former condition within ninety (90) working days or at a cost exceeding twenty five percent {25%} percent of the total insured value of said Premises, Lessor may at Lessor's option either:

- (a) Continue this lease in full force and effect by repairing and restoring, at Lessor's own cost and expense, said Premises to their former condition; or

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- (b) Terminate this lease by giving Lessee written notice of such termination.

8.3 Insurance. Any insurance proceeds received by Lessor because of the total or partial destruction of said Premises or the building on said Premises shall be the sole property of Lessor, free from any claims of Lessee, but shall be used by Lessor for the restoration of the Premises under paragraph 8.1 hereof.

8.4 Lessor's Obligations. Should Lessor elect under Section 8.2 of this lease to repair and restore said Premises to their former condition following destruction of said Premises or the building on said Premises:

(a) Lessee shall not be entitled to any damages for *any* IOSS Or inconvenience sustained by Lessee by reason of the making of such repairs and restoration;

(b) Lessor shall have full right to enter said Premises and take possession of so much of said Premises, including the whole of said Premises, as may be reasonably necessary to enable Lessor promptly and efficiently to carry out the work of repair and restoration.

8.5 Total Condemnation. Should, during the term of this lease, or any renewal or extension thereof, title and possession of all of said Premises be taken under the power of eminent domain by any public or quasi-public agency or entity, this lease shall terminate as of 12:01 A.M. of the date actual physical possession of said Premises is taken by the agency or entity exercising the power of eminent domain and both Lessor and Lessee shall thereafter be released from all obligations, except those specified in Section 8.8 of this lease.

8.6 Termination Option for Partial Condemnation. Should, during the term of this lease or any renewal or extension thereof, title and possession of only a portion of said Premises be taken under the power of eminent domain by any public or quasi-public agency or entity, Lessee may, at Lessee's option, terminate this lease if more than twenty five percent (25 %) of the floor space of said Premises is taken under the power of eminent domain. Lessee shall exercise his option by giving written notice to Lessor within thirty (30) days before actual physical possession of the portion subject to the eminent domain power is taken by the agency or entity exercising that power. This lease shall terminate as of 12:01 A.M. of the date the notice is deemed given to Lessor but the minimum rent specified in Section 2.1 of this lease shall be reduced in the manner specified in Section 8.7 of this lease from the date of taking to the date of termination of the lease.

8.7 Partial Condemnation Without Termination. Should Lessee fail to exercise the option described in Section 8.6 of this lease or should the portion of said Premises taken under the power of eminent domain be insufficient to give rise to the option described in Section 8.6 of this lease, then:

(a) This lease shall terminate as to the portion of said Premises taken by eminent domain as of 12:01 A.M. of the day, herein called the "date of taking," actual physical possession of that portion of said Premises is taken by the agency or entity exercising the power of eminent domain;

(b) The minimum rent specified in Section 2.1 of the lease shall after the date of taking, be reduced by an amount that bears the same ratio to the minimum rent specified in Section 2.1 of this lease as the square footage floor space of the portion of said Premises taken under the power of eminent domain bears to the total square footage floor space of said Premises as of the date of this lease; and

(c) Lessor, at Lessor's own cost and expense, will remodel and reconstruct the building remaining on the portion of said Premises not taken by eminent domain into a single efficient architectural until as soon after the date of taking, or before, as can be reasonably done; provided, however, that neither the minimum nor percentage rent specified in this lease shall be abated or reduced, except as provided in subparagraph (b) of this section, during such remodeling and reconstruction.

8.8 Condemnation Award. Should, during the term of this lease or any renewal or extension thereof, title and possession of all or any portion of said Premises be taken under the power of eminent domain by any public or quasi-public agency or entity, the portion of the compensation or damage for the taking awarded to each of the parties to this lease shall belong to and be the sole property of the party, Lessor or Lessee, to whom it is awarded. Lessee shall be entitled to that portion of the compensation or damages awarded for the eminent domain taking that represents (1) the reasonable value of Lessee's rights under this lease for the unexpired term of this lease and (2) the costs or loss sustained by Lessee because of the removal of Lessee's merchandise, trade fixtures, equipment, and furnishings from the portion of said Premises taken by eminent domain.

ARTICLE 9. DEFAULT, ASSIGNMENT, AND TERMINATION

9.1 Subleasing or Assigning as Breach. Lessee shall not assign, encumber, or otherwise transfer this lease, any right or interest in this lease, or any right or interest in said Premises or any of the improvements that may now or hereafter be constructed or installed on said Premises without the express written consent of Lessor first had and obtained. Lessee shall not sublet said Premises or any part thereof or allow any other person, other than Lessee's members, agents, servants, and employees, to occupy said Premises or any part thereof without the prior written consent of Lessor. A Consent by Lessor to one assignment, one subletting, or one occupation of said Premises by another person shall not be deemed to be a consent to any subsequent assignment, subletting, or occupation of said Premises by another person. Any assignment, encumbrance, transfer, or subletting without the prior written consent of Lessor, whether it be voluntary or involuntary, by operation of law or otherwise, is void and shall, at the option

of Lessor, terminate this lease. Lessor and Lessee acknowledge that this provision has been specifically negotiated by and between themselves in order to prevent Lessee from obtaining a windfall if Lessee should seek to assign or sublet the Premises, because Lessee obtained the Premises to continue its Boxing Club and Fitness Center which was located in another building.

9.2 Abandonment of Lessee. Should Lessee breach this lease and abandon said Premises prior to the expiration of the term of this lease, Lessor may:

(a) Continue this lease in affect by not terminating Lessee's right to possession of said Premises, in which event Lessor shall be entitled to enforce all its rights and remedies under this lease, including the right to recover the rent specified in this lease as it becomes due under this lease; or

(b) Terminate this lease and entitle Lessor to re-enter and regain possession of said premises.

9.3 Default by Lessee. Should Lessee default in the performance of any of the covenants, conditions, or agreements contained in this lease, Lessee shall have breached the lease and Lessor may, in addition to the remedy specified in the subparagraph (b) of Section 9.2 of this lease, re-enter and regain possession of said Premises in the manner provided by the laws of unlawful detainer of the State of California then in effect.

9.4 Insolvency of Lessee. The insolvency of Lessee as evidenced by a receiver being appointed to take possession of all or substantially all of the property of Lessee, or the making of a general assignment for the benefit of creditors by Lessee, shall terminate this lease and entitle Lessor to re-enter and regain possession of said Premises.

9.5 Cumulative Remedies. The remedies given to Lessor in this Article shall not be exclusive but shall be cumulative and in addition to all remedies now or hereafter allowed by law or elsewhere provided in this lease.

9.6 Waiver of Breach. The waiver by Lessor of any breach of Lessee of any of the provisions of this lease shall not constitute a continuing waiver or waiver of any subsequent breach by Lessee either of the same or another provision of this lease.

ARTICLE 10. MISCELLANEOUS

10.1 Attorney's Fees. Should any litigation be commenced between the parties to this lease concerning said Premises, this lease, or the rights and duties of *either* in relation thereto, the party, Lessor or Lessee, prevailing in such litigation shall be entitled, in addition to such other relief as may be granted in the litigation, to a reasonable sum as and for attorney's fees in

such litigation which shall be determined by the court in such litigation or in a separate action brought for that purpose.

10.2 Notices. Except as otherwise expressly provided by law, any and all notices or other communications required or permitted by this lease or bylaw to be served on or given to either party hereto by the other party hereto shall be in writing and shall be deemed duly served and given when personally delivered to the party to

whom they are directed, or in lieu of such personal service when deposited in the United States mail, first-class postage prepaid, addressed as follows:

LESSOR: City of Coachella
53462 Enterprise Way
Coachella, California 92236

LESSEE: Coachella Valley Boxing Club & Fitness Center

51-301 Douma Street
Coachella, California 92236

Either party may change his address for the purpose of this section by given written notice of such change to the other party in the manner provided in this section.

10.3 Binding on Heirs and Successors. This lease shall be binding on and shall inure to the benefit of the heirs, executors, administrators, successors, and assigns of the parties hereto, but nothing in this section shall be construed as a consent by Lessor to any assignment of this lease or any interest therein by Lessee except as provided in Article 9 of this lease.

10.4 Partial Invalidity. Should any provision of this lease be held by a court of competent jurisdiction to be either invalid, void, or unenforceable, the remaining provisions of this lease shall remain in full force and effect unimpaired by the holding.

10.5 Entire Agreement. This instrument constitutes the sole and only agreement between Lessor and Lessee respecting said Premises, the leasing of said Premises to Lessee, or the lease term herein specified, and it correctly sets forth the obligations of Lessor and Lessee to each other as of its date. Any agreements or representations respecting said Premises or their leasing by Lessor to Lessee not expressly set forth in this instrument are null and void.

10.6 Time of Essence. Time is expressly declared to be the essence of this lease.

WHEREFORE, on November 13, 2024, Lessor and Lessee executed this Lease in Coachella, California.

LESSEE:

Coachella Valley Boxing Club & Fitness Center Inc.
a non-profit

By: _____

Name: _____

Title: _____

LESSOR:

THE CITY OF COACHELLA

a California municipal corporation

By: _____

Steven Hernandez, Mayor
City of Coachella

Attest:

By: _____

Angela M. Zepeda, City Clerk
City of Coachella

Approved as to Form:

By: _____

Carlos L. Campos
City Attorney, Best Best & Krieger LLP

EXHIBIT A

The legal description of the premises located at 51-301 Douma Street, Bagdouma Park, Coachella, California is set forth as follows:

Located at the Northwest quarter of the Southwest quarter of the Southeast quarter of Section 6, Township 6 South, Range 8 East, San Bernardino Base and Meridian, more particularly described as follows: located at the Southwest corner of Douma Street and Bagdad Avenue.
