



COMMERCIAL LEASE AGREEMENT

THIS COMMERCIAL LEASE AGREEMENT ("Lease") is entered into, effective the _____ day of _____, 2014, by and between the City of Boise City, an Idaho municipal corporation ("Landlord"), and Life's Kitchen, Inc., an Idaho corporation ("Tenant"). Landlord and Tenant agree as follows:

RECITALS

Landlord is the owner and manager of certain real property addressed as 1025 S. Capitol Boulevard, Boise, Idaho; and

Tenant, having a business engaged in food preparation and sales, culinary skills training, and life skills training, desires to operate that certain business known as "Life's Kitchen" at 1025 S. Capitol Blvd., Boise, Idaho; and

That Landlord and Tenant have an established business relationship through formal Agreement for the leasing of the above-listed property, in effect since 2004; and

That Landlord and Tenant wish to continue their business relationship by executing this new Commercial Lease Agreement.

In consideration of the mutual promises herein contained and for other good and valuable consideration, acknowledged by each party to be satisfactory and adequate, Landlord and Tenant hereby mutually undertake, promise and agree, each for itself, and its successors and assigns, as follows:

ARTICLE I – LEASED PREMISES

1.1 Leased Premises. Subject to the terms and conditions of this Lease, Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the following described real property:

The exclusive right to use specific portions of the property commonly known and described as 1025 S. Capitol Blvd., Boise, Idaho, including the rooms designated as a dining room, a commercial kitchen, offices, and classroom space, in addition to the non-exclusive right to use all common areas, hallways, entrances, the Cedars conference room, ADA-approved bathrooms, and the adjacent parking areas.

These "Leased Premises" or "Premises" are further depicted on **Exhibit A**, attached. Exclusive use by Tenant is depicted in blue and non-exclusive use is depicted in yellow.

1.2 Previous Improvements. Tenant hereby accepts the Leased Premises from Landlord in its present "as-is" condition. All the furnishings, fixtures, and equipment within the kitchen and dining room are included under the terms of this Lease and are delineated on **Exhibit B**. Any further alterations of, additions to, or improvements upon the Leased Premises shall be made and maintained at the expense of Tenant with prior written consent of Landlord and in accordance with the terms and conditions of this Lease. All such alterations, additions, or improvements shall become part of the Leased Premises and shall become Landlord's property. The ownership of new equipment and/or non-real property improvements, placed into use on the Leased Premises during the Term of this Lease, will remain the property of Tenant.

ARTICLE II – TERM

2.1 Primary Term. The Primary Term ("Primary Term" or "Term") shall be for twelve (12) months beginning on May 1, 2014 and ending on April 30, 2015. At the end of the Primary Term, this Lease shall continue on a month to month basis until terminated by the either of the Parties in accordance with the terms and conditions of the Lease.

2.2 Termination. Either party may terminate this Lease, without cause, upon thirty (30) days written notice to the other party. It is expressly agreed that thirty (30) days shall mean one (1) full month and shall not be interpreted to mean thirty (30) calendar days.

In the event the Premises or Building are damaged by fire or any other casualty to such an extent that the cost of restoration, as reasonably estimated by Landlord, will equal or exceed ten percent (10%) of the replacement value of the Premises or Building, as the case may be, or if insurance proceeds sufficient for full restoration are unavailable for any reason, then either party may terminate this Lease with three (3) days written notice to the other party and Tenant shall surrender possession of the Premises within a reasonable time thereafter.

2.3 No Holding Over: Tenant will, at the termination of this Lease by lapse of time or otherwise, yield up possession to Landlord. If Tenant remains in possession of all or any part of the Premises after termination or expiration of this Lease, with or without the express or implied consent of Landlord, the tenancy thereafter shall be from month to month only, and subject to all terms, conditions, and covenants of this Lease applicable to a month to month tenancy and in effect at the time immediately preceding the holding over, except: during the time of holding over, monthly Rent shall be equal to one hundred fifty percent (150%) of the Rent which was due in the immediately preceding month.

ARTICLE III – RENT AND FEES

3.1 Rent: For the privileges herein described, Tenant shall pay to Landlord a monthly rent (“Rent”) of Two Thousand and no/100 Dollars (\$2,000.00) for each month of operations under this Lease. Rent for each month shall become due and owing on the first (1st) day of the month and shall be late if not received by Landlord on or before the tenth (10th) day of the month. Rent for Tenant’s final month may be prorated to the day Tenant removes all personal property from the Leased Premises and returns all keys to Landlord.

3.2 Utilities. The Rent set forth above includes Tenant’s utility costs including the costs of heating, ventilating, air conditioning, natural gas, electricity or other fuels or power sources, water and sewer services, and waste disposal services but *excluding the cost of telephone services*. Tenant acknowledges that it shall be responsible for obtaining and paying for telephone services for the Premises at its sole cost and expense.

3.3 Payment of Rent. Tenant shall pay Rent to Landlord in a timely fashion in accordance with the terms of this Lease, without notice or demand, at the address set forth for Landlord in Section 13.9 (Notices), or at such other place as Landlord from time to time may designate in writing. Rent is deemed paid upon receipt by Landlord at the place of payment.

3.4 Late Payments. In the event Tenant fails to pay any amount of Rent or any other sum due when the same is due, Tenant shall pay to Landlord a late payment charge equal to five percent (5%) of the amount unpaid. In the event any check of Tenant is returned unpaid, Tenant shall pay to Landlord upon demand a dishonored check fee in the maximum amount allowed by law (*see Idaho Code § 28-22-105*), and Landlord may require that Tenant pay the amounts due in the form of a cashier’s check or money order. Tenant further agrees to pay to Landlord upon demand any other costs reasonably incurred by Landlord in efforts to collect any past due amounts (including, but not limited to, attorneys’ fees [whether or not legal proceedings are initiated] and collection agency fees).

Any past due amounts under this Lease, including late payment charges, shall bear interest at a rate of one and one-half percent (1.5%) per month. All amounts payable under this Section shall be within the definition of Rent and shall be due when payable. Landlord’s right to recover late payment charges or other amounts pursuant to this Section is in addition to any other rights or remedies Landlord may have. Acceptance of any partial payment or any late payment charge or other amounts pursuant to this Section shall not be deemed a waiver of any rights or remedies Landlord may have, nor shall it reinstate this Lease or cure a default of Tenant without payment in full of all amounts due.

No endorsement or statement on any check or any letter accompanying any check or payment as Rent shall be deemed an accord and satisfaction. In the event Tenant is late in the payment of any amount of Rent more than twice in the Primary Term or the Option Term, even if cured by Tenant at a subsequent date, such shall collectively be deemed an incurable default by Tenant, and Landlord may exercise any rights or remedies for such Tenant default that Landlord may have under this Lease or at law or equity, including, without limitation, the right to terminate this Lease.

ARTICLE IV – USE OF LEASED PREMISES

4.1 Permitted Business Use. Tenant shall use the Leased Premises solely for the operation of Tenant's business known as "*Life's Kitchen*" and shall at all times operate the business with the utmost safety and security in mind. Tenant may use the Premises for food preparation and sale in "*Life's Kitchen Café*", culinary skills training, life skills training, and all lawful ancillary and compatible purposes. Tenant shall comply with all licensing requirements and all applicable statutes, ordinances, rules, and regulations applicable to Tenant's use of the Leased Premises, including the requirements associated with obtaining any Alcohol Beverage Catering Permit.

4.2 Waste. Tenant shall neither commit nor permit any waste upon the Leased Premises, nor any use of the Leased Premises which is a nuisance or disturbs the quiet enjoyment of the Landlord or any other tenant, licensee, permittee, or guest, or which is dangerous to life, limb, or property, or which increases the premium cost of or invalidates any policy of insurance carried by Landlord, or which use violates any governmental restriction, limitation, or prohibition on such use, or which subjects Landlord to any liability or responsibility for injury to any person or persons or to property by reason of any business or operation being carried on upon the Premises. In case of any increase in premium cost resulting from Tenant's permitting any such use, Tenant shall pay to Landlord the amount of such increase without prejudice to any other right or remedy Landlord may have on account of that or any other breach or default of Tenant. Tenant shall at all times conduct its business on the Leased Premises in an orderly and safe manner.

4.3 Operating Hours. Tenant shall have unlimited access to the Leased Premises, except it is understood between the parties that access does not allow the sale of food on the Premises between 5 p.m. and 8 a.m.

4.4 Tenant's Disposal of Refuse. Tenant shall dispose of all trash in designated containers placed in and around the Leased Premises by Landlord. Tenant shall not dump, dispose, reduce, incinerate, or otherwise burn trash, refuse, or garbage of any kind in or about the Premises except as permitted herein. Tenant will not allow the accumulation of trash inside or outside of the Leased Premises.

4.5 Code of Conduct. In order to ensure a professional and respectful relationship with the public, Landlord expects all its business tenants to behave in a civil and courteous manner at all times. While it is impossible to list every type of conduct that is unacceptable, the following are examples of behavior that may result in Landlord terminating this Lease:

- a.) Harm or threat of harm to any City employee, member of the public, City government department or division, or City property, regardless of location.
- b.) Physical violence against persons or property.
- c.) Sabotage of City property or processes.
- d.) Theft or unauthorized removal or possession of the City's property or another person's property from City premises.
- e.) Speech or conduct with the public that violates commonly accepted standards and that, under present circumstances, has no redeeming social value, including the use of profane, indecent, or abusive language.
- f.) Speech or conduct deemed rude, disrespectful, aggressive, intimidating, harassing or otherwise inappropriate when conducting Tenant's business.
- g.) Making malicious, vindictive, false, and/or harmful statements about others or engaging in verbal abuse, altercations or outbursts.
- h.) Any conduct that obstructs, disrupts, or interferes with City business, service, work environment or administrative functions, including City sponsored events.

- i.) Untruthfulness related to the job which could hinder or jeopardize the City's interests.
- j.) Use, possession, distribution, or sale of illegal drugs, drug paraphernalia, or controlled substances not prescribed to the user by a physician, on City property or at City sponsored events and while working under the terms of this Lease.

4.6 Criminal History. Tenant shall not employ to work under the terms of this Lease any employee, servant, or agent who is unsuitable to interact with children. "Unsuitable to interact with children" shall mean having been convicted of a crime listed in Idaho Code § 18-8304 (or similar statute from any other state or territory) or required to register under Idaho's Sexual Offender Registration Notification and Community Right-to-Know Act, Idaho Code §§ 18-8301 – 8331 (or similar statute from any other state or territory).

- a.) Tenant, at its own expense, shall conduct appropriate and applicable background and reference checks on each of its employees, servants, and/or agents to ascertain that there is no history of behavior that would make Tenant or its employees, servants, or agents unsuitable to interact with children.
- b.) By signing this Agreement, Tenant hereby certifies to Landlord that each of Tenant's employees, servants, and/or agents is suitable and fit to interact with children and shall continue to be so during all times that Tenant is conducting business operations within the facilities.

4.7 Hazardous Materials. Tenant agrees not to use, store, or deposit in, on, or about the Premises any substance that is hazardous or dangerous to persons, property, or the environment as now or hereafter defined by or determined pursuant to any applicable state or federal law or regulation in amounts exceeding legally permissible levels.

ARTICLE V – CONTROL OF PREMISES

5.1 Management and Control. All areas of the Leased Premises shall be subject to the exclusive control and management of Landlord. Landlord shall have the right to establish, modify, amend, and enforce reasonable rules and regulations as may be necessary or advisable for the proper and efficient operation and maintenance of said Premises. Tenant agrees to abide by and conform with such rules and regulations, to cause its employees and agents to so abide and conform, and to use its best efforts to cause its customers, invitees, and licensees to so abide and conform. It shall be the duty of the Tenant to keep all areas other than the Leased Premises free and clear of any obstructions created or permitted by Tenant or resulting from Tenant's business operation.

5.2 Parking. Tenant and its employees shall have a non-exclusive right to park their cars only in those spaces designated for parking by Landlord. If Tenant or its employees fail to park their cars in designated parking spaces, Landlord may give notice of such violation. If Tenant does not cease such violation or cause such violation by its employees to cease, as the case may be, the vehicle creating the violation shall be subject to towing at owner's expense. Tenant shall notify each of its employees of the provisions of this Section prior to their commencing any employment connected with the Leased Premises and shall also inform them that their cars are subject to being towed away at such employee's expense in case of any violation.

5.3 Entry and Inspection. Landlord at all reasonable times (and at any time in case of emergency) may enter the Premises for the purpose of inspection, cleaning, repairing, altering or improving the Premises or the Building subject to Tenant's reasonable security requirements and reasonable client confidentiality requirements.

ARTICLE VI – ALTERATIONS, RENOVATIONS, AND IMPROVEMENTS

6.1 Landlord Consent Required. Tenant shall not alter, improve, or change the Leased Premises without the prior written consent of Landlord, which consent shall not be unreasonably withheld, provided, however, that Tenant may make non-structural cosmetic improvements under One Thousand and no/100 dollars (\$1,000.00) per year without Landlord's consent.

6.2 Landlord Alterations. Landlord shall have the right to make alteration, additions, and improvements to any part of the Leased Premises and real property adjoining the same, provided that such work is at no additional cost to Tenant and does not unreasonably interfere with Tenant's use and enjoyment of the Leased Premises.

6.3 Offset of Rent. If Landlord shall fail, refuse, or neglect to comply with Landlord's obligations in accordance with the terms of this Lease, or if Tenant makes any repairs by reason or any act, omission, or negligence of Landlord, its employees or agents, Tenant shall have the right, at its option and in addition to all other rights and remedies, to make such repairs on the behalf of and for the account of Landlord, and Tenant shall have the right to fund any such cost or offset such amounts funded against any Rent, items of additional Rent, or any other charges due under the Lease.

6.4 Surrender of Premises. Upon expiration of the Term or earlier termination of this Lease, Tenant at its expense shall: a.) remove the property of tenant and the personal property of all persons claiming under Tenant; b.) repair and restore the Premises to a condition as good as received by Tenant from Landlord or as thereafter improved, reasonable wear and tear excepted; and c.) promptly and peacefully surrender the Premises. Any property left of the Premises after the expiration or termination of the Term shall be deemed to have been abandoned and to have become the property of Landlord to dispose of as Landlord deems expedient. Tenant hereby waives all claims for damages that may be caused by Landlord's reentering and taking possession of the Premises or removing and storing the Property of Tenant and other property as herein provided. No such reentry shall be considered or construed to be a forcible entry. Tenant shall indemnify Landlord against any loss or liability resulting from delay by Tenant in so surrendering the Premises, including, without limitation, any claims made by a succeeding tenant founded on such delay.

ARTICLE VII – MAINTENANCE AND REPAIR

7.1 By Landlord. Landlord shall maintain and keep in good condition and repair the structural portions of the Building and fixtures, including the air conditioning and heating systems, the electrical systems, the roof, and all common areas, hallways, entrances, the Cedars conference room, ADA-approved bathrooms, and the adjacent parking areas within and around the Leased Premises. Landlord agrees to provide regular janitorial services for the areas which Tenant has the non-exclusive right of use.

In the event Landlord shall be required to repair, alter, remove, reconstruct, or improve any part of the Leased Premises or of the real property adjoining the same, for whatever reason, the same shall be made by Landlord with reasonable dispatch and with a minimum of interference of Tenant's business. Tenant shall give Landlord prompt notice of any defective condition which Landlord is required to repair by the terms of this Lease, and within fifteen (15) days thereafter, Landlord shall start repairs and continue the same with due diligence until completed. If Landlord fails to do so, the same may be made or completed by Tenant and the actual expense thereof shall be billed to Landlord by Tenant, and if Landlord fails to pay the same to Tenant within thirty (30) days of billing, Tenant may offset the same against the Rent next falling due until Tenant is reimbursed in full thereof. If by reason of emergency, the repairs described herein become necessary for the preservation of the Leased Premises or of Tenant's property, Tenant may make such repairs and charge the cost and expense thereof to Landlord, provided, however, that in the event of such emergency, Tenant shall make a reasonable effort to notify Landlord before proceeding with such repairs.

7.2 Maintenance by Tenant. Tenant shall keep the Leased Premises in good order and condition as when delivered to it, excepting ordinary wear and tear or damage by fire, elements or other casualty not due to the intentional act or negligence of Tenant, and shall provide at its sole cost and expense any and all additions or improvements to the Leased Premises that may hereafter be required by any law or ordinance for safety purposes.

Tenant agrees to repair and maintain the equipment listed on Exhibit B, including inspections, repairs and frequent maintenance of the grease traps and the hood and fire suppression system. The costs associated with inspection by any third party shall be borne by Tenant.

If as a result, in whole or in part, of the act of or neglect of any duty by Tenant, its agents, servants, employees, or invitees, repairs are needed for the structural portions of the Building, including the air conditioning and heating systems, electrical systems, roof, common areas, hallways, entrances, the Cedars conference room, and ADA-approved bathrooms, Tenant shall pay to Landlord the reasonable cost of such repairs within ten (10) days of Tenant's receipt of Landlord's bill therefor identifying the costs and expenses thereof.

7.3 Liens. All maintenance, repairs, and construction done by Tenant within and upon the Leased Premises shall be performed in a good and workmanlike manner. Tenant shall indemnify Landlord and hold it harmless from and against all loss, liability, cost, or damage resulting from Tenant's work or persons claiming under Tenant, and shall, if requested by Landlord, furnish satisfactory bond or other security against such loss, liability, or damage. Landlord shall have the right at any time and from time to time to post and maintain on the Leased Premises such notices

as Landlord deems necessary to protect the Leased Premises and Landlord from mechanics' liens, materialman's liens or any other liens. Tenant shall ensure that the Leased Premises remain free of any and all liens on account of work done by Tenant or persons claiming under Tenant.

Should any claims of lien be filed against the Premises or any action affecting the Premises be commenced, the party receiving notice of such lien or action shall forthwith give the other party written notice thereof.

7.4 Maintenance of Signs. Tenant is allowed to place interior and exterior business signage and shall maintain said business signage. The Tenant shall initiate, obtain approval and comply with all applicable codes. All signs placed by Tenant permitted under this Section shall be at Tenant's sole cost and expense and shall be constructed, designed, and located in accordance with all laws, rules, regulations, and ordinances of any and all governmental authorities having jurisdiction over such signs. Upon termination of this Lease, Tenant shall remove all signage and sign fascia at Tenant's sole cost and expense and shall repair any resulting damage to the Premises and the Building in a good and workmanlike manner. In the event the signs cannot be removed without damaging the Premises or the Building, said signage shall be considered fixtures and shall become the sole property of Landlord.

7.5 Compliance with Codes. All repairs, alterations, additions, or improvements made to the Leased Premises by Landlord or Tenant shall comply with all applicable building codes.

7.6 Compliance with ADA. Tenant shall not make any changes or alterations to the Premises, including passageways, hallways, walkways, sidewalks, and parking facilities, which would have the effect of making the improvements in and near the Building cease to be in compliance with the Americans with Disabilities Act of 1990, Public Law No. 101-336, 42 U.S.C. § 12101 et. seq. as it may be amended from time to time (the "ADA"). Tenant shall not enter into any change of use of the Premises, whether approved by Landlord or not, if such change in use would result in increased liability of Landlord under the ADA or any shifting of liability from Tenant to Landlord as a result of any such change of use.

ARTICLE VIII – INSURANCE AND INDEMNIFICATION

8.1 Insurance on Tenant's Property. During the Term, Tenant shall provide and maintain, at Tenant's sole cost and expense, insurance on Tenant's property and contents and Landlord's personal property used by Tenant under the terms of this Lease, set forth in Exhibit B, insuring against loss by fire, lightning, and other risks from time to time included in "extended coverage" policies in an amount not less than 100% of the full replacement cost. Tenant shall cause Landlord to be named as an additional insured on the Tenant's personal property insurance policy. Tenant shall furnish to Landlord evidence of compliance with this Section.

8.2 Liability, Automobile, and Workers' Compensation Insurance. Tenant shall maintain, and specifically agrees that it will maintain, throughout the term of this Agreement, Commercial General Liability Insurance, Automobile Liability Insurance, Workers' Compensation Insurance, and Employers' Liability Insurance in the form of a certificate of insurance issued on behalf of the City of Boise, naming the City (Landlord) as an additional insured on the liability policies, for the following minimum limits and coverages:

Commercial General Liability Insurance in the following amounts:

General Aggregate	\$2,000,000
Product/Completed Operations Aggregate	\$2,000,000
Personal & Advertising Injury Liability	\$1,000,000
Per Occurrence	\$1,000,000
Fire Legal Liability	\$100,000

Commercial (Business) Automobile Liability Insurance:

Limit will not be less than \$1,000,000 per occurrence for owned, non-owned, and hired vehicles.

Workers' Compensation Insurance – regardless of the number of employees or lack thereof – in the statutory limits as required by the State of Idaho.

Employers' Liability Insurance in the following amounts:

Bodily Injury by Accident	\$100,000 each accident
Bodily Injury by Disease	\$500,000 policy limit
Bodily Injury by Disease	\$100,000 each employee

The limits of insurance shall not be deemed a limitation of the covenants to indemnify and save and hold harmless Landlord. And if Landlord becomes liable for an amount in excess of the insurance limits herein provided, Tenant covenants and agrees to indemnify and save and hold harmless Landlord from and for all such losses, claims, actions or judgments for damages or liability to persons or property. Tenant shall provide Landlord with a Certificate of Insurance or other proof of insurance evidencing Tenant's compliance with the requirements of this paragraph and file such proof of insurance with Landlord's Risk Manager and Department of Planning and Development Services (Housing and Community Development Division). In the event the insurance minimums of the Idaho Tort Claims Act are changed to exceed the above-listed amounts, Tenant shall immediately submit proof of compliance with the changed limits. If Tenant fails to provide or maintain said insurance in the amounts listed, even if cured by Tenant at a subsequent date, such shall be deemed an incurable default by Tenant, and Landlord may exercise any rights or remedies for such default that Landlord may have under this Lease or at law or equity, including, without limitation, the right to terminate this Commercial Lease.

8.3 Other Insurance Coverage. Tenant shall be solely responsible for obtaining any other types of insurance issued for the benefit of Tenant, including but not limited to Property Insurance insuring the property owned by Tenant which is used, held, or stored on the Premises. Evidence of all such insurance shall be furnished to Landlord upon execution of this Agreement.

8.4 Landlord Property Insurance. Landlord shall maintain property insurance on the Building (excluding any fixtures and items which Tenant is entitled to utilize or required to remove, which insurance Tenant shall provide). The insurance provided for in this Section may be provided within the coverage of a blanket policy of insurance carried and maintained by Landlord.

8.5 Indemnification and Waiver of Liability. Tenant shall indemnify, defend, protect and hold Landlord harmless from and against any and all claims of liability for any injury or damage to any person or property arising from Tenant's use of the Leased Premises, or from the conduct of Tenant's business, or from any activity, work or thing done, permitted or suffered by Tenant in or about the Leased Premises, including all reasonable costs for investigation and defense thereof (including but not limited to attorney fees, court costs, and expert fees), except where solely caused by the intentional act or gross negligence of Landlord. Tenant shall further indemnify, defend, protect and hold Landlord harmless from and against any and all claims arising from any breach or default in the performance of any obligation on Tenant's part to be performed under this Lease, or arising from any negligent or intentional act or omission on the part of Tenant or Tenant's agents, contractors or employees, and from and against all costs, attorney's fees, expenses and liabilities incurred in the defense of any such action or proceeding brought thereon.

The limits of insurance (above) shall not be deemed a limitation of the covenants to indemnify and save and hold harmless Landlord, and if Landlord becomes liable for an amount in excess of the insurance limits, herein provided, Tenant covenants and agrees to indemnify and save and hold harmless Landlord from and for all such losses, claims, actions, or judgments for damages or liability to persons or property. In the event any action or proceeding is brought against Landlord by reason of any such claim, Tenant, upon notice from Landlord, shall defend same at Tenant's expense by counsel satisfactory to Landlord. Tenant, as a material part of the consideration to Landlord, hereby assumes all risk of damage to property or injury to persons in, upon or about the Leased Premises arising from any cause and Tenant hereby waives all claims in respect thereof against Landlord. Landlord shall not be liable for injury to Tenant's business or loss of income therefrom or for damage which may be sustained by the person, goods, wares, merchandise or property of Tenant, its employees, invitees, customers, agents or contractors or any other person in or about the Leased Premises caused by or resulting from fire, ice, snow, water, or rain which may leak or flow from or into any part of the Leased Premises, or from the breakage, leakage, obstruction or other defects of the pipes, sprinklers, or other fixtures of the same, whether the said damage or injury results from conditions arising upon the Leased Premises or upon other portions of the Building, or from other sources or places and regardless of whether the cause of such damage or injury or the means of repairing the same is inaccessible to Tenant.

8.6 Certificates Evidencing Insurance. Tenant shall furnish copies of the insurance policies required to

be carried hereunder or certificates thereof to Landlord upon execution of this Agreement. Tenant shall deliver evidence of renewals at the address set forth in Section 13.9 (Notices), not less than ten (10) days prior to the expiration of such coverage. If Tenant shall fail to obtain such required insurance or provide evidence of renewals, Landlord may procure the same and the cost thereof shall be immediately reimbursed to Landlord by Tenant upon the billing thereof

ARTICLE IX – WARRANTIES AND REPRESENTATIONS

9.1 Warranties by Landlord. In addition to any other warranties and representations by Landlord contained herein, Landlord expressly warrants and represents to Tenant that Landlord has not covenanted or agreed with anyone to restrict the use of the Leased Premises for Tenant's purposes as allowed in this Lease and Landlord knows of no covenants, agreements, or restrictions affecting the Leased Premises or Project which would prohibit, interfere with, or restrict Tenant's use of the Leased Premises.

9.2 Warranties by Tenant. Tenant warrants and represents to Landlord, for the express benefit of Landlord:

- a.) Tenant has undertaken a complete and independent evaluation of the risks inherent in the execution of this Lease and the operation of the Premises for its use permitted hereby and that, based upon said independent evaluation, Tenant has elected to enter into this Lease and hereby assumes all risks with respect thereto;
- b.) In entering into this Lease, Tenant relies upon no statement, fact, promise, or representation, whether express or implied, written or oral, not specifically set forth herein in writing; and
- c.) Any statement, fact, promise, or representation not expressly contained herein shall in no way bind Landlord, and Tenant hereby waives any right, rescission, and all claims for damages by reason of any statement, fact, promise, representation, if any, not contained in this Lease.

On the basis of the foregoing warranties and representations of Tenant, Landlord is willing to enter into this Lease. In the event any of such warranties or representations of Tenant herein contained shall be inaccurate or untrue, Landlord may, in addition to all other rights of Landlord at law or equity, terminate this Lease at any time thereafter upon written notice to Tenant.

9.3 Nondiscrimination. Tenant, in the use of the Lease herein granted, shall not discriminate or permit discrimination against any person or group of persons, employees, or patrons in any manner on the grounds of race, color, sex, sexual orientation, gender identity/expression, religion, national origin or ancestry, age or disability. Non-compliance with such assurances shall constitute a breach of this Lease Agreement, and in the event of non-compliance, Landlord may take appropriate action to enforce compliance and may terminate this Agreement or seek judicial enforcement thereof.

ARTICLE X – BANKRUPTCY

10.1 Chapter 7. In the event Tenant becomes a debtor in a case filed under Chapter 7 of the Bankruptcy Code and Tenant or Tenant's trustee elects to assume this Lease for the purpose of assigning the same or otherwise, such election and assignment may be made only if the provisions of Sections 10.2, 10.3 and 10.5 are satisfied. If Tenant or Tenant's trustee shall fail to elect to assume this Lease within sixty (60) days after the filing of such petition or such additional time as provided by the court within such sixty (60) day period, this Lease shall be deemed to have been rejected. Immediately thereupon Landlord shall be entitled to possession of the Leased Premises without further obligation to Tenant or Tenant's trustee, and this Lease, upon the election of Landlord, shall terminate, but Landlord's right to be compensated for damages in any such proceeding shall survive whether or not this Lease is terminated.

10.2 Chapter 11. In the event Tenant becomes a debtor in a case filed under Chapter 11 of the Bankruptcy Code, or in a case filed under Chapter 7 of the Bankruptcy Code which is converted to Chapter 11, Tenant's trustee or Tenant, as debtor-in-possession, must elect to assume this Lease within one hundred and twenty (120) days from the date of the filing of the petition under Chapter 11 or transfer thereto, or Tenant's trustee or the debtor-in-possession shall be

deemed to have rejected this Lease. In the event that Tenant, Tenant's trustee, or the debtor-in-possession has failed to perform all of Tenant's obligations under this Lease within the time periods (excluding grace periods) required for such performance, no election by Tenant's trustee or the debtor-in-possession to assume this Lease, whether under Chapter 7 or Chapter 11, shall be permitted or effective unless each of the following conditions has been satisfied:

- a.) Tenant's trustee or the debtor-in-possession has cured all defaults under the Lease or has provided Landlord with Assurance (as defined below) that it will cure all defaults susceptible to being cured by the payment of money within ten (10) days from the date of such assumption and that it will cure all other defaults under this Lease which are susceptible of being cured by the performance of any act promptly after the date of such assumption.
- b.) Tenant's trustee or the debtor-in-possession has compensated Landlord, or has provided Landlord with Assurance that within ten (10) days from the date of such assumption it will compensate Landlord, for any actual pecuniary loss incurred by Landlord arising from the default of Tenant, Tenant's trustee, or the debtor-in-possession indicated in any statement of actual pecuniary loss sent by Landlord to Tenant's trustee or the debtor-in-possession.
- c.) Tenant's trustee or the debtor-in-possession has provided Landlord with Assurance of the future performance of each of the obligations under this Lease of Tenant, Tenant's trustee, or the debtor-in-possession, and if Tenant's trustee or the debtor-in-possession has provided such Assurance, Tenant's trustee or the debtor-in-possession shall also deposit with Landlord, as security for the timely payment of Rent hereunder, an amount equal to six (6) monthly installment payments of the Annual Rent, which shall be applied to the last installments of Annual Rent that shall become due under this Lease, provided all the terms and provisions of this Lease shall have been complied with. The obligations imposed upon Tenant's trustee or the debtor-in-possession by this paragraph shall continue with respect to Tenant or any assignee of this Lease after the completion of bankruptcy proceedings.
- d.) Such assumption will not breach or cause a default under any provision of any other lease or other agreement by which Landlord is bound relating to the Leased Premises. For purposes of this Article 10, Landlord and Tenant acknowledge that "Assurance" shall mean no less than: Tenant's trustee or the debtor-in-possession has and will continue to have sufficient unencumbered assets after the payment of secured obligations and administrative expenses to assure Landlord that sufficient funds will be available to fulfill the obligations of Tenant under this Lease and there shall have been deposited with Landlord, or the Bankruptcy Court shall have entered an order segregating sufficient cash payable to Landlord, and/or Tenant's trustee or debtor-in-possession shall have been granted a valid and perfected first lien and security interest and/ in property of Tenant, Tenant's trustee or the debtor-in-possession, acceptable as to value and kind to Landlord, to secure to Landlord the obligation of Tenant, Tenant's trustee or the debtor-in-possession to cure the defaults under this Lease, monetary and/or non-monetary, within the time periods set forth above.

10.3 Subsequent Petitions. In the event that this Lease is assumed in accordance with Section 10.2, and thereafter Tenant is liquidated or files or has filed against it a subsequent petition under Chapter 7 or Chapter 11 of the Bankruptcy Code, Landlord may, at its option, terminate this Lease and all right of Tenant hereunder, by giving Tenant notice of its election to so terminate within thirty (30) days after the occurrence of either of such events.

10.4 Adequate Assurance. If Tenant's trustee or the debtor-in-possession has assumed the Lease pursuant to the terms and provisions of Sections 10.1 or 10.2 for the purposes of assigning (or elects to assign) this Lease, this Lease may be so assigned only if the proposed assignee has provided adequate assurance of future performance of all of the terms, covenants, and conditions of this Lease to be performed by Tenant. Landlord shall be entitled to receive all cash proceeds of such assignment. As used herein, "adequate assurance of future performance" shall mean that no less than each of the following conditions has been satisfied:

- a.) The proposed assignee has furnished Landlord with (i.) a current financial statement audited by a certified public accountant indicating a net worth and working capital in amounts which Landlord reasonably determines to be sufficient to assure the future performance by such assignee of guarantees, in form and substance satisfactory to Landlord, from one or more persons with a net worth which Landlord reasonably determines to be sufficient to secure the Tenant's obligations hereunder, and (ii.) information with respect to the proposed assignee's management ability, expertise and experience in Tenant's business and Landlord has reasonably determined that the proposed assignee has the management expertise and experience to operate the business conducted on the Leased Premises.
- b.) Landlord has obtained all consents or waivers from others required under any lease or other agreement by which Landlord is bound to permit Landlord to consent to such assignment without violating the terms of any such agreements.

10.5 Use and Occupancy Charges. When, pursuant to the Bankruptcy Code, Tenant's trustee or the debtor-in-possession shall be obliged to pay reasonable use and occupancy charges for the use of the Leased Premises, such charges shall not be less than the Annual Rent, and such other amounts of Rent hereunder.

10.6 No Transfer In Bankruptcy Without Consent. Neither the whole nor any portion of Tenant's interest in this Lease or its estate in the Leased Premises shall pass to any trustee, receiver, assignee for the benefit of creditors, or any other person or entity, or otherwise by operation of law under the laws of any state having jurisdiction of the person or property of Tenant unless Landlord shall have consented to such transfer in writing. No acceptance by Landlord of installment payments of Rent or any other payments from any such trustee, receiver, assignee, person or other entity shall be deemed to constitute such consent by Landlord nor shall it be deemed a waiver of Landlord's right to terminate this Lease for any transfer of Tenant's interest under this Lease without such consent.

ARTICLE XI – QUIET ENJOYMENT

11.1 Quiet Enjoyment By Tenant. Landlord covenants and agrees that, provided Tenant performs all the terms, conditions, and covenants contained in this Lease to be performed by Tenant, Tenant shall peaceably and quietly hold and enjoy the Leased Premises for Tenant's purposes set forth in this Lease for the Term hereof without hindrance or interruption.

11.2 Interference. Landlord shall not: a.) interfere with the visibility, ingress or egress of the Leased Premises; b.) disrupt Tenant's business; nor c.) reduce the usable area of the Leased Premises.

ARTICLE XII – DEFAULT AND REMEDIES

12.1 Events of Default. The occurrence of any of the following events, in addition to any default events previously set forth within this Lease, shall constitute a material default and breach of this Lease ("Event of Default") by Tenant:

- a.) Tenant fails to pay any installment of Rent within ten (10) days following its due date without the requirement of written notice or demand;
- b.) Tenant fails to pay any other sum payable under this Lease within ten (10) days after written demand therefor is delivered to Tenant;
- c.) The default by Tenant in the performance of any of Tenant's covenants, agreements, or obligations hereunder (excluding a default in the payment of Rent or other monies due) which continue for thirty (30) days after written notice thereof is delivered to Tenant by Landlord; provided if the alleged default cannot be cured within thirty (30) days, then Tenant will not be deemed to be in default if Tenant commences to cure the Event of Default within the thirty (30) days and proceeds diligently to complete such cure;

- d.) A general assignment by Tenant for the benefit of creditors;
- e.) The filing of a voluntary petition in bankruptcy, the filing for an arrangement, or the filing of a voluntary or involuntary petition for reorganization or the filing of an involuntary petition by Tenant's creditors which remains undischarged for a period of sixty (60) days;
- f.) Tenant is the subject of a receivership, attachment, or other judicial seizure of substantially all of Tenant's assets on the Premises, such attachment or other seizure remaining undismissed or undischarged for a period of sixty (60) days after the levy thereon;
- g.) Tenant fails to obtain and maintain the insurance described in Article 8 (above); or
- h.) If Landlord determines that a life and/or safety situation exists due to Tenant's acts or omissions excluding a default in the payment of rent or other monies due to Landlord.

12.2 Landlord's Remedies. In the event of an Event of Default by Tenant, Landlord shall have all rights and remedies available at law or in equity. The rights, privileges, elections, and remedies of Landlord set forth in this Lease or allowed by law or equity are cumulative and the enforcement by Landlord of a specific remedy shall not constitute an election of remedies and/or a waiver of other available remedies. In the event of a material default, Landlord's remedies shall include, but not be limited to, the following:

- a.) Terminate this Lease by written notice on the earliest date permitted by law or on any later date specified in such notice, in which case Tenant's right to possession of the Premises will cease and this Lease will terminate, except as to Tenant's liability;
- b.) Without further demand or notice, reenter and take possession of the Premises, repossess the same, expel Tenant and those claiming through or under Tenant, and remove the effects of both or either, without being liable for prosecution, damage, or otherwise and without being deemed guilty of any manner of trespass, and without prejudice to any remedies for arrears of Rent or other amounts payable under this Lease or as a result of any preceding Event of Default;
- c.) Without further demand or notice, cure any Event of Default and charge Tenant as additional rent the cost of effecting such cure, including, without limitation, reasonable attorneys' fees and interest on the amount so advanced at ten percent (10%) per annum; and
- d.) Without further demand or notice, accelerate the payment of all rent and other monetary sums payable by Tenant for the balance of the Term and, upon any such election, such sums shall be immediately due and payable in full.

Should Landlord elect to reenter as provided in Subsection 12.2.b. (above) or should Landlord take possession pursuant to legal proceedings or pursuant to any notice provided by law, Landlord may, from time to time, without terminating this Lease, relet the Premises or any part of the Premises in Landlord's or Tenant's name, but for the account of Tenant, on commercially reasonable terms and conditions as Landlord in its sole discretion may choose. Landlord will in no way be responsible or liable for any failure to relet the Premises, or any part of the Premises, or for any failure to collect any rent due upon such reletting. No such reentry or taking possession of the Premises by Landlord will be construed as an election on Landlord's part to terminate this Lease unless a written notice of such intention is given to Tenant. No written notice from Landlord under this Section or under a forcible or unlawful entry and detainer statute or similar law will constitute an election by Landlord to terminate this Lease unless such notice specifically so states. Landlord reserves the right following any such reentry or reletting to exercise its right to terminate this Lease by giving Tenant such written notice, in which event this Lease will terminate as specified in such notice.

If Tenant should abandon, vacate, or surrender the Premises or be dispossessed by process of law, any personal property left upon the Premises may be deemed abandoned, or, at the option of Landlord, on such reentry Landlord may take possession of any and all furniture, fixtures, or chattels in or on the Premises and sell the same or dispose of at Tenant's expense.

12.3 Landlord's Default. It shall be an Event of Default by Landlord if Landlord fails to perform any of Landlord's covenants, agreements, or obligations under the terms of this Lease and which continues for thirty (30) days after written notice thereof is delivered to Landlord by Tenant; provided if the alleged default cannot be cured within thirty (30) days, then Landlord will not be deemed to be in default if Landlord commences to cure the Event of Default within the thirty (30) days and proceeds diligently to complete such cure.

ARTICLE XIII – MISCELLANEOUS

13.1 Assignment. Tenant, its successors and/or assigns shall not assign this Lease and/or sublet the Leased Premises, in whole or in part, without the prior written approval by Landlord.

13.2 Force Majeure. Neither Landlord or Tenant shall be required to perform any term, condition, or covenant of this Lease during such time such performance, after the exercise of due diligence to perform, is delayed or prevented by acts of God, civil riots, organized labor disputes, or governmental restrictions.

13.3 Non-Waiver. Waiver by Landlord of any term, covenant, or condition herein contained or any breach thereof by Tenant shall not be construed as a waiver of any term, covenant, or condition or of any subsequent breach of the same or another term, condition, or covenant herein. The consent, approval, or acquiescence by Landlord to any such breach shall not waive or render unnecessary such consent or approval of any subsequent similar breach.

13.4 Arbitration. Any disputes between the parties in connection with the rights and obligations under this Lease shall be settled by arbitration upon the request of any party and the mutual agreement of both parties. Arbitration proceedings shall be conducted in accordance with the rules of the American Arbitration Association and shall be conducted in Boise, Ada County, Idaho, with expenses thereof borne equally by each party. The award of the arbitrator shall be binding, final, and conclusive on the parties.

13.5 Recording of Lease. Tenant shall not record this Lease without written consent of Landlord, however, upon the request of either party hereto, the other party shall join in the execution of a memorandum or so called "short form" of this Lease for the purposes of recordation in such form as required for recordation.

13.6 Attorneys' Fees. In the event of any controversy, claim, or action being filed or instituted between the parties to enforce the terms and conditions of this Lease, or arising from the breach of any provision hereof, including after expiration of the Term, the prevailing party shall be entitled to an award of costs, damages, and expenses, including reasonable attorneys' fees (including fees on appeal and for bankruptcy proceedings) incurred by the prevailing party from a court of competent jurisdiction.

13.7 Corporate Authority. The parties executing this Lease on behalf of Tenant hereby covenant and warrant that they are duly authorized to execute and deliver this Lease on behalf of said corporation; that Tenant is a duly qualified corporation and all steps have been taken prior to the date hereof to qualify Tenant to do business in Idaho; all franchise and corporate taxes have been paid to date; and future forms, reports, fees and other documents necessary to comply with applicable laws will be filed when due.

13.8 Entire Agreement. This Lease shall constitute the entire agreement of the parties hereto and any prior agreements between the parties relating to the Leased Premises, whether written or oral, is merged herein and shall be of no separate force and effect and this Lease shall only be changed, modified, or discharged by agreement in writing signed by both parties hereto. This Lease may be executed in two or more counterparts, each of which shall constitute an original and all of which shall be one and the same agreement.

13.9 Notices. The parties' addresses for all notices set forth in this Lease are:

LANDLORD: City of Boise
c/o Housing and Community
Development Division
150 N. Capitol Blvd.
Boise, Idaho 83702

TENANT: Life's Kitchen, Inc.
c/o Board President
PO Box 6286
Boise, Idaho 83707

IN WITNESS WHEREOF the parties hereto have subscribed their names the date first written above.

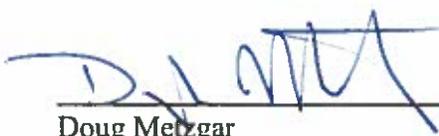
CITY OF BOISE

Landlord

LIFE'S KITCHEN, INC.

Tenant

David H. Bieter
Mayor

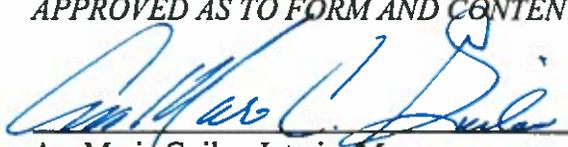


Doug Metzgar
Board President

ATTEST:

Jade Riley
Ex-Officio City Clerk

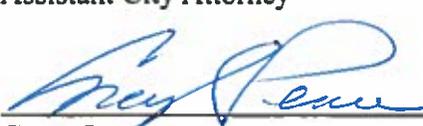
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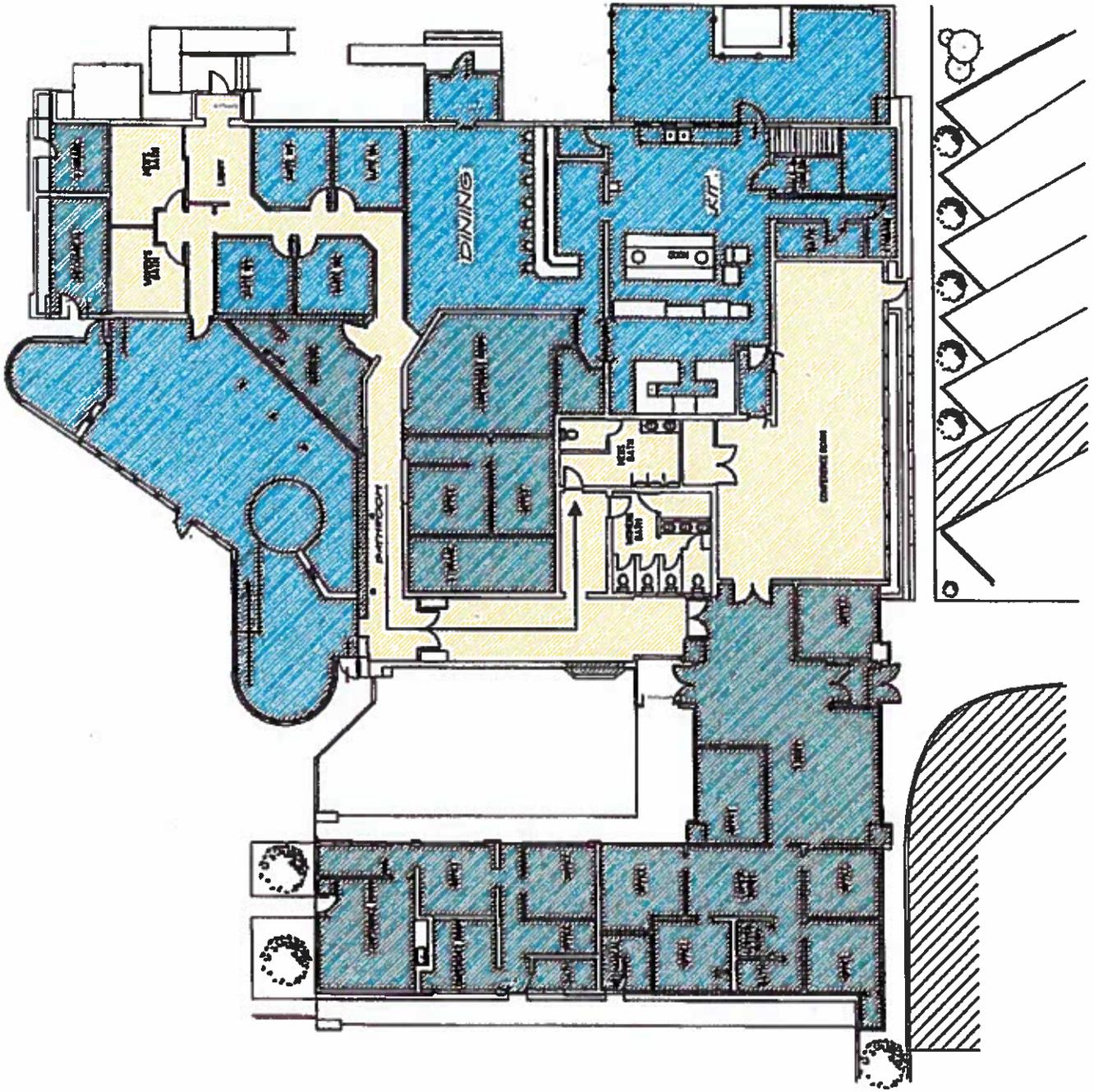
AnaMarie Guiles, Interim Manager
Housing & Community Development



Mary Elizabeth Watson
Assistant City Attorney



Corey Pence
Risk and Safety Senior Manager



8379 SQUARE FEET



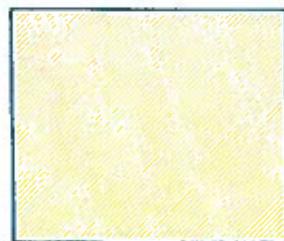
BUILDING OCCUPIED
BY HOUSING & COMMUNITY
DEVELOPMENT

5741 SQUARE FEET



BUILDING OCCUPIED
BY LIVES KITCHEN

INCLUDED IN HCD SQFT



NON-EXCLUSIVE
ACCESS AREAS

