

**FIRST AMENDMENT to LEASE AGREEMENT BETWEEN
CITY OF LAS VEGAS AND FATHER FLANAGAN'S BOY'S HOME**

THIS FIRST AMENDMENT TO LEASE AGREEMENT ("First Amendment") is made and entered into this ____ day of _____, 2009, by and between the City of Las Vegas, Nevada, a municipal corporation of the State of Nevada ("Lessor") and Father Flanagan's Boys' Home, a nonprofit corporation of the State of Nebraska, duly qualified as a foreign nonprofit corporation in the State of Nevada, with its principal office at Boys Town Center, 14100 Crawford Street, Boys Town, Douglas County, Nebraska 68010-7520, and an office at 6022 Smoke Ranch Road, City of Las Vegas, County of Clark, State of Nevada (herein the "Lessee"). Lessor and Lessee may be referred to singularly as the "Party" or collectively as the "Parties."

RECITALS

WHEREAS, the Las Vegas City Council approved and the Mayor executed a Lease Agreement between the Lessor and Lessee on June 16, 1993, attached hereto as Exhibit 1 and incorporated herein by this reference (the "Lease") for the use of unimproved real property as described in Exhibit A of the Lease; and

WHEREAS, it is the mutual desire of the Parties hereto to amend said Lease;

NOW, THEREFORE, in consideration of the foregoing facts and terms, conditions and covenants set forth below, the Parties hereto agree as follows:

1. In SECTION SIX—USE OF THE DEMISED PREMISES, Subsection A-Use Limitation, add the following paragraph:

Except if there are no programs, contracts, or available opportunities to house juveniles, the Lessee may use the facilities for offices and programs related to providing services to youth and families that would indirectly benefit the citizens of the City, Clark County, or the State of Nevada.

2. In SECTION TWELVE—NOTICES, delete the notice contact and address for Lessor and replace with the following:

LESSOR: City of Las Vegas
 Attn: Real Estate & Utilities Administrator
 400 E. Stewart Ave. 4th Floor
 Las Vegas, NV 89101

3. The Parties reaffirm the Lease and agree and acknowledge that, except as expressly amended hereby, the Lease remains in full force and effect according to its terms. In the event of any conflict between the terms of the Lease and this First Amendment, the terms of this First Amendment shall govern.

4. Counterparts; Electronic Delivery. This First Amendment may be executed in counterparts, all such counterparts will constitute the same contract and the signature of any party to any counterpart will be deemed a signature to, and may be appended to, any other counterpart. Executed copies hereof may be

delivered by facsimile or e-mail and upon receipt will be deemed originals and binding upon the parties hereto, regardless of whether originals are delivered thereafter.

5. In all other respects, the Lease is hereby ratified and confirmed, in full.

IN WITNESS WHEREOF, the Parties hereto have executed this First Amendment as of the date first above written.

CITY OF LAS VEGAS
"Lessor"

Oscar B. Goodman, Mayor

ATTEST:

Beverly K. Bridges MMC, City Clerk

APPROVED AS TO FORM:

John S. Ridilla 11/9/09
Deputy City Attorney Date

FATHER FLANAGAN'S BOYS' HOME
"Lessee"

By: _____

Name: _____

Title: _____

delivered by facsimile or e-mail and upon receipt will be deemed originals and binding upon the parties hereto, regardless of whether originals are delivered thereafter.

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CITY OF LAS VEGAS
"Lessor"

Oscar B. Goodman, Mayor

ATTEST:

Beverly K. Bridges CMC, City Clerk

APPROVED AS TO FORM:

Deputy City Attorney

Date

FATHER FLANAGAN'S BOYS' HOME
"Lessee"

By: V. F. LaRosa

Name: VICTOR F. LAROSA

Title: ASSISTANT CORP. SECRETARY

EXHIBIT “1”

LEASE AGREEMENT

LEASE AGREEMENT

THIS LEASE AGREEMENT is made and executed on this 16th day of JUNE, 1993, by and between the City of Las Vegas, a municipal corporation of the State of Nevada, (herein the "Lessor") and Father Flanagan's Boys' Home, a nonprofit corporation of the State of Nebraska, duly qualified as a foreign nonprofit corporation in the State of Nevada, with its principal office at Boys Town Center, 14100 Crawford Street, Boys Town, Douglas County, Nebraska 68010-7520, and an office at 6022 Smoke Rancho Road, City of Las Vegas, County of Clark, State of Nevada (herein the "Lessee").

The parties agree as follows:

SECTION ONE DEMISE AND DESCRIPTION OF PREMISES

The Lessor leases to the Lessee, and the Lessee hires from the Lessor, for the purpose set forth in Section Six and for no other purpose, the unimproved real property (herein the "Demised Premises") situated in the City of Las Vegas, County of Clark, State of Nevada, and more particularly described in Exhibit "A" attached hereto and incorporated herein as a part of this Lease Agreement.

SECTION TWO TERM

A. **Term.** The initial term of this Lease Agreement shall be twenty (20) years, commencing on July 1, 1993, and ending on June 30, 2013.

B. **Additional Term Option.** The Lessor hereby grants to the Lessee the option to extend the term of the Lease Agreement for an additional twenty (20) year term, provided that, at least ninety (90) days prior to the expiration of the first term, the Lessee notifies the Lessor in writing of its intent to exercise the option granted herein.

C. **Right of Termination.** The term of this Lease Agreement shall be subject to earlier termination by the Lessor in the event the Lessee does not complete the construction or ceases operation of the Improvements described in subsection A of Section Six.

SECTION THREE RENT

As consideration for the execution of this Lease Agreement, the Lessee agrees to pay to the Lessor on the commencement date hereof, and on each anniversary thereof for the period of this Lease Agreement, the sum of One Hundred Fifty and No/100ths Dollars (\$150.00) as the base rent for the use and enjoyment of the Demised Premises. The base rental payment shall be subject to annual increases based upon the Consumer Price Index (CPI) for Urban Wage Earners and Clerical Workers - U.S. City Average. The base index figure shall be the figure last published before July 1, 1993. The annual adjustment index figure for each subsequent year

(July to July) shall be the figure last published before July 1st of the lease year just commencing. Notice of any CPI increase shall be given to the Lessee in a timely manner. No CPI adjustment shall result in a decrease in rent.

SECTION FOUR WARRANTIES OF TITLE AND QUIET POSSESSION

The Lessor covenants that it is seized of the Demised Premises in fee simple and has full right to make and enter into this Lease Agreement and that the Lessee shall have quiet and peaceable possession of the Demised Premises during the term of this Lease Agreement.

SECTION FIVE DELIVERY OF POSSESSION

If the Lessor, for any reason whatsoever, cannot deliver possession of the Demised Premises to the Lessee at the commencement of the Lease Agreement, as specified above, this Lease Agreement shall not be void or voidable, nor shall the Lessor be liable to the Lessee for any loss or damage resulting from such non-delivery, there shall be a proportionate reduction of rent covering the period between the commencement of the Lease Agreement and the time when the Lessor can deliver possession.

SECTION SIX USE OF THE DEMISED PREMISES

A. **Use Limitation.** The Lessee agrees to use the Demised Premises for the purpose of, and for no other purpose, constructing thereon a new building and related facilities to temporarily house juveniles up to the age of 18 years old who are in need of such facilities (herein the "Improvements") and the operation and maintenance thereafter of such Improvements.

B. **Insurance Restrictions on Use.** No use shall be made or permitted to be made of the Demised Premises, or acts done, which will cause a cancellation of any insurance policy covering the building located on the Demised Premises, or any part of such building, nor shall the Lessee sell, or permit to be kept, used, or sold, in or about the Demised Premises, any article that may be prohibited by the standard form of fire insurance policies. The Lessee shall, at its sole cost, comply with all requirements, pertaining to the Demised Premises, of any insurance organization or company necessary for the maintenance of insurance as provided in this Lease Agreement, covering the Improvements located on the Demised Premises.

SECTION SEVEN WASTE AND NUISANCE PROHIBITED

During the term of this Lease Agreement, the Lessee shall comply with all applicable laws affecting the Demised Premises, the breach of which might result in any penalty

on the Lessor or forfeiture of the Lessor's title to the Demised Premises. The Lessee shall not commit, or suffer to be committed, any waste on the Demised Premises, or any nuisance.

SECTION EIGHT ABANDONMENT OF PREMISES

The Lessee shall not vacate or abandon the Demised Premises at any time during the term of this Lease Agreement. If the Lessee abandons, vacates, or surrenders the Demised Premises, or is dispossessed by process of law, or otherwise, any personal property belonging to the Lessee and left on the Demised Premises shall be deemed to be abandoned, at the option of the Lessor, except such property as may be encumbered to the Lessor.

SECTION NINE LESSOR'S RIGHT OF ENTRY

The Lessee shall permit the Lessor, its agents and employees, to enter into and upon the Demised Premises at all reasonable times for the purpose of inspecting the premises, or for the purpose of posting notice of non-responsibility for alterations, additions, or repairs, without any rebate of rent and without any liability to the Lessee for any loss of occupation or quiet enjoyment of the Demised Premises occasioned by the entry. The Lessee shall permit the Lessor and its agents and employees, at any time within the last five (5) years prior to the expiration of the initial term of this Lease Agreement, to place on the Demised Premises any usual or ordinary "To Let" or "To Lease" signs and exhibit the Demised Premises to prospective tenants at reasonable hours.

SECTION TEN ENCUMBRANCE OF LESSEE'S LEASEHOLD INTEREST

A. **Right to Encumber.** The Lessee may encumber by mortgage, deed of trust or other proper instrument its leasehold interest and estate in the Demised Premises, together with all buildings and improvements placed by the Lessee on the Demised Premises, as security for the indebtedness of the Lessee incurred for the purpose of financing the construction of the Improvements. The execution of any mortgage, deed of trust or other instrument, or the foreclosure of any mortgage, deed of trust or other instrument, or any sale, either by judicial proceedings or by virtue of any power reserved in a mortgage, deed of trust or conveyance by the Lessee to the holder of the indebtedness, or the exercising of any right, power or privilege reserved in any mortgage or deed of trust shall not be held as a violation of any of the terms or conditions of this Lease Agreement, or as an assumption by the holder of the indebtedness personally of the obligations of this Lease Agreement. No encumbrance, foreclosure, conveyance or exercise of right shall relieve the Lessee from its liability under this Lease Agreement.

B. **Notice to Holder of Indebtedness.** If the Lessee shall encumber its leasehold interest and estate in the Demised Premises and if the Lessee or the holder of the

indebtedness secured by the encumbrance shall give notice to the Lessor of the existence of the encumbrance and the address of the holder, then the Lessor will mail or deliver to the holder, at such address, a duplicate copy of all notices in writing which the Lessor may, from time to time, give to or serve upon the Lessee under and pursuant to the terms and provisions of this Lease Agreement. The copies shall be mailed or delivered to the holder at, or as near as possible to, the same time the notices are given to or served upon the Lessee. The holder may, at its option, at any time before the rights of the Lessee shall be terminated as provided in this Lease Agreement, pay any of the rents due under this Lease Agreement, or pay any taxes and assessments, or do any other act or thing required of the Lessee by the terms of this Lease Agreement, or do any act or thing that may be necessary and proper to be done in the observance of the covenants and conditions contained herein or to prevent the termination of this Lease Agreement. All payments so made and all things so done and performed by the holder shall be as effective to prevent a foreclosure of the rights of the Lessee thereunder as the same would have been if done and performed by the Lessee.

SECTION ELEVEN SUBLETTING AND ASSIGNMENT

A. **Sublease.** The Lessee may not sublet the Demised Premises in whole or in part without the Lessor's consent, and the making of any sublease shall not release the Lessee from, or otherwise affect in any manner, any of the Lessee's obligations under this Lease Agreement.

B. **Assignment.** The Lessee shall not assign or transfer this Lease Agreement, or any interest herein, without the prior written consent of the Lessor, and a consent to an assignment shall not be deemed to be a consent to any subsequent assignment. Any assignment without consent shall be void and shall, at the option of the Lessor, terminate this Lease Agreement.

C. **Involuntary Transfer.** Neither this Lease Agreement nor any interest of the Lessee under this Lease Agreement in the Demised Premises or the Improvements thereon shall be subject to involuntary assignment, transfer or sale, or to assignment, transfer or sale by operation of law in any manner whatsoever. Any such attempted involuntary assignment, transfer or sale shall be void and no effect and shall, at the option of the Lessor, terminate this Lease Agreement.

SECTION TWELVE NOTICES

All notices, demands, or other writings in this Lease Agreement provided to be given, or which may be given by either party to the other, shall be deemed to have been fully given when made in writing and deposited with the United States Postal Service as certified mail with postage prepaid, and addressed as follows:

LESSOR:

City of Las Vegas
City Manager
400 East Stewart Avenue, 10th Floor
Las Vegas, Nevada 89101

LESSEE:

Executive Director
Boys Town Center
14100 Crawford Street
Boys Town, Nebraska 68010-7520

The address to which any notice, demand, or other writing may be given to any party as above provided may be changed by written notice given by such party as above provided.

SECTION THIRTEEN TAXES AND ASSESSMENTS

A. **Taxes.** The Lessee shall pay and discharge as they become due, promptly and before delinquency, all taxes, assessments, rates, charges, license fees, municipal liens, levies, excises or imposts whether general or special, or ordinary or extraordinary, of every name, nature and kind whatsoever, including all governmental charges of whatever name, nature, or kind, which may be levied, assessed, charged or imposed, or which may become a lien or charge on or against the Demised Premises, or any part of the leasehold of the Lessee in and under this Lease Agreement, the Improvements hereafter constructed on the Demised Premises, or on or against the Lessor by reason of its ownership of the fee underlying this Lease Agreement, during the entire term of this Lease Agreement.

B. **Assessments Affecting Improvements.** Specifically and without in any way limiting the generality of the provisions of Paragraph A of this Section 13, the Lessee shall pay all special assessments, levies or charges made by any municipality or political subdivision for local improvements, and shall pay the same in cash as they shall fall due and before they shall become delinquent and as required by the act and proceedings under which any such assessments, levies or charges are made by any municipal or political subdivision. If the right is given to pay either in one sum or in installments, the Lessee may elect either mode of payment and its election shall be binding on the Lessor. If, by making any such election to pay in installments, any of such installments shall be payable after the termination of this Lease Agreement or any extended term of this Lease Agreement, the unpaid installments shall be prorated as of the date of termination, and amounts payable after that date shall be paid by the Lessor. All of the taxes and charges under this Section Thirteen shall be prorated at the commencement and expiration of the term of this Lease Agreement.

C. **Contesting Taxes.** If the Lessee shall in good faith desire to contest the validity or amount of any tax, assessment, levy, or other governmental charge agreed in this Section Thirteen, the Lessee shall be permitted to do so, and to defer payment of such tax assessment, levy or charge, the validity or amount of which the Lessee is so contesting, until final determination of the contest, if the Lessee gives to the Lessor written notice thereof prior

to the commencement of any such contest, which shall be at least five (5) days prior to delinquency, and providing the Lessor a good and sufficient surety bond protecting the Lessor against any such tax assessment, levy or governmental charge, and from any costs, liability or damage arising out of any such contest.

SECTION FOURTEEN COVENANT OF CONSTRUCTION AND OPERATION

A. Covenant of Design and Construction. In consideration for the execution of this Lease Agreement, within 240 days after execution hereof, the Lessee covenants, at its sole cost and expense, to design and construct the Improvements upon the Demised Premises and related facilities to temporarily house juveniles up to the age of 18 years old who are in need of facilities and to operate and maintain the Improvements thereon for the term of this Lease Agreement. The construction of the Improvements shall be consistent with the structure drawing, floor plan, site plan and basic concept drawing, attached hereto as Exhibits "B", "C", "D" and "E" respectively and incorporated herein as a part of this Lease Agreement. The Improvements shall be designed and constructed at a minimum cost of Five Hundred Thousand and No/100ths Dollars (\$500,000.00) to the Lessee. The plans and specifications of the Improvements preliminary and final, shall be submitted to the Lessor for review and approval. The Lessor shall not unreasonably withhold such approval, and in the event of disapproval, the Lessor shall give to the Lessee an itemized statement of reasons for disapproval within thirty (30) days after the plans and specifications are submitted to the Lessor. Failure of the Lessee to complete the construction of the Improvements within the deadline set forth herein, or to maintain or operate in the manner required herein, shall constitute a material default on the part of the Lessee and shall give rise to the Lessor's right to terminate this Lease Agreement and to retake possession of the Demised Premises.

B. Alterations, Improvements and Changes Permitted. The Lessee shall have the right to make such alterations, improvements and changes to the Improvements that may from time to time may be deemed necessary by the Lessee on the Demised Premises, or to replace any building with a new one of at least equal value, provided that prior to making any structural alterations, improvements or changes, or to replacing the Improvements, the Lessee shall obtain the Lessor's written approval of the plans and specifications therefor, which approval the Lessor shall not unreasonably withhold, provided that the value of the Improvements shall not be diminished and the structural integrity thereof shall not be adversely affected by any such alterations, improvements or changes, or that in the event of replacement the proposed new building is at least equal in value to the one that it is to replace, as the case may be. In the event of disapproval, the Lessor shall give to the Lessee an itemized statement of reasons for the disapproval. If the Lessor does not disapprove the plans and specifications provided for in this Section Fourteen within thirty (30) days after they have been submitted to the Lessor, the plans and specifications shall be deemed to have been approved by the Lessor. The Lessor will in no event make any alterations, improvements or other changes of any kind to the Improvements or the Demised Premises, or both, which decreases the value of the Improvements or the Demised Premises, or both, or which adversely affects the structural

integrity of the Improvements. Prior to commencing any work that will cost in excess of One Thousand and No/100ths Dollars (\$1,000.00), the Lessee shall furnish the Lessor, on demand, with a good and sufficient surety bond insuring the completion of the work and the payment of all bills in connection with the work.

C. Disposition of the Improvements. The Improvements constructed by the Lessee on the Demised Premises, and all alterations, improvements, changes, or additions made thereto shall be the property of the Lessor, and the Lessee shall have only a leasehold interest therein subject to the terms of this Lease Agreement.

SECTION SIXTEEN REPAIRS AND DESTRUCTION OF IMPROVEMENTS

A. Maintenance of Improvements. The Lessee shall, throughout the term of this Lease Agreement, at its own cost, and without expense to the Lessor, keep and maintain the Demised Premises, including the Improvements thereon, and all appurtenances thereto, including the sidewalks adjacent thereto, in good, sanitary and neat order, condition and repair and, except as specifically provided in this Lease Agreement, shall restore and rehabilitate the Improvements located thereon that may be destroyed or damaged by fire, casualty or any other cause whatsoever.

B. No Obligation by the Lessor to Make Improvements. The Lessor shall not be obligated to make any repairs or replacements whatsoever to the Demised Premises or the Improvements constructed thereon.

C. The Lessee's Compliance with Laws. The Lessee shall also comply with and abide by all federal, state, county, municipal and other governmental statutes, ordinances, laws and regulations affecting the Demised Premises or the Improvements constructed thereon.

D. Damage to and Destruction of Improvements. Any damage or destruction, in whole or in part, of the Improvements that is a part of the Demised Premises shall not release the Lessee from any obligation under this Lease Agreement, except as expressly provided below. In case of damage to or destruction of Improvements, the Lessee shall at its own expense promptly repair and restore it to a condition as good or better than that which existed prior to the damage or destruction. Without limiting the obligations of the Lessee, it is agreed that the proceeds of any insurance covering the damage or destruction shall be made available to the Lessee for such repair or replacement.

E. Damage or Destruction Occurring Toward End of Term. In spite of anything to the contrary in the immediately preceding paragraphs of this Section Sixteen, in case of destruction of or damage to the Improvements located on the Demised Premises from any cause so as to make it untenable occurring during the last five (5) years of the term of this Lease Agreement, the Lessee, if not then in default under this Lease Agreement, may elect to terminate this Lease Agreement by written notice served on the Lessor within thirty (30) days after the

occurrence of the damage or destruction. In the event of such termination, there shall be no obligation on the part of the Lessee to repair or restore the Improvements nor any right on the part of the Lessee to receive any proceeds collected under any insurance policies covering the Improvements. The Lessee agrees to execute any and all documents which are necessary to assign, or secure the proceeds of any insurance policies covering the Improvements located on the Demised Premises to the Lessee. On such termination, the rent, taxes, assessments, and any other sums payable by the Lessee under this Lease Agreement shall be prorated as of the termination date. In the event any rent, taxes or assessments shall have been paid in advance, the Lessor shall rebate any such payment for the unexpired period for which payment shall have been made.

F. **Election not to Terminate.** If, in the event of destruction or damage during the last five (5) years of the term of this Lease Agreement, the Lessee does not elect to terminate this Lease Agreement, the proceeds of all insurance covering the damage or destruction shall be made available to the Lessee for repair or replacement, and the Lessee shall be obligated to repair or rebuild the Improvements as provided above.

SECTION SEVENTEEN UTILITIES

The Lessee shall fully and promptly pay for all water, gas, heat, light, power, telephone services and other public utilities of every kind furnished to the Demised Premises throughout the term of this Lease Agreement, and all other costs and expenses of every kind whatsoever of or in connection with the use, operation and maintenance of the Demised Premises and all activities conducted thereon, and the Lessor shall have no responsibility of any kind for payment of any such utilities.

SECTION EIGHTEEN LIENS

A. **The Lessee's Duty to Keep Premises Free of Liens.** The Lessee shall keep all and every part of the Demised Premises and the Improvements located thereon free and clear of any and all mechanics', material suppliers', and other liens for or arising out of or in connection with work or labor done, services performed, or materials or appliances used or furnished for or in connection with any operations of the Lessee, any alteration, improvement, or repairs or additions that the Lessee may make or permit or cause to be made, or any work or construction, by, for, or permitted by the Lessee on or about the Demised Premises, or any obligations of any kind incurred by the Lessee, and at all times promptly and fully to pay and discharge any and all claims on which any such lien may or could be based, and to indemnify the Lessor from and against any and all such liens and claims of liens and suits or other proceedings pertaining to the Demised Premises.

B. **Written Notice.** The Lessee shall give the Lessor written notice no less than thirty (30) days in advance of the commencement of any construction, alteration, addition,

improvement, or repair estimated to cost in excess of One Thousand and NO/100ths Dollars (\$1,000.00) in order that the Lessor may post appropriate notices of the Lessor's non-responsibility.

C. Contesting Liens. If the Lessee desires to contest any lien, it shall notify the Lessor of its intention to do so within ten (10) days after the filing of the lien. In that case, and provided that the Lessee shall on demand protect the Lessor by a good and sufficient surety bond against any lien and any cost, liability, or damage arising out of such contest, the Lessee shall not be in default under this Lease Agreement until fifteen (15) days after the final determination of the validity of the lien, within which time the Lessee shall satisfy and discharge the lien to the extent held valid. However, the satisfaction and discharge of any lien shall not, in any case, be delayed until execution is had on any judgment rendered on the lien, and such delay shall be a default of the Lessee under this Lease Agreement.

D. Indemnification. In the event of any such contest, the Lessee shall protect and indemnify the Lessor against any and all loss, expense and damage resulting from the contest.

SECTION NINETEEN INDEMNIFICATION OF LESSOR

The Lessor shall not be liable for any loss, injury, death, or damage to persons or property that at any time may be suffered or sustained by the Lessee or by any person whosoever may at any time be using or occupying or visiting the Demised Premises or be in, or about the Demised Premises, whether the loss, injury, death, or damage shall be caused by, result from or arise out of any act, omission, or negligence of the Lessee or of any occupant, subtenant, visitor, or user of any portion of the Demised Premises, or shall result from or be caused by any other matter or thing whether the same kind as or of a different kind than the matters or things above set forth. The Lessee shall indemnify the Lessor against any and all claims, liability, loss or damage whatsoever on account of any such loss, injury, death or damage. The Lessee waives all claims against the Lessor for damages to the Improvements that are hereafter constructed thereon and to the property of the Lessee in, on, or about the Demised Premises, and for injuries to persons or property in or about the Demised Premises, from any cause arising at any time. The two preceding sentences shall not apply to loss, injury, death or damage arising by reason of the negligence or misconduct of the Lessor, its agents or employees.

SECTION TWENTY ATTORNEY FEES

If any action at law or in equity shall be brought to recover any rent under this Lease Agreement, or for any breach of, or to enforce any of the covenants, terms or conditions of this Lease Agreement, or for the recovery of the possession of the Demised Premises, the prevailing party shall be entitled to recover from the other party the prevailing party's costs and reasonable attorney fees, the amount of which shall be fixed by the court and shall be made a part of any

judgment or decree rendered.

SECTION TWENTY-ONE REDELIVERY OF PREMISES

At the expiration or earlier termination of this Lease Agreement, the Lessee shall peaceably and quietly quit and surrender to the Lessor the Demised Premises in good order and condition subject to the other provisions of this Lease Agreement.

SECTION TWENTY-TWO INSURANCE

A. **Insurance Coverage of Premises.** The Lessee shall, at all times during the term of this Lease Agreement and at the Lessee's sole expense, keep the Improvements that are hereafter constructed on the Demised Premises insured against loss or damage by fire and the extended coverage hazards for one hundred percent (100%) of the full replacement value of the Improvements with loss payable to the Lessor and the Lessee as their interests may appear. Any loss adjustment shall require the written consent of both the Lessor and the Lessee.

B. **Personal Injury Liability Insurance.** The Lessee shall maintain in effect throughout the term of this Lease Agreement personal injury liability insurance covering the Demised Premises, the Improvements located thereon and the sidewalks fronting on them in the amount of Two Million and No/100ths Dollars (\$2,000,000.00) for injury to or death of any one person, and Two Million and No/100ths Dollars (\$2,000,000.00) for injury to or death of any number of persons in one occurrence, and property damage liability insurance in the amount of Two Million and No/100ths Dollars (\$2,000,000.00). Such insurance shall specifically name the Lessor as an additional insured party.

C. **Lessor's Right to Pay Premiums on Behalf of Lessee.** All of the policies of insurance referred to in this Section Thirty-Two shall be written in a form and by insurance companies satisfactory to the Lessor. The Lessee shall pay all of the premiums for insurance and deliver policies, or certificates of policies, to the Lessor. In the event of the failure of the Lessee to obtain or maintenance the insurance required under this Lease Agreement or to pay the premiums for such insurance or to deliver the policies, or certificates of the policies, to the Lessor, the Lessor shall be entitled, but shall have no obligation, to procure such insurance and pay the premiums therefor, which premiums shall be repayable to the Lessor within fifteen (15) days from the demand therefor. Failure to repay the same shall carry with it the same consequence as failure to pay any installment of rent. Each insurer mentioned in this Section Twenty-Two shall agree, by endorsement on the policy or policies issued by it, or by independent instrument furnished to the Lessor, that it will give to the Lessor thirty (30) days' written notice before the policy or policies in question shall be altered or cancelled. The Lessor agrees that it will not unreasonably withhold its approval as to the form or to the insurance companies selected by the Lessee.

D. **Adjustment of Coverage.** In the event that either party shall at any time deem the limits of the personal injury or property damage public liability insurance then carried to be either excessive or insufficient, the parties shall endeavor to agree on the proper and reasonable limits for insurance then to be carried. Insurance shall thereafter be carried with the limits thus agreed on until further change pursuant to the provisions of this Section Twenty-Three; but, if the parties shall be unable to agree thereon, the proper and reasonable limits for insurance then to be carried shall be determined by an impartial third person selected by the parties, or should they be unable to agree on a selection, by an impartial third person chosen by the Commissioner of Insurance for the State of Nevada. The decision of the impartial third person as to the proper and reasonable limits for insurance then to be carried shall be binding on the parties, and insurance shall be carried with the limits as thus determined until the limits are again changed pursuant to the provisions of this Section Twenty-Three. The expenses of the determination shall be borne equally by the parties.

E. **Cost of Insurance Deemed Additional Rental.** The cost of insurance required to be carried by the Lessee in this Section Twenty-Three shall be deemed to be additional rent under this Lease Agreement.

SECTION TWENTY-THREE PROHIBITION OF INVOLUNTARY ASSIGNMENT

Neither this Lease Agreement, nor the leasehold estate of the Lessee, nor any interest of the Lessee under this Lease Agreement in the Demised Premises or in the Improvements thereon shall be subject to involuntary assignment, transfer, or sale or to assignment, transfer, or sale by operation of law in any manner whatsoever and any attempt to assign, transfer or sell be void and of no effect.

SECTION TWENTY-FOUR NOTICE OF DEFAULT

The Lessee shall not be deemed to be in default under this Lease Agreement unless the Lessor shall first give to the Lessee written notice of the default, and the Lessee fails to cure the default within ten (10) days after receipt of the written notice or, if the default is of such a nature that it cannot be cured within the ten-day period, the Lessee fails to commence to cure the default within that period and diligently pursue it to completion within a reasonable time.

SECTION TWENTY-FIVE DEFAULT

In the event of any breach of this Lease Agreement by the Lessee, the Lessor, in addition to the other rights or remedies it may have, shall have the immediate right of re-entry and may remove all persons and property from the Demised Premises. The Lessee's personal property may be removed and stored in a public warehouse or elsewhere at the cost and for the account of the Lessee. Should the Lessor elect to re-enter, as provided in this Lease Agreement, or

should it take possession pursuant to legal proceedings or pursuant to any notice provided for by law, the Lessor may either terminate this Lease Agreement or it may from time to time, without terminating this Lease Agreement, re-let the Demised Premises or any part thereof for such term (which may be for a term extending beyond the term of this Lease Agreement) and at such rent and on such other terms and conditions as the Lessor in its sole discretion may deem advisable, including the right to make alterations and repairs to the Demises Premises. In the event that the Lessor relets the Demised Premises, the Lessee shall not be liable for any deficiency between the rent reserved herein and the rents received from reletting the Demised Premises.

SECTION TWENTY-SIX LESSOR'S RIGHT TO PERFORM

In the event that the Lessee by failing or neglecting to do or perform any act or thing provided in this Lease Agreement by it to be done or performed, shall be in default under this Lease Agreement and such failure shall continue for a period of ten (10) days after written notice from the Lessor specifying the nature of the act or thing to be done or performed, then the Lessor may, but shall not be required to, do or perform or cause to be done or performed such act or thing (entering on the Demises Premises for such purposes, if the Lessor shall so elect), and the Lessor shall not be held liable or in any way responsible for any loss, inconvenience, annoyance or damage resulting to the Lessee on account of such election. The Lessee shall repay to the Lessor on demand the entire expense incurred on account of such election, including compensation to the agents and employees of the Lessor. Any act or thing done by the Lessor pursuant to the provisions of this Section Twenty-Six shall not be or be construed as a waiver of any such default by the Lessee, or as a waiver of any covenant, term, or condition contained in this Lease Agreement, or of any other right or remedy of the Lessor, under this Lease Agreement or otherwise.

SECTION TWENTY-SEVEN EFFECT OF EMINENT DOMAIN

A. Effect of Total Condemnation. In the event the entire Demised Premises shall be appropriated or taken under the power of eminent domain by any public or quasi-public authority, this Lease Agreement shall terminate and expire as of the date of such taking, and the Lessee shall then be released from any liability thereafter accruing under this Lease Agreement.

B. Effect of Partial Condemnation. In the event a portion of the Demised Premises shall be so appropriated or taken and the remainder of the property shall not be suitable for the use then being made of the property by the Lessee, the Lessee shall have the right to terminate this Lease Agreement as of the date of the taking by giving to the Lessor written notice of termination within thirty (30) days after the Lessor has notified the Lessee in writing that the property has been so appropriated or taken. If there is a partial taking and the Lessee does not so terminate this Lease Agreement, then this Lease Agreement shall continue in full force and effect as to the part not taken, and the rental to be paid by the Lessee during the remainder of

the term shall remain the same.

C. **Condemnation Award.** In the event of the termination of this Lease Agreement by reason of the total or partial taking of the Demised Premises by eminent domain, then in any such condemnation proceedings, the Lessor and only the Lessor shall have the right to make claim against the condemning or taking authority for the amount of any damage as a result of the condemning or taking. In the event of a partial taking of the Demised Premises and this Lease Agreement is not terminated, then the Lessee shall have the right to make claim against the condemning or taking authority for only the unamortized cost of the Improvements constructed on the Demised Premises by the Lessee which Improvements shall be deemed to amortize in equal annual amounts over the period commencing with the date of completion of the Improvements and ending on the expiration date of this Lease Agreement.

SECTION TWENTY-EIGHT SURRENDER OF LEASE

The voluntary or other surrender of the Demised Premises by the Lessee, or a mutual cancellation of this Lease Agreement, shall not work a merger, and shall, at the option of the Lessor, terminate all or any existing subleases or subtenancies, or may, at the option of the Lessor, operate as an assignment to it of any or all such subleases or subtenancies.

SECTION TWENTY-NINE DISPOSITION OF IMPROVEMENTS ON TERMINATION OF LEASE

On termination of this Lease Agreement for any cause, the Lessor shall become the owner of the Improvements constructed upon the Demised Premises.

SECTION THIRTY WAIVER

The waiver by the Lessor of, or the failure of the Lessor to take action with respect to any breach of any term, covenant, or condition contained in this Lease Agreement shall not be deemed to be a waiver of such term, covenant, or condition or subsequent breach of the same or any other term, covenant or condition contained in this Lease Agreement. The subsequent acceptance of rent under this Lease Agreement by the Lessor shall not be deemed to be a waiver of any preceding breach by the Lessee of any term, covenant, or condition of this Lease Agreement other than the failure of the Lessee to pay the particular rent so accepted, regardless of the Lessor's knowledge of a preceding breach at the time of acceptance of the rent.

SECTION THIRTY-ONE EFFECT OF LESSEE'S HOLDING OVER

Any holding over after the expiration of the term of this Lease Agreement, with the consent of the Lessor, shall be construed to be a tenancy from month-to-month at the same

monthly rental as required to be paid by the Lessee for the period immediately prior to the expiration of the term of this Lease Agreement, and shall otherwise be on the terms and conditions specified in this Lease Agreement, so far as applicable.

SECTION THIRTY-TWO PARTIES BOUND

The terms, conditions and covenants contained in this Lease Agreement shall, subject to the provisions as to assignment, transfer and subletting contained in Section Eleven, apply to and bind the heirs, successors, executors, administrators and assigns of all of the parties to the Lease Agreement. All of the parties shall be jointly and severally liable under this Lease Agreement.

SECTION THIRTY-THREE TIME OF THE ESSENCE

Time is of the essence of this Lease Agreement, and of each and every covenant, term, condition and provision of this Lease Agreement.

SECTION THIRTY-FOUR SECTION CAPTIONS

The captions appearing under the section number designations of this Lease Agreement are for convenience only and are not a part of this Lease Agreement and do not in any way limit or amplify the terms and provisions of this Lease Agreement.

SECTION THIRTY-FIVE GOVERNING LAW

It is agreed that this Lease Agreement shall be governed by, construed and enforced in accordance with the laws of the State of Nevada.

SECTION THIRTY-SIX ENTIRE AGREEMENT

This Lease Agreement shall constitute the entire agreement between the parties. Any prior understanding or representation of any kind preceding the date of this Lease Agreement shall not be binding upon either party except to the extent incorporated herein.

SECTION THIRTY-SEVEN MODIFICATION OF AGREEMENT

Any modification of this Lease Agreement or additional obligation assumed by either party in connection with this Lease Agreement shall be binding only if evidenced in a writing signed by each party or an authorized representative of each party.

SECTION THIRTY-EIGHT
ADDITIONAL DOCUMENTS

The parties agree to execute whatever papers and documents may be necessary to effectuate the terms of this Lease Agreement.

IN WITNESS WHEREOF, the parties, by their duly authorized representatives, have executed this Lease Agreement on the day and year first above written.

CITY OF LAS VEGAS

G-2413
LSS

By

JAN LAVERTY JONES, Mayor

"Lessor"

ATTEST:

By Sandra R. LeBoeuf
KATHLEEN M. TIGHE, City Clerk

By: SANDRA R. LeBOEUF,
Chief Deputy City Clerk

FATHER FLANAGAN'S BOYS' HOME

By

FATHER VAL J. PETER
Executive Vice President

"Lessee"

ATTEST:

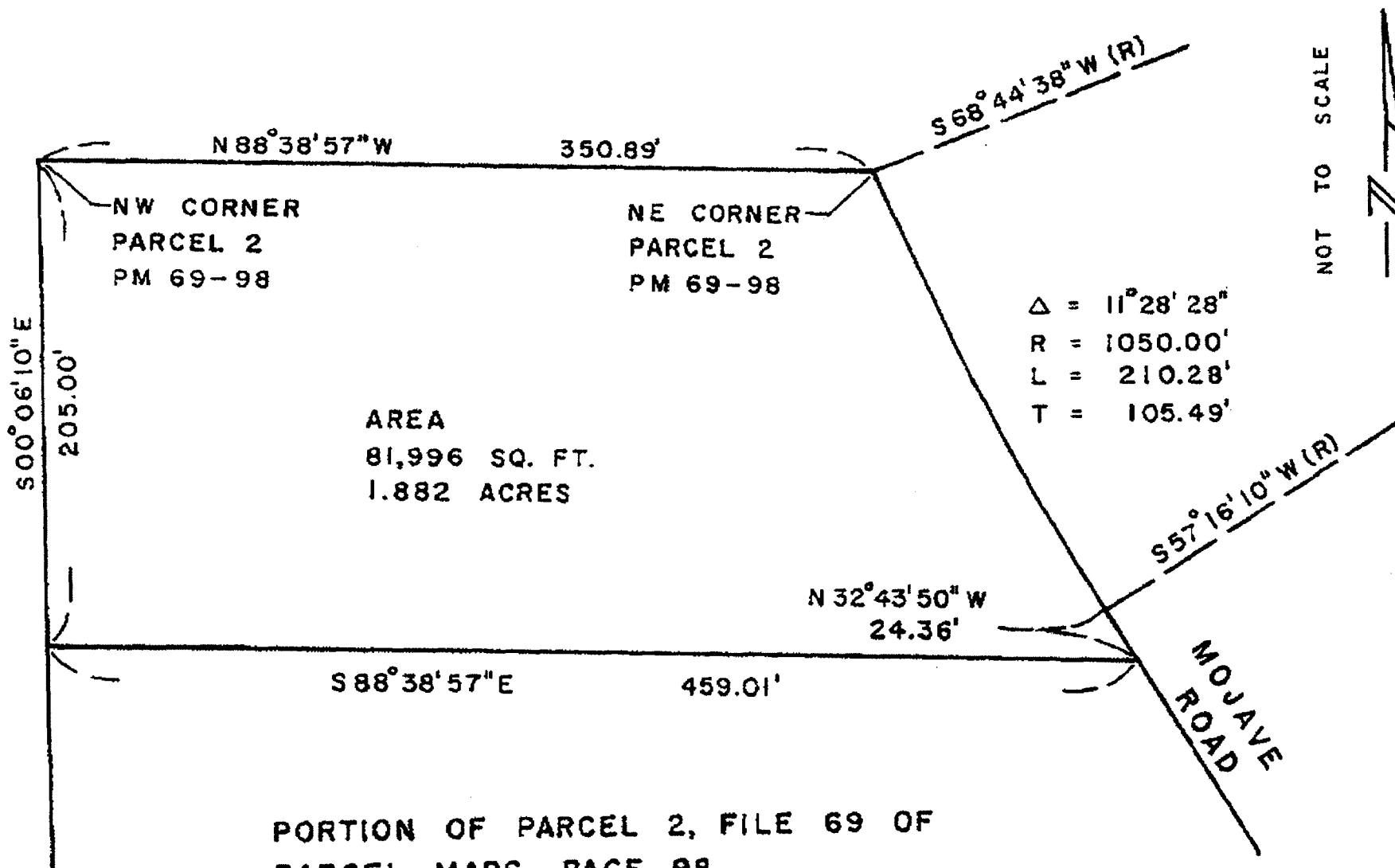
By William A. Day, Jr.
WILLIAM A. DAY, JR., Secretary

EXHIBIT "A"**A.P.N. 020-760-005****BOYSTOWN LEASE**

That portion of the North Half (N 1/2) of the South Half (S 1/2) of Section 25, Township 20 South, Range 61 East, M.D.M., in the City of Las Vegas, County of Clark, State of Nevada, described as:

The North 205.00 feet, measured along the West line, of PARCEL 2 as shown on the parcel map on file in File 69 of Parcel Maps, Page 98 of Clark County, Nevada Records.

The above described parcel of land contains an area of 81,996 square feet or 1.882 acres more or less.



PORTION OF PARCEL 2, FILE 69 OF
PARCEL MAPS, PAGE 98

N1/2, S1/2, SEC. 25, T20S, R61E, M.D.M.

EXHIBIT "B"

*Quick
Review*

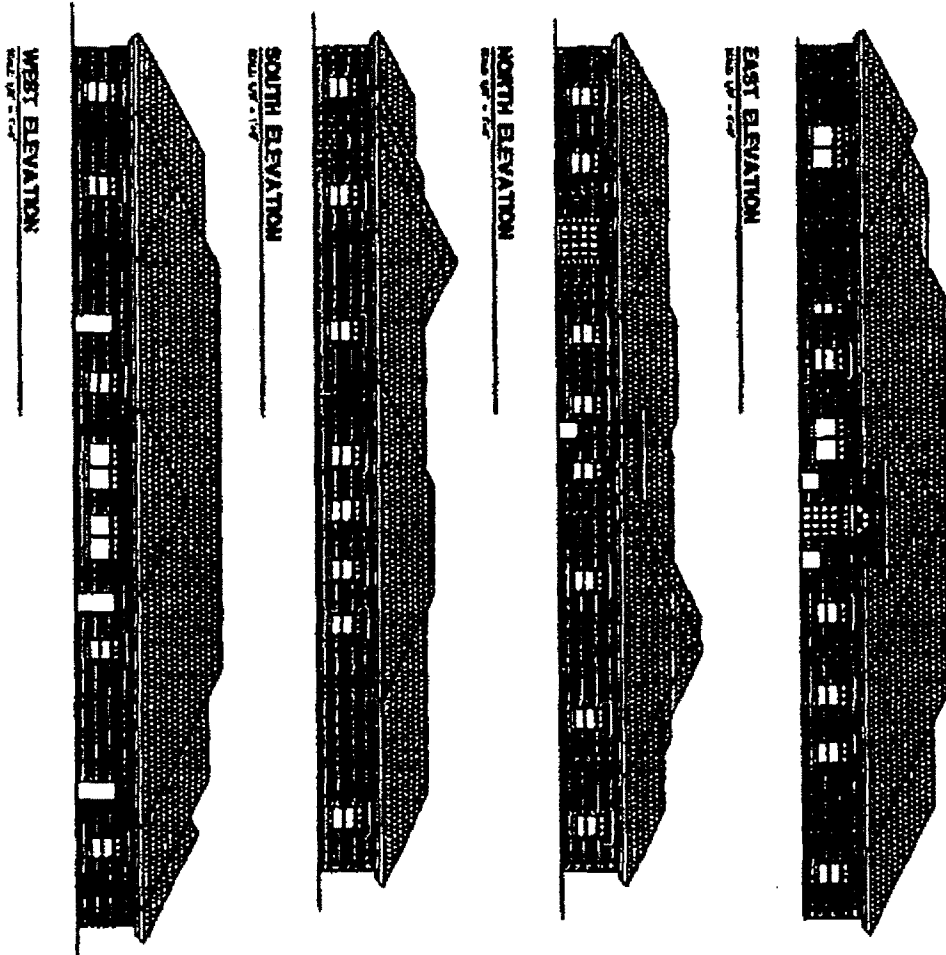


EXHIBIT "B"

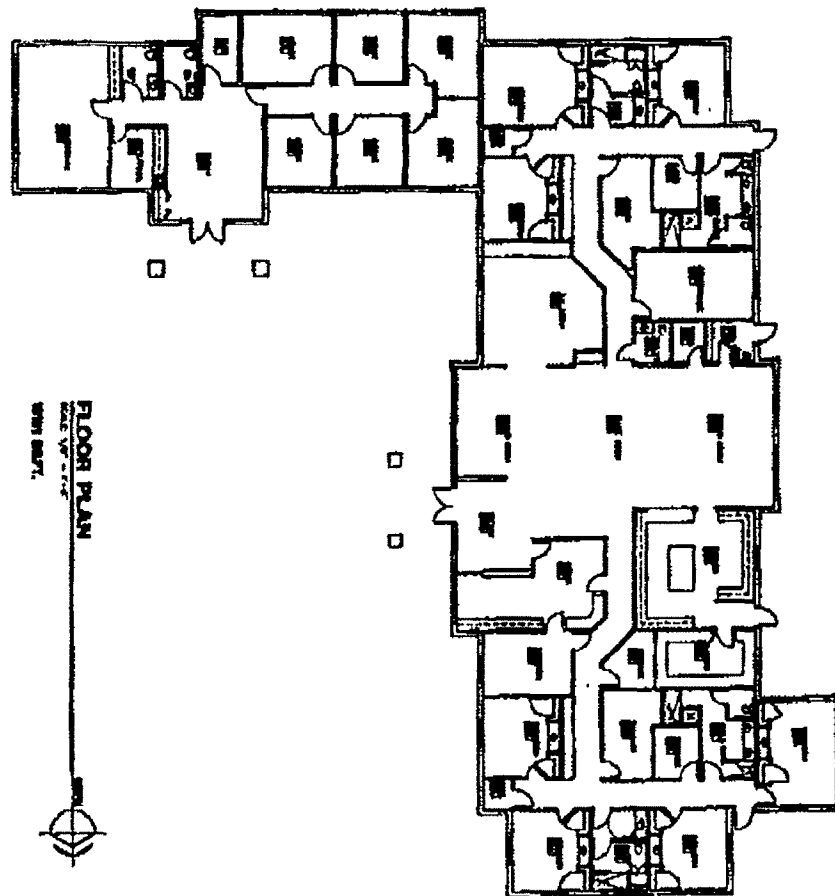


EXHIBIT "C"

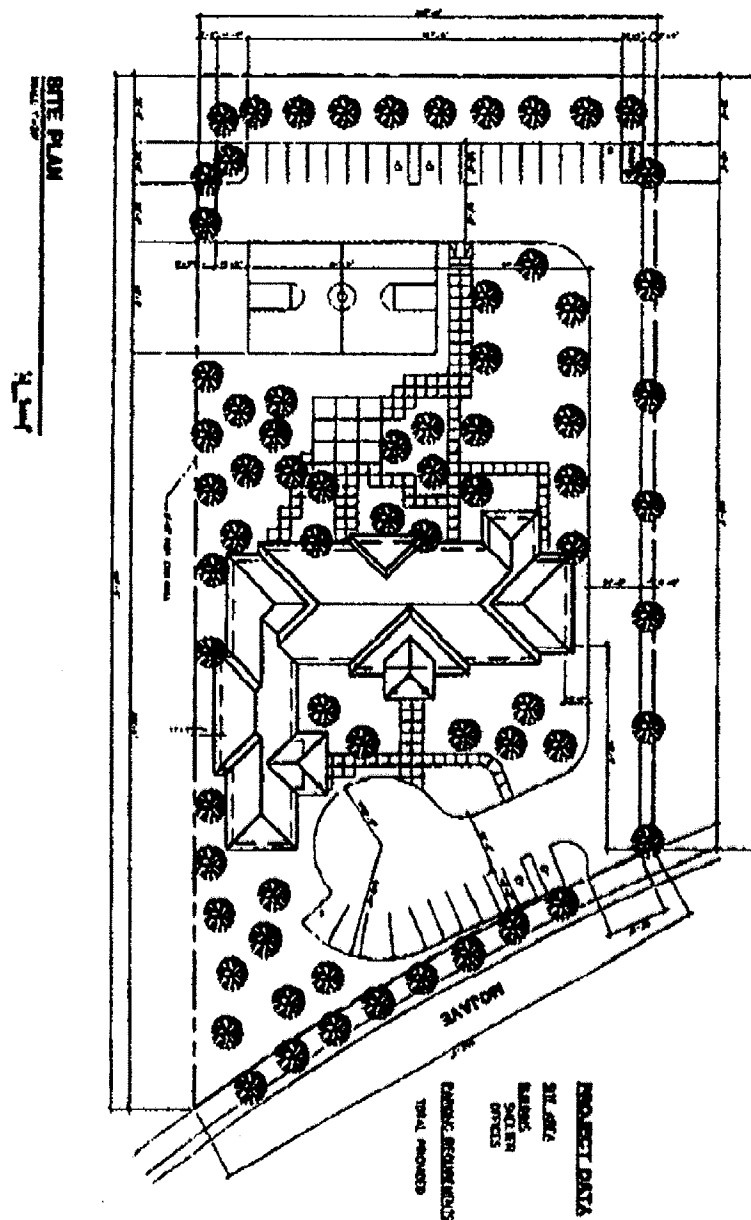


EXHIBIT "D"