

**SIGNAL PEAK COMMUNITY FOUNDATION
LICENSE AGREEMENT**

This Agreement is made and effective this 01st day of August 2017, by and between the City of Globe, a municipal corporation of the State of Arizona, hereinafter referred to as "City" and the Signal Peak Community Foundation, a not-for-profit corporation, hereinafter referred to as "Foundation".

City is the Owner of land and improvements commonly known and numbered as 1435 South Hagen Road and as described in the attached and incorporated Exhibit "B" hereinafter collectively referred to as the "Licensed Premises".

Whereas effective June 30, 2017, by mutual agreement of both parties, the City terminated the License Agreement with Boys & Girls Club of the East Valley, dated July 01, 2013 by and between the City of Globe, a municipal corporation of the State of Arizona and the Boys and Girls Club of the East Valley, a not-for-profit corporation; and assigned and extended this License Agreement to the Signal Peak Community Foundation for a period of thirty (30) days, commencing on July 01, 2017, to make available the Licensed Premises to Foundation to enter and use same as Foundation. The City desires to extend the thirty day period entered into on July 01, 2017 to a new period of one hundred eighty (180) days, effective August 01, 2017; and

THEREFORE, in consideration of the mutual promises herein contained, and other good and valuable consideration, it is agreed:

1. Term

City hereby grants Foundation the right to enter and use the Licensed Premises, in an "AS IS" condition, for an "Initial Term" beginning July 01, 2017 for a term of two hundred (210) days.

2. Rental

A. Foundation shall pay to Landlord during the Initial Term rental of One (1) Dollar per year, payable in advance of the year to which it applies.

B. The rental for any renewal license term, if created as permitted under this License, shall be as may be mutually agreed by the parties prior to the commencement of the subsequent term. The parties hereto shall meet and confer on the rental amount not later than ninety (90) days prior to the commencement of any such additional term.

3. SubLicense and Assignment

Except for the assignment of this Agreement to the Cobre Valley Youth Club, Foundation shall not have the right, without the prior written consent of the City, to sublet, assign or otherwise transfer the right to enter and use any portion of the Licensed Premises to any person or entity.

4. Repairs

During the initial term hereof, at Foundation's expense, all necessary repairs to the Licensed Premises will be made. Repairs shall include such items as routine repairs of floors, walls, ceilings, and other parts of the Licensed Premises damaged or worn through normal occupancy, except for major mechanical systems or the roof, subject to the obligations of the parties otherwise set forth in this License.

5. Alterations and Improvements

Foundation, at Foundation's expense, shall have the right, following City's written consent, to remodel, redecorate, and make additions, improvements and replacements of, and to all or any part of, the Licensed Premises from time to time as Foundation may deem desirable, provided the same are made in a workmanlike manner and utilizing good quality materials.

6. Property Taxes

Landlord shall pay, prior to delinquency, all general real estate taxes and installments of special assessments coming due during the License term on the Licensed Premises, and all personal property taxes with respect to Landlord's personal property, if any, on the Licensed Premises. Tenant shall be responsible for paying all personal property taxes with respect to Tenant's personal property at the Licensed Premises.

7. Insurance

- A. If the Licensed Premises or any other part of the Building is damaged by fire or other casualty resulting from any act of negligence of Tenant or any of Tenant's agents, employees or invitees, rent shall not be diminished or abated while such damages are under repair, and Tenant shall be responsible for the costs of repair not covered by insurance.
- B. Landlord shall maintain fire and extended coverage insurance on the Building and the Licensed Premises in such amounts as Landlord shall deem appropriate. Tenant shall be responsible, at its expense, for fire and extended coverage insurance on all of its personal property, including removable trade fixtures, located in the Licensed Premises.
- C. Tenant and Landlord shall, each at its own expense, maintain a policy or policies of comprehensive general liability insurance with respect to the respective activities of each in the Building with the premiums thereon fully paid on or before due date, issued by and binding upon some insurance company approved by Landlord, such insurance to afford minimum protection of not less than \$2,000,000 combined single limit coverage of bodily injury, property damage or combination thereof. Landlord shall be listed as an additional insured on Tenant's policy or policies of comprehensive general liability insurance, and Tenant shall provide Landlord with current Certificates of Insurance evidencing Tenant's compliance with this paragraph. Tenant shall obtain the agreement of Tenant's insurers to notify

Landlord that a policy is due to expire at least ten (10) days prior to such expiration. Landlord shall not be required to maintain insurance against thefts within the Licensed Premises or the Building.

8. Utilities

Tenant shall pay all charges for gas, electricity, internet, telephone and other services and utilities used by Tenant on the Licensed Premises during the term of this License. City agrees to waive all city water, sewer and trash charges. In the event that any utility or service provided to the Licensed Premises is not separately metered, Landlord shall pay the amount due and separately invoice Tenant for Tenant's pro rata share of the charges. Tenant shall pay such amounts within fifteen (15) days of invoice. Tenant acknowledges that the Licensed Premises are designed to provide standard office use electrical facilities and standard office lighting. Tenant shall not use any equipment or devices that utilize excessive electrical energy or which may, in Landlord's reasonable opinion, overload the wiring or interfere with electrical services to other tenants.

9. Signs

Following Landlord's consent, Tenant shall have the right to place on the Licensed Premises, at locations selected by Tenant, any signs which are permitted by applicable zoning ordinances and private restrictions. Landlord may refuse consent to any proposed signage that is in Landlord's opinion too large, deceptive, unattractive or otherwise inconsistent with or inappropriate to the Licensed Premises or use of any other tenant. Landlord shall assist and cooperate with Tenant in obtaining any necessary permission from governmental authorities or adjoining owners and occupants for Tenant to place or construct the foregoing signs. Tenant shall repair all damage to the Licensed Premises resulting from the removal of signs installed by Tenant.

10. Entry

Landlord shall have the right to enter upon the Licensed Premises at reasonable hours to inspect the same, provided Landlord shall not thereby unreasonably interfere with Tenant's business on the Licensed Premises.

11. Parking

During the term of this License, Tenant shall have the non-exclusive use in common with Landlord, other tenants of the Building, their guests and invitees, of the non-reserved common automobile parking areas, driveways, and footways, subject to rules and regulations for the use thereof as prescribed from time to time by Landlord. Landlord reserves the right to designate parking areas within the Building or in reasonable proximity thereto, for Tenant and Tenant's agents and employees.

12. Building Rules

Tenant will comply with the rules of the Building adopted and altered by Landlord from time to time and will cause all of its agents, employees, invitees and visitors to do so; all changes to such rules will be sent by Landlord to Tenant in writing.

13. Damage and Destruction

Subject to Section 8.A above, if the Licensed Premises or any part thereof or any appurtenance thereto is so damaged by fire, casualty or structural defects that the same cannot be used for Tenant's purposes, then Tenant shall have the right within ninety (90) days following damage to elect by notice to Landlord to terminate this License as of the date of such damage. In the event of minor damage to any part of the Licensed Premises, and if such damage does not render the Licensed Premises unusable for Tenant's purposes, Landlord shall promptly repair such damage at the cost of the Landlord. In making the repairs called for in this paragraph, Landlord shall not be liable for any delays resulting from strikes, governmental restrictions, inability to obtain necessary materials or labor or other matters which are beyond the reasonable control of Landlord. Tenant shall be relieved from paying rent and other charges during any portion of the License term that the Licensed Premises are inoperable or unfit for occupancy, or use, in whole or in part, for the Tenant's purposes. Rentals and other charges paid in advance for any such periods shall be credited on the next ensuing payments, if any, but if no further payments are to be made, any such advance payments shall be refunded to Tenant. The provisions of this paragraph extend not only to the matters aforesaid, but also to any occurrence which is beyond Tenant's reasonable control and which renders the Licensed Premises, or any appurtenance thereto, inoperable or unfit for occupancy or use, in whole or in part, for Tenant's purposes.

14. Default

If default shall at any time be made by Tenant in the payment of rent when due to Landlord as herein provided, and if said default shall continue for fifteen (15) days after written notice thereof shall have been given to Tenant by Landlord, or if default shall be made in any of the other covenants or conditions to be kept, observed and performed by Tenant, and such default shall continue for thirty (30) days after notice thereof in writing to Tenant by Landlord without correction thereof then having been commenced and thereafter diligently prosecuted, Landlord may declare the term of this License ended and terminated by giving Tenant written notice of such intention, and if possession of the License Premises is not surrendered, Landlord may reenter said premises. Landlord shall have, in addition to the remedy above provided, any other right or remedy available to Landlord on account of any Tenant default, either in law or equity.

Landlord shall use reasonable efforts to mitigate its damages.

15. Quiet Possession

Landlord covenants and warrants that upon performance by Tenant of its obligations hereunder, Landlord will keep and maintain Tenant in exclusive, quiet, peaceable and undisturbed and uninterrupted possession of the Licensed Premises during the term of this License.

16. Condemnation

If any legally, constituted authority condemns the Building or such part thereof which shall make the Licensed Premises unsuitable for leasing, this License shall cease when the public authority takes possession, and Landlord and Tenant shall account for rental as of that date. Such termination shall be without prejudice to the rights of either party to recover compensation from the condemning authority for any loss or damage caused by the condemnation. Neither party shall have any rights in or to any award made to the other by the condemning authority.

17. Subordination

Tenant accepts this License subject and subordinate to any mortgage, deed of trust or other lien presently existing or hereafter arising upon the Licensed Premises, or upon the Building and to any renewals, refinancing and extensions thereof, but Tenant agrees that any such mortgagee shall have the right at any time to subordinate such mortgage, deed of trust or other lien to this License on such terms and subject to such conditions as such mortgagee may deem appropriate in its discretion. Landlord is hereby irrevocably vested with full power and authority to subordinate this License to any mortgage, deed of trusts or other lien now existing or hereafter placed upon the Licensed Premises of the Building, and Tenant agrees upon demand to execute such further instruments subordinating this License or attorning to the holder of any such liens as Landlord may request. In the event that Tenant shall fail to execute any instrument of subordination herein required to be executed by Tenant promptly as requested, Tenant hereby irrevocably constitutes Landlord as its attorney-in-fact to execute such instrument in Tenant's name, place and stead, it being agreed that such power is one coupled with an interest. Tenant agrees that it will from time to time upon request by Landlord execute and deliver to such persons as Landlord shall request a statement in recordable form certifying that this License is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as so modified), stating the dates to which rent and other charges payable under this License have been paid stating that Landlord is not in default hereunder (or if Tenant alleges a default stating the nature of such alleged default and further stating such other matters as Landlord shall reasonably require.

18. Notice

Any notice required or permitted under this License shall be deemed sufficiently given or served if sent by United States certified mail, return receipt requested, addressed as follows:

TO: City of Globe
150 N. Pine Street
Globe, AZ 85501

TO: Signal Peak Community Foundation
1400 N. Broad Street
Globe, AZ 85501

Landlord and Tenant shall each have the right from time to time to change the place notice is to be given under this paragraph by written notice thereof to the other party.

19. Waiver

No waiver of any default of Landlord or Tenant hereunder shall be implied from any omission to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect any default other than the default specified in the express waiver and that only for the time and to the extent therein stated. One or more waivers by Landlord or Tenant shall not be construed as a waiver of a subsequent breach of the same covenant, term or condition.

20. Headings

The headings used in this License are for convenience of the parties only and shall not be considered in interpreting the meaning of any provision of this License.

21. Successors

The provisions of this License shall extend to and be binding upon Landlord and Tenant and their respective legal representatives, successors and assigns.

22. Consent

Landlord shall not unreasonably withhold or delay its consent with respect to any matter for which Landlord's consent is required or desirable under this License.

23. Performance

If there is a default with respect to any of Landlord's covenants, warranties or representations under this License, and if the default continues more than fifteen (15) days after notice in writing from Tenant to Landlord specifying the default, Tenant may, at its option and without affecting any other remedy hereunder, cure such default and deduct the cost thereof from the next accruing installment or installments of rent payable hereunder until Tenant shall have been fully reimbursed for such expenditures, together with interest thereon at a rate equal to the lesser of twelve percent (12%) per annum or the then highest lawful rate. If this License terminates prior to Tenant's receiving full reimbursement, Landlord shall pay the unreimbursed balance plus accrued interest to Tenant on demand.

24. Compliance with Law

Tenant shall comply with all laws, orders, ordinances and other public requirements now or hereafter pertaining to Tenant's use of the Licensed Premises. Landlord shall comply with all laws, orders, ordinances and other public requirements now or hereafter affecting the Licensed Premises.

25. Final Agreement

This Agreement terminates and supersedes all prior understandings or agreements on the subject matter hereof. This Agreement may be modified only by a further writing that is duly executed by both parties.

26. Governing Law

This Agreement shall be governed, construed and interpreted by, through and under the Laws of the State of Arizona.

27. Early Termination

This License Agreement may be terminated by either party upon thirty (30) days written notice to the other party.

IN WITNESS WHEREOF, the parties have executed this License Agreement as of the day and year first above written.

CITY OF GLOBE



Al Gameros, Mayor

SIGNAL PEAK COMMUNITY FOUNDATION

By: Fernando Shipley
Name: Fernando Shipley
Its: President

ATTEST:



Shelly Satazar, City Clerk

APPROVED AS TO FORM:

William J. Sims, City Attorney