

ANTENNA SITE LEASE

THIS ANTENNA SITE LEASE (this “Lease”) is dated for reference purposes only this 25th day of February, 2010, by and between the Town of Prescott Valley, a municipal corporation of Arizona (“Lessor”), and Humboldt Unified School District No. 22 of Yavapai County, Arizona, a unified school district and political subdivision of the State of Arizona (“Tenant”).

WITNESSETH THAT:

A. Lessor owns certain real property located at Quailwood Meadows Tank Site, Parcel 402-14-007T, Prescott Valley, Yavapai County (the “Property”); and

B. Tenant desires to obtain a lease over a portion of the Property [shown on the site plan attached hereto as Exhibit A (“Site”)] for the purpose of installing and operating an antenna support structure and appurtenant equipment for wireless services (“Facility”) upon the terms and conditions set forth below.

NOW, THEREFORE, the parties hereto, having exchanged good, valuable and satisfactory consideration, agree as follows:

1. Lease. Lessor hereby leases to Tenant the Site for the Term as defined in Paragraph 2 below for the use described in Paragraph 3 below. This Lease includes the right to use the areas immediately adjoining the Site for the purpose of access and installing any necessary utilities for Lessor’s use of the Site. The Site is situated substantially as shown in Exhibit A attached hereto. In the event that Lessor and Tenant have not agreed on the precise location of the Site as of the date hereof, Lessor and Tenant agree that the precise location (including the access and utilities rights-of-way and easements) shall be located by a survey prepared by a surveyor, at Tenant’s expense, and such survey shall then be attached hereto as Exhibit B and shall be the control in the event of any discrepancy with Exhibit A.

2. Terms and Commencement. This Lease shall be for an initial term (“Initial Term”) of five (5) years commencing on March 1, 2010 (“Commencement Date”). Tenant shall have the option to extend the Initial Term for one (1) consecutive five (5) year period (the “Additional Terms”) on the same terms and conditions as set forth in this Lease for the Initial Term, except that the rent to be paid during any Additional Term shall be as set forth in Paragraph 5 below. Such option shall be automatically exercised by Tenant unless Tenant gives Lessor notice at least ninety (90) days before the expiration of the then current term of Tenant’s desire to terminate this Lease. The Initial Term and the Additional Terms shall be referred to herein as the “Term.”

3. Use. Tenant may use the Site for the purpose of (“Permitted Use”) constructing, installing, operating, maintaining, repairing, replacing, and removing, from time to time, communications antenna with antenna arrays and all necessary appurtenances, support equipment, and such other equipment, cables and conduits as may be appropriate for use of the Site as a wireless communications facility (collectively, “Equipment”) and such utility wires, cables, conduits and pipes over, under, along and through portions of the Property, as may be appropriate for the proper functioning of the Facility and Equipment.

4. Access. Lessor shall grant Tenant access to, from and through the Property to enable Tenant to construct, install, operate, maintain, repair, replace and remove any or all of the Facility or Equipment. Lessor shall use its best efforts to allow for immediate access by Tenant to the Facility in emergency situations.

5. No Lien. Tenant's Facility and Equipment, including, without limitation, the antenna, antenna arrays, communications equipment and support equipment located on the Site, shall at all times be the sole property of Tenant. Tenant shall keep the Property and the Site free from mechanics' liens arising out of Tenant's construction and Tenant shall comply with all applicable building codes, regulations and ordinances required for Tenant's use of the Site.

6. Rent. Tenant shall pay to Lessor, on the first day of every calendar month during the Term, rent as follows: (a) One Dollar (\$1.00) per year (partial years prorated). During each Additional Term thereafter, rent shall remain the same as during the first Term

7. Indemnity and Insurance. Tenant shall, and each subtenant shall, indemnify and hold Lessor harmless from any claim, demand or cause of action which may arise from Tenant's/subtenant's negligent act or omission or willful misconduct in the construction, use, operation or maintenance of the Facility and/or Equipment and their use of the Site, except for any occurrence attributable, in whole or in part, to Lessor and/or its assigns, other Tenants, their agents, employees, customers, invitees or contractors.

Tenant shall (directly, or through its subtenants), throughout the Term, carry adequate insurance to protect the parties hereto against any and all claims, demands, actions, judgments, costs, expenses and liabilities which may arise out of or result, directly or indirectly, from Tenant's use of the Site, except to the extent such liability shall arise out of or result from the negligence of Lessor and/or its assigns, other Tenants, agents, employees, customers, invitees or contractors. Such insurance policy shall be a combined single limit policy in an amount of not less than \$5,000,000 per occurrence and may be in the form of general coverage or floating policies covering this and other Sites.

8. Lessor's Non-Interference. Except for radio frequency transmitter equipment or barriers or physical conditions which exist as of the date first-above written, Lessor agrees for itself and Lessor's successors and assigns not to construct or permit or otherwise allow to be constructed on the Property, any radio frequency transmitter equipment or other barrier or physical condition that would impede or interfere with the Permitted Use of the Site under this Lease. In addition, Lessor shall not cause or permit any interference with the construction, installation, maintenance or operation of the Facility, or any interference with the proper and optimum placement and operation of all Equipment and apparatus by Tenant on the Site. In the event any such interference shall occur, Lessor shall, at no cost or expense to Tenant, immediately take or cause to be taken all such actions as are necessary to correct and eliminate such interference.

9. Quiet Enjoyment. Lessor warrants and agrees that Tenant, upon paying the rent and performing the covenants herein provided, shall peaceably and quietly have and enjoy the Site. If Lessor, at any time during the Term of this Lease, sells, transfers or otherwise conveys all or any part of the Site to any transferee other than Tenant, such transfer shall be under and subject to this Lease and all of Tenant's rights hereunder.

10. Utilities and Taxes. Tenant shall pay all utility service charges to the extent required for its use of the Site. Lessor and Tenant shall reasonably cooperate to provide for a separate metering of such utilities. Any expense associated with providing for such separate metering shall be borne solely by Tenant. Lessor shall pay for all real property taxes and assessments against the Site, except that Tenant shall pay to Lessor any increase in such taxes or assessments based solely on the assessed value of any improvements constructed by Tenant on the Site for operation of the Facility. Tenant shall pay all personal property taxes assessed against the Facility and Equipment.

11. Removal of Property. Tenant shall, within thirty (30) days following the expiration or earlier termination of the Term, remove the Facility and Equipment and restore the Site to its original condition at the commencement of the lease, reasonable wear and tear and damage by casualty excepted.

12. Subleasing. Lessor acknowledges and agrees that Tenant may sublease all or any portion of the Site, Facility or Equipment to one or more wireless service providers licensed by the Federal Communications Commission for a Permitted Use consistent with this Lease. As used in this Lease, the term Tenant shall include all sublessees. All subleases shall contain a provision essentially stating:

“This Lease is a Sublease under and is subordinate to the Antenna Site Lease for the Site dated _____, _____ between Sublessor and the Town of Prescott Valley as Lessor. Sublessee agrees to execute such reasonable subordination Leases and estoppel certificates as Lessor may require from time to time.” Lessor, for its part, agrees to enter into a reasonable non-disturbance Lease with any sublessees.

13. Title Matters. Lessor represents and warrants to Tenant that it has full authority to enter into this Lease and that Lessor has fee title to the Property or a leasehold interest in the Property and the Site is not and shall not be subject to any leases, documents, liens, encumbrances or restrictions, nor are there any violations of law, ordinances or regulations, of which Lessor is aware, which might prevent or negatively impact upon Tenant’s proposed use and occupancy of the Site.

14. Maintenance and Repairs. During the Term, Tenant shall, at Tenant’s sole cost and expense, maintain in good condition and repair those improvements made to the Site by Tenant pursuant to this Lease.

15. Assignment. Tenant may not assign this Lease without the prior consent of Lessor except that Tenant may, without the consent of Lessor, assign this Lease: (a) to any corporation or entity which is owned by or closely affiliated with Tenant or to any subsidiary of Tenant or to Tenant’s parent; (b) to a corporation or other entity with which Tenant may merge or consolidate; (c) to a purchaser of all or substantially all of the outstanding ownership units or assets of Tenant; (d) to any transferee of Tenant’s Federal Communications Commission for Personal Communications Services; or (e) in connection with any Secured Financing as more particularly provided in Paragraph 18 below.

16. Eminent Domain. If during the Term the whole or any part of the Site is taken by eminent domain or condemnation or sold under threat of exercise of said power (all of which are herein called "Condemnation"), Tenant may terminate this Lease upon written notice to Lessor within thirty (30) days after Tenant receives written notice of such Condemnation from Lessor. Further, regardless of whether this Lease is terminated as provided in this Paragraph, Tenant shall, in the event of a Condemnation, be entitled to receive just compensation from the condemning authority or transferee for loss of all or any portion of the Site, this Lease and/or Facility, Use or Equipment, including, without limitation, the value of any personal property and trade fixtures taken, the cost of relocating the Facility or any portion thereof and any loss of business.

17. Default. Tenant shall be in default if it fails to pay Rent within ten (10) days after written notice from Lessor. Either party shall be in default upon their failure to observe or perform any of their respective obligations for thirty (30) days after receipt of written notice (or any such lesser period as may be expressly provided in this Lease) unless the default is of such nature that it cannot be cured within thirty (30) days and the party in default commences a cure within thirty (30) days or such lesser time as expressly provided and works diligently to cure. In the event of such default, the non-defaulting party may thereafter pursue any and all remedies available at law or in equity, including without limitation, the right, but not the obligation, to cure such default and submit a written statement of costs incurred for curing the default to the defaulting party. The defaulting party shall have thirty (30) days following receipt of such a written statement to reimburse the non-defaulting party for costs incurred.

18. Mutual Agreements. Lessor and Tenant agree that: (a) time is of the essence of each and every provision of this Lease; (b) except as otherwise expressly provided in this Lease, whenever the consent or approval of either party hereto is required, that party shall not unreasonably withhold or delay such consent or approval; (c) this Lease shall be construed and enforced in accordance with the laws of the State of Arizona; (d) each and all of the rights and obligations of the parties under this Lease shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, successors and assigns; (e) the invalidity of any portion of this shall not affect the remainder of this Lease; (f) in the event that any action shall be instituted by either of the parties hereto or by any Secured Party as described herein below for the enforcement of any rights or remedies in or under this Lease, the prevailing party shall be entitled to recover from the other party all costs incurred by said prevailing party in such action, including, but not limited to, reasonable attorney fees; and (g) in the event that any Exhibits referred to in this Lease have not been prepared as of the date hereof, they may be attached after the execution of this Lease.

19. Additional Agreements. From and after the date of this Lease, each of the parties hereto shall promptly execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, all such instruments or documents, and shall take all actions pursuant to the provisions of this Lease, as may reasonably be requested by any party hereto to carry out the intent or purpose of the provisions of this Lease. This Lease shall include, but not be limited to, Lessor's execution of Leases or grants of easements to any public authority or public utility; subordinations, which include non-disturbance clauses; joining in applications for government permits or approvals which are necessary or appropriate for the Permitted Use of the Site and operation of the Facility and Equipment as provided in this Lease.

This Lease shall be construed according to the fair meaning of the language; may be signed in counterparts; and facsimile signatures shall be sufficient unless originals are required by third parties.

20. Security Interest and Assignment. Lessor agrees that, at all times during the Term, Tenant shall have the absolute and unconditional right from time to time to grant to any person or entity (a “Secured Party”) a security interest in some or all of the Facility or Equipment and/or any of Tenant’s furniture, fixtures, equipment and/or other property and/or to assign or pledge this Lease to any person or entity for purposes of financing the Facility or Equipment or for the operation of its business (“Secured Financing”). Lessor hereby waives any and all rights or interest which Lessor may have or acquire to or in the Facility, Equipment and/or any of Tenant’s furniture, fixtures, equipment and/or other property (“Personal Property”) utilized or to be utilized in connection therewith and hereby agrees that same will not constitute realty regardless of the law of fixtures and/or the manner in which same are affixed to or placed on the Site or otherwise. Accordingly, Lessor shall not grant, create or purport to grant or create any security interest whatsoever in the Facility and/or Tenant’s Personal Property utilized or to be utilized in connection therewith. Upon the expiration or earlier termination of this Lease, Lessor will give to any Secured Party, of which it has received notice, the right, within sixty (60) days after such event, to enter upon the Site for the purpose of removing any property in which it holds a security interest. Lessor hereby expressly agrees to promptly execute, acknowledge and deliver to Tenant, from time to time, upon request by Tenant, all such instruments and documents as are reasonably requested by Tenant, in order to carry out the intent and purpose of this Paragraph.

21. Notices. Any notice or demand shall be in writing, be deemed given if personally delivered, mailed certified mail, return receipt, or sent by overnight courier to the address and to the attention of the parties’ respective designees as stated below. Any change in address or change in the identity of the person to whose attention notices or demands are to be directed shall be communicated as herein provided.

Tenant:	Humboldt Unified School District #22	Lessor: Town of Prescott Valley
	Attn: Superintendent	Attn: Town Manager
	8766 East Highway 69	7501 E Civic Circle
	Suite 1	Prescott Valley, AZ 86314
	Prescott Valley, AZ 96314	Phone: (928) 759-3100
	Phone: (928) 759-4000	Fax: (928) 759-3125
	Fax: (928) 759-4022	

22. Termination. In addition to any other right or event of termination under this Lease, and except with respect to a termination of this Lease, Tenant may at any time during the Term, terminate this Lease on ninety (90) days prior written notice to Lessor.

23. Entire Agreement. This Lease along with all exhibits and attachments or other documents attached hereto or named herein constitutes the entire and exclusive agreement between Lessor and Tenant relative to the Site. All prior or contemporaneous oral agreements, understandings and discussions relative to the leasing of the Site are merged in or revoked by this Lease.

This Lease and such exhibits, attachments and other documents may be altered, amended or revoked only by instrument in writing signed by Lessor and Tenant. Each writing, diagram or plat referred to in this Lease as being attached to this Lease as an exhibit or otherwise designated in this Lease as an exhibit to this Lease, is made a part of this Lease.

24. Hazardous Substances. With prior written notice to Lessor, the Tenant shall have the right, but not the duty, to enter upon the Property and conduct, at Tenant's sole cost and expense and for its sole benefit, a Phase I environmental assessment to determine the presence of hazardous substances within, on, or under the Property. "Hazardous substance" shall mean any material, chemical or waste identified as hazardous, toxic or dangerous in any applicable federal, state or local law or regulation. Lessor represents, to its best knowledge (without having conducted any independent investigation), that there are not pre-existing conditions involving hazardous substances on or within the Site, and Lessor and Tenant each warrant to the other that they will not generate, store or dispose of any hazardous substance within, on, or under the Property, except in accordance with all local, state and federal regulations governing the proper use, storage and disposal of such substances. Each shall indemnify and defend the other from any losses, claims, damages, penalties and liabilities arising from any breach of this provision, without regard to whether Tenant has exercised its right to conduct an environmental assessment of the Property. This obligation to indemnify and defend shall survive the expiration or earlier termination of this Lease.

25. Authority to Execute. Lessor and Tenant represent and warrant that each person executing this Lease on behalf of Lessor or Tenant is duly authorized to execute and deliver this Lease on behalf of such party.

26. Exhibits. Certain attachments may be appended to this Lease and denominated Exhibits. Such attachments, if any, shall constitute a part of the Lease.

27. Conflict-of-Interest. This Lease may be canceled without penalty pursuant to ARS §38-511 in the event of a conflict-of-interest as described therein by any person significantly involved in negotiating this Lease on behalf of the Lessor.

IN WITNESS WHEREOF, each party hereto has executed this Antenna Site Lease, as of the day and year first written above.

LESSOR: Town of Prescott Valley, a municipal corporation of Arizona

By: _____
Harvey C. Skoog, Mayor

Attest: _____
Diane Russell, Town Clerk

Approved as to form: _____
Ivan Legler, Town Attorney

TENANT: Humboldt Unified School District #22

By: _____
Henry Schmitt., Superintendent of Education

Attest: _____