

**LICENSE AGREEMENT**  
**PERMISSION TO USE CITY REAL PROPERTY**

This License Agreement, entered into on the \_\_\_\_\_ day of \_\_\_\_\_, 2016 is between the **CITY OF GLENDALE**, an Arizona municipal corporation ("City"), and CDS Properties, LLC ("Licensee").

PURPOSE

Licensee desires to use certain City-owned real property, more particularly described on the attached Exhibit "A" and by this reference incorporated herein ("Property"). The Property is generally located at along 51st Avenue, adjacent to the property commonly known as 5524 North 51st Avenue, and is a part of the City's public roadway system. The use of the Property by Licensee will enable Licensee to continue existing uses on a portion of the City's right-of-way including vehicle parking and property ingress and egress.

TERMS AND CONDITIONS

City grants this License subject to the following terms and conditions:

1. The initial term of this License shall be for a period of twenty (20) years ("Initial Term"), commencing on the Effective Date and ending on the twentieth anniversary thereof, unless sooner terminated as stated herein. This License may be renewed for no more than two (2) renewal periods (duration of each period is twenty [20] years); provided however, that the renewal must be accomplished by mutual written agreement between the City and Licensee, or the City and Licensee's authorized successor-in-interest.
2. This License is granted upon the condition that the Licensee's Property be used consistent with the M-2 (Heavy Industrial) zoning district except those uses including adult businesses and Medical Marijuana, together referred to as ("Prohibited Uses"). Licensee may terminate this License by giving sixty (60) days' advance written notice to the City of its intent to terminate. The City may terminate this License by giving one hundred eighty (180) days' advance written notice to the Licensee of its intent to terminate if the City begins construction in the License area for roadway purpose, or either of the Prohibited Uses are active on the Licensee's Property.
3. This License is personal to the Licensee and may not be transferred to assigned in any manner, without prior written approval of the City; provided, however, that Licensee may transfer this License without the City's prior written consent to any successor-in-interest to Licensee (whether by merger, acquisition, or transfer of partnership interests), any assignee of Licensee's interest in the property owned by Licensor that is adjacent to the Property ("Licensee's Property"), or any third-party purchaser of Licensee's Property.
4. All improvements made by Licensee to the Property pursuant to the terms of this license are subject to and must be in compliance with all applicable codes, ordinances and laws, including the Americans With Disabilities Act, and constructed in conformance with the City's approved design standards.
5. The costs associated with constructing, operating and maintaining any improvements made pursuant to this License, costs associated with relocation of the improvements if so requested by the City, and the

cost of permits, inspection services, and applicable administrative fees related thereto, shall be borne entirely by Licensee.

6. Licensee acknowledges that the City uses the Property as public right of way, agrees to accept use of the Property "as is", and agrees that its right under this License shall not interfere with use of the Property by the public. Licensee is responsible for obtaining any necessary permits prior to performing any work on the Property, and for payment of inspection fees according to the City's development fee schedule established by ordinance.
7. Licensee shall not permit any liens to be placed or remain on the Property by virtue of any work performed under this License.
8. Whenever Licensee disturbs the surface or subsurface of any city-owned property, public right of way, adjoining public property, or any public improvements located thereon or thereunder, Licensee shall promptly and at its own expense, restore, repair or replace the same to the satisfaction of the City.
9. If such restoration, repair or replacement of the surface, subsurface or any structure thereon or thereunder is not completed in a reasonable time or if such restoration, repair or replacement does not meet the city's satisfaction, the city may perform the necessary restoration, repair or replacement, either through use of its own forces or through a hired contractor, and the cost thereof, including the cost of inspection or supervision, shall be paid by the Licensee within thirty (30) days after receipt of the city's invoice for same.
10. All excavations made by Licensee on or within public rights of way shall be properly safeguarded for prevention of accidents, and at all times during such excavation or at such other times as activities performed under the authority of this License create any hazard or source of danger to any person or vehicle using said right of way, Licensee shall provide and maintain sufficient barriers, danger signals, lanterns, detours, and shall take such other measures or precautions as the City shall direct.
11. Licensee assumes the responsibility and all liability for any injury or damage to itself or its contractors and agents while using said Property in a lawful manner, caused by or arising out of the exercise of this License. Licensee agrees to indemnify, defend and hold harmless the City and its officers, agents and employees from all loss, damage, claims, suits, proceedings, costs and expenses, including but not limited to reasonable attorney's fees, costs and experts fees, resulting from or related to Licensee's use of the Property.
12. The Licensee shall, at its sole expense, provide a certificate of insurance showing commercial general liability coverage with limits of not less than One Million Dollars (\$1,000,000) for personal injury or death and not less than Five Hundred Thousand Dollars (\$500,000) for property damage, per each occurrence. The certificate of insurance must name the City of Glendale as an additional insured for all work performed by the Licensee within, or on, City of Glendale rights-of-way or property. Claims made policies are not acceptable. The insurance company writing the policy must be licensed by the Arizona Department of Insurance and have a BEST rating of not less than A. The Licensee insurance coverage shall be primary insurance and non-contributory with respect to all other available sources. The City shall be an additional insured to the full limits of liability purchased by Licensee even if limits of liability are in excess of those required of the Licensee. The form of the policy must be acceptable to the City before License will be issued. Further, Licensee agrees to indemnify, defend and hold harmless the City of Glendale and its officers and employees from all suits, actions, claims and damages, including attorney's

13. If Licensee fails to perform any of its obligations under this License, and if said nonperformance continues after written notification to Licensee, for a period of ten (10) days for matters posing risk to safety of the public or others using or passing on the Property and thirty (30) days for all other matters, then Licensee shall be in default. Upon default, it shall be lawful and optional for the City, as one of its remedies, to declare a termination of this License and to retake possession of the Property.
14. Should Licensee, its successors-in-interest, or any of its authorized representatives or employees, engage or facilitate illegal activity, including drug-related illegal activity, or engage in acts of violence or threats of violence on the premises located at 5524 North 51<sup>st</sup> Avenue, such illegal activity will be grounds for immediate revocation of this License.
15. Upon termination of this License by either party, any improvements made to the Property by Licensee shall become City's, unless otherwise agreed.
16. Any amendments to this License must be in writing and signed by both parties. Arizona law shall be applied to the interpretation and enforcement of this License. In the event that any term or provision of this License is declared by a court of competent jurisdiction to be invalid or illegal for any reason, this License shall be interpreted as if such invalid or illegal provision were not a part hereof.

Notary Public

My Commission Expires:

\_\_\_\_\_

CDS PROPERTIES, LLC

By: [Signature]

Name:

Its:

JAMES V CARSON  
MANAGING PARTNER

State of

Arizona

) ss.

County of

Maricopa

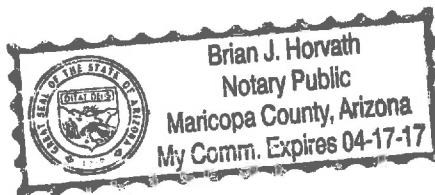
ACKNOWLEDGED before me on this 29 day of September, 2016, by \_\_\_\_\_

James V. Carson

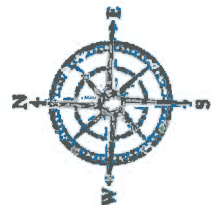
[Signature]  
Notary Public

My Commission Expires:

Apr 17, 2017



## EXHIBIT A



Map  
Scale  
1" = 100'  
Date: 1/20/16

## City of Glendale Web Map

This map was generated from the City of Glendale's GIS Web mapping system and is to be used for reference use only. GIS data is constantly changing so layers that appear on this map may or may not be accurate or current depending on the date and time this map was created.

7/22/2016