

## **PARKING LICENSE AGREEMENT**

This Parking License Agreement (the “Agreement”) is entered into to be effective as of \_\_\_\_\_, 202\_\_ (the “Effective Date” of this Agreement), by and between the City of Mesa, an Arizona municipal corporation (“Licensor”) and \_\_\_\_\_ LLC, an Arizona limited liability company (“Licensee”). Each of Licensor and Licensee may be referred to in this Agreement as a “Party,” or collectively as the “Parties.”

### **RECITALS**

Licensor is the owner of that certain real property located in Maricopa County, Arizona, a portion of which has been leased to Licensee (as “Tenant” named therein) by Licensor (as “Landlord” named therein) pursuant to the terms of a “Ground Lease and Option to Purchase Premises” dated June \_\_, 2025 (the “Lease”). The portion of Licensor’s real property that has been leased to Licensee pursuant to the Lease is referred to in this Agreement as the “Premises.”

Licensor additionally is the owner of a public parking garage (“Garage”) on real property that is adjacent to a portion of the Premises.

Pursuant to the certificate of occupancy issued to Licensee to permit the operation, subleasing and occupancy of the Premises, Licensee is obligated to provide parking for Licensee’s residential subtenants and hospitality uses during the term of the Lease.

Licensor has agreed to grant to Licensee, and Licensee desires to receive from Licensor, an irrevocable (subject, however, to the terms of this Agreement), nonexclusive, non-delegable license on, over and across the Licensed Area by Licensee and its permitted sublicensees for the parking of non-commercial automobiles and motorcycles (as more fully defined as Licensed Activities in Section 1.3 below).

### **AGREEMENTS**

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Grant of License. Licensor hereby grants to Licensee (and its permitted sublicensees) an irrevocable (subject, however, to the terms of this Agreement), non-exclusive, non-delegable license (the “License”) for parking in the Garage as follows:

(a) only upon, over and across \_\_\_\_\_ (\_\_\_) Spaces (as defined below) within that portion of the Garage described on Exhibit A (the “Licensed Area”), and

(b) only by (i) Licensee, (ii) Licensee’s residential tenants and subtenants and (iii) hospitality guests for a hospitality use permitted on the Premises (collectively, “Licensee Parties”), and

(c) solely for the purpose of allowing, connection with Licensee’s permitted use of the Premises by the Licensee Parties (collectively, the “Licensed Activities”), the parking

of non-commercial automobiles, motorcycles and light-duty trucks and vans subject to the terms, conditions and limitations set forth in this Agreement and further subject to all rules and regulations of the City of Mesa respecting use of the Garage (the “Rules and Regulations”). Licensed Activities expressly do not include, and expressly exclude, the parking of any (1) commercial vehicle, (2) heavy-duty trucks or vans, (3) trailers, (4) boats or jet skis or other item intended for nautical use and (5) recreational vehicles (being vehicles fitted for living accommodation and travel use, including but not limited to motorhomes, campervans, coaches, travel trailers, fifth-wheel trailers, popup campers, and truck campers). All permitted vehicles parked in the Garage must be fully operational, and no repair or maintenance of any vehicle in the Garage is permitted at any time. No vehicle may be parked or maintained in the Garage pursuant to this Agreement as a form of advertising or promotion of a commercial enterprise. In addition, the parking of non-commercial extended cab or extended bed trucks and vans that are owned and used exclusively for personal use by a Licensee Party may be restricted as to location within the Garage by Licensor. Although Licensed Activities do not include parking for Licensee’s employees, commercial tenants or subtenants (and their employees) and commercial invitees, (a) subject to the Cap, Licensee may request that identified commercial tenants or subtenants may use Licensed Spaces that are not then being used by or for residential tenants or subtenants or hospitality guests, which request may be granted, withheld or conditioned in Licensor’s sole, absolute and unfettered discretion; and (2) Licensee may request to purchase additional parking passes in the Garage, as available and on such terms as such passes may then be available.

2. Term of Agreement. The License granted by this Agreement is effective from and after the date of this Agreement, and the term of this Agreement is concurrent with the Term of the Lease. In the event that Licensee (as Tenant named in the Lease) exercises its option granted in the Lease to purchase the Premises, then upon the transfer of title to the Premises to Licensee, the License granted by this Agreement will be deemed to have been assigned to the purchaser, and the obligations of Licensee as set forth and described in this Agreement will thereupon be fully and automatically assumed by the fee owner of the Premises (who will thereupon be the Licensee for all purposes of this Agreement) upon the transfer of title.

3. Not a Lease; Encumbrances Prohibited. This Agreement constitutes a license with respect to the Licensed Activities in the Licensed Area, and is not a lease and does not convey or grant an interest in real property. Licensee will not permit or allow to be placed any lien, charge or encumbrance of any nature on the Garage or any portion of the Licensed Area and will keep the Licensed Area free and clear of all liens and encumbrances.

4. Licensed Activities. Licensee is permitted to conduct, permit and allow only the Licensed Activities, and only with respect to the Licensed Area. Although Licensee (and its subtenants and sublicensees) may not use all of the Spaces (as defined in this Agreement) within the Licensed Area, Licensee is obligated to make all payments required by Section 6 of this Agreement.

5. Licensed Spaces.

(a) Parking in the Garage is permitted only in designated “striped” stalls or spaces (each, a “Space”; or collectively, “Spaces”). Subject to (i) the payment in advance by Licensee of the License Fee and (ii) Licensee’s compliance with all other terms and conditions of

this Agreement, parking by Licensee and its sublicensees is permitted pursuant to this Agreement in those Spaces within the Licensed Area (each, a “Licensed Space”; or, if more than one, the “Licensed Spaces”).

(b) Lessor may relocate the Licensed Area and the Licensed Spaces, from time-to-time, and as Lessor may reasonably require, but no more frequently than once per calendar year.

(c) No later than November 1 of each year, Licensee must advise Lessor of the number of Spaces it requires in the Licensed Area for the following calendar year; and Licensee may pay the License Fee for such Spaces no later than December 15 of each year for the following calendar year.

(1) For Phase 1 (as defined in the Lease), Lessor must license to Licensee not fewer than seventy-six (76), nor more than one hundred and fourteen (114), Spaces as Licensed Spaces. For Phase 1, Lessor has no obligation to provide more than one hundred and fourteen (114) Spaces (the “Cap”) within the Garage to Licensee, although Licensee may seek to obtain the use of additional Spaces from Lessor in excess of the Cap subject to availability and any other terms and conditions applicable to such Spaces at the time of Licensee’s request.

(2) Subject to redefinition in the Lease, for Phase 2 (as defined in the Lease), Lessor must license to Licensee not fewer than twenty-four (24) Spaces as Licensed Spaces; and for Phase 3 (as defined in the Lease), Lessor must license to Licensee not fewer than twenty-four (24) Spaces as Licensed Spaces. Lessor will use commercially reasonable efforts to provide Licensee with Licensed Spaces on the first floor of the Garage for Phase 2 and Phase 3. Upon Completion of Phase 2 and Phase 3 (as defined in the Lease), the number of Licensed Spaces provided by Lessor for those Phases will automatically be added to the Cap.

(d) Licensee may sublicense the Licensed Spaces only to Licensee’s permitted residential or hospitality subtenants existing under the Lease for the Licensed Activities. Licensee may charge its permitted sublicensees a sublicense fee for each Licensed Space for which Lessor has neither involvement nor responsibility. Licensee acknowledges that Lessor is not in privity of contract with any of Licensee’s sublicensees.

(e) Licensee is responsible, at its sole cost and expense, for all repair (including replacement, as applicable) to the Garage resulting from damage by Licensee and Licensee Parties. Upon Notice from Lessor of an event of damage or destruction to the Garage by Licensee or a Licensee Party, Licensee will promptly commence repair or replacement as required by Lessor and subject to approval and supervision of such repair and replacement by Lessor. Lessor may reasonably require the use of Lessor’s approved contractor to complete any repair or replacement in the Garage required by this subsection.

(f) Lessor retains the right to use, occupy, assign, restrict and otherwise deal with all Spaces within the Garage except the Licensed Spaces while Licensee complies with this Agreement. Licensee acknowledges that the lower level of the Garage is restricted and Licensee has no right to use, or permit its subtenants and sublicensees to use, any Spaces in the lower level of the Garage.

(e) Subject to Licensor's prior written approval with respect to (i) content, (ii) placement, (iii) quality, (iv) method of adherence and (v) any other condition reasonably imposed by Licensor, Licensee, at its sole cost and expense, may place signs within the Licensed Area, *inter alia*, to assign Licensed Spaces to specific sublicensees, demark the Licensed Area, and post reasonable rules and regulations for its sublicensees.

6. License Fee. For the first ten (10) years following the Effective Date, Licensee will pay a monthly fee to Licensor for the License (the "License Fee") in the amount of \$10.00 per Licensed Space. Commencing on the first day of the eleventh (11<sup>th</sup>) year following the Effective Date, the License Fee will be based on then-current Mesa City Council approved monthly parking rate per Space; or if such fee ceases to exist in the future, the Parties will agree upon a commercially reasonable monthly rate for each Licensed Space (which shall in no event be less than the previously applicable monthly rate for the Licensed Spaces).

7. Security. Licensee acknowledges and understands that the Licensor provides no security at or for the Garage and agrees that the Licensor will have no obligation to provide security at the Garage. In the event that Licensor elects, in its sole discretion, to provide security for the basement or any other portion of the Garage, it will do so solely for the benefit of Licensor, and Licensor's employees and invitees; and Licensee agrees and acknowledges that Licensee and Licensee's employees, agents, contractors, subtenants, sublicensees and invitees are not (and will not be) either intended or unintended beneficiaries of such security measures and are not authorized to rely on such security. Licensee is solely responsible, at its sole cost and expense, for: (i) the security for Licensee's, and Licensee's tenants, subtenants, licensees, sublicensees, employees, agents, clients, and invitees at the Garage; (ii) the security for the personal property (including all vehicles) of Licensee, and of Licensee's tenants, subtenants, licensees, sublicensees, employees, agents, clients, and invitees at the Garage; and (iii) the security of third parties and users of the Garage to the extent such security-related events or incidents arise or are related to Licensee's, or Licensee's subtenants' or sublicensees' (including their employees, agents, clients, and invitees) use of the Garage. Licensee will ensure that it, and its tenants and subtenants (including their employees, agents, clients, and invitees) use the Property in a safe and secure manner and in compliance with all applicable laws. Licensor agrees Licensee, at its sole cost and expense, may implement security measures at the Garage provided that Licensee gives reasonable prior notice to Licensor if such measures involve the installation of improvements at the Garage; and further provided that no such security measures implemented by Licensee will restrict or impair the right of Licensor and the public to use those portions of the Garage that are not subject to the exclusive use granted to Licensee by this Agreement. In addition to, and without limiting any other indemnity in this Agreement, Licensee will indemnify, defend, pay and hold Licensor and its City Council members, officers and employees harmless for, from and against any and all claims or damages (including, but not limited to, injury and death to persons and loss of or damage to property) caused by, arising from or related to, in whole or in part, the acts or omissions of Licensee, and its tenants, subtenants, licensees, sublicensees, employees, agents, clients, and invitees for reason of their use of the Garage (or security at the Garage, including, but not limited to, adequacy of security, lack of security, and types of security installed).

8. Open to the Public. Subject to reasonable periods of closure for maintenance and repair (such as re-striping or re-surfacing of the parking and drive areas), and Licensee's right to use and sublicense the Licensed Spaces, the Garage will at all times be open to the public.

9. Insurance; Indemnity.

(a) Throughout the term of this Agreement, Licensee will procure and maintain, at its sole cost and expense, insurance against claims for injuries to person or damages to property which may arise from or in connection with the use by Licensee of the Licensed Area and Garage, and the obligations set forth in the Agreement including, but not limited to, the repair and replacement obligations and indemnity obligations of this Agreement. The terms and coverages for the insurance will be as set forth in Exhibit B to this Agreement.

(b) In addition, Licensee will pay, defend, indemnify and hold harmless Licensor and its City Council members, officers and employees from and against all claims, demands, fines, penalties, costs, expenses, damages, losses, obligations, judgments, liabilities, and suits (including attorneys' fees, experts' fees and court costs associated with such matters; all of the foregoing, collectively, "Claims") imposed upon or asserted against Licensor, its agents, representatives, officers, directors, elected or appointed officials, and employees, caused by, arising from or related to, in whole or in part, the acts or omissions of Licensee, and its tenants, subtenants, licensees, sublicensees, employees, agents, clients, and invitees for reason of any of the following: (i) any act or omission by Licensee, or its employees, contractors, subcontractors, agents or representatives, undertaken in fulfillment of Licensee's obligations under this Agreement ; (ii) any use or nonuse of, or any condition created by Licensee on or at the Garage or any part thereof; and (iii) any accident, injury to or death of persons (including workmen) or loss of or damage to property occurring on or about the Garage or any part thereof caused or created by, or arising from, in whole or in part any act or omission of Licensee or its employees, contractors, subcontractors, agents, representatives, licensees, sublicensees, tenants or subtenants (and invitees of any of the foregoing) (collectively, "Indemnity"). Licensee's obligations of Indemnity will survive the expiration or earlier termination of this Agreement.

10. Storage and Nuisances Prohibited. The Licensed Area may not be used for the storage of vehicles, equipment or materials. Licensee will not use the Licensed Area, nor permit the Licensed Area to be used, in a manner that creates (or causes to be created) nuisances or hazards to the public health or safety.

11. Licensee's Requested Infrastructure. To the extent that Licensee may request changes to the Garage (by way of illustration, an elevator, separate entry for Licensee Parties, structures to demark or limit access to the Licensed Area), any such changes are subject to Licensor's prior approval, which may be granted, withheld or conditioned in Licensor's sole, absolute and unfettered discretion, and which will be at Licensee's sole cost and expense. In addition, to the extent that Licensee's use of the Garage by the Licensee Parties for the Licensed Activities may require physical changes to the Garage by reason of the Americans with Disabilities Act or other similar laws regulating access and accommodation, all such changes will be at Licensee's sole cost and expense and are subject to Licensor's prior approval, which may be granted, withheld or conditioned in Licensor's sole, absolute and unfettered discretion.

12. Permits. Licensee will, at its sole cost and expense, obtain all permits, licenses and authorizations which may be required by Licensor or any other governmental authorities with respect to the Licensed Activities. Licensee will not engage in or permit any conduct in the

Licensed Area which violates any law, ordinance, permit or governmental regulation, or which violates the terms of this Agreement.

13. Default.

(a) Any breach by Licensee of any term or provision of this Agreement, after Notice and opportunity to cure as more specifically set forth in this Agreement, is a “Default” by Licensee of this Agreement.

(b) If Licensee fails to pay any sum due under this Agreement promptly when due and such failure continues for ten (10) days after Notice to Licensee, and such Default continues for thirty (30) days after Notice to Licensee, Licenser will have the right, at its election, to terminate this License and to seek any remedy available to Licenser at law or in equity.

(c) If Licensee fails to perform or comply with any of the other agreements, conditions or undertakings of this Agreement that do not solely involve payment as described in Section 13(b), and such Default continues for ninety (90) days after Notice to Licensee, Licenser will have the right, at its election, to terminate this License and to seek any remedy available to Licenser at law or in equity.

(d) As long as the Lease is in effect, a Default of this Agreement by Licensee will be a breach or default of the Lease, and a breach or default of the Lease by Tenant will be a breach of this Agreement; and notice of such breach or default under the Lease, sent to the Tenant named in the, and in accordance with the “Notice” provisions of the Lease, will, without further act or notice required, constitute Notice to Licensee of a Default of this Agreement.

(e) In addition to any other remedies available to Licenser, during any period of Default, the License Fee will be increased by 300% per Space; and Licenser has terminated this License by reason of Licensee’s Default, Licenser may enter into separate license agreements with each of Licensee’s tenants, subtenants, licensees or sublicensees for their applicable Space or Spaces.

(f) In addition to any other remedies of Licenser with respect to a Default, Licensee acknowledges, on behalf of Licensee and all Licensee Parties, that (1) they are subject to all applicable ordinances and codes of the City of Mesa, and all Rules and Regulations applicable to a parking structure owned and operated by the City of Mesa; and (2) they may be liable for any fines or penalties imposed by the City of Mesa for a violation by Licensee or any Licensee Party of any applicable ordinance or code of the City of Mesa, or any Rule and Regulation applicable to a parking structure owned and operated by the City of Mesa.

(g) If Licensee receives Notice of a violation by Licensee or a Licensee Party of this Agreement or the Rules and Regulations, Licensee must promptly cure or remedy such violation at Licensee’s sole cost and expense within not fewer than seventy-two (72) hours, which cure or remedy may include towing (and subsequent storage) of any vehicle in violation of this Agreement or the Rules and Regulations. The failure of Licensee to timely and promptly comply with this Section 13(g) is a Default.

14. Attorneys' Fees. In the event of any litigation or other legal proceedings between the Parties, the prevailing Party as determined by the court, will be entitled to the payment by the non-prevailing Party of its reasonable attorneys' fees, court costs and litigation expenses, as determined by the court. In no event will Licensors or Licensee (or their respective successors or permitted assigns) be liable for any special, consequential, incidental, punitive or exemplary damages.

15. No Partnership; Assignment. It is not intended by this Agreement to, and nothing contained in this Agreement will, create any partnership, joint venture, landlord-tenant or similar arrangement between the Parties, other than that of Licensors and Licensee. No term or provision of this Agreement is intended to, or will, be for the benefit of any person, firm, organization or corporation not a party to, and no such other person, firm, organization or corporation will have any right or cause of action hereunder. Other than in connection with a permitted transfer under the Lease of Licensee's entire leasehold interest in the Premises, and an express assumption by an assignee of all of Licensee's obligations under this Agreement, Licensee may not assign its rights under this Agreement or grant to any other person the right to utilize the Licensed Area (other than Licensee's permitted residential sublicensees) without the prior written consent of Licensors, which consent Licensors may grant or withhold in its sole discretion.

16. Descriptive Headings. The captions used in this Agreement are for reference only and are not to be construed as a part of this Agreement.

17. Applicable Law. This Agreement will be governed by, and construed in accordance with, the substantive laws of the State of Arizona without giving any effect to the principles of conflicts of law.

18. Incorporation of Recitals and Exhibits. Each of the recitals set forth above and each of the exhibits attached hereto are hereby incorporated into this Agreement and made a part hereof. Subject in all events to Licensee's obligations under the Lease, this Agreement constitutes the entire Agreement between Licensors and Licensee pertaining to the use of the Licensed Area and the grant of the License and supersedes all prior agreements, understandings and representations with respect thereto. This Agreement may not be modified, amended, supplemented or otherwise changed except by a writing executed by both Licensors and Licensee. Licensee agrees, acknowledges and understands that certain amendments to this Agreement may require the approval of the City Council acting in its sole discretion.

19. Counterparts. This Agreement may be executed in any number of counterparts, all of which taken together will constitute one in the same instrument.

20. Severability. If any term, provision or covenant contained in this Agreement will, to any extent, be invalid or unenforceable, the remainder of this Agreement will not be affected thereby, and each term, provision and condition hereof will be valid and enforceable to the fullest extent permitted by law.

21. Notices. All notices, demands, requests, consents, approvals and other communications required or permitted in this Agreement (each, a "Notice"), must be in writing and will be deemed to have been given upon personal delivery to the respective Party, after

delivery by personal service or a nationally recognized overnight courier service (e.g., UPS, Federal Express) for next business day delivery, at the Party's address shown below:

To Licensee: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

With a copy to: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

If to Licensors: City of Mesa  
Attn: City Manager  
20 East Main Street  
Mesa, Arizona 85211

and

City of Mesa  
Attn: Manager of Urban Transformation  
20 East Main Street  
Mesa, Arizona 85211

With a copy to: City of Mesa  
Attn: City Attorney  
20 East Main Street, Suite 850  
Mesa, Arizona 85201

or at such other address as either Party may from time to time designate in writing to the other.

25. No Recordation. The Parties agree that this Agreement may not be recorded in the Official Records of Maricopa County, Arizona, and the recordation of this Agreement by either Party will be a Default by such Party.

26. Conflict of Interest Statute. This Agreement is subject to, and may be terminated by Licensors in accordance with, the provisions of A.R.S. §38-511.

27. No Boycott of Israel. Licensee certifies pursuant to A.R.S. §35-393.01 that it is not currently engaged in, and for the duration of this Agreement will not engage in, a boycott of Israel.

IN WITNESS WHEREOF, Licensors and Licensee have executed this Agreement as of the date first written above.

**LICENSORS:**



**THE CITY OF MESA**, an Arizona municipal  
corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**LICENSEE:**

\_\_\_\_\_ LLC, an Arizona limited liability  
company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

## **EXHIBIT A TO PARKING LICENSE AGREEMENT**

### **Description [Depiction] of Licensed Area**

The Pomeroy Garage is located at 34 South Pomeroy. The parking garage comprises approximately 1.7 acres of land. Specifically, the property is located in the northeast quarter of the southeast quarter of Section 22, Township 1 North, Range 5 East of the Gila and Salt River Baseline Meridian.

The Garage has 596 spaces on levels 1 through 3 (the basement spaces are exclusively for Licensor's use and are not being licensed). Licensee is licensed \_\_\_\_\_ spaces which will be located on levels 1 through 2.

## **EXHIBIT B TO PARKING LICENSE AGREEMENT**

### **Insurance Requirements**

Licensee will procure and maintain insurance during the applicable “Coverage Period,” as shown on the below chart, against claims for injury to persons or damage to property which may arise from or in connection with the Garage and/or in the performance of work or construction of the Garage by Licensee, its agents, representatives, employees, contractors, or subcontractors.

The insurance requirements herein are minimum requirements for the Agreement, of which this Exhibit is a part (the “License”), and in no way limits the indemnity covenants contained in the License. Licensor in no way warrants that the minimum limits contained herein are sufficient to protect Licensee from liabilities that might arise from or in connection with the Garage, and Licensee is free to purchase additional insurance as Licensee may determine.

A. **MINIMUM SCOPE AND LIMITS OF INSURANCE:** Licensee will provide coverage during the Coverage Period and with limits of liability not less than those stated below.

<u>Type</u>	<u>Amount</u>	<u>Coverage Period</u>
General Liability (which will include operations, products, completed operations, and contractual liability coverage)	With limits not less than \$25,000,000 combined single limit per occurrence and not less than \$25,000,000 general aggregate.	Coverage will be in effect upon or prior to and remain in effect for the Term of the License.
Property (all risks of loss including risks covered by fire and extended coverage, terrorism, vandalism and malicious mischief)	In an amount not less than full replacement cost of structure and all fixtures.	Coverage will be in effect upon or prior to the earlier of when the Builder’s Risk policy is no longer in effect or when substantial completion of construction and a temporary or final certificate of occupancy is obtained, and coverage will thereafter remain in effect for the remainder of the Term of the License.
Commercial Automobile Liability	With limits not less than \$1,000,000 each occurrence, Combined Single Limit for bodily injury and property damage covering owned,	Coverage will be in effect upon or prior to and remain in effect for the Term of the License.

	non-owned and hired auto coverage as applicable.	
Business Interruption Coverage (can be endorsed to the Property policy)	Minimum 12 months' rent and ongoing operating expenses	Coverage will be in effect upon or prior to the earlier of when the Builder's Risk policy is no longer in effect or when substantial completion of construction and a temporary or final certificate of occupancy is obtained, and coverage will thereafter remain in effect for the remainder of the Term of the License.
Workers' Compensation Employers' Liability	Statutory Limits \$500,000 each accident, each employee	Coverage will be in effect upon or prior to and remain in effect for the Term of the License.
Liquor Liability	\$5,000,000	Coverage will be in effect upon or prior to and remain in effect for the Term of the License, provided Licensee sells and/or serves alcohol
Builder's Risk	In an amount not less than the estimated total cost of construction.	Coverage will be in effect upon or prior to any construction activities and maintained until the substantial completion of construction and a temporary or final certificate of occupancy is obtained.
Owner's and Contractor's Protective Liability	\$25,000,000	Coverage will be in effect upon or prior to any construction activities and maintained until the substantial completion of construction and a temporary or final certificate of occupancy is obtained.
Professional Liability	\$2,000,000	Coverage will be in effect upon or prior to any construction activities and maintained until the

		substantial completion of construction and a temporary or final certificate of occupancy is obtained.
Blanket Crime Policy	\$5,000,000	Coverage will be in effect upon or prior to and remain in effect for the Term of the License.
Boiler and Machinery Coverage	\$25,000,000	Coverage will be in effect upon or prior to the earlier of when the Builder's Risk policy is no longer in effect or when substantial completion of construction and a temporary or final certificate of occupancy is obtained, and coverage will thereafter remain in effect for the remainder of the Term of the License.

B. **ADDITIONAL INSURANCE REQUIREMENTS:** The policies will include, or be endorsed to include, provisions with the following effect:

1. Licensors, and its agents, officials, volunteers, officers, elected officials, and employees, will be named as additional insureds and added by endorsements on all general liability insurance policies and commercial automotive liability policies.

2. On insurance policies where the Licensor is to be named as an additional insured, the Licensor will be named as additional insured to the full limits and to the same extent of coverage as the insurance purchased by Licensee, even if those limits of coverage are in excess of those required by the License.

3. The Licensee's insurance coverage will be primary and non-contributory with respect to all other Licensor insurance sources.

4. All policies will include a waiver of subrogation rights in favor of the Licensor, its agents, officials, volunteers, officers, elected officials, and employees. Licensee will obtain a workers' compensation policy that is endorsed with a waiver of subrogation in favor of Licensor for all work performed by Licensee, its employees, agents, contractors and subcontractors. Licensee agrees to obtain any endorsement that may be necessary to comply with this waiver of subrogation requirement.

5. All general liability policies will include coverage for explosion, collapse, underground work, and contractual liability coverage, which will include (but is not limited to) coverage for Licensee's indemnification obligations under the License.

6. Licensors will be named as Loss Payee on all property insurance policies. Proceeds of any property damage insurance will be applied as required by Section 14 of this License.

C. **EXCESS OR UMBRELLA POLICY:** In addition to a primary policy, an excess or umbrella policy may be used to meet the minimum requirements if the excess or umbrella coverage is written on a "following form" basis.

D. **NOTICE OF CANCELLATION:** Each insurance policy will include provisions to the effect that it will not be suspended, voided, cancelled, or reduced in coverage except after thirty (30) days' prior written notice has been given to Licensors. Such notice will be sent directly to Risk Management, City Attorney's Office, City of Mesa, 20 E. Main Street, P.O. Box 1466, MS-1077, Mesa, Arizona 85211.1466.

E. **ACCEPTABILITY OF INSURERS:** Insurance is to be placed with insurers duly licensed or authorized to do business in the State of Arizona and with an "A.M. Best" rating of not less than A- VII. Licensors in no way warrants that the above-required minimum insurer rating is sufficient to protect the Licensee from potential insurer insolvency.

F. **ENDORSEMENTS AND VERIFICATION OF COVERAGE:** Licensee will provide Licensors with Certificates of Insurance signed by the Issuer with applicable endorsements for all policies as required herein. All Certificates of Insurance and any required endorsements are to be received and approved by the Licensors before the applicable Coverage Period. Each applicable insurance policy required by the License must be in effect at or prior to and remain in effect for the Coverage Period. All Certificates of Insurance and endorsements will be sent directly to the City Attorney, City Attorney's Office, City of Mesa, 20 E. Main Street, P.O. Box 1466, MS-1077, Mesa, Arizona 85211-1466. Licensors reserves the right to require complete copies of all insurance policies required by the License at any time, but not more than once each twelve consecutive months during the Term of the License.

G. **LICENSEE'S DEDUCTIBLES AND SELF-INSURED RETENTIONS:** Any deductibles or self-insured retention in excess of \$250,000 will be declared to and be subject to approval by Licensors. Licensee will be solely responsible for the payment of any deductible or self-insured amounts and waives any rights it may have to seek recovery of such amounts from Licensors and its agents, officials, volunteers, officers, elected officials, and employees.

H. **LICENSEE'S CONTRACTORS AND DESIGN PROFESSIONALS:** Licensee will require and verify that the general contractor and all subcontractors maintain reasonable and adequate insurance with respect to any work on or at the Garage, all such policies will include: (i) a waiver of subrogation rights in favor of the Licensors, its agents,

officials, volunteers, officers, elected officials, and employees, (ii) a waiver of liability in favor of the Licensor, its agents, officials, volunteers, officers, elected officials, and employees releasing and holding harmless the same from any and all liability for any and all bodily injury, including death, and loss of or damage to property, and (iii) Licensor, and its agents, officials, volunteers, officers, elected officials, and employees, will be named as additional insureds and added by endorsements on all general liability insurance policies and commercial automotive liability policies. Licensee will require all design professionals (e.g., architects, engineers) to obtain Professional Liability Insurance with limits of liability not less than those stated in the above chart.

I. LICENSOR'S RIGHT TO ADJUST. With written notice to Licensee of not less than 60 days, Licensor may reasonably adjust the amount and type of insurance Licensee is required to obtain and maintain under this License as reasonably required by Licensor from time-to-time.

J. FAILURE TO PROCURE. If Licensee fails to procure or maintain any insurance required hereunder, Licensor may, but is not required to, procure and maintain any or all of the insurance required of Licensee under this License. In such event, all costs of such insurance procured and maintained by Licensor will be the responsibility of Licensee and will be fully reimbursed to Licensor within ten (10) business days after Licensor's request payment thereof.