

LEASE AGREEMENT

Sedona Oak Creek Unified School District No. 9

And

Sedona Public Library

This Lease Agreement ("Agreement") is made and entered into upon the date it has been signed on behalf of both parties, the GOVERNING BOARD OF THE SEDONA OAK CREEK UNIFIED SCHOOL DISTRICT NO. 9 (SOCUSD), ("Landlord" or "District") and Sedona Public Library, Inc., an Arizona nonprofit corporation, ("Tenant"). Landlord or Tenant may be referred to in the singular as "party" and collectively as "parties."

For and in consideration of the covenants and agreements contained in this Agreement to be kept and performed by the parties, it is mutually agreed as follows:

1. PURPOSE

The Governing Board of the Sedona Oak Creek Unified School District has determined in good faith that the provision of library services by the Sedona Public Library within the District facilities would promote the educational function of the District and would be in the best interest of the District. Therefore, Landlord agrees to lease appropriate space within District premises to Tenant on the terms below.

2. DESCRIPTION OF LEASED PREMISES

The premises to be leased are located at 25 W. Saddlehorn Road, Sedona, Arizona. The rented space is comprised of the room designated as the former school library ("Premises"). The adjoining B170 prep room and B180 computer room are excluded. The space measures approximately Four Thousand (4,000) square feet. Tenant shall have no rights to use or responsibility for any other portion of the property at 25 W. Saddlehorn Road that is not within the Premises unless specifically agreed in this document.

3. EXTENT AND TIME OF USE

3.1 Tenant will have access to the premises at all times, but public access hours are limited to twenty-eight (28) hours per week. Tenant will provide Landlord with its operational hours for purposes of HVAC scheduling.

3.2 Tenant will provide Landlord with a monthly calendar and shall notify Landlord of any changes or closures affecting the projected monthly schedule. Tenant shall give Landlord notice of emergencies as soon as possible. It is agreed that Tenant may use the Premises at times when the District is not in session.

4. LEASE TERM

It is agreed that the Lease shall be for the initial term of one year, commencing on October 1, 2021, and ending September 30, 2022. Tenant shall have the option to extend the term of this Lease for two (2) terms of one (1) year each, upon the same terms and conditions, provided Tenant is not in default.

5. FINANCIAL TERMS

5.1 Landlord agrees that Tenant may have the use of the facilities for rent of \$1.25 per square

foot for a monthly rent of Three Thousand And Five Hundred and 00/100 Dollars (\$3,500.00), which amount is based upon less than full-time usage of twenty-eight (28) hours per week. For the first year of tenancy, Tenant will pay a flat monthly utilities fee of Two Hundred Fifty Dollars (\$250.00). This utilities payment will be assessed using actual APS and Pierce Energy Planning Fusebox data after the first year of tenancy, and this data will be shared with the Tenant.

5.2 Landlord agrees that Tenant may use the Premises a few hours per month more than the agreed twenty-eight (28) hours a week, and for these hours Tenant will pay an additional Fifteen Dollars (\$15.00) per hour. Tenant will always notify Landlord of these additional hours of use in advance, and Landlord may decline the additional hours if circumstances exist which make it impossible for Landlord to accommodate additional use of the Premises.

6. RESPONSIBILITIES

6.1 Landlord agrees to the following:

6.1.1 To provide adequate access to the facility;

6.1.2 To provide major repairs and maintenance as appropriate;

6.1.3 To provide access to restrooms adjacent to B170. This square footage is not included in the financial calculation above. Restrooms will be maintained by Tenant unless additionally contracted with District. These restrooms are accessed from the exterior breezeway;

6.4 To provide adequate parking, no less than twelve (12) spaces, within a reasonable distance of the entry to the library.

6.2 Tenant agrees to the following:

6.2.1 To maintain all required facility licensure and certifications for the staff and facility and to comply with all applicable health and safety requirements.

6.2.2 To provide all routine maintenance requirements and custodial services unless additionally contracted with Landlord. Tenant agrees that the interior and exterior of the Premises will be maintained in clean and good condition at all times.

6.2.3 To conduct its program in such a manner that other LANDLORD tenants can continue their programs without undue interruption.

6.2.4 To comply with all policies governing community use of school facilities. Use of school facilities outside of the designated Tenant area will require notification to Landlord and a Facility Use Agreement.

6.2.5 To cooperate with Landlord concerning scheduling of parking lot space and shared use of green areas so as to avoid any conflict with Landlord operations.

6.2.6 All signs of any type to be utilized by Tenant on the exterior of the building or interior hallways must have the prior approval of Landlord.

6.2.7 The Premises shall be used exclusively by Tenant or Tenant's employees solely for Tenant's official business.

6.2.8 Tenant will participate in all emergency drills and procedures.

6.2.9 Tenant will pay for rekeying of the doors facing the interior of the Breezeway and access core for sliding panel. Rate for this is approximately \$40.00 per door.

7. INSURANCE AND INDEMNIFICATION

Tenant agrees to procure and maintain general liability insurance with a \$1,000,000.00 per occurrence, \$3,000,000.00 general aggregate limit and \$100,000.00 damage to rented premises (fire legal liability). A certificate of insurance evidencing the liability coverage and limits required and including the District as an additional insured, must be furnished to the District on or before the date of this Agreement. Tenant will be responsible for purchasing property coverage for Tenant's contents, equipment, and other business property located at the Premises. Tenant agrees to indemnify and hold harmless the District from any and all claims, including defense costs, arising out of the use or maintenance of the Premises or Tenant's operations.

8. REPAIRS AND ALTERATIONS

8.1 Tenant may make site improvements to the Premises only upon written approval by Landlord. Such improvements made shall remain the property of Landlord, except for improvements that may be removed without damage to the Premises. Landlord, at the request of Tenant, may make improvements to the Premises for which Tenant shall reimburse Landlord. Landlord shall be reasonably available for consultation while improvements are being made. All costs for labor and materials for improvements made by Tenant shall be Tenant's sole responsibility.

8.2 Tenant shall identify and report to Landlord any major facility problems and deficiencies requiring repair and/or renovation to ensure Tenant occupancy.

8.3 Landlord shall have the right to enter the facility for the purpose of inspection. Landlord shall have the right to have emergency repairs made during normal working days and childcare hours, such emergency repairs being limited to broken water lines, electrical short circuits, or other conditions which can reasonably be determined to jeopardize the structural integrity or the safety of occupants of the building.

8.4 Landlord agrees, upon request by Tenant and in a timely manner, to undertake and complete corrective action on facility site infrastructure problems and deficiencies which are classified as major repairs, and which are the responsibility of Landlord. Landlord will comply with procurement regulations of the State of Arizona. Major repairs under this Agreement are those repairs necessary to correct problems with facility structure and integrity, plumbing and sewer, water systems, and infrastructure.

9. TERMINATION

9.1 This Agreement shall terminate at the expiration of its term, by operation of law, by the occurrence of uncured breaches by Tenant or Landlord of significant provisions of this Agreement, by total destruction of the Premises, or upon One Hundred Twenty Days (120) days prior written notification by either party. This contract is subject to the cancellation provisions of A.R.S. §38-511 for conflict of interest.

9.2 Tenant agrees to immediately surrender the Premises to Landlord on termination of this Agreement. Tenant agrees to make any necessary interior and/or exterior repairs to restore Premises to the same condition as when Tenant took occupancy upon termination of this Agreement, normal wear and tear excepted. Failure by Tenant to vacate the Premises shall constitute a holding-over by Tenant.

10 NOTICES

Any and all notices required to be given under this Agreement shall be given in writing to:

Landlord:

Tenant

Dennis Dearden, Superintendent
Sedona Oak Creek Unified
School District
221 Brewer Road, Suite 100
Sedona, Arizona 86336

Judith Poe, Director
Sedona Public Library
3250 White Bear Road
Sedona, Arizona 86336

11. DISPUTE RESOLUTION

If a dispute arises under this Agreement, the parties shall use their best efforts to resolve any disputes informally through good faith negotiation. If parties' efforts to resolve a dispute through negotiation are not successful, the parties agree to use mediation conducted by a trained mediator acceptable to the parties prior to the filing of any claim.

12. MISCELLANEOUS

12.1 Assignment. The Agreement is the entire agreement between the parties and may not be enlarged, modified, or altered except by mutual agreement in writing, signed by both parties.

12.2 Amendment. This Agreement may only be amended by written mutual consent of the parties.

12.3 Integration. This document represents the complete agreement of the parties and supersedes any prior agreements, written or oral.

IN WITNESS WHEREOF, each party to this Agreement has caused it to be executed by its duly authorized representatives on the date indicated below.

Landlord

Tenant

By: _____
Dennis Dearden, Superintendent
Sedona Oak Creek Unified
School District #9

By: _____
Daniel Gallagher, President
Sedona Public Library, Inc.

Date

Date