

**LEASE AGREEMENT
BETWEEN
THE CITY OF SANTA FE AND
SANTA FE COUNTY AMATEUR RADIO EMERGENCY SERVICE®, INC.**

This LEASE AGREEMENT (Lease Agreement) is entered into this 13th day of April, 2018, by and between the CITY OF SANTA FE, NEW MEXICO, a municipal corporation and a political subdivision of the State of New Mexico (Lessor) and SANTA FE COUNTY AMATEUR RADIO EMERGENCY SERVICE®, INC., a New Mexico non-profit corporation, (Lessee) (collectively, the Parties and each individually a Party).

WITNESSETH:

In consideration of the Lessee's promises herein, Lessor hereby gives the Lessee a Lease Agreement to enter on and make use of the property of the Lessor as follows:

1. PREMISES

A. Lessor leases to Lessee and Lessee leases from Lessor a certain four (4) square-foot of wall space within a telecommunication building (the City Building), and designated space on an adjacent telecommunication tower (the City Tower) (collectively, the Premises), as shown on Exhibit A attached hereto and incorporated herein. The Premises is located on that certain Lessor-owned parcel of land known as 1130 Arroyo Chamiso Road located within the municipal boundaries of the City of Santa Fe, in the County of Santa Fe, State of New Mexico (the Property), whereon Lessor owns and maintains the City Tower and City Building for municipal telecommunications purposes (the Primary Use).

B. Lessee acknowledges that the primary purpose of the Property is to serve as Lessor-owned municipal land and, that to the extent the Property or any portion thereof is used by parties other than Lessor for Communications Facilities (as that term is defined in Section 3 of this Lease Agreement), it is on a secondary basis only. Notwithstanding any other provision of this Lease Agreement, the operation of Lessee's Communications Facilities shall not disturb or interfere in any material respect with the Lessor's Primary Use of the Property as further set forth in Section 11.

2. EFFECTIVE DATE

This Lease Agreement shall become effective May 1, 2018 (the Effective Date).

3. PERMITTED USE

A. Permitted Use. At Lessee's sole cost and expense, Lessee may use the Premises for the placement of equipment related to the transmission and reception of emergency radio communications and uses appurtenant thereto (the Permitted Use). In furtherance of the Permitted Use, Lessee may construct, install, maintain, repair, and operate telecommunications equipment, radios, antennas, cables, and accessories (each, a Communication Facility; collectively, Communications Facilities) on the Premises as shown on Exhibit A, and perform such other acts as are reasonably necessary to carry out the Permitted Use. The Permitted Use shall also include the right to make any like-for-like replacements and repairs to the Communications Facilities without Lessor's consent but subject to advanced written notice to Lessor. However, in event of emergency, Lessee may proceed with such like-for-like replacements and repairs after making reasonable efforts to notify Lessor.

Any modifications to the Communications Facilities, other than like-for-like

replacements and repairs, shall require the Lessor's prior written consent. For any such modifications, if Lessor fails to provide written notice of either consent or denial of consent within thirty (30) days' of Lessor's receipt of such written request, the request for the modifications shall be deemed granted but shall still require prior written notice to Lessor.

B. Provision of Specific Services. Lessee shall use the Premises, and/or cause the Premises to be used, solely for the specific purpose of providing emergency communications to the residents of the City and County of Santa Fe and conducting activities directly related to these services (the Services). Lessee agrees to actively use the Premises, and/or cause the Premises to be actively used, to deliver the above Services. The Services provided by Lessee may be modified from time to time by written agreement of the Parties to account for changes in community needs, changes in Lessee's capacities to provide new or different services, or other similar changes attributable to the passage of time.

C. Construction and Installation of Communications Facilities. Lessee shall notify Lessor at least twenty (20) days prior to Lessee's intended commencement of the initial installation and construction of Lessee's Communications Facilities. Following Lessor's receipt of such notification, the Parties shall schedule and conduct a meeting in person (the Pre-Construction Meeting) to coordinate any and all site access, utilities, construction, or other issues related to the installation and construction of Lessee's Communications Facilities, including Lessee's proposed procedures to minimize disturbance to, and maximize protection of, any existing telecommunication equipment on the City Tower or in the City Building. The Pre-Construction Meeting shall be conducted at 1130 Arroyo Chamiso Road no less than ten (10) days prior to the commencement of installation and construction. Lessee shall require that its contractor(s) attend the Pre-Construction Meeting. In no case shall initial installation and construction of Lessee's Communications Facilities commence until all installation and construction issues have been addressed to Lessor's satisfaction, including Lessor's approval of Lessee's installation and construction schedule.

4. ACCESS AND UTILITIES TO THE PREMISES

A. Access. Lessor grants to Lessee nonexclusive vehicular and pedestrian access for ingress and egress over Lessor's land, including, without limitation, the Property, to the Premises from Arroyo Chamiso Road (the Access Route), as more particularly described and shown on Exhibit A. Lessor, at no expense to Lessee, may from time to time change the location of the Access Route upon ninety (90) days prior written notice to Lessee provided such relocation shall not permanently interfere with Lessee's ability to access the Communications Facility.

B. Utilities. Lessor grants to Lessee the right connect to and utilize Lessor's electrical power supply via the existing electrical outlets in the City Building (the Utility Route), as more particularly described and shown on Exhibit A. Lessor may reasonably change the location of the Utility Route upon one (1) month prior written notice to Lessee of such new Utility Route and the costs of relocating Lessee's utility shall be borne by Lessee. Lessor reserves the right to monitor Lessee's electrical usage and to Lessee agrees to reimburse Lessor for electrical costs that exceed Twenty-five Dollars (\$25) per month.

5. TERM

The term of this Lease Agreement shall commence at 12:00 a.m. on the Effective Date. The term of this Lease Agreement shall consist of an "Initial Term" of five years (5) years with one (1) "Optional Additional Term" of five (5) years. The Initial Term and any Optional Additional Terms are hereinafter referred to collectively as the "Term".

Lessee's exercise of any Optional Additional Term is contingent upon compliance with this Lease Agreement and with proper written notice by Lessee to Lessor at least ninety (90) days prior to the expiration of the Initial Term or any Optional Additional Term. In the event Lessee remains in possession of the Premises after the expiration of the Term of this Lease Agreement, such possession may, at the sole option of Lessor, be continued as a month-to-month tenancy. During any such month-to-month tenancy, the Rent due shall be prorated and payable on a monthly basis, and the terms and conditions of the Lease Agreement shall be otherwise applicable.

6. RENT

Rent shall be paid as follows:

A. Rent during Initial Term. During the Term of and in consideration of this Lease Agreement and the demise of the Premises by Lessor to Lessee, Lessee hereby agrees and covenants with Lessor to pay for said Premises the annual fair market rent (the Rent) of Five Thousand Four Hundred Dollars (\$5,400). Rent during the Initial Term shall be subject to increases in accordance with Section 6.C below.

B. Rent during any Optional Additional Term(s). The Rent for any Optional Additional Term(s) of this Lease Agreement shall be established by Lessor prior to the commencement of any such Optional Additional Term(s). In no case shall the Rent for any Optional Additional Term(s) be less than the Rent during the last year of the previous term plus two and one-half percent (2.5%). Rent during any Optional Additional Term(s) shall be subject to increases in accordance with Section 6.C below.

C. Increases in Rent. Rent shall be adjusted every year during the Term of this Lease Agreement, beginning on May 1, 2019. At each time of adjustment the Rent shall be increased by an amount calculated by multiplying the previous year's Rent by two and one-half percent (2.5%).

D. Provision of Services to Offset Monetary Rent. During the Term of and in consideration of this Lease Agreement, Lessee may offset the monetary Rent due by providing to the residents of the City and County of Santa Fe the Services described in Section 3.B of this Lease Agreement. The monetary value of the Services provided by Lessee during any lease year shall meet or exceed the Rent due for that lease year.

E. Annual Service Value Statement. Beginning on June 1, 2019 and on June 1 of each subsequent lease year during the Term of this Lease Agreement, Lessee shall submit to Lessor a statement (the Annual Service Value Statement) itemizing each type and corresponding monetary value of Services delivered during the prior lease year and the amount of Services that it proposes to credit toward Rent due, and containing a statement from an independent third-party auditor that the provision of Services for the prior lease year has met the requirements of this Section 6. Lessor may adopt a required form for the Annual Service Value Statement and such adopted form may be modified from time to time by Lessor.

F. Exclusions. Lessee shall exclude from the value of any Services that it proposes to credit toward Rent the amount of any governmental subsidy and other payment for Services received by Lessee for providing such Services and the amount paid by Service recipients to receive the Services.

G. Review by Lessor. Lessor shall evaluate Lessee's Annual Service Value Statement

and provide a written acceptance or rejection of the Annual Service Value Statement to Lessee. Lessee may request that Lessor review the methodology that Lessee intends to use to prepare the Annual Service Value Statement prior to its submission to Lessor. Lessor may, in its sole discretion, request any such additional information and documentation as it deems necessary to evaluate any Annual Service Value Statement. Lessee's failure to provide such requested information within forty-five (45) days of Lessor's request is cause for Lessor's termination of this Lease Agreement. Lessor's determination regarding the monetary value of Services shall be final and binding and not subject to challenge by Lessee in any forum.

Notwithstanding anything in this Section 6 to the contrary, Lessor's failure provide written acceptance or rejection of the Annual Service Value Statement or to request additional information and documentation from the Lessee within forty-five (45) days of Lessor's receipt of any Annual Service Value Statement shall be deemed to be acceptance of such Annual Service Value Statement by Lessor.

H. Rent Shortfalls. Should the monetary value of the Services in any year not equal or exceed the Rent due in that year (a Rent Shortfall), then Lessee shall pay to Lessor the amount of the Rent Shortfall in monetary Rent. Notwithstanding anything to the contrary in the foregoing sentence, Lessor may agree to allow Lessee to provide within a reasonable amount of time additional Services to offset any Rent Shortfall, and in such event the Parties agree to negotiate in good faith to determine the nature, extent, and schedule for provision of such additional Services.

I. No Compensation by Lessor. In no event shall Lessor be required at any time, including at the end of the Lease Term, to compensate Lessee in any way for any excess Services. In the event of the termination of this Lease Agreement prior to the end of the Term, for any cause, Lessee shall forfeit any excess Services not applied to Rent.

7. MAINTENANCE

A. Lessee shall maintain its Communication Facilities so that their external appearance conforms to that which is shown in Exhibit A, subject to normal wear and tear and damage from the elements, and subject to Lessee's rights to repair and replace the Communications Facilities pursuant to Section 3.A above.

B. Lessee shall at all times keep and maintain the Premises in good condition, subject to normal wear and tear and damage from the elements.

C. Lessee shall, at its sole cost and expense, promptly repair all damage to the Premises, the Property, the Access Route and the Utility Route, to the extent caused by Lessee's: (i) construction, operation, maintenance, or other use of the Lessee's Communication Facilities; or (ii) negligence or willful misconduct. Lessor shall endeavor to promptly notify Lessee of any such damage after it becomes aware of the same.

D. Whenever Lessee has a duty hereunder to repair, Lessee shall restore the Premises, the Property, the Access Route and the Utility Route, to at least substantially the same condition as existed before such damage occurred, excepting normal wear and tear, or casualty not caused by or attributable to Lessee or its agents, contractors and subcontractors, and other losses beyond Lessee's reasonable control.

E. Lessee shall bear all costs and expenses associated with repairs required herein to be performed or caused to be performed by Lessee.

F. Lessor covenants that it will keep the City Tower in good repair as necessary to

support Lessee's Communications Facilities and as required by all federal, state and local laws.

8. UTILITIES

Lessee shall exercise its rights hereunder so as not to disturb or disrupt any utilities installed to serve any other third party authorized by the City, whether by Lease Agreement or license or otherwise, rightfully on the Property as of the Effective Date of this Lease Agreement.

9. HOLDOVER & HOLDOVER RENT

A. Subject to Section 10B., Lessee's right to possess the Premises, and to use the Access Route and the Utility Route, shall immediately terminate at the end of the final Renewal Term as described in Section 5 or upon termination of this Lease Agreement, unless the Parties are then currently negotiating in good faith to enter into a new Lease Agreement for the Premises.

B. If Lessee fails to remove its Communications Facilities and restore the Property and Premises to Lessor in accordance with Section 10B., then this Lease Agreement shall continue in full force and effect (the Holdover Period) except that: (i) the Term shall then be month-to-month; and (ii) the Rent shall be automatically increased to one hundred fifty percent (150%) of the Rent due for the month immediately preceding such expiration or earlier termination (the Holdover Rent).

10. REMOVAL AND RESTORATION

A. All portions of the Lessee's Communication Facilities brought onto the Premises and the Property by Lessee constitute Lessee's personal property and Lessee may, in Lessee's sole discretion, remove any part of its Communications Facilities at any time during the Term or the removal period set forth herein in any way that does not damage the Premises, the Property, the Access Route or the Utility Route.

B. Notwithstanding anything in this Lease Agreement to the contrary, within ninety (90) days of the expiration or earlier termination of this Lease Agreement, Lessee shall remove all of its above-ground improvements and will, to the reasonable satisfaction of Lessor, restore the Premises to its condition as of the Effective Date of this Lease Agreement, excepting normal wear and tear or casualty damage not caused by or attributable to Lessee, its predecessors, or their agents, contractors or subcontractors. Lessee's restoration shall include the removal of all footings, foundations and concrete installed at the Premises (if any) to a depth of two (2) feet below grade.

C. All costs and expenses for the removal and restoration to be performed by Lessee under this Section shall be borne by Lessee, and Lessee shall hold Lessor harmless from any portion thereof. Should Lessee fail to complete the removal and restoration within the required time period, Lessor may complete such work and charge Lessee the reasonable cost thereof.

D. Notwithstanding the expiration or earlier termination of this Lease Agreement, Lessee shall continue to timely pay the then-current Rent or Holdover Rent until Lessee has completed all requirements of this Section 10 to the reasonable satisfaction of the Lessor.

11. INTERFERENCE

A. Lessee shall not cause harmful material interference with Lessor's equipment at the Property or with any of Lessor's radio communications where such communications are operated within their respective frequencies, in accordance with all applicable laws and regulations. Further, Lessee shall not cause harmful interference with other lessee's radio communications that exist as of the date of Lessee's installation of its equipment where such lessee communications are operated within their respective frequencies, in accordance with all

applicable laws and regulations. In the event that any of Lessee's equipment causes such interference in violation of this Section 11A., and after Lessor has notified Lessee in writing of such interference, Lessee will take all commercially reasonable steps necessary to correct and eliminate the interference, including but not limited to, at Lessee's option, powering down such equipment and later powering up such equipment for intermittent testing. In no event will Lessor be entitled to terminate this Lease Agreement during the period that Lessee is making a continuing good faith effort to remedy the interference. If Lessee, after having taken all commercially reasonable steps necessary to correct and eliminate the interference, is unable to permanently correct and eliminate the interference to the Lessor's reasonable satisfaction within ten (10) days after Lessee's receipt of written notice of such interference, Lessor may in its sole discretion terminate this Lease Agreement by delivering written notice of termination to Lessee.

B. Lessor will not use, nor will Lessor permit its employees, other lessees or licensees at the Property, or others under Lessor's control, to use any portion of the Property in a manner that causes harmful material interference to the Lessee's Communication Facilities, or which materially interferes with the rights of Lessee under this Lease Agreement. Lessor will use its reasonable efforts to cause such interference to cease within twenty-four (24) hours after receipt of written notice of such interference from Lessee. If Lessor is unable to eliminate such interference then Lessee may terminate this Lease Agreement or exercise its rights in Section 11.C below.

C. The Parties acknowledge that there is no adequate remedy at law for noncompliance with the provisions of this Section 11 and therefore, either Party shall have the right, in addition to any other rights that it may have under the law or this Lease Agreement, to equitable remedies, including but not limited to injunctive relief and specific performance, in enforcing their rights under this Section 11.

12. INSURANCE

A. Lessee shall, and shall require each of Lessee's contractors and subcontractors who physically enter the Property to obtain and maintain substantially the same coverage as required of Lessee, at their sole cost and expense, procure and continue to maintain in force during the Term of this Lease Agreement and any Holdover Period with limits of coverage in the amount in which the City could be held liable under the New Mexico Tort Claims Act for each person injured and for each accident resulting in damage to property:

- (i) Workers' Compensation Insurance (at statutory limits); and
- (ii) Employer's Liability Insurance with minimum limits of One Million Dollars and No Cents (\$1,000,000.00) per occurrence; and
- (iii) Commercial General Liability Insurance (including completed operations and contractual liability) on an occurrence basis in an amount not less than Two Million Dollars and No Cents (\$2,000,000.00) per occurrence for bodily injury and property damage; and
- (iv) "All-risk" property insurance insuring the Premises and its appurtenant personal property for full replacement costs.

B. All policies shall be written by an insurer with an A. M. Best rating of not less than A- (Excellent), Financial Size Category VII, and must be authorized to do business within the State of New Mexico. The general liability insurance coverage shall include the Lessor, Lessor's employees, volunteers, officers, and elected and appointed officials (collectively the Lessor's Releasees) as additional insureds. Lessee shall provide a certificate of insurance as written

documentation of all required insurance coverages upon the Effective Date of this Lease Agreement and thereafter within fifteen (15) days of Lessor's written request for such documentation. Lessee shall use commercially reasonable efforts to provide Lessor thirty (30) days prior written notice of any cancellation.

C. No self-insurance shall be permitted at any time without the prior written consent of Lessor, which may be withheld for any or no reason.

D. Waiver of Subrogation. Lessee hereby grants to Lessor a waiver of any right to subrogation which any insurer of Lessee may acquire against Lessor by virtue of the payment of any loss under such insurance except for any workers' compensation claims. Lessee agrees to obtain any endorsements that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether Lessor has received a waiver of subrogation endorsement from the insurer.

13. TAXES

A. Lessee is solely responsible for and shall timely and fully pay any taxes, assessments, or charges owed on the Premises, the Property, the Access Route, or the Utility Route, to the extent that they arise from Lessee's use of the Premises and/or the installation, maintenance, and operation of the Lessee's Communication Facilities or other improvements. Lessee is also solely responsible for any sales tax or other tax imposed on the Rent including any increase in real estate taxes at the Premises or Property that arise from the Lessee's improvements thereon and/or Lessee's use of the same. Lessee shall only be relieved of responsibility for any applicable sales taxes to the extent that Lessee is exempt from the payment of said taxes in the jurisdiction where the Property is located.

B. Lessee's responsibility hereunder also includes, without limitation, any applicable tax obligations under New Mexico Revenue and Taxation Code as hereafter amended or superseded. Lessor hereby notifies Lessee that the interest created by this Lease Agreement may be subject to property taxation and Lessee may be subject to the payment of a property/possessory interest tax levied on such interest or reimbursement to Lessor of such payment of a property/possessory interest tax levied on Lessor. Lessee shall be solely responsible for the timely payment of such taxes and shall defend, indemnify and hold Lessor harmless from and against any and all claims or actions for payment (or nonpayment) of such taxes.

C. Lessee shall be responsible for the payment of any taxes, levies, assessments and other charges imposed including any franchise and similar taxes imposed upon the business conducted by Lessee at the Premises. Notwithstanding this section, Lessee shall not have the obligation to pay any tax, assessment, or charge that Lessee disputes in good faith in appropriate proceedings prior to a final determination that such tax is properly assessed and provided that no lien shall attach to the Premises, the Property, the Access Route, or the Utility Route.

D. Lessee shall have the right, at its sole option, cost and expense, to appeal, challenge or seek modification of any tax assessment or billing (Disputed Sums) for which Lessee is wholly or partly responsible for payment. Lessor, at Lessee's sole cost and expense, shall reasonably cooperate with Lessee in filing, prosecuting, and perfecting any appeal or challenge to taxes as set forth in the preceding sentence, including but not limited to, executing any consent, appeal, or other similar document. In the event that an appeal or challenge by Lessee results in a reduction, credit or repayment received by the Lessor for any taxes-previously paid by Lessee and Lessor receives such reduction, credit, or repayment, Lessor agrees to promptly reimburse to Lessee the amount of said reduction, credit or repayment as to Lessee's interest in

the Premises, the Property, the Access Route or the Utility Route. In the event that Lessee does not have the standing rights to pursue a good faith and reasonable dispute of any taxes under this paragraph, Lessor will pursue such dispute at Lessee's sole cost and expense upon written request of Lessee. If Lessee exercises its right to appeal, challenge, or seek modification of the Disputed Sums and a bond or deposit required to be tendered to prosecute the appeal, then Lessee shall also be solely responsible to providing such bond or deposit.

14. ASSIGNMENT & SUBLEASING

A. Subleasing Prohibited. Lessee shall not sublet, license, or in any other way grant or continue to grant to any party any rights or permission to use any part of the Premises and/or Property or rights under this Lease Agreement.

B. Lessor's Permission Required to Assign. Lessee shall not assign or transfer to any party any rights to use any part of the Premises and/or Property or rights under this Lease Agreement, except as provided in Section 14.C below, with or without consideration, unless Lessee first obtains Lessor's prior written consent in each instance, which consent Lessor shall not unreasonably withhold.

C. Transactions not Deemed to be Assignments. Notwithstanding Section 14.B above, the Parties shall not deem any of the following to be an assignment pursuant to that section:

- (i) any change of stock ownership, partnership interest, or complete control of Lessee; or
- (ii) transfer upon partnership or corporate dissolution of Lessee; or
- (iii) Lessee's entering into a site management agreement with a third party.

D. Conditions under which Lease Agreement may be Sold, Assigned, or Transferred. Lessor acknowledges and agrees that this Lease Agreement may in whole be sold, assigned or transferred by Lessee without any approval or consent of Lessor to:

- (i) Lessee's principal or to any of the wholly-owned subsidiaries of its principal or any entity that controls, is controlled by, or is under common control with Lessee; or
- (ii) any entity which acquires fifty percent (50%) or more of Lessee's assets in the market defined by the Federal Communications Commission (FCC) in which the Premises is located by reason of a merger, acquisition or other business reorganization.

E. Inter-company Roaming Agreements. The Parties do not intend and shall not construe anything in this Section to prohibit or interfere with Lessee's use of the Premises under standard inter-company roaming agreements between Lessee and other third-party wireless service providers.

15. DEFAULT & RIGHT TO CURE

A. The Parties deem the following as a default by Lessee and a breach of this Lease Agreement:

- (i) Lessee's failure to deliver Rent or Holdover Rent if such Rent or Holdover Rent remains unpaid for fifteen (15) calendar days after Lessee receives written notice thereof from Lessor; or
- (ii) Lessee's nonperformance of any other term under this Lease Agreement if performance remains due for thirty (30) days after Lessee receives written notice from Lessor of the nonperformance. No such default, however, will be deemed to exist when Lessee materially commences to cure such default within the time periods specified above and attempts to cure to

completion with reasonable diligence. Lessor shall excuse reasonable delays in Lessee's efforts to cure when a force outside the reasonable and actual control of Lessee causes a delay. Lessee will use its best efforts to notify Lessor of such delays in writing within five (5) working days after first becoming aware of the delay, the nature of the delay, and an estimated cure resumption date. During this period, the Lessee is still required to perform the duties under this Lease Agreement which it is able to perform, and only those duties which cannot be performed as required herein shall be tolled.

B. If Lessee remains in default beyond any applicable notice and cure periods, Lessor will have the right to exercise any and all rights and remedies available to it under law and equity, including the right to seek injunctive relief, and including without limitation the right:

(i) to cure Lessee's default and to charge the actual and reasonable costs of such cure to the Lessee; or

(ii) to declare this Lease Agreement terminated.

C. The Parties deem Lessor's nonperformance of any term under this Lease Agreement, except any nonperformance that impairs Lessee's access to the Premises, as a default by Lessor and a breach of this Lease Agreement if performance remains due for thirty (30) days after Lessee notifies Lessor of the nonperformance. With respect to any nonperformance that impairs Lessee's access to the Premises, Lessor shall be in default of this Lease Agreement if the performance remains due for ten (10) days after Lessee notifies Lessor of the nonperformance. No such default, however, will be deemed to exist when Lessor materially commences to cure such default within the time periods specified above and prosecutes efforts to cure to completion with reasonable diligence. Lessee shall excuse reasonable delays in efforts to cure when a force outside the reasonable control of Lessor causes such delay. If Lessor remains in default beyond any applicable cure period, Lessee will have the right to exercise any and all rights and remedies available to it under law and equity, including without limitation the right to cure Lessor's default and to charge the reasonable costs of such cure to the Lessor, the right to seek injunctive relief, or to declare this Lease Agreement terminated.

16. TERMINATION

A. Termination by Lessee. Lessee may terminate this Lease Agreement:

(i) upon thirty (30) days written notice to Lessor if, prior to Lessee's initial installation of the Communication Facilities, Lessee either: (a) obtains unacceptable results of any tests, or (b) determines that the Premises is inappropriate or unnecessary for Lessee's business; or

(ii) upon thirty (30) days written notice to Lessor if any government permit authority denies or revokes any government approvals or permit (including, without limitation, an FCC license) necessary for the installation and/or operation of the Communications Facilities or the operation of Lessee's business after Lessee has used its commercially reasonable efforts to obtain such approvals or permits; or

(iii) upon thirty (30) days written notice to Lessor if Lessor materially breaches any material term under the Lease Agreement beyond all applicable cure periods; or

(iv) for any or no reason upon one hundred eighty (180) days written notice to Lessor.

B. Early Termination Fee. Should Lessee terminate this Lease Agreement pursuant to Section 16.A(iv), then Lessee shall accompany its notice of termination with an "Early Termination Fee" equal to the unpaid remainder of Rent (if any) for the then current lease year.

Such Early Termination Fee shall not be considered as Rent or any offset to Rent. No Early Termination Fee shall apply if this Lease Agreement is terminated during a Holdover Term or terminated for Lessor's uncured breach of this Lease Agreement beyond all cure periods.

C. Termination by Lessor. Lessor may terminate this Lease Agreement if:

(i) Lessee fails to cure any monetary breach of this Lease Agreement after applicable notice and cure periods as set forth herein; or

(ii) Lessee fails to remedy harmful material interference with Lessor's equipment pursuant to Section 11.A of this Lease Agreement; or

(iii) Lessee materially breaches any material term under the Lease Agreement beyond all applicable notice and cure periods.

Upon Lessor's termination of this Lease Agreement, Lessee shall comply with the removal and restoration provisions herein.

17. CONDEMNATION

In the event Lessor receives notification of any condemnation proceedings affecting the Property, Lessor will promptly provide notice of the proceeding to Lessee. If a condemning authority takes all of the Premises, or a portion thereof, sufficient in Lessee's reasonable determination to render the Premises unsuitable for Lessee's Communication Facilities, Lessee may terminate this Lease Agreement by delivering written notice of such termination to Lessor, effective (at the latest) as of the date the title vests in the condemning authority. The Parties will each be entitled to make their own condemnation claims in connection with their interests in the Premises.

18. CASUALTY

A. Notice of Material Casualty. Each Party hereto will endeavor to provide written notice to the other of any material casualty affecting the Premises, the Property, the Access Route or the Utility Route, within two (2) business days of the Party's awareness of the casualty.

B. Termination due to Casualty. If any part of the Communication Facilities or Premises is damaged by fire or other casualty not caused by or attributable to Lessee or its agents or contractors or subcontractors so as to render the entire Premises, or any substantial portion thereof, unsuitable for Lessee's use, in Lessee's reasonable determination, then Lessee may terminate this Lease Agreement by providing written notice to the Lessor. Such termination will be effective as of the date of such written notice. Notwithstanding such termination, Lessee shall continue to pay the appropriate Rent or Holdover Rent and any monies due to Lessor until all of the removal and restoration requirements herein are performed by Lessee.

19. WARRANTIES

The Parties warrant as follows:

A. Compliance with Laws. Each Party's execution and performance of this Lease Agreement complies with all applicable federal, state and local laws, statutes, ordinances, rules and regulations, and the orders and decrees of any courts or administrative bodies or tribunals in any manner affecting the performance of this Lease Agreement; and

B. Encumbrances. Lessee shall not permit the Premises or any portion thereof to be encumbered by liens, restrictions, mortgages, covenants, conditions, or easements. Lessee will not enter into any agreements of record or not of record that would adversely affect Lessor's ownership and use and enjoyment of the Premises, the Property, the Access Route or the Utility

Route, except as specifically provided for pursuant to this Lease Agreement.

20. ENVIRONMENTAL

A. Environmental and Industrial Hygiene Laws. Lessor and Lessee agree that each will be responsible for its own compliance with any and all environmental and industrial hygiene laws related to that Party's activity conducted in or on the Premises, the Property, the Access Route or the Utility Route. This includes any regulations, guidelines, standards, or policies of any governmental authorities regulating or imposing standards of liability or standards of conduct with regard to any environmental or industrial hygiene condition or other matters as may now or at any time hereafter be in effect.

B. Lessor and Lessee agree to hold harmless and indemnify the other from, at the sole expense and responsibility of the indemnifying Party for payment of penalties, sanctions, forfeitures, losses, costs or damages, and for responding to any action, notice, claim, order, summons, citation, directive, litigation, investigation or proceeding to the extent the same arises out of:

(i) the indemnifying Party's failure to comply with any environmental or industrial hygiene law, as set forth above; or

(ii) any environmental or industrial hygiene conditions that arise out of or are in any way related to the condition of the Premises, the Property, the Access Route or the Utility Route, to the extent caused by the activities conducted by the indemnifying Party thereon, except to the extent the environmental conditions are caused by the other Party.

C. The indemnifications of this Section 20 specifically include reasonable costs, expenses and fees incurred in connection with any investigation of Property conditions or any clean-up, remediation, removal or restoration work required by any governmental authority. Notwithstanding the foregoing or any other provision herein, (i) Lessee shall not be liable for or responsible for addressing environmental conditions arising out of petroleum or other hazardous substances that existed on the Premises, Property, Access Route, or Utility Route before the date of this Lease Agreement, or that otherwise do not result from the activities of Lessee; (ii) the provisions of this Section will also survive the expiration or termination of this Lease Agreement.

21. NOTICES

All notices and demands in regards to this Lease Agreement must be given by first class certified or registered mail, return receipt requested, postage prepaid, or by a nationally recognized overnight courier, courier fee prepaid. All such properly sent notices and demands shall be effective when received, rejected or refused by the recipient. Notices will be addressed to the Parties as follows:

To Lessor

City of Santa Fe
Attn: Director of Asset Development
200 Lincoln Avenue
Santa Fe, New Mexico 87501
with a copy to Lessor's legal counsel:
City Attorney's Office
200 Lincoln Avenue
Santa Fe, New Mexico 87501

To Lessee

SFARES, Inc.

Attn: Alden Oyer, President

1704 Llano Street, Suite B#189

Santa Fe, NM 87505

Either Party may change its notice addresses in this Section written notice to the other Party. Any copy of a notice or demand to a Party's legal counsel does not constitute legal notice to that Party.

22. WAIVER OF LIENS

Lessor waives any and all lien rights it may have, statutory or otherwise, concerning the Communication Facility or any portion thereof.

23. BANKRUPTCY

A. The Lessor and the Lessee hereby expressly agree and acknowledge that it is the intention of both Parties that in the event that during the term of this Lease Agreement if Lessee shall become a debtor in any voluntary or involuntary bankruptcy proceeding (a Proceeding) under the United States Bankruptcy Code, 11 U.S.C. §§ 101, *et seq.* (the Code), this Lease Agreement is and shall be treated for all purposes and considered for all intents as an "unexpired lease of nonresidential real property," and the Rent is and shall be treated for all purposes and considered for all intents as "rent" under Section 365 of the Code, 11 U.S.C. § 365 (as may be amended), and, accordingly, shall be subject to the provisions of subsections (d)(3) and (d)(4) of said Section 365 (as may be amended).

B. Any person or entity, to which this Lease Agreement is assigned pursuant to the provisions of the Code, shall be deemed without further act to have assumed all of the obligations of Lessee arising under this Lease Agreement both before and after the date of such assignment. Any such assignee shall upon demand execute and deliver to Lessor an instrument confirming such assumption. Any monies or other considerations payable or otherwise to be delivered in connection with such assignment shall be paid to Lessor, shall be the exclusive property of Lessor, and shall not constitute property of the Lessee or of the estate of Lessee within the meaning of the Bankruptcy Code. Any monies or other considerations constituting Lessor's property under the preceding sentence not paid or delivered to Lessor shall be held in trust for the benefit of Lessor and be promptly paid to Lessor.

24. TECHNICAL STANDARDS

Lessee agrees that the physical installation and operation of its Communication Facilities shall comply with all applicable governmental laws and regulations, including without limitation all applicable FCC rules and regulations.

25. MEMORANDUM OF LEASE

Lessee or Lessor may record a "Memorandum of Lease" in the Office of the Santa Fe County Clerk. If either Party records a Memorandum of Lease, Rent or Holdover Rent shall continue until Lessee at its sole cost and expense has properly recorded in the Office of the Santa Fe County Clerk a full and unconditional reconveyance of the Memorandum of Lease in favor of Lessor.

26. SUBMISSION OF AGREEMENT

The submission of this Lease Agreement for examination does not constitute an offer to

lease the Premises and this Lease Agreement becomes effective only upon the full execution by the Parties.

27. EXHIBITS

All exhibits referenced in this Lease Agreement and attached hereto are made a part hereof and reincorporated herein by reference. In the event of a conflict between the terms and conditions of this Lease Agreement and those of any exhibits attached hereto, the words of this Lease Agreement shall prevail. All Lessor-approved exhibits attached hereto shall be initialed by an authorized person acting on behalf of the Lessor. No substitution of any subsequent exhibit to this Lease Agreement will be allowed unless any subsequent exhibit is first initialed by a Lessor-authorized person.

28. TIME OF ESSENCE

Time is of the essence in regard to this Lease Agreement and all provisions herein.

29. DISCLOSURE

Lessee acknowledges that Lessor is a public entity under the laws of the State of New Mexico. Furthermore, the Parties acknowledge that this Lease Agreement constitutes a public record pursuant to the State of New Mexico Inspection of Public Records Act (NMSA 1978, Chapter 14, Article 2 et seq.) (the Act), that no exemption to Section 14-2-1 exists that would bar disclosure of this public record, and that Lessor must publically disclose pursuant to the Act or pursuant to any other law, regulation, or court order that may require Lessor to disclose this Lease Agreement.

30. LEASE GRANT A PROPRIETARY FUNCTION

A. The Parties hereto agree that the Lessor's grant of this lease to Lessee is solely a proprietary function as the owner of the Premises, the Property, the Access Route and the Utility Route, and is not in Lessor's capacity to grant approval for any action as a government zoning authority.

B. Lessee is solely responsible for complying with the City of Santa Fe Municipal Code and for payment of all governmental fees.

C. Lessor disclaims any and all warranties, guarantees, and assurances, actual or implied that the Lessee will be granted any or all licenses, zoning authorizations, or permits necessary to construct, modify or operate the Communications Facilities at the Premises.

31. INDEMNIFICATION AND HOLD HARMLESS

A. Duty. Lessee shall indemnify, defend, and hold harmless Lessor, its elected officials, officers, agents, employees, consultants and volunteers against any claim of liability or loss from personal injury or property damage to the extent resulting from or arising out of the negligence or willful misconduct of Lessee, its directors, officers, employees, contractors or agents. To the fullest extent permitted by law, Lessee agrees to defend, pay on behalf of, indemnify and hold harmless Lessor, its elected and appointed officials, employees, agents, volunteers and other person working on behalf of Lessor against any and all claims, demands, suits or loss, including all costs connected therewith, and for any damages which may be asserted, claimed or recovered including those for bodily injury, death, or property damage or loss of use of property, to the extent they arise out of Lessee's breach of this Lease Agreement. In no event shall such indemnification obligations under this Lease Agreement include any such claims or damages that are due to or caused by the negligence or willful misconduct of Lessor, or its elected and appointed officials, employees, agents, volunteers and other persons working on behalf of

Lessor.

Circumstances under which Lessor will not be held liable include, but are not limited to:

(i) any work or act done in, on or about the Premises, the Property, the Access Route or the Utility Route, or any part thereof at the direction of Lessee, its agents, contractors, subcontractors, servants, employees, licensees or invitees on behalf of Lessee, including but not limited to the installation, use, maintenance, repair or removal of the Communication Facilities, except to the extent such work or act is done or performed by Lessor or its agents or employees, contractors, volunteers, officers or officials; and

(ii) any negligence or other willful misconduct on the part of Lessee or any of its agents, contractors, subcontractors, servants, employees, sub-tenants, licensees or invitees; and

(iii) any accident, injury or damage caused by or attributable to Lessee or its agents, contractors, subcontractors, servants, employees, sub-tenants, licensees or invitees to any person or property occurring at the Property or any part thereof, except to the extent caused by the negligence or willful misconduct of Lessor, its employees, agents, volunteers, officers or officials; and

(iv) any failure on the part of Lessee to perform or comply with any of the covenants, agreements, terms, provisions, conditions or limitations contained in this Agreement on its part to be performed or complied with; and

(v) Any failure of Lessee to comply with applicable local, state or federal laws.

B. Assumption of Risk. Lessee undertakes and assumes all risk of all conditions for its directors, officers, employees, contractors, subcontractors, affiliates, and agents (collectively, "Lessee" for the purpose of this Section), if any, on or about the Premises. Lessee hereby agrees to defend, indemnify, and hold harmless Lessor from and against any claim asserted or liability imposed upon Lessor, its officers, agents, employees, and consultants for personal injury or property damage to any person to the extent arising out of Lessee's installation, operation, maintenance, or use of the Premises or Lessee's failure to comply with any federal, state, or local statute, ordinance, or regulation. In no event shall such indemnification obligation apply to the extent such injury or damage arises from the negligence or willful misconduct of Lessor, or its elected and appointed officials, employees, agents, volunteers and other persons working on behalf of Lessor.

C. Defense of Lessor. In the event that any action or proceeding shall be brought against Lessor in connection with any matter for which Lessee indemnifies Lessor under this Lease Agreement, Lessee shall, upon notice from Lessor, at Lessee's sole cost and expense, resist and defend the same action or proceeding with legal counsel mutually-selected by Lessor and Lessee.

D. Notice, Participation, and Expenses. Lessor shall promptly notify Lessee of any action or proceeding brought against Lessor in connection with any matter for which Lessee indemnifies Lessor under this Lease Agreement. Nothing in this Lease Agreement shall limit or prohibit Lessor or its own counsel from participating in the defense of any such action or proceeding. Lessee shall pay all reasonable expenses incurred by Lessor to respond to such action or proceeding, which shall include all reasonable out-of-pocket expenses such as attorney's fees, the reasonable value of services rendered by the City of Santa Fe, its special counsels, employees, expert witnesses, disbursements and liabilities assumed by Lessor in connection with such actions or proceedings.

E. Limitation of Liability. Lessor shall not be liable to Lessee or any of its respective agents, representatives, or employees or any other person or entity under theory of contract, tort, negligence, strictly liability or any other theory for any lost revenue, lost profits, loss of technology, rights or services, incidental, punitive, indirect, special or consequential damages, loss of data, interruption or loss of use of service, or any other such potential liability even if advised of the possibility of such damages.

32. MISCELLANEOUS

A. Brokers. Either Party hereto that is represented in this transaction by a broker, agent or commission salesperson (a Representative) shall be fully and exclusively responsible for the payment of any fee, commission or other compensation owing to such Representative. Lessee and Lessor shall indemnify and hold each other harmless from and against any claim to a fee, commission, or other compensation asserted by such Representative, including reasonable attorneys' fees and costs incurred in defending such claim.

B. Descriptive Headings Only. The bold section titles and subtitles are for convenience only and have no legal or contractual effect in this Lease Agreement.

C. Survival. Terms and conditions of this Lease Agreement which by their sense and context survive the termination, cancellation or expiration of this Lease Agreement will so survive, whether or not specifically required in any Section or provision of this Lease Agreement.

D. No Personal Liability. No employees, officers, elected or appointed officials, volunteers, and contractors of the Lessor or Lessee shall be personally liable for any default or liability under this Lease Agreement.

E. Nondiscrimination. Lessee shall comply with all federal, state and local laws, statutes, ordinances, rules and regulations, and the orders and decrees of any courts or administrative bodies or tribunals applicable to Lessee's performance of this Lease Agreement, including without limitation laws requiring licensing and non-discrimination in employment because of race, creed, color, sex, age, marital status, physical or mental disability, national origin or other prohibited bases.

F. Choice of Laws and Venue. This Lease Agreement shall be construed in accordance with the laws of the State of New Mexico without regard to conflicts of laws. Venue for any action or claim arising out of or connected with this Lease Agreement shall reside exclusively in the State of New Mexico First Judicial District Court (the Court). All Parties to this Lease Agreement agree to be subject to the jurisdiction of the Court, and waive all claims whatsoever that would defeat the jurisdiction of the Court to hear and adjudicate any claim arising out of or connected with this Lease Agreement.

G. Attorney's Fees. The prevailing Party in any final or non-appealed court decision on the merits of the case arising from litigation hereunder may be entitled to its reasonable attorneys' fees and costs, including reasonable witness and associated fees, if awarded in the sole discretion of the Court. With respect to any provision in this Lease Agreement providing for payment or indemnification of attorneys' fees, such fees shall be deemed to include reasonable fees incurred through any applicable appeal process and shall include but not be limited to fees attributable to legal services provided by any in-house counsel to the prevailing or indemnified Party. For all purposes hereof, the services of attorneys shall be valued at the average hourly rate for independent legal counsel prevailing in the City of Santa Fe, New Mexico at the time the Court elects to make such an award.

H. Modifications. This Lease Agreement cannot be amended, modified, or revised unless done so in writing and signed by authorized agents of the Parties.

I. No Waivers. No provision may be waived except in a writing signed by both Parties. The waiver by either Party hereto of any breach of any term or provision of this Lease Agreement shall not be construed as a waiver of any subsequent breach.

J. Integration. This Lease Agreement constitutes the entire agreement and understanding of the Parties and supersedes all offers, negotiations and other agreements. There are no representations or understandings of any kind not set forth herein. This Lease Agreement and the exhibits attached hereto, all being a part hereof, constitute the entire agreement of the Parties hereto and will supersede all prior offers, negotiations and agreements with respect to the subject matter of this Lease Agreement.

K. Estoppel. Each Party agrees to furnish to the other such truthful estoppel information as the other may reasonably request within thirty (30) days of receipt of each such request.

L. Successors. This Lease Agreement shall extend to and bind the heirs, personal representative, successors and assigns of the Parties hereto.

M. Payment of Sums during Breach. The receipt of any sum paid by Lessee to Lessor after a breach of this Lease Agreement shall not be deemed a waiver of such breach unless expressly set forth in writing by Lessor.

N. Interpretation. The Parties acknowledge and agree that each of the Parties has been represented by legal counsel or has had full opportunity to consult with legal counsel and that each of the Parties has participated in the negotiation and drafting of this Lease Agreement. Accordingly, except as provided herein, it is the intention and agreement of the Parties that the language, terms and conditions of this Lease Agreement are not to be construed in any way against or in favor of any Party hereto by reason of the roles and responsibilities of the Parties or their counsel in connection with the preparation of this Lease Agreement.

O. 47 U.S.C. § 1455(a) Inapplicable to this Lease Agreement. The Parties acknowledge and agree that Lessor grants this Lease Agreement in its proprietary capacity as land owner of the Premises, the Property, the Access Route and the Utility Route. The Parties further acknowledge and agree that the provisions of 47 U.S.C. § 1455(a) [Section 6409(a) of the Middle Class Tax Relief and Job Creation Act of 2012, Pub. L. 112-96, H.R. 3630, 126 Stat. 156 (enacted Feb. 22, 2012)] are completely inapplicable to this Lease Agreement.

P. "As Is" Condition. Except as otherwise expressly stated herein, Lessee is leasing the Premises "AS IS" and Lessor does not represent that the Premises is suitable for Lessee's intended use or any particular use or purpose. Lessee is solely responsible to undertake or forego such due diligence necessary to determine the condition and suitability of the Premises and Property.

Q. No Partnership. This Lease Agreement shall not be construed to establish any form of partnership or joint venture between the parties.

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EXHIBIT A



EXHIBIT A, Cont.

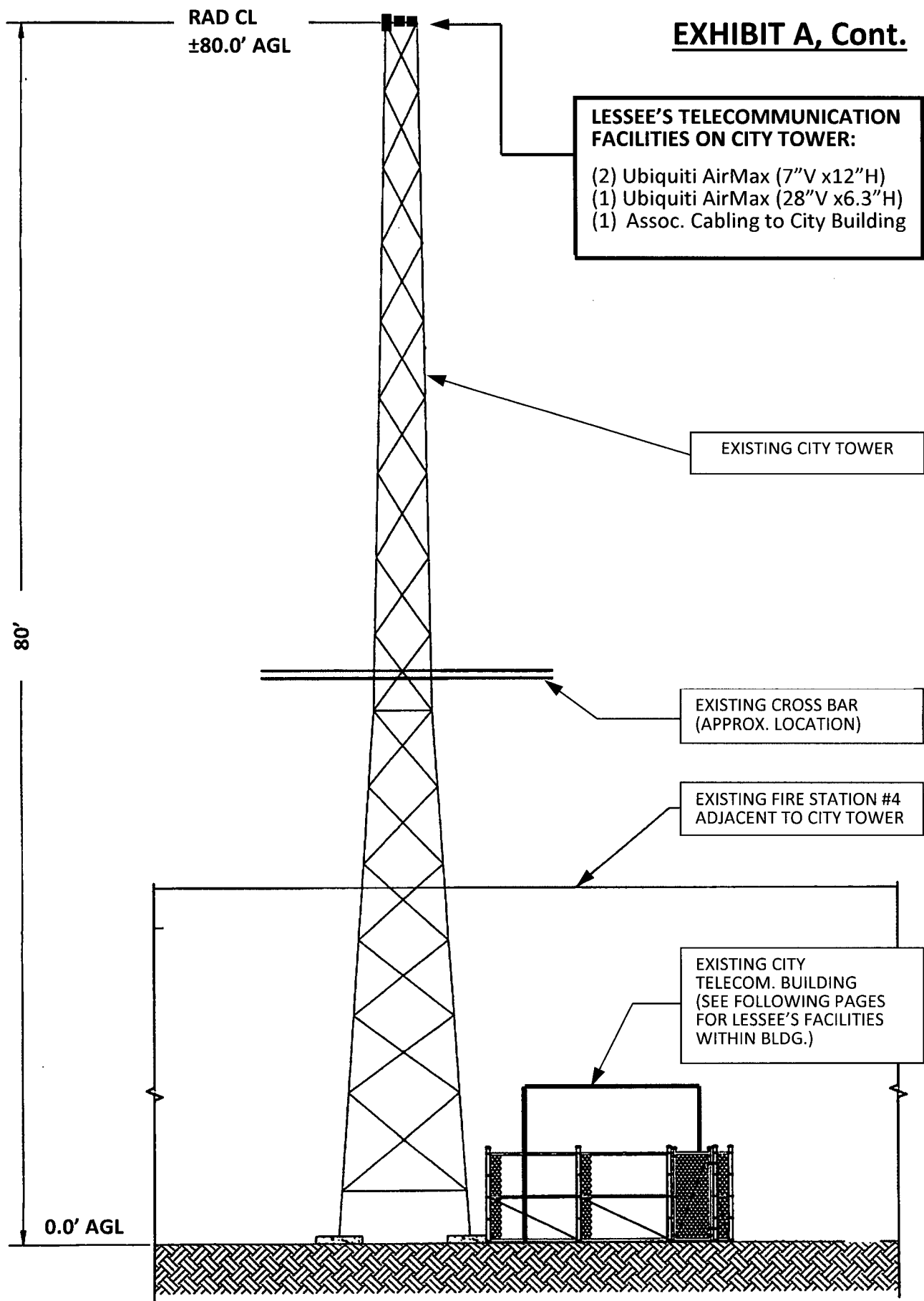


EXHIBIT A, Cont.

LESSEE'S TELECOMMUNICATION FACILITIES INSIDE CITY BUILDING:

(1) Shelf w/ 3 power transformers,
bridge and UPS

