

When recorded mail to:

**Pinal County Public Works
P.O Box 749
Florence, AZ 85132**

(The above space reserved for recording information)

Lease Agreement

DOCUMENT TITLE

The following document is being presented for recordation:

Lease Agreement between Town of Florence (“Landlord”) and Pinal County (“Tenant”) at 121 W. 22nd Street, Florence, Arizona 85132.

DO NOT DISCARD THIS PAGE. THIS COVER PAGE IS RECORDED AS PART OF YOUR DOCUMENT. THE CERTIFICATE OF RECORDATION WITH THE FEE NUMBER IN THE UPPER RIGHT CORNER IS THE PERMANENT REFERENCE NUMBER OF THIS DOCUMENT IN THE PINAL COUNTY RECORDER’S OFFICE.

LEASE AGREEMENT

THIS LEASE AGREEMENT (“**Lease**”) is dated this 1st day of June, 2024 (“**Effective Date**”), by and between the Town of Florence, a municipal corporation of the State of Arizona (“**Landlord**”), and Pinal County, a political subdivision of the State of Arizona (“**Tenant**”). Landlord and Tenant are sometimes hereinafter referred to individually as a “Party” and collectively as the “Parties”.

RECITALS

A. Landlord is the owner of certain property located at 121 W 22nd Street, Florence, Arizona 85132.

B. Landlord desires to lease to Tenant the property depicted on Exhibit A (the “Property”) for use as facilities administration and storage operations.

C. Tenant desires to lease from Landlord the Property for use as facilities administration and storage operations.

NOW, THEREFORE, in consideration of these premises and of the mutual covenants and agreements hereinafter contained, the Parties hereto agree as follows:

AGREEMENT

1. PURPOSE OF THE LEASE.

Tenant shall lease the Property for the sole purpose and use of facilities administration and storage operations. Any other use by the Tenant shall be a breach of this Lease.

2. TERM.

The initial term of this lease shall be for a period of one (1) year commencing on the Effective Date.

3. RENEWAL TERM.

This Lease shall automatically renew for one-year terms unless terminated by either Party with 90 days written notice.

4. RENT.

Tenant shall pay to Landlord as rent for the Property the sum of Five-hundred-thirty-six dollars and ten cents (\$536.10) monthly. Payment shall be made on or before the first day of each month, starting June 1, 2024.

5. SECURITY DEPOSIT.

The Landlord does not require a security deposit from the Tenant under this Lease.

6. UTILITY EXPENSES.

Tenant agrees to promptly pay, as the same become due and owing, all charges for, electricity, telephone, water, garbage, sewer and janitorial services used by Tenant or supplied to the Property, and shall not allow the payment therefor to become delinquent or allow any lien or assessment to be placed against the Property for the payment of same.

7. TENANT'S RESPONSIBILITIES.

7.1. During the term of this Lease, Tenant shall perform the following responsibilities, at Tenant's sole cost and expense:

7.1.1. Maintain and pay the premiums on all property and liability insurance policies on the Property required herein. Tenant shall furnish Landlord a current Certificate of Insurance and additional insured endorsement on the Effective Date of this Lease and on or before the first day of each annual term.

7.1.2. Protect the Property from waste or nuisance of any kind.

7.1.3. Promptly repair, at Tenant's sole expense, and damage or destruction of the Property caused by any acts, omissions or negligence of the Tenant, its agents, customers, employees or invitees, or caused by any breach by Tenant of the terms of this Lease.

7.1.4. Return the Property to Landlord in the same condition as on the Effective Date, in a clean and orderly condition, ordinary wear and tear excepted.

7.1.5. Coordinate the parking of motor vehicles on the Property with the Pinal County Public Health Department's Director, or designee.

7.2. Insurance

7.2.1 Property Insurance: Tenant shall be responsible for procuring and maintaining property insurance for the Property occupied or used by the County as sole Tenant, and building contents owned by Tenant including, but not limited to, furniture, fixtures, equipment, window coverings, and decorator items.

7.2.2 Liability Insurance: Tenant shall procure and maintain for the duration of the Lease, Commercial General Liability coverage to respond to claims for injury to persons or damage to property which may arise from or in connection with this Lease, Tenant shall provide coverage with limits of liability not less than those stated below.

Commercial General Liability – Occurrence Form

- Each Occurrence \$1,000,000
- Personal and Advertising Injury \$1,000,000
- Products – Completed Operations Aggregate \$1,000,000
- General Aggregate \$2,000,000

Landlord shall be named as an additional insured with respect to liability arising out of

the use and/or occupancy of the property subject to this Lease. Coverage must be primary and non-contributory with respect to any coverages of Landlord.

7.3 Minimum Limits: The insurance requirements herein are minimum requirements for this Lease and in no way limit the indemnity covenants contained in this Lease. Landlord in no way warrants that the minimum limits contained herein are sufficient to protect Tenant from liability that might arise out of this Lease. Tenant is free to purchase such additional insurance as Tenant determines necessary.

7.4 Notice of Cancellation: Each insurance policy required by this Lease shall provide that coverage shall not be suspended, voided, canceled, reduced except after thirty (30) days prior written notice has been given to the Landlord.

7.5 Acceptability of Insurers: Insurance is to be placed with insurers duly licensed or approved unlicensed companies in the State of Arizona and with an "A.M. Best" rating of not less than A- VIII. The Landlord in no way warrants that the above-required minimum insurer rating is sufficient to protect the Lessee from potential insurer insolvency.

7.6 Verification of Coverage: Tenant shall furnish the Landlord with certificates of insurance (ACORD form or equivalent) required by this Lease.

7.7 Failure to Insure: Failure to maintain the insurance coverage as required by this Lease or to provide timely evidence of renewal will be considered a material breach of the Lease.

8. LANDLORD'S RESPONSIBILITIES.

8.1. During the term of this Lease, Landlord shall perform the following responsibilities, at Landlord's sole cost and expense:

8.2.1. Maintain and keep the Property in operating condition, ordinary wear and tear excepted. In connection therewith, Tenant acknowledges that the Property is in a condition suitable for Tenant's intended use of the Property as of the commencement of this Lease.

8.2.2. Maintain and keep in operating condition, ordinary wear and tear excepted, the interior and exterior of the building on the property, including, without limitation, all walls, doors and windows, including glass and all building systems including plumbing, electrical and heating, ventilation and air conditioning systems in order to keep such structural/exterior and interior components of the building in good repair and condition.

8.2.3. Maintain all fire extinguishers and sprinkler systems in operating condition, ordinary wear and tear excepted.

8.2.4. Maintain the exterior of the Property including landscaping and weed control.

9. ADDITIONS AND ALTERATIONS TO PROPERTY.

Tenant may make no changes, alterations, additions or improvements to the Property without the Landlord's prior written consent. All costs, fees and expenses pertaining to any such change, alteration, addition or improvement shall be paid by Tenant, including all permits and licenses required in connection herewith. Tenant will not permit any mechanic's lien or materialman's lien, or other liens, to be filed against the Property for any labor or material furnished in connection with such change, alteration, addition or improvement; provided, however, that Tenant shall have the right to protest and defend against any improperly filed mechanic's lien so long as Tenant posts such bond or surety for the payment of the lien as provided by the statutes of the State of Arizona. Tenant shall repair any damage caused by any such removal.

10. TENANT'S PROPERTY.

10.1. All supplies, movable furniture and equipment owned by Tenant and not attached to the Property are to remain Tenant's sole and separate property. With the exception of one modular building and two conex shipping boxes, all modular buildings as depicted on Exhibit B will remain with the property at termination of this lease.

10.2. All fixtures installed on the property by Tenant shall be the sole and separate property of Landlord, regardless of the manner or mode of attachment and Tenant shall not be entitled to any payment for those changes, alterations, additions or improvements made to the Property during the term of this Lease.

11. ASSIGNMENT AND SUBLETTING.

Tenant, shall not either voluntarily or by operation of law, assign, transfer, pledge, hypothecate or encumber this Lease or any interest therein, and shall not sublet the Property, or any part thereof, or any right or privilege appurtenant thereto, or allow any other person (the employees, agents, servants and invitees of Tenant excepted) to occupy or use the Property, or any portion thereof. Any such assignment or subletting shall be void, and shall, at the option of the Landlord, constitute and event of default by Tenant under the terms of this Lease.

12. ACCESS BY LANDLORD.

Landlord, its agents and employees, shall have access and the right to enter upon the Property at any reasonable time during normal business hours and after providing 24 hours notice to Tenant to examine the condition thereof, or to make any repairs that Landlord deems necessary. Notwithstanding the foregoing, in the event of an emergency, Landlord, its agents and employees, shall have access and the right to enter upon the Property at any time without notice. Landlord shall have the right to show the Property to any prospective purchaser and for any other purpose deemed reasonable by Landlord and shall show the same at a time that is not disruptive to the business of Tenant.

13. END OF TERM.

13.1. Either party may terminate this Lease upon ninety (90) days written notice to the other Party.

13.2. Upon the termination of this Lease, Tenant shall quietly and peaceably leave and surrender the Property to the Landlord in as good condition as when received, ordinary wear and tear, permitted alterations, additions and improvements made by Tenant in accordance this Lease, excepted.

14. LIMITATIONS ON LANDLORD'S LIABILITY.

14.1. Limitation on Liability. Landlord shall not be liable to Tenant or any other person, for direct or consequential damages, or otherwise, for any failure to supply any heat, air conditioning, elevator, cleaning, lighting or other service which Landlord has agreed to supply during any period when Landlord uses reasonable diligence to supply such services. Landlord shall not be responsible for any electrical current surges. Landlord shall not be responsible for any damage caused to Tenant, its employees, agents, servants and invitees, for any exposure to hazardous substances on the Property. Landlord shall not be liable to Tenant or any other person or entity for direct or consequential damages resulting from the admission to, or exclusion from, the Property of any person. Landlord shall not be liable for damages for injury to persons or property or interruption of business.

14.2. Limitation on Recovery. In no event shall Landlord at any time be liable to Tenant for any damages, costs or expenses in excess of Landlord's interest in the Property. All judgments against Landlord shall be enforced only against such interest and not against any other present or future asset of Landlord. In no event shall Tenant make any claim against, or seek to impose any personal liability upon, Landlord's officers, employees or agents. Tenant hereby waives any rights Tenant may now or hereafter have of recourse against any such person or against any present or future asset of such person.

15. INDEMNITY.

15.1. Except for Landlord's gross negligence or willful misconduct, Tenant shall indemnify and hold Landlord harmless against and from any and all claims, demands, liabilities, actions and damages and all costs and expenses related thereto (including reasonable attorney's fees, court costs, and other expenses of litigation) and all damages and liabilities of any kind or nature whatsoever for or attributable to (i) the injury, death disability or illness of any person or persons, or damage to any property occurring in, on or about the Property or arising from Tenant's use of the Property, from the conduct of its business or from any activity, work or other things done, permitted or suffered by Tenant in or about the Property; or (ii) any breach or default in the performance of any of Tenant's obligations under this Lease, or arising from any act or negligence of the Tenant.

15.2. Landlord shall not be liable to Tenant or Tenant's employees, contractors, customers, invitees or agents or any other person whomsoever for any injury to said person or damage to their property occurring on the Property arising, or alleged to arise, from any act or omission of Tenant or Tenant's employees, contractors, customers, invitees or agents or by any other persons entering upon the Property under the express or implied invitation of Tenant.

15.3. Tenant agrees to hold harmless and to indemnify Landlord from all claims (including all costs, expenses, liabilities and reasonable attorney's fees) arising or

alleged to arise from any act or omission of Tenant or of Tenant's employees, contractors, customers, invitees or agents or by any other persons entering upon the property under the express or implied invitation of Tenant, or arising from any injury or damage to any person, or the property of any person, occurring during the term of this Lease, and any renewal thereof, in or about the property.

15.4. In any such action or proceeding against Landlord by reason of any claim for which Tenant has indemnified Landlord hereunder, if Landlord elects, Tenant upon notice from Landlord shall defend the same at Tenant's expense by counsel reasonably satisfactory to Landlord. Landlord or its agents shall not be liable for any loss or damage to persons or property in the Property resulting from fire, explosion, falling plaster, steam, gas, electricity, water or rain which may leak from any part of the building or from the pipes, appliances or plumbing works therein or from the roof, street or subsurface or from any other place or resulting from dampness, or any such injury or damage from any other cause whatsoever, unless caused by or due to the gross negligence or intentional misconduct of Landlord or its employees. Tenant, as a material part of the consideration to Landlord, hereby assumes all risk of damage from any other cause other than Landlord's gross negligence or intentional misconduct; Tenant hereby waives and releases all claims in respect thereof against Landlord. Tenant shall give prompt notice to Landlord in case of casualty or accidents in the Property. Landlord and his agents and employees shall not be liable for interference with light or air or for any latent defect in the Property. Landlord shall have no obligation to provide security guards, patrols, devices or systems for the Property, building or other property, and shall not be liable for any failure to provide such security services.

16. DEFAULT BY TENANT.

16.1. Any of the following events shall constitute an "event of default" by Tenant:

16.1.1. Failure to make the rental payments on the due date and to cure such failure within 10 days after the due date thereof.

16.1.2. Filing of any voluntary or involuntary petition by or against the Tenant under any provision of the Federal Bankruptcy Act.

16.2.3. Petition or other proceedings by or against Tenant for the appointment of a trustee, receiver or liquidator of Tenant or of any of Tenant's property.

16.2.4. Attachment or execution levied upon Tenant's property or interest under this Lease, if such attachment or execution remains outstanding for 30 days or more, unless Tenant posts adequate surety or bond to guarantee the payment thereof.

16.2.5. Failure in the performance or observance of any covenant, Lease or obligation to be performed by Tenant under the terms and provisions of this Lease (other than a failure to pay rent due hereunder), and Tenant does not cure said failure within thirty (30) days after receiving written notice of such failure from Landlord.

17. LANDLORD'S REMEDIES UPON TENANT'S DEFAULT.

17.1. Time is of the essence hereof. Upon the occurrence of any event of default by Tenant, Landlord shall have the right, at Landlord's election, then or at any time thereafter, to exercise any one or more of the following remedies:

17.1.1. Cure by Landlord. Upon an event of a non-monetary default by Tenant and the cure not being undertaken by the Tenant after written notice thereof, Landlord may, at Landlord's option, but without the obligation to do so, and without releasing Tenant from any obligations under this Lease, make any payment or take any action as Landlord may deem necessary or desirable to cure such non-monetary default. Tenant covenants and agrees to pay to Landlord, within 30 days after demand, all advances, costs and expenses of Landlord in connection with the making of any such payment or the taking of any such action, including reasonable attorney's fees, together with interest at the rate set forth below, from the date of payment of any such advances, costs and expenses by Landlord.

17.1.2. Termination of Lease and Damages. Upon an event of default by Tenant, Landlord may terminate this Lease, effective as such time as may be specified by written notice to Tenant.

17.1.3. Repossession. Upon an event of default, Landlord may reenter and take possession of the Property or any part thereof, without demand or notice, and repossess the same and expel Tenant and any party claiming by, through or under Tenant and remove the effects of both, with or without process of law, and using such force for such purposes as may be necessary, without being liable for prosecution on account thereof or being deemed guilty of any manner of trespass, and without prejudice to any remedies for arrears of rent or right to bring any proceeding for breach of covenants or conditions.

17.2. Remedies Cumulative. Exercise of any of the remedies of Landlord under this Lease shall not prevent the concurrent or subsequent exercise of any other remedy provided for in this Lease or otherwise available to Landlord at law or in equity.

18. COMPLIANCE WITH LAWS AND REASONABLE USAGE.

Tenant shall comply with all federal, state, municipal and other laws, ordinances, rules and regulations applicable to the Property and the business conducted therein by Tenant; will not engage in any activity other than the permitted uses of the Property which would cause Tenant's insurance to be canceled; will not commit any act that is a nuisance or annoyance to the Landlord or to other tenants, or which might, in the reasonable judgment of Landlord, damage Landlord's reputation, or tend to injure or depreciate the Property; and will not commit or permit waste on the Property.

19. NON-WAIVER OF REMEDY.

The waiver by Landlord or Tenant of any breach or default of any term, covenant or condition of this Lease shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant or condition of this Lease. Any waiver must be in writing and signed by the Party against whom it is sought to be enforced in order to be effective.

20. NOTICES.

All notices and other communication required or permitted under this Lease shall be in writing and shall be, as determined by the person giving such notice, either hand delivered, mailed by registered or certified mail, return receipt requested, or by electronic communication with receipt confirmation, to the other Party at the following addresses:

LANDLORD: Town of Florence
Town Manager
775 N Main St
Florence, AZ 85132

TENANT: Pinal County
Real Property Section
PO Box 749
Florence, AZ 85132
pwrealproperty.sharedmailbox@pinal.gov

Notice shall be deemed delivered at the time of personal delivery, telecopy or electronic communication or when mailed via certified mail to the required party. Any party may change its address by given written notice of a change of address to the other Party in the manner above provided.

21. MISCELLANEOUS

21.1. Headings. Headings of this Lease are not a part of the Lease and shall have no effect upon the construction or interpretation of any part thereof.

21.2. Binding Effect. The covenants and conditions herein contained shall inure to the benefit of and bind to the successors and permitted assigns of the Parties hereto.

21.3. Tenant's Authority. The individual executing this Lease on behalf of Tenant represents and warrants that he is duly authorized to execute and deliver this Lease on behalf of Tenant, in accordance with the bylaws and other corporate documents, partnership Lease, trust Lease or other governing instruments or documents of Tenant, and further represents and warrants that this Lease is binding on Tenant in accordance with its terms.

21.4. Entire Lease. This written Lease contains the entire and only Lease between Landlord and Tenant and there are not any prior or contemporaneous oral or other statements, Leases or representations other than those expressly contained in this Lease between said parties. For the avoidance of doubt, the previous lease between Pinal County and the Arizona Department of Transportation dated September 21, 2022, relating to the Property, shall have no force or effect on this Lease. This Lease shall not be modified or amended in any manner except by written instrument signed by all the parties hereto.

21.5. Applicable Law. This Lease is entered into in the State of Arizona and be governed by and construed in accordance with the laws of the State of Arizona.

21.6. Attorney's Fees. Notwithstanding any other provision herein, it is agreed is any such action is brought in a court of law by either party to this Lease as to the enforcement, interpretation or construction of this Lease, or any document provided for herein, the prevailing party in such action shall be awarded reasonable attorney's fees as well as all costs incurred in the prosecution or defense of such action.

21.7. Hazardous Materials. Tenant will not store, use or dispose of any hazardous materials in, on or about the Property. Tenant will be solely responsible for and will defend, indemnify and hold Landlord, its officers, agents and employees harmless from and against all claims, costs and liabilities including reasonable attorney's fees, court costs and other expenses of litigation (i) arising out of or in connection with Tenant's breach of its obligations contained in the Section 21.7, or (ii) arising out of or in connection with the removal, clean-up and restoration work and materials necessary to return the Property to the condition existing prior to the appearance of Tenant's hazardous materials in the Property or Property. Tenant's obligations under this Section 21.7 will survive the expiration or other termination of this Lease.

21.8. Force Majeure. "Force majeure" delay shall be defined for the purposes of this Lease as an event or circumstance where an act or failure to act by either Party hereunder which would otherwise be a breach or default where such act or failure to act is due to events outside the control of the Party claiming an extension including, without limitation the following: war; insurrection; strikes; lock-outs; riots; floods; earthquakes; fires; casualties; act of God; acts of the public enemy, including terrorism; epidemics; quarantine restrictions; freight embargoes; or government delays; unusually severe weather; inability to secure necessary labor; materials or tolls; delays of any contractor; subcontractor or supplier.

21.9 Conflict of Interest. The Parties acknowledge that this Agreement is subject to cancellation pursuant to § 38-511, Arizona Revised Statutes, as amended.

[SIGNATURES ON FOLLOWING PAGES]

IN WITNESS WHEREOF, the parties hereto, have executed this Lease Agreement as of the day and year set forth below.

"Landlord"

Town of Florence, a municipal subdivision of the State of Arizona

By:  6/27/24
Tara Walter Date
Mayor Florence Town Council

ATTESTED To:

By:  6/17/24
Lisa Garcia Date
Town Clerk

APPROVED AS TO FORM:

By:  6/17/24
Clifford L. Mattice, Town Attorney Date

“Tenant”

Pinal County, a political subdivision of the State of Arizona

By: Chair of the Board of Supervisors

Dated: _____

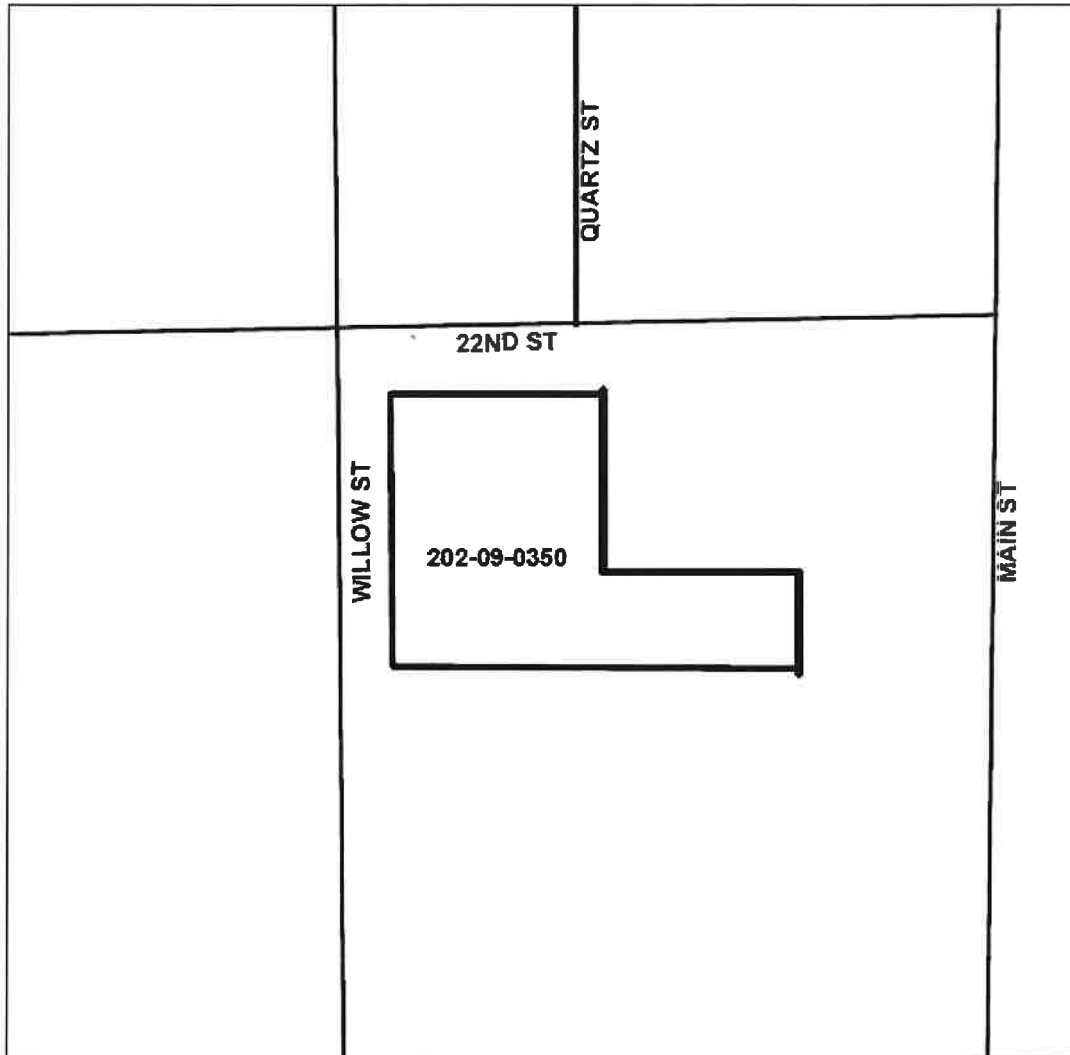
ATTEST:

Clerk/Deputy Clerk of the Board of Supervisors

APPROVED AS TO FORM:

Deputy County Attorney

Exhibit A

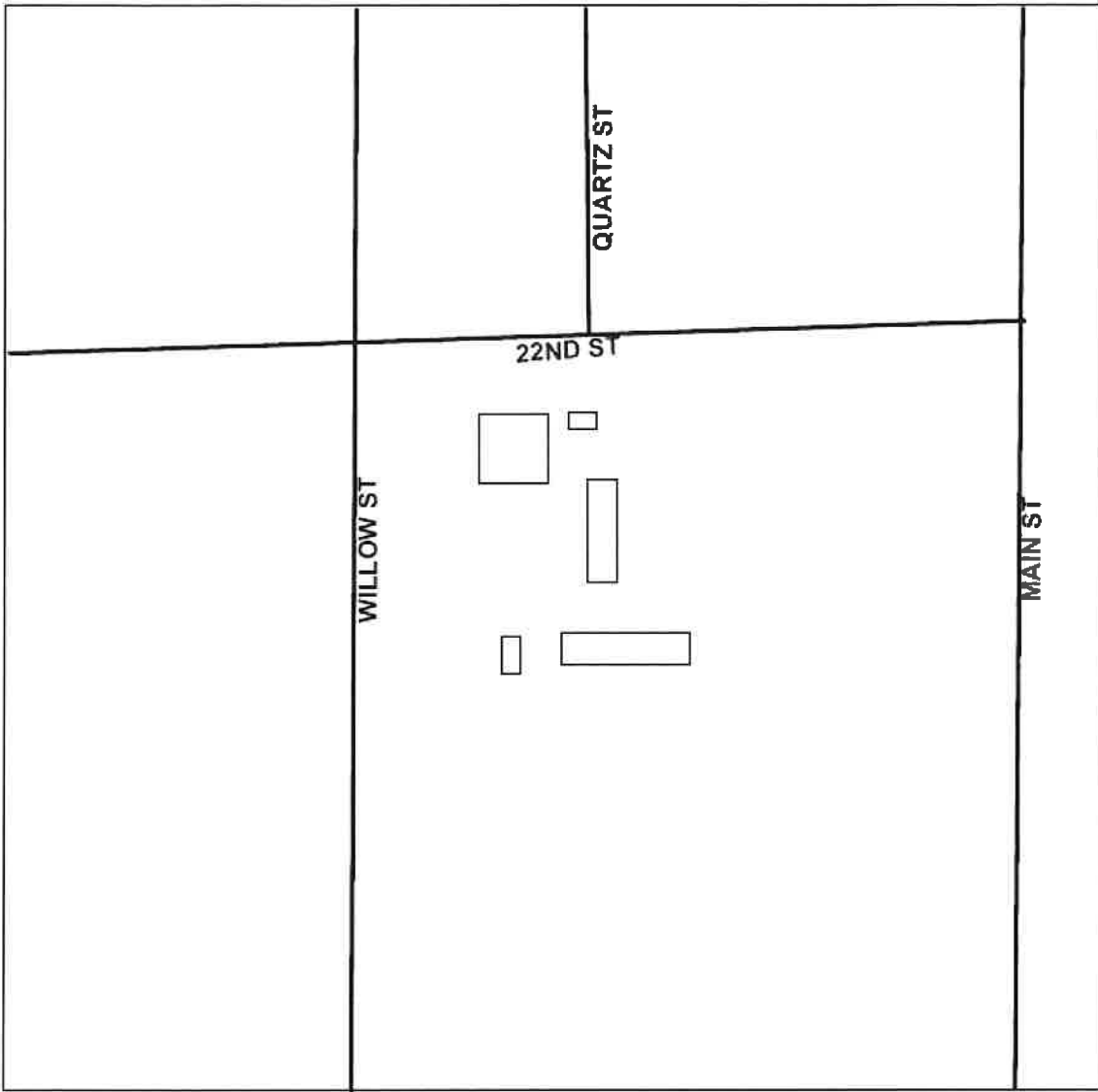


Florence Facilities Location

Sec.02-T05-R09E

Affected Parcel:
202-09-0350 - Maintenance Yard

Exhibit B



Florence Facilities Location

Sec.02-T05-R09E

Modulars Outlined