

LEASE AGREEMENT BY AND BETWEEN PINAL COUNTY AND THE PINAL COUNTY LIBRARY DISTRICT

This Commercial Lease Agreement (this “Lease”) is made and entered into effective the 1st day of November, 2024, by and between Pinal County, a political subdivision of the State of Arizona (“Landlord”), and Pinal County Library District, a political taxing subdivision of the State of Arizona (“Tenant”). Landlord and Tenant may each be referred individually as a “Party” or “party,” and collectively as the “Parties” or “parties.”

RECITALS

WHEREAS, Landlord is the owner of land and improvements located at 92 West Butte Avenue, Florence, Arizona (the “Premises”). The Premises square footage is 2968 sq. ft.; and

WHEREAS, pursuant to A.R.S. § 11-256.01, Landlord is authorized to lease without public auction, county property to a political subdivision of the state; and

WHEREAS, pursuant to A.R.S. § 48-3901 *et seq.*, Tenant is a special taxing subdivision of the State of Arizona established for the purpose of providing library services to participating town and city libraries and unincorporated areas of Pinal County; and

WHEREAS, A.R.S. § 48-3902 authorizes Tenant to exercise the powers granted generally to municipal corporations by the constitution and laws of the State of Arizona; and

WHEREAS, Landlord desires to lease the Premises to Tenant, and Tenant desires to lease the Premises from Landlord for the term stated herein, at the rental rate and upon the covenants, conditions and provisions herein set forth.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and conditions stated herein and other good and valuable consideration, it is agreed:

1. Term:

A. Landlord hereby leases the Premises to Tenant, and Tenant hereby leases the same from Landlord, for an “Initial Term” of three years beginning November 1, 2024, and ending October 31, 2027.

B. This Lease shall automatically renew for up to five (5) one-year renewal terms, unless either Party gives written notice of non-renewal to the other Party not less than ninety (90)

days prior to the expiration of the Initial Term or, if applicable, the expiration of the then-current one-year renewal term. The renewal term shall be at the rental rate set forth below and otherwise upon the same covenants, conditions and provisions as provided in this Lease.

2. Rental Rate and Due Date:

A. Tenant shall pay to Landlord during the Initial Term rent (“Base Rent”) as follows: \$1.00 annually.

B. Rent shall be paid on or before October 1st of each year to Landlord at the address provided under the section titled, “Notice” or at such other place designated by written notice from Landlord to Tenant.

3. Use: Tenant shall use the Premises for administrative offices. Tenant has examined the Premises prior to entering into this Lease and has verified the Premises is acceptable for the Tenant’s intended use.

4. Sublease and Assignment: Tenant shall not sublease or assign their rights under this Lease to any other person or entity without the express written permission of Landlord, which permission will not be unreasonably withheld.

5. Repairs and Maintenance:

A. Landlord shall maintain and keep the Premises in good condition at Landlord’s expense throughout the term of this Lease. Landlord shall maintain the roof of the building or buildings at the Premises, and shall maintain all other improvements including, but not limited to, interior walls; floors; windows; doors; heating and cooling systems, including changing filters at least quarterly; plumbing; gas and electric facilities; fire systems; security systems and access control systems; and the Premises' landscape, grounds, and parking lot.

B. Tenant shall keep the Premises neat and clean.

6. Utilities: Landlord shall pay all charges for water, sewer, gas, electricity, trash removal, pest control, janitorial, and other services and utilities used by Tenant on the Premises during the term of this Lease unless otherwise expressly agreed in writing by the Parties and signed by both Parties. Tenant shall pay all charges for telecommunications, including telephone and Internet services during the term of this Lease unless otherwise expressly agreed to in writing by the Parties and signed by both Parties.

Parties. Tenant shall pay all charges for telecommunications, including telephone and Internet services during the term of this Lease unless otherwise expressly agreed to in writing by the Parties and signed by both Parties.

6. Alterations and Improvements: With the express written consent of Landlord, Tenant, at Tenant's expense, shall have the right to remodel, redecorate, and make additions, improvements and replacements of and to all or any part of the Premises from time to time as Tenant may deem desirable, provided the same are made in a workmanlike manner and utilizing good quality materials. Tenant shall have the right to place and install personal property, trade fixtures, equipment and other temporary installations in and upon the Premises, and fasten the same to the Premises. All personal property, equipment, machinery, trade fixtures and temporary installations, whether acquired by Tenant at the commencement of the Lease term or placed or installed on the Premises by Tenant thereafter, shall remain Tenant's property free and clear of any claim by Landlord. Tenant shall have the right to remove the same at any time during the term of this Lease or at the end of the Lease provided that all damage to the Premises caused by such removal shall be repaired by Tenant at Tenant's expense.

7. Signs: Upon the express written consent of Landlord, Tenant shall have the right to place on the Premises, at locations selected by Tenant, any signs which may be permitted by applicable zoning ordinances, building codes and/or private restrictions. Landlord shall assist and cooperate with Tenant in obtaining any necessary permission from governmental authorities or adjoining owners and occupants for Tenant to place or construct the foregoing signs.

8. Access to Premises/Entry: Landlord shall have the right to enter upon the Premises during reasonable hours for purposes related to its ownership of the Premises, including to examine and inspect for health-and-safety hazards, compliance with this Lease and conditions requiring maintenance or repair, provided Landlord shall not thereby unreasonably interfere with Tenant's business on the Premises.

9. Access to Premises/Entry: Landlord shall have the right to enter upon the Premises during reasonable hours for purposes related to its ownership of the Premises, including to examine and inspect for health-and-safety hazards, to examine and inspect for compliance with this Lease and to assess or address conditions requiring maintenance or repair, provided Landlord shall not thereby unreasonably interfere with Tenant's business on the Premises.

11. Quiet Possession: Landlord covenants and warrants that upon performance by Tenant of its obligations hereunder, Landlord will keep and maintain Tenant in exclusive, quiet, peaceable and undisturbed and uninterrupted possession of the Premises during the term of this Lease.

12. Termination: Either Party may terminate this Lease with ninety (90) days written notice. This Lease is also subject to the cancellation provisions of A.R.S. § 38-511. Any termination of this Lease shall not relieve the Parties of responsibility for its costs incurred prior to the effective date of the termination.

11. Termination for Breach: If a Party materially breaches this Lease, the non-breaching Party shall notify the breaching Party in writing and set forth the basis for the alleged breach. If

the breaching Party fails to cure the breach within 15 days of the date of the notice, the non-breaching Party may terminate this Lease without further notice.

12. Surrender of Premises: On the expiration of the term of this Lease, or if applicable, on the expiration of the then-current renewal term, or upon the earlier termination for any reason within this Lease, Tenant shall quit and surrender the Leased Premises in good order, condition and repair, reasonable wear and tear excepted.

13. Landlord's Property Insurance: Landlord shall insure the building for 100% replacement cost.

A) Property insurance shall be written on Causes of Loss-Special Form (formerly "all risk") replacement cost coverage.

B) Landlord and Tenant hereby waive their rights of recovery against the other for damage to their respective property.

14. Tenant's Property Insurance: Coverage on Tenant's contents and Tenant improvements and betterments at 100% Replacement Cost, and in compliance with all laws, regulations or ordinances affecting such property at any time during the Lease, for Tenant's improvements and betterments, including all the items included in Tenant's Work, and all equipment and other property used in connection therewith, including Tenant's business personal property, trade fixtures and signs from time to time in, on, adjacent to or upon the Premises, and all alterations, additions, or changes made by Tenant pursuant to the terms of this Lease, and shall not be subject to coinsurance.

15. Condemnation: If any legally constituted authority condemns or otherwise takes the Premises or such part thereof which shall make the Premises unsuitable for leasing, this Lease shall cease when the public authority takes possession, and Landlord and Tenant shall prorate the rent as of that date.

16. Mechanics' Liens: Tenant shall keep the Premises at all times free of mechanics' liens or any other lien and at all times shall fully protect and indemnify Landlord against all such liens or claims and against all attorneys' fees and other costs and expenses in connection with such a claim. Should Tenant fail to discharge a lien or claim, Landlord, at its option may pay the same or any part thereof. Tenant shall reimburse Landlord the amount of the lien or claim, any costs, and interest accruing at the rate of 12% per annum from the time of payment by Landlord until repaid.

17. Notice: All notices under this Agreement must be in writing and sent to the appropriate person. Notices under this Agreement shall be deemed sufficiently given if sent by personal service or if sent by United States certified mail, return receipt requested, postage prepaid and addressed as follows:

If to Landlord to:

Pinal County
Attn: Real Property Manager
PO Box 749
Florence, Arizona, 85132

If to Tenant to:

Pinal County Library District
Attn: Director Shawn Flecken
92 West Butte Avenue
Florence, Arizona, 85132

Landlord and Tenant shall each have the right from time to time to change the place notice is to be given under this paragraph by written notice thereof to the other Party.

18. Waiver: No waiver of any default of Landlord or Tenant hereunder shall be implied from any omission or refusal to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect any default other than the default specified in such express waiver and that only for the time and to the extent therein stated. One or more waivers by Landlord or Tenant of any term of this Lease shall not be construed as a waiver of a subsequent breach of the same covenant, term or condition.

19. Headings and Construction of Agreement In construing this Lease, all headings and titles are for the convenience of the parties and for organizational purposes only and shall not be considered in interpreting the meaning of any provision in this Lease or considered a part of this Lease Agreement. This Lease shall not be construed as if prepared by one of the parties, but rather according to its fair meaning as a whole, as if both parties had prepared it.

20. Gender / Plurality: As used in this Lease and whenever required by context, each number shall include the plural, each gender shall include all genders, and unless the context otherwise requires, the word "person" shall include corporation, firm or association.

21. Consent: Landlord shall not unreasonably withhold or delay its consent with respect to any matter for which Landlord's consent is required or desirable under this Lease.

22. Alternative Dispute Resolution: Pursuant to A.R.S. § 12-1518, disputes under this Lease may be resolved through the use of arbitration.

23. Waiver of Jury Trial: The Parties hereby waive their respective rights to trial by jury in any action or proceeding arising out of this Lease.

24. Third Parties: Nothing contained in this Lease shall create a contractual relationship with or a cause of action in favor of a third Party against Landlord or Tenant. This Lease is not intended to benefit any third Party.

25. Compliance with Law: The Parties shall comply with all applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities in performing this Lease, including but not limited to environmental laws.

26. Immigration Law Compliance: The Parties hereby warrant that they will at all times during the term of this Lease comply with all federal immigration laws applicable to their

employment of their employees, and with the requirements of A.R.S. §§ 23-214 and 41-4401 (together the “State and Federal Immigration Laws”). A breach of the foregoing warranty shall be deemed a material breach of the Lease, and the Parties shall have the right to terminate this Lease for such a breach, in addition to any other applicable remedies. The Parties retain the legal right to inspect the papers of each contractor, subcontractor or employee of either who performs work pursuant to this Lease to verify performance of the foregoing warranty of compliance with the State and Federal Immigration Laws.

27. Fingerprint and E-verify: If required, and only to the extent required, the Parties shall comply with the fingerprinting provisions in A.R.S. § 15-512(H).

28. Nondiscrimination: The Parties shall comply with Arizona State Executive Order 2009-09, and 2023-01, which mandates that all persons, regardless of race, color, religion, sex, age, national origin or political affiliation, shall have equal access to employment opportunities, and all other applicable State and Federal employment laws, rules and regulations, including the Americans with Disabilities Act. The Parties shall take affirmative action to ensure that applicants for employment and employees are not discriminated against due to race, color, sex, pregnancy, childbirth or medical conditions related to pregnancy or childbirth, political or religious affiliation or ideas, culture, creed, social origin or condition, genetic information, sexual orientation, gender identity or expression, national origin, ancestry, age, disability, military service or veteran status, or marital status by the persons performing the contract or subcontract.

29. Non-appropriation of funds: Landlord and Tenant recognize and acknowledge that they both are governmental entities and this Lease’s validity is based upon the availability of public funding. In the event public funds are not appropriated for the performance of any Party’s obligations under this Lease, then that Party shall notify the other Party in writing of any such non-allocation of funds at the earliest possible date, and this Lease shall automatically expire without penalty to any Party. If a Party’s allocation of funds is reduced, then the scope of this Lease may be reduced, if appropriate and agreed to in writing by the Parties, or this Lease may be cancelled without further duty or obligation.

30. Governing Law: This Lease shall in all respects be interpreted and construed in accordance with and governed by the laws of the State of Arizona. Any changes in the governing laws, rules, or regulations that do not materially affect the parties’ obligations under this Lease will apply but do not require an amendment.

31. Material Change in Law or Regulation: In the event of adoption of legislation, regulations, or instructions or the initiation of an enforcement action by a governmental agency, any of which materially affects the legality of this Lease or the relationship among the parties hereto, either party may propose amendments to the Lease to bring the Lease into conformity with such laws. If Landlord and Tenant are unable to reach agreement on the renegotiation of the Lease within thirty (30) days of the initiation of negotiations, then either party may terminate this Lease upon written notice to the other party.

32. Severability/Unenforceable Provisions: In the event that any of the provisions of this Lease are held to be unenforceable or invalid by any court of competent jurisdiction, the validity and enforceability of the remaining provisions shall not be affected and effect shall be given to the intent manifested by the provisions held enforceable and valid. If any of the provisions of this Lease are inapplicable to a person or circumstance, the same provisions shall remain applicable to all other persons and circumstances.

33. Parol Evidence: This Lease is intended by the Parties as a final and complete expression of their Lease. No course of prior dealings between the Parties and no usage of the trade shall supplement or explain any terms used in this Lease.

34. Entire Agreement: This Lease contains the entire, integrated agreement of the Parties and there are no oral agreements, understandings, or representations relied upon by the Parties. This Lease supersedes all prior negotiations, representations, or agreements, whether written or oral. Any modifications or amendments to this Lease must be in writing and signed by all Parties.

35. Execution in Counterparts: This Lease may be executed in multiple counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same document.

36. Legal Agreement: This Lease is an important, binding legal document, and each Party warrants it has had an opportunity to consult with an attorney about the terms set forth herein. By signing this Lease, each Party acknowledges and warrants that each understands the meaning of all terms contained herein and agrees to their application and enforceability.

37. Representation: The Parties have been advised and are aware that the Pinal County Attorney's Office represents the Pinal County Library District and Pinal County. The Parties expressly and mutually waive any adverse interest that may exist and also waive any allegations of conflict of interest by the Pinal County Attorney's Office and expressly consent to the Pinal County Attorney's Office multiple representation;

APPROVALS

The person signing this Commercial Lease Agreement represents and warrants that he or she is duly authorized and has the legal capacity to execute this Agreement.

IN WITNESS WHEREOF, the Parties hereto have caused this “ Lease Agreement by and Between Pinal County and the Pinal County Library District” to be executed by their duly authorized officials in their official capacities with legal authority to do so, and have affixed their signatures to this Agreement on the date(s) written below, with the Effective Date of this Lease Agreement commencing October 1, 2024, as stated above herein.

Landlord:

Pinal County, a political subdivision
of the State of Arizona

Mike Goodman, Chairman of the
Pinal County Board of Supervisors

Date:

ATTEST:

Clerk of the Board

Tenant:

Pinal County Library District,
a political taxing subdivision of the
State of Arizona

Mike Goodman, Chairman of the
Pinal County Library District
Board of Directors

Date:

ATTEST:

Clerk of the Board
