



COCHISE COUNTY
Bisbee-Douglas International Airport
6949 N. Air Terminal Road • Douglas, AZ 85607

REAL PROPERTY LEASE AGREEMENT

THIS LEASE AGREEMENT (hereinafter referred to as "LEASE") is made between the **COUNTY OF COCHISE**, a political subdivision of the State of Arizona, as lessor (hereinafter referred to a "LESSOR" or "COUNTY"), and **4283929 DELAWARE LLC**, 2 Daniels Way, Cranston RI 02921, a limited liability company, hereinafter referred to as "LESSEE", , hereinafter referred to as "ASSIGNOR" lessee (hereinafter referred to as "LESSEE"), collectively (the "parties"):

The parties agree as follows:

1. LEASED PREMISES:

An area located at the Bisbee Douglas International Airport, the southeast 20,000 square feet of building located at 6944 N Runway Road, Douglas, AZ 85607, described in exhibit A, attached hereto and incorporated by reference herein.

2. TERM:

The term of this LEASE shall be for a one-year period with the option to renew in one-year increments for ten years from the effective date. The effective date of the Agreement shall be February 1, 2021. All terms of this Agreement are subject to alteration during any renewal of this Agreement, including but not limited to the amount of rent that will be charged to the LESSEE and the limits of insurance that will be required of the LESSEE.

3. LEASE PAYMENTS:

The LESSEE agrees to pay the LESSOR the sum of \$1150 per month as rental or lease payment for LEASED PREMISES.

Any payment not received on or before the tenth day of the month shall accrue interest at the rate of one percent per month or fraction of a month on such unpaid balance as may be due and a late payment surcharge of one-hundred dollars (\$100.00) for each delinquent payment will be assessed. An additional \$50.00 will be assessed on all returned checks.

4. RENEWAL OPTIONS:

The LESSEE shall have the option to extend this LEASE for an additional term, under the same terms and conditions provided herein, except that the amount of rent for said premises shall be renegotiated and agreed upon by both parties by addendum to this LEASE. In order to exercise this option, written notice of the exercise of said option shall be provided to the LESSOR at least thirty (30) days prior to the expiration of the term of this LEASE.

Within thirty (30) days of the expiration or termination of this Lease, or at any time before that the stated time period if LESSEE is not in default under the terms of this LEASE, LESSEE shall have the right to remove from said premises any and all of LESSEE's personal property including building, trade fixtures, machine tools, or belongings.

5. INDEMNIFICATION:

LESSOR, its elected officials, agents, employees, volunteers, or contractors and their employees shall not be liable to LESSEE. LESSEE hereby waives all claims, damages, losses and fines against LESSOR, its elected officials, agents, employees, volunteers or contractors and their employees for any injury or damage to any person or property in or about the LEASED PREMISES or in or about any part of airport property by or from any cause whatsoever, except injury or damage to LESSEE resulting from the sole negligent acts or omissions of LESSOR, its elected officials, agents, employees, volunteers or contractors and their employees. Further, LESSEE assumes all risk of personal or financial loss arising from this LEASE.

LESSEE shall hold LESSOR, its elected officials, agents, employees, volunteers and contractors and their employees harmless from and defend them against any and all claims damages, losses, or liabilities for incidental or consequential loss or claim and any

injury or damage to any person or property whatsoever: (1) occurring in, on, or about the LESSEE's LEASED PREMISES, and (2) occurring in, on or about any part of the airport property when that injury, damage, loss, or liability was caused in part or in whole by the act, neglect, fault of or omission of any duty by the LESSEE, its agents, servants, employees, participants, students or invitees.

6. RELEASE AND DISCHARGE:

LESSOR shall not be responsible for, and assumes no liability arising from vandalism, fire, smoke, theft, damage or loss to LESSEE's property, including without limitation, the aircraft or any other items unless such vandalism, fire, smoke, theft, damage or loss is solely the fault of LESSOR. LESSEE hereby releases and discharges LESSOR from all claims, damages, losses, liabilities and demands by LESSEE for loss of or damage to LESSEE's person, employees, property, income or profit.

7. INSURANCE REQUIREMENTS:

LESSEE shall obtain and maintain during the term(s) of this LEASE, general liability insurance against liability for financial loss resulting from bodily injury, including death or personal injury arising from or related to the rental of the building or airport area. The limits of general liability shall be no less than \$1,000,000 per person/per occurrence. For general liability, LESSOR, its elected officials, officers, employees, agents, and volunteers shall be added as additional insureds. The policies shall be endorsed to state that they shall not be canceled, or the limits reduced, prior to thirty (30) days written notice being provided to LESSOR. Certificates of Insurance evidencing the above insurance shall be provided to the Development Services Director at the execution of this LEASE and annually thereafter or at any time thereafter at the request of the Development Services Director. LESSOR reserves the right, in its sole discretion, to revise these insurance requirements prior to the execution of this LEASE or at any time thereafter, with thirty (30) days prior written notice to LESSEE.

The General Liability Insurance shall include a \$2,000,000 general aggregate and \$2,000,000 products completed operations aggregate. The additional insured endorsement will be as broad as ISO CG20101185.

General liability and worker's compensation policies required herein shall include a waiver of subrogation against LESSOR, its board, elected officials, agents, employees, volunteers, contractors and their employees.

For LESSEE employers with one or more employees, the LESSEE employer shall maintain statutory worker's compensation insurance and employer's liability insurance of \$1,000,000 per accident, \$1,000,000 per disease and \$ 1,000,000 all disease.

If required by LESSOR, LESSEE shall obtain and maintain vehicle liability insurance of \$100,000 combined single risk for all vehicles.

LESSOR shall be provided copies of all required insurance policies within 21 days of its request to LESSEE.

LESSEE shall require its subcontractors to obtain and maintain all INSURANCE REQUIREMENTS as expressed or stated in this paragraph.

The insurance policies, coverage or limits required in this LEASE will in no manner or way limit the INDEMNIFICATION or RELEASE AND DISCHARGE obligations as expressed or stated in paragraphs 7 and 6 of this LEASE.

8. INSPECTION OF PREMISES BY LESSOR:

The LESSOR'S representatives shall, at any reasonable time, have the right to enter any portion of the LEASED PREMISES to inspect said premises to protect the LESSOR'S rights with reasonable notice to the LESSOR.

9. COMMERCIAL ACTIVITY:

LESSEE shall occupy and use the leased premises at the Bisbee-Douglas International Airport for conducting business only for the operation of an animal crematorium. The LESSEE is not authorized to use the leased premises as a residence, nor for any other purpose, without written consent by the LESSOR.

10. ALTERATIONS:

LESSEE shall not make or cause to be made any alterations or improvements to the airport area or LEASED PREMISES, including modifications or alterations of the leased building or the buildings electrical installations or equipment, without first securing the written consent of the Development Services Director. The Development Services Director may impose restrictions upon any proposed alterations or improvements. All such alterations or improvements shall comply with Airport Policy and all applicable building, zoning and fire codes. Upon the termination of this LEASE the LESSEE shall remove all alterations or improvements and return the building to LESSOR in substantially the same condition as the LEASED PREMISES existed at the commencement of this LEASE.

11. TAXES AND ASSESSMENTS:

In addition to the rental set forth herein, the LESSEE shall pay and discharge all taxes, assessments, rates and license fees, including but without limiting, the foregoing water, gas, waste disposal, electricity, and other utility rates and assessments which may at any time arise during the term of this LEASE, by or according to any law or government be taxed, charged, levied, assessed or imposed upon or against, or which shall become a lien against the LEASED PREMISES or upon any building or improvement located thereon, as a result of the use of the LEASED PREMISES by the LESSEE under this LEASE.

However, in no event shall the LESSEE be required to discharge or pay any tax, assessment, or other charge which may be levied upon the real property of the LESSOR, while the LEASED PREMISES is in the possession of the LESSEE.

The LESSEE shall pay all taxes on all their own personal property including structures, tools, equipment, and all other items owned by them that become subject to such taxes during the term of this LEASE.

12. REPAIR AND MAINTENANCE:

LESSEE shall always maintain the leased area in good and neat appearance and in a safe condition. Subject to the sole discretion of LESSOR, LESSEE, at its sole cost and expense, shall immediately clean-up and properly dispose of environmental damage or spills, and repair any and all damage to the building or area caused or contributed to or alleged to have been caused or contributed to by LESSEE, its agents, participants, students, employees and/or invitees.

13. UTILITIES

LESSEE shall be responsible to pay all utilities to include water, electric, wastewater (sewer), telephone, cable television, internet, trash disposal, and other utilities. In the event that LESSOR may provide water, sewer, or any other such service, that service shall be subject to a separate agreement and is not to be deemed to be included with the rights and obligations herein.

14. RULES AND REGULATIONS:

The entire area under control of the LESSEE shall be kept in a clean and sanitary condition. All operations shall be conducted in accordance with existing laws, rules, and regulations, promulgated by law and the LESSOR for operation of the Airport Facility as an operating unit, and no nuisance of any kind shall be permitted to be carried on upon the LEASED PREMISES.

15. TERMINATION:

This lease may be terminated for any reason by either LESSOR or LESSEE upon ninety (90) days prior written notice to the other party.

16. MATERIAL BREACH OR DEFAULT:

The occurrence of any of the following, which shall include but not be limited to, constitute a material breach or default of this LEASE by LESSEE:

- A. Failure to pay rent under this LEASE when due.
- B. Except as otherwise specifically provided in this LEASE, failure to perform any other provision of this LEASE, if the failure to perform is not cured, at the sole discretion of LESSOR, within ten (10) days after notice of the failure has been given to LESSEE. If the breach or default cannot be reasonably cured within ten (10) days, LESSEE shall not be in breach or default of this LEASE if LESSEE commences to cure the breach or default within the ten (10) day period and diligently and in good faith continues to cure the default.
- C. At sole discretion of LESSOR, performing any work, services, operations or functions not the subject of or intent of this LEASE or within the scope of this LEASE.

- D. At sole discretion of the LESSOR, failure to operate, perform work or services or maintain the LEASED PREMISES in a safe and environmentally sound manner.

LESSOR, at any time after LESSEE commits a material breach or default of this LEASE, may elect to cure the breach or treat LESSEE as being in default, in either instance at LESSEE's cost. Upon failure of LESSEE to pay rent when due, LESSOR may immediately or at any time thereafter until all rent and late fees are paid, treat the LESSEE as being in default and terminate the LEASE. If LESSOR, at any time, by reason of LESSEE's breach or default, pays any sum or does any act that requires the payment of any sum, the sum paid by LESSOR shall be due immediately from LESSEE to LESSOR at the time the sum is paid.

17. NOTICES:

Any notices required to be given under this LEASE shall be in writing and shall be deemed properly delivered, given or served when personally delivered to the Development Services Director or to LESSEE, or in lieu of such personal service, sent by United States mail, addressed to LESSEE at the address referenced in the opening paragraph of this LEASE as LESSEE's mailing address and to LESSOR as follows: Cochise County, Attention Development Services Director, 1415 Melody Lane, Bldg. F, Bisbee, AZ 85603; (520) 432-9268.

In the event of personal service, notice shall be deemed given when personally served. In the event of service by certified or registered mail, notice shall be deemed to have been given seventy-two (72) hours after deposit of same in the United States mail post box, postage prepaid, addressed as set forth above, or upon the date of the signed return receipt, whichever is sooner. In the event of service by express overnight mail, notice shall be deemed to have been given forty-eight (48) hours after deposit of same with carrier. LESSEE shall keep his current mailing address and telephone number on file with the Development Services Director during the term of this LEASE and shall notify the LESSOR in writing within fifteen (15) days of any change of address or telephone number.

18. CONDITION AND OPERATIONS OF THE LEASED PREMISES:

- A. It is agreed that the LESSEE, during the existence of this LEASE may make any alterations, additions or erect signs only with written approval of the LESSOR.

- B. The LESSEE agrees to abide by all laws and orders governing the operation for the Bisbee-Douglas International Airport.
- C. If water is used from LESSOR'S well, a charge of FOURS DOLLARS AND EIGHT CENTS (\$4.08) per 1,000 gallons will be assessed.
- D. LESSEE agrees to separate any solid materials from water waste in the most efficient manner possible under the circumstances at his own cost. LESSOR also agrees to keep all roads and other rights of way clear of any waste material, and further agrees to dispose of any solid waste generated by LESSEE.
- E. The LESSOR hereby agrees not to sublet the premises or assign this LEASE without the written permission of the LESSOR, which shall not be unreasonably withheld.

19. RULES AND REGULATIONS REQUIRED UNDER AGREEMENTS AT AIRPORTS AFFECTED BY GRANT AGREEMENTS:

- A. LESSEE, in the operations to be conducted pursuant to the provisions of this LEASE and otherwise in the use of the airport, will not discriminate or permit discrimination against any person or class of persons by reason of race, color, creed, or national origin in any manner prohibited by Part 15 of the Federal Aviation Regulations or any amendments thereto.
- B. The LESSOR reserves the right to further develop or improve the landing area of the airport as it sees fit, regardless of the desire or view of the LESSEE, and without hindrance or interference.
- C. The LESSOR reserves the right, but shall not be obligated to the LESSEE, to maintain and keep in repair the landing area of the airport and all publicly owned facilities of the airport, together with the right to direct and control all activities of the LESSEE in this regard.
- D. There is hereby reserved to the LESSOR, for use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the LEASED PREMISES. This public right of flight shall include the right to cause in airspace any noise inherent in the operation of any aircraft used for navigation or flight through the said airspace, landing at and/or taking off from or operation on the Cochise County Airport at Willcox, Arizona.

- E. LESSEE by accepting this LEASE agrees that LESSEE will not use the LEASED PREMISES in any manner that will interfere with the landing and taking off of aircraft from the Cochise County Airport at Willcox, Arizona or otherwise create a hazard. If this covenant is breached, LESSOR reserves the rights to enter the LEASED PREMISES, and remove the interference at the expense of the LESSEE.
- F. It is understood and agreed that nothing herein contained shall be construed to authorize the granting of an exclusive right regarding the type of services that might be provided.

20. DEFAULT BY LESSEE:

If the LESSEE defaults on the payment of rent or in the performance of any of the other covenants herein contained, and if such default continues for a period of thirty (30) days after written notice thereof by the LESSOR to the LESSEE, this LEASE shall, at the option of the LESSOR, be terminated without further notice or demand of any kind whatsoever. In such event, the LESSEE does hereby agree to deliver peaceful possession of the LEASED PREMISES to the LESSOR and does hereby authorize LESSOR to reenter the LEASED PREMISES and take lawful and peaceful possession thereof and to pursue any other legal remedies for damages arising out of the LESSEE's default.

21. NON-DISCRIMINATION:

The parties shall comply with all applicable state and federal statutes and regulations governing Equal Employment Opportunity, Non-Discrimination, and Immigration. Reference: Governor of Arizona Executive Order No. 2005-30, dated 10/28/05.

22. CONFLICT OF INTEREST:

This LEASE is subject to cancellation pursuant to the provisions of Arizona Revised Statutes (A.R.S.) § 38-511 regarding Conflict of Interest.

23. INSPECTION AND AUDIT:

The parties agree to keep all books, accounts, reports, files and other records relating to this LEASE for five (5) years after completion of this contract. In addition, the parties agree that such books, accounts, reports, files and other records shall be subject to audit pursuant to A.R.S. § 35-214.

24. ARBITRATION:

The parties agree that any dispute arising under this LEASE involving the sum of \$50,000 or less in money damages only shall be resolved by arbitration pursuant to A.R.S. § 12-1501 et. seq. The decision of the arbitrator(s) shall be final.

25. PUBLIC RECORDS LAW

Notwithstanding any confidentiality provisions in this LEASE to the contrary, disclosure of any documents or records are subject to the public records provisions of Arizona law, A.R.S. § 39-121 et. seq.

26. JURISDICTION AND LAWS;

Notwithstanding any provision in this LEASE to the contrary, the LEASE shall be governed by Arizona law and jurisdiction shall be in Arizona courts with venue in Cochise County, Arizona.

27. IMMIGRATION LAWS:

LESSEE hereby warrants that it will at all times during the term of this LEASE comply with all federal immigration laws applicable to LESSEE's employment of its employees, and with the requirements of A.R.S. § 23-214(A) (together the "State and Federal Immigration Laws"). LESSEE shall further ensure that each sub-Contractor who performs any work for the LESSEE under this LEASE likewise complies with the State and Federal Immigration Laws.

28. ENTIRE AGREEMENT:

This LEASE contains all the representations and the entire understanding and agreement between the parties pertaining to the use of the LEASED PREMISES or any other matters connected therewith. All correspondence, memoranda, or oral or written agreements pertaining to the LEASED PREMISES or the parties hereto, which originated before the date of this LEASE are null, void and no longer in force and with no effect, and are replaced in total with this LEASE unless otherwise expressly stated in this LEASE. This LEASE shall not be altered, amended, or modified except by a writing signed by LESSOR and LESSEE.

29. DATE OF AGREEMENT:

The date of this LEASE shall be that date that it shall have been signed by the parties hereto.

30. APPROVAL

IN WITNESS WHEREOF, the parties have caused this Real Property Lease Agreement to be signed by their duly authorized representatives

LESSEE:

4283929 Delaware LLC

Kelly Clinton
Vice President

Date

LESSOR:

COCHISE COUNTY

Ann English, Chairwomen
Board of Supervisors

Date

ATTEST:

APPROVED AS TO FORM:

Kim Lemons, Clerk
Cochise County Board of Supervisors

Christine J. Roberts, Civil Deputy
Cochise County Attorney's Office