



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 as "LESSOR" or "COUNTY"), and ARIZONA DEPARTMENT OF FORESTRY AND FIRE MANAGEMENT, 1110 West Washington St., Suite 100 Phoenix, AZ 85007, lessee (hereinafter referred to as "LESSEE"), collectively (the "PARTIES"):

The PARTIES agree as follows:

1. LEASED PREMISES:

Four areas located at the Bisbee Douglas International Airport, an approximately 1300 square-foot space, and a 1250 square-foot space described in Exhibit A, attached hereto, located in the terminal building, approximately 6500 square feet of the large hanger as described in Exhibit B, and approximately 32,670 square feet of fenced outdoor storage area as described in Exhibit C, attached hereto, and incorporated by reference herein (the "PREMISES" or "LEASED PREMISES"). Subject to the terms of this LEASE, so long as LESSEE is not in material breach of the terms of this LEASE, it shall have a right to the quiet possession of the PREMISES without disturbance from the LESSOR or any person claiming rights through LESSOR, for the term of the LEASE.

In the event the PREMISES are partially or totally destroyed, this LEASE shall terminate.

2. TERM:

The term of this LEASE shall be for a five-year period beginning February 1, 2021 and ending January 31, 2026. Commencement of the LEASE shall be contingent upon delivery and acceptance of the PREMISES by LESSEE and delivery of a Certificate of Occupancy by the LESSOR to the LESSEE for the PREMISES. Should LESSEE hold possession after expiration of the LEASE term or any renewal thereof, LESSEE shall become a Lessee on a month-to-month basis upon the same terms and conditions of this LEASE. Either LESSOR or LESSEE shall have the right to terminate any holdover tenancy with thirty (30) days written notice to the LESSEE or LESSOR as provided in this LEASE, without incurring any penalty or damages.

3. LEASE PAYMENTS:

The LESSEE agrees to pay the LESSOR the sum of three thousand dollars (\$3000) per month as the LEASE payment for LEASED PREMISES, inclusive of any and all applicable local government rental taxes.

LESSEE shall prepare and issue a warrant at the end of each month. The warrant shall be mailed to the LESSOR's address identified in this LEASE. Any partial month shall be prorated for that portion of the month LESSEE occupies the PREMISES. In the event the LESSOR fails to maintain the PREMISES as required in this LEASE, or fails to provide repairs, maintenance, or other services as required in this LEASE, or fails to pay for utility charges as required in this LEASE, then, in addition to all other rights and remedies to which the LESSEE may be entitled, the LESSEE may make written demand upon the LESSOR to provide such service. If the services are not provided within ten (10) days after written demand has been mailed to the LESSOR by the LESSEE then, in addition to all other rights or remedies that the LESSEE may have, the LESSEE may obtain such services and deduct its costs from any rental payment which becomes due after such service has been obtained.

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 for LESSEE to exercise this option, written notice shall be provided to the LESSOR at least thirty (30) days prior to the expiration of the term of this LEASE.

Tenant improvements necessary to divide and secure the space in the terminal building is the responsibility of the Lessee. Improvement plans and construction documents for such improvements shall be reviewed and approved by the Lessor prior to improvements. Permits for construction shall be obtained by the Lessee or licensed general contractor or appointee.

5. WAIVER AND INDEMNIFICATION:

Each PARTY (as "Indemnitor") agrees to indemnify, defend and hold harmless the other PARTY (as "Indemnitee") from and against any and all claims, losses, liability, costs or expenses, including reasonable attorneys' fees, (hereinafter collectively referred to as "claims") arising out of bodily injury (including death) of any person, or property damage, but only to the extent that such claims are caused by the negligence, misconduct, or other fault of the Indemnitor, its agents, employees, or contractors. No waiver by either PARTY of any provision of this LEASE or of any breach by the other PARTY hereunder shall be deemed to be a waiver of any other provision hereof, or of any subsequent breach by the other PARTY of the same or any other provision. A PARTY's consent to or approval of any act by the other PARTY requiring the first PARTY's consent to or approval shall not be deemed to render unnecessary the obtaining of the first PARTY's consent to or approval of any subsequent act of the other PARTY.

6. ANTITRUST VIOLATIONS:

LESSOR assigns to LESSEE any claim for overcharges resulting from antitrust violations to the extent that such violations concern materials or services supplied by third parties to the LESSOR toward fulfillment of this LEASE.

7. INSURANCE REQUIREMENTS:

LESSOR and LESSEE acknowledge that LESSEE is self-insured and shall provide LESSOR with a certificate of self-insurance providing five hundred thousand dollars (\$500,000) of general liability coverage. This self-insurance protects the LESSEE only. The LESSEE is not authorized to indemnify the LESSOR.

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.

9. COMMERCIAL ACTIVITY:

LESSEE shall not conduct any commercial activity at or in the LEASED PREMISES or at or on airport property, unless such activities are pursuant to a separate written agreement signed by both LESSEE and LESSOR.

10. ALTERATIONS:

LESSEE shall not make or cause to be made any alterations or improvements to the airport 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 LESSOR'S 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. REPAIR AND MAINTENANCE:

LESSEE shall maintain the PREMISES in good and neat appearance and in a safe condition, reasonable wear and tear excepted. 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, caused by fuel or oil leaks from LESSEE's vehicles, and repair any and all damage to the airport area caused by LESSEE, its agents, participants, students, employees and/or invitees. LESSOR shall maintain, repair, and replace as needed, the exterior of the office space, including but limited to the roof, exterior walls, and HVAC equipment during the term of the LEASE. LESSEE is required to participate in the State paper-recycling program and will identify certain of its workstation waste containers for recyclable paper. LESSOR shall allow the LESSEE's paper recycling program contractor access to the building at times

convenient to the contractor for purposes of removing the accumulated recyclable paper.

12. UTILITIES

LESSOR agrees to furnish and pay at no cost to the LESSEE, water, gas, and electricity, heat and air conditioning consumed on the PREMISES occupied by the LESSEE, except for telephone service. LESSOR shall not be liable to LESSEE for any stoppage or interruption of such services and utilities as a result of causes outside LESSOR's control.

13. 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 by LESSOR and LESSEE 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.

14. TERMINATION:

This LEASE may be terminated for any reason by either LESSOR or LESSEE upon thirty (30) days prior written notice to the other Party.

In the event the LESSEE is directed by the Arizona Department of Administration (ADOA) to move into an existing State-owned or leased facility, including, but not limited to, any newly purchased, constructed, or wholly leased facility, during the term or renewal of this LEASE, LESSEE may terminate this LEASE upon thirty (30) days prior written notice to LESSOR. In this event LESSEE will be responsible for all obligations to LESSOR incurred prior to the termination date specified in the notice.

In the event no funds or insufficient funds are available or allocated to LESSEE for any payment that may be due under this LEASE, including no funds or insufficient funds resulting from an act of the Legislature, for any portion of the term or renewal of this LEASE, LESSEE will be without further obligation under this LEASE and will remove its personnel and property from the PREMISES by the end of the period for which funds are available. LESSEE will advise LESSOR at any time it appears that there may be insufficient funds to fully pay its LEASE payments. No liability shall accrue to the LESSEE or any other agency of the State of Arizona in the event the provision of this

paragraph is exercised, and neither the LESSEE or any other agency of the State of Arizona shall be obligated or liable for any future payments or for any damages as a result of termination under this paragraph.

15. 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 LESSOR's 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.

16. 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 LESSOR and LESSEE agree to abide by all laws and orders governing the operation for the Cochise County Airport at Willcox, Arizona.
- C. If water is used from LESSOR'S well in excess of normal consumption for an office use, the PARTIES agree to enter into a separate agreement to define related responsibilities and costs.
- D. The LESSOR shall maintain adequate heating, ventilation, cooling and lighting equipment in operation to maintain the following environmental conditions within the PREMISES.

Temperature in winter	70F - 75F
Temperature in summer	74F - 78F
Ventilation year round	5 air changes per hour
Lighting on all workstations	30 foot – candles (lm/ft ²)

For the purpose of this paragraph summer is defined as the months April through October, inclusive and winter is defined as the months November through March, inclusive.

17. 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. Landing area shall include runways and taxiways of the airport. 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.
- C. 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.
- D. 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.

E. 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.

18. 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.

19. NON-DISCRIMINATION:

The PARTIES shall comply with all applicable state and federal statutes and regulations governing Equal Employment Opportunity, Non-Discrimination, and Immigration, including but not limited to Governor of Arizona Executive Order No. 2009-09.

20. 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.

21. 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.

22. ARBITRATION:

The PARTIES agree to use arbitration, after exhausting applicable administrative review, to the extent required by A.R.S. § 12-1518, except as may be required by other applicable statute. In the event such a dispute is arbitrated, the PARTIES hereby agree that the prevailing PARTY is entitled to recover its attorneys' fees and costs.

Attorney's fees shall be based on the prevailing hourly rate for attorneys in Phoenix, Arizona.

23. 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.

24. 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.

25. 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. Time is of the essence of this LEASE and each and all of its provisions. The provisions of this LEASE are severable to the extent that any provision or application held to be invalid shall not affect any other provision or application of the LEASE, which shall remain in effect without the invalid provision or application. The marginal headings and titles to the articles of this LEASE are not a part of this LEASE and shall have no effect upon the construction or interpretation of any part hereof. 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.

26. DATE OF AGREEMENT:

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

27. APPROVAL:

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

LESSEE:

ARIZONA STATE FORESTRY

David Tenney, Director
Department of Forestry and Fire Management

Date

LESSOR:

COCHISE COUNTY

Ann English, Chair
Board of Supervisors

Date

ATTEST:

APPROVED AS TO FORM:

Tim Mattix
Clerk of the Board

Paul Correa

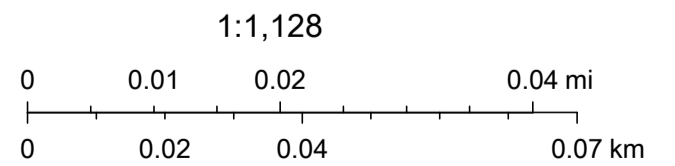
Paul Correa
Civil Deputy County Attorney

Exhibit B



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- Address
- County Boundary
- Roads







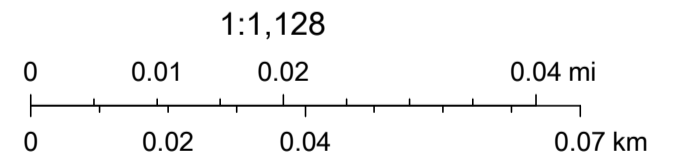
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Exhibit C



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-  County Boundary
-  Incorporated Limits
-  Address
-  Parcels



Source: Esri, Maxar, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community