

LEASE AGREEMENT

THIS LEASE AGREEMENT (“Lease”) is made as of the date set forth on the signature page with an effective date of January 1, 2026 (**“Effective Date”**), by and between **UNIVERSITY SOUTH FOUNDATION, INC.**, an Arizona 501(c)3 Non-Profit Organization, with an address of 1140 N Colombo Avenue, Room 504, Sierra Vista, Arizona 85635 (**“Lessor”**), and **COCHISE COUNTY**, a political subdivision of the State of Arizona, with an address of 1415 Melody Lane, Bisbee, Arizona 85603 (**“Lessee”** and, together with Lessor, each a **“Party”** and together the **“Parties”**).

RECITALS

WHEREAS, Arizona Revised Statutes (**“A.R.S.”**) § 3-123 contemplates the performance of cooperative agricultural extension work as may be mutually agreed upon by the University of Arizona Cooperative Extension (**“Cooperative Extension”**) and the Cochise County Extension Advisory Board (the **“County Extension Board”**), a board appointed by the Lessee’s board of supervisors (the **“Board of Supervisors”**) in accordance with A.R.S. § 3-124(A); and

WHEREAS, pursuant to A.R.S. § 3-124(C), Lessee via its Board of Supervisors must provide Cooperative Extension reasonable office space for the performance of the agricultural extension work contemplated above; and

WHEREAS, (i) in connection with the performance of agricultural extension work by Cooperative Extension and Lessee’s obligation to provide reasonable office space therefore, Lessee desires to lease the Premises (defined below) from Lessor on Cooperative Extension’s behalf; (ii) in connection with the foregoing, Lessor desires to lease the Premises to Lessee.

NOW THEREFORE, in consideration of the above and the mutual covenants contained herein, the parties agree as follows:

AGREEMENT

1. PREMISES

1.1. Lessor hereby agrees to lease to Lessee herein, **503 and 505** located within Groth Hall, at 1140 N Colombo Avenue, Sierra Vista, Arizona 85635 ("**Premises**"), together with non-exclusive access to restrooms, common areas, and parking areas as designated herein and such other common areas as may become available as designated by Lessor. The Premises shall be used solely for Cooperative Extension administrative and programmatic purposes and purposes reasonably related thereto, and for no other use without Lessor's prior written consent.

2. TERM

2.1. The term of this lease shall be for a period of **one (1) year**, beginning on **January 1, 2026**, and terminating on **December 31, 2026** (the "**Term**"), unless earlier terminated or extended by written agreement of the Parties. For the avoidance of doubt, "**Term**" as used herein shall include any renewal term, if any.

3. BASE RENT & COMMON AREA MAINTENANCE FEES

3.1. Lessee shall pay Lessor base rent of five hundred dollars (\$500.00) per month ("**Base Rent**").

3.2. In addition to Base Rent, Lessee shall pay a monthly Common Area Maintenance (CAM) fee of two hundred fifty dollars (\$250.00) ("**CAM Fees**") which includes the following:

- (a) General building maintenance
- (b) Custodial services for common areas
- (c) Utilities (electricity, water, gas and waste disposal)

3.3. Lessee (or an affiliate of Lessee on Lessee's behalf) shall pay Lessor Base Rent and CAM Fees monthly, on or before the first day of each month by check or electronic payment.

4. SERVICES & AMENITIES; USE OF OFFICE SPACE

- 4.1. Use of Office Space: For the avoidance of doubt, any right or benefit of Lessee under this Lease shall extend to Cooperative Extension.
- 4.2. IT Services: The University of Arizona shall provide all IT services required for all Cooperative Extension operations. Lessor has no responsibility for IT systems or support.
- 4.3. Restrooms: Cooperative Extension employees and guests shall have access to shared restroom facilities within Groth Hall.
- 4.4. Parking: Lessor shall designate parking spaces on the west side of the building for use by Lessee and Cooperative Extension staff and guests. The number of spaces shall be determined by the Lessor and Lessee in good faith but shall be no less than is reasonably necessary for the performance of the cooperative agricultural extension work performed at the Premises.
- 4.5. Security: Lessor will, at its sole cost and expense, take such commercially reasonable measures as may be necessary to keep the Premises secure and safe at all times.

5. TAXES

- 5.1. Lessor is responsible for all paying property taxes.

6. INSURANCE & INDEMNIFICATION

- 6.1. Lessee shall, at Lessee's sole cost and expense, maintain insurance coverage consistent with Cochise County risk-management policies and shall include coverage for Cooperative Extension operations within the Premises and for use of restrooms, common areas, and designated parking spots. Lessee or Cooperative Extension shall name Lessor as an additional insured on the policy. Lessee shall provide Lessor a Certificate of Insurance within ten (10) business days of occupancy. Lessor acknowledges that it has been informed that Cooperative Extension is a participant in the State of Arizona Department of Administration's insurance program under A.R.S. § 41-621 and that coverage under-said program shall be sufficient and acceptable to fulfill Lessee's liability insurance obligation under this agreement.

- 6.2. Lessee and Lessor shall each maintain any property insurance deemed necessary to protect their own property located on the leased premises. Lessee and Lessor agree that neither Party shall make any claim against the other for loss or damage to property if such loss is covered by their respective insurance, except where such loss results from the negligence of the other Party.
- 6.3. To the extent permitted by Arizona law, each Party (as used in this Section, “**Indemnitor**”) agrees to indemnify, defend, and hold harmless each other (as used in this Section, “**Indemnitee**”) from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney’s fees) (hereinafter collectively referred to as “**Claims**”) arising out of bodily injury of any person (including death) or property damage, but only to the extent that such Claims which result in vicarious/derivative liability to the Indemnitee are caused by the act, omission, negligence, misconduct, or other fault of the Indemnitor, its officers, officials, agents, employees, affiliate entities or volunteers.

7. MAINTENANCE

- 7.1. Lessor shall be responsible for the maintenance of the roof, outside walls, property grounds, common areas, and restrooms.
- 7.2. Lessee agrees to maintain the interior of the portions of the leased premises used exclusively by Cooperative Extension in a clean and functional condition during the term of this Lease or any extension thereof, excluding any deterioration caused from ordinary wear and tear. Lessee agrees to maintain the leased premises and equipment in a business-like condition always.

8. SIGNAGE

- 8.1. Lessee shall not place or cause to be placed any sign(s), lights, advertisements, or placards on the premises, or any portion thereof without Lessor’s approval in writing, which approval shall not be unreasonably withheld. Signs, equipment, and such other personal property provided by Cooperative Extension or Lessee will remain said Party’s property following termination or expiration of this Lease.

9. TERMINATION; RENEWAL OPTION

9.1. Termination:

- (a) Any Party may terminate this Lease immediately upon written notice to the other Parties if: (i) another Party is in material breach of its obligations under the Lease and that breach is not cured within thirty (30) days of notice thereof; or (ii) another Party becomes the subject of a voluntary or involuntary petition in bankruptcy or any proceeding relating to insolvency, receivership, liquidation or composition for the benefit of creditors, if that petition is not dismissed with prejudice within sixty (60) days after filing. Notwithstanding the foregoing, if a material breach under this Lease is materially caused by or a result of Cooperative Extension's conduct, Lessor may only terminate this Lease under clause (i) above if it has in good faith communicated said breach to Cooperative Extension and Cooperative Extension and Lessee have failed to remedy the breach within thirty (30) days thereof.

In the event of termination by Lessor, Lessor may enter and take possession of the Premises, and Lessee waives any notice of demand for possession of the Premises. Should a Party hereto institute legal action for the enforcement of the terms and conditions of this lease, then the prevailing Party in such action shall have and recover reasonable attorney's fees and costs, to be fixed by the court.

- (b) This Agreement may be terminated as to all or part of the Premises prior to the expiration of the then current Term upon written agreement signed by both Lessor and Lessee.
- (c) Lessee may immediately terminate this Lease for conflict of interest pursuant to A.R.S. § 38-511 if so required. In such event, neither Lessor nor Lessee shall be liable to the other in connection with early termination of the Lease, provided that Lessor shall promptly return to Lessee on a prorated basis any pre-paid payments of Base Rent and CAM Fees paid by Lessee (if applicable).

9.2. Renewal: Lessee shall have the option to renew the Lease for an additional one (1) year term, subject to mutual written agreement of the Parties on the Base Rent and CAM Fees applicable to the renewal term. Lessee shall provide written notice of its intent to renew at least ninety (90) days prior to the expiration of the initial lease term. The Parties shall use commercially reasonable efforts to finalize renewal Base Rent and CAM Fee terms no later than thirty (30) days prior to lease expiration.

10. EXPIRATION OF LEASE

10.1. Lessee hereby agrees that at the expiration of the time mentioned in this lease agreement, peaceable possession of said premises shall be given to Lessor in as good condition as the premises are now, the usual wear and tear, inevitable accidents, Acts of God, and loss by fire excepted.

11. ASSIGNMENT & AGENCY

11.1. Lessee enters into this Lease as Principal, notwithstanding that the Premises will be used by the Cooperative Extension. Except as provided in the foregoing sentence, nothing in this Lease shall be deemed or construed by the Parties or any third parties as creating the relationship of principal and agent, partnership or joint venture between Lessee and Lessor. The University of Arizona shall not be deemed a party to this Lease unless expressly agreed to in writing.

11.2. Lessee shall not assign or sublease the Premises without Lessor's prior written consent which shall not be unreasonably withheld, provided that use of the Premises by an affiliate of Lessee such as Cooperative Extension or a similar entity shall not be deemed an assignment or sublease of the Lease, and further provided that Lessee remains liable to Lessor hereunder in such event.

12. WAIVER

12.1. No failure by a Party hereto to exercise, and no delay by such Party in exercising, any right hereunder shall operate as a waiver thereof. The exercise by a Party hereto of any right hereunder shall not preclude the exercise of any other right, and the remedies provided herein are cumulative and not exclusive of any remedies provided at law or in equity.

13. NOTICES

13.1. Each Party must notify the others by written notice of any change in address within thirty (30) days. Notice will be deemed given upon delivery in case of personal delivery or five (5) days following deposit in the United States mail. Except as otherwise provided, all notices delivered under this Lease shall be in writing and delivered to the Party to be notified by personal delivery or by depositing the same in the United States Mail, with prepaid postage thereon, addressed as follows:

TO LESSOR:

University South Foundation, Inc.
Callie Groth, President
913 Colombo Avenue
Sierra Vista, Arizona 85635

TO LESSEE:

Cochise Cooperative Extension
Carol Holden, Director
450 S. Haskell Avenue
Willcox, Arizona 85643

WITH A COPY TO:

Cochise County
J. Darrel Crowley
Facilities Management
1415 Melody Lanae
Bisbee, Arizona 85603

14. GOVERNING LAW; VENUE; ARBITRATION

14.1. This Lease shall be governed by and construed in accordance with the laws of the State of Arizona. Any legal proceeding arising out of this Agreement will be brought in the Superior Court of Arizona, Cochise County.

14.2. The parties agree to arbitrate disputes filed in Arizona Superior Court that are subject to mandatory arbitration pursuant to A.R.S. §12-133.

15. MISCELLANEOUS

- 15.1. This Lease constitutes the entire agreement between the Parties and supersedes all prior negotiations or understandings. Any amendments must be in writing and executed by both parties.
- 15.2. Neither party will unlawfully discriminate against any employee, applicant, patient, or student based on race, color, creed, sex (including sexual preference/identity), religion, marital status, disability, veteran status, age, or national origin.
- 15.3. The parties agree to keep all books, accounts, reports, files and other records relating to this Agreement for five (5) years after completion of this contract. In addition, the parties agree that such books, accounts, reports, files and other records will be subject to audit pursuant to A.R.S. section 35-214.
- 15.4. Notwithstanding any provision in this Agreement to the contrary, disclosure of any documents or records are subject to Arizona public records law, A.R.S. § 39-121, et. seq.
- 15.5. The Parties hereby warrant that they will at all times during the term of this Agreement comply with all federal immigration laws applicable to the parties' employment of its employees, and with the requirements of A.R.S. section 23-214(A). The parties will further ensure that each agent and sub-contractor who performs any work for the parties under this Agreement likewise complies with the State and Federal Immigration Laws.
- 15.6. Titles for sections of this Lease are used only for convenience of reference and organization and will not be used to modify, explain, or interpret any of the provisions of this Lease or the intentions of the Parties. This Lease has been jointly drafted by the Parties and therefore will be construed according to its plain meaning and not for or against any Party.
- 15.7. This Lease may be executed in any number of original or facsimile counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute one and the same instrument. A signature to this Lease transmitted electronically shall have the same authority, effect and enforceability as an original signature.

IN WITNESS, WHEREOF, the Parties have executed this Lease as of the date set forth below each Party's signature.

LESSOR:

UNIVERSITY SOUTH FOUNDATION, INC.,
an Arizona non-profit corporation

By: _____
Name: Callie Groth, President

Date: _____

LESSEE:

COCHISE COUNTY,
a political subdivision of the State of Arizona

By: _____
Name: Frank Antenori, Chairman of Board of Supervisors

Date: _____

ATTEST:

Lara Loewenheim
Clerk of the Board

Date: _____

APPROVED AS TO FORM:



Daniel S. Restrepo
Civil Deputy County Attorney

Date: 3/12/2026