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SITE LEASE AGREEMENT NO. 1005.340.DPM/5-2011
DIAMOND POINT MOUNTAIN RADIO EQUIPMENT

This Lease Agreement ("Agreement") is entered into on the **1st** day of **July**, **2011**, between R&M Repeater LLC, hereinafter known as Lessor; The Gila County Board of Supervisors ("Board") and the Gila County Sheriff's Office, hereinafter known as Lessee.

WHEREAS: Lessee wishes to install and operate certain RF transmitting equipment, described in detail in Exhibit A attached hereto and made a permanent part hereof, in the premises owned by Lessor; and Lessor covenants that it has legal right to enter into this agreement, and also certifies that said premises is approved by Federal and or State Law for such use. Lessee certifies that it holds valid FCC Licenses for its transmitters, authorizing it to operate from Lessor premises and will operate its stations in accordance with Federal and State Laws.

LOCATION: Lessor premises under this agreement: Diamond Pt. Mtn N34-17-23, W111-11-26, County of Gila, State of Arizona, Township 11 North, Range 11 East, G&S RBM

THEREFORE: The above named parties hereby agree to the following:

1. **ACCESS:** Lessee personnel, shall have access to Lessor's premises 24hrs a day 365 days a year for the express purpose of; inspection or maintenance of Lessee's equipment. Lessor shall supply Lessee with necessary combinations for locks to any road gates or key lock boxes. Lessee understands that Lessor is not responsible for any road maintenance, and subsequently does not guarantee road conditions. Lessee acknowledges that use of the road is at Lessee's own risk. Lessor shall supply and install a lock box to house a single security key for premise's access by Lessee personnel. Lessee shall not at any time or under any circumstance, give any information, including combinations, keys, codes or anything else that would allow access to Lessor premises to any party that is not a subcontractor for, representative of ,or not working under direct supervision of Lessee. Lessor premises is fully alarmed

and may have video and audio surveillance operational, Lessee agrees to comply with any and all posted signage located at Lessor's premises.

2. **INSTALLATION AND MAINTENANCE OF EQUIPMENT**: All Lessee and Lessor equipment contained on or within Lessor premises shall be installed and maintained on behalf of Lessee by C&M Communications Payson AZ, which currently is both a Lessor and Lessee authorized vendor. After initial installation if Lessee equipment has a failure that requires immediate attention, and C&M Communications does not have a representative readily available, within a nominal 2 hour response time, Lessee has the right to hire a third party contractor of its choice to restore Lessee's service as quickly as possible. A direct representative of Lessee shall control site ingress and egress and remain present with any third party contractor for the duration that contractor needs to be in Lessor's premises. Prior to installation Lessee must provide Lessor with copies of its FCC Licenses for such equipment, also to be attached hereto in Exhibit A. Location and manner in which installation is accomplished must be approved by Lessor, and will also be documented in Exhibit A of this Agreement. Lessor shall have a representative present at the time of initial installation of Lessee equipment, at Lessor's expense. After initial installation has been completed Lessee may not make any additional changes to placement of equipment or antenna locations, install or remove any equipment, other than temporarily for servicing, without obtaining prior approval from Lessor. Lessee must notify Lessor in writing detailing any desired changes, and prior to any permanent removal of any Lessee equipment or antennas. Also see (TERMINATION/VACATING OF PREMISES).

3. **ELECTRICITY:** Unless otherwise stated in Exhibit A of this agreement, Lessor shall furnish commercially supplied 110v electrical power and outlet for operation of Lessee's equipment, propane powered backup generated power will be available to Lessee's equipment for a fee of INCLUDED per month, in addition to rent, and shown by separate line item on monthly invoice. Lessor has installed power line surge protection on the main electrical input to the premises however Lessor does not certify that this protection equipment will function adequately under all unforeseen circumstances, and will not be liable for any damage done by power or lightning surges to Lessee equipment.

4. **INTERFERENCE:** Lessor certifies that existing equipment currently installed in premises is operating without any undesirable interference; and is not creating any harmful interference to any other users or facilities at this site. Lessee certifies that its equipment shall not cause any degradation to any users currently operating in the premises or to any other facilities co-located at this site. Lessee agrees to equip all transmitters with ferrite isolators; bandpass cavities, and use only hard shielded cable for all output transmission lines and jumpers. Any Ethernet controlled equipment permanently installed shall be interconnected only by using fully shielded wiring and grounded type metal connectors. Lessee also certifies that if any interference should occur after installation of Lessee equipment; to any user located either in the same premises or at a co-located facility, that Lessee shall expediently (within 24hrs of notification) correct the interference problem or shut down its equipment until it can correct the problem. Lessee shall work directly with the company or agency complaining of the interference, and keep Lessor informed as to the progress and ultimate solution to the problem. Lessor certifies that any future installations done at Lessor premises, either by Lessor or by any other party in the premises, shall not cause Lessee any harmful interference, and if any such interference occurs will be remedied by Lessor within 24hrs of notification from Lessee.

5. **TERM:** The initial term of this lease shall be for a period of three year(s) commencing on July 01, 2011. After the initial term, Lessee shall have the option of extending this Lease for two (2) additional renewal terms of one (1) year each. Any renewal shall be made as an addendum in writing, attached hereto and made a part hereof, signed by both parties in this agreement not less than sixty (60) days prior to the end of the then current term. The maximum term of this Lease, if Lessee exercises both renewal options, is five (5) years, terminating on June 30, 2016. If Lessee wishes to continue occupation in Lessor's premises beyond the conclusion of its second renewal option, Lessee shall have the right to either request extending this lease for future terms, or negotiate a new lease with Lessor. Lessee may cancel this agreement, with or without cause, by sending notice to Lessor via certified mail or courier not more than 30 days prior to the end of a then current lease term. Lessor may cancel this agreement, with or without cause, by sending notice to Lessee via certified mail or courier within 90 days prior to the end of a then current lease term.

6. **RENT:** Lessor shall bill Lessee, in advance on approximately the first day of each month $325.00 for each transmitter located in premises, and (N\A supplied by Lessor) for each antenna mounted either on the tower or building. Rent is due Lessor upon receipt of bill by Lessee, and will be considered current by Lessor if received prior to the next billing issuance. At each annual anniversary the rent shall automatically increase by four (4) percent. If Lessee fails to pay its rent within 45 days of billing and has not made arrangements with Lessor to expeditiously correct the default, Lessor reserves the right to disconnect Lessee equipment (at Lessee expense) from AC power source and restrict Lessee access to premises until the default is corrected. If Lessor disconnects Lessee equipment due to Lessee default under this agreement, Lessee hereby agrees to hold Lessor completely, fully, and totally harmless from any and all unforeseen impacts that may arise from Lessor's action.

7. **TAXES**: Lessee shall be responsible for paying only appropriate rental use taxes for its use of the premises. Lessor shall show by separate line item on each monthly bill the tax levied against the Lessee. Lessor shall be responsible for any other property or use taxes levied on the premises. Lessor is responsible for collecting these taxes, and forwarding them to the proper Government agency.

8. **UNITED STATES FOREST SERVICE (USFS)**: The premises in this agreement is located on USFS land. Lessor certifies that it currently holds a 20 year special use permit issued by the USFS, that is valid until midnight September 16, 2016. Lessor fully intends to renew the existing permit, or if necessary secure a new special use permit with the USFS prior to expiration of its currently valid permit. This permit allows the Lessor only the right to rent space in its premises to the Lessee, no external additions or modifications to the premises are allowed to be done by the Lessee directly. If a modification to the premises is needed by the Lessee; the Lessee must submit its request to the Lessor in writing; along with documentation drawings showing the modification to the premises, and a detailed environmental impact study of the proposed modification. Lessor shall forward the request to the USFS for approval, and if granted by the USFS, Lessor's permit amendment. Lessor shall bill Lessee annually for Lessee portion (if any) of the special use permit fee, along with a copy of the USFS bill showing documentation for such fee. Lessee agrees to pay its portion promptly to Lessor, upon receipt of such bill. Lessor agrees to keep all payments to the USFS current and in good standing. If at any time the USFS decides to discontinue or revoke Lessor's special use permit for this site, then both

parties agree that this Agreement is immediately terminated with each party holding the other harmless as to future rent due to Lessor, or any space due to Lessee.

9. **FCC REGULATIONS**: Both Lessor and Lessee acknowledge that use of radio frequency spectrum is governed by the Federal Communications Commission (FCC). If at any time during this Agreement either FCC Rules are changed affecting Lessee's legal operation of its transmitter(s), or Lessee's FCC Authorization is officially terminated, this agreement shall then dissolved; with each party relieved of its obligations hereunder.

10. **HAZARDOUS MATERIALS:** Lessor covenants that the premises are free of any environmentally hazardous materials, with the exception of necessary motor oils, coolants, batteries, and fuels for the legal operation of a standby power plant. Lessee agrees not to transport, store, use, or dispose of any form of hazardous material in or around Lessor premises.

11. **INSURANCE:** During the term(s) of this Lease, Lessee agrees to carry at its own expense, a general liability policy having a minimum limit of $2,000,000. This policy must insure all personnel or subcontractors working for Lessee, against any damages done through negligence by Lessee personnel or subcontractors to Lessor's premises; and must name Lessor as a certificate holder of such policy, a copy of which is attached hereto in Exhibit A. If Lessee is a "self insured" entity, documentation proving such financial responsibility shall be submitted to Lessor from Lessee's risk management department.

12. **HOLD HARMLESS:** Lessor shall hold Lessee harmless from any damages, expenses, costs, liabilities or suits that may arise due to Lessor's negligence in the operation or management of the premises. Lessee shall hold Lessor harmless from any damages, expenses, costs, liabilities or suits that may arise due to Lessee's negligence in the use of Lessor's premises.

13. **SUBLET**: Lessee is not allowed to sublet or lease any part of its assigned space to any other party under any conditions or circumstances.

14. **SITE MAINTENANCE**: Lessor shall be responsible for all repairs to the premises (except any repair's required due to Lessee's negligence) including the building; tower; antenna mounts; standby generator, air conditioning and landscaping.

15. **DEFAULT:** This agreement may be terminated by either party if the other party has been in default of one or more covenants contained herein for a period of 45 days or longer and has not made a good faith effort to correct the default.

16. **TERMINATION/VACATING OF PREMISES:** At the conclusion of this lease, or default of this agreement, Lessee shall remove its RF equipment and antennas, listed in Exhibit A attached hereto and made a part hereof , and return the premises to the Lessor in as good a condition as when received, excepting ordinary wear and tear. Lessor shall have a representative present during the removal process. Any RF transmission lines, RF connectors, mounting fixtures on the building or tower, Air conditioning or generator modifications or upgrades, additional building space, grounding or lightning suppression apparatus that was added by the Lessee during the term of this lease shall

remain for Lessor's use, and become the property of Lessor. Any modifications or upgrades done by Lessee during the term(s) of this Agreement shall be documented in detail, along with any concessions made to Lessee by Lessor for Lessor's ongoing benefit of such modifications or upgrades, attached hereto labeled as Amendment(s); and made a permanent part hereof.

17. **ASSIGNMENT**: Lessee may not assign, or otherwise transfer all or any part of its interest in this Agreement without the prior written consent of the Lessor; provided however, that Lessee may assign or otherwise transfer such interest without the prior written consent to its parent company, subsidiary, or affiliate of it. Lessor may assign or otherwise transfer this Agreement, upon written notice to Lessee, subject to the assignee or transferee assuming all of Lessor's obligations contained in this Agreement.

18. **LEASE MODIFICATIONS:** This lease contains the entire agreements between the parties; any modifications must be made as Amendments by instrument in writing attached hereto and made a permanent part hereof.

19. **LEGAL:** This lease is made in the State of Arizona County of Gila and is governed by the Laws of the State of Arizona. Parties hereby agree that any proceeding's arising from default of this lease, shall be heard in a court in the State of Arizona, County of Gila.

20. **NOTICES/COPIES**: Any notice or demand, from either party in this agreement, must be sent via certified mail to the address of the other party as designated in this agreement. Either party may from time to time designate any other address for this purpose by notice to the other party sent via certified mail. Each party in this Agreement shall receive one (1) copy of this Agreement for their records.

21. **RIGHTS:** In any case where the approval or consent of one of the parties hereto is required, requested or otherwise to be given under this Agreement to the other party within this Agreement, such approval or consent shall not be unreasonably delayed or withheld.

22. **PRE-LEASE ACKNOWLEDGMENT:** Lessee acknowledges that prior to entering into this Agreement, authorized personnel of Lessee met with Lessor at the premises, for the purpose of determining suitability of the premises itself, and if the geographic location of the premises would suit Lessee's desired use. Lessor allowed supervised access to the premises for Lessee personnel to make physical measurements, drawings, discuss possible antenna mounting areas, power and air conditioning requirements, and to perform any RF testing desired by Lessee. Lessor provided this access to Lessee with no cost to Lessee, and under no obligation from Lessee. Lessee also certifies that it has performed due diligence in regards to any Federal, State, or Local permits, and as to anything else that may be required for Lessee legal occupation in and use of Lessor premises; and acknowledges that any failure on its part to perform such due diligence, prior to entering into this Agreement, in no way relieves Lessee of its obligations under this Agreement.

23. **NOTICES AND CONTACT LIST:** All notices, communications, and reports under this Agreement shall be provided to the following:

R&M Repeater, LLC
Christopher F. Salgot- Managing Partner
P.O. Box 1130
Payson, AZ 85547-1130

Gila County Sheriff's Office
J. Adam Shepherd, Undersheriff
108 W. Main St.
Payson, AZ 85541

24. CANCELLATION: This agreement is subject to cancellation pursuant to A.R.S. §38-511.

IN WITNESS WHEREOF, The parties have executed and bound this agreement on the _____ day of _____, 2011.

GILA COUNTY:

GILA COUNTY BOARD OF SUPERVISORS

_____
Michael A. Pastor, Chairman, Board of Supervisors

ATTEST:

_____
Marian Sheppard, Chief Deputy Clerk of the Board

APPROVED AS TO FORM:

_____
Bryan B. Chambers, Chief Deputy County Attorney
***for* Daisy Flores, County Attorney**

GILA COUNTY SHERIFF'S OFFICE:

_____
John R. Armer, Gila County Sheriff

LESSOR:

R&M REPEATER, LLC

_____
Christopher F. Salgot