

Tommie C. Martin, District I
P.O. Box 2297 Payson, AZ. 85547
(928) 474-2029

Michael A. Pastor, District II
1400 E. Ash St. Globe, AZ. 85501
(928) 425-3231 Ext. 8753

Shirley L. Dawson, District III
1400 E. Ash St. Globe, AZ. 85501
(928) 425-3231 Ext. 8753



Steven L. Besich, County Manager
Clerk of the Board
Phone (928) 425-3231 Ext. 8761

Richard Gaona, Finance Director
Phone (928) 425-3231 Ext. 8743

GILA COUNTY

FAX (928) 425-0319
TTY: 7-1-1

www.gilacountyaz.gov

LEASE AGREEMENT #072009LA

THIS "Agreement" is made and entered into this 17th day of November, 2009 by and between **Gila County**, a political subdivision of the State of Arizona, hereinafter "**Lessor**" and **Pinal/Gila Long Term Care**, an agency of **Pinal County**, a political subdivision of the State of Arizona; hereinafter, "**Lessee**".

RECITALS

1. **Lessor** owns certain real estate situated in Gila County, Arizona, described in Exhibit "A" attached hereto and hereinafter referred to as the "Premises"; and
2. **Lessor** and **Lessee** are empowered under A.R.S. § 11-201 to lease the subject Premises.

LEASE TERMS

1. **Term.** The term of this Lease shall be for a period of two (2) years, commencing on August 1, 2009, and ending July 31, 2011.
2. **Consideration.** As consideration for leasing the Premises from Lessor, Lessee agrees to pay to Lessor \$21,600.00 in monthly payments of \$900.00 beginning August 1, 2009 and the 1st day of the month thereafter during the term.
3. **Use and Occupancy.** Lessee shall use the Premises for the organization purposes of programs that offer medical assistance to ALTCS and AHCCCS eligible persons in Gila County.

4. **Compliance with Law.** Lessee shall not use the Premises, or permit anything to be done in or about the Premises, which will in any way conflict with any law, statute, ordinance or governmental rule or regulation now in force or which may hereinafter be enacted or promulgated.
5. **Improvements, Alterations, and Additions.** Lessee shall not make or allow to be made any alterations, additions or improvements to or of the Premises or any part thereof without first obtaining the written consent of Lessor. Any alterations, additions, or improvements to or of said Premises shall at once become a part of the realty and belong to the Lessor and shall be surrendered with the Premises.
6. **Repairs and Maintenance.**
 - 6.1 Lessor shall have the obligation to maintain the structure, including the maintenance on the major mechanical systems including, but not limited to, the roof and air conditioner(s). Lessor shall also provide for care and maintenance of the outside building landscaping. Lessor shall not be liable to Lessee, its agents, assigns or successors, for any damage to personal property placed or maintained on the Premises by Lessee, its employees, agents or assigns for failure of Lessor to make the repairs herein required.
 - 6.2 All responsibility for minor maintenance, light bulb replacements, janitorial and other maintenance supplies and upkeep shall be that of the Lessee. Lessee shall keep the interior walls, ceilings, floors, woodwork, paint, plastering, plumbing, pipes, and fixtures in a clean, nice-looking and healthy condition, and in good repair and shall yield the same back to Lessor upon the termination of the lease, whether such termination shall occur by expiration of the term or in any other manner whatsoever, in the same condition of cleanliness, repair and sightlines as at the date of the execution hereof, loss by fire and reasonable wear and tear accepted. Lessee shall also make all necessary repairs to interior walls, ceilings, floors, woodwork, paint, plastering, plumbing, pipes and fixtures in or on the Premises whenever damage or injury to the same shall have resulted from misuse or neglect by Lessee.
 - 6.3 If Lessee fails to comply with the provisions of this paragraph, Lessor may enter the Premises, itself or by its agents or employees, without such entering causing or constituting a termination of this lease or an interference with the possession of the Premises by Lessee, and Lessor may replace the same in the same condition of repair, sightlines, healthiness and cleanliness as existed at the date of execution hereof, and Lessee agrees to pay Lessor, in addition to the rent hereby reserved, the expenses incurred by Lessor.

7. **Liens.** Lessee shall keep the Premises and the property in which the Premises are situated free from any liens arising out of any work performed, materials furnished or obligations incurred by or on behalf of Lessee.
8. **Assignment and Subletting.** Lessee shall not either voluntarily, or by operation of law, assign, transfer, mortgage, pledge, hypothecate or encumber this Lease or any interest therein without first obtaining the written permission of Lessor.
9. **Utilities.** Lessee shall pay all costs and expenses incurred during the term of this lease as a result of its occupancy and use of the Premises including but not limited to, electricity, water, natural gas, sewage disposal, garbage and trash disposal, and telephone service.
10. **Quiet Possession.** Upon Lessee observing and performing all of its covenants, conditions and provisions under this Lease, Lessee shall have quiet possession of the Premises for the entire term hereof, subject to all the provisions of this Lease.
11. **Lessee's Default.** The failure by Lessee to observe or perform any of its covenants, conditions or provisions of this Lease where such failure shall continue for a period of thirty (30) days after written notice thereof by Lessor to Lessee shall constitute a default and breach of this lease by Lessee. If the nature of Lessee's default is such that more than thirty (30) days are reasonably required for its cure, then Lessee shall not be deemed to be in default if Lessee commences such cure within said thirty (30) day period and thereafter diligently prosecutes such cure to completion.
12. **Remedies in Default.** In the event of default or breach by Lessee after notice as provided above, Lessor may at any time at its sole discretion, without further notice or demand, and without limiting Lessor in the exercise of a right or remedy which Lessor may have by reason of such default or breach terminate this Lease and terminate Lessee's right to possession of the Premises by any lawful means in which case Lessee shall surrender possession of the Premises to Lessor.

INSURANCE PROVISIONS

1. **Indemnification:** Lessee shall indemnify, defend, save and hold harmless the County of Gila and its officers, officials, agents, and employees (hereinafter referred to as "County") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or part, by the negligent or willful acts or omissions of Lessee or any of its owners, officers, directors, agents, employees or contractors, arising out of or related to Lessee's occupancy and use of the Leased Premises. It is the specific intention of the parties that the County shall,

in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the County, be indemnified by Lessee from and against any and all claims. It is agreed that Lessee will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. In consideration for the use and occupancy of the Leased Premises, the Lessee agrees to waive all rights of subrogation against the County, its officers, officials, agents and employees for losses arising from the use, occupancy or condition of the Leased Premises.

2. Insurance Requirements: Lessee shall procure and maintain for the duration of the Lease, insurance against claims for injury to persons or damage to property which may arise from or in Connection with this Lease. The insurance requirements are minimum requirements for this Lease and in no way limit the indemnity covenants contained in this Lease. The County in no way warrants that the minimum limits contained herein are sufficient to protect the Lessee from liabilities that might arise out of this Lease. Lessee is free to purchase such additional insurance as Lessee determines necessary.

A. MINIMUM SCOPE AND LIMITS OF INSURANCE: Lessee shall provide coverage with limits of liability not less than those stated below.

1. Commercial General Liability – Occurrence Form

Policy shall include bodily injury, property damage and broad form contractual liability coverage.

- General Aggregate \$2,000,000
- Products – Completed Operations Aggregate \$1,000,000
- Personal and Advertising Injury \$1,000,000
- Each Occurrence \$1,000,000
- Fire Damage (Damage to Rented Premises) * \$100,000

a. The policy shall be endorsed to include the following additional insured language: **"The County of Gila shall be named as an additional insured with respect to liability arising out of the use and/or occupancy of the property subject to this Lease."**

2. Property Insurance

Coverage for Lessee's tenant improvements	Replacement Value
Coverage on building (required if Lessee is sole occupant)	Replacement Value
Coverage for Lessee's contents	Replacement Value

- a. Property insurance shall be written on an all risk, replacement cost coverage, including coverage for flood and earth movement.
- b. The **County of Gila shall be named as a loss payee** on property coverage for tenant improvements.
- c. If property coverage on the building is required, **"the County of Gila shall be named as a loss payee"**.

- d. Policy shall contain a **waiver of subrogation** against the County of Gila.
- B. **ADDITIONAL INSURANCE REQUIREMENTS:** The policies shall include, or be endorsed to include, the following provisions:
1. On insurance policies where the County of Gila is named as an additional insured, the County of Gila shall be an additional insured to the full limits of liability purchased by the Lessee even if those limits of liability are in excess of those required by this Lease.
 2. The Lessee's insurance coverage shall be primary insurance and non-contributory with respect to all other available sources.
 3. Coverage provided by the Lessee shall not be limited to the liability assumed under the indemnification provisions of this Lease.
- C. **NOTICE OF CANCELLATION:** Each insurance policy required by the insurance provisions of this Lease shall provide the required coverage and shall not be suspended, voided, canceled, reduced in coverage or endorsed to lower limits except after thirty (30) days prior written notice has been given to the County. Such notice shall be sent directly to **Robert Hickman, Facilities & Land Management, 1400 E. Ash St., Globe, AZ 85501** and shall be sent by certified mail, return receipt requested.
- D. **ACCEPTABILITY OF INSURERS:** Insurance is to be placed with insurers duly licensed or approved unlicensed companies in the State of Arizona and with an "A.M. Best" rating of not less than B+ VI. The County in no way warrants that the above-required minimum insurer rating is sufficient to protect the Lessee from potential insurer insolvency.
- E. **VERIFICATION OF COVERAGE:** Lessee shall furnish the County with certificates of insurance (ACORD form or equivalent approved by the County) as required by this Lease. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.
- All certificates and endorsements are to be received and approved by the County before the Lease term commences. Each insurance policy required by this Lease must be in effect at or prior to the commencement of the Lease and must remain in effect for the duration of the Lease. Failure to maintain the insurance policies as required by this Lease or to provide timely evidence of renewal will be considered a material breach of the Lease.
- All certificates required by this Lease shall be sent directly to, **Robert Hickman, Facilities & Land Management, 1400 E. Ash St., Globe, AZ 85501**. The County of Gila Lease Agreement number 072009LA and location description of 1177 Monroe St., Globe, AZ, are to be noted on the certificate of insurance. The County reserves the right to require complete, certified copies of all insurance policies and endorsements required by this Lease at any time.
- F. **APPROVAL:** Any modification or variation from the insurance requirements in this Lease must have prior approval from the County of Gila County Attorney, whose decision shall be final. Such action will not require a formal lease amendment, but may be made by administrative action.

SPECIFIC GENERAL PROVISIONS

1. **Cancellation.** This Lease is subject to cancellation for conflict of interest without penalty or further obligation as provided by A.R.S. § 38-511.
2. **Cumulative Remedies.** No remedy or election hereunder shall be deemed exclusive but shall, whenever possible, be cumulative with all other remedies at law or in equity.
3. **Headings.** The headings for each paragraph of this Lease are for convenience and reference purposes only and in no way define, limit or describe the scope or intent of said paragraphs or of this Lease, or in any way affect this Lease.
4. **Integration.** This Lease contains the entire agreement between the Parties, and no statement, promise or inducement made by either party to the agent of either party that is not contained in this written Lease shall be valid or binding.
5. **Modification.** This Lease may not be enlarged, modified or altered except in writing signed by the parties.
6. **Notices.** Any notice or demand under this Lease from either party to the other shall be in writing and shall be deemed to have been given when the notice is delivered personally or deposited in a U.S. Mail box, in a postage prepaid envelope addressed to the other party to the addresses provided below and either party may at any time change such address by delivering or mailing, as aforesaid, to the other party a notice stating the change and changed address.

Pinal County (Lessee)

Terry L. Doolittle, County Manager

P.O. Box 827

Florence, AZ 85132

Gila County (Lessor)

Steven L. Besich, County Manager

1400 E. Ash Street

Globe, AZ 85501

7. **Severability.** Any term or provision of this Lease found to be prohibited by law or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remainder of this Lease. In lieu of such unenforceable provision there shall be added as part of this Lease a provision that is legal, valid, and enforceable and is as similar in terms to such unenforceable provision as may be reasonably possible.
8. **Waiver.** Waiver of any of the terms of this Lease shall not be valid unless it is in writing and signed by all parties. The failure of Lessor or Lessee to enforce the provisions of this Lease or require performance by the other of any of the provisions, shall not be construed as a waiver of such

provisions or affect the right of claimant to thereafter enforce the provisions of this Lease. Waiver of any default or breach of the Lease shall not be held to be a waiver of any other or subsequent default or breach of the Lease.

- 9. **Option.** Lessee shall have the option to renew this agreement, on the same terms and conditions for one (1) additional two (2) year term, by giving Lessor at least thirty (30) days written notice prior to the expiration of this term that it desires to extend to Lease.

EXECUTION

IN WITNESS WHEREOF, the Parties hereto have executed this Lease as of the date referred to above.

LESSOR

LESSEE

GILA COUNTY BOARD OF SUPERVIORS:

PINAL/GILA LONG TERM CARE:

Shirley L. Dawson
Shirley L. Dawson, Chairman, Board of Supervisors

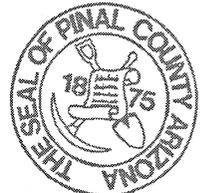
David Snider
David Snider, Chairman, Board of Supervisors
9/2/09

ATTEST:

ATTEST:

Steven L. Besich
Steven L. Besich, County Manager / Clerk

Terry L. Doolittle
Terry L. Doolittle, Pinal County Manager / Clerk
Amber Lee Mudd, Deputy Clerk



APPROVED AS TO FORM:

APPROVED AS TO FORM:

Brjan B. Chambers
for Brjan B. Chambers, Chief Deputy County Attorney
Daisy Flores, Gila County Attorney

James P. Walsh
James P. Walsh, Pinal County Attorney

Date: 11 2 9

Date: 6/30/09

EXHIBIT "A"

Certain real property located at:

This certain real property known as the Monroe Building located at 1177 Monroe Street, Globe, Arizona, Gila County, Arizona.