

## LEASE AGREEMENT

This Lease is made between Payson Place LLC, an Arizona limited liability company, hereinafter Lessor and Gila County, Arizona, for the benefit of the Gila County Attorney's Office, hereinafter Lessee.

Lessor does hereby lease to Lessee the following described premises: 616 South Beeline Highway, Suite #3, Payson, Arizona, 85541, known as Payson Place.

Lessor will be responsible for the maintenance of the roof and exterior of the building. Lessee will be responsible for maintenance of the leased portion of the building including light fixtures, plumbing and electrical.

Lessor will be responsible for all utilities with the exception of telephone and cable.

Lessor will maintain heating and cooling equipment.

Lessee shall be liable at all times during this lease for liability insurance of \$50,000 minimum.

Lessor shall be responsible for insurance on glass.

All alterations, remodeling and exterior signs are subject to Lessor's approval.

The term of this lease shall be from September 1, 2011 to August 30, 2012, with the option to renew. Rent may be negotiated based on market at the end of this lease term if the option to renew is accepted.

The monthly rent for this lease will be Seven Hundred Dollars (\$700.00) plus 2.4% (\$16.80) privilege tax. (Privilege tax is comprised of a 0.5% tax charged by the State of Arizona and 1.9% tax charged by the Town of Payson.)

Lessee will pay rent of \$ \$4,200.00 plus privilege tax of \$100.80 for six (6) month's rent. The Lessor, P.O. Box 7307, Phoenix, Arizona, 85011, will send an invoice for each six (6) months of the lease, as applicable, within thirty (30) days of the due date. In the event this lease is terminated, Lessor will return to Lessee all unexpended prepaid rent.

Lessor acknowledges that the Lessee is a governmental entity, and the contract validity is based upon the availability of public funding under its authority. In the event the public funds are unavailable and are not appropriated for the performance of Lessee's obligations under this contract, then this contract shall automatically expire without penalty to Lessor after written notice to Lessee of the unavailability and non-appropriation provisions for its convenience or to circumvent the requirements of this contract, by only as an emergency fiscal measure.

Lessor agrees to defend, indemnify and hold harmless Gila County from all losses, liability, claims or expenses (including reasonable attorney's fees) arising from bodily injury, including death or property damage, to any person or persons caused in whole or in part of the negligence or misconduct of Lessor, except to the extent same are caused by the negligence or willful misconduct of Lessee. It is the intent of this section to require the provider to indemnify Gila County, Lessor, to the extent permitted under Arizona Law.

Lessee accepts premises in an as is condition. At the expiration of this Lease, Lessee agrees to return possession of the premises to Lessor in as good condition as received, reasonable wear and tear expected.

If rent is not paid when due and the Lessee fails to pay rent within five (5) days after written notice, the Lessor may terminate this Lease reserving rights to recover damages, obtain injunctive relief and recover possession by action in forcible detainer. Lessee and Lessor agree that in any legal action the prevailing party will be awarded attorney's fees.

This lease is subject to the cancellation provisions of A.R.S. §38-511.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2011.

Lessee:

**GILA COUNTY BOARD OF SUPERVISORS**

\_\_\_\_\_  
Tommie C. Martin, Chairman  
Board of Supervisors

Lessor:

**PAYSON PLACE LLC**

  
\_\_\_\_\_  
Managing Member of Payson Place LLC  
Brent Meszaros

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