

**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

**John D. Marcanti, District III**  
1400 E. Ash St. Globe, AZ. 85501  
(928) 425-3231 Ext. 8511



**Don E. McDaniel Jr., County Manager**  
Phone (928) 425-3231 Ext. 8761

**Joseph T. Heatherly, Finance Director**  
Phone (928) 425-3231 Ext. 8743

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

**GILA COUNTY**  
[www.gilacountyaz.gov](http://www.gilacountyaz.gov)

## **LEASE AGREEMENT NO. 030513-1**

This Lease Agreement is made effective as of March 1, 2013, by and between, **Empowerment Systems, Inc.**, herein referred to as **Landlord**, and the **Gila County REPAC Consortium**, herein referred to as **Tenant**. The parties agree as follows:

### **1. PREMISES**

Landlord, in consideration of the lease payments provided in this Lease, leases to Tenant the office space utilized by Gila County REPAC Consortium at 2066 W. Apache Trail, Suite 116, Apache Junction, AZ 85120.

### **2. TERM**

The lease term shall begin on March 1, 2013, and will terminate on February 28, 2014. Upon agreement of both parties the lease may be extended for two (2) additional one (1) year terms.

### **3. LEASE PAYMENTS**

Tenant shall pay to Landlord, in the amount of \$20 an hour, based on the actual time the space is utilized by REPAC representatives, with a not to exceed annual amount of Six Thousand Dollars (\$6,000.00), payable monthly. Lease payments shall be made to the Landlord at Empowerment Systems, Inc. 2066 W. Apache Trail, Suite 116, Apache Junction, Arizona, 85120, as may be changed from time to time by Landlord. All invoices submitted by Landlord shall be submitted to Gila County Accounts Payable at 1400 E. Ash Street, Globe, Arizona, 85501.

### **4. POSSESSION**

Tenant shall be entitled to possession on the first day of the term of this Lease, and shall yield possession to Landlord on the last day of the term of this Lease, unless otherwise agreed by both parties in writing.

### **5. USE OF PREMISES**

Tenant may use the Premises only for the purpose of conducting Re-Employment Assistance for Gila County. The County may make any reasonable use of said premises in accomplishing that purpose. The Premises may be used for any other purpose only with the prior written consent of the Landlord. Tenant shall notify Landlord of any anticipated extended absence from the Premises not later than the first day of the extended absence.

6. **REMODELING OR STRUCTURAL IMPROVEMENTS**

Tenant shall have the obligation to conduct any construction or remodeling (at Tenant's expense) that may be required to use the Premises as specified above. Tenant may also construct such fixtures on the Premises (at Tenant's expense) that appropriately facilitate its use for such purposes. Such construction shall be undertaken and such fixtures may be erected only with the prior written consent of the Landlord which shall not be unreasonably withheld. At the end of the Lease term, if the Lease is not renewed, the Tenant will leave all improvements and such fixtures with the building.

7. **MAINTENANCE**

Tenant shall have the responsibility to maintain the Premises in good repair at all times.

8. **ACCESS OF LANDLORD TO PREMISES**

Subject to Tenant's consent (which shall not be unreasonably withheld), and with 72 hours notice, Landlord shall have the right to enter the Premises to make inspections, provide necessary services, or show the unit to prospective mortgagees, tenants or workers. As provided by law, in the case of an emergency, Landlord may enter the Premises without Tenant's consent.

9. **UTILITIES AND SERVICES**

Landlord shall be responsible for all utilities and services in connection with the Premises.

10. **PROPERTY INSURANCE**

Tenant shall maintain casualty insurance on the Premises in an amount equal to 100% of the full replacement value. Landlord shall be named as an insured in such policies. Tenant shall deliver appropriate evidence to the Landlord as proof that adequate insurance is in force. Landlord shall have the right to require that the Landlord receive notice of any termination of such insurance policies. Tenant shall also maintain any other insurance which Landlord may reasonably require for the protection of Landlord's interest in the Premises.

11. **LIABILITY INSURANCE**

Tenant shall maintain liability insurance in total aggregate sum of at least One Million Dollars (\$1,000,000.00). Tenant shall deliver appropriate evidence to the Landlord as proof that adequate insurance is in force. Landlord shall have the right to require that the Landlord receive notice of any termination of such insurance policies.

12. **DANGEROUS MATERIALS**

Tenant shall not keep or have on the Premises any article or thing of a dangerous, inflammable, or explosive character that might substantially increase the danger of fire on the Premises, or that might be considered hazardous by a reasonable insurance company, unless the prior written consent of Landlord is obtained and proof of adequate storage containment is provided by Tenant to Landlord.

13. **TAXES**

Taxes attribute to the Premises or the use of the Premises shall be allocated as follows:

Real Estate Taxes – Landlord shall pay all real estate taxes and assessments for the Premises.

Personal Taxes – Landlord shall pay all personal taxes and any other charges which may be levied against the Premises and which are attributable to Tenant's use of the Premises.

**14. DEFAULTS**

Tenant shall be in default of this Lease, if Tenant fails to fulfill any lease obligation or term by which Tenant is bound. Subject to any governing provisions of law to the contrary, if Tenant fails to cure any financial obligation within 30 day(s) or any other obligation within 60 day(s) after written notice of such default is provided by Landlord to Tenant, Landlord may take possession of the Premises without further notice, and without prejudicing Landlord's rights to damages. In the alternative, Landlord may elect to cure any default and the cost of such action shall be added to Tenant's financial obligations under this Lease. Tenant shall pay all costs, damages, and expenses suffered by Landlord by reason of Tenant's defaults.

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 the 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 and not for its convenience or to circumvent the requirements of this contract, but only as an emergency fiscal measure.

**15. NOTICES**

Notices under this Lease shall not be deemed valid unless given or served in writing and forwarded by mail, postage paid, to the following addresses:

**Empowerment Systems, Inc.**

**2066 W. Apache Trail**

**Suite 116**

**Apache Junction, AZ 85120**

**Gila County**

**Attn: Malissa Buzan**

**5515 S. Apache Avenue, Suite 200**

**Globe, Arizona 85501**

Addresses may be changed from time-to-time by either party by providing notice as set forth above.

**16. ENTIRE AGREEMENT/AMENDMENT**

This Lease Agreement contains the entire agreement of the parties and there are no other promises or conditions in any other agreement whether oral or written. This Lease may be modified or amended in writing, if the writing is signed by the party obligated under the amendment.

**17. SEVERABILITY**

If any portion of this Lease shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Lease is invalid or unenforceable, but that by limiting such provision, it would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

**18. WAIVER**

The failure of either party to enforce any provisions of this Lease shall not be construed as a waiver or limitation of that party's right to subsequently enforce and compile strict compliance with every provision of the Lease.

**19. CUMULATIVE RIGHTS**

The rights of the parties under the Lease are cumulative, and shall not be construed as exclusive unless otherwise required by law.

**20. GOVERNING LAW**

This Lease shall be construed in accordance with the laws of the state of Arizona.

**21. ADDITIONAL PROVISIONS**

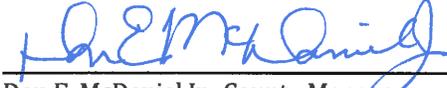
This Lease may be terminated by either party. Termination shall be completed by either party by giving the other party at least ninety (90) days notice prior to its intention to terminate the Lease.

**22. CANCELLATION**

This lease agreement is subject to the cancellation provisions of A.R.S. § 38-511, the provisions of which are hereby incorporated herein.

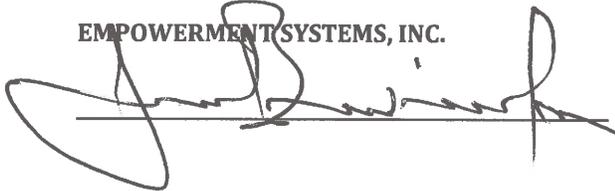
**IN WITNESS WHEREOF**, the parties hereto have caused this Lease Agreement to be executed by their respective duly authorized officers as of the date of first set forth above.

**GILA COUNTY**

  
\_\_\_\_\_  
Don E. McDaniel Jr., County Manager

Date: 3/27/13

**EMPOWERMENT SYSTEMS, INC.**

  
\_\_\_\_\_

**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
Bryan B. Chambers/Deputy Attorney Principal  
for Bradley D. Beauchamp, County Attorney