

# COMMERCIAL LEASE NO. 03-098157

## ARIZONA STATE LAND DEPARTMENT

THIS COMMERCIAL LEASE is entered into by and between the State of Arizona as "Lessor" by and through the Arizona State Land Department and \_\_\_\_\_  
ARIZONA STATE PARKS & TRAILS

as "Lessee". In consideration of the payment of rent and the performance by the parties of each of the provisions set forth herein, and intending to be legally bound, the parties agree as follows:

### ARTICLE 1 PARCEL

1.1 Agreement. Lessor hereby leases to Lessee for the term, at the rent, and in accordance with the provisions set forth herein, the Parcel described in Appendix "A" attached hereto (the "Parcel") for the uses and purposes specified below, subject to the provisions of Article 4 (Use of Premises).

1.2 Use. The Parcel shall be used solely and exclusively for  
A state park (Lake Patagonia)

1.3 Parcel leased "as is". Lessee makes use of the Parcel "as is" and Lessor makes no express or implied warranties as to the physical condition of the Parcel.

1.4 Definition. "Premises" means the Parcel together with all rights appurtenant thereto expressly granted by this Lease, including Improvements, Removable Improvements, and personal property located on, below or above the Parcel.

1.5 Definition. "Rent" means Annual Rent, base rent, percentage rent or any combination thereof, including any and all payments required of Lessee to Lessor.

## ARTICLE 2

### TERM

2.1 Commencement; Expiration. The term of this Lease commences on August 1, 2021, and ends on July 31, 2031, unless terminated earlier as provided in this Lease.

## ARTICLE 3

### RENT

3.1 Annual Rent. Lessee shall pay rent to Lessor, without notice or demand, on or before the commencement date of this Lease, and each year thereafter, annually in advance, on or before the anniversary of the commencement date, for the use and occupancy of the Parcel during the term of this Lease, without offset or deduction except as provided hereafter. In the event that Lessee appeals the initial rental value set by the Land Commissioner for this Lease, and the Board of Appeals determines a rental value different from the initial rental value set by the Land Commissioner, either party may terminate this Lease within thirty days after the decision of the Board of Appeals is final. Lessee agrees to pay rent for this Lease due and payable as follows:

\$75,000.00 annually

3.2 Penalty; Interest; Lien. There shall be added to the delinquent rental or other monies due, a penalty and delinquent interest. The delinquent interest rate shall be set by the State Treasurer according to law. The penalty shall be the greater of a minimum processing cost as determined by the Commissioner or five (5%) percent. The delinquent rent, penalty and interest shall be a lien on the improvements and property on the land. The provisions of this paragraph shall apply to the extent allowed by law.

3.3 Trust Beneficiaries. Notwithstanding the provisions of this Article, if Lessee is the sole beneficiary of all or a portion of the Parcel, then as long as Lessee remains a beneficiary of the Premises, it may receive a rent credit on the acreage of which it is the beneficiary.

## ARTICLE 4

### USE OF PREMISES

4.1 Use. The Premises shall be used solely and exclusively for the purpose described in Article 1.2 (Use). All others are prohibited.

4.2 Waste. Lessee shall not conduct or permit to be conducted any public or private nuisance on the Premises, nor commit or permit to be committed any waste thereon. Lessee shall report to Lessor and appropriate law enforcement authorities any known or suspected trespass or waste committed on the Premises.

4.3 Conformity to Law. Lessee shall not use or permit the Premises to be used in any manner that is not in conformity with all applicable Federal, State, County and



municipal laws, rules and regulations, unless Lessor determines and advises Lessee in writing otherwise.

4.4 Governmental Approval. Except as provided in Article 4.3 (Conformity to Law), failure to obtain, or loss of any governmental approval that is prerequisite to the use for which this lease is issued or that is necessary to construct, maintain or operate any facilities on the site in connection with that use, shall constitute a breach of this lease, subject to the provisions of Article 15 (Lessee Defaults and Lessor's Remedies).

4.5 Reservations. Lessor excepts and reserves from the Parcel all oil, gases, geothermal resources, coal, ores, limestone, minerals, fossils, and fertilizers of every name and description that may be found in or upon the Parcel, and Lessor reserves the right to enter upon the Parcel for the purpose of prospecting therefor, or extracting any or all of the commodities therefrom. Lessor reserves the right to issue to other persons, rights to use the Parcel in a manner not inconsistent with the purposes for which this Lease was issued. Lessor further excepts and reserves the right to relinquish to the United States lands needed for irrigation works in connection with a government reclamation project, and to grant or dispose of rights-of-way and sites for canals, reservoirs, dams, power or irrigation plants or works, railroads, tramways, transmission lines or any other purpose or use on or over the Parcel.

4.6 No Water Rights Conferred. This Lease does not confer upon Lessee, its assignees or sublessees, any express or implied rights to the use or removal of surface or ground water from the Parcel. Any use or removal of water from the Parcel shall be pursuant to an independent written agreement with Lessor and no claim thereto shall be made by Lessee. Any water right established shall attach and be appurtenant to the Parcel.

4.7 Quiet Enjoyment. Lessee shall peaceably and quietly enjoy the Parcel during the term of this Lease so long as Lessee is in compliance with all the provisions of this Lease.

4.8 Inspection. Lessor, its duly authorized agents, employees and representatives shall have the right to enter upon and inspect the Parcel and all Improvements thereon at reasonable time, and in a reasonable manner.

4.9 Surrender. In the event this Lease is not renewed, Lessee shall surrender peaceably the possession of the Parcel upon expiration of the term of this Lease.

## ARTICLE 5 RECORDS

5.1 Record Keeping; Inspection. Lessee shall make and keep for the term of the Lease and either (i) five (5) years thereafter; or (ii) until the conclusion of any dispute concerning this Lease, whichever is later, appropriate books and records concerning the operation of this Lease, including but not limited to Federal and State tax statements, receipts and other records. Lessor, its duly authorized agents, employees and

representatives shall have the right at all times during the term of this Lease and for either (i) five (5) years thereafter; or (ii) until the conclusion of any dispute, whichever is later, to make reasonable examination of those books, records or other material in order to obtain information which Lessor deems necessary to administer this Lease. Further, Lessor, its duly authorized agents, employees and representatives shall have the right at all times during the term of any sublease or any extension thereof, and for either (i) five (5) years thereafter, or (ii) until the conclusion of any dispute, whichever is later, to make reasonable examination of any sublessee's books, records or other material which Lessor deems necessary in order to obtain information to administer Article 3 (Rent) of this Lease.

## ARTICLE 6 CONSTRUCTION AND IMPROVEMENTS

6.1 Definitions. "Improvements" means anything permanent in character which is the result of labor or capital expended by Lessee or his predecessors in interest on State land in its reclamation or development, and which has enhanced the value of the Parcel. "Removable Improvements" means anything not permanent in character which is the result of labor or capital expended by Lessee or his predecessors in interest on State land.

6.2 Prior Approval Required. Lessee shall not place or construct or permit to be placed or constructed any Improvement or Removable Improvement on or to the Parcel. All other improvements are prohibited. Prior to applying for a building permit from the local government authority or prior to beginning of the construction if no permit is required, Lessee shall submit a current *Application To Place Improvement* ("Application"). No construction shall begin until Lessor approves in writing the *Application*. The *Application* shall include plans and specification (including but not limited to grading, construction and landscape plans) showing the nature, location, approximate cost, and quality of the proposed Improvements. Drainage, waste water, and sewage plans must be submitted with the *Application*. Plans submitted must be stamped by an Arizona registered engineer or architect. The work shall be completed by an Arizona registered contractor. The location of completed Improvements, as-built construction plans stamped by an Arizona registered engineer or architect, and any other information required by Lessor, shall be submitted to Lessor within thirty (30) days following the completion of construction on Lessor's form known as a *Report of Improvement Placed With Prior Approval*. Any Improvements placed on the Parcel shall conform to existing laws and ordinances applicable to the proposed construction in the jurisdiction where the Premises are located, unless Lessor determines and advises Lessee in writing that such conformity is not in the best interest of the Trust.

6.3 Utilities; New Construction. Gas, electric, power, telephone, water, sewer, cable television and other utility or service lines of every nature shall be placed and kept underground unless Lessor grants prior written approval otherwise. All buildings and structures shall be of new construction and no buildings or structures shall be moved from any other location onto the Parcel without Lessor's prior written approval.

6.4 Annual Statement. Upon request, but not more frequently than once a year,  
10 year Commercial Lease (State Agency) Rev. 5/2013



Lessee shall file with Lessor a sworn statement setting forth the description of any Improvement(s) placed on the Parcel during the prior lease year and the actual cash value of such Improvement(s).

6.5 Ownership: Removal. All Improvements placed upon the Parcel by Lessee shall be the property of the Lessee subject to the terms of this Lease, and shall, unless they become the property of the Lessor, be subject to assessment for taxes in the name of the Lessee, the same as other property of the Lessee. Not later than ninety (90) days following the expiration of this lease, or, subject to A.R.S. § 37-289(B), sixty (60) days following the cancellation of this lease, Lessee may remove those Improvements which belong to it, are free of any liens and can be removed without causing injury to the Parcel. At its option, Lessor may waive any of the above listed prerequisites to Lessee's removal of Improvements. Lessee may, with Lessor's prior written approval and within the time allowed for removal, sell its Improvements to the succeeding Lessee.

6.6 Improvements Dedicated to Public Use. Lessee shall have no right to reimbursement for Improvements that are (or required to be) dedicated or otherwise committed or transferred to public use, regardless of acceptance by the public jurisdiction.

## ARTICLE 7 REPAIRS AND MAINTENANCE

7.1 Lessee's Obligations. Lessor shall be under no obligation to maintain, repair, rebuild or replace any Improvement on the Parcel. Lessee shall, subject to the provisions of Article 11 (Damage) and Article 14 (Eminent Domain) and at its own expense, keep and maintain the Premises in good order, condition and repair in conformity with all governmental requirements and if applicable, those of the insurance underwriting board or insurance inspection bureau having jurisdiction over the Premises, unless Lessor determines and advises Lessee in writing that such conformity is not in the best interest of the Trust.

## ARTICLE 8 MECHANICS' LIENS

8.1 Payment. Lessee shall be responsible for payment of all costs and charges for any work done by or for it on the Premises or in connection with Lessee's occupancy thereof, and Lessee shall keep the Premises free and clear of all mechanics' liens and other liens and encumbrances resulting from work done for Lessee or persons claiming under it; provided, however, that Lessee may in good faith, and with reasonable diligence, contest or dispute any such lien claims in any appropriate forum so long as this Lease or the Leased Parcel are not actually in danger of levy or sale.

8.2 Notice. Should any such claims of lien or other encumbrances be filed against the Parcel or any action affecting the title to the Parcel be commenced, the party receiving notice of such lien or action shall immediately give the other party written notice thereof.

## ARTICLE 9 UTILITIES

9.1 Lessee's Obligations. Lessee shall be responsible for all charges for water, gas, sewage, electricity, telephone and any other utility service.

## ARTICLE 10 TAXES AND ASSESSMENTS

10.1 Lessee's Obligations. In addition to the rent set herein, Lessee shall timely pay and discharge, without deduction or abatement for any cause, all duties, taxes, charges, assessments, impositions and payments, extraordinary as well as ordinary, unforeseen as well as foreseen, of every kind and nature (under or by virtue of any current or subsequently enacted law, ordinance, regulation or order of any public or governmental authority), which during the term are due, imposed upon, charged against, measured by or become a lien on (i) the Premises; (ii) any Leasehold interest; (iii) the interest of any of the parties to this Lease or in proceeds received pursuant to this Lease; and (iv) the rent paid pursuant to this Lease.

## ARTICLE 11 DAMAGE

11.1 Lessee's Obligations. If the Parcel or any building or other Improvement located thereon are damaged or destroyed during the term of this Lease, Lessee may arrange at its expense for the repair, restoration and reconstruction of the same substantially to its former condition, but such damage or destruction shall not terminate this Lease or relieve Lessee from its duties and liabilities hereunder.

## ARTICLE 12 TRADE FIXTURES AND PERSONAL PROPERTY

12.1 Lessee's Property. Any trade fixtures, signs, store equipment, and other personal property installed in or on the Parcel by Lessee or any sublessee shall remain their property subject to the provisions of this Lease. Lessee shall have the right, provided it is not then in breach hereunder, at any time to remove any and all of the same, subject to the restrictions of Article 6.5 (Ownership; Removal).

## ARTICLE 13 ASSIGNMENT, SUBLETTING AND ENCUMBRANCE

13.1 Prior Approval Required. Lessee shall not assign this Lease or any interest therein, nor shall Lessee sublease any portion or all of the Premises without obtaining Lessor's prior written approval. In no event may this Lease or any interest therein be assigned or sublet unless Lessee is in full compliance with this Lease. In addition, the approval of any assignment or sublease to a party other than a State agency may be



conditioned on the amendment of this Lease to include terms designed for the protection of Lessor, including but not limited to indemnifications in favor of Lessor.

13.2 Consent Required. An assignment of this Lease shall not be made without the consent of all lienholders of record. Lessee may assign all or a portion of the Premises as allowed by the terms of this Article provided Lessee shall assign Lessee's entire interest in that portion of the Premises.

13.3 Purpose. There shall be no assignment or sublease made except to an assignee or sublessee that will use the Premises for the purpose(s) described herein.

13.4 Lessee Primarily Responsible. Notwithstanding any sublease, Lessee shall remain responsible to Lessor for the performance of the provisions of this Lease.

13.5 Entire Interest. The assignment of Lessee's entire interest in a portion of the Premises shall not relieve Lessee of its responsibility to Lessor for the performance of the provisions of this Lease as it relates to that portion of the Premises not transferred by the assignment.

## ARTICLE 14 EMINENT DOMAIN

14.1 Expiration. If at any time during the duration of this Lease the whole or any part of the Parcel is taken by direct sale, lease, institutional taking under A.R.S. § 37-441 or acquisition in any manner through condemnation proceedings or otherwise, for any quasi-public or public purpose by any person, private or public corporation, or any governmental agency having authority to exercise the power of eminent domain or condemnation pursuant to any law, general, special or otherwise, this Lease shall expire on the date when the Parcel is taken or acquired except as otherwise provided.

14.2 Partial Taking; Damages; Rent. In the event of a partial taking and if Lessor determines that it is in the best interest of the Trust, the Lease may continue in full force and effect for that portion of the Parcel not taken. As against Lessor, Lessee and any sublessee shall not have a compensable right or interest in the real property being taken and shall have no compensable right or interest in severance damages which may accrue to the remainder of the Parcel not taken, nor shall Lessee or any sublessee have any compensable right or interest in the remaining term of this Leasehold or any renewal. Rent shall be apportioned as of the day of such taking. Lessor shall be entitled to and shall receive any awards, including severance damage to remaining state lands, that may be made for any taking concerning the Parcel.

14.3 Lessee's Rights to Award. In the event of any taking, Lessee shall have the right to receive any and all awards or payments made for any building or other Improvements on the lands fully placed on the Parcel by Lessee with Lessor's prior written approval.

**ARTICLE 15**  
**LESSEE DEFAULTS AND LESSOR'S REMEDIES**

15.1 **Conditions.** All of the provisions of this Lease are conditions. Breach of any one of these conditions by Lessee or any sublessee shall be sufficient grounds for cancellation of this Lease by Lessor, subject to the other provisions of this Article.

15.2 **Cancellation.** If Lessee fails to keep any provision of this Lease, Lessor may cancel this Lease and declare Lessee's interest forfeited, and if it appears that this Lease was procured through fraud, deceit or wilful misrepresentation, the Improvements shall be forfeited to the State. Lessor shall be forever wholly absolved from liability for damages which might result to Lessee or any sublessee on account of this Lease having been canceled or forfeited prior to the expiration of the full term, subject to the other provisions of this Article.

15.3 **Breach.** In the event of a breach of this Lease which is not curable or remains uncured after thirty (30) days notice by Lessor of failure to pay rent, taxes or other assessments, and forty-five (45) days from the receipt of the notice to cure any other curable default, to Lessee of the breach, Lessor may, in addition to all other remedies which may be available to Lessor in law or in equity, (i) enter and repossess the Premises or any part thereof, expelling and removing therefrom all persons and property (either holding such property pursuant to Lessor's landlord's lien, or storing it at Lessee's risk and expense, or otherwise disposing thereof), as to which Lessor shall not be liable to Lessee or any sublessee for any claim for damage or loss which may thereby occur, and (ii) either (a) terminate this Lease, holding Lessee liable for damages for its breach or (b) treat the Lease as having been breached anticipatorily and the Premises abandoned by Lessee without thereby altering Lessee's continuing obligations for the payment of rent and the performance of those Lease provisions to be performed by Lessee during the Lease term.

15.4 **Remedies not Exclusive.** The remedies herein granted to Lessor shall not be exclusive or mutually exclusive and Lessor shall have such other additional remedies against Lessee as may be permitted in law or in equity at any time; provided, however, Lessor shall not be relieved of any obligation imposed by law for mitigation of damages, nor shall Lessor recover any duplicative damages, and Lessee shall be reimbursed by any subsequent Lessee or purchaser of the Premises for any amount by which the value of Lessee's Improvements exceed Lessor's damages, notwithstanding any other provision in this Lease to the contrary. In particular, any exercise of a right of termination by Lessor shall not be construed to end or discharge any right of Lessor to damages on account of Lessee's breach.

15.5 **No Waiver.** No waiver of breach of any provision of this Lease shall be construed as a waiver of succeeding breach of the same or other provisions.



## ARTICLE 16 HOLDING OVER

16.1 Prohibition. There shall not be any holding over by Lessee or any assignee or sublessee, upon the expiration or cancellation of this Lease without Lessor's prior written consent. If there be any holding over by Lessee or any assignee or sublessee, the holding over shall give rise to a tenancy at the sufferance of Lessor upon the same terms and conditions as are provided for herein with a rent for the holdover period commensurate with, but in no event less than, the previous year's rent.

16.2 Renewal Application. An application to renew this Lease, properly and timely filed, may give rise to a period of interim occupancy if the term of this Lease expires prior to execution of a new lease or the denial of the application to renew.

16.3 Interim Occupancy Conditions. Should interim occupancy occur, on or before the expiration of this Lease, and annually thereafter, Lessee shall pay rent established by Lessor (subject to ARS § 37-215(B)). Unless advised in writing by Lessor to the contrary, all other terms and conditions of this Lease shall remain in full force and effect.

## ARTICLE 17 ENVIRONMENTAL MATTERS

17.1 Definition of Regulated Substances and Environmental Laws. For purposes of this Lease, the term "Environmental Laws" shall include but not be limited to any relevant federal, state or local environmental laws, and the regulations, rules and ordinances, relating to environmental matters, and publications promulgated pursuant to the local, state, and federal laws and any rules or regulations relating to environmental matters. For the purpose of this Lease, the term "Regulated Substances" shall include but not be limited to substances defined as "regulated substance," "solid waste," "hazardous waste," "hazardous materials," "hazardous substances," "toxic materials," "toxic substances," "inert materials," "pollutants," "toxic pollutants," "herbicides," "fungicides," "rodenticides," "insecticides," "contaminants," "pesticides," "asbestos," "environmental nuisance," "criminal littering," or "petroleum products" as defined in Environmental Laws.

17.2 Compliance with Environmental Laws. Lessee shall strictly comply with all Environmental Laws, including, without limitation, water quality, air quality; and handling, transportation, storage, treatment, or disposal of any Regulated Substance on, under, or from the Premises. Without limiting the foregoing, compliance includes that Lessee shall: (1) comply with all reporting obligations imposed under Environmental Laws; (2) obtain and maintain all permits required by Environmental Laws, and provide a copy to Lessor within ten (10) business days of receipt of the lease; (3) provide copies of all documentation required by Environmental Laws to Lessor within ten (10) business days of Lessee's submittal and/or receipt of the documentation; (4) during the term of Lease, provide copies of all information it receives or obtains regarding any and all environmental

matters relating to the Premises, including but not limited to environmental audits relating to the Premises regardless of the reason for which the information was obtained or whether or not the information was required by Environmental Laws; (5) prevent treatment, storage, disposal, handling or use of any Regulated Substances within the Premises without prior written authorization from Lessor.

17.3 Designated Compliance Officer. Lessee at all times shall employ or designate an existing employee (the "Designated Compliance Officer") who is responsible for knowing all Environmental Laws affecting Lessee and Lessee's business and monitoring Lessee's continued compliance with applicable Environmental Laws. Upon request by Lessor, Lessee shall make the Designated Compliance Officer available to discuss Lessee's compliance, answer any questions, and provide such reports and confirming information as Lessor may reasonably request.

17.4 Audit. At any time, Lessor may request Lessee to provide an environmental audit of the Premises performed by an Arizona registered professional engineer or an Arizona registered geologist. Lessee shall pay the entire cost of the audit.

17.5 Environmental Assessment. At any time, during the term of the Lease, Lessor may require Lessee to obtain one Phase I environmental assessment of the Premises performed by an Arizona registered professional engineer or an Arizona registered geologist. If based upon the Phase I environmental assessment or its own independent investigation, Lessor identifies any possible violation of Environmental Laws or the terms of this Lease, Lessor may require Lessee to conduct additional environmental assessments as Lessor deems appropriate for the purpose of ensuring that the Premises are in compliance with Environmental Laws. The Phase I assessment, or any other assessment required by Lessor, shall be obtained for the benefit of both Lessee and Lessor. A copy of the Phase I report shall be provided both to Lessee and Lessor. Lessor, in its sole discretion, shall have the right to require Lessee to perform additional assessments of any damage to the Premises arising out of any violations of Environmental Laws. If Lessee fails to obtain any assessments required by Lessor, Lessee shall pay the entire costs of any and all assessments required by Lessor, notwithstanding the expiration or termination of the Lease.

17.6 Restoration. Prior to the termination of the Lease, Lessee shall restore the Premises by removing any and all Regulated Substances. In addition, the restoration shall include, but not be limited to, removal of all waste and debris deposited by Lessee. If the Premises or any portions thereof are damaged or destroyed from the existence or presence of any Regulated Substance or if the Premises or any portions thereof are damaged or destroyed in any way relating to or arising out of the removal, treatment, storage, disposition, mitigation, cleanup or remedying of any Regulated Substance, Lessee shall arrange, at its expense, for the repair, removal, remediation, restoration, and reconstruction to the Premises to the original condition existing on the date that Lessee first occupied the Parcel, to the satisfaction of Lessor. In any event, any damage, destruction, or restoration by Lessee shall not relieve Lessee from its obligations and liabilities under this Lease. Lessee's restoration obligations under this Section shall



survive the expiration or the termination of the Lease.

## ARTICLE 18 NATIVE PLANTS AND CULTURAL RESOURCES

### 18.1 Cultural Resources.

(a) Pursuant to A.R.S. §§ 41-841 and 41-842, Lessee, Lessee's employees, and Lessee's guests shall not excavate or collect any prehistoric or historic archaeological specimens on the Parcel without a permit from the Director of the Arizona State Museum and written approval of Lessor pursuant to the terms of this Lease. Lessee shall immediately report any unpermitted excavation or collection of archaeological specimens on the Parcel to the Arizona State Museum and Lessor.

(b) Pursuant to A.R.S. § 41-844, Lessee shall report to the Director of the Arizona State Museum and Lessor any prehistoric or historic archaeological site, or paleontological site, that is discovered on the Parcel by Lessee, Lessee's employees, or Lessee's guests, and shall, in consultation with the Director of the Arizona State Museum and Lessor, immediately take all reasonable steps to secure the preservation of the discovery.

### 18.2 Native Plants/Noxious Weeds.

(a) Lessee shall not move, use, destroy, cut or remove or permit to be moved, used, destroyed, cut or removed any timber, cactus, native plants, standing trees or products of the land except that which is necessary for the use of the Parcel, and then only with the prior written approval of Lessor. For undeveloped land, the Lessee must submit a plant survey prior to the removal of any native plant. If the removal or destruction of plants protected under the Arizona Native Plant Law (A.R.S. § 3-901 et seq., or any successor statutes) is necessary to the use of the Parcel, Lessee shall also obtain the prior written approval of the Arizona Department of Agriculture. In the event the Lessee removes the native plants, the Lessee must pay a vegetation fee to the Lessor and this fee is not a reimbursable improvement.

(b) Lessee is responsible for treatment of all regulated and restricted noxious weeds listed by the Arizona Department of Agriculture.

## ARTICLE 19 MISCELLANEOUS

19.1 Reservation. This Lease grants Lessee only those rights expressly granted herein and Lessor retains and reserves all other rights in the Premises.

19.2 Binding Effect. Each provision of this Lease shall extend to, be binding on and inure to the benefit of not only Lessee but each of its respective heirs, administrators,

executors, successors and assigns. When reference is made in this Lease to either "Lessor" or "Lessee", the reference shall be deemed to include, wherever applicable, the heirs, administrators, executors, successors and assigns of the parties. This Lease shall be binding upon all subsequent owners of the Premises, and of any interest or estate therein or lien or encumbrance thereon.

19.3 Quitclaim upon Termination. After the expiration or termination of this Lease, Lessee shall execute, acknowledge and deliver to Lessor within thirty (30) days after written demand from Lessor to Lessee, any document requested by Lessor quitclaiming any right, title or interest in the Leasehold to Lessor or other document required by any reputable title company to remove the cloud of this Lease from the Premises.

19.4 Title. The titles to the Articles of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part of the Lease.

19.5 Notices. Any notice to be given or other document to be delivered to Lessee or Lessor hereunder shall be in writing and delivered to Lessee or Lessor by depositing same in the United States Mail, with prepaid postage thereon fully prepaid and addressed as follows:

TO Lessor: Arizona State Land Department  
1616 West Adams Street - First Floor  
Phoenix, Arizona 85007

TO Lessee: Address of Record

Lessee must notify Lessor by written notice of any change in address within thirty (30) days. Lessor may, by written notice to Lessee, designate a different address.

19.6 Lessor's Title. If it is determined that Lessor has failed to receive title to any of the Parcel, the Lease is null and void insofar as it relates to that portion of the Parcel to which Lessor has failed to receive title. Lessor shall not be liable to Lessee or any assignee or sublessee for any damages that result from Lessor's failure to receive title.

19.7 No Promise to Sell. Lessee acknowledges that it has not been induced to enter into this Lease by any promise from Lessor or any of its agents, servants or employees that the Parcel will be offered for sale at any time.

19.8 Cancellation. This Lease is subject to cancellation pursuant to A.R.S. § 38-511.

19.9 Applicable Law. This Lease is subject to all current and subsequently enacted rules, regulations and laws applicable to State lands and to the rights and obligations of Lessors and Lessees. No provision of this Lease shall create any vested right in Lessee except as otherwise specifically provided in this Lease.



19.10 Amendment. This Lease may be amended only in writing and upon agreement by all parties.

19.11 Execution. This document is submitted for examination and shall have no binding effect on the parties unless and until executed by Lessor (after execution by Lessee), and a fully executed copy is delivered to Lessee. Upon the execution hereof, at the request of Lessee, the parties also shall execute, so that Lessee may cause it to be recorded, a short form of this Lease.

19.12 Arbitration. In the event of a dispute between the parties to this Lease, it is agreed to use arbitration to resolve the dispute but only to the extent required by A.R.S. § 12-1518; and in no event shall arbitration be employed to resolve a dispute which is otherwise subject to administrative review by the Department.

19.13 Non-discrimination. The parties agree to be bound by applicable State and Federal rules governing Equal Employment Opportunity, Non-discrimination and Disabilities, including Executive Order No. 2009-09.

19.14 Non-Availability of Funds. Every obligation of the State under this Lease is conditioned upon the availability of funds appropriated or allocated for the payment of such obligation. If funds are not allocated and available for the continuance of this Lease, this Lease may be terminated by the State at the end of the period for which funds are available. No liability shall accrue to the State in the event this provision is exercised, and the State shall not be obligated or liable for any future payments or any damages as a result of termination under this paragraph.

19.15 Survey. At the request of Lessor, Lessee shall submit a current survey prepared by an Arizona registered land surveyor of the Parcel. The survey shall be prepared to Lessor's satisfaction and the cost of the survey shall be borne by Lessee.

19.16 Mutual Cancellation. This Lease may be terminated as to all or part of the parcel prior to the expiration date upon written agreement signed by both Lessor and Lessee. The agreement shall specify the terms and conditions of such a cancellation.

# APPENDIX A

STATE OF ARIZONA LAND DEPARTMENT  
1616 W. ADAMS  
PHOENIX, AZ 85007

RUN DATE: 1 July 2021  
RUN TIME: 11:31 AM  
PAGE: 1

KE-LEASE# 003-098157-00-100 APPTYPE: RENEWAL  
AMENDMENT#: 0

```
=====
```

LAND#	LEGAL DESCRIPTION	AUS	ACREAGE
22.0-S-14.0-E-24-12-508-1004	PT OF SONOITA LAND GRANT IN S2S2SE	0.00	8.890
22.0-S-14.0-E-24-12-508-1005	PART OF SONOITA LAND GRANT IN E2SESESE	0.00	2.480
22.0-S-14.0-E-25-12-508-1007	PT OF SONOITA LAND GRANT (362.39 AC) AND PT OF BACA FLOAT #3 (31.17 AC)	0.00	393.560
22.0-S-14.0-E-25-12-508-1008	PART OF SONOITA LAND GRANT IN E2E2NE	0.00	8.670
22.0-S-14.0-E-26-12-508-1004	PT OF SONOITA LAND GRANT	0.00	205.930
22.0-S-14.0-E-35-12-508-1008	PT OF SONOITA LAND GRANT	0.00	73.970
22.0-S-14.0-E-36-12-508-1008	PT OF SONOITA LAND GRANT 28.13AC PT OF BACA FLOAT #3 197.95AC	0.00	226.080
22.0-S-15.0-E-19-12-508-1000	PT OF SONOITA LAND GRANT	0.00	155.830
22.0-S-15.0-E-20-12-508-1004	PT OF SONOITA LAND GRANT IN S2N2 S2 LY N E S OF LAKE PATAGONIA STATE PARK	0.00	272.040
22.0-S-15.0-E-20-12-508-1005	PT OF SONOITA LAND GRANT IN S2S2S2SWSW LY S OF LAKE PATAGONIA STATE PARK	0.00	0.300
22.0-S-15.0-E-29-12-508-1000	PT OF SONOITA LAND GRANT 163.08AC PT OF BACA FLOAT #3 34.19AC	0.00	197.270
22.0-S-15.0-E-30-12-508-1008	PT OF SONOITA LAND GRANT IN NENENW	0.00	1.380
22.0-S-15.0-E-30-12-508-1009	PART OF SONOITA LAND GRANT IN N2NW	0.00	27.510
22.0-S-15.0-E-30-12-508-1010	PART OF SONOITA LAND GRANT (59.33 AC) AND PART OF BACA FLOAT #3 (197.25 AC)	0.00	256.580
22.0-S-15.0-E-31-12-508-1000	PT OF BACA FLOAT NO 3 LAND GRANT	0.00	212.130
	TOTALS	0.00	2,042.620



PROSJEK  
STAGELAND  
DEPARTMENT

2001 JUL 23 AM 10:55

IN WITNESS WHEREOF, the parties hereto have signed this Lease Agreement effective the day and year set forth previously herein.

STATE OF ARIZONA, LESSOR  
Arizona State Land Commissioner

By: Debra May 7/23/21  
Date



ARIZONA STATE PARKS & TRAILS  
Lessee

[Signature] 7/20/21  
Authorized Signature Date  
DEPUTY DIRECTOR  
Title

1110 W. Washington St. #100  
Address

Phoenix, AZ 85007  
City State Zip



RECEIVED  
STATE LAID  
DEPARTMENT

2021 JUL 23 AM 10:55

