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RESOLUTION 2024-16

**A RESOLUTION OF THE COCONINO COUNTY BOARD OF SUPERVISORS
APPROVING A 10-YEAR LEASE AGREEMENT WITH MANTEROLA SHEEP
COMPANY, INC. FOR GRAZING SHEEP ON APPROXIMATELY 600 ACRES OF
THE ROGERS LAKE COUNTY NATURAL AREA FROM APRIL 2, 2024 THROUGH
APRIL 1, 2034**

WHEREAS, in 2010 Coconino County purchased 2,249 acres at Rogers Lake from the Arizona State Land Trust and at which time the Manterola Sheep Company held a grazing lease with the Trust; and,

WHEREAS, the grazing lease was conveyed with the acquisition of property through 2012 and a subsequent 10-year lease was granted to the Manterola Sheep Company, which expired in May 2022; and

WHEREAS, the Manterola Sheep Company wishes to engage in a new 10-year lease agreement with Coconino County (attached) on allotted acres as in the agreement; and

WHEREAS, the County, through the Parks and Recreation Department, will collect rent consistent with the provisions of A.R.S. § 37-285 on the years the company grazes on Rogers Lake County Natural Area, which is based on the number and age of the sheep grazing on the permitted acres on a given year.


NOW THEREFORE BE IT RESOLVED that the Coconino County Board of Supervisors does hereby approve the Lease Agreement with Manterola Sheep Company, Inc.

PASSED AND ADOPTED this 2nd day of April, 2024.

AYES: 5
NOS: 0
ABSENT: 0

(SEAL)

COCONINO COUNTY BOARD OF SUPERVISORS



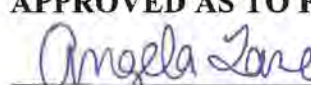
Jeronimo Vasquez, Chair

ATTEST:



Lindsay Daley, Clerk of the Board

APPROVED AS TO FORM:



Deputy County Attorney

GRAZING LEASE

This Grazing Lease is entered into by and between **COCONINO COUNTY** as "Lessor" and **MANTEROLA SHEEP COMPANY, INC.** as "Lessee" effective this day 23rd of April, 2024.

WHEREAS, Coconino County purchased approximately 2,249 acres in 2010 from the Arizona State Land Trust at which time Manterola Sheep Company, Inc. held a grazing lease with Arizona State Land Trust and said lease conveyed with the acquisition of the land;

WHEREAS, Manterola Sheep Company, Inc. as Lessee, held a grazing lease with Coconino County consisting of approximately 807.88 acres on APN 11605027 as shown on Appendix A through May 17, 2022;

WHEREAS, Coconino County owns and manages the 2,329 acres as the Rogers Lake County Natural Area as open space, trails, and passive recreation;

WHEREAS, Coconino County and Manterola Sheep Company, Inc. wish to enter into a new grazing lease on the 807.88 acres on APN 11605027 as shown on Appendix A, for a period ten-years;

NOW THEREFORE, in consideration of the payment of rent and of performance by the parties of each of the provisions set forth herein, the parties agree as follows:

ARTICLE 1 **SUBJECT LAND**

- 1.1 Lessor hereby leases to Lessee for the term, at the rent, and in accordance with the provisions set forth herein, the Subject Land as shown on Appendix A attached hereto ("Subject Land") for the uses and purposes specified in Article 4.
- 1.2 Lessee makes use of Subject Land "as is" and Lessor makes no express or implied warranties as to the physical condition of the Subject Land.

ARTICLE 2 **TERM**

- 2.1 The term of this Lease commences on April 23, 2024, and ends on April 22, 2034, unless terminated earlier as provided by this Lease.

ARTICLE 3 **RENT**

- 3.1 Lessee shall pay rent to Lessor for the use and occupancy of the Subject Land during the term of this Lease without offset or deduction and without notice or demand, as established, on an annual basis.

- 3.2 The annual rent base shall be set by Lessor in the manner established by law and paid in advance each year, consistent with the provisions of ARS § 37-285, providing for the computation of annual rental of grazing land.
- 3.3 Each billing year in advance, Lessee shall inform Lessor, on forms to be provided by Lessor, whether Lessee intends to make full use, partial use or total non-use of the maximum allowable animal-unit-months for the Subject Land, so that the correct amount of rent may be billed by the Lessor. Lessee shall inform Lessor in writing of any subsequent change in the number of animal-unit-months which Lessee intends to use. If Lessee fails to provide Lessor with this information within the time stated in the form provided by Lessor, Lessee shall pay full-use rent.
- 3.4 There shall be added to any rent payment, annual or otherwise, which has become due and has not been paid, a penalty in the amount of 5% of the payment due. Interest, at the current rate set by the County Treasurer under applicable law, shall be added to any rent and penalty from and after the date that the rent payment becomes due.
- 3.5 Prior to the time a rent payment, annual or otherwise, is due, upon Lessee's written request, Lessor at its discretion may extend the time for payment for an additional period not to exceed 90 days. There shall be added to the rent a penalty of 5% of the rent payment due and interest on the rent and penalty at the then current rate set by the County Treasurer under applicable law.
- 3.6 If the annual rent is at any time one calendar year in arrears, this Lease shall automatically terminate, without right of appeal by Lessee or any leasehold mortgagee, and Lessor shall proceed to cancel it on the records of Coconino County.
- 3.7 Rent shall be due on the date specified in the Grazing Questionnaire or forms provided by Lessor, which are hereby incorporated herein by reference, but no later than June 30 of the billing year.

ARTICLE 4 **USE OF SUBJECT LAND**

- 4.1 The Subject Land is leased to the Lessee for the purposes of ranging livestock and for uses related thereto and no other use, except as approved in writing by Lessor after written application to the Lessor.
- 4.2 Feedlot operations on the Subject Land are prohibited, but this shall not be construed to prevent the temporary or supplemental feeding of livestock.
- 4.3 All fences, gates, and their maintenance are the sole responsibility of Lessee as needed for the purposes of livestock grazing. Any such work to fences and gates shall comply with Lessor wildlife fencing specifications. County written approval shall be required prior to material selection and commencement of work.

ARTICLE 5
LIVESTOCK CARRYING CAPACITY

- 5.1 The livestock carrying capacity for the Subject Land shall be determined by the Lessor using the methods as described in Appendix B attached hereto and made a part of this lease.
- 5.2 The appraised carrying capacity of the Subject Land shall not be exceeded during any billing year unless Lessee obtains the prior written permission of Lessor and agrees to pay the additional fees determined by Lessor.

ARTICLE 6
DUTY TO INFORM LESSOR OF TOTAL RANCH HOLDINGS

- 6.1 At the time of making application for the Lease, Lessee shall disclose to the Lessor, on a form provided by Lessor, the total acreage used for grazing within the ranch unit or units of which the Subject Land is a part. This shall include, in addition to the Subject Land, any federal land which Lessee grazes pursuant to a written lease or permit on any private land owned by or used by Lessee, with a designation as to which private lands are used pursuant to written agreement. In addition, Lessee shall show, on a map form supplied by or acceptable to Lessor: (1) the approximate location of all fence lines and man-made water sources; and (2) the land ownership status (state, federal, or private) of the ranch unit or units of which the land covered by this Lease is a part.
- 6.2 In any determination as to whether the carrying capacity of the Subject Land has been exceeded, no claimed grazing use of the private or federal lands within the ranch unit or units which have not been disclosed as part of the ranch unit or units shall be considered.
- 6.3 For purposes of determining whether the Lessee has remained within the authorized carrying capacity under this Lease, it shall be presumed that all land within a fenced pasture (whether state, federal or private) has been grazed to the same extent by livestock placed in that pasture unless Lessee or Lessor can, based upon range suitability and management practices, demonstrate to the contrary.

ARTICLE 7
RECORDS

- 7.1 Lessee shall keep records showing the numbers of Lessee's livestock of different classes on the ranch unit or units, the dates put on and removed and estimated death loss.
- 7.2 Such records shall be retained for a minimum period of three years.
- 7.3 The Lessor may, upon reasonable notice to Lessee, require the production of the records described in Paragraph 7.1 above. In the event a dispute arises concerning the number of sheep grazed, the Lessee shall keep all documents and records until the dispute is finally resolved.

- 10.4 Lessee shall have the right to remove all of its personal property which can be removed without damaging the Subject Land within 60 days prior to, or 90 days following the Expiration Date or the earlier termination of the Lease.
- 10.5 Improvements placed on the Subject Land shall conform to all applicable federal, state, county and municipal laws and ordinances.
- 10.6 All improvements placed upon the Subject Land by Lessee in conformance with Paragraph 10.2 subsequent to the date of execution of this agreement shall be the property of Lessee, except those owned by the County as listed in Appendix C or any successor in interest ("Owner") and shall, unless they become the property of Lessor, be subject to assessment for taxes in the name of the Owner, as other property.
- 10.7 The Lessee or Owner shall not be entitled to reimbursement for improvements authorized in accordance with Paragraph 10.2 by any subsequent lessee or purchaser of the Subject Land upon expiration of this Lease, subject to any rights acquired by the Lessor under Paragraph 3.4.

ARTICLE 11

LESSEE'S COOPERATION: INGRESS AND EGRESS

- 11.1 Lessee shall cooperate with Lessor in Lessor's inspection, appraisal and management of the Subject Land and permit reasonable access by Lessor's employees to isolated County land across Lessee's private land during the term of this Lease.
- 11.2 Lessee shall not interfere with the authorized activities of Lessor's employees, agents, licenses or other lessees or permittees on the Subject Land.

ARTICLE 12

LESSEE SHALL NOT PERMIT LOSS OR WASTE

- 12.1 Lessee shall not cause nor grant permission to another to cause any waste or loss in or upon the Subject Land. Lessee, its employees and agents shall not cut, consume, or remove any timber or standing trees that may be upon the Subject Land without the prior written consent of Lessor, except that Lessee may cut wood for fuel for domestic uses and authorized improvements on the Subject Land. Nothing herein shall permit the cutting of saw timber for any purpose.

ARTICLE 13

NATIVE PLANTS AND ARCHAEOLOGICAL RESOURCES

- 13.1 Lessee shall comply with the provisions of the Arizona Native Plant Law (A.R.S. § 3-901 *et seq.*, or any successor statutes) and with Arizona laws relating to archaeological discoveries (A.R.S. § 41-841 *et seq.*, or any successor statutes) and the Rogers Lake County Natural Area Management Plan and Cultural Resource Policy (Coconino County Resolution 2010-29, or any successor resolutions). Lessee shall not disturb any cacti or other protected native plants nor disturb any ruins, burial grounds, or other archaeological sites except as may be permitted by these laws.

- 16.2 To the extent allowed by law and the conditions of sale of the subject land to Coconino County by the Arizona State Land Department ("ASLD"), Lessor reserves the right to execute leases, permits or sales agreements covering the Subject Land for the purpose of entering upon and prospecting for, and the extraction of such reserved materials.
- 16.3 To the extent allowed by law and the conditions of sale of the subject land to Coconino County by ASLD, Lessor reserves the right to grant rights of way, easements and sites over, across, under or upon the Subject Land for public highways, railroads, utility lines, pipelines, irrigation works, flood control, drainage works, logging and other purposes.
- 16.4 To the extent allowed by law and the conditions of sale of the subject land to Coconino County by ASLD, Lessor reserves the right to relinquish to the United States land needed for irrigation works in connection with a government reclamation project and to grant to 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 Subject Land.
- 16.5 In the event of such relinquishment, grants or disposal, the Lessee waives all right to any compensation whatsoever as against the Lessor except as may be allowed under the Provisions of Article 17, and as limited therein.
- 16.6 Upon the sale, exchange, redemption, relinquishment or taking of all or any portion of the Subject Land, whether by eminent domain or institutional use, this lease shall terminate on the date of such taking as to the property so taken.

ARTICLE 17
CONDEMNATION AND EMINENT DOMAIN

- 17.1 If at any time during the duration of this Lease the whole or any part of the Subject Land shall be taken 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 condemnation or eminent domain pursuant to any law, this Lease shall expire on the date when the leased property is taken or acquired as to the leased property so taken or acquired. Except as set forth below, the rights of Lessee and Lessor to compensation for such taking shall be as provide by law. The Lessee shall have no compensable right or interest in the real property being condemned or interest in the unexpired term of this Lease or any renewal except as provided by law and in any event no interest greater than 10 percent of the total award for the land. The Lessor shall be entitled to and shall receive any and all award for severance damages to remaining proceedings concerning the Subject Land. Lessee's remedy as against Lessor shall be limited exclusively to (1) prorated reimbursement for prepaid rent; (2) any and all awards for payments made for any authorized improvements, placed after the date of execution of this agreement that are taken, and (3) severance damages for any damage to Lessee's remaining ranch operation resulting from the taking.

- 19.4 Lessee shall be given ten days prior notice and opportunity to cure any default within 30 days of notification.

ARTICLE 20
HOLDOVER LEASE

- 20.1 Upon expiration or termination of this Lease, Lessee agrees to surrender to Lessor peaceful and uninterrupted possession of the Subject Land. Holdover tenancy by the Lessee is prohibited and shall be deemed a trespass for which Lessor may seek all appropriate civil and criminal remedies.

ARTICLE 21
INDEMNIFICATION

- 21.1 Except as provided by A.R.S. § 33-1551 (or its successor statutes), Lessee hereby expressly agrees to indemnify and hold harmless, or cause Lessor to be indemnified and held harmless from and against all liabilities, obligations, damages, penalties, claims, causes of action, costs, charges and expenses, including attorney's fees and costs, which may be imposed upon or incurred by or asserted against Lessor by reason of the following: (a) any accident, injury or damage to any persons or property occurring on or about the Subject Land or any portion thereof resulting from Lessee's use of the Subject Land, (b) any use, non-use or condition of the Subject Land or any portion thereof resulting from Lessee's intentional actions or negligence, and (c) failure on the part of Lessee to perform or comply with any of the provisions of this Lease; except such as may be the result solely of Lessor's intentional conduct or active negligence.
- 21.2 In case an action or proceeding is brought against Lessor by reason of any such occurrence, Lessee, upon Lessor's request and at Lessee's expense, will resist and defend such action or proceedings, or cause the same to be resisted and defended either by counsel designated by Lessee or, where such occurrence is covered by liability insurance, by counsel designated by the insurer.
- 21.3 Lessee shall protect, defend, indemnify and hold harmless the Lessor from and against all liabilities, obligations, losses, environmental responses, and clean up costs, charges and expenses, including attorneys' fees and court costs arising out of or related to the presence or existence of any substance regulated under any applicable Federal, State, County or local environmental laws, regulations or ordinances or amendments thereto because of: (a) any substance that came to be located on the Subject Land resulting from any use or occupancy of the Subject Land by the Lessee before or after the issuance of the Lease; or (b) any release, threatened release, escape, seepage, leakage, spillage, discharge or emission of any such substance in, on, under or from said Subject Land that is caused, in whole or in part, by any conduct, actions or negligence of the Lessee, regardless of when such substance came to be located on the Subject Land.

- 22.3 If a policy does expire during the life of the Contract, a renewal certificate must be sent to Coconino County fifteen (15) days prior to the expiration date.
- 22.4 Upon the execution of this Agreement by the Lessee, the Lessee will furnish Coconino County with copies of the Certificates of Insurance drawn in conformity with the above insurance requirements. Coconino County reserves the right to request and receive certified copies of any or all of the above policies and/or endorsements. Failure on the part of the Lessee to procure and maintain the required liability insurance and provide proof thereof to Coconino County within ten (10) days following the commencement of a new policy, will constitute a material breach of the Agreement upon which Coconino County may immediately terminate the Agreement.
- 22.5 The Lessee will comply with statutory requirements for both workers' compensation and unemployment insurance coverage during the term of this Agreement. A Certificate of Insurance for workers' compensation coverage, or Sole Proprietor Waiver, will be provided within ten (10) days of signing this Agreement. The insurer must agree to waive all rights of subrogation against Coconino County, its officers, agents, employees and volunteers for losses arising from work performed by the Lessee for Coconino County.

ARTICLE 23 **MISCELLANEOUS**

- 23.1 This Lease grants Lessee only those rights expressly granted herein and Lessor retains and reserves all other rights in the Subject Land.
- 23.2 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 the Lessors and Lessees. No provisions of this Lease shall create any vested right in Lessee except as otherwise specifically provided in this Lease.
- 23.3 The Lessor shall be forever wholly absolved from any liability for damages which might result to the Lessee in the event this Lease is found to be void, canceled, forfeited or terminated prior to the Expiration Date.
- 23.4 If it is determined that Lessor has failed to receive title to any of the Subject Land, the Lease is null and void insofar as it relates to the land to which the 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.
- 23.5 In any action arising out of this Lease, the Parties stipulate that the Alternative Dispute Resolution ("ADR") program at the Coconino County Courts shall be completed prior to filing or, if filed, advancing a lawsuit related to the subject matter in this Agreement. If litigation ensues or proceeds beyond failed attempts at ADR then the prevailing party is entitled to recover reasonable attorneys' fees incurred therein in addition to the amount of any judgment, costs and other expenses as determined by the court. In the case of Lessor, reasonable attorneys' fees shall be calculated at the reasonable market value for such services when rendered by private counsel notwithstanding that it is represented by the County Attorneys' Office or by other salaried counsel.

23.13 The recitals set forth prior to Article I are incorporated herein as part of this agreement.

IN WITNESS HEREOF, the parties hereto have signed this Document effective the day and year set forth below.

MANTEROLA SHEEP COMPANY, INC.
LESSEE

COCONINO COUNTY
LESSOR

By Jose A. Manterola
Jose A. Manterola
Manager, Manterola Sheep Company, Inc.

By [Signature]
Jeronimo Vasquez, Chair
Board of Supervisors

ACKNOWLEDGED before me by
Jose A. Manterola, President of and for
Manterola Sheep Company, Inc.

ATTEST:

On this 9 day of May, 2024

[Signature]
Clerk of the Board

[Signature]
Erin L. Cody
Notary Public

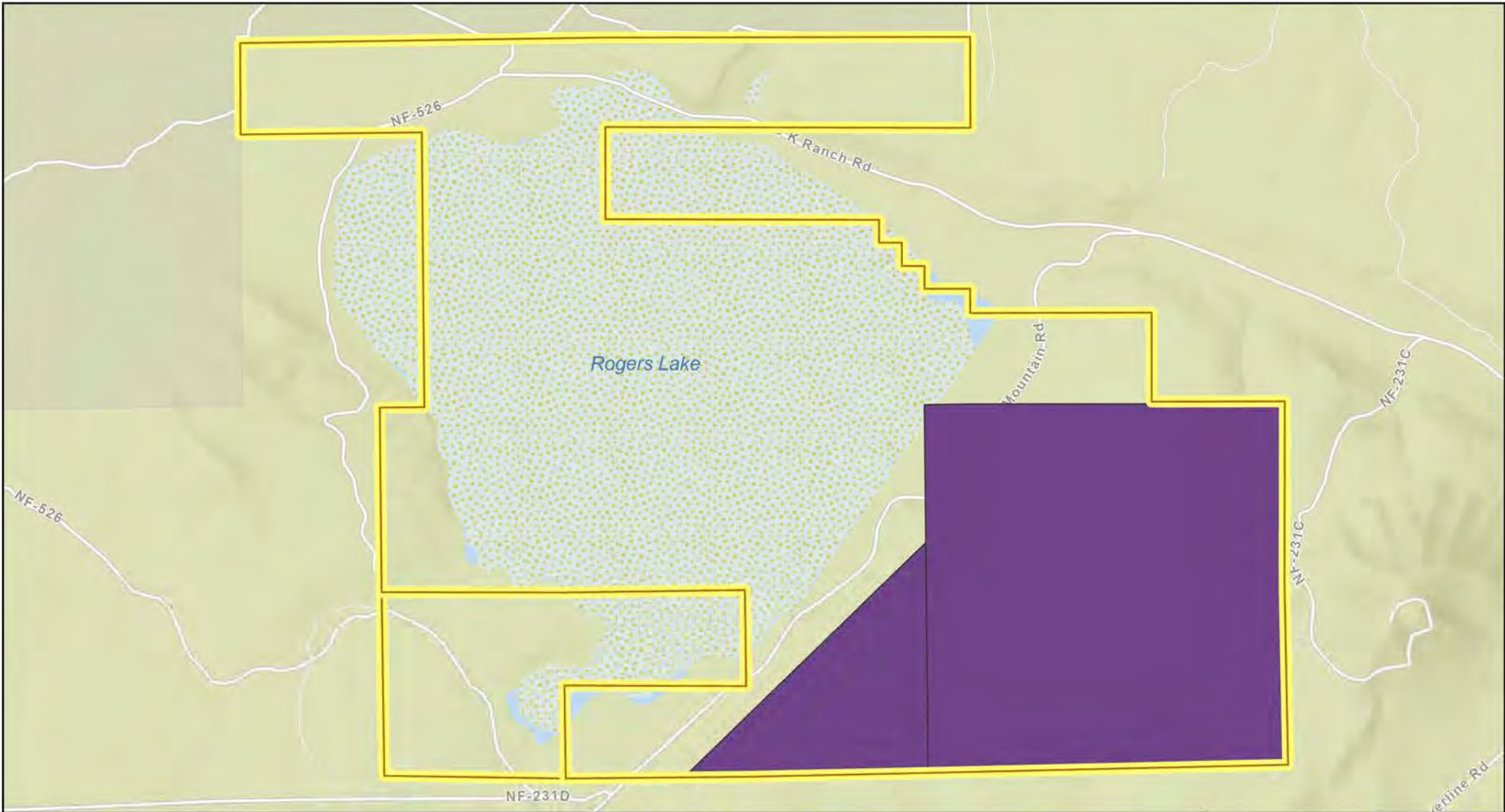
Approved as to form:



[Signature]
Angela Lane
Deputy County Attorney



APPENDIX A

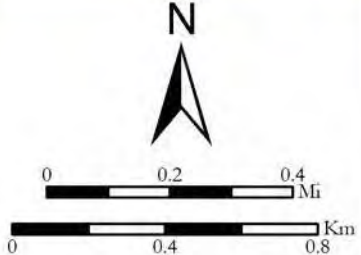
A legible copy can be found
with the Coconino County
Parks and Recreation Dept.



 ROGERS LAKE NATURAL AREA
 MANTEROLA SHEEP COMPANY, INC

Manterola Sheep Co., Inc, Rogers Lake Grazing Leases

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APPENDIX B

Rogers Lake Grazing Lease RL-001

Monitoring Methods for Evaluating Livestock Carrying Capacity

Purpose: Forage utilization will be monitored to ensure livestock numbers are in balance with the available forage and that adequate residue remains at the end of the grazing season to protect and enhance the plant community, soil health, watershed value, and wildlife habitat as well as to obtain the natural resource goals identified in the Rogers Lake County Natural Area Management Plan 2014-2024. (RLCNA-MP)

Goal: A target of forty (40) percent forage utilization measured at the end of the grazing season for the pasture.

Objectives: Forage availability will be assessed at the start of each grazing season to determine if the residual forage combined with the anticipated forage growth will provide adequate forage to stay within the target utilization of forty (40) percent in the upcoming season. Corresponding adjustments to the carrying capacity will be considered if this assessment indicates the target utilization level is either exceeded or falls below the average forage utilization measured over repeated years.

Monitoring Method: Plant community condition and forage utilization will be assessed by representatives from the Coconino County Parks and Recreation Department and the Arizona Game and Fish Department acting under the Intergovernmental Agreement with assistance from members of the Rogers Lake Stakeholders Group as identified in the RLCNA-MP. The assessment will be carried out annually in the spring prior to livestock entry according to the grazing lease. The assessment will continue with data collections throughout the summer grazing period in late June to early July, and finally immediately upon final removal of livestock for the grazing season according to the grazing lease. The purpose of assessing forage conditions prior to releasing livestock into the pasture will be to assess the grazing lease's ability to sustain the planned number of livestock for the proposed grazing period. The purpose of the late June to early July assessment will be to assess the impact of the livestock grazing on stated natural resource goals as set forth in the RLCNA-MP and the grazing lease's ability to sustain the planned number of livestock through the end of the planned grazing period. The purpose of the final assessment will be to determine forage utilization for the grazing period and to assess the overall impact for the year of the livestock grazing on natural resource goals of the RLCNA-MP.

Forage utilization will be measured through Ocular Estimation Method of forage removed. The Ocular Estimate Method measures utilization along a transect by visually estimating the percentage by weight of forage removed for individual plants of the key species or from all plants of the key species within small quadrats. This method is very versatile and is suited for use with both grasses and forbs.

Pasture Enclosures for Habitat Assessment and Improvements:

The establishment of up to four enclosures will be undertaken to assess range conditions, animal use and site potential. Maintenance will be the responsibility of Coconino County. Any enclosures installed may be relocated based on habitat requirements. The enclosures will be maintained to promote the goals and objectives as set forth in the RLNCA-MP.