

## **LEASE AGREEMENT**

This Lease Agreement is made and effective July 1, 2017, by and between Mohave County ("Landlord") and the City of Lake Havasu City ("Tenant").

Landlord is the owner of land and improvements commonly known and numbered as 2001 College Drive, Lake Havasu City, Arizona (the "Building").

Landlord makes available for lease, a portion of the Building, further described as 5,200 square feet of the space currently allocated for consolidated court operations (the "Leased Premises").

Landlord desires to lease the Leased Premises to Tenant, and Tenant desires to lease the Leased Premises from Landlord for the term, at the rental amount and upon the covenants, conditions and provisions herein set forth.

**THEREFORE**, in consideration of the mutual promises herein contained and other good and valuable consideration, it is agreed:

### **1. Term.**

- A.** Landlord hereby leases the Leased Premises to Tenant, and Tenant hereby leases the same from Landlord, for an "Initial Term" beginning July 1, 2017 and ending June 30, 2018, subject to termination and renewal rights as may be hereinafter set forth.
- B.** Tenant may renew the Lease for extended terms of one-year periods. This Lease may be renewed for additional terms. Tenant shall exercise such renewal option, if at all, by giving written notice to Landlord not less than ninety (90)-days prior to the expiration of the Initial Term. The renewal term shall be at the renegotiated rate as allowed in 2.B. of this lease, and otherwise upon the same covenants, conditions and provisions as provided in this Lease.

### **2. Rental.**

- A.** Tenant shall pay to Landlord during the Initial Term rental of ninety thousand seven hundred seventy seven dollars and eighty-four cents (\$90,777.84) per year, payable in installments of seven thousand five hundred sixty four dollars and eighty-two cents (\$7,564.82) per month, due on or before the 1<sup>st</sup> day of each month. This amount is equivalent to \$0.90 a square foot (5,200 square feet), \$4,680 per month plus Tenant's proportionate share of electrical expenses, 14%, utilizing the previous year's expenses, \$736.03 per month, plus Tenant's proportionate share of court security expenses, utilizing the previous year's expenses, \$2148.79 per month. The Tenant shall also pay each month the amounts billed by the County for all charges incurred by the Consolidated Courts for use of the County's telephone system, including specific long distance charges. All payments during the lease term shall be sent to Landlord at: Mohave County Board of Supervisors, P.O. Box 7000, Kingman, AZ 86402-7000.

- B.** The rental for any renewal lease term, if created, as permitted under this Lease, shall be renegotiated taking into consideration increases in electrical and utility expenses and/or any other pertinent factors.

**3. Use.**

The use of the Leased Premises is for the operation of the consolidated courts, Justice of the Peace, Lake Havasu Precinct, and Lake Havasu City Magistrate.

**4. Indemnification.**

Each party (as "Indemnitor") agrees to indemnify, defend, save and hold harmless the other party (as "Indemnitee") from and against any and all claims, losses, liability, costs or expenses including reasonable attorney's fees, hereinafter collectively referred to as ("claims"), arising out of bodily injury of any person, including death or property damage, but only to the extent that such claims which result in vicarious/derivative liability to the Indemnitee, are caused by the act, omission, negligence, misconduct, or other fault of the Indemnitor, its officers, officials, agents, employees, or volunteers.

**5. Insurance.**

Landlord shall maintain fire and extended coverage insurance on the Building and the Leased Premises in such amounts, as Landlord shall deem appropriate. Tenant shall be responsible, at its expense, for fire and extended coverage insurance on all of its personal property, including removable trade fixtures, located in the Leased Premises.

The insurance policies required by this Lease, except Workers' Compensation and Professional Liability, shall name Mohave County, its agents, representatives, officers, directors, officials and employees as Additional Insureds. The Tenant agrees that the insurance required hereunder will be primary and that any insurance carried by the county will be excess and not contributing. An insurance company authorized to transact business in the State of Arizona shall issue the Certificates.

**6. Damage rendering property untenable.**

In the event that the Leased Premises becomes untenable due to damage from (not by limitation) flood, fire, accident or acts of God, the Landlord shall have the option to restore or repair the premises or to terminate this Lease immediately.

**7. Assignment.**

Tenant may not assign its rights or interests in this Agreement without written consent of the Landlord.

**8. Improvements.**

Tenant shall not construct any permanent improvements to the premises without the prior written consent of the Landlord and at the end of the Lease by termination or otherwise the title to any improvements automatically vests in the Landlord. Tenant agrees to keep the Leased Premises free and clear from any liens for services, construction or otherwise.

**9. Termination.**

This Agreement may be terminated, upon a material breach of its terms, by the Tenant, and failure to cure such breach upon 30-days written notice to Landlord. This Agreement may also be terminated by the Landlord, at any time, with or without cause, upon 6 months written notice. It may be otherwise terminated upon the written mutual consent of the parties. This Lease may be cancelled under Arizona Revised Statutes § 38-511.

**10. Notice.**

Any notice required or permitted under this Lease shall be deemed sufficiently given or served if sent by United States certified mail, return receipt requested, addressed as follows:

If to Landlord to:

Mohave County Board of Supervisors  
P. O. Box 7000  
Kingman, AZ 86402-7000

If to Tenant to:

Lake Havasu City Manager  
2330 McCulloch Blvd., N.  
Lake Havasu City, AZ 86403

**11. Final Agreement.**

This Agreement terminates and supersedes all prior understandings or agreements on the subject matter hereof.

**IN WITNESS WHEREOF**, the parties have executed this Lease as of the day and year first above written.

**Mohave County**

\_\_\_\_\_  
Gary Watson, Chairman

\_\_\_\_\_  
Date

**ATTEST:**

\_\_\_\_\_  
Ginny Anderson, Clerk of the Board

**Approved as to form:**

\_\_\_\_\_  
Ryan Esplin, Deputy County Attorney

**Lake Havasu City**

\_\_\_\_\_  
Charlie Cassens, City Manager

\_\_\_\_\_  
Date

**ATTEST:**

\_\_\_\_\_  
Kelly Williams, City Clerk

**Approved as to form:**

\_\_\_\_\_  
Kelly Garry, City Attorney