

LEASE AGREEMENT

THIS AGREEMENT made and entered into by and between the State of Arizona, a body politic, hereinafter to be known as the First Party; and Fort Huachuca Enterprises, Incorporated, an Arizona Corporation, hereinafter to be known as the Second Party;

W I T N E S S E T H:

WHEREAS, the First Party has an interest in certain lands known and designated as the Fort Huachuca Military Reservation, located in Cochise County, Arizona; subject, however, to defects in title arising from faulty draftsmanship of the deed conveying said lands to the First Party, and further subject to certain restrictions and regulations contained in said deed from the War Assets Administration of the Government of the United States of America; and

WHEREAS, the Second Party is a non-profit Corporation organized and established for the purpose of developing, maintaining, and operating certain sections of the Fort Huachuca Military Reservation to the advantage of the said Corporation, and the people of the State of Arizona;

NOW, THEREFORE, these parties do hereby covenant and agree as follows:

(1). That the First Party does hereby lease and demise unto the Second Party certain buildings located in Areas one (1) to six (6) inclusive of the Fort Huachuca Military Reservation; said buildings being listed by number in Appendix A to this agreement. Appendix A is incorporated herein, and made a part hereof in the same manner as though the contents were fully enumerated herein.

TO HAVE AND TO HOLD the possession and enjoyment of said buildings and surrounding lands for a period of ten (10) years from the date of execution of this Agreement unto the Second Party, its successors and assigns, subject to restrictions and limitations hereinafter contained.

The annual rental for these premises is the sum of One (\$1.00) Dollar, which shall become due and payable on the 1st. day of January of each and every year during the term of this lease, and a further sum equal to thirty-five per cent (35%) of the gross receipts of the Second Party for rental of said buildings, or for any sales, concessions, or other business or income-producing activities operated by said Second Party on these premises. Provided, however, no rental shall be paid First Party until the Second Party has realized the sum of One Thousand (\$1,000.00) Dollars in income in surplus from the premises or for any sales, concessions, or any other business or income-producing activities operated thereon. After such sum has been realized, said rental shall accrue and be paid on or before the 1st day of each quarter of the year thereafter, and every year during the term of this Lease, or any extension thereof. Payment shall be accompanied by a sworn statement executed by the President and Treasurer of the Second Party setting forth all items of income derived during the preceding quarter year. It is understood and agreed that the Second Party shall retain all further income derived from the premises leased herein as a contingent fund to be used in the promotion, protection, preservation, rebuilding and reconstruction of the Fort Huachuca Area; provided however, that on the termination of this Lease,

any sum of money so held by Second Party shall revert to the First Party.

The First Party hereby reserves the right to inspect all buildings demised to the Second Party at any time. The First Party also reserves the right to inspect or audit the books of the Second Party at any time.

The First Party does hereby grant unto the Second Party an easement over roads through the Fort Huachuca Military Reservation for the purpose of ingress and egress to the premises herein demised; said Second Party is further granted an easement for its members, guests, and patrons over other lands of the Fort Huachuca Military Reservation for the purpose of recreation, subject however to any and all Rules, Regulations and Restrictions prescribed by any appropriate State or Federal Agency; provided, however, that all such persons shall travel the said Military Reservation at their own risk; and that the State of Arizona shall not be responsible for any injury to said persons, or their property, which may be incurred on such reservation.

The State of Arizona does hereby restrict the use of the premises herein demised, and all such uses shall be approved by the Adjutant General for and on behalf of the State of Arizona. It is further understood and agreed that charges for utilities and services furnished shall be paid by the tenants of the lessee in addition to the rental fixed by First and Second Parties, at rates to be determined by said First Party, and First Party shall provide such utility services when so requested.

In the event that the National Guard of the State of Arizona shall require the use, occupancy, or possession of any of the premises herein demised, or the Federal Government shall require said premises under conditions and restrictions contained in the deed to said premises, the Second Party shall immediately surrender possession thereof.

It is understood and agreed that this Lease is subject to all terms, conditions, and restrictions contained in the deed conveying the Fort Huachuca Military Reservation to the State of Arizona, and that an effort to obtain a corrective deed is now being made whereby the outer boundary of the said Fort Huachuca area is to be defined.

This Lease may be terminated for failure of the Second Party to pay rent as provided herein, on or before the due date, and for failure to exercise due and proper diligence in the promotion of the economic development of Fort Huachuca, or for failure to provide reasonably adequate maintenance of the buildings and premises.

This Lease may be renewed for a period of ten (10) years upon the terms herein provided; provided, however, that the Second Party shall give notice of its intention to so renew said Lease at least six (6) months prior to the date of the termination thereof.

WITNESS the hands of the parties hereto, this 11th day of April, 1950.

STATE OF ARIZONA

By Paul Harvey

FORT HUACHUCA ENTERPRISES, INCORPORATED

By John Smith  
President

STATE OF ARIZONA     )  
                          ) ss  
COUNTY OF MARICOPA   )

On this the 11th day of April, 1950, before me,  
Glee McLaren, the undersigned officer, personally  
appeared Dan E. Garvey, Governor of the State of Arizona, and  
John Pintek, who acknowledged himself to be the President of  
Fort Huachuca Enterprises, Incorporated, and acknowledged that  
they executed the foregoing instrument in the capacity therein  
stated and for the purposes therein contained.

In witness whereof I hereunto set my hand and official  
seal.

Glee McLaren  
Notary Public

My commission expires:

My Commission Expires June 12, 1953