LEASE AGREEMENT

TUCSON RIFLE CLUB, INC. WITH ARIZONA GAME & FISH DEPARTMENT

Governor Fife Symington

Commissioners: Chairman Elizabeth T. Woodin, Tucson Arthur Porter, Phoenix Nonie Johnson, Snowflake Michael M. Golightly, Flagstaff

Director

Duane L. Shroufe Deputy Director

Thomas W. Spalding

Herb Guenther, Tacna

GAME & FISH DEPARTMENT

2221 West Greenway Road, Phoenix, Arizona 85023-4399 (602) 942-3000

August 26, 1994

Mr. Morey Shaw, President Tucson Rifle Club 2606 W. Vereda Las Muchas Tucson, Arizona 85746

Lease Agreement for Three Points Shooting Range Arizona Attorney General Contract No. KR94-1852-LNR R&PP Application A-1420/U.S. Patent No. 02-69-0001

Dear Mr. Shaw:

Please find one fully executed Lease Agreement for the purposes of developing, operating and maintaining a public shooting range and related recreational facilities. The lease has an effective date of November 8, 1993 through November 7, 2018. Rental fees in the amount of \$20.00 (\$10.00/year) are due and payable for 1993 and Please remit the rental fees to the attention of Mr. Jim Tanner, Finance and Accounting Section, at the above address.

We have received the March 1994, Master Development Plan, prepared by the Club with the assistance and final approval of the Tucson Regional Office. The plan outlines existing improvements and proposed improvements planned during the next three years. accordance with the terms of the lease, proposed project plans for range improvements must be submitted to the Game and Fish Department for review and approval. Please submit all proposals and plans to this office for review and approval coordination. Department will conduct an Environmental Assessment Checklist for each proposal to insure compliance with the National Environmental Policy Act of 1969.

Please send a copy of the Club's current liability insurance, as described in paragraph 10, page 4 of the lease.

Sincerely,

Gene Sturla

Land Resources Program Manager

GS:gs

Enclosure

Sue Morgensen, Supervisor, Conservation Section Gerry Perry, Supervisor, Tucson Regional Office Jim Tanner, Finance and Accounting Section

TRC

Arizona Game and Fish Department 2221 West Greenway Road Phoenix, Arizona 85023

Lease Agreement Tucson Rifle Club

Approved As To Form Attorney General Contract No: KR94-1852-LNR

FOR: THREE POINTS SHOOTING RANGE AND RECREATIONAL FACILITIES

Typed: 02/24/94

Arizona Game and Fish Commission and Tucson Rifle Club

THIS LEASE AGREEMENT (agreement) IS ENTERED INTO this 8th day of November, 1993, between the Arizona Game and Fish Commission, hereinafter referred to as "Commission", the term "Department" and "Director" shall mean the Arizona Game and Fish Department and its Director, acting as administrative agent for the Commission; and the Tucson Rifle Club, Inc., a non-profit corporation under the laws of the State of Arizona, hereinafter referred to as "Club".

WHEREAS the Commission may enter into agreements and lease land pursuant to Arizona Revised Statute A.R.S. Sections § 17-231.B.4., and § 17-241.B. and

WHEREAS the Club has developed portions of Commission property known as the Three Points Shooting Range, hereinafter referred to as "shooting range", for the purposes of developing, operating and maintaining a public shooting range and related recreational facilities, and

WHEREAS it is in the best interest of both the Commission and the Club that these properties continue to be used for the sole purpose of providing a public shooting range and related recreational facilities, and

WHEREAS this agreement will authorize the Club to extend their occupancy of the portions of the shooting range as described below for the continuous and sole use as a public shooting range and related recreational facilities.

NOW THEREFORE, the Commission, in consideration of the rents, covenants, and agreements mentioned herein, reserved, and contained on the part of the Club to be paid, kept, and performed, does hereby authorize the Club to develop and maintain the following property subject to the terms and conditions contained and referred to herein for a shooting range complex and related recreational facilities, towit:

Lots 1, 2, 3, and 4, $E_2^{\frac{1}{2}}W_2^{\frac{1}{2}}$ and the $E_2^{\frac{1}{2}}$, Section 30, and Lots 1, 2, 3, and 4, $E_2^{\frac{1}{2}}W_2^{\frac{1}{2}}$ and the $E_2^{\frac{1}{2}}$, Section 31, Township 15 South, Range 10 East, G.& S.B.& M., Pima County, Arizona; and comprising 1,281.48 acres more or less.

- It is understood and agreed that the premises described shall be utilized by the Club solely for the purposes of continued development and/or construction and/or maintenance of a shooting range complex and related recreational facilities.
- Term
 The term of this agreement will be for a period of twenty-five (25) years, commencing on November 8, 1993 and termination on November 7, 2018.
- 3. Rental Rate
 The annual rental rate shall be TEN DOLLARS (\$10.00) per year,
 payable on the first day of each year subsequent to the execution
 of this agreement.
- 4. Purpose, Jurisdiction and Authorities
 - It is agreed and understood that the purpose of this agreement is to cause the continued development, construction, and maintenance of a public shooting range complex and for related public recreational purposes with the understanding that the public shall have equal and reasonable access to the shooting range and recreational facilities without discrimination as to rates charged and without the requirement that the public become affiliated as a member or otherwise with the Tucson Rifle Club, Inc., its divisions, or any of its groups. The Commission shall have the sole authority to determine the Club's compliance with the terms, conditions, and intent of this agreement as expressed herein, and any determination made pursuant to the exercise of that authority shall be binding upon the parties hereto.
 - (b) It is agreed and understood that this agreement and the Commission's obligations and liabilities hereunder are subject to all of the terms, conditions, and provisions of that certain United States Patent, No. 02-69-0001, and the

United States Department of Interior Bureau of Land Management Decision dated February 1, 1968, Recreational and Public Purposes Application A-1420, the terms of which are incorporated herein and made a part hereof by reference, along with any and all amendments and/or revisions thereto and any and all federal, state, or local governmental rules and/or regulations and/or provisions and/or requirements and reservations now in force and effect or hereafter effective, and the Club by execution of this agreement does hereby acknowledge that the Club shall be in full compliance therewith and that any and all rights and privileges of the Club created hereby are subordinate and subject thereto.

- (c) The Club does hereby acknowledge that this agreement is subject to the approval of the appropriate federal and/or state officials.
- (d) The Club agrees that in its use and occupancy of the premises, the Club will comply with all applicable laws, rules, regulations, and ordinances of every governmental body or agency whose authority expends to the premises or to any activities conducted upon the premises, whether or not said laws, rules, regulations, and ordinances are mentioned herein.

5. Operation of the Public Range

Upon the execution of this agreement, there shall established a Range Policy Council composed of the Director or his representative and a representative of the Club. The Range Policy Council shall cause to be completed a master development plan of the entire area outlining improvements to be contained therein. The Range Policy Council shall furthermore promulgate rules and regulations governing the establishment and/or management of said shooting range and related recreational facilities including but not limited to fees, charges, operating hours, safety requirements and restrictions and/or limitations and/or conditions concerning the use of such shooting range and related recreational facilities provided, however, that said master development plan and said rules and regulations and/or any amendments thereto shall subject to the approval of the Commission. It is furthermore agreed that in the event the Range Policy Council is unable to unanimously concur in the completion of a master development plan or in the promulgation of rules and regulations or amendments thereto as aforementioned, the Commission's decision thereon shall be binding.

6. Construction

All construction of range improvements shall be in conformity with all applicable state and county health ordinances and regulations subject to the required consent of any federal and/or state agencies.

7. Facilities and Maintenance

It is understood and agreed that any and all facilities and/or improvements constructed upon said premises by the Club shall be at the expense of the Club, and the Club shall, furthermore, provide at its own expense personnel required for the development, maintenance, and operation of said shooting range complex and related recreational facilities.

8. Fees, Budget and Financial Information

All fees and charges derived by the Club from the operation of said shooting range complex and related recreational facilities, except registered match fees, shall be utilized for the maintenance and/or development of the shooting range complex and related recreational facilities and for public use and purposes and the Commission may, at its option, require that the Club furnish the Commission requested financial information and/or records concerning the receipt and/or retention or disbursement of those funds. The Club, furthermore, agrees to annually budget funds sufficient for the continuous development, maintenance, and operation of said shooting range complex and related recreational facilities.

9. <u>Indemnification</u>

The Club does hereby agree to indemnify and hold harmless the State of Arizona, the Commission and Department, the Arizona State Land Department and the United States of America and all representatives and/or members and/or employees thereof from any and all claims, demands, liabilities and costs of whatsoever kind and nature arising out of the use of and/or maintenance of and/or occupancy of the premises or any portion thereof by the Club or arising out of the acts and/or conduct of any of the Club's agents and/or employees and/or representatives or members of the general public.

10. Liability Insurance

The Club shall procure and maintain in full force and effect commercial general liability insurance, insuring Club and nonclub members in the amount of not less that FIVE HUNDRED THOUSAND AND NO/100THS DOLLARS (\$500,000.00) limits per occurrence. all at the cost of the Club. The Club shall also name the State of Arizona, Commission and Department, Arizona State Land Department and all representatives and/or members and/or employees thereof as an additional insured. As evidence of insurance, a copy of the insurance policy and/or proof of insurance will be provided to the Department upon request of the Department.

11. Mechanics Liens

The Club agrees to keep the premises and structures and improvements thereon free and clear from any and all liens of laborers, mechanics, or materialmen and all liens of a similar character arising out of or growing out of the construction, repair, or alteration and maintenance of such improvements.

12. Reservations

The Commission excepts and reserves from this agreement all oils, gases, coals, ores, limestone, minerals, fossils, and fertilizers of every name and description that may be found in or upon the demised premises or any part thereof. The Commission further reserves the right to enter into any other land use agreements or leases, such as but not limited to utility rights-of-way, which would be compatible with the uses and occupancy as allowed in this agreement.

13. Commission's Interest in Subject Property

In the event this agreement and/or the Club's interests or rights hereunder shall become canceled or terminated prior to the expiration of the term hereof or any extension thereof, or in the event the Commission's interest or right to possession in said property is terminated prior to the expiration of the term of this agreement or any extension thereof, the Commission, the Department, the State of Arizona, and the State of Arizona Land Department and the members and representatives thereof shall be forever wholly absolved from any liability or damages resulting to the Club.

14. Improvements to Subject Property

- (a) The Club agrees at its own expense that it will keep and maintain the premises and all improvements placed thereon by the Club in good condition and repair.
- The Club agrees that all improvements placed upon the (b) premises shall thereupon become the property of the Department and that upon the expiration of the term of this agreement or any extension thereof or upon the termination or cancellation thereof, the Club will surrender to Commission the premises together with all permanent structures, facilities, and improvements thereon erected by the Club. At the expiration and/or termination and/or cancellation of this agreement, the Club shall have the right to remove from the premises all items of personal property which are not permanently affixed to the real property. Commission shall not be liable or responsible for the payment of the cost or value of any structures, facilities, and/or improvements of whatsoever kind and nature placed upon the premises and said improvements shall be deemed to be surrendered to and the ownership thereof vested in the Department without right to or claim for reimbursement for the cost or value thereof in the Club or its successors of assigns.
- (c) The existing well upon the premises is the property of the Commission and any other improvements purchased and/or acquired by the Commission in any manner whatsoever shall remain the property of the Commission.

15. Assignment of Agreement by Club

The Club shall not assign or sublet this agreement or any concession or right hereunder without first having obtained the prior written consent of the Commission. Any assignment and/or sublease and/or concession shall be subject to the terms and conditions requested by the Commission to protect the Commission's interest.

16. Default by Club

- (a) In the event that the Club shall fail to correct any default or fail to be in full compliance with the conditions and/or provisions and/or requirements as set forth or referred to herein within sixty (60) days after notice thereof by the Commission, then this agreement and any and all of Commission's obligations hereunder shall become terminated at the option of Commission without prejudice to the right of Commission to recover from Club all damages and/or sums payable accrued up to and including the date of termination.
- (b) A waiver by the Commission of any default on behalf of the Club or any extension of time granted to Club to cure any default shall not constitute a waiver of the requirement that time is of the essence of this agreement.

17. Termination

In the event the Club shall cease to be a nonprofit corporation in good standing in the State of Arizona and/or ceases to be active in the management and/or development of the shooting range complex and related recreational facilities and/or ceases to maintain the public shooting range complex and related recreational facilities for public recreational purposes so as to provide equal and/or reasonable access thereto by the public and for the use of the public as contemplated herein and within the framework and requirements of this agreement, then the Commission shall be entitled to terminate this agreement as provided herein and negotiate with any other public or private corporation or agency or political subdivision or person for the purpose of the maintenance and the operation of the shooting range facility and related recreational facilities, all without liability and/or obligation and/or damages and/or reimbursement to the Club.

Exception for DPS Lease Agreement

Excepting from this agreement, a 5.05± acre portion of the subject property, more particularly described on Exhibit A attached hereto and by reference incorporated herein, which the Commission and Club have agreed that the Arizona Department of Public Safety, hereinafter referred to as "DPS", may develop and maintain for a pistol and shotgun shooting complex. The 5.05± acre portion shall be developed and maintained by the DPS under the terms and conditions of a Lease Agreement between the DPS and the Commission. Therefore, the Club cedes jurisdiction to the

Commission over the 5.05± acres described in Exhibit A, and it is further agreed that the Commission as Lessor may enter into a Lease Agreement with the DPS as Lessee concerning said property, and that this agreement between the Club and Commission, shall be and is subordinate thereto concerning said 5.05± acres provided however the obligations and responsibilities of the Club as described elsewhere in this agreement concerning public use of and access to the range facilities and supervision of the public in the use thereof shall remain the obligation of the Club when said facilities as constructed by the DPS are not under the exclusive use of the DPS and are available for public use, and the Commission shall have the sole authority to determine the Club's compliance with the requirements contained herein, and any determination made by the Commission pursuant to the exercise of that authority shall be binding upon the Club.

19. Utilities

It is agreed and understood that all utilities including but not limited to electric, gas, water, sewer, trash collection, telephone and television cable shall be in the name of and paid by the Club.

20. New Agreement Option

Upon the expiration of this agreement and in the event the Club shall be in complete and full compliance with all of the terms, requirements, and conditions contained and/or referred to herein, the Club shall have an option to enter into a new agreement subject to the terms and conditions as may be recommended by the Department and approved by the Commission. The exercise of the option to enter into and/or mailing of written notice of intention to enter into a new agreement to the Director of the Department at least sixty (60) days prior to the termination of this agreement.

21. Amendments

This agreement can be modified only by a written amendment signed by both Parties. However, if mutually agreed, the Parties may enter into specific supplemental agreements or contract, subject to appropriate approvals, to accomplish the goals of this agreement and to carry out the terms and conditions.

22. Conflict of Interest

It is agreed and understood that this agreement may be terminated as provided in the default section, or subject to cancellation by the Governor of Arizona, pursuant to Arizona Revised Statute, A.R.S. § 38-511, in the event of an illegal conflict of interest. The provisions of Arizona Revised Statute, A.R.S. § 38-511, are incorporated herein.

Arbitration 23.

The parties agree to use arbitration, after exhausting applicable administrative review, to resolve disputes arising out of this agreement where the sole relief sought is monetary damages of \$50,000.00, or less, exclusive of interest and costs.

Invalidity of a Term 24.

The parties agree that in the event any term, covenant or condition herein contained should be held to be invalid or void by a court of competent jurisdiction, the invalidity of any such term, covenant or condition shall in no way affect any other term, covenant or condition of this agreement.

Use of Headings 25.

The use of headings are for convenience only and are not to be construed as part of this agreement.

Terms and Conditions Binding 26.

The terms and conditions of this agreement shall extend to and be binding upon the heirs, executors, and administrators and assigns of the parties hereto.

IN WITNESS WHEREOF, each person signing this agreement warrants that he/she has the capacity, full power, and authority to execute this agreement and consummate the transaction (s) contemplated hereby on behalf of the parties herein.

behalf of the parties herein.	
APPROVED: Governor, State of Arizona	
By: J. Fife Symington, Governor	6/21/94 Date
APPROVED: Arizona State Land Commissioner	
By: M. Jean Hassell, Commissioner	1 6/20/94 Bate
APPROVED: U.S. Department of the Interior Bureau of Land Management	
By: State Director, Arizona	5/25/9p Date
APPROVED: Tucson Rifle Club, Inc.	
By: Manager President	5-1-91 Date
ATTEST:	
Tucson Rifle Club, Inc.	
By: Secretary	5-1-94 Date
APPROVED: Arizona Game and Fish Commission	
By: Duane L. Shroufe, Secretary	X 5-11-94 Date

to the Commission and Director, Arizona Game & Fish Department