

Cottonwood Airpark Leases

1. May 5, 1983, an agreement was made between The "Town" of Cottonwood and Cottonwood Airpark, Inc. The lease was executed between the Town of Manager, The Town of Cottonwood, 807 North Main Street, Cottonwood, Arizona 86326 and Mr. Jack Seitz, Cottonwood Airpark, Inc., P.O. Bx 18, Cornville, Arizona 86326. Others involved with Airpark, Inc. were Mr. William Fulkerson, Phoenix, Arizona and Mr. Robert Erven Brown, Scottsdale, Arizona.

a. Purpose: "promoting economic development and the creation of new employment opportunities."¹

b. Purpose: "providing the residents of Cottonwood with access to improved job opportunities on the Property."²

c. Land encompassed by lease: "Tracts One through Eight . . ."³

d. Term: "Airport-Related Areas is twenty-five years, and for all of the remainder of the Property is fifty years."⁴

e. Term: "this Lease may be extended for Airport-Related Areas for three successive periods of twenty-five years each and the Term for all other areas for two successive periods of twenty five years each. If Tenant elects to extend the Term, he must deliver written notice to the "Town Treasurer" of the Town of Cottonwood at any time prior to the expiration of the Term. . . . These extensions shall not be subject to the requirement of a second public bidding process."⁵

f. Rent: "The Rent for all Unimproved Ground Rent shall remain One Hundred Twenty Five Dollars per acre thereafter and for all renewals and extensions."⁶

g. Rent: "On the first day of the calendar month following the Improved Ground Rent Commencement Date, the Improved Ground Rent for the Improvement Lot shall be \$.01 per square foot of the area within the improvement Lot which is subleased to a subtenant."

h. Rent: "If the Sub-Rent per square foot received by Tenant from the Sub-Tenant increase after January 1, 1986, then the Improved Ground Rent due to the Landlord shall also be increased by the same percentage calculated on a per square foot basis."⁷

i. Insurance. If the City makes a "written request," the Tenant must produce Builder's Risk insurance and support that the premium has been paid.⁸

¹ Exhibit "A", May 5, 1983 lease, p. 3, (A).

² Exhibit "A", May 5, 1983, lease p. 3, (D)

³ Exhibit "A", May 5, 1983, p. 3, (2)(A).

⁴ Exhibit "A", May 5, 1983, p. 5, 3(A),

⁵ Exhibit "A", May 5, 1983, p. 5, C.

⁶ Exhibit "A", May 5, 1983, p. 6, 2. Note the table that sets the unimproved acre/year rent at \$125 per acre per year beginning in 1997.

⁷ Exhibit "A", May 5, 1983, p. 7, B(3). The percentage is to be applied to the .01 per square foot base.

j. Assignment. Tenant may assign the lease in its entirety upon approval by the Landlord. Tenant may also sublet all or any part of the Premises, Improvements or both, and may assign, encumber, extend or renew any Sublease.⁹

k. Insurance. Tenant must maintain comprehensive broad form general public liability insurance of at least three Million Dollars for personal injury or death to any one person, Five Million Dollars for any one accident or occurrence, and Five Hundred Thousand Dollars for property damage. City must be named as a co-insured.¹⁰

l. If City requests, Tenant must provide copies of all insurance policies, certificates evidencing the insurance, and Binders representing all insurance required by the Lease.¹¹

m. Note in particular Section 25, C. In this provision, the parties warrant that they have had no dealings with any real estate broker or agents in connection with the negotiation of this Lease. They claim to know of no real estate broker or agent or finder who is entitled to a commission and or fee in connection with this lease.

n. Note the right of the Landlord (City) to enter the Premises or Improvements at all reasonable times for inspection.¹²

o. Note the absence of plot plan on Exhibit 1.

p. Note the failure of Tenant to pay at the Improved Ground Rent may result in forfeiture of unimproved property.¹³

q. Note the timetable on page 31. Before December 31, 1988, Tenant had to complete the requirements of installing all Offsite improvements (construction in the public right of way—see p. 9, Section 6(1)) on at least 15 acres. Then, by December 31, 1993, Tenant was to have completed 25 gross acres, i.e., “Tenant shall fulfill the Requires of this Section,” which is section D, on page 30.

h. Note that after 1993, Tenant was supposed to fulfill the section requirements by increasing development requirements of the section on 10 acres for each 5 year period. This would most likely mean that by 1993 25 acres was to be developed; 1998 30 total acres; 2003 35 acres; 2008 a total of 40 acres. (It will be necessary to obtain a plot map to determine whether these goals were met.)

⁸ Exhibit “A”, May 5, 1983, p. 9, 6(B).

⁹ Exhibit “A”, p. 13, sections 12-13.

¹⁰ Exhibit “A”, p. 14, Section 14 (B).

¹¹ Exhibit “A”, p.14, Section 14, D.

¹² Exhibit “A”, p. 22, Section 25, Q.

¹³ Exhibit “A”, p. 30, Exhibit 5, D(2).