

**PROPERTY LEASE AGREEMENT
BETWEEN
SANTA FE COUNTY AND
THE TOWN OF EDGEWOOD**

This Lease Agreement ("Lease") is made and entered into on this 14th day of February 2014, ("the Effective Date") by and between Santa Fe County ("Lessor") and the Town of Edgewood, a New Mexico municipal corporation ("Lessee").

WHEREAS, Lessor is the owner of real property and facilities located at 23 Frontage Road, Edgewood, New Mexico 87015 (the "Leased Premises");

WHEREAS, Lessor desires to lease the Leased Premises to Lessee, and Lessee desires to lease the Leased Premises from Lessor upon the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the mutual promises contained herein, and for other good and valuable consideration, the Lessor and Lessee agree as follows:

1. Lease.

Lessor hereby leases to Lessee a portion of the property including the facilities consisting of office space, a parking facility and parking area at said address to be used by the Lessee for its Police Department and related activities. The location of the property and facilities that are the subject of this lease are identified on Exhibit A attached hereto.

2. Term.

A. The Term of the Lease shall begin on the date indicated above and shall terminate one (1) year later (the "Term").

B. Lessee may renew this Lease for a successive term of no more than two (2) years. Lessee shall exercise such renewal option by providing written notice to Lessor not less than ninety (90) days prior to the expiration of the initial Term. The renewal term shall be upon the covenants, conditions and provisions as contained in this Lease or as may be agreed upon by the parties upon renewal.

3. Rent.

Lessee shall pay to Lessor the amount of one dollar (\$1.00) per year, due and payable upon the effective date of this Lease and thereafter upon the yearly anniversary of the Term, to the following address: 102 Grant Avenue, P.O. Box 276, Santa Fe, N.M. 87504-2076.

4. Conditions of Lease.

A. Lessee agrees to occupy the Leased Premises for the sole and exclusive purpose of operating and conducting the activities of the Lessee's Police Department and related activities including making the Leased Premises available for public or community purposes subject to the limitation stated in paragraphs 4.D and 4.E below. Lessor hereby grants Lessee all rights, titles and privileges to operate and conduct such activities in accordance with the terms of this Lease.

B. When applicable and in accordance with the Lessee's procurement policies, Lessee agrees to utilize local vendors and provides of goods and services to the extent feasible.

C. Lessee agrees to keep and maintain the Leased Premises in good order, condition and repair and shall be responsible for those items which are of a permanent nature to the building, including every part and appurtenance thereof, including without limitation, the exterior and interior of all doors, door checks, windows, glass, walls, ceilings, floors, building front, fixtures, plumbing and waste water and/or the septic tank connection within or connected to the Leased Premises including the free flow up to the septic tank, heating and cooling systems, electrical systems and sprinkler systems. Lessee shall further be responsible for (i) sweeping and snow removal on the sidewalk immediately in front of the Leased Premises; (ii) sweeping and snow removal on the sidewalk immediately in front of any front and rear doors to the Leased Premises and (iii) sweeping and snow removal within the smoking and outdoor patios. Lessee shall provide all janitorial services for the Leased Premises.

D. Lessee shall not use the Leased Premises for the purposes of storing, manufacturing or selling any explosives, flammables or other inherently dangerous substance, chemical, thing or device except as used in the ordinary course of Lessee's business.

E. Lessee shall not use the Leased Premises for gambling, serving of alcoholic beverages or religious services of any kind with the exception of funerals.

5. Sublease and Assignment.

Lessee shall not assign this Lease without Lessor's written consent to a business with which Lessee may merge or consolidate, to any subsidiary of Lessee, to any corporation under common control with Lessee, or to a purchaser of substantially all of Lessee's assets. Further, Lessee shall not sublease all or any part of the Leased Premises, or assign this Lease in whole or in part without Lessor's written consent.

6. Repairs.

During the Term of the Lease and any successive renewal thereof, Lessee shall make, at Lessee's expense, all necessary repairs to the Leased Premises. Repairs shall include such items as routine repairs of floors, walls, ceilings, and other parts of the Leased Premises damaged or worn through normal occupancy, including major mechanical systems or the roof, subject to the obligations of the parties otherwise set forth in this Lease.

7. Alterations and Improvements.

A. Lessee, at Lessee's expense, shall have the right, upon obtaining Lessor's consent, which consent will not be unreasonably withheld, and in compliance with applicable law, building ordinances, and any regulations of governmental authorities having jurisdiction over the Leased Premises, to remodel, redecorate, and make additions, improvements and replacements of and to all or any part of the Leased Premises from time to time as Lessee may deem desirable, provided the same are made in a workmanlike manner and utilizing good quality materials. Lessee shall have the right to place and install personal property, trade fixtures, equipment and other temporary installations in and upon the Leased Premises, and fasten the same to the Leased Premises. All personal property, equipment, machinery, trade fixtures and temporary installations, whether installed or affixed to the Leased Premises by Lessee at the commencement of the Lease Initial Term or any time thereafter, shall remain Lessee's property free and clear of any claim by Lessor. Lessee shall have the right to remove the same at any time during the Term of this Lease provided that Lessee shall repair, at Lessee's expense, all damage to the Leased Premises caused by such removal. In doing and performing such work as may be herein provided, no lien of mechanics, material men, laborers, architects, artisans, contractors, subcontractors, or any other lien of any kind whatsoever, shall be created or imposed upon the Leased Premises or any part thereof.

B. Upon the execution of this Lease, Lessor approves Lessee's plan to complete and be responsible for the maintenance of certain improvements consisting of the application of base course, asphalt, and parking bumpers, to the parking area noted on Exhibit A. Lessee's completion of these improvements to the parking area shall conform to all applicable federal, state, county or municipal laws, regulations or codes pertaining to construction and public and handicap access. The completed improvements shall be permanent fixtures to the Leased Premises and upon termination of this Lease will be considered Lessor's property.

8. Property Taxes.

If applicable, Lessee shall be responsible for paying all personal property taxes with respect to Lessee's personal property at the Leased Premises.

9. Insurance.

A. The Lessee shall submit evidence of insurance as required herein. Policies of insurance shall be written by companies authorized to write such insurance in New Mexico.

B. The Lessee shall procure and maintain during the Term of this Lease, and any successive renewal thereof, coverage for property insurance for the Leased Premises in amounts not less than \$1,050,000 combined single limit coverage of bodily injury, property damage or combination thereof. The Lessor shall be a named additional insured on the policy.

C. The Lessee shall comply with the provisions of the Workers' Compensation Act.

D. If, during the Term of this Lease and any successive renewal thereof, the Legislature of the State of New Mexico increases the maximum limits of liability under the Tort Claims Act (NMSA 1978, Sections 41-4-1 through 41-4-29, as amended), the Lessee shall increase the maximum limits of any insurance required herein.

E. If the Leased Premises or any other part of the building is damaged by fire or other casualty resulting from any act of negligence by Lessee or by any of Lessee's agents, employees or invitees, rent shall not be diminished or abated while such damage is under repair, and Lessee shall be responsible for the costs of repair not covered by insurance.

G. Lessor shall maintain fire and extended coverage insurance on the building and the Leased Premises in such amount as Lessor shall deem appropriate. Lessee 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.

10. Utilities.

A. Lessee shall be responsible for the payment of all electric, gas, refuse, water and sewer, telephone, internet and other communication utilities charges attributable to the Leased Premises during the Term and any successive renewal thereof. Lessor shall pay the amount due and separately invoice Lessee for Lessee's pro rata share of the charges. Lessee shall pay such all undisputed utility charges prior to the due date. Lessee acknowledges that the Leased Premises are designed to provide standard office use electrical facilities and standard office lighting. Lessee shall not use any equipment or devices that utilize excessive electrical energy or which may, in Lessor's reasonable opinion, overload the wiring or interfere with electrical services to other lessees.

11. Signs.

Lessee shall have the right to place on the Leased Premises, at locations selected by Lessee with the consent of Lessor, which consent will not be unreasonably withheld, any signs which are permitted by applicable zoning ordinances and private restrictions. Lessor may withhold consent to any proposed signage that is in Lessor's opinion too large, deceptive, unattractive or otherwise inconsistent with or inappropriate to the Leased Premises or use of any other tenant. Lessee shall repair all damage to the Leased Premises resulting from the removal of signs installed by Lessee.

12. Entry.

Upon twenty-four (24) hours prior notice, Lessor shall have the right to enter upon the Leased Premises at reasonable hours to inspect the same, provided Lessor shall not thereby unreasonably interfere with Lessee's business on the Leased Premises.

13. Parking.

During the Term of this Lease and any successive renewal thereof, Lessee shall have the exclusive use in common with Lessor, its guests and invitees, of the parking area indicated in Exhibit A. Lessor reserves the right to designate other parking areas for Lessee and Lessee's agents and employees. Lessee shall provide Lessor with a list of all license numbers for the cars owned by Lessee, its agents and employees.

14. Building Requirements.

Lessee will comply with the requirements of the property or facility adopted imposed by the Lessor from time to time and will cause all of its agents, employees, invitees and visitors to do so; all changes to such requirements will be sent by Lessor to Lessee in writing.

15. Damage and Destruction.

If the Leased Premises or any part thereof or any appurtenance thereto is so damaged by fire, casualty or structural defects, such damage or defects not being the result of any act of negligence by Lessee or by any of Lessee's agents, employees or invitees, that the same cannot be used for Lessee's purposes and the Lessor is unable or unwilling to provide alternative premises for Lessee's use to conduct the Lessee's operations, then Lessee shall have the right within ninety (90) days following damage to elect by notice to Lessor to terminate this Lease as of the date of such damage. In the event of minor damage to any part of the Leased Premises, and if such damage does not render the Leased Premises unusable for Lessee's purposes, Lessor shall promptly repair such damage at the cost of the Lessor. In making the repairs called for in this Section, Lessor shall not be liable for any delays resulting from strikes, governmental restrictions, inability to obtain necessary materials or labor or other matters which are beyond the reasonable control of Lessor. Lessee shall be relieved from paying rent and other charges during any portion of the Lease term that the Leased Premises are inoperable or unfit for occupancy, or use, in whole or in part, for Lessee's purposes.

16. Default.

In the event of a default made by Lessee in the payment of rent when due to Lessor, Lessee shall have fifteen (15) days after receipt of written notice thereof to cure such default. In the event of a default by either party in any of the other covenants or conditions to be kept, observed and performed under this Lessee, the defaulting party shall have thirty (30) days after receipt of written notice thereof to cure such default. In the event that the defaulting party fails to cure any default within the time allowed under this paragraph, the non-defaulting party may terminate this Lease by giving the defaulting party written notice of such termination. If, after termination hereunder, possession of the Leased Premises is not surrendered, Lessor may reenter said premises. The non-defaulting party shall have, in addition to the remedy above provided, any other right or remedy available to it on account of any default. The non-defaulting party shall use reasonable efforts to mitigate its damages.

17. Termination.

Either party may terminate this Lease, with or without cause, within ninety (90) days prior written notice to the other party. In the event either party terminates this Lease, the Lessor shall reacquire from Lessee the Leased Premises. Any alterations or improvements to the Leased Premises made by Lessee in accordance with Section 7 hereof not removed prior to Lessee vacating the Leased Premises shall become the property of Lessor.

18. Quiet Possession.

Lessor covenants and warrants that upon performance by Lessee of its obligations hereunder, Lessor will keep and maintain Lessee in exclusive, quiet, peaceable and undisturbed and uninterrupted possession of the Leased Premises during the Term of this Lease.

19. Condemnation.

If any legally, constituted authority condemns the building or such part thereof which shall make the Leased Premises unsuitable for leasing, this Lease shall cease when the public authority takes possession. Such termination shall be without prejudice to the rights of either party to recover compensation from the condemning authority for any loss or damage caused by the condemnation. Neither party shall have any rights in or to any award made to the other by the condemning authority.

20. Subordination.

Lessee accepts this Lease subject and subordinate to any mortgage, deed of trust or other lien presently existing or hereafter arising upon the Leased Premises, or upon the facilities and to any renewals, refinancing and extensions thereof, but Lessee agrees that any such mortgagee shall have the right at any time to subordinate this Lease to such mortgage, deed of trust or other lien on such terms and subject to such conditions as such mortgagee may deem appropriate in its discretion. Lessor is hereby irrevocably vested with full power and authority to subordinate this Lease to any mortgage, deed of trust or other lien now existing or hereafter placed upon the Leased Premises of the building. Lessee agrees that it will from time to time upon request by Lessor execute and deliver to such persons as Lessor shall request a statement in recordable form certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as so modified), stating the dates to which rent and other charges payable under this Lease have been paid, stating that Lessor is not in default hereunder (or if Lessee alleges a default stating the nature of such alleged default) and further stating such other matters as Lessor shall reasonably require.

21. Notice.

Any notice required or permitted under this Lease shall be deemed sufficiently given or served the day personal service is made, or three (3) days after mailing if sent by United States certified mail, return receipt requested, addressed as follows:

Lessor:

Santa Fe County
Attn: Katherine Miller, Manager
102 Grant Avenue
P.O. Box 276
Santa Fe, NM 87504-0276

Lessee:

Town of Edgewood
Attn: Kay Davis McGill
Town Administrator
PO Box 3610
Edgewood, NM 87015

Lessor and Lessee shall each have the right from time to time to change the place notice is to be given under this Section by written notice thereof to the other party.

22. Waiver.

No waiver of any default of Lessor or Lessee hereunder shall be implied from any omission to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect any default other than the default specified in the express waiver and that only for the time and to the extent therein stated. One or more waivers by Lessor or Lessee shall not be construed as a waiver of a subsequent breach of the same covenant, term or condition.

23. Headings.

The headings used in this Lease are for convenience of the parties only and shall not be considered in interpreting the meaning of any provision of this Lease.

24. Successors.

The provisions of this Lease shall extend to and be binding upon Lessor and Lessee and their respective legal representatives, successors and assigns.

25. Consent.

Lessor and Lessee shall not unreasonably withhold or delay their consent with respect to any matter for which Lessor's or Lessee's consent is required or desirable under this Lease.

26. Compliance with Law.

Lessee and Lessor each shall comply with all laws, orders, ordinances and other public requirements now or hereafter affecting the Leased Premises.

27. Amendment.

This Lease may be amended only by an instrument in writing duly executed by both parties..

28. Liability.

A. Each party shall be liable for its actions in accordance with this Agreement. Any liability incurred by either party in connection with this Agreement is subject to the immunities and limitations of the New Mexico Tort Claims Act, NMSA 1978, Section 41-4-1, et. seq. as amended. The Lessor and Lessee and their "public employees" as defined in the New Mexico Tort Claims Act, do not waive sovereign immunity; do not waive any defense; and do not waive any limitation of liability pursuant to law. No provision in this Agreement modifies or waives any sovereign immunity or limitation of liability enjoyed by the Lessor or Lessee or their "public employees" at common law or under the New Mexico Tort Claims Act.

29. Independent Entity.

The Lessor and Lessee and their agents and employees are independent entities and are not employees or agents of the other party. Accordingly, neither Lessor or Lessee and their agents and employees shall accrue leave, participate in retirement plans, insurance plans, or liability bonding, use vehicles, or participate in any other benefits afforded to employees or agents of the other party. Except as may be expressly authorized elsewhere in this Lease, neither party has authority to bind, represent, or otherwise act on behalf of the other party and agrees not to do so.

30. Appropriations and Authorizations.

This Lease is contingent upon sufficient appropriations and authorizations being made for performance of this Lease by the Board of County Commissioners of Santa Fe County, the Town of Edgewood, and/or, if state funds are involved, the Legislature of the State of New Mexico. If sufficient appropriations and authorizations are not made in this or future fiscal years by any entities from which appropriations or authorizations are required, this Lease shall terminate upon written notice to the other party. Such termination shall be without penalty and neither party shall have a duty to reimburse the other party for expenditures made under this Lease. Neither party is committed to expenditure of any funds until such time as they are programmed, budgeted, encumbered and approved for expenditure. Each party's decision as to whether sufficient appropriations and authorizations have been made for the fulfillment of this Lease

shall be final and not subject to challenge by the other party in any way or forum, including a lawsuit.

31. Scope of Agreement; Merger.

This Lease incorporates all the agreements, covenants and understandings between the parties hereto concerning the subject matter hereof, and all such agreements, covenants and understandings have been merged into this Lease. No prior agreement, covenant or understanding, verbal or otherwise, of the parties or their agents shall be valid and enforceable unless embodied in this Lease.

32. Force Majeure.

Whenever a period of time is herein prescribed for action to be taken by either party, said party shall not be liable or responsible for, and there shall be excluded from the computation for any period of time, any delays due to strikes, riots, acts of God, war, restrictive governmental laws or regulations or any other causes of any kind whatsoever which are beyond the control of the party or parties.

33. Applicable Law.

This Lease shall be construed in accordance and governed by the laws of the State of New Mexico and federal and state regulations where directly applicable. Lessee agrees to operate the Leased Premises in accordance with and to at all times comply with said laws and all local laws, ordinances, and regulations. Lessee agrees that any disputes regarding this lease shall be resolved in the state district court located in Santa Fe County, New Mexico.

34. Severability.

If any clause or provision of this Lease is declared to be illegal, invalid or unenforceable by a court of competent jurisdiction, then and in that event, the remainder of this Lease shall not be affected thereby, and that in lieu of each clause or provision of this Lease that is illegal, invalid or unenforceable, there shall be added as a part of this Lease a clause or provision as similar in terms to such illegal, invalid or unenforceable clause or provision as may be possible and be legal, valid and enforceable.

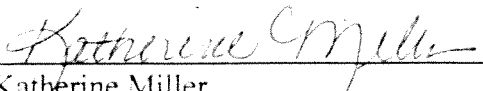
36. Survival.

The provisions of the following paragraphs shall survive termination of this Lease: 19 (Condemnation) and 28 (Liability).

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

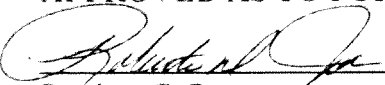
LESSOR:

SANTA FE COUNTY


Katherine Miller
Santa Fe County Manager

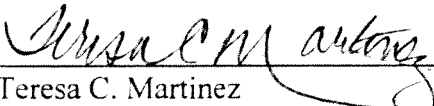
2-14-14
Date

APPROVED AS TO FORM:


Stephen C. Ross
Santa Fe County Attorney

1-23-14
Date

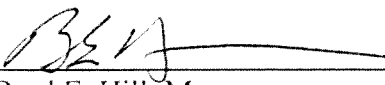
FINANCE DEPARTMENT APPROVAL:


Teresa C. Martinez
Santa Fe County Finance Director

2/14/14
Date

LESSEE:

TOWN OF EDGEWOOD


Brad E. Hill, Mayor
Town of Edgewood

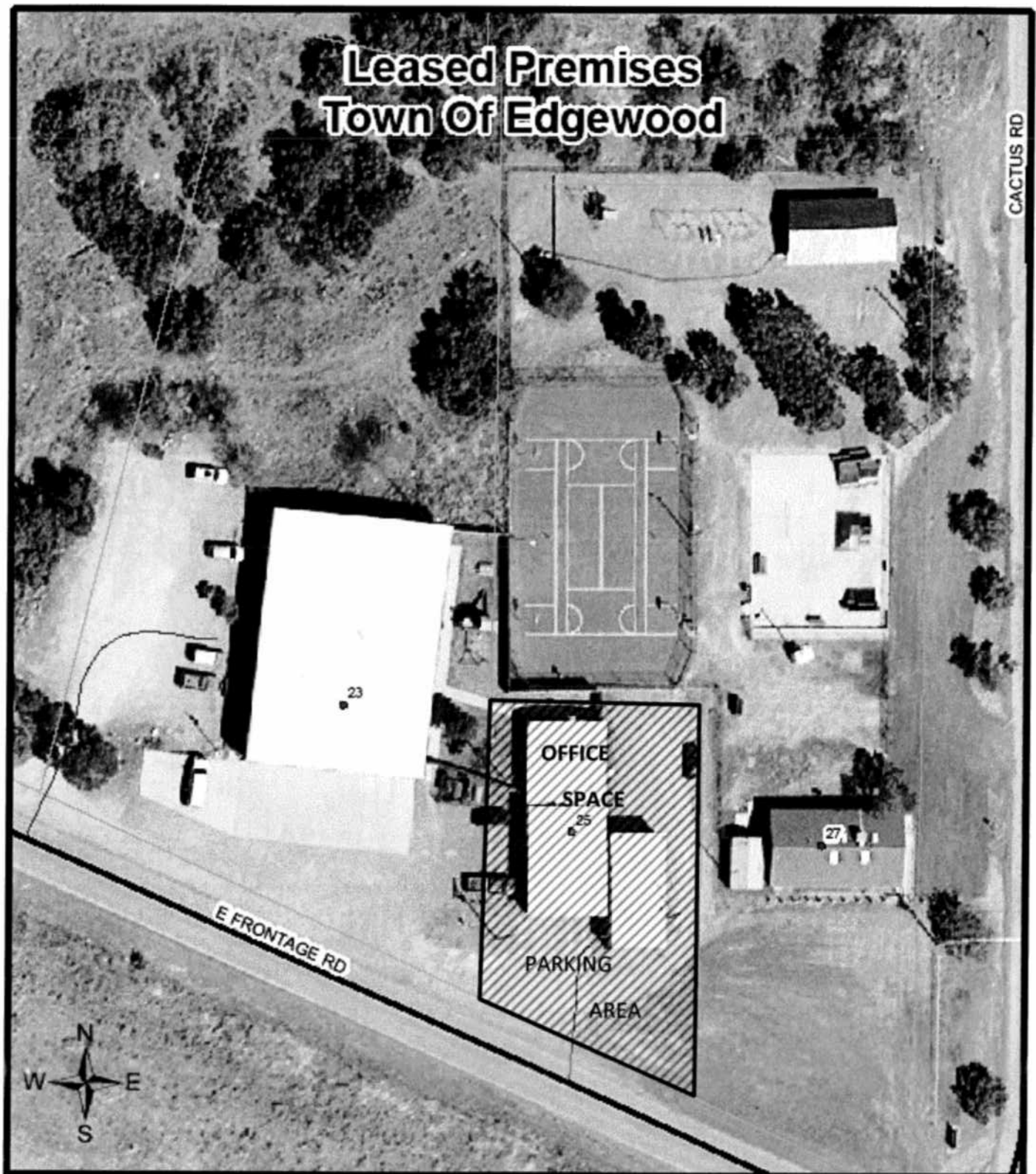
Date

01/17/2014


FEDERAL TAX I.D. NUMBER: 85-0463203

Leased Premises Town Of Edgewood

CACTUS RD



Legend

- ROADS
- STRUCTURES
-  Leased Premises

23 E . Frontage Road, Edgewood, NM

1 inch Represents 50 feet
50 25 0 50 Feet

2008 Orthophotography
2 FOOT CONTOURS

This information is for reference only.
Santa Fe County assumes no liability for
errors associated with the use of these data.
User are solely responsible for
confirming data accuracy.



November 1, 2013

EXHIBIT

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