

JOHN McCAIN
ARIZONA

CHAIRMAN
COMMITTEE ON INDIAN AFFAIRS
COMMITTEE ON ARMED SERVICES
COMMITTEE ON COMMERCE,
SCIENCE, AND TRANSPORTATION

United States Senate

241 RUSSELL SENATE OFFICE BUILDING
WASHINGTON, DC 20510-0303
(202) 224-2235

5353 NORTH 16TH STREET
SUITE 105
PHOENIX, AZ 85016
(602) 952-2410

4703 SOUTH LAKESHORE DRIVE
SUITE 1
TEMPE, AZ 85282
(480) 897-6289

407 WEST CONGRESS STREET
SUITE 103
TUCSON, AZ 85701
(520) 670-6334

TELEPHONE FOR HEARING IMPAIRED
(802) 952-0170

March 27, 2006

Bureau of Land Management
Arizona State Office
Phoenix, Arizona

Ms. Elaine Zielinski
Director
Bureau of Land Management
1 North Central Avenue
Phoenix, AZ 85004

MAR 29 2006

910	_____	930	_____
LEO	_____	950	_____
910B	_____	Field Office	_____
911	_____	Central Files	_____
912	CC _____	FOIA	JK 3-29-06
917	_____	Action	930

Dear Ms. Zielinski:

I wish to bring to your attention a matter concerning Thomas Birch, who would like to acquire an automatic lease renewal.

Because the situation is under your jurisdiction, I am respectfully referring this matter to you for consideration. I feel that this issue would be better addressed by you and request that you respond directly to Mr. Birch.

Thank you.

Sincerely,

John McCain
United States Senator

JM/xcs
Enclosure(s)

RECEIVED
BUREAU OF
LAND MANAGEMENT
2006 MAR 29 P 3:13
ARIZONA
STATE OFFICE
PHOENIX, ARIZONA

RECEIVED MAR 21 2006



Black Canyon Fire Department
P.O. Box 967 - 34781 S. Mud Springs Road
Black Canyon City, AZ 85324
(623) 374-5512
(623) 374-5513 Fax



<http://www.bcvfd.org>

March 17, 2006

Via Facsimilie & U.S. Mail

The Honorable John McCain
United States Senator
241 Russell Senate Office Building
United States Senate
Washington, D.C. 20510

Fax No. (202) 228-2862

The Honorable John McCain
5353 North 16th Street, Suite 105
Phoenix, AZ 85016

Fax No. (602) 952-8702

RECEIVED
BUREAU OF
LAND MANAGEMENT
2006 MAR 29 P 3:12
ARIZONA
STATE OFFICE
PHOENIX, ARIZONA

**Re: *Constituent: The Black Canyon Fire District
U.S. Department of Agriculture, Rural Development Financing
Bureau of Land Mgmt., Recreation and Public Purposes Act Lease***

Dear Senator McCain:

We are writing to ask your assistance to resolve issues we are having with the Bureau of Land Management.

We lease approximately 6.25 acres from BLM under the Recreation & Public Purposes Act. The lease (copy enclosed for your reference) is for the maximum term of twenty-five years, as permitted under the Recreation and Public Purposes Act statute and regulations. As you will note from the lease, we have an option to obtain a patent from BLM for the property upon substantial completion of development on the property. We have firm plans to construct a community fire station on the property. The architectural phase is well under way and at this time, we are only awaiting financing.

The planned community fire station will be very helpful to the District, allowing it to serve its constituents in a more effective and efficient manner. Last year's wildfires came perilously close to endangering the lives and properties of our constituents, the residents of Black Canyon City. Given the imminent fire season, the need for the new fire station is urgent to allow us to assure the safety of Black Canyon City.

To finance the construction for the new community fire station, we have applied for \$861,000 in financing from USDA Rural Development. The term of the loan would be forty years. USDA has requested security in the form of USDA placing a deed of trust (lien) on the property. However, this will still not provide USDA with adequate

The Honorable John McCain
Re: *The Black Canyon Fire District*
March 17, 2006
Page 2

security because the BLM lease is for twenty-five years while the loan term is for forty years. (USDA still feels insecure despite knowing that we will obtain ownership of the property (patent) from BLM upon the construction being completed subject to BLM's time to process our patent request). USDA says they would feel more secure if the BLM lease afforded us the privilege of automatically renewing the lease upon expiration of the twenty-five year term, provided we are not in default at that time.

Enclosed is a copy of the Recreation and Public Purposes Act statute and regulations, which have been highlighted for your ease of review. As you will note, BLM has the authority to grant us, as the lessee, the privilege of automatically renewing the lease. However, BLM's standard form of lease, under which we leased the subject property, provides BLM the **discretion** to renew the lease. Our counsel drafted an addendum to the lease to allow us the automatic privilege of renewal so that we can provide USDA with adequate security for them to extend financing to us (copy enclosed). While BLM has advised that they are considering our request, they also advised that they are not inclined to do so as they are loathe to remove this right of discretionary renewal from their field officers.

We need your assistance. Please encourage BLM to cooperate with us in regards to granting us the privilege of renewing the BLM lease at its expiration provided we are not in default at that time. Quite frankly, as we will be obtaining a patent to the property after the community fire station is completed, thus obviating and terminating the BLM lease within the next two years, we cannot understand why BLM would not willingly and expeditiously cede to our request to amend the lease.

We thank you in advance for any assistance you can provide at your earliest possible convenience.

Sincerely,

Black Canyon Fire District



Thomas A. Birch, Fire Chief

Form 2912-1
(May 2001)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Serial Number

AZA-32208 (01)

RECREATION OR PUBLIC PURPOSES LEASE
Act of June 14, 1926, as amended (43 U.S.C. 869 et. seq.)

This lease entered into on this 3 day of September, 20 04, by the United States of America, the lessor, through the authorized officer of the Bureau of Land Management, and **BLACK CANYON CITY FIRE DEPARTMENT**

hereinafter called the lessee, pursuant and subject to the terms and provisions of the Recreation and Public Purposes Act and to all reasonable regulations of the Secretary of the Interior now or hereafter in force when not inconsistent with any express and specific provisions herein, which are made a part hereof,

WITNESSETH:

Sec. 1. The lessor, in consideration of the rents to be paid and the conditions to be observed as hereinafter set forth, does hereby grant and lease to the lessee the right and privilege of using for the purposes hereinafter set forth in the following-described lands:

T. 8 N., R. 2 E., GILA AND SALT RIVER MERIDIAN, ARIZONA

SECTION 10, N1/2NE1/4NW1/4NW1/4.

together with an option to purchase during the term of the lease upon a showing of substantial compliance with the approved plan of development designated in Section 4(a)

containing 3.0 acres, together with the right to construct and maintain thereon all buildings or other improvements necessary for such use for a period of 25 years, the rental to be \$ 25.00 per annum. ~~At the expiration date of the lease, the authorized officer shall determine that the lease may be renewed, the lessee herein will be accorded the privilege of renewal upon such terms as may be fixed by the lessor. The lessee may use the premises for~~

CONSTRUCTION OF A COMMUNITY FIRE STATION.

Sec. 2. There are reserved to the United States all mineral deposits in said lands, together with the right to mine and remove the same under applicable laws and regulations to be established by the Secretary of the Interior.

- Sec. 3. The lessor reserves the right of entry, or use, by
- (a) any authorized person, upon the leased area and into the buildings constructed thereon for the purpose of inspection;
 - (b) Federal agents and game wardens upon the leased area on official business;
 - (c) the United States, its permittees and licensees, to mine and remove the mineral deposits referred to in Sec. 2, above.

Sec. 4. In consideration of the foregoing, the lessee hereby agrees:

(a) To improve and manage the leased area in accordance with the plan of development and management designated as **DEVELOPMENT AND IMPROVEMENT PLAN SUBMITTED ON SEPTEMBER 22, 2002.**

and approved by an authorized officer on SEPT. 7, 2004 or any modification thereof hereinafter approved by an authorized officer, and to maintain all improvements, during the term of this lease, in a reasonably good state of repair.

(b) To pay the lessor the annual rental above set forth in advance during the continuance of this lease.

(c) Not to allow the use of the lands for unlawful purposes or for any purpose not specified in this lease unless consented to under its terms: not to prohibit or restrict, directly or indirectly, or permit its agents, employees, contractors (including, without limitation, lessees, sub-lessees, and permittees), to prohibit or restrict the use of any part of the leased premises or any of the facilities thereon by any person because of such person's race, creed, color, sex, or national origin.

(d) Not to assign this lease or to change the use of the land without first receiving the consent of the authorized officer of the Bureau of Land Management.

(e) That this lease may be terminated after due notice to the lessee upon a finding by the authorized officer that the lessee had failed to comply with the terms of the lease; or has failed to use the leased lands for the purposes specified in this lease for a period of 5 consecutive years; or that all or part of the lands is being devoted to some other use not consented to by the authorized officer; or that the lessee has not complied with his development and management plans referred to in subsection 4(a).

(f) That upon the termination of this lease by expiration, surrender, or cancellation thereof, the lessee, shall surrender possession of the premises to the United States in good condition and shall comply with such provisions and conditions respecting the removal of the improvements of and equipment on the property as may be made by an authorized officer.

(g) To take such reasonable steps as may be needed to protect the surface of the leased area and the natural resources and improvements thereon.

(h) Not to cut timber on the leased area without prior permission of, or in violation of the provisions and conditions made by an authorized officer.

(i) That nothing contained in this lease shall restrict the acquisition, granting, or use of permits or rights-of-way under existing laws by an authorized Federal officer.

Sec. 5. *Equal Opportunity Clause.* Lessee will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended; and the rules, regulations, and relevant orders of the Secretary of Labor. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 6. *Equal Access Clause.* Lessee shall comply with all provisions of the American Disabilities Act of July 26, 1990 the Architectural Barriers Act of 1968 and Section 504 of the Rehabilitation Act of 1973, as amended. These Acts require that programs and public facilities constructed or renovated be accessible to and usable by persons with disabilities.

Sec. 7. The lessee may surrender this lease or any part thereof by filing a written relinquishment in the appropriate BLM office. The relinquishment shall be subject to the payment of all accrued rentals and to the continued obligation of the lessee to place the lands in condition for relinquishment in accordance with the applicable lease terms in subsections 4(f) and 4(g) and the appropriate regulations.

Sec. 8. The lessee further agrees to comply with and be bound by those additional terms and conditions identified as

EXHIBIT A (STIPULATIONS)

and which are made a part hereof.

Sec. 9. No Member of, or Delegate to, the Congress, or Resident Commissioner, after his election or appointment, and either before or after he has qualified, and during his continuance in office, and no officer, agent, or employee of the Department of the Interior, except as otherwise provided in 43 CFR, Part 7, shall be admitted to any share or part of this lease, or derive any benefit that may arise there from, and the provisions of Title 18 U.S.C. Sections 431—433, relating to contracts, enter into and form a part of this lease, so far as the same may be applicable.

FOR EXECUTION BY LESSEE

THE UNITED STATES OF AMERICA

IN WITNESS WHEREOF:

Thomas A. Briel
(Signature of Lessee's Authorized Officer)

By Jeresa A Lamb
(Authorized Officer)

Mason Clarke
(Signature of Witness)

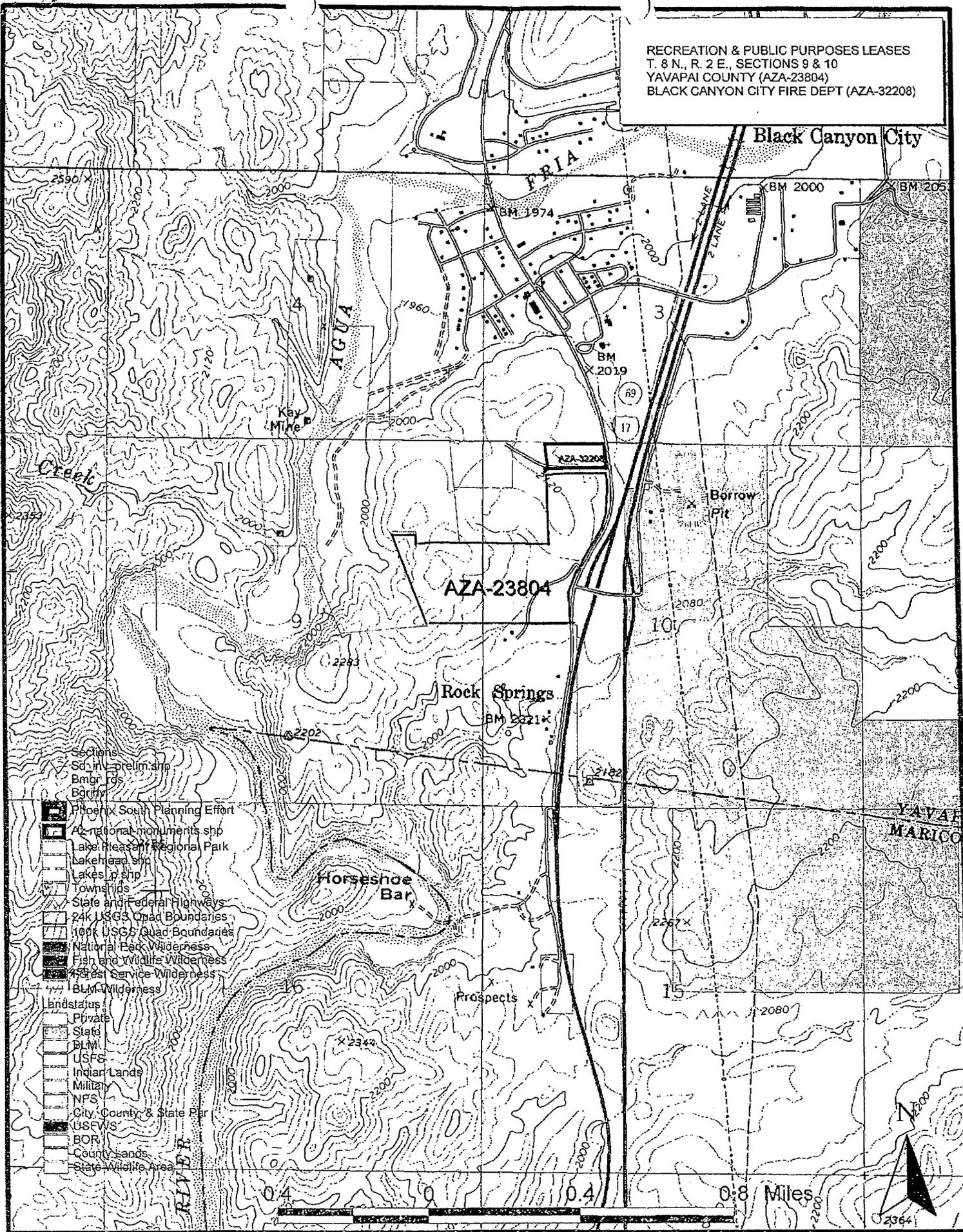
Field Mgr
(Title)

9/3/04
(Date)

9/3/04
(Date)

This form does not constitute an information collection as defined by 44 U.S.C. 3502 and therefore does not require OMB approval.

RECREATION & PUBLIC PURPOSES LEASES
 T. 8 N., R. 2 E., SECTIONS 9 & 10
 YAVAPAI COUNTY (AZA-23804)
 BLACK CANYON CITY FIRE DEPT (AZA-32208)



Black Canyon City

AZA-23804

AZA-32208

Rock Springs

Horseshoe Bar

Borrow Pit

Prospects

- Sections
- Subdiv. preliminary
- Boundary
- Boundary
- Phoenix South Planning Effort
- AZ national monuments shp
- Lake Mead Regional Park
- Lake Mead shp
- Lakes shp
- Townships
- State and Federal Highways
- 24K USGS Quad Boundaries
- 100K USGS Quad Boundaries
- Natural Park Wilderness
- Fish and Wildlife Wilderness
- Forest Service Wilderness
- BLM Wilderness
- Land status
- Private
- State
- BLM
- USFS
- Indian Lands
- Military
- NPS
- City, County & State Park
- USFWS
- BOR
- County Lands
- State Wildlife Area

0.8 Miles



September 3, 2004
AZA-32208
Page 1 of 1

EXHIBIT A
R&PP LEASE STIPULATIONS

1. All applicable regulations in accordance with 43 CFR 2740.
2. Any cultural and/or paleontological resources (historic or prehistoric site or object) discovered by the holder or any person working on the holders behalf, on public or federal land shall be immediately reported to the authorized officer. The holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the authorized officer. An evaluation of the discovery will be made the authorized officer to determine the appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of the evaluation and any decision as to the proper mitigation measures will be made by the authorized officer after consulting with the holder.

acreage, the provisions of § 4110.4-2 of this title shall apply.

Subpart 2912—Recreation and Public Purposes Act

§ 2911.2-3 Report by Administrator; Notice of Realty Action.

(a) Upon receipt of the application, the authorized officer shall send 1 copy to the Administrator for a determination concerning what fuel facilities, lights, and other furnishings are necessary to meet the rating set by that agency. After receiving the report of the Administrator, and before making a determination to issue a lease, the authorized officer shall publish a Notice of Realty Action in the FEDERAL REGISTER and in a newspaper of general circulation in the area of the lands to be leased. The notice shall provide 45 days from the date of publication in the FEDERAL REGISTER for comments by the public. Comments shall be sent to the office issuing the notice. The notice shall not be published until the authorized officer has received the filing fee from the applicant and is satisfied that all statutory and regulatory requirements have been met.

(b) The notice of realty action may segregate the lands or interests in lands to be conveyed to the extent that they will not be subject to appropriation under the public land laws, including the mining laws. The segregative effect of the notice of realty action shall terminate either upon issuance of a document of conveyance or 1 year from the date of publication in the FEDERAL REGISTER, whichever occurs first.

[51 FR 40809, Nov. 10, 1986; 51 FR 45986, Dec. 23, 1986]

§ 2911.2-4 Execution of lease.

Upon receipt of the payments required by § 2911.2-2(b) of this title and not less than 45 days following the publications required by § 2911.2-4 of this title, the authorized officer shall make a decision on the application and, if the application is approved, issue the lease.

[51 FR 40809, Nov. 10, 1986; 51 FR 45986, Dec. 23, 1986]

AUTHORITY: Recreation and Public Purposes Act, as amended (43 U.S.C. 869, *et seq.*).

SOURCE: 44 FR 43473, July 25, 1979, unless otherwise noted.

§ 2912.0-7 Cross reference.

The general requirements and procedures under the Recreation and Public Purposes Act are contained in part 2740 of this title.

§ 2912.1 Nature of interest.

§ 2912.1-1 Terms and conditions of lease.

(a) The term of leases under the Recreation and Public Purposes Act, hereafter referred to as *the Act*, shall be fixed by the authorized officer but shall not exceed 20 years for nonprofit associations and nonprofit corporations, and 25 years for Federal, State, and local governmental entities. A lease may contain, at the discretion of the authorized officer, a provision giving the lessee the privilege of renewing the lease for a like period.

(b) Leases shall be issued on a form approved by the Director, Bureau of Land Management and shall contain terms and conditions required by law, and public policy, and which the authorized officer considers necessary for the proper development of the land, for the protection of Federal property, and for the protection of the public interest.

(c) Leases shall be terminable by the authorized officer upon failure of the lessee to comply with the terms of the lease, upon a finding, after notice and opportunity for hearing, that all or part of the land is being devoted to a use other than the use authorized by the lease, or upon a finding that the land has not been used by the lessee for the purpose specified in the lease for any consecutive period specified by the authorized officer. The specified period of non-use or unauthorized use shall not be less than 2 years nor more than 5 years.

(d) Reasonable annual rentals shall be established by the Secretary of the Interior and shall be payable in advance. Upon notification of the amount

§ 2912.2

of the yearly rental, a lease applicant shall be required to pay at least the first year's rental before the lease shall be issued. Upon the voluntary relinquishment of a lease before the expiration of its term, any rental paid for the unexpired portion of the term shall be returned to the lessee upon a proper application for repayment to the extent that the amount paid covers a full lease year or years of the remainder of the term of the original lease. Leases for recreational or historic-monument purposes to a State, county or other State or Federal instrumentality or political subdivision shall be issued without monetary consideration.

(e) Leases are not transferable except with the consent of the authorized officer. Transferees shall have all the qualifications of applicants under the Act and shall be subject to all the terms and conditions of the regulations in this part.

(f) A lessee shall not be permitted to cut timber from the leased lands without prior permission from the authorized officer.

(g) All leases shall reserve to the United States all minerals together with the right to mine and remove the same under applicable laws and regulations to be established by the Secretary of the Interior.

§ 2912.2 Renewal of leases.

A lessee with a privilege of renewal must notify the authorized officer at least 180 days before the end of the lease period that it will exercise the privilege.

§ 2912.3 Substitution of a new lease.

A lessee may apply for a new lease at any time. Applications for new leases shall be accompanied by consent of the lessee to cancellation of the existing lease upon the issuance of the new lease and by three copies of a statement showing (a) the need for a new lease and (b) any changes in the use or management of the lands or the terms and conditions of the lease which the applicant desires.

Subpart 2916—Alaska Fur Farm

SOURCE: 35 FR 9665, June 13, 1970, unless otherwise noted.

43 CFR Ch. II (10-1-05 Edition)

§ 2916.0-3 Authority.

The Act of July 3, 1926 (44 Stat. 821, 48 U.S.C. secs. 360, 361), authorizes the Secretary of the Interior to lease public lands on the mainland of or islands in Alaska, with the exception of the Pribilof Islands, for fur farming, for periods not exceeding ten years.

§ 2916.0-6 Policy.

(a) The authority to lease the public lands in Alaska for fur-farming purposes was granted in order to promote the development of the production of furs in Alaska.

(b) No lease for the purpose of raising beavers will be granted on any area already occupied by a beaver colony nor will any such lease be granted on streams or lakes where the activities of beavers may interfere with the run or spawning of salmon.

(c) In order to offer more people an opportunity to lease lands, and to avoid tying up large areas of land unnecessarily, fur-farming leases on public lands will not be granted for areas greater than are justified by the needs and experience of the applicant.

§ 2916.0-8 Area subject to lease.

(a) *Acreage limitation and exceptions.*
(1) On the mainland such leases may be for an area not exceeding 640 acres. A lease may cover an entire island, provided the area thereof does not exceed 30 square miles, and provided the need for such entire island is clearly established. Islands so close together that animals can cross from one to the other and whose combined area does not exceed 30 square miles, will be treated as one island. Islands having an area of more than 30 square miles will be treated as mainland.

(2) Where a lease is granted for an area in excess of 640 acres on an island, the manager may, after notice to the lessee, reduce the area to an amount not less than 640 acres, if he determines that the lessee cannot reasonably use all of the area for which the lease was granted.

(b) *Lands subject to lease.* (1) Vacant, unreserved, and unappropriated public lands are subject to lease.

(2) Except for lands under the jurisdiction of the Fish and Wildlife Service and the National Park Service, public

ADDENDUM

This Addendum entered into on this _____ day of _____, 2006, amending the Lease, Serial No. AZA-32208, entered into on September 3, 2004 (the "Lease"), by The United States of America, the Lessor, through the authorized officer of the Bureau of Land Management, and Black Canyon Fire District, a political subdivision of the State of Arizona, herein after called the Lessee, pursuant to and subject to the terms and provisions of the Recreation and Public Purposes Act and to all reasonable regulations of the Secretary of the Interior, which are made a part hereof.

WITNESSETH:

WHEREAS, the Lessee is obtaining from USDA Rural Development financing over a forty-year term to construct a community fire station; and

WHEREAS, Lessee intends to grant USDA a security interest in Lessee's leasehold interest in the Lease; and

WHEREAS, the Lease entered into by and between the parties on September 3, 2004 is for a twenty-five year term and vests renewal in the discretion of the Lessor; and

WHEREAS, for Lessee to provide adequate security to the USDA the parties desire to amend this Lease to provide that the Lessee may renew this Lease at its expiration provided the Lessee is in not default thereunder at such time; and

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree and amend the Lease as follows:

1. In Section 1 of the Lease, the sentence that reads,

If, at the expiration of the date of the Lease the authorized officer shall determine that the Lease may be renewed, the Lessee herein will be accorded the privilege of renewal upon such terms as may be fixed by the Lessor.

is hereby deleted in its entirety and replaced with the following:

If, at the expiration date of the Lease the Lessee is not in default hereunder, the Lessee herein will be accorded the privilege of renewing the Lease for a like period.

DRAFT

Except as set forth herein, all of the provisions of the Lease shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Addendum.

Lessee:

Black Canyon Fire District

Lessor:

The United States of America

By: _____
Thomas A. Birch
Fire Chief

By: _____
Teresa A. Raml
Field Manager

Westlaw.

Page 1

43 U.S.C.A. § 869-1

c

Effective: [See Text Amendments]

UNITED STATES CODE ANNOTATED

TITLE 43. PUBLIC LANDS

CHAPTER 20--RESERVATIONS AND GRANTS TO STATES FOR PUBLIC PURPOSES

→§ 869-1. Sale or lease to State or nonprofit organization; reservation of mineral deposits; termination of lease for nonuse

The Secretary of the Interior may after due consideration as to the power value of the land, whether or not withdrawn therefor, (a) sell such land to the State, Territory, county, or other State, Territorial, or Federal instrumentality or political subdivision in which the lands are situated, or to a nearby municipal corporation in the same State or Territory, for the purpose for which the land has been classified, and conveyances of such land for historic-monument purposes or recreational purposes under this section shall be made without monetary consideration, while conveyances for any other purpose under this section shall be made at a price to be fixed by the Secretary of the Interior through appraisal or otherwise, after taking into consideration the purpose for which the lands are to be used, (b) lease such land to the State, Territory, county, or other State, Territorial, or Federal instrumentality or political subdivision in which the lands are situated, or to a nearby municipal corporation in the same State or Territory, for the purpose for which the land has been classified, at a reasonable annual rental, except that leases of such lands for recreational purposes shall be made without monetary consideration, for a period up to twenty-five years, and, at the discretion of the Secretary, with a privilege of renewal for a like period, (c) sell such land to a nonprofit corporation or nonprofit association, for the purpose for which the land has been classified, at a price to be fixed by the Secretary of the Interior through appraisal, after taking into consideration the purpose for which the lands are to be used, or (d) lease such land to a nonprofit corporation or nonprofit association at a reasonable annual rental, for a period up to twenty years, and, at the discretion of the Secretary, with a privilege of renewal for a like period. Each patent or lease so issued shall contain a reservation to the United States of all mineral deposits in the lands conveyed or leased and of the right to mine and remove the same, under applicable laws and regulations to be established by the Secretary. Each lease shall contain a provision for its termination upon a finding by the Secretary that the land has not been used by the lessee for the purpose specified in the lease for such period, not over five years, as may be specified in the lease, or that such land or any part thereof is being devoted to another use.

Current through P.L. 109-169, P.L. 109-173 approved 02-15-06

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END OF DOCUMENT

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United States Department of the Interior
BUREAU OF LAND MANAGEMENT

Arizona State Office
One North Central Avenue, Suite 800
Phoenix, Arizona 85004-4427
www.blm.gov/az/



TAKE PRIDE
IN AMERICA

In Reply Refer to:
1781/1400 (931)

MAY 5 2006

Thomas A. Birch, Fire Chief
Black Canyon Fire Department
P.O. Box 967-34781 South Mud Springs Road
Black Canyon City, Arizona 85324

Dear Chief Birch:

This letter is in response to your Recreation & Public Purposes (R&PP) Act inquiry of March 27, 2006, to Senator John McCain. The Bureau of Land Management (BLM) understands and appreciates your efforts to build the Black Canyon City Fire Station and remain supportive of your quest. We have been in discussion with you in regards to your request for an automatic privilege of a lease renewal. In our discussion with you and your attorney, we informed you that we would contact our Solicitor for an opinion. Prior to your inquiry of Senator McCain, we were awaiting a response from our Solicitor as to the legality of your request.

We are sympathetic to your frustration in trying to work out a financing plan with the US Department of Agriculture (USDA) Rural Development for the construction of your fire station. Since receipt of your inquiry to Senator McCain, we have spoken with our Solicitor. Although we cannot provide an automatic renewal, your lease does provide the language that we believe will be satisfactory to the USDA Rural Development. Subject to compliance with all terms and conditions of the lease, this language shall provide a renewal for a like period.

Since your inquiry, you have spoken with the Clay Templin, Hassayampa Field Manager, and we hope your inquiry was adequately addressed. If any further information is needed, please contact Clay Templin at (623) 580-5500.

Sincerely,

/s/ Teresa A. Raml

for Elaine Y. Zielinski
State Director

cc: The Honorable John McCain

bc: WO-615, 401, LS
AZ-912, 210, 200

MRoth:djj:05/04/06

Handwritten notes:
Jenny 5/4/06
Hess 5/4/06
L. Ontiveros 5/5/06